



CITY OF KINGSTON
CONSIDER REPORT TO COUNCIL

Report No.: 12-324

TO: Mayor and Members of Council

FROM: Cynthia Beach, Commissioner, Sustainability & Growth

RESOURCE STAFF: Same

DATE OF MEETING: October 2, 2012

SUBJECT: Ontario Lottery and Gaming (OLG) – Proposed Hosting of a Gaming Facility within the Boundaries of the City of Kingston

EXECUTIVE SUMMARY:

On July 17, 2012, City staff provided a report to Council that provided background information regarding the Ontario Lottery and Gaming (OLG) plans to modernize lottery and gaming in Ontario. As part of OLG's new gaming and lottery modernization plan, municipalities are being asked to provide a clear expression of interest about their willingness to host a gaming facility in their community.

As part of the process the OLG is evaluating the potential for private sector providers for operating gaming sites (casinos) within the zones established. The zones approved by OLG are subject to review and change, however the current zone Eastern Ontario: Zone E3 includes the existing facility, OLG Casino Thousand Islands and municipalities of the City of Kingston, and Frontenac County.

OLG has initiated presentations with municipalities on the modernization process and to gauge interest by municipalities that would like to participate in the new initiatives. OLG will not locate a gaming facility in a municipality that has not provided a resolution of Council supporting the hosting of the gaming site in the municipality. This report has been prepared to provide Council with background information for them to provide direction regarding their willingness to host a gaming facility.

If Council passes a motion in support, private sector businesses may provide proposals for the OLG process that are within the boundaries of the City of Kingston. If Council does not provide a motion in support, the OLG will not consider proposals for a casino inside the boundaries of the City of Kingston. The OLG has indicated at the Council meeting on September 18 that they did

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not require a response from the City until the end of the year and that approval can be conditional, based on receiving further information about private sector proposals.

Information Report 12-293 provided to Council at the September 4th meeting of Council is attached to this report (Exhibit A) and provides an overview of land use and location issues related to a casino.

Council has provided opportunities for the public to provide input to City Council through a number of processes including:

- A public meeting held August 8, 2012;
- The opportunity to provide feedback through emails or other correspondence; and,
- A citizens' survey was provided on the City's website and customer service phone service

A great deal of information was received from residents. A summary of the information received is included in the Information Report 12-295 attached to the October 2nd agenda.

Information Report 12-294 summarizes the available research done related to the impacts of casinos and is attached to the Council agenda. Council also hosted staff from the OLG on September 18 to ask questions and clarification regarding the next steps in the approval process. A casino economic impact project has also been prepared by KEDCO and has been provided as an information report 12-327 attached to this council agenda.

In support of this decision for Council, staff have also provided the original report prepared for Council at the July 17th meeting of Council. Staff are requesting direction on the matter of locating a casino within the boundaries of the City of Kingston.

RECOMMENDATION:

WHEREAS the Ontario Lottery and Gaming Corporation (OLG) has initiated a process to modernize gaming in Ontario; and

WHEREAS the OLG has established a process for municipal participation and resolutions; and

WHEREAS the OLG has indicated that a gaming facility will only be located in a municipality that has endorsed a resolution supporting the hosting of a gaming facility;

THEREFORE BE IT RESOLVED THAT Council consider the following:

“**THAT** the City of Kingston Council advise the OLG that it is interested, in principle, in being a host municipality for a new gaming facility.”

AUTHORIZING SIGNATURES:

ORIGINAL SIGNED BY COMMISSIONER _____ Cynthia Beach, Commissioner, Sustainability and Growth
ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER _____ Gerard Hunt, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Lanie Hurdle, Community Services	√
Denis Leger, Transportation, Properties & Emergency Services	√
Jim Keech, President & CEO, <i>Utilities Kingston</i>	√

(N/R indicates consultation not required)

OPTIONS/DISCUSSION:**Background**

On July 17, 2012, City staff provided Report No. 12-254 to Council that provided background information regarding the Ontario Lottery and Gaming (OLG) plans to modernize lottery and gaming in Ontario (Exhibit B). The strategic business plan implementation for OLG will result in a number of changes to the gaming market in Ontario.

By the end of the year, OLG will be providing private sector proponents with the opportunity to submit proposals to be considered for the operations of OLG casino sites.

Kingston is located in the E3 Zone which also includes Frontenac County (Township of South Frontenac), Town of Gananoque, Leeds and Grenville United Counties (Township of Leeds and the Thousand Islands). The E3 Zone has an existing gaming facility, OLG Casino Thousand Islands as well as two bingo site operations that are operating under the OLG revitalization program in the city of Kingston.

OLG staff also attended the Council meeting on September 18 to answer questions and the presentation from that Council meeting is attached as Exhibit C of this report.

For a gaming facility to be considered within the limits of the City of Kingston, Council must by way of a resolution provide an indication of their support for the facility by the end of 2012. The process requires that municipalities seek public input but leaves it to a municipal council to determine the manner in which public input is sought. There is no specific site criteria established for gaming facilities. Service providers are only permitted to relocate gaming facilities within the zone. All new locations are subject to relevant provincial and municipal approvals. OLG has confirmed that the decision by the end of 2012 is for hosting a gaming facility, but that the City is in a position to set conditions for its approval as part of next steps. OLG has also indicated the City of Kingston is not required to provide comment until the end of 2012.

Impacts to Municipalities for Hosting a Gaming Site

There are a number of impacts related to a casino that could not be determined until further on in the OLG process. Staff are prepared to provide conditions for Council that include a number of factors that Council may wish to explore before deciding on any proposed development.

If Council wishes to proceed with the next steps to host a casino operation they could request information from OLG and the proponents related to the major impacts (positive and negative) with regards to hosting a casino. Until the OLG has received and evaluated proposals, Council does not yet have information related to a number of topics and may want to request further information related to:

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- Employment opportunities (both direct and indirect) created by the new operating model,
 - Construction of complementary businesses (e.g. hotels, restaurants, convention facility),
 - Expenditures at surrounding businesses,
 - New or enhanced public services that could be funded from revenues received and the ability for these services to offset negative impacts,
 - Location of the gaming facility and consistency with land use principles

At the time of writing this report, specific information regarding the portion of the gaming revenue that will be provided to the host municipality for the benefit of the local community was not available. OLG is reviewing their fee structure to introduce a different mix of gaming at sites. Funding levels to the municipalities will be determined by customer volume/revenue generation. Many community not-for-profit organizations receive funding distributed from the Trillium Foundation through proceeds from gaming operations. The OLG has indicated they will provide revenue sharing information to the City in October. Under the new fee structure OLG will continue to allow municipalities to use the revenues in any way with no restrictions.

Role of the Municipality in the Process for Locating Gaming Sites

The Ontario Lottery and Gaming Corporation Act, 1999 Regulation 81/12 provides the requirements for establishing a gaming site within a municipality. The section from the regulation below outlines the requirements imposed on OLG for establishing a gaming site in a municipality including requiring municipalities to seek public input and pass a resolution.

3. *In the case of a proposed gaming site to be established at premises in a municipality or on a reserve,*
 - i. *the municipal council or the council of the band, as the case may be, seeks public input into the establishment of the proposed gaming site and gives the Corporation, in writing, a description of the steps it took to do so and a summary of the public input it received, and*
 - ii. *the municipal council or the council of the band, as the case may be, passes a resolution supporting the establishment of the gaming site in the municipality or on the band's reserve and gives a copy of the resolution to the Corporation.*

OLG is requesting that municipalities provide a clear expression of interest about hosting a gaming facility and has also indicated that they would not bring a gaming facility into a community that did not wish to have one. OLG is requesting the City of Kingston provide an indication of their interest prior to the end of 2012.

