

## Business Plan for London's

# *Celebration Centre*

The Celebration Centre will be a world class community centre that engages performance partners to come together to celebrate and enjoy a creative space that provides economic and socio-cultural benefits to the region. The Celebration Centre is a purpose-built and professionally managed facility that will present, promote and develop professional music, dance and entertainment performances for the Southwest Ontario marketplace. This Business Plan was requested by London City Council to support a mixed use residential development in downtown London by July 2017.

# Special Thank You

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Thank you to our Joint Task Force and the Music London Steering Committee:

## **Joint Task Committee**

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# 0.0 The Case Statement Overview

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The Music London Business Plan finds that the development of a mixed use project in downtown London through a public private partnership, including both a new arts centre and a new multi residential commercial development is both **feasible and desirable**. City staff has reported that “the Music London submission scored highly on the ability to leverage investment. The Music London proposal could deliver significant return on investment for the City of London...the City of London could realize a new entertainment centre; a new residential development and a significant increase in the vibrancy of the downtown core.”

The mixed use development is consistent with the mandate of the Investment and Economic Prosperity Committee (IEPC) to move London’s economy forward faster and ensures long term prosperity for our community. The objectives of the Prosperity Plan were identified as follows:

- Create Jobs
- Leverage Investment
- Stimulate spin-off benefits
- Build beneficial partnerships
- Benefit key sectors
- Fuel transformational change in London’s economy.

London’s Cultural Prosperity Plan - and its companion document, London’s Cultural Profile Report was presented to City of London’s Creative City Committee January 30, 2013.. The consulting team comprised of The Canadian Urban Institute, Sierra Planning and Management and Novita Interpares Limited led the development of the Cultural Profile Report and DIALOG led the planning process for the Cultural Prosperity Plan. They worked in collaboration with the City of London Creative City Working Group which was supported by the City of London Culture Office, London Arts Council and London Heritage Council. The highlights below underscore the importance of continued and increased investment in the culture sector to yield long term economic growth and improve the quality of life in London.

- The overall contribution of the cultural sector to the City of London in direct terms is an estimated \$540 million per annum.
- The direct contribution of the cultural sector in the City is \$1,475 per capita.
- The City of London invested \$60 per capita on culture in 2011.
- The city had 7,703 cultural jobs in 2011, with workers making \$329 million.
- 4.2% of all workers in London were employed in cultural occupations (2006) while the Canadian average was 3.3%.
- Nearly 1,300 "cultural enterprises" - many of them small businesses - operated in London in 2011.

There is unified and consistent agreement Centennial Hall is at the end of its life after 50 years of service to the community. (Novita 2007) London is poorly served by the current facility. The level of performance and business activity is below provincial and national averages. The people of London are poorly served as audience members and the artists of London lack adequate performance space to develop their skills and talents. London is ready for a new centre for local performances and to attract world class cultural experiences to the community.

The Music London Business Plan conclusions are based on 15 months of research on governance, management, operations, programming, marketing with like minded centre's in North America, public consultations with stakeholders, and with industry experts in construction, finance, facility management and operations, tour operators, cultural organizations and local arts organizations and performance artists.

The Music London Business Plan also builds on an extensive array of needs assessments and marketing studies undertaken for the City of London, that recommend Centennial Hall needs to be replaced with a more dynamic performance space for economic development purposes and to contribute to the quality of life in London, including:

- Music London, Feasibility Study, February 2014
- Cultural Asset Plan, May 2013
- Downtown Master Plan, 2013
- Creative Cities Plan January 2013
- Novita, Malhotra, Nicholson, Feasibility and Condition Study of Centennial Hall, September 2007
- EllisDon Corporation, April 2004
- ARTEC Consultants, London Performing Arts Centre, November 2003
- Performing Arts of Today (PACT) Business Plan, October 1989
- Patrick Coles, Architect January 1989
- Brian Hall Architect June 1988
- Insights Business Marketing 1988
- Lett/Smith Architects Centennial Hall Study 1980
- Lett Smith Architects Centennial Hall Study Supplementary 1980

London City Council has actively pursued targeted economic development investments that will contribute significantly to job creation and growing the local economy. The City of London IEPC commenced the process in June 2012 with a request for proposals. Music London's mixed use development for the downtown was endorsed as a Council priority for investment. London City Council then supported the Community Cultural Investment Feasibility Report in February 2014. City Council requested the Music London Team to prepare a Business Plan based on the feasibility study. The Business Plan is to include a facility schematic, estimated capital and operating cost ranges, site selection criteria, and details on governance, management, operations, fund raising, programming and marketing plans. The Business Plan provides a critical path that enables the *Celebration Centre* to be open in time for Canada's 150<sup>th</sup> Sesquicentennial birthday.



## Summary of Findings

- Celebration Centre will be a superior performing arts venue to the current facility. The Centre will be purpose built and professionally managed to develop and present professional music, dance and entertainment performances for the Southwest Ontario marketplace.
- Celebration Centre will inspire and delight the citizens of London with a broad range of excellent performances.
- Celebration Centre will be a creative landmark in the downtown from an architectural and urban design standpoint. A public plaza will be architecturally synergized with Victoria Park and the Woodfield Heritage district and welcome patrons, heighten the sense of arrival, and serve as a community gathering space.
- The mixed use development will provide a high rate of return on investment to the taxpayers of the City of London and form a sustainable public/private partnership. The addition of new parking will be welcomed in the downtown.
- The focus on music, dance and entertainment will generate a robust mix of unique programming that will appeal to a regional community and bring more destination visitors and higher spending to the core of the community. This will result in a larger economic impact on small business, the hospitality sector, jobs and cultural awareness in London.
- The programming mix will complement and enhance the current supply of arts and cultural programming in the area. The Centre will operate almost every night of the year and will serve locally based nonprofit groups, touring companies, and commercial presenters.
- The Centre will continue to be managed by the private sector and a professional facility and event manager will guide programming and operations that perform effectively in a highly competitive market place. The facility management will be partnered with a community animator organization that will foster a steady supply of local presenters and frequent renters from the hall user community.
- The Centre will become an Arts and Entertainment Hub by providing a shared space and shared services for the local music, dance and entertainment community. The Centre will save costs for the not for profit community agencies and strengthen marketing and promotion of their performances.
- Performance and patron space has been right sized to “fit” the local community. The seat size is specifically placed to add capacity without detracting from other venues and performance spaces in London. It is more seats than the Grand Theater but less than the newly renovated London Music Hall and the highly successful RBC Theatre. Programming is unique and well placed to serve the current and future marketplace.

## Project Highlights

- 79,306 square feet of new performance space for local music, dance and entertainment groups
- 400 new condominiums, 300 new parking spaces in addition to condominium parking
- 1,000 new residents will move downtown
- Over 1,000 indirect jobs will be created
- A new 50 room community boutique hotel downtown for tourists
- \$109 Million investment from the private sector
- \$1.65 million in new tax annual revenue for the City of London
- \$10.5 million in new development charges
- 140,000 visitors each year to Downtown London

Music London retained Nicholson Sheffield to design the “*Celebration Centre*”. John Nicholson, joined by JP Thornton of Stantec, and the Music London team have produced an exciting design for a multi-purpose performance venue capable of accommodating a wide range of professional and community performance events as well as non performance uses such as social, and corporate functions, community events, seminars, conferences, meetings, art exhibits, fundraising events and much more. *Celebration Centre* features four principal areas, being the *Main Stage*, the *Community Dance and Recital Hall*, the *Heritage Lobby* and the *Learning Centre*.

- 1) The **Main Stage** has a seating capacity of (minimum) 1,200 to 1,400 seats. This area has a modified fly tower and an orchestra pit to accommodate more elaborate entertainment productions. Audience members will enjoy excellent sightlines and proximity to the stage, world-class acoustics and an intimate connection to the performers on stage. This venue will be London’s finest acoustical hall that can accommodate a wide range of performance types – from symphony orchestra to country and western concerts to popular music and large community gatherings. The Centre will:
  - Be a flexible facility designed to showcase acoustical music and dance performances, rehearsals and classes
  - Has a stage and orchestra pit large enough for classical, country, contemporary and music theatre and other large cast events
  - Has professional back stage dressing rooms / accommodations plus storage for music equipment, sound and equipment
  - Has a quality infrastructure to for live broadcasts and recorded events
  - Parking that is both accessible and affordable
  - AODA compliant and supplementary support services for the physically challenged and hearing impaired
  - A LEEDS certified energy efficient building that showcases our commitment to a green and sustainable community



- 2) The **Dance and Recital Hall** is designed as a flexible “black box” space that will be used for professional and community dance presentations, and rehearsals, as well as music and entertainment rehearsal space, corporate and social events. This room is designed to hold up to 250 people with a performance stage and a 400 person reception room. The space :
  - Can accommodate diverse creative performances, speakers, recitals, rehearsals, classes and events
  - Has a technical infrastructure with quality sound and lighting
  - Includes mirrors, dance bars, flooring and curtains appropriate for performances and rehearsals
  
- 3) The unique and prestigious **Heritage Lobby** is purpose built to showcase London’s rich history of music, dance and entertainment while creating a welcoming social setting. It will accommodate groups and special events such as receptions, exhibitions, corporate functions and civic events. There will be performance capability in the main lobby and food services for concessions, backstage catering and catering support for special events. .
- 4) The **Learning Centre** is an arts centre that will help lead, stimulate, and guide the development of a vibrant, innovative music, dance and entertainment community that enhances economic and socio-cultural development in London. The Centre will offer shared space for a vibrant music, dance and entertainment industry as well as house resident performance groups. The Centre will have “hot desks”, support offices and a community board room to foster the delivery of shared services in marketing, performance, programming, education, and professional development through collaboration and cooperative service delivery to the community. Hot Desks are shared desks used by smaller agencies and individual artists who seek support in developing and presenting shows in either the Recital Hall or the Main Stage. The Learning Hub plan is to provide:
  - Shared office space for resident organizations, collaborative community opportunities and support staff
  - Education space for collaboration, teaching and joint projects in the community
  - (proposed) Head office for the (new) IATSE Canadian National Training Centre
  - (proposed) Head Office for the London Musicians Association

The private sector will invest in the construction and development of the following residential and commercial development:

- 5) The Celebration Centre **Residential Towers** will be a first class residential condominium community that welcomes up to 1,000 new residents in the downtown and the addition of 600 parking spaces for the condominiums and 300 new spaces to support the performing arts centre
- 6) The new 50 room **Boutique Hotel** will accommodate London visitors and guests of the condominiums

Locating the Centre in the downtown promotes London's goals for improvements in our quality of life while creating jobs, leverage investment, and promote the arts. The renewal of the old Centennial Hall will be one of the most important cultural projects in London history, one that will redefine the community and leave a legacy for future generations. The Celebration Centre will be a flagship for cultural and civic celebrations for the City of London. The new hall will replace Centennial Hall and provide flexible but highly functional spaces, in line with community priority, and focus on strengthening London's cultural programming capacity. The Centre will reinforce London's attractiveness as a place to live, to locate a business, to retire and to start new artistic ventures that in themselves help stimulate the economy now and tomorrow.

