

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON FEBRUARY 2, 2016
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER. CHIEF FINANCIAL OFFICER
SUBJECT:	2015 ANNUAL UPDATE ON BUDWEISER GARDENS

RECOMMENDATIONS

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the 2015 Annual Report on Budweiser Gardens attached as 'Appendix B' **BE RECEIVED** for information.

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

Corporate Services Committee, December 15, 2015 – 2014 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 thirteenth year of operations in 2015.

The Gardens is managed by Spectra Venue Management (formerly known as Global Spectrum) on behalf of the partnership, London Civic Centre (LP). Spectra 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 665,000 people attended approximately 124 events last year at the Gardens, more than 50% higher than pre-build expectations.

2014-2015 BUDWEISER GARDENS EVENT HIGHLIGHTS

The Budweiser Gardens hosted a wide range of shows and events in 2014-2015, living up to the multi-purpose function that the City invested in when it built the facility including:

- Musical legends such as the Tragically Hip, Neil Diamond, Bryan Adams, and Tom Cochrane
- Country stars such as Shania Twain and Luke Bryan
- Broadway plays such as Jersey Boys and Chicago
- Family shows have been abundant, including the Harlem Globetrotters, Disney Live, Disney on Ice, and Monster Jam
- 50 Year Anniversary for the London Knights
- The London Lightning of the National Basketball League of Canada

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 2014 Achievement Awards);
- Ranked 7th in 2014 (Venues Today) in “Worldwide Ranking” for venues with a capacity of 10,000-15,000;
- Ranked 83rd in 2014 (up from 117 in previous year) (Pollstar) in “Worldwide Ranking” out of the top 200 venues of all capacities;
- Ranked 10th in 2013 (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 2015 there was \$13,546,918 remaining on the outstanding debt. The final payment is forecasted to be made in 2023.

Appendix “A” (attached) provides a performance summary for the Budweiser Gardens for the last five years, events, paid attendance, incomes, expenses, net income and the City’s net proceeds for both ticket fees and share of net operational income.

Appendix “B” (attached) is the Budweiser Gardens 2015 Annual Report.

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

APPENDIX "A"

Budweiser Gardens Performance Summary

	2015 Budget	2015 Actual	2014 Actual	2013 Actual	2012 Actual	2011 Actual
Events	123	124	155	147	141	135
Paid Attendance	613,345	669,499	669,497	675,631	654,207	604,857
Total Event Income	\$2,326,609	\$2,736,299	\$3,310,373	\$2,670,694	\$2,790,966	\$2,704,805
Total Income	\$5,848,799	\$6,481,965	\$6,901,364	\$5,826,391	\$5,801,071	\$5,680,901
Indirect Expenses	\$5,786,674	\$6,224,114	\$6,472,864	\$5,631,434	\$5,602,973	\$5,387,040
Net Income	\$62,125	\$257,851	\$428,500	\$194,957	\$198,098	\$293,861
City Proceeds from Operation	\$144,960	\$456,527	\$772,080	\$454,903	\$313,421	\$355,802
City Proceeds from Ticket Sales	\$81,839	\$116,168	\$200,867	\$122,444	\$152,038	\$157,528
Total City Proceeds	\$226,799	\$572,695	\$972,947	\$577,347	\$465,459	\$513,330