There are no specific criteria established for site selection of a gaming facility. Proponents will submit their proposals directly to OLG for evaluation and will have to meet all municipal bylaw requirements. Proponents will have to invest significant time and financial resources to prepare their proposals. Proponents will only be permitted to prepare proposals to site gaming facilities in municipalities that have provided approval in principle. Some municipalities have requested a

further update from OLG when the successful proponent is chosen if they would like to locate operations within their community.

Council may also choose to provide restrictions or conditions on their approval for the location of a gaming facility in the City of Kingston. If there are specific parameters that Council wishes to consider in the next steps of the OLG process, Council can provide the approval subject to those conditions.

OLG will choose one successful proponent from this process who will begin implementation in 2013. Kingston would be involved with this process if the successful proponent proposed a relocation of the gaming facility in the City of Kingston.

Public Consultation

Municipalities have approached public consultation for gaming facilities through different methods. The site location of a gaming facility is also subject to municipal zoning and other by-laws and will require further more detailed public consultation.

The general public was consulted in order to gauge public opinion or position on Council's decision on the possible location of a gaming facility in Kingston. Report No. 12-295 summarized the comments received from the public from a public meeting held on August 8, a citizens' survey as well as correspondence received via mail or email.

EXISTING POLICY/BY LAW:

Not applicable other than land use policies.

NOTICE PROVISIONS:

There are no specific notice provisions required other than those followed to date.

ACCESSIBILITY CONSIDERATIONS:

There are no accessibility considerations at this time.

FINANCIAL CONSIDERATIONS:

While we know OLG has not stated what the actual allocation of revenue to the City would be, we do know the formula that is currently in place which includes 5% of slots up to 450 and 2% above that number. Approximate estimates would amount to \$2.8M annually. In addition, the development of a gaming facility, whether stand-alone or part of a larger inclusive development, would be subject to property taxes at commercial tax rates and would be assessed on the basis of square footage, occupancy of the building and revenue or income of the property.

While there is no methodology that would enable us to determine the assumptions related to municipal service costs associated with the introduction of a gaming facility, any adverse impacts and costs associated with those would be paid from the revenues generated. Construction would be subject to the City's development and related fees including development charges, impost and building permit fees. Any infrastructure works would be typically at the cost of the proponent.

CONTACTS:

Cynthia Beach, Commissioner, Sustainability & Growth

613-546-4291 ext. 1150

OTHER CITY OF KINGSTON STAFF CONSULTED:

Alan McLeod, Senior Legal Counsel (Acting City Solicitor)

EXHIBITS ATTACHED:

Exhibit A: Report 12-293 OLG Process: Land Use and Locational Analysis

Exhibit B: Report 12-254 – Ontario Lottery and Gaming (OLG) – Modernizing Lottery and Gaming in Ontario

Exhibit C: Presentation to Council by OLG – September 18 Council Meeting



CITY OF KINGSTON
INFORMATION REPORT TO COUNCIL

Report No.: 12-293

TO: Mayor and Members of Council

FROM: Cynthia Beach, Commissioner, Sustainability & Growth

RESOURCE STAFF: Same

DATE OF MEETING: September 4, 2012

SUBJECT: OLG Process: Land Use and Location Analysis

EXECUTIVE SUMMARY:

The OLG has presented its new gaming and lottery modernization plan to municipalities. The OLG has established 29 gaming zones across the province. Kingston is located in gaming zone E3, which already contains the existing Thousand Islands Casino in Gananoque. As an initial step in the process, municipalities are being requested to provide a clear expression of interest regarding their willingness to host a gaming facility prior to OLG issuing a Request for Proposals to private sector gaming operators in October, 2012.

As part of Council's motion that was passed on August 14, 2012, staff was requested to provide a summary of research and background information on the topics that had been outlined in Council Report 12-291 dealing with the Ontario Lottery & Gaming (OLG) Process. This report addresses the following topics:

- The options for Kingston to impact the OLG process and influence the site characteristics and amenities for gaming facilities located in Kingston;
- The process and ability for Council and the public to comment on location issues;
- Conditions for approval that Council may want to consider if approving the location of a gaming facility; and,
- Summary of the existing land use process and the required public consultation for locating a gaming facility in the City of Kingston.

The remainder of the topics outlined in Report 12-291 will be addressed in subsequent reports to be presented to Council at the September 18 and October 2 meetings.

Options to Impact Process and Influence Amenities

If Kingston decides not to be a host municipality, the City would have no further involvement in the OLG process given that a gaming facility will not be located in a municipality that does not

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wish to have one. If Council advises OLG that it wishes to be a host municipality, the City would have a future role in the process if the operator in zone E3 decides to relocate the existing gaming facility to Kingston. That involvement would relate to processing and approving any required planning applications.

In terms of influencing site characteristics and amenities, Council's motion to OLG indicating its intent to be a host municipality could encourage proponents to incorporate amenities that would benefit the greater Kingston community or that would achieve Council's strategic initiatives. OLG could then include that as part of the RFP for zone E3 operators. Through approval of any required planning applications, matters relating to transit service, roadway and infrastructure improvements, pedestrian access and parking would be addressed.

The Process / Ability to Comment on Location Issues

The OLG process includes the following key components:

- In order for a new gaming facility to locate in Kingston, the City must consent to being a host municipality;
- Only one gaming facility is permitted in each gaming zone;
- Only the Province/OLG will make the decision on the private sector's business plan to proceed or not proceed with a gaming facility in a gaming zone;
- New gaming facilities must meet all municipal provisions.

If Council consents to being a host municipality for a gaming facility, the motion could identify preferred areas for the location of a new gaming facility as well as areas where a new facility would not be supported. OLG could then decide whether or not to include those criteria when issuing its RFP for gaming zone E3. In addition, Council is the approval authority for any required planning applications and through the exercising of that authority will have a measure of control on the location should the successful private sector operator propose locating a gaming facility in Kingston.

Conditions for Approval

If Council consents to being a host municipality for a gaming facility, the motion could include conditions respecting site locations or the nature of the gaming facility development. In the absence of a specific proposal, any such conditions would need to be generic and could relate to desired amenities or preferred locations. OLG could then decide whether or not to include those conditions in the RFP for gaming zone E3.

Land Use and Public Consultation

A casino or gaming facility is not specifically listed as a permitted use in the City's Official Plan and Zoning By-laws. However, within the Central Business District and Regional Commercial land use designations in the Official Plan, entertainment uses / facilities are permitted. Therefore, an Official Plan Amendment (OPA) may not be required in those designations, depending on the scope and scale of the gaming facility and the associated amenities. In all other land use designations an OPA would likely be required. It is almost certain that a Zoning

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By-law Amendment (ZBLA) would be required to the applicable Zoning By-law in order to accommodate a casino or gaming facility of any magnitude.

In terms of public consultation, applications for an OPA and/or ZBLA require that at least one statutory public meeting be held. Notice of the public meeting and notice of Council’s decision respecting the application(s) must be given in accordance with the requirements of the Planning Act. Anyone with an interest in the matter can make verbal presentations at the public meeting(s) or provide written submissions at any time prior to Council making its decision. Council’s decision can also be appealed to the Ontario Municipal Board (OMB) based on land use planning reasons. Any proposal for a new casino would also require Site Plan Control (SPC) approval. The Planning Act does not require any formal public consultation respecting a SPC application. However, subject to a motion of Council, a SPC application can be “bumped up” to Planning Committee, and the Committee, at its discretion, may receive public comment respecting the details of the site plan. However, only the applicant can appeal a site plan to the OMB.