The *Celebration Centre* will be designed to showcase the talents of all Londoners, and to attract performers from around the world. The Centre's quality acoustic design will add a unique dimension to the current assets of London's cultural community and will provide a highly adaptable, ideal environment for multiple performances and events. The world class dance stage will be a welcome addition to the performance space inventory in our community. Our aim is to provide London with a facility of iconic architecture and superb sound engineering that will be celebrated for its outstanding acoustics and welcoming atmosphere and will provide a lasting memory of enjoyment to all who visit and perform.

### **Just The Numbers**

EllisDon has overall management responsibility to ensure the Celebration Centre is built right, built on time and on budget. The Celebration Centre will be built on a fixed cost basis and construction prices will be **guaranteed** by the EllisDon once the final design is completed.

The business plan hard costs are estimated at \$34,919,969 Million (see Appendix I) before escalation and soft costs are added at an estimated \$4,808,259 Million. York Developments will be responsible for all costs associated with the \$109 Million residential development and parking. The City of London is requested to support the Centre with a \$10 million dollar cash grant and demolish Centennial Hall and transfer a portion of land to Music London. (\$1.673 Million) The Federal and Provincial governments are each asked to contribute \$15 Million dollars and a community fundraising plan will raise an additional \$3.5 million in the community for the Centre's construction. The Music London Foundation is committed to raising \$5 Million dollars to establish London's first, a Performance Endowment Fund, to encourage and support local emerging artists and organizations mount performances at the Celebration Centre. (Appendix VI)

The Centre Operating Plan will be the responsibility of the new facility manager Global Spectrum. The Management will **guarantee** a balanced budget is achieved each year. Music London seeks London City Council support to continue their operating support for the Celebration Centre at the same rates, terms and conditions as the existing management agreement at Centennial Hall. The management fee will remain at the current contribution of *either* 23% of gross annual revenues or \$60,000 per year. The City of London is also asked to continue with their current contribution of \$250,000 per year to a Capital Reserve Fund. This will sustain a high quality visitor experience in a sustainable LEED approved building that is fully AODA compliant. The Celebration Centre will actually reduce the cost of operations at Centennial Hall currently paid by the City by approximately \$125,000 a year. Music London will assume full responsibility for all operating costs of the Centre.

The City of London will **NOT** be responsible for any cost overruns or defaults in the construction of Celebration Centre.  
The City of London will **NOT** be responsible for any losses or operational deficits of the Celebration Centre.



## Overview Recommendations

Centennial Hall has been operating for the past 50 years. The current facility is has been generally unacceptable to patrons, users and artists. The hall is a general all purpose hall and does not meet the need of the growing music and entertainment industry. (Novita 2007). Rental will remain an important role for the facility and the new hall will have a leadership role to play in cultivating and supporting local market development while attracting major “stars” to the facility.

The Feasibility Plan was submitted by the Joint Task Force in February 2014. The Business Plan answers the more detailed questions posed by City staff and the peer review consultant Novita. We request the City of London adopt the following recommendations of the Joint Task Force:

1. Centennial Hall should be declared surplus, taken out of service and demolished in order to make way for a new facility in time for Canada’s birthday in July 2017
2. The new \$164 million mixed use and parking facility should be built on the remnant parcels of land of Centennial Hall combined with the lands directly to the North of the current facility
3. The Council of the City of London approves \$10 million dollars to the project, subject to the Music London Foundation entering into a contribution agreement with the City of London no later than December 15, 2014
4. The City of London will also contribute \$5 million dollars to expand the development potential of the Grand Theatre subject to the Grand Theatre entering into a contribution agreement with the City of London by December 15, 2014
5. Contribution Agreements should detail the scope of work, timing and flow of funds to achieve the approved objectives



## The Path Ahead

The Business Plan answers the questions posed by Novita, City staff and City Council at this stage of the process. The next step is to refer the Business Plan to the peer review process to study the professional, architectural and engineering drawings of the facility. Further the Peer Review should review the operating plans of the new Centre. The civic administration would then prepare recommendations for City Council to approve the project on the understanding the Joint Task Force will continue community consultations with user groups, the neighbourhood and other stakeholders and seek additional financing to have the Celebration Centre ready for Canada’s 150<sup>th</sup> Birthday.

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# 1.0 Vision, Goals and Project Description

Considerable research has been conducted with all aspects of the community of London regarding the need, purpose and viability of a new performing arts centre. There is likely no other project in the City of London history that has received so much scrutiny, investigation and gone experienced such controversial public. The time has now come where the existing facility is now at the end of its life cycle and must be replaced. Consistent through the history and process there has been a common set of values and objectives that continue to drive the desire and need for a new performing arts centre. The Board of Directors Vision, Goals and Principles for the *Celebration Centre* are:

<i>Vision</i>	<p><b>A new <i>Celebration Centre</i> for London that:</b></p> <ul style="list-style-type: none"> <li>• Musicians, dancers and performers will love to perform in</li> <li>• Audiences will be thrilled to attend</li> <li>• A world class facility for world class talent, and a focal point for celebration, civic pride, intelligent design and a community legacy</li> </ul>
<i>Goals</i>	<ul style="list-style-type: none"> <li>• Promote accessible and affordable performance, rehearsal and education spaces to support local talent and to attract quality international performers</li> <li>• Present a broad spectrum of music and entertainment events that define London as an attractive and competitive visitor destination</li> <li>• Encourage education programs, partnerships and activities for people of all ages and income levels</li> <li>• To strengthen and shape London's identity and future economic prosperity; and is home to a thriving and modern music and entertainment culture</li> </ul>
<i>Principles</i>	<ul style="list-style-type: none"> <li>• Move London's economy forward faster contributing to prosperity</li> <li>• Create jobs</li> <li>• Leverage private sector investment</li> <li>• Stimulate spin-off benefits</li> <li>• Build beneficial partnerships</li> <li>• Benefit key downtown and culture sectors</li> <li>• Contribute to transformational change in London's economy and its downtown</li> </ul>

## 1.1 Artistic Goals

The Celebration Centre mandate will position the hall as a critical civic asset that has a major role to play in the cultural and recreational life of London. Based on the users' input, and principles from the City of London (Appendix III) artistic goals for London:

- It is important that art artists and works that address or reflect contemporary life in London.
- Encourage a diversity of voices in multiple forms of cultural expression.
- Create synergies between artists, presenters, sponsors and audiences.
- Foster a better understanding and appreciation of culture.
- Reflect the richness and vibrancy of London's cultural heritage to the widest possible audience.
- Provide exposure and access for London residents to performers and audiences from outside London.
- Help realize the potential of new media and technology to extend the range of artist expression and to facilitate greater access to contemporary culture.

## 1.2 Community Objectives

In addition to the above artistic goals interviews with users, city staff, not for profit organization, business and civic leaders captured key objectives for Celebration Centre. They include:

- The Centre must be as active as possible and enhance London's reputation of bringing a diverse offering of world-class entertainment to the community and region.
- The Centre must be seen as a go to place in the community, a place of celebration, a Centre where each evening there is an event or activity that serves the community.
- The Centre will be more than a new hall for Orchestra London; it must be viewed as the gathering place for community events and activities.
- The Centre must offer **all** Londoners a quality experience by presenting a wide range of diverse artistic programs and styles to the members of our community and surrounding areas.
- Programming will be culturally diverse and offer a variety of artistic disciplines and genres.
- The Centre will expand works by local and emerging Canadian artists and companies.
- The programming strategy of the Centre must be professional and connected to the major tour and event promoters across North America.
- It is anticipated Global Spectrums extensive network of tour promoters and professional business associations will bring new and meaningful cultural and entertainment experiences to the patrons.
- In our first full year of operation (2017), we anticipate drawing as many as 140,000 patrons each year to attend performances in the Centre. The need to offer programming that appeals to our community while attracting and nurturing the next generation of live performance goes is essential.
- The Centre programming should nurture and grow the audience of tomorrow and introduce children and their parents and caregivers to the arts. Family programming will be an integral part of the every season.

- The Centre will provide a wide range of music, dance and entertainment programming. By providing relevant and entertaining programming for youth we are fulfilling our mandate to deliver quality artistic experiences that promote audience growth and enrichment.
- *Celebration Centre* must play an expanded role in the music, dance and entertainment life of our community.
- Community partnerships will include the donation of tickets to local service organizations and underserved youth.
- Partnerships allow us to give back to the community and provide the *Celebration Centre* with an opportunity to profile its upcoming season to new markets.
- Nurture and grow cross-promotion opportunities with restaurants, cafes and other local businesses will provide another link between the arts and the community and help with existing and potential audience members.
- *Celebration Centre* will continue to work with Culture Days, and other such outreach opportunities to expand the number of musicians and dance artists to perform.
- Partnering with the local arts community to provide a vital, vibrant and active place to be in downtown London is vital.
- The Centre should not set out to be the only venue in town but be appropriately placed in the context of local assets that already exist in the community.
- Support for the success of other venues like Aeolian hall, Wolf Performance Hall, Budweiser Gardens, London Music Hall for example will foster opportunities for community collaboration rather than competition.
- Together the community should strive to encourage and support all artistic presenters with the maximum opportunity to showcase talent and promote the arts. In turn this will encourage more people to experience a live event in the multiple facilities in London.
- Going forward the Board of Directors of the Centre must review detailed programming and hall utilization plans to ensure they are phase-able, expandable and responsive to changing needs and wants over time. Engaging the community will be essential to success.



