

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON DECEMBER 15, 2015
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	2014 ANNUAL UPDATE ON BUDWEISER GARDENS

RECOMMENDATIONS

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer the following actions be taken with respect to Budweiser Gardens:

- 1) the 2014 Annual Report on Budweiser Gardens attached as 'Appendix A' **BE RECEIVED** for information, and;
- 2) the attached proposed by-law 'Appendix B' **BE INTRODUCED** at the Municipal Council meeting on December 21, 2015 for the purpose of repealing and replacing by-law No. A.-6536-179, being a by-law "to approve the appointment of the Director, Financial Services as the City of London's representative and the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer as the City of London's alternative representative on the Working Committee established as part of the Participatory Occupancy Lease for the Budweiser Gardens."

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Board of Control, April 28, 2010 – 2009 Annual Update on John Labatt Centre;

Finance and Administration Committee, February 16, 2011 – 2010 Annual Update on John Labatt Centre;

Finance and Administration Committee, March 30, 2011 – Expenditure and Debt Information Update on John Labatt Centre;

Finance and Administrative Services Committee, June 5, 2012 – 2011 Annual Update on Budweiser Gardens;

Corporate Services Committee, February 19, 2013 - 2012 Annual Update on Budweiser Gardens;

Investment and Economic Prosperity Committee, March 31, 2014 – 2013 Annual Update on Budweiser Gardens

BACKGROUND

Budweiser Gardens is a multi-purpose entertainment and sports facility. The facility strives to perform a significant role in meeting the needs of the community in its overall programming.

Budweiser Gardens operates as a public private partnership and is designated as a municipal capital facility under the Municipal Act. The Budweiser Gardens completed its twelfth year of operations in 2014.

The Gardens is managed by Global Spectrum on behalf of the partnership, London Civic Centre (LP). Global is responsible for the sale of naming rights, advertising, attractions, sale of suites and club seats, and the operation of the Gardens.

The City's share of the net proceeds does vary over the life of the lease. In years one to five, the City's share was 20%; years six to ten, 45% and years eleven to fifty, 70%.

The Budweiser Gardens continues to outperform pre-build expectations. Over 690,000 people attended approximately 155 events last year at the Gardens, more than 50% higher than pre-build expectations.

BUDWEISER GARDENS WORKING COMMITTEE

The Working Committee was established to deal with operational matters, including the review of capital repairs and plans, and monitoring balances in the capital repair fund. It also reviews operating budgets, audited financial statements and available cash flow calculations and may, if required, approve certain contractual procedural elements. Additionally, the City's representative reviews and authorizes agreements on non-arms length contracts and must approve expenditures coming from the capital repair fund, ensuring long-term viability of the capital repair fund. The Committee includes representatives from the Arena Trust, the London Civic Centre (LP), THE City of London and the manager of the facility. The attached proposed by-laws repeals the existing by-law to revise and update the City's appointments to the Working Committee for the appropriate position titles as well as updates the references of the previous facility name to reflect the renamed facility as Budweiser Gardens.

2013-2014 BUDWEISER GARDENS EVENT HIGHLIGHTS

The Budweiser Gardens hosted a wide range of shows and events in 2013-2014, living up to the multi-purpose function that the City invested in when it built the facility including:

- National Hockey League exhibition game
- Musical legends such as Pearl Jam, Elton John, Gordon Lightfoot, and Michael Buble
- Country stars such as Brad Paisley, Lady Antebellum and Jason Aldean
- Broadway plays such as Lord of the Dance, Rock of Ages, Sleeping Beauty, Dreamgirls and West Side Story
- Family shows have been abundant, including the Globetrotters, Disney Live, Disney on Ice, Super Dogs and Monster Jam
- The 96th OHL Mastercard Memorial Cup
- The London Lightning of the National Basketball League of Canada
- In March 2013, the Gardens hosted the ISU World Figure Skating Championships

RANKINGS, ACHIEVEMENTS, AND AWARDS SUMMARY

The Budweiser Gardens had a record breaking year in 2013/2014 – ranking as the top grossing venue of its size in North America (Billboard Magazine) with over 690,000 in total attendance. The below list highlights achievements, rankings, and awards received by Budweiser Gardens:

- Large Business of the Year (London Chamber of Commerce Business Achievement Awards);
- Ranked 7th (Venues Today) in “Worldwide Ranking” for venues with a capacity of 10,000-15,000;
- Ranked 117th (Pollstar) in “Worldwide Ranking” out of the top 200 venues of all capacities;
- Ranked 10th (Venues Today) out of 100 venues with a capacity of 10,000-15,000 for Social Media outreach;

- Awarded the 2016 Canadian Country Music Awards which is expected to have \$6-\$8 million dollars of economic impact

FINANCIAL HIGHLIGHTS (5-YEAR SNAPSHOT)

At the end of 2014 there was \$15,649,797 remaining on the outstanding debt. The final payment is forecasted to be made in 2023.

	2014 Budget	2014 Actual	2013 Actual	2012 Actual	2011 Actual	2010 Actual
Events	135	155	147	141	135	155
Paid Attendance	\$613,345	\$669,497	\$675,631	\$654,207	\$604,857	\$672,985
Total Event Income	\$2,356,996	\$3,310,373	\$2,670,694	\$2,790,966	\$2,704,805	\$3,258,628
Total Income	\$5,789,936	\$6,901,364	\$5,826,391	\$5,801,071	\$5,680,901	\$6,090,024
Indirect Expenses	\$5,672,737	\$6,472,864	\$5,631,434	\$5,602,973	\$5,387,040	\$5,642,793
Net Income	\$117,199	\$428,500	\$194,957	\$198,098	\$293,861	\$447,231
City Proceeds from Operation		\$772,080	\$454,903	\$313,421	\$355,802	\$441,097
City Proceeds from Ticket Sales		\$200,867	\$122,444	\$152,038	\$157,528	\$152,950
Total City Proceeds		\$972,947	\$577,347	\$465,459	\$513,330	\$594,047

SUBMITTED BY:	RECOMMENDED BY:
ANNA LISA BARBON DIRECTOR, FINANCIAL SERVICES	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER

c. A. Zuidema