The information in this report presents a summary of the land use and location considerations that would be relevant to further discussions should a new gaming facility be proposed within the City of Kingston and subject to a final decision by Council on hosting a gaming facility.

RECOMMENDATION:

This report is for information purposes only.

AUTHORIZING SIGNATURES:

<u>ORIGINAL SIGNED BY COMMISSIONER</u> Cynthia Beach, Commissioner, Sustainability and Growth
<u>ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER</u> Gerard Hunt, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Lanie Hurdle, Community Services	N/R
Denis Leger, Transportation, Properties & Emergency Services	N/R
Jim Keech, President & CEO, <i>Utilities Kingston</i>	N/R

(N/R indicates consultation not required)

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OPTIONS/DISCUSSION:**Background**

The OLG has presented its new gaming and lottery modernization plan to municipalities. The OLG has established 29 gaming zones throughout the province. The City of Kingston is located in gaming zone E3, which also includes the Township of South Frontenac, the Town of Gananoque and the Township of Leeds and the Thousand Islands. The Thousand Islands Casino is already located in gaming zone E3. The OLG has stated that it would not bring a gaming facility to a municipality that does not want one. In that regard, as an initial step in the process, municipalities are being asked to provide a clear expression of interest about their willingness to host a gaming facility in their community prior to the OLG issuing a Request for Proposals to private sector gaming operators in the fall of 2012.

Council Report 12-254 (July 17, 2012) provided Council with an overview of the Ontario Lottery & Gaming Corporation's (OLG) strategies for modernizing lottery and gaming in Ontario. Following the public meeting on August 8th, Council Report 12-291 was submitted to the August 14th Council meeting to provide further information respecting the OLG process and to outline the proposed content for a future report(s) to Council. At the August 14 meeting, Council passed the following motion:

*“**WHEREAS** the process for OLG to review proposals for the privatization of casino operations has not been finalized and will extend later into the fall of 2012;*

***THEREFORE BE IT RESOLVED THAT** Council provide direction to staff with respect to the following motions:*

- (a) **THAT** staff extend the timeline for the online survey to September 5 to provide additional time for public engagement to gauge public opinion on whether the City of Kingston would like to be considered as a host municipality for a future gaming facility;*
- (b) **THAT** OLG be requested to make a presentation to Council on the process and other pertinent information for decision making purposes; and*
- (c) **THAT** staff provide a summary of research and background information on the topics outlined in this report for the final report being prepared for Council; and*
- (d) **THAT** Council inform the OLG that they are undertaking public consultation and that information will be provided to OLG after the October 2 Council meeting related to the potential for locating a gaming facility in Kingston.*
- (e) **THAT** OLG be further requested to hold a public meeting in Kingston on the process and other pertinent information for decision making purposes.”*

Purpose

The purpose of this report is to provide Council with information respecting the following four topics that were identified in Report 12-291:

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- 1) The options for Kingston to impact the OLG process and influence the site characteristics and amenities for gaming facilities located in Kingston;
- 2) The process and ability for Council and the public to comment on location issues;
- 3) Conditions for approval that Council may want to consider if approving the location of a gaming facility; and,
- 4) Summary of the existing land use process and the required public consultation for locating a gaming facility in the City of Kingston.

OLG staff has confirmed they will attend the September 18 Council meeting to answer questions. A staff report will be provided for the September 18 meeting providing a summary of research related to casinos and gaming facilities.

A summary of public comments will be provided for the October 2 Council meeting.

Options to Impact the OLG Process & Influence Site Characteristics / Amenities

In terms of impacting the OLG process, the City must first decide whether or not it wishes to be a host municipality for a gaming facility. If the City decides not to be a host municipality, the City will have no further involvement in the OLG process, given OLG's confirmation that a gaming facility will not be located in a municipality that does not wish to have one. If Council advises OLG that it wishes to be a host municipality, the City would only have a future role in the process should the successful private sector operator of the gaming facility in zone E3 decide to locate a gaming facility in Kingston. The City's involvement would relate to processing and approving any required planning applications (i.e. amendments to the Official Plan and Zoning By-law and Site Plan Control).

In terms of influencing site characteristics and amenities, Council could address that as part of its motion advising OLG that it wishes to be a host municipality. For example, the Council motion could encourage proponents to incorporate amenities that would benefit the greater Kingston community. The motion could be more specific in identifying amenities that Council feels would be key components of the project based on location or an ability to achieve Council's strategic initiatives. OLG could then decide whether or not to include those criteria when issuing its RFP for gaming zone E3. It is recognized that the scope and nature of any amenities to be provided would be dependent on the type, size and location of the new gaming facility, which is unknown at this time.

Also, in the context of Council's review and approval of any required planning approvals, the proponent will be required to provide supporting studies addressing such things as the potential impacts on and the requirements for parking, traffic, transit, site servicing. The potential impacts and requirements will differ depending on the proposed location for a new gaming facility. The cost of any infrastructure improvements directly related to the new gaming facility would be the responsibility of the proponent and could include such things as transit improvements, road and servicing upgrades / improvements, parking structures, enhanced pedestrian routes, etc.

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The Process and Ability to Comment on Locational Issues

As noted in Report 12-291, timelines have not been finalized for the OLG process to review potential proposals for the operation of gaming facilities across Ontario. However, based on current information, the timeline for the OLG Request for Proposals remains the fall of 2012 (October). OLG's selection of proponents and negotiation of operating agreements and site plans is scheduled for December, 2012 – January, 2013 with the handover of existing OLG facilities to the new operators in April, 2013.

Key components of the OLG process include the following:

- Only experienced, pre-qualified private sector gaming operators will be permitted to submit a business plan to OLG during the RFP process;
- Only the Province/OLG will make the decision on the private sector's business plan to proceed or not proceed with a gaming facility in a gaming zone;
- A private sector gaming facility can only be located in a municipality that has consented to be a host municipality;
- Only one gaming facility will be permitted to operate in a gaming zone, including the E-3 Zone;
- Municipalities do not build or operate a gaming facility;
- Approved OLG private sector operated gaming facilities must meet all municipal zoning, site plan and development provisions in order to proceed with their project;
- Only the host municipality will receive a percentage of the future gaming revenue generated by the private sector facility gaming operator; that amount is to be determined and remitted by OLG to the municipality;
- All private sector gaming facilities will be required to pay municipal property taxes, and all charges and fees associated with their development as levied by the municipality.

The City of Kingston is located in Gaming Zone E3 which includes the City of Kingston, the Township of South Frontenac, the Town of Gananoque and the Township of Leeds and the Thousands Islands. Only one gaming facility is permitted in each gaming zone. The Thousand Islands Casino already exists in the Town of Gananoque and the Township of Leeds and the Thousands Islands. A gaming facility will not be permitted in Kingston without the municipality giving its approval to be designated as a host community. If Council chooses to designate the City as a host community, there is no guarantee that Kingston would receive a gaming facility.

Within Gaming Zone E3 a private sector gaming operator would be permitted to operate the existing facility or relocate the existing facility within the boundaries of the zone, subject to relevant approvals, including:

- OLG's approval of the business case for the facility;
- Municipal approval from the host municipality for the establishment and operation of a gaming facility in that municipality;
- Other approvals, such as municipal planning approvals and any required approvals from government agencies.