### 1.3 Operating Guidelines

Community use of the *Celebration Centre* also requires Board approved facility operating guidelines that would provide:

- Explicit Board and management policies that demonstrate how community choral, music, dance and other groups, covering all age ranges and capacities can book the facility far, have affordable rates and receive scheduling priorities for their individual development / rehearsal and event / performances requirements. Support from the Music London Foundation may be required to achieve this objective.
- A permanent home for Orchestra London, which has provided live orchestra music performances since 1937, some sixty years, to Londoners, regional residents and visitors.
- A wider range of events can be accommodated, including more popular music programming. This too is a function of providing the right venues for the programming and the appropriate range and size of venues.



- A venue for educational experiences in music and dance for multiple community audiences involving school groups, community organizations, individual residents and visitors to London.
- A scaled fee structure that supports the use of shared services and shared space such as a local box office, joint marketing and education programs for ‘resident groups’. A **resident agency** is a community organization that has applied and been approved by the MLF Board of Directors such they can plan their season well in advance and have secured time and space in the facility.
- A process for third party use of the centre for civic receptions, meetings, weddings, special events and other community assembly activities that could benefit from a uniquely different venue.
- Advanced online, web and social media applications that supports and fosters sector collaboration, marketing, event promotions.

## 2.0 Project Structure

There are no two centers that operate the same in Canada. Each community has a unique set of circumstances that guide how they are owned, governed, managed and operated. Over the last 20 plus years there has been considerable debate and discussion on these questions. There remains considerable although understandable confusion about how best to make the performing arts centre a success in London. The community has heard many different assumptions expressed by various representatives of both the public and private operators of facilities and still more by potential users.

The current business plan recognizes there are many stakeholders and many special interest groups active at any one time in this discussion. The plan recognizes the mandates and operational needs of the various organizations and spaces, and we believe the Business Plan has found the ‘sweet spot’ that balances the interests of all community venues and presenters, and demonstrates efforts to collaborate and cooperate with others in the arts and entertainment business rather than compete. Now is the time for London to make a decision as the current facility is at the end of its useful life and a new centre must be built to serve future generations. The Centre must ensure its long term financial stability is built on its reputation as a well managed facility that actively support artists, organizations, tour operators, donors, government and the broader community. (Appendix IV)

### 2.1 Ownership

Centennial Hall has been a municipal owned facility since its inception in 1967. Centennial Hall has had a checkered history. The City owned/city operated model was disbanded over 30 years ago in favour of a city owned/private sector operated model. For the purposes of this Business Plan it has been made clear to Music London the City of London does not want to own the facility and no longer wants to be responsible for financial risk associated with operations. The IEPG recommendations approved by council in Feb 2014 explicitly state the City does not want to assume risk for construction costs nor any annual losses in operations.

**The Business Plan has removed City of London taxpayers from ownership and operational risk of the performing arts centre.** The new facility will be owned by a not for profit charitable foundation: **The Music London Foundation.**



## 2.2 Governance

A frequent question that arose during community consultations was who is the **Music London Foundation**?

Music London Foundation is a new organization developed to reactivate the many years of discussion for a new performing arts centre in London. The Foundation is being led by experienced and knowledgeable volunteers. They seek to build a world class facility in time for Canada's birthday in 2017. The community volunteers have now taken the steps necessary to incorporate the Music London Foundation as a new federal not for profit charitable foundation. The new organization models the current structure in place at The Grand Theatre, Museum London and several other major institutions in London. The (draft) objects of incorporation set out the purposes of the Foundation are:

- Provide the community with affordable access to cultural, arts and entertainment events.
- To build, manage and operate performance facilities.
- To enrich and maintain an endowment fund that supports music, dance and other live performances.
- To promote interest in and the study of the arts generally and music and dance in particular.
- To advance the performances, knowledge, and appreciation of classical symphonic performances.
- To provide performance and education opportunities for Canadian artistic talent.

The Board of Directors of the Music London Foundation will utilize talented and knowledgeable citizen volunteers with a broad array of leadership, business, community and organizational skills. The governance of *Celebration Centre* will reflect and uphold the broadest needs and interests of the community and is focusing on community arts development. The Board will be initiated with 3 founding members that each has qualifications and experience in building community facilities and in the construction industry. The Board will hire a qualified construction project management professional to oversee day to day construction activity and to manage the contract with the Project Manager, Ellis Don. Upon finishing the construction phase of the contract an additional ten (10) members of the community will be recruited to serve on the Board of Directors. One member will be from a resident organization; Orchestra London. Another will be from the Community User Advisory Committee. The City of London has the option to appoint a voting member to the Foundation Board. The by-laws call for an annual rotation system of replacement for Board members.

Ongoing Board members would be recruited from the community based on a skills-based selection process. Board members would have skills in marketing, community development, donor relations, legal and finance, accounting, and related audience development areas. The Board of Directors also needs to be reflective of the overall community in terms of cultural diversity, age, gender, and user areas of interest which will be important to the Centre's successful ongoing operations and achievement of its goals. The MLF Board member's will also need to reflect the music, dance and entertainment industry, local business, education and hospitality sector.

The Principles of the Governing group include:

- ✓ Remove financial risk to the City of London
- ✓ Increase transparency and public accountability for any grants or resources provided by the City of London
- ✓ Be able to leverage private sector partnerships, donations and sponsorships

- ✓ Have the expertise necessary to oversee a sophisticated music and entertainment facility and business operation
- ✓ Be financially successful and invest time, space and resources that would support and expand local community performances
- ✓ Be capable of making decisions that will result in London being a preferred destination for performance artist and visitors
- ✓ Be able to partner and contract with artist managers, tour promoters and event specialist with confidence and expertise
- ✓ Inspire, encourage and develop local talent
- ✓ Showcase London on the international stage as one of the top ten tier facilities in North America
- ✓ Foster collaboration and marketing coordination of local events through effective sector wide participation

### 2.3 Board Composition

The composition of the Board of Directors will continue to be a conversation with the community and users groups. One member from a resident organization, Orchestra London. Another will be from the Community User Advisory Committee. The City of London has the option to appoint a voting member to the Foundation Board. The bylaws call for staggered rotation of Board members. The final composition will be based on the feedback received from the community. The proposed structure is as follows:

- |                                |   |
|--------------------------------|---|
| Number of Directors            | 13  |
| Expertise of Community Members | <ul style="list-style-type: none"> <li>▪ Centre users and other not for profit operations</li> <li>▪ Marketing and Communication</li> <li>▪ Finance and Legal</li> <li>▪ Fundraising and Sponsorships</li> <li>▪ Human Resources</li> <li>▪ Tourism and Convention</li> <li>▪ Media and the Hospitality Industry</li> </ul> |

### 2.4 Accountability, Transparency and Value for Money

The Board of Directors must be accountable, transparent and deliver value for money in the use of donor and taxpayer funds. The corporate structure we are proposing enhances the current model in operation at other city owned / community owned facilities. The Board will enter into the Strategic Financial Framework Agreement currently in use by the City of London Cultural Office. The agreement sets out specific timing for applications of support and reporting requirements. The agreement makes clear the expectations for accountability and transparency and value for money in the use of public funds. The Board of Directors will engage a professional auditing firm and host an annual meeting to publicly release financial statements to the public and elect a new Board of Directors.

## 2.5 Operating Issues and Agreements

Celebration Centre will utilize a **community owned /private sector operated model**. The Centre will be professionally managed by the private sector through a purchase of service agreement with Global Spectrum an experienced international facility and event Management Company. . A pre-opening agreement is currently in negotiations and the final agreement. Terms and conditions will model and enhance the current contract between the City of London and their hall management company. The Board of Directors of the Foundation would oversee the management and operations of the facility.

The *Celebration Centre* management will have two primary areas of focus, namely rental operations and programming. Rental operations involve providing space, technical support and patron/audience services for a group to stage a performance or any other event or function. Programming operations involve the planning and presentation of a “market driven” professional performance series of music, dance and entertainment by community and resident groups. The facility manager will **NOT** be a presenting organization. (Appendix III)

The management agreements spell out expectations in service delivery in the areas of programming, audience services, facility maintenance and technical services and community collaborations and fundraising. The facility manager must have the authority and the responsibility to make operational decisions on behalf of the Board of Directors based on clearly defined policies and procedures

*Programming services* require the management to ensure there is high quality, diversity and a constant supply of product for the Centre. The success/failure of the centre relies on professional judgments and demonstrated success of the programming manager in the marketplace. The expertise of Global Spectrum will therefore be a significant asset to the Music London team. The current programming reach of Global Spectrum is a proven commodity in London. Guest artists from all patron experiences are readily available to perform in the new Centre. (Appendix III)

*Audience services* such as box office, concessions, and house management functions are to be delivered by well trained personnel who deliver a positive customer experience. Hours of operations will be far superior to current availability, a minimum of 12 hours a day 7 days a week. This will provide unprecedented customer service access to customers and supports sales efforts of the Centre user community. Global Spectrum has professional and experienced marketing and customer communications protocols that include advanced telephone support, print, radio and social media communications. Maintenance, safety and cleanliness of the facility will also be delivered at the highest quality.

*Technical services* are a key component in the success of any Centre. Locally IATSE 109 is the key provider of such services to Orchestra London, Centennial Hall, Budweiser Gardens, Western Fair and the Grand Theatre. Continuing with a positive relationship with the Executive and Business manager of IATSE is essential. An agreement for services will be struck with the IATSE local and the facility management to provide



technical support services to the Celebration Centre. Ongoing maintenance will be built into the management agreement to ensure the community asset is protected.

*Community Collaboration* agreements will include a contract between the Board of Directors, Global Spectrum and a resident organization to act as a community animator. The animator role was recommended by in the Novita study to foster community collaborations that ensure the local community retains accessible and affordable space that supports and builds the capacity of the local music, dance and entertainment sector (Appendix III). Compatible local organizations will be invited to become resident presenters in the Centre in increments of five year agreements. A *Fundraising Team* will be also established by the Music London Foundation to solicit private sector sponsorships, sales, advertising, as well as government and foundation grants. Special events will be created to support the Music London Foundation. It is with much anticipation that on May 15<sup>th</sup>, 2014 the first Business of the Arts Breakfast will launch the Celebration Centre to 150 key business and community leaders in the Downtown.

