



<b>TO:</b>	<b>CHAIR AND MEMBERS INVESTMENT AND ECONOMIC PROSPERITY COMMITTEE MEETING ON FEBRUARY 19, 2013</b>
<b>FROM:</b>	<b>MIKE TURNER DEPUTY CITY TREASURER</b>
<b>SUBJECT:</b>	<b>2012 ANNUAL UPDATE ON BUDWEISER GARDENS</b>

**RECOMMENDATION**

That, on the recommendation of the Deputy City Treasurer, this report **BE RECEIVED** for information.

**PREVIOUS REPORTS PERTINENT TO THIS MATTER**

Board of Control, April 28, 2010 – 2009 Annual Update on Budweiser Gardens;  
 Finance and Administration Committee, February 16, 2011 – 2010 Annual Update on Budweiser Gardens;  
 Finance and Administration Committee, March 30, 2011 – Expenditure and Debt Information Update on Budweiser Gardens;  
 Finance and Administration Committee June 5, 2012 – 2011 Annual Update on Budweiser Gardens.

**BACKGROUND**

October of 2012 was the official tenth anniversary of our downtown entertainment facility and it began with a name change to Budweiser Gardens.

Budweiser Gardens operates as a public private partnership and is designated as a municipal capital facility under the Municipal Act. The Gardens completed its tenth year of operation in June 2012.

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 original contribution to the Budweiser Gardens was based upon an anticipated conservative pro forma produced by London Civic Centre (LP). The pro forma anticipated that paid attendance would average between 350,000 and 400,000, the gross revenue from the Centre would average \$5.6 million over the first ten years and that net proceeds to the City would average \$169,563. Global Spectrum has been able to meet the gross revenues in the facility and achieve generally higher net incomes than budgeted. The net proceeds to the City averaged \$274,015 for the first ten years, exclusive of ticket surcharge revenue. In 2012, we received \$313,421 on the net proceeds and an additional \$152,038 on ticket surcharges. The net income for the Gardens for 2011/12 was \$43,000 higher than budgeted.

It should be noted that the net proceeds are after the Garden's debt servicing costs, taxes and contributions to the capital reserve fund.

The City's share of the net proceeds varies 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 650,000 people attended events last year at the Gardens, more than 50% higher than pre-build expectations. The Budweiser Gardens has ascended to world ranking amongst event centres. Pollstar, the industry leader in entertainment news, rated the Gardens 72nd in their top 100 facilities in the world, regardless of size.



The Centre also finished 2012 as the seventh highest-ranking Canadian venue.

In March 2012, the Centre was named Canada's 2012 Major Facility of the Year during ceremonies at Canada's Music Festival for the second time in three years. The Centre topped the Bell Centre in Montreal; The Save On Foods Memorial Centre in Victoria; MTS Centre in Winnipeg; Credit Union Centre in Saskatoon; Halifax Metro Centre in Halifax; ScotiaBank Place in Ottawa and the Molson Amphitheatre in Toronto.

During the 2011/12 season, Social Media continued to be front and center on the marketing agenda to allow for easy accessibility to customers. The Budweiser Gardens's Facebook page has over 22,000 fans, the Twitter Account @BUDWEISER GARDENS has over 10,800 followers and the Gardens has an e-mail database of over 160,000 addresses.

The Gardens finished 2012 ranked 15<sup>th</sup> of all North American venues with capacity between 5,000-15,000 seats in the Power Ranking for Social Media, according to Venues Today's year-end rankings.

The Budweiser Gardens hosted a wide range of shows and events in 2011-2012, living up to the multi-purpose function that the City invested in when it built the facility including:

- National Hockey League exhibition game;
- Country stars Keith Urban and Alan Jackson;
- Musical artists such as The Moody Blues, Prince, Bryan Adams, Kelly Clarkson, Neil Diamond and Deep Purple;
- Canadian legend Tommy Hunter's final concert;
- Broadway plays such as My Fair Lady, Fiddler on the Roof, Shrek and Riverdance;
- Family shows have been abundant, including the Globetrotters, Disney Live, Disney on Ice, Cirque du Soleil and Sesame Street;
- The London Knights hockey team continued to play to sell out crowds in their OHL Championship season;
- The London Lightning of the National Basketball League of Canada had a very successful inaugural year, winning the NBL of Canada championship;
- In March 2013, the Gardens will host the ISU World Figure Skating Championships.

At the end of 2012 there was \$19,720,565.54 remaining on the outstanding debt. The final payment will be made in 2023.

**Performance Summary**

Appendix "A" (attached) provides a performance summary for the Budweiser Gardens for the first ten 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 2012 Annual Report.

<b>RECOMMENDED BY:</b>
<b>MIKE TURNER</b> <b>DEPUTY CITY TREASURER</b>

- c. A. Zuidema  
M. Hayward