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As part of Council's motion confirming its intent to be a host municipality for a gaming facility, locational criteria could be included. Council could identify preferred areas in the City for the location of a new gaming facility as well as areas where a new gaming facility would not be supported. OLG could then decide whether or not to include those criteria when issuing its RFP for gaming zone E3. In addition, and as discussed in more detail in a subsequent section of this report, a new gaming facility may require Official Plan and/or Zoning By-law amendments depending on the selected site. Council is the approval authority for those applications and through the exercise of that authority based on land use planning grounds will have a measure of control on the location of a new gaming facility. Council's decisions in that regard are appealable to the Ontario Municipal Board OMB) on land use planning grounds.

Conditions to Approval of the Location of a Gaming Facility

If Council consents to being a host municipality for a gaming facility, the motion could include conditions respecting site locations or the nature of the gaming facility development. Any conditions would need to be of a generic nature (perhaps related to desired amenities or preferred locations) since there is no indication of the location or type of gaming facility that may be proposed for the City. OLG could then decide whether or not to include those conditions when issuing its RFP for gaming zone E3.

Examples of Conditions From Other Municipalities

In terms of other municipalities, staff was able to find the following examples of motions to OLG:

Greater Sudbury:

1. The City of Greater Sudbury welcomes the results of OLG's Gaming Modernization Initiative and commits to working with the successful proponent of the forthcoming Request for Proposals.
2. The City of Greater Sudbury encourages gaming facility investment proponents to maximize benefits to the community by identifying and developing opportunities for ancillary and complementary amenities as part of their proposal.
3. The City of Greater Sudbury may consider the sale of municipal property for a gaming facility based on the proponent's commitment to develop ancillary and complementary amenities which benefit the Greater Sudbury community.

Whitby:

As part of Whitby's resolution confirming its intention to be a host municipality, Council authorized staff to receive enquiries from private sector gaming facility operators, to review with proponents possible sites and the municipal planning process associated with those sites.

There are also many municipalities who have not yet provided motions to OLG that are still considering options.

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Land Use Planning Considerations / Public Consultation

In considering the context of the information provided herein, it must be noted that no specific details are available with respect to the potential location of a casino in the City of Kingston. Specific approvals and processes that may be required will depend upon the scale and scope of land use(s) proposed as well as the location. While some casino developments operate as a standalone land use, others are combined with a comprehensive range of commercial and tourist oriented services. Such services may include restaurants, hotels, conference facilities and even full service resorts.

Land use in the City of Kingston is regulated through a comprehensive Official Plan (approved in January 2010) and five principal Zoning By-laws. A casino or gaming facility is not presently a recognized use in any of the five Zoning By-laws or the Official Plan. It is likely that a zoning amendment would be required to the applicable Zoning By-law in order to accommodate a casino or gaming facility of any magnitude. An Official Plan Amendment may also be required depending upon the location, scope of scale of land use(s) proposed.

Official Plan

Policy 3.4.6 of the Official Plan identifies the hierarchy of commercial land use designations in the City of Kingston. The hierarchy is as follows:

- Central Business District (CBD);
- Regional Commercial;
- Main Street Commercial;
- District Commercial; and,
- Arterial Commercial.

As noted above, a casino or gaming facility is not specifically contemplated within the policies of the Official Plan. However, entertainment uses are referenced in several locations. Specifically, the policy provisions which support the function of the CBD make reference to a broad range of commercial uses, including entertainment facilities. Some relevant sections of the Official Plan are as follows:

Part 3.4.A (preamble for the Central Business District Section)

"The planned function of the Central Business District (CBD) is to continue as a multi-faceted centre of the City and surrounding region. It includes a wide range of retail, business offices, entertainment, cultural and recreational facilities, tourism and hospitality facilities, personal services ..."

Policy 3.4.A.1

"The Central Business District is the primary centre of the City, as illustrated on Schedule 2. While the broadest practical range of commercial use is permitted and encouraged in the Central Business District, particular priority commercial functions will be protected, including:
d) *Hospitality and tourist uses, entertainment facilities, cultural venues, and other attractions that serve both residents and visitors".*

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Policy 3.4.A.3

"A broad range of commercial uses is permitted and encouraged in the Central Business District, provided that the built form is sensitive to the historic building fabric, scale, pedestrian amenity linkages with the lake, and the protected view corridors."

The Downtown and Harbour Area Special Policies of Section 10A of the Official Plan also provide some direction with respect to the planned function of the downtown area. This direction expounds upon the above noted policies. Section 10A describes an intent to accommodate *"the widest range and mixture of land use"* that respects the intended pedestrian orientation and historic character of downtown. Commercial, hospitality, cultural, recreation and entertainment uses are encouraged.

While the CBD policies do not specifically reference a casino, staff believes a casino is consistent in principle with the range of uses supported by these policies provided the planned function and scale of the downtown area are respected as expressed in the Official Plan.

The Regional Commercial Designation (east side of Gardiners Rd., Cataraqui Town Centre area, west side of Division St. near Highway 401) supports a relatively broad range of commercial land uses to *"draw residents of the City and surrounding region to suitable and accessible locations"* (Section 3.4.B). The following policy is noted in particular:

Policy 3.4.B.7

"Large-scale recreation or entertainment uses are permitted if it can be demonstrated to the City's satisfaction that the proposal will not have a negative impact on the Central Business District, that the operation is compatible with adjacent uses, and that existing road capacity can adequately support the use."

The Regional Commercial designation could potentially accommodate a casino subject to proper siting and locational criteria being addressed. Policy 3.4.B.7 above specifically makes note of the potential impact on the Central Business District of locating a significant entertainment use outside of the downtown area. It should be noted that the Official Plan contains substantive policy direction suggesting that the establishment of certain uses outside of the downtown may be limited. Policy 3.4.A.6, for example, states *"the City may limit the size or extent of uses necessary to support the Central Business District, such as offices and entertainment uses, in other locations in the City."* Confirmation of support for any proposed development within the Central Business District or the Regional Commercial designation can only be confirmed subject to receipt of an application.

Apart from the Central Business District and Regional Commercial designations, entertainment facilities of the magnitude consistent with a casino are not supported within the commercial land use hierarchy as identified in policy 3.4.6. The remaining commercial designations support planned functions which serve localized and neighbourhood markets or the delivery of specific commercial services to the travelling public.

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Zoning By-laws

As noted, none of the five principal Zoning By-laws include any provisions for casinos. Such uses are generally of sufficient magnitude as to present potential land use impacts which warrant site specific consideration. Such uses are implemented through zoning amendments and are evaluated and considered on a case by case basis.

The Downtown & Harbour Zoning By-law (By-law No. 96-259) defines and permits certain uses related to entertainment and recreation. These include:

Amusement Arcade – a commercial establishment, used for the provision of three or more indoor entertainment and amusement activities such as coin operated machines, devices, and games of skill or chance, exhibits and displays, including the sale of souvenirs, food and beverages, but shall not include premises licensed under the Liquor License Act.

Commercial Entertainment Establishment – the use of a building or structure for a fee for the provision of entertainment or amusement without the necessity of active participation by the user and shall include such uses as a movie theatre, playhouses, bingo and other assembly halls and public dance halls ...