It is further recommended in the Business Plan that IATSE Local 101 be invited to take up space in the Learning Centre and establish a National Training Centre Head Office for stagehands and crew. Canada does not currently have such a centre and with the new Rundle Performing Arts Centre also in the downtown we see great opportunities for education, training and collaboration in an area where there is a gap in providing certified and trained technical service professionals in the Canadian performing arts industry. The Learning Centre also proposes to invite the London Musicians Association to take up office space so that performers see the Centre as their home facility in which to launch and enjoy a successful career. The City of London may wish to consider locating the Cultural Service Manager at the centre to further enhance the spirit of cooperation and collaboration in the arts community.

## 2.6 Staffing of the Centre

A staff organization chart in Appendix IV is provided to demonstrate how the facility would be managed and operated. The use of part time and full time staff is variable depending on the type and number of events. The facility will build on the existing skills; knowledge and experience of a variety of organizations including IATSE, potential transfer of current Centennial Hall box office, catering, maintenance staff, Orchestra London box office and production staff, and Global Spectrum based on cost effectiveness, efficiency and we will strive to retain existing personnel wherever possible. The model for the facility will be consistent with industry standards.

Staff will be progressively hired in 2017 to reach full complement on opening day. It is anticipated that staff will move into the venue at the end of June 2017 at which time commissioning work by the builder will begin. Commissioning is part of the general contract and is a period when all major building systems are verified operationally. Alongside the commissioning period, the staff will begin the fit-up process for the *Celebration Centre*. This process will take a minimum of eight weeks to prepare the Centre for opening.

## 2.7 Volunteers and Centre Advisory Council

The *Celebration Centre* will promote community involvement and offer a variety of interesting volunteer opportunities with the facility as well as leadership opportunities on the Board of Directors. The Centre is another vehicle for harvesting high-level leadership and talent within the community for public service. The Community Animator will oversee the Volunteer and Fundraising Programs and provide assistance to *Celebration Centre* Front of House services as ushers and coat takers. Our community volunteers will provide an invaluable contribution and a

high level of service excellence to their community. It is important that a strong volunteer training and management program be put into place in order to attract and retain talent. Volunteers who feel their contributions to the Centre are appreciated and recognized are more likely to return year after year.

Volunteer recruitment, training and recognition strategies could include:

- Learning opportunities
- Awards program/milestone celebrations
- Appreciation nights
- Perks (discount on tickets or free tickets to certain performances)

A Centre User Advisory Council will be established to provide operating and marketing recommendations to the Facility Management and the Board of Directors. A representative of the Advisory Council will serve on the Board as a nonvoting member. Terms of reference will be developed with the community prior to opening.

## **2.8 Conflict of Interest**

The Management Agreement will also address conflict of interest requirements in the management, operations and presentations of performances in the community. The facility management will be required to follow the Board approved policy and procedures manual that governs access, user fees, scheduling and will contain a non competition clause in the management agreement to ensure the facility operator is providing the community with equal opportunities to access and use the facility at approved fees.

Global Spectrum operates the Budweiser Gardens and hosts Broadway musicals and tour shows in the 1800 plus seat range. Local arts groups do not have access to the RBC due to the high costs to rent the facility and they do not have a suitable product. There would be little overlap between the Budweiser Gardens slate of events and that of the Celebration Centre. (Novita p 51) The hall management must provide event and tour companies' equal access the facility on a first come first served basis and the Board of Directors can be accessed to help resolve any potential conflicts that may arise with users and or the hall operator.





## 3.0 Programming The Centre

### 3.1 Programming Model

There are three basic programming models.

- a) Rental Model : the venues in the facility are simply available to the community to rent, typically on a first come first served basis
- b) Presenter Model: the facility operator acts like a ‘retailer’ in that they would buy “product” (touring shows, and artists) and present or sell tickets for the event in the community. In this way there is proactive entertainment programming
- c) Producer Model: In this model the operator would produce works of art. Theatres are most frequently the users of this model

For the purposes of the business plan the producer model is not being considered as an option. The Board of Directors will be a facilitator of program delivery rather than a direct provider of programs (Novita 2007, p 57). The preferred model is a mixed rental / presenter model. This model reflects the currently successful Centennial Hall and Budweiser Gardens business practices. The primary role of management will be to ensure that the facility achieves and maintains maximum community utilization and that a mix of uses is relevant and the facility becomes more accessible to a wider range of local users.

#### Advantages

- No risk to the City of London
- Model proved successful and provides the entrepreneurial environment required to make for a successful community facility
- No risk to the facility by avoiding high investment costs needed for artistic production of new materials
- Avoids conflict of interests and competition between the facility operator and the community of community
- Provides a stable base of financial operations of known and predictable costs
- Simple administration and requires fewer overhead costs to operate
- Builds collaboration and enables capacity building efforts between the venue and the users of the facility
- Develops appreciation of the community and indirectly encourages local organization to present and produce their own work
- Provides better access to other levels of government grants, private sector sponsorship and community donations



### **Disadvantages**

- Financial responsibility rests solely with the not for profit organization
- Increases the workloads of volunteers through operations and fundraising
- Has inherent challenges of managing a not for profit organization with multiple stakeholders

### **Local Presenters**

The mandate of the Celebration Centre will have a strong emphasis on local use of the Centre. There will be reasonable demand for space in the new facility from current users as well as some growth from amateur and professional organizations that have not to date been able to access the hall. The Programming Plan would include community presenting organizations that are currently using Centennial Hall such as Amabile Choirs, Orchestra London, London Community Players, Beal and London Singers, Gerald Fagan Singers, Fanshawe Chorus, London Dance Collective, Serenata, the Jeffery Concerts, Sunfest and the Don Wright Faculty of Music to name a few. The local community will be encouraged and supported to present additional entertainment experiences that suit the diversity of tastes and interests of the community.

Dance will be a large user of the recital and dance theatre. The dance and recital hall is designed for use by the rapidly growing dance community. London has over 17 active dance studios in service to 6,000 children up to the age of 17. Demand for space is at a critical shortage. There is limited availability for dance competitions and London loses out on the opportunity to host these events which often attract 1,000 to 3,000 kids and parents at each event.

London also has an opportunity at the facility to create a professional dance troupe in London as a resident organization in the building. This main stage will be the first professional dance space available in the SW Ontario region. Western has recently opened a dance program and they are emerging on the national scene. The dance and recital hall provides a net positive contribution of revenue to the overall operations of the facility. The flexible nature of the space will also encourage many other users for business meetings, special events and education programs.

Programming collaborations will grow and expand through the Learning Centre. The shared office space and shared services offices for the music and entertainment sector are being included in the building to reduce silo thinking and fragmented planning and will foster a more collaborative effort in the music and entertainment sector. IATSE Local 105 is developing a (new) National Training Centre to be housed at the Celebration Centre. The London Musicians Association has also expressed a keen interest in locating at the Centre. The recent announcement of the Mayor's Task Force on Music and the \$45 million dollar allocation of Provincial dollars to the industry indicate London is on the right track to grow the sector in our community. Shared space and shared services will provide an important infrastructure for the effort resulting in expanded use of the centre and new programming from local presenters.

### **National Presenters**

The Centre can also arrange, book and present music and entertainment acts from the event promotions and tour operator business. The number of events and their duration in the hall will be balanced and scheduled to coincide and complement local programming. The Centre will serve a wide range of programming from tours and professional event managers from around the world. A sample list of performers and presenters extracted from the Novita 2007 Feasibility Report (Appendix III).



### 3.2 Balancing User Demands

Quantity and quality of programming are essential ingredients to the success of the Centre. Every effort should be made to have at least one activity a day operating at the Centre. The use of the Centre must grow from the current 120 events to match what is happening in other Centre's across Canada that deliver an average of 300 events a year. Programming and use should be encouraged throughout the day and weekends. The Board of Directors, management and the community animator must develop a balanced user schedule with local agencies, groups and private group operators to set the annual programming schedule. The arts community will be the true driver of future growth. The Board approved policy will rely on the advice of the user community and it will guide the facility management team in handling schedule conflicts and demand. The policy will also set fees, the annual marketing program, booking policy and budgets.

The Celebration Centre, Community User Advisory Group, will help develop policies and procedures that are fair, transparent and ensure the facility management is accountable for the decisions made that affect budgets and access to the facility. The current users would be engaged to assist the Board of Directors and the facility management establishes user policies that would provide a sustainable and affordable Program Mix that models other successful performing arts centres.

### 3.3 Presenting Policy

The current hall is underperforming (Appendix III). Clearly there is significant room to grow. The Celebration Centre's presenting policy is easy to describe. It will reflect the current practices familiar to the community at Centennial Hall only bigger and better by the synergy of activities encouraged and supported by the community animator with the tour events organized and arranged by an internationally recognized company Global Spectrum Canada. The success of the facilities will depend on accommodating the interests of all of the rental organizations and maximize the Centre's value and use in the community. We can expect audience growth with the addition of a new facility downtown. The number of events and presentations available at the Centre will grow. Corporate support which has been virtually absent from Centennial Hall will rise exponentially to be a valuable sustaining partner to local arts organizations mounting presentations and contributing to the Centre's success.. Rentals are the lifeblood of the facility. Centres such as Guelph, Thunder Bay, Kitchener Waterloo, Burlington, Brampton all stress the importance of an active community utilization strategy to sustain operations.

#### **The program policy mix will strive for a balance of:**

*One-third Professional Presenting Series:* A broad range of artistic programming developed by the resident organizations that would include a blend of classical, country, contemporary music, dance, multi-disciplinary art shows, youth, family and educational programming, and short term runs of travelling theatre.

*One-third not-for-profit:* Servicing local community arts groups, orchestras, choirs, dance recitals, Kiwanis festivals, high school band concerts

*One-third commercial presentations and other "for profit":* Touring road shows, commercial dance schools, annual meetings, new product launches, employee appreciation functions.