The other Zoning By-laws also contain definitions of uses which include arcades, commercial clubs, and recreational establishments. It is apparent none of these defined uses are intended to accommodate a casino. Irrespective of permitted uses provided for in any of the Zoning By-laws, it is quite likely a casino development would necessitate a zoning amendment in order to accommodate the specifics of the proposed development on the chosen site. This could include the range of proposed uses, parking, building height, yard requirements, lot coverage, angular plane requirements, etc. In the absence of specific information regarding a particular site or the details of a proposed development, it is not possible to provide confirmation on the nature of the required zoning amendment.

Required Studies

If a proposal is submitted to the City to re-designate a site or to expand an existing commercial designation for a casino operation, various studies and documents would be required. Policy 3.4.9 of the Official Plan states the following:

“Outside of the Central Business District, proponents of any new or expanded commercial designation that is above 5,000 square metres in floor area, including an expansion of a commercial designation or a proposal requiring a zoning by-law amendment to increase the floor area within a current commercial designation by an additional 5,000 square metres or more, must submit any plans and studies the City deems necessary. Such studies must include a market justification study and impact assessment, site plan, and transportation study undertaken to the satisfaction of Council. Other studies deemed necessary in Section 9.12 may also be required by the City for review.”

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Section 9.12 outlines information and material required in support of development applications filed with the city pursuant to the Planning Act. Such submission requirements may include:

- Planning justification (required for Zoning By-law amendments);
- Planning rationale (required for amendments to the Official Plan);
- Concept plan;
- Control plan for grading and drainage;
- Erosion and sediment control plan;
- Geotechnical study;
- Heritage impact statement;
- Environmental impact statement;
- Massing study;
- Noise impact study;
- Servicing report;
- Shadowing impact and/or solar access assessment.

This list is intended to provide examples of the kinds of studies and information that may be required. It is not exhaustive and would have to be refined based on the details of any future application(s) filed under the Planning Act.

Required Process

The process required to undertake amendments to the Official Plan and the applicable Zoning By-law is defined by the Planning Act. A pre-consultation meeting is required prior to the submission of an application(s). Once the required information is submitted, a technical circulation is sent out to the appropriate internal and external agencies. At least one public meeting is required pursuant to the Planning Act. Following the public meeting and receipt of the necessary review comments, additional submissions may be required to provide the information necessary for staff to complete their analysis. Staff's analysis is based on land use planning considerations only. Should the application(s) change as a result of the additional submissions, an additional public meeting may be required.

Once staff has completed their analysis, a recommendation is made to Planning Committee, who in turn makes a recommendation to Council. Council's decision is appealable to the Ontario Municipal Board under the Planning Act.

If a development application (OPA and / or ZBLA) for a casino is approved, the development would also require Site Plan Control approval. The details of the development, including the site layout and design, form and character of the development are determined at the Site Plan Control stage. Authority to issue Site Plan Control approval has been delegated to staff, and is appealable only by the applicant.

Public Consultation

Pursuant to the requirements of the Planning Act, at least one statutory public meeting must be held for any application to amend the Official Plan and/or Zoning By-law. The proponent could

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also choose to hold their own public consultation in advance of the statutory meeting. Notice of the receipt of a complete application and Notice of the public meeting is sent by first class mail to all property owners within 120 meters of the subject property and to any other persons who have requested in writing to receive such Notice. Notice of the public meeting must be given at least 20 days prior to the meeting. In addition, signage is posted on the subject property to provide information about the application(s), contact information where further information may be obtained and the date and location of the public meeting. Anyone with an interest in the matter may attend the public meeting hosted by the Planning Committee. Comments respecting the application(s) may be made in person at the meeting or written submissions can be provided at any time prior to Council making a decision on the application(s). Should the application(s) change as a result of staff comments or input from the public, an additional public meeting may be required.

In accordance with established processes, once Council has made its decision on the application(s), a Notice of Adoption (for an Official Plan Amendment) and/or a Notice of Passing (for a Zone Change) must be circulated within 15 days of Council's decision. The Notice(s) is circulated to all property owners within 120 meters of the subject property and to any other persons who have requested in writing to receive such Notice. Anyone with an interest in the matter, and who made either a verbal presentation at the public meeting or a written submission prior to Council's decision, may appeal Council's decision to the Ontario Municipal Board (OMB). Any such appeal would need to be based on land use planning reasons.

As noted above, a new gaming facility would also be subject to Site Plan Control. Pursuant to the *Planning Act*, there is no requirement for a public meeting for a Site Plan Control application. A Site Plan Control application may be "bumped up" to Planning Committee for final approval subject to a motion of Council. Planning Committee, at its discretion, can choose to receive public input respecting the Site Plan Control application. However, only the applicant can appeal the matter to the OMB.

The foregoing information presents a summary of the land use and location considerations that would be relevant to further discussions should a new gaming facility development be proposed within the City of Kingston. This information has been provided for reference purposes only subject to final decisions by Council on whether or not the City of Kingston will be a host municipality for a gaming facility.

EXISTING POLICY/BY LAW:

There is no existing policy/by law.

NOTICE PROVISIONS:

There are no notice provisions with this report.

ACCESSIBILITY CONSIDERATIONS:

There are no accessibility considerations with this report.

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FINANCIAL CONSIDERATIONS:

None.

CONTACTS:

Cynthia Beach, Commissioner, Sustainability & Growth

613-546-4291 ext. 1150

OTHER CITY OF KINGSTON STAFF CONSULTED:

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Grant Bain, Director, Planning & Development

613-546-4291 ext. 3252

George Wallace, Senior Special Projects Manager

613-546-4291 ext. 1864

EXHIBITS ATTACHED:

None.



CITY OF KINGSTON
REPORT TO COUNCIL

Report No.: 12-254

TO: Mayor and Members of Council

FROM: Cynthia Beach, Commissioner, Sustainability & Growth

RESOURCE STAFF: Same

DATE OF MEETING: July 17, 2012

SUBJECT: Ontario Lottery and Gaming (OLG) – Modernizing Lottery and Gaming in Ontario

EXECUTIVE SUMMARY:

The Ontario Lottery and Gaming Corporation (OLG) has completed a strategic business review regarding the Modernizing Lottery and Gaming in Ontario. The Strategic Business Review report prepared by the OLG lead to three key recommendations for changes to the operations of gaming including:

1. Become more customer-focused
2. Expand regulated private sector delivery of lottery and gaming
3. Renew OLG's role in oversight of lottery and gaming.

On May 17, 2012, the OLG released a Request for Information # 1213-001 - Modernizing Land Based Gaming in Ontario (the RFI) seeking input from stakeholders for the expansion of private sector gaming in Ontario. OLG is interested in exploring opportunities to assign service provider functions to the regulated private sector gaming business in Ontario. Specifically:

- The possibility of private sector service providers operating gaming sites within OLG-specified geographic zones in the Province of Ontario
- The possibility of private sector service providers acquiring the capital assets, currently owned by OLG, related to gaming sites (e.g. land, buildings, and equipment).

The City of Kingston has been identified by the OLG in area Eastern Ontario: Zone E3 being considered for potential expansion and consolidation efforts based on customer interests.

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Eastern Ontario: Zone E3 includes the existing facility, OLG Casino Thousand Islands as well as two Bingo Hall locations in Kingston.

OLG has initiated presentations with municipalities on the modernization process and to gauge interest by municipalities that would like to participate in the new initiatives. OLG will not locate a gaming facility in a municipality that has not provided a resolution of Council supporting the establishment of the gaming site in the municipality. This report has been prepared to provide Council with that background necessary to determine if they would like consider the location of a gaming facility within the City of Kingston allowing private sector businesses to prepare proposals for the OLG process that are within the boundaries of the City of Kingston.