### 3.4 Types of Programs

**Music Making** will remain the primary program in the Centre. Centennial Hall is currently seen as a music concert hall, yet is suitability for such programming is poor. (Novita 2007) Music making will remain is key activity generator. Orchestra London currently occupies 55% of programming time in Centennial Hall and this will remain and grow. Dates and times of Orchestra London concerts will be adjusted to ensure prime times are shared wisely with higher dollar value presenters that financially sustain the Celebration Centre. Other music presenters will also continue to grow their offerings in music. Classic Albums Live, Jeans and Classics, and major bands, choral presentations, and tour companies such as Live Nation are keen to bring more music shows to the London community in a facility properly designed for the concert experience. This is particularly true with a superior acoustics design for non amplified sound. Feldman and Associates, one of Canada's largest artist managers have indicated London is "Missing Out" (LFP January 2014) and can quickly become a key destination for their artists if the new Centre is built right. This acoustic design will create a unique music concert facility in Ontario and one of the few Centres' of its kind outside of major urban centres in Canada.

**Dance** is also an important focus of the new Centre. Centennial hall has not been active in this program type due to poor design of the facility and lack of focus by the management company (Novita 2007). The youth dance community is very active in London and there is a need for properly designed spaces to host dance competitions and events. Tours by the National Ballet and the Winnipeg Ballet company will also be possible due to the modified fly tower structure that has been added to the original design of the Centre. Dance is an area which will see significant growth due to the flexible space offered in the Dance and Recital hall.

**Theatre** can be accommodated in the design and infrastructure of the new Centre but it will not be a primary focus. The success of the Grand Theatre serving the theatre market in peak season and at under 850 seats coupled with the tour theatre business at the Budweiser Gardens that relies on a larger number of seats ( 1800 plus) means the Celebration Centre should not rely on this type of programming for financial success.

#### **Film**

There is an opportunity to show films at the centre. It would rely on a community presenter arranging the opportunity with the facility management. Film can be an economic contributor to the Centre and management should actively pursue a local presenter to make this type of program available.

#### **Other presenters**

The lobby, the outdoor plaza, and the recital hall provide ample opportunities for small agencies and individual artists like poets, singers and ensembles an equal opportunity to showcase their skills and talents in the community. The Centre can also host receptions, weddings, community meetings and corporate events to add new revenue streams to the bottom line.



### ***New Programming Development***

A last programming option, but NOT recommended at this time, is the creation and development of new productions of live music and entertainment shows. This would need to be carefully studied by the Board of Directors on a case by case basis as this component of the marketplace is high risk and could easily result in negative impacts on the bottom line of the facility. If it was to be undertaken, the Board of Directors of the Foundation would need to secure risk based partners to assume the development and costs of production to ensure success.

## **3.5 Rental Rates Policy**

### ***Rental Revenues***

The 2014 rental rates and policy manual of Centennial Hall has been used as the base for the Business Plan. The policy has flexibility for the not for profit and commercial marketplace. A copy of the rates and policy is attached in Appendix V. The rental policy and rates will be reviewed by the Board of Directors, facility management and the user group community prior to opening to ensure affordable and equitable access for local groups. Commercial presenters will still be offered competitive rates in the marketplace. Discounting current local presenters is likely to continue in the short term and is included in the initial budget for the Centre. However it is not recommended to continue as an ongoing business practice of the Centre management. The Business Plan recommends the current discounting practice be replaced by a performance support fund that is operated by the Music London Foundation. The Foundation will create the Celebration Centre Performance Endowment Fund raising an initial start up fund of \$5 Million to sustain local presenters and emerging artist's use of the Centre.

### ***Fee for Service Revenues***

The business of running the hall requires not only space rental policy but also a Board approved fee structure that ensures a minimum of cost recover for services that will provided to the presenters by the Centre. They include centralized ticketing support through the box office, production and technical support, light, sound and equipment rentals, marketing and promotion. Services will be on a fee for service basis and will contribute to the financial success of the Centre. The rates will be established by the Board of Directors and will be charged on an as needed basis by each event booked at the centre.

### ***Other Revenues***

The Centre also has the ability to recover costs and or raise additional revenue through advertising, concessions, catering, merchandise sales, and other service required by the presenting organizations. Education programs can also be used to build new audiences while generating revenues from the use of the space at the Centre. The operating budget is in Appendix VI.



# 4.0 Marketing Plan

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## 4.1 Marketing Strategy

*Centennial hall is such a poor facility and is so reluctantly used that it only has a ghostly presence in its market (Novita p24)*

With robust visioning and marketing the Celebration Centre will see audiences and presenter demands grow.

Celebration Centre utilization would be in demand from three primary sources:

- ✓ Demand by Local Presenters
- ✓ Demand for rental space by commercial promoters
- ✓ Availability of events in the marketplace

*Celebration Centre* is poised in the market place to:

- Meet civic needs and addresses the potential of the London market
- In which all Londoners feel welcome
- That is efficient and highly utilized
- That meets current industry standards
- That provides a high quality acoustic environment for musical performances
- That can accommodate dance performances
- That will support the growth of local artists and presenters
- That will provide Londoners with the opportunity to taste and sample the whole array of performing arts product that is available

The *Celebration Centre* marketing plan is designed to fill the need for what Novita identified as missing in London “ A quality midsized centre that is designed with the users and patrons in mind” (Appendix III). The centre must encourage and support the development of new presentations and new audiences. The Novita findings were further supported by feasibility studies conducted by internationally respected Artec Consultants (now ARUP) through Project 3738. The study team began by examining demographic data from Statistics Canada, previous reports and interviews with major local organizations and touring company representatives. The background studies concluded “Our findings indicate that the London performing Arts market is strong and has the potential to grow stronger in the future” (Artec 3738)

A facility inventory was recently compiled by Music London representatives consistent with the research of the City of London Cultural Asset Plan. (London 2012) In summary the inventory recognized London lacks appropriate performance venues for the level of activity and quality of locally produced entertainment or to support interest shown by presenters and producers from outside London. Music London’s utilization analysis found the existing service levels in Centennial Hall would be easily maintained by the limited number of users (Orchestra London at 55% of the time, other local groups like Fagan Singers, Amabile Choir and London Pro Musica plus the bookings of event managers and tour operators). In addition, the new centre would encourage national presenters to better serve the London market. Finally the Centre would allow London to better capitalize on existing destination marketing events and tourism strategies currently used successfully in other sectors of London such as Sports Tourism.

Centennial Hall is an inappropriate venue for symphonic music and touring productions due to poor acoustics, technical capabilities and poor audience experience. Wolf Recital Hall is too small and lacks adequate backstage accommodations for many local groups. The Grand Theatre is a world class centre but is too small for touring companies and yet too large for many smaller organizations in London. The marketing plan relies on the creation of a flexible space suitable for a variety of users in the London community.

The main stage will seat between 1,200 to 1,400 spectators with some flexibility in seating formats. (Appendix III p.40) The facility to replace Centennial Hall should focus on music and dance performances and tour events and would not present a challenge to the events offered by other facilities. (Appendix III p. 50) Utilization rates identified are approximately 160 rehearsals, 176 performances, for a total of 203 days. The rehearsal hall would have approximately 91 rehearsals, 63 performances and 56 meetings and events for a total of 136 days. The overall goal of marketing is to integrate Centre communications and deliver a common brand message through a variety of media in order to have a synergistic impact on the target audiences and to support and promote the artistic talent and organizations that use the hall. (Appendix VI)

## **4.2 Target Audiences**

The Centre is not new and has been operating for the last 50 years. The current level of use is steady and reliable and will continue to grow in the new Centre. Utilization studies indicate the new Centre should meet a broader range of users and interests of the population in the region. Diversity of programming and style must be better accommodated in the new building. The current gap in arts performances is identified in local presenters, opera, dance, ballet, and musical theatre. The market for special performances of major music stars in country and western, blues, rock and gospel music is a dynamic and growing market that London has much to offer.

Professional marketing study indicate “a new building possesses an inherent excitement factor which, if exploited, can result in an immediate subscription gain for an ongoing performing arts group.” A new facility will generate entirely new audiences for the performing arts- and in the case of London, bring back patrons who grew intolerant of the poor experiences offered by Centennial Hall. An upswing of visitors and subscribers is highly likely when marketing efforts are in the hands of experienced and professional venue managers who cultivate and build patron relationships. A venue based marketing plan directed at serving the interests of diverse audiences will drive the Centre’s success.

## **4.3 Marketing Programs**

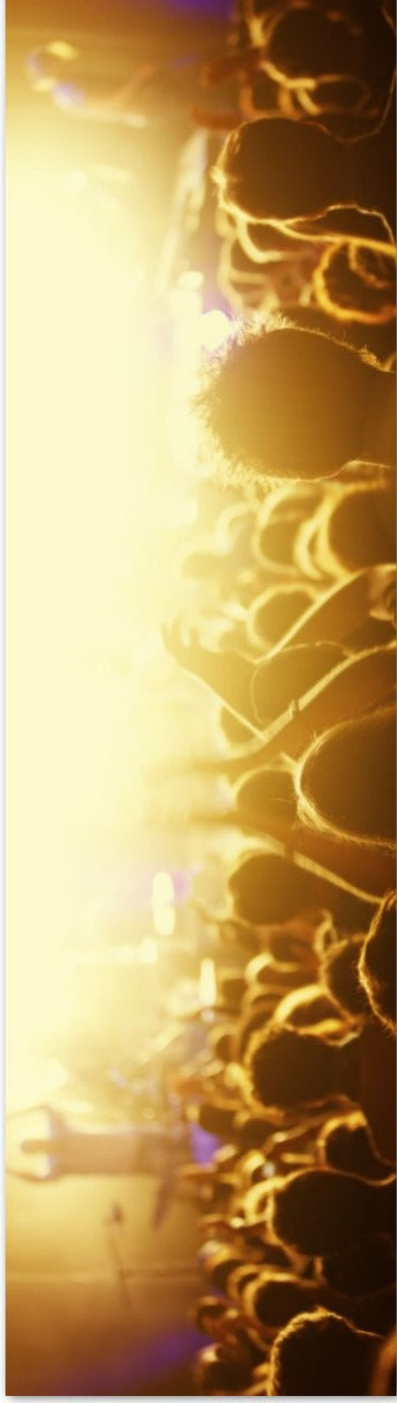
The annual marketing plan will utilize an integrated marketing communications strategy which involves the coordination of all forms of marketing communications in a unified program that maximizes the impact on consumers and other types of customers. The annual marketing plan would include:

- Traditional Media
- Social Media
- Public Relations
- Media Relations
- Direct Response
- Personal Selling
- Sales Promotion



## 4.4 Marketing Tactics

- Media relations - develop opportunities to engage local media.
- Cross Promotions - with local businesses and organizations
- Personal Selling – training front of house, box office and all staff with the best customer service practices.
- Securing sponsorship opportunities.
- Provide a welcoming experience where patrons are encouraged to return
- Redeem tickets for a discount on upcoming shows.
- Be a friend – bring a friend.
- Create ongoing visibility through the use of exterior signage at GO stations, shopping malls, community centers, etc.
- Listen to the community - survey patrons on their theatrical experience
- Host focus groups with local community groups and patrons and invite their participation in developing the marketing mix.
- Use the e-newsletter format for presenting the season information and promoting series sales.
- Create a ‘pick your own’ offering that allows patrons to package their own series
- Use traditional media (radio, television, print) and leverage co-op promotions whenever possible.
- Use social media as a tool for reaching new people; creating a dialogue with potential audiences.
- Take a proactive role in ensuring the opportunities for visibility.
- Work closely with the City’s Economic Development office to gather information on London’s corporations.
- Promote to area businesses; single and group sales tickets.



# 5.0 Annual Operating Plan

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## 5.1 Annual Budget

### Centennial Hall Budget Analysis

The Centennial Hall operating budget for 2014 has net revenue of \$471,500.00. The budget expense is \$595,889.00. Management fees are \$108,455 calculated at 23% of net revenues and by contract has no upset limit. If revenues were to rise so would the payment for management fees, (noting the contract agreement is specific in that the contract cannot be cancelled simply because the management company is making too much money). Jones Management also bills their staff costs at \$268,000. In 2014, the total payment to Jones Management is \$376,455.00 which is 80% of total earned net revenues. The remaining operating expenses (heat hydro etc) are the obligation of City Hall and they are approved at \$219,224.00 for 2014. After management and staff cost are paid remaining net revenues is \$95,055. The city applies these remaining earned revenues to the remaining costs and clears the expense balance with a tax payer operating subsidy of \$124,169. The City of London also provides \$250,000 a year for capital expenditures for maintenance and building repairs. The management agreement for Centennial Hall has not been tendered to the community for over 30 years.

The number of events at Centennial Hall is planned at 120 and the number of attendees is projected at 134,000. There is no disclosure however of all revenues received from ticket sales or advertising. Expenses for insurance and other general business expenses, technology, internet, office equipment etc are also not disclosed. We expect the City of London also provides in kind services to Centennial Hall but that is not clearly accounted for in the budgets or services descriptions. (ie snow plowing, garbage pickup, security, computer networks etc) This has made an apple to apple cost comparison between the Centennial Hall and the Celebration Centre extremely difficult.

The need for improved transparency in the operating costs of a city asset reinforces our view that the Celebration Centre would be best run as a community facility and with a charitable, not for profit Board of Directors. The Board would be able to host an annual general meeting and disclose their financial results to the community. The Board of Directors would also complete an annual charity return to the CRA. The City would be also be provided with full disclosure at the annual budget. Transparency and accountability is a standard requirement today in a publicly owned facility. The public would be far better served if accurate information to the community was fully made more accessible and available. ( This is further addressed in the section on Governance.)



## Celebration Centre Budget Analysis

The Celebration Centre operating net revenue is planned at \$1, 476,963.00. The proposed budget expense is planned at \$1, 441,900 00 resulting in a small operating surplus of \$35,063.00. Management fees are fixed at \$110,000.00. If revenues were to rise beyond the current budget, a negotiated performance bonus system would be put in place to provide a management incentive to increase revenues. The performance agreement is currently in discussions with Global Spectrum. Staff at the Centre would be employees of the Music London Celebration Centre. Staff costs are \$650,000.00. ( Appendix V1 ) The costs for management and staff will be reduced from 80% or earned revenues to less than 45%. The remaining operating expenses (heat hydro etc) are the obligation of Music London. They are planned at \$681,900.00. The contract to manage the Celebration Centre management would be reviewed by the Board of Directors every 5 years to ensure the best price and highest rate of return is achieved.

The number of events at Celebration Centre is planned at over 300 unique gatherings and the projected attendance is at 140,000 visitors per year.

The agreement with the City of London to assist with management fee costs will specify that Music London and the Centre management are fully responsible for profits and losses and the City of London is relieved of all responsibility and risk associated with operating the performing arts centre.



## 6.0 Implementation Plan

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Phase 1: The creation of the preliminary business plan focusing on an updated schematic design and reconfirmation of the capital budget, and confirmation on the operating plan based on the schematic design and a ways forward to secure the land based on preliminary commitments from the key stakeholders. Also a confirmation from the residential developer as to the plans to develop their project in conjunction with the development of the Celebration Centre. This is where we are as at May 2014. We will require the City of London endorsement to proceed.

Phase 2: Music London will secure commitments from both the federal and provincial governments in the combined range of \$30 Million. The capital campaign team will be formed and the land transaction agreement will be finalized. The cultivation of local donors and supporters will commence. Tangible commitments are required by the other levels of government if the project is to proceed.

Phase 3: If Music London is successful based on Phase 2, then we look to execute the contribution agreement from the City of London. This will enable the site plan and architects to complete their work and Music London to pay the bills. York Developments will then also proceed with their work in conjunction with EllisDon's work on the Celebration Centre. In this phase we will move to the necessary level of design so EllisDon can guarantee their prices. Global Spectrum can also execute their scope of work programming the new Centre and complete their preopening financial agreements with Music London.

Phase 4: The legal and financial commitments are fully vetted and get finalized and the contribution agreement with the City of London is underway. All key contracts are signed and the land is fully secured. Construction begins. The contractor will need 2 years to complete the project and given the goal is to have the Celebration Centre ready for July 1, 2017; construction on the site must start before July 2015.

### **6.1 Legal Frameworks**

- Secure City of London support for the centre to proceed
- Complete the contribution agreements with the City to advance the project
- Under the current letters of intent advance the project partners relationships with a binding Memorandum of Understanding that outlines the legal obligations and rights of each of the participating partners and the allocation of capital and operating costs obligations

### **6.2 Governance and organizational development**

- Conclude the process to establish the Music London Foundation and the condominium corporations
- Recruit qualified individuals to serve as the Board of Directors
- Establish a project manager agreement and support staff to guide the project

### **6.3 Fundraising Development**

- Hire the fundraising team
- Recruit the Campaign Cabinet Chair and his/her Committee members
- Launch a “quiet” campaign to secure lead gifts
- Develop the gift tree, naming rights and other incentives to attract contributions
- Develop a Brand to unify the campaign message and communications strategy of public engagement

### **6.4 Site Planning and Facility Design**

- Secure the land agreement with the owner
- Prepare a site plan agreement with the City of London
- Establish a community and user advisory committee for interior and exterior design
- Expand the building schematic to a full design of the Centre

### **6.5 Management and staffing**

- Finalize the preopening agreements with Global Spectrum
- Prepare job descriptions for centre staff

### **6.6 Project Management Work Plan**

- Prepare Key Milestones
- Establish critical dates, timelines and project deliverables
- Identify capital funding flows

## 7.0 Part Two: Physical Development

### 7.1 Locating the Celebration Centre

The Joint Task Force project team undertook a survey of available properties in the downtown. The City of London/IIPC criteria required Music London to leverage the City investments with the private sector and other levels of government. Kirkness Consulting Inc. Urban and Rural Planning, was engaged to assist the Team with site selection. **The Joint Task Force of the Grand Theatre and Music London agree this is the preferred site for the new centre.** The current land owner has an agreement in principle to partner with the Joint Task Force to assist the development proceed subject to securing parking for up to 250 of their employees in both the short and long term.

#### The eight (8) Sites considered were:

- A. King and Clarence – northwest quadrant – site area is 6556 m2
- B. York and Wellington – southeast quadrant across from Convention Centre – site area is 17,365 m2
- C. King and Ridout - northwest quadrant - Forks of the Thames (LMHU building) – site area is 7042 m2
- D. Richmond Street at Angel Street east side- St Peter’s Church -- -- site area is 7269 m2
- E. Dufferin between Richmond and Talbot south side - Sifton property ... behind the Grand Theatre – site area is 3300 m2
- F. Wellington between Dufferin and Wolfe -- London Life North and site of existing Centennial Hall – site area is 10,892 m2
- G. Queens between Clarence and Richmond – south side -- City Parking Site next to London Club – site area is 2008 m2
- H. Queens between Talbot and Ridout – north side - Fahri site– site area is 6251 m2

These are shown on the attached map of the Downtown – titled POTENTIAL SITE LOCATIONS. (Appendix VII)  
The Criteria applied were as follows:

**Criteria #1 – Downtown Location** -- The first criteria considered was the LOCATION, which was required to be in the Downtown. Eight sites surfaced as being in the Downtown as defined by the Official Plan.

**Criteria #2 – Site Area minimum of 10,000 m2 (108,000 square feet = 2.5 acres) -- Site Area:** Is the size of the site large enough to accommodate all program components? The minimum land area for the concert hall is anticipated to be 5000 m2 (about 54,000 square feet) and each of the 2 residential – hotel – office condo buildings are about 2500 m2 (about 27,000 square feet) for combined total of 10000 m2 of site area, as a minimum requirement. This is the basic requirement by the City’s terms of being a private - public partnership to develop a mixed use project with a concert hall. The assumption was made that “stacking” of major components of the mixed use development would not be desirable. More specifically, the opportunity to design a “world class” concert hall would be compromised if condo buildings were to be stacked on top of the concert hall. Of the eight sites, only two sites meet the minimum site area criteria and these are Sites B and F. However, there are sizeable sites that have some potential to be increased in size and these are sites C, D and possibly H. These were kept for further consideration in order to not discard any sites prematurely. Sites A, E and G were eliminated from further consideration.