The following staff report has been prepared using information provided by the OLG.

If Council would like private sector proponents to be able to prepare proposals to locate a gaming facility in Kingston, they can approve the motions prepared by staff. If Council does not want to permit the location of a gaming facility in Kingston, they can take no action on the motions below.

RECOMMENDATION:

1. **THAT** Council receive the staff report 12-254 regarding the information presented by the Ontario Lottery and Gaming Corporation (OLG) as a background report to municipalities on OLG's Strategic Business Review on Modernizing Lottery and Gaming in Ontario as information for the basis for public consultation; and
2. **THAT** Council host a public meeting, on July 31 in Memorial Hall, to provide information to Kingston residents regarding the OLG's Business Plan and to gauge public opinion on whether the City of Kingston would like to be considered as a host municipality for a future gaming facility; and
3. **THAT** Council after receiving the information from the public meeting confirm if the City of Kingston supports the location of a casino gaming facility within the municipal boundaries; and
4. **THAT** if Council confirms it would like to be considered for the hosting of the gaming facility that City staff be authorized to work with KEDCO staff to receive enquiries from gaming facility operators who are considering locating a gaming facility in Kingston and inform them of the City's position.

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AUTHORIZING SIGNATURES:

<u>ORIGINAL SIGNED BY COMMISSIONER</u> Cynthia Beach, Commissioner, Sustainability and Growth
<u>ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER</u> Gerard Hunt, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Lanie Hurdle, Community Services	N/R
Denis Leger, Transportation, Properties & Emergency Services	N/R
Jim Keech, President & CEO, <i>Utilities Kingston</i>	N/R

(N/R indicates consultation not required)

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OPTIONS/DISCUSSION:**Background**

As a Crown agency, OLG reports to the Ontario Ministry of Finance and is responsible for the province's lotteries, casinos and slots program. The Alcohol and Gaming Commission of Ontario ("AGCO") is responsible for regulating casino gaming and lottery gaming, including bingo, in Ontario. Under the proposed modernization strategy, OLG will retain complete oversight of the sector but will likely move away from a model of direct OLG operation and management of gaming facilities to a model where individual gaming facilities are operated and managed by private sector firms. The Strategic Business Review can be found in Exhibit A of this report.

Currently there are 24 gaming facilities in Ontario as follows:

- 14 slot facilities at racetracks;
- 5 OLG casinos;
- 1 charity casino; and
- 4 resort casinos.

OLG is considering 29 gaming zones in Ontario under the modernization model. New and existing gaming facilities would be permitted through guidelines established by OLG. Gaming zones are specific geographic areas where regulated service providers will be permitted to operate a gaming facility. Gaming zones are divided regionally as follows:

- 8 gaming zones in Central Ontario (C Zones)
- 12 gaming zones in Southwestern Ontario (SW Zones)
- 4 gaming zones in Eastern Ontario (E Zones)
- 5 gaming zones in Northern Ontario (N Zones)

On May 17, 2012, the Ontario Lottery and Gaming Corporation (OLG) released a Request for Information # 1213-001 - Modernizing Land Based Gaming in Ontario (the RFI) seeking input from private sector stakeholders for the expansion of private sector gaming in Ontario. OLG is interested in exploring opportunities to assign service provider functions to the regulated private sector gaming business in Ontario. Specifically:

- The possibility of private sector service providers operating gaming sites within OLG-specified geographic zones in the Province of Ontario
- The possibility of private sector service providers acquiring the capital assets, currently owned by OLG, related to gaming sites (e.g. land, buildings, and equipment).

By the fall of 2012 vendors interested in participating in the RFP process will be asked to submit documentation to OLG demonstrating that they are qualified and compliant with OLG and the Alcohol and Gaming Commission of Ontario (AGCO) requirements. Proponents to the process will have to be compliant with all municipal and provincial legislation.

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Gaming zones have been outlined in the process that divides the province into 29 potential gaming zones. The zone outlined in this report is a draft and may be amended based on the comments received during the OLG consultation process.

Gaming zones are geographical areas where a service provider will be permitted to operate a single gaming site. The design of these zones is set out to manage the gaming market in Ontario. Within the zones established OLG will define:

- geographic boundaries where a service provider can provide new or relocated gaming sites,
- gaming parameters such as the types of games (slots, tables, sports books) and betting limits
- responsible gaming policies that will apply to all zones in the province

Kingston is located in the E3 Zone which also includes Frontenac County (Township of South Frontenac), City of Gananoque, Leeds and Grenville United Counties (Township of Leeds and the Thousand Islands). The E3 Zone has an existing gaming facility, OLG Casino Thousand Islands as well as two Bingo site operations that are operating under the OLG revitalization program in the City of Kingston. A summary of the Zone E information, prepared by OLG, is attached as Exhibit D.

An information session was held by OLG on June 5 with representatives from municipalities in Eastern Ontario including the CAO from the City of Kingston. This report is being written as a response to the information provided by OLG at the information session. The presentation provided at this information session is attached in Exhibits B and C of this report.

For a gaming facility to be considered within the limits of the City of Kingston, council must by way of a resolution provide an indication of their support for the facility by the fall of 2012. The process requires that municipalities seek public input but leaves it to a municipal council to determine the manner in which public input is sought.. There is no specific site criteria established for gaming facilities. Service providers are only permitted to relocate gaming facilities within the zone. All new locations are subject to relevant provincial and municipal approvals. The maximum number of gaming facilities within Zone E3 is one (1).

Changes to the OLG Strategic Business Plan

Lottery and gaming have been part of Ontario's entertainment and tourism industries for decades. The strategic business plan adopted by the OLG identifies a number of key changes that are required in order to meet the customer desires as well as to increase revenue generation and to update the technological requirements. The OLG is following a process to involve private sector investment in infrastructure (technology and facilities) to update gaming to the current entertainment market. The process is designed to increase the overall revenues generated through gaming without having to invest provincial government funds. OLG will

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engage private sector operators to run the day-to-day operations of the facilities. Location and site designs will be overseen by the OLG but initiated, built and paid for by the private sector.

OLG has estimated that in five years they will contribute and additional \$1.3B per year to public priorities and contribute to \$3B in private sector capital investment in the province. OLG expects to create more than 2000 new jobs directly in the lottery and approximately 4000 jobs indirectly in areas such as hotel, restaurant, entertainment and retail. Revenue potential is projected to increase by meeting the changing customer demographics and by allowing the private sector to change the mix of services provided at gaming facilities.

Benefits to Municipalities for Hosting a Gaming Site

Municipalities that are hosts to gaming facilities benefit from a number of factors related to their location. Operations of the facilities attract tourism investment, create employment and result in the indirect economic benefits from the use of local suppliers. The proposed renewal to gaming locations also may include expansion of other community businesses and development.

Municipalities with gaming facilities within their boundaries will receive financial support from the gaming operations. A portion of the gaming revenue will be provided to the host municipality for the benefit of the local community. OLG is reviewing their fee structure to introduce a different mix of gaming at sites. Funding levels to the municipalities will be determined by customer volume. Many community not-for-profit organizations receive funding distributed from the Trillium Foundation through proceeds from gaming operations.

Exhibit E provides a summary of the revenue and economic information. Under their new fee structure OLG will continue to allow municipalities to use the revenues in any way with no restrictions.

Role of the Municipality in the Process for Locating Gaming Sites

The Ontario Lottery and Gaming Corporation Act, 1999 Regulation 81/12 provides the requirements for establishing a gaming site within a municipality. The section from the regulation below outlines the requirements imposed on OLG for establishing a gaming site in a municipality including requiring municipalities to seek public input and pass a resolution.

3. In the case of a proposed gaming site to be established at premises in a municipality or on a reserve,

i. the municipal council or the council of the band, as the case may be, seeks public input into the establishment of the proposed gaming site and gives the Corporation, in writing, a description of the steps it took to do so and a summary of the public input it received, and

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ii. the municipal council or the council of the band, as the case may be, passes a resolution supporting the establishment of the gaming site in the municipality or on the band's reserve and gives a copy of the resolution to the Corporation.

OLG is requesting that municipalities provide a clear expression of interest about housing a gaming facility and has also indicated that they would not bring a gaming facility into a community that did not wish to have one. The timing for providing this information will be in the fall of 2012 prior to the RFP process being undertaken by OLG.

There are no specific criteria established for site selection of a gaming facility. Proponents will submit their proposals directly to OLG for evaluation and will have to meet all municipal bylaw requirements. Proponents will have to invest significant time and financial resources to prepare their proposals. Proponents will only be permitted to prepare proposals to site gaming facilities in municipalities that have provided approval in principle.

OLG will choose one successful proponent from this process who will begin implementation in 2012. Kingston would be involved with this process if the successful proponent proposed a relocation of the gaming facility in Zone E3.

The OLG has identified that the maximum number of gaming facilities permitted within the Eastern Ontario Zone E3 within which Kingston is located will be one (1).

Public Consultation and Communications Plan

If Council would like to further consider the question of whether to provide a resolution to OLG supporting the location of the gaming facility in the City of Kingston, OLG requires the municipality to seek and report on public input. In order for Council to gauge community support for the location of a gaming facility in the City of Kingston, it is proposed that a public meeting be held in Memorial Hall on July 31, hosted by members of Council. Supplementary information will also be collected through the City's website and residents and businesses could also be provided with the opportunity to provide comments in writing. After collecting and consolidating the information for council's consideration, a staff report will be provided for Council in August for their consideration.

Public support for the location of a gaming facility will be evaluated by the OLG and can also include endorsements from local businesses or organizations.

This proposed process and timeline would allow for a written response to be provided to the OLG Corporation in time for their process to select private sector operators in the fall. If a vendor is successful through the OLG process who prefers a site in the City of Kingston, further community consultation by the proponent will be part of the OLG process.

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Municipalities have approached public consultation for gaming facilities through different methods. The site location of a gaming facility is also subject to municipal zoning and other bylaws and will require further more detailed public consultation.

Role of Private Sector in the Process of Locating Gaming Facilities

Proponents who respond to the OLG competitive process will be required to provide proposals to a multi-staged process occurring to the end of 2012. Vendor selection and transition to the new structures will occur in 2013. OLG will select the proposal they determine best meets the criteria they establish in the competitive process.

Private sector proponents must meet all provincial and municipal bylaws and legislation. The OLG will set the standards for the private operators. At the end of the competitive process, it is proposed that a private sector operator would take over the day to day operations of the existing OLG gaming site. The operators would be paid a fee to run the facilities. Location and site designs would be approved and overseen by the OLG. The private sector would initiate, build and pay for the improvements.

Private sector operators invest significant time and resources to prepare their proposals submitted to OLG. The timing for this motion and public consultation is intended to provide enough time for the proponents to consider Kingston as a location for gaming facilities if the Council endorsement is received by OLG.

Responsible Gaming Programs through OLG

The Province of Ontario has provided comprehensive responsible gaming services and supports to Ontarians. Since 2000, The Ministries of Health and Long Term Care (along with the former Ministry of Health Promotion) has invested more than \$300 million in problem gambling treatment, research and prevention, creating an essential system of support that has benefited OLG and Ontarians tremendously.

Since 2005, OLG has worked formally with four key provincially-funded specialist agencies to design and deliver its Responsible Gambling (RG) program: the RG Council of Ontario; the Centre for Addiction and Mental Health (CAMH); the Ontario Problem Gambling Research Centre; and the Ontario Problem Gambling Helpline. We have also developed formal program relationships with more than 20 gambling addiction counselling offices across the province.

The OLG will continue in their role to provide responsible gaming practices supporting research to inform responsible gambling

Government sponsored gambling has existed for two decades. Gambling operators will be required to follow external standards and controls.

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In its role as the market manager and steward of gambling, OLG will extend comprehensive responsible gambling supports commensurate with the impacts of proposed changes to Ontario's gambling business.

Specifically, OLG plans to:

- Require all future operators of gaming sites and lottery services to adhere to rigorous external standards and controls, including the Alcohol and Gaming Commission of Ontario's regulations, and requiring that third party operators become accredited by the "RG Check" program delivered by the RG Council of Ontario.
- Educate on safe play habits
- Work with the Centre for Addiction and Mental Health to train front-line staff who interact with players to respond to "red-flag behaviour" when they see them on the gaming floor,
- Directing people seeking help to free counselling
- Offer voluntary self-exclusion programs
- Support the Centre for Addiction and Mental Health's efforts to create a new world-leading suite of internet counselling services, through a comprehensive awareness campaign.
- Ensure free gambling, credit counselling and helpline support is present in every community with a gaming site.
- Conduct joint research initiatives with Ontario Problem Gambling Research Centre.
- Lead development of new technology for embedded time and money limits in slot machines driven by data on actual play patterns.
- Ensure that on-site RG Centres, operated by the Responsible Gaming Council, are located in all Ontario gaming sites.
- Continue off-site Self-Exclusion services at gambling counsellors' offices across the province.
- Extend Facial Recognition technology to support Self-Exclusion services.

Since 2007, OLG, through its relationships with these government-funded groups, have produced some noteworthy achievements:

- OLG's staff RG training program, co-developed and delivered with CAMH, is recognized as a global best practice by the World Lottery Association. Other jurisdictions are copying our approach.
- A video co-created with the Ontario Problem Gambling Research Centre and researchers from Carleton University, has received such demand from other operators that it is now licensed for usage by over 100 other jurisdictions, including translation into many languages.
- Our facial recognition program, developed in concert with the University of Toronto and Ontario's Privacy Commissioner, has been lauded internationally as best-in-class technology.
- OLG has also pioneered an innovative off-site self-exclusion program that engages external experts and community services to support problem gamblers.

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Other jurisdictions worldwide envy not only Ontario's funding commitment – they view the deep integration of OLG's program with these independent experts, researchers, and dedicated counselling services as a leading approach for addressing preventing and mitigating the effects of problem gambling. Upon granting OLG its highest RG certification in 2011, the World Lottery Association commented that:

“OLG supports and engages proactively with a wider range of relevant stakeholders and demonstrates its commitment to innovation by, for instance, reaching out to other support and counselling services working on issues potentially linked to problem gambling.”

Corporate Strategic Priorities

Staff have reviewed the Council Strategic Plan to determine the priorities that may be supported by proceeding with the consultation as suggested in the staff recommendation. The following areas of the strategic plan have been identified as being complimentary to the initiative by OLG.