**Criteria #3 -- Site development challenges** -- includes consideration of the existing buildings and structures on the site, the importance of their function, the difficulty to replace same, the feasibility of demolition, and the constraints and challenges of surrounding land uses, such as railways. Cleared sites would rate higher than sites with functional buildings thereon.

**Criteria #4 – Access from adjacent streets network** -- would enable performers, staff, and patrons to enter the site. The more fronting public streets the site is framed with, the greater the access is likely to be. Sites with only one fronting street would be considered less desirable than sites with two or three streets. More streets would enable public transit to serve the site better, facilitate loading and service functions for performances and enhance pedestrian connection from other parts of the Downtown.

Of the five sites remaining, site B rated poorly for Criteria #4 having only street frontage upon which to have access and its adjacency to the principle line Canadian National Railway along the south side. Site C rated poorly for Criteria #3 because it being occupied by major buildings being the Middlesex Health Unit and the County Parking structure/lot. These two sites then were eliminated from further review. This left the three sites comprising D, H and F.

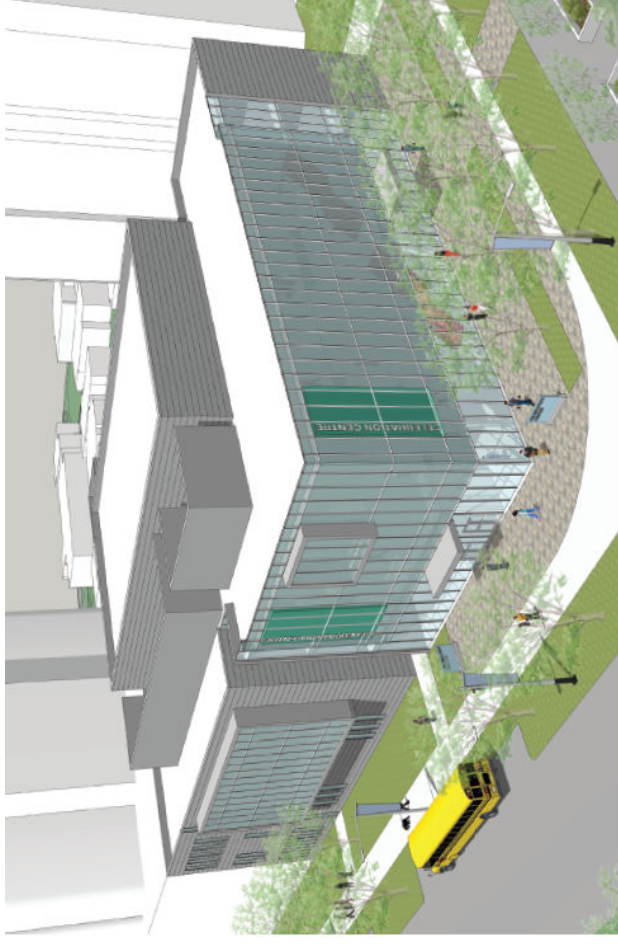
**Criteria #5—Availability for development** -- was considered significant as the site has to be acquired for a reasonable cost and arrangement with the owners. We were advised by the Diocese that Site D (St. Peters) was not available. Suitable arrangements with the owner of Site H were not able to be reached. Site F (London Life parking) became available from the owner Great West Life based on certain conditions and this land tied together with the existing Centennial Hall site that is City Owned, creates a significant sized site for the mixed use concert hall development envisaged by the City investment and incentive requirements. SITE F then has become the PREFERRED SITE.

The are other criteria to be considered and these are based on substantive topics such as: off-street parking, public transit routing, tour bus accommodation, loading and service area facilities, site environmental conditions, synergy potential with adjacent lands, visibility and public exposure of the site, land use planning controls and City incentives for the Downtown. However, it can be assumed that if the five identified and applied criteria are met, then these other criteria could be met. As well, to evaluate these more specific criteria requires a more detailed level of functional space planning, site planning and architectural design, to be completed upon approval by the City of London to proceed to the next level of project implementation.



## 7.2 Space Planning

A review of comparable facilities in Canada and the USA was combined with local user's specifications and desires for space in the new facility. Each functional area was described and its anticipated size, use and suitability for all users were prepared. The project team held two user focus groups to consider the results. The Team also consulted with a number of other facilities to compare their footprints and the type and kind of space needed to support facility maintenance and operations, artistic operations, patron services, community collaborations, economic drivers and food and concessions support. Each space was allocated a per square foot base and was mapped by John Nicholson as a building schematic. The building footprint was then provided to Stantec to add the schematic for the residential and commercial space plus parking. The net square feet refers to the actual floor area of each space and gross floor area refers to the combination of actual floor area, wall thickness, circulation space, mechanical space and other support functions in the building space.



The building schematic demonstrates the allocation of space within the building and in the context of the overall site plan. The number of seats is a derivative of the auditorium size, the size of the public lobby and public washrooms. The need for adequate storage and back stage facilities has been consistently emphasized as an important aspect of a successful hall. Increasing the seat count will be the greatest generator of cost as each seat added generates an equally expensive functional space in areas outside of the auditorium.

The space was carefully placed in both size and programming to be complimentary with existing venues in London. The Main Stage is between The Grand Theatre (more than 803 seats) and complimentary with the RBC theatre at Budweiser Gardens (less than 1,800 seats). It will also be complimentary to the newly renovated London Music Hall (1,600). The smaller hall is flexible space and designed primarily for dance so as not to compete with music performances at the Wolf Hall, Aeolian Hall, nor for speakers and meetings at the London Convention. Programming opportunities for London will be enhanced by having the new facility placed in the “sweet spot” of seat size, thus being a suitable and valuable addition to London’s cultural asset portfolio. (Recommended by Novita 2007)

Research on other facilities in other cities and consultations with the community resulted in a list of current requirements for space in the facility. To develop cost estimates, John Nicholson of Nicholson Sheffield Architects Inc. prepared a building schematic for the proposed space. Estimates for design and construction were undertaken by the Design and Construction Team comprised of industry leaders Ellis Don, Global Spectrum, John Nicholson and Stantec consulting. The City of London will engage an independent consultant (Novita) to undertake a peer review and validate the findings and recommendations contained in the Business Plan.

Global Spectrum, IATSE, local arts organizations and user focus groups provided input into the requirements for back of house and facility support systems. Local community organizations also added a list of “must haves” for stage supports, sound equipment and performance space. Costs were further developed and derived from recent comparable performance centre projects. Brian Waltham and Jim King of Ellis Don led the construction cost estimates.

The construction cost estimates in the business plan is based on a minimum of 1,200 seats (possible to raise to 1400) in a multi-use performance space, a 250 seat/400 person flexible dance and recital hall, and shared lobby and office space for the community. The list of spaces represent approximately 79,306 square feet of new functional space which would be effectively and efficiently be built in the new *Celebration Centre*. Building costs are \$39,728,228.

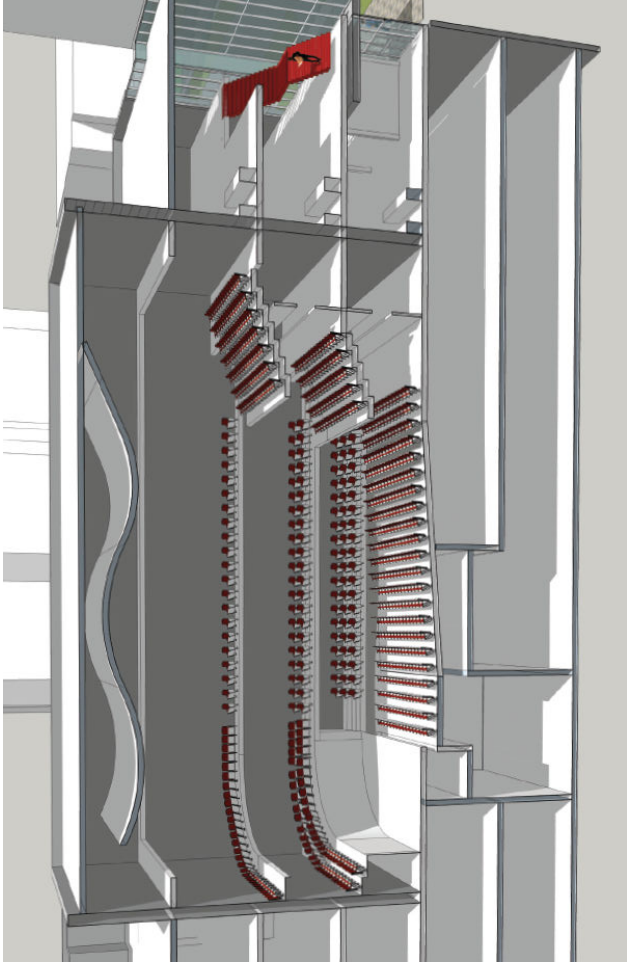
Residential buildings were designed and costed by Ali Soufan of York Developments and Jeff Paul at Stantec. Operations costs were confirmed by Brian Ohl and the team at Global Spectrum. Estimates in the Business Plan are deemed **reliable, sufficient and reasonable** at this stage of the project’s development noting costs can be impacted by final site assessment and development, building massing, finish, quality specifications and once the procurement of goods and services are taken into account. Full details of costs are in the financial sections of the Business Plan. (Appendix III)

### 7.3 Seat Size

The evolution of London’s new *Celebration Centre* has passed yet another milestone in terms of public debate; one that started with whether we should build such a facility to one that considers the number of seats the Centre should contain. The Business Plan is designed to encourage and engage the community to “Build it Right”. Concert promoters, building operators and local community organizations consulted on this project have provided varying advice with some suggesting we must place the new Centre within the local context of sustaining and supporting existing venues (City of London, Cultural Asset Plan) while others suggest London should have one large performing arts centre (D Jones Promotions). Thus, when considering the Celebration Centre project, it is important to establish the right balance between building for the future, the business risk factor, what the market can support, and what is affordable for taxpayers. The number of seats selected needs to balance the additional market capture that could occur with the costs of constructing and operating one large facility, with the negative impacts it could have on existing community performing arts venues centres. Large multipurpose centre’s have higher operating subsidies and may for all other purposes appear out of scale to the actual use and needs of the community. “Right sizing” the new hall in the London market is therefore an important community decision.

Larger may not always be best for the overall community. The current business plan is designed on the marketing analysis prepared by ARTEC in 2003 and again by Novita in 2007. The research analysis of 14 existing halls in North America confirms these findings. Replacement of Centennial Hall is needed and it has a very important role to play in supporting and encouraging arts presenters in the local arts scene in London. The Main stage is recommended at 1,200 seats (with expansion growth up to 1,400 spectators) with flexibility in seating formats. (Novita p 40) The facility to replace Centennial Hall should focus on music and dance performances, rather than the theatre and this would **not** present a challenge to the events offered by other facilities. (Appendix III p 50)





A 1,200 seat facility will yield savings in capital costs as well as operating costs relative to a 1,800+ seat facility. A realistic and affordable plan was developed based on two scenarios 1,200 seats and 1,400 seats. Cost projections for additional seats are based on the addition of 200 seat increments noting each seat adds approximately \$33,000 per seat in capital costs. So that adding 200 seats to the base business plan of 1200 seats would cost upwards of \$6.6 million in added capital costs.

Adding these additional 200 seats on this site is quite possible but will be dependent on a successful community fundraising effort with individuals and the private sector. Adding 600 seats to increase the seat size to 1,800 seats is not recommended as it would cost an additional \$20 million dollars. The added seats will necessitate increases in operating subsidy requirements above what the City currently spends, lends itself to higher business risk, does not lend itself to the current marketplace in London and is not affordable for taxpayers. The City of London, the provincial government and the federal government has each indicated that level of expenditure is not feasible in today's economy.

Community consultations also indicate the concern that a single large venue would most severely undermine the success and sustainability of other local venues such as the Grand Theatre, Wolf Hall, Aeolian Hall, the Palace Theatre, the RBC Theatre and the newly renovated London Music Hall.

***“Any increase in the overall number of seats in the ....market will be affected by the limits of discretionary spending in this market. While one facility may not directly compete with another, they all compete for the same entertainment dollar.”(ARTEC 2003)***

Further, no building operator will assume the full business risk of operating the Celebration Centre if they cannot succeed due to an over-sized building. In that circumstance, the business risk would have to be assumed by the taxpayers and would likely represent an increase in the property tax rate. The objective of Music London is to build a world class entertainment venue with no risk to City taxpayers as contemplated by the IEPC mandate and City Council directions in the RFP.

## 8. Financial Plan: Capital

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### 8.1 Capital Budget

The Design Team is comprised of Ellis Don, Global Spectrum, Stantec and Nicholson Sheffield. Budget estimates were drawn from comparable facilities in Canada and the USA. The space allocation and user requirements drive costs. The costs in the plan are preliminary and are based on the lands north of the current Centennial Hall. Changing the location and changing the base estimates on building massing, finish and quality specifications, unexpected site conditions and available city infrastructure may also affect price. It should also be noted the costs are based on current market conditions and likely procurement of goods and services in the timeframe specified. (Appendix I)

The costs are based on current market conditions in the construction industry and these can change rapidly depending on other construction work in the city or region. Costs are based on industry experience by the design team on a number of projects of this type. The estimates in the business plan have tried to take a balanced middle ground approach to ensure the project remains on budget and on schedule. The design/build approach will use an open book accounting and on completion of the final design have a fixed cost guarantee.

#### **What one should understand about the costs of a performance space building?**

It is worth noting the type of construction and the finish of a community centre is one of the more expensive per square foot buildings for a community to construct. They have specialized needs. Rather than thinking of them as constructing a warehouse or an office building think about them as the costs associated with building a hospital operating room. Why?

Several factors are at play including a higher net to gross floor area ratio to accommodate large crowds, ample space is required for washrooms and public lobbies as well as back stage space to house actors, equipment storage etc. They typically have unique interior designs that seldom repeat their form or function. The specialized field of acoustics requires exhaustive planning and testing of space, air, materials and greater demands for spatial volumes, high ceilings and more complex sound and mechanical needs.

The Design Construction Team has engaged professional support and advice to take the project to the next level of design planning once the Business Plan is accepted by City Council. The next step is to develop the detailed architectural drawings and blueprints for construction. Community consultation and engagement in this phase will be very important to consider the specialized areas for:

**Architecture:** The importance of visual appeal cannot be stressed enough. The proximity to City Hall, the Woodfield Heritage District Victoria Park and the downtown makes this development a premier site for a signature development. Curb appeal, uniqueness, and visual impact that has an “iconic postcard image” that represents the pride of the London community must be factored into the project

**Equipment:** Many choices must be made to “build it right” including curtains, rigging, platforms, risers, shells, audio visuals, lighting, sound equipment, electrical infrastructure, loading and unloading access and ease of movement

**Structure:** Ramps, seating size, patron comforts, user needs for catwalks, air circulation plenums, attics, construction joints often requiring more complex and unique applications for each PAC

**Acoustics:** Wall masses, floor masses, structural isolation, ceilings, vibration testing, mechanical noise reduction, sound reverberation and use of shells, reflectors, and unique materials. The following table shows for each of the four space components the progression from net to gross square footage and the application of the cost estimate ranges. The soft costs such as professional fees, permits and site preparation have been conservatively estimated and added. The project will attain a minimum of a Gold LEED standard as a Green Building.

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## 9. Fundraising

### 9.1 Campaign Cabinet

Music London has established a high level campaign strategy and recruited a number of private citizens ready to fully participate on the campaign cabinet. The Honorary Chair is a prominent member of the broader Ontario community with well respected roots in his home town of London. Other members of the Capital Cabinet have significant experience in capital fundraising for local projects and reflect a broad cross section of the business community. (All have asked for confidentiality until after approval of the Project by the City of London).

Two experienced fund development officers with over 30 years combined fundraising experience have been engaged to lead the plan. The campaign cabinet will all commit to a substantial donation each to show their commitment and leadership and have experience and willingness to open doors for major gift solicitations. The members of the capital campaign have worked well together in the past and have an enviable track record of success.

### 9.2 Case for Support Celebrate Now!

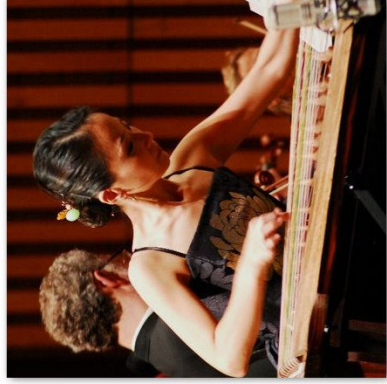
Helping Extraordinary People Champion a Creative and Inspirational Enterprise

Following approval from the City of London, the Music London Foundation will launch the Celebrate Now! Capital Campaign, a comprehensive fundraising plan which will build and sustain the new Centre. It has been developed by experienced professional fundraisers with an enviable track record of success. The campaign will ensure the Celebration Centre remains a vital part of our community for many years to come.

Phase One Feasibility Report built a strong case for support for proceeding with a new mixed use development including a performing arts centre for London and region. To repeat the case for support the following principles will drive the capital investment and the project's success:

- The new development is needed to replace an aging and defunct civic asset Centennial Hall
- A new facility must create jobs, leverage private and public investment in London
- The City will recover its investment in less than 10 years through new assessment grow and new tax revenues
- The 400 condominiums, boutique hotel, parking and PAC will contribute significantly to the economic value and social benefits of a vibrant and healthy downtown
- *Celebration Centre* will play a major role in fostering a dynamic music and entertainment industry in London and produce economic, social and cultural benefits to our community
- The new facility will expand the capacity, skills and talents of local organizations to create and perform
- *Celebration Centre* will enhance the investments already made in Fanshawe College's new Centre for Digital and Performance Community
- Westerns School of Music will attract and retain more young people and faculty to come to London
- Orchestra London and other local community organizations will grow revenues, patrons and donors to support their mission
- *Celebration Centre* will attract more visitors and overnight stays in the community, bringing more jobs in London
- We will enhance the quality of life for those who work and live in the region

The Centre will solicit testimonials from prominent Londoners as well as the average Londoner to support a major gifts capital campaign with a goal of securing government funds, individual cash, pledges and estate bequests (planned gifts) and corporate support





### 9.3 Source of Funds

Music London will undertake the capital fundraising campaign to secure funding from government, individual and corporate stakeholders. The Music London Foundation will coordinate this fundraising effort and cultivate contributions from government, the private sector and individual donors. Celebration Centre costs. ( Appendix IX)

#### Land

The Music London Foundation has secured agreement in principle from the current land owner to participate in the mixed use development subject to a successful parking plan to replace 217 existing surface parking spots on the current site.



Gift Chart: Sample for \$10,000,000 Capital Campaign (Celebration Centre)

Gift Range	No. Gifts required	No. Prospects required	Subtotal	Cumulative total	Cumulative percentage
1,000,000.00	1	4	1,000,000.00	1,000,000.00	10%
500,000.00	2	8	1,000,000.00	2,000,000.00	20%
200,000.00	5	20	1,000,000.00	3,000,000.00	30%
100,000.00	10	40	1,000,000.00	4,000,000.00	40%
50,000.00	20	80	1,000,000.00	5,000,000.00	50%
25,000.00	40	160	1,000,000.00	6,000,000.00	60%
15,000.00	60	240	900,000.00	6,900,000.00	69%
10,000.00	100	400	1,000,000.00	7,900,000.00	79%
5,000.00	125	500	625,000.00	8,525,000.00	85%
Under 5,000.00	590	2360	1,475,000.00	10,000,000.00	100%
<b>Totals</b>	953	3812		10,000,000.00	

## Conclusions

The City council sought out ideas to stimulate jobs, attract private investment and leverage community resources to stimulate the economy of London. Through the examination of many other facilities across the country and through exhaustive collaborations, research and planning the recommended project will meet all the criteria put in place by civic staff and London City Council. Londoners are excited and ready to rebuild a facility in time to celebrate Canada's birthday in 2017.