Council Priority – Kingston is open for business and is committed to expanding the tax base through intensification for greater economic resiliency. During its term, Council will:

2.2 Review and update policies and practices to emphasize economic development

2.3 Stimulate job creation

2.4 Encourage investment in housing supply and commercial and industrial development.

The Corporate commitment to this priority of Council is to set conditions for growth in residential, commercial and industrial development. Working with KEDCO and others to promote and attract business investment and opportunities for job growth, innovation, research and tourism. With an open for business philosophy, we will respect legislative requirements, bylaws and standards. We will create flexibility in our practices, where possible, to optimize service to the customer to expand our tax base and achieve economic results.

EXISTING POLICY/BY LAW:

None.

NOTICE PROVISIONS:

There are no specific notice provisions.

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ACCESSIBILITY CONSIDERATIONS:

None.

FINANCIAL CONSIDERATIONS:

Development of a new gaming facility in Kingston would have a significant economic impact in terms of new employment opportunities and gaming revenue received by the City.

CONTACTS:

Cynthia Beach, Commissioner, Sustainability & Growth

613-546-4291 ext. 1150

OTHER CITY OF KINGSTON STAFF CONSULTED:

Hal Linscott, City Solicitor & Director of Legal Services

EXHIBITS ATTACHED:

Exhibit A: Modernizing Lottery and Gaming in Ontario – Strategic Business Review/Advice to Government

Exhibit B: Presentation Eastern Ontario – June 5 Regional Information Session

Exhibit C: OLG's Request for Information for Gaming Municipal Information Sessions

Exhibit D: Eastern Ontario: Zone E3

Exhibit E: Summary of Community Economic Benefits

OLG Modernization Plan:
Presentation to the
City of Kingston

September 18, 2012



OLG Background

- OLG is the steward for gambling entertainment in Ontario
- OLG's purpose is four-fold:

Promote responsible gaming

Enhance Ontario's economic development

Generate revenues for the Province

Ensure the public good

OLG Background

- OLG is an agency created by the Government of Ontario
- OLG and its affiliates employ 18,000 people at gaming sites and corporate offices across Ontario
- OLG oversees or directly operates 24 gaming sites in places such as Ottawa, London, Milton, Windsor and Ajax.
- Over the last seven years, OLG contributed between \$1.7 and \$2.0 billion annually to the Province
- OLG contributes over \$40 million annually to Ontario's problem gambling strategy

Lottery and Gaming in Ontario

Lottery and gaming have been a part of Ontario's entertainment and tourism industries for decades

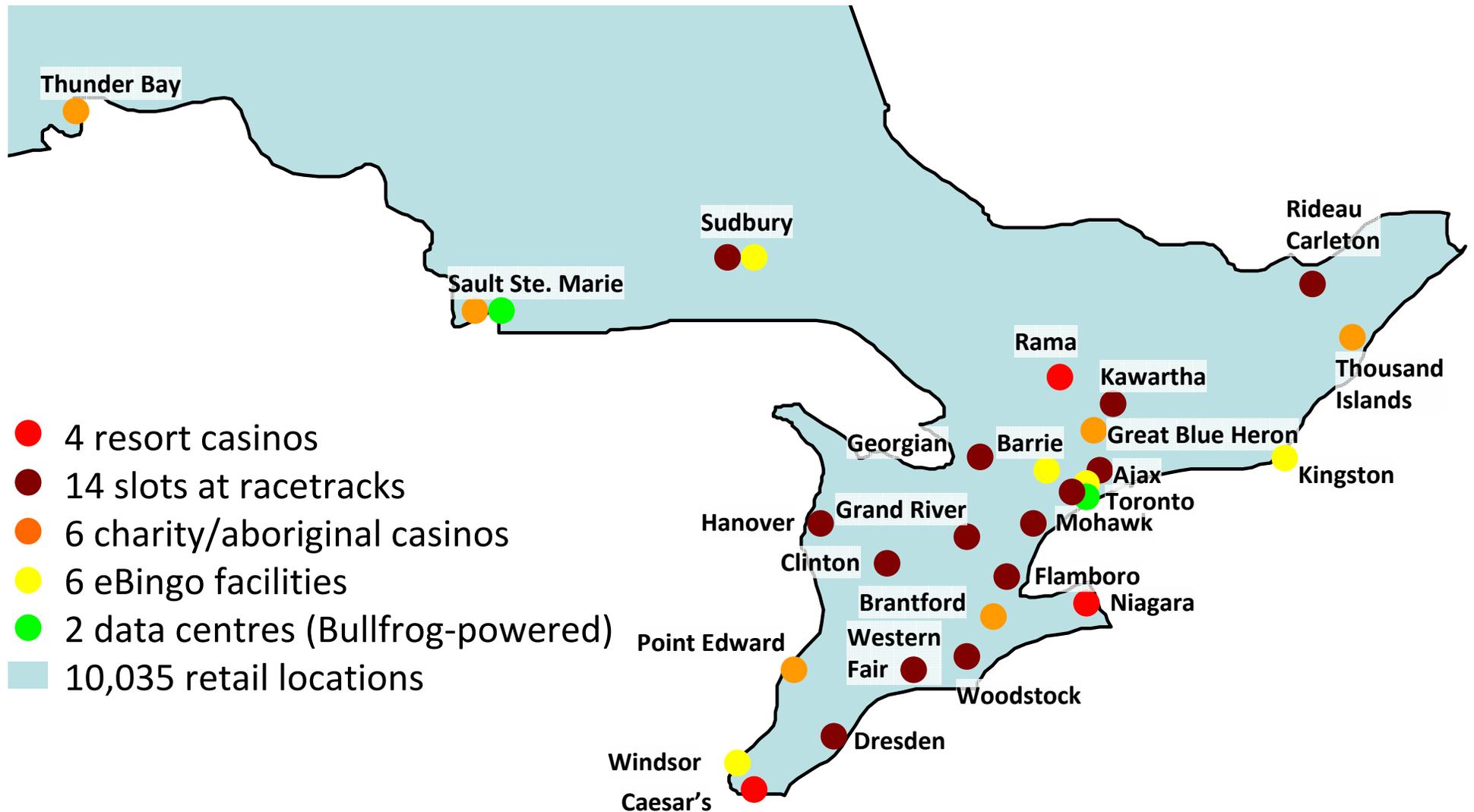
- Lottery began in 1975
- Ontario's first casino was opened in Windsor in 1994
- Slots-At-Racetracks were launched in 1998
- OLG Casino Thousand Islands opened in June 2002

Life to Date Benefit Summary

Gananoque & Leeds and the Thousand Islands Benefit Summary (Life-to-date from June 2002)

SOURCE	BENEFIT TO COMMUNITY
Wages and benefits to gaming employees	\$186.2 million
Host municipalities' share of slot revenue (5% – 2%) Note: shared equally between municipalities	\$33.4 million
Purchases from local and regional vendors	\$11.7 million
OLG corporate sponsorship for local community events	\$271,818

Current Gaming Sites in Ontario



Ontario Mayors on Hosting a Gaming Site

“Its an immense relationship based on not only on the financial aspects but more importantly growing and making sure our city is a very dynamic city.”

Joe Fontana, Mayor of London

“We receive on average about \$4 million a year from the slots operation at the Rideau Carlton Raceway, that helps provide services to the residents of Ottawa.”

Jim Watson, Mayor of Ottawa

“The operation is an asset for the city. Clean well run operation so it reflects well on the city. Its been a win-win situation since the beginning of the operation.”

Bob Brantina, Mayor of Hamilton

“We’ve had a very strong relationship with OLG. The people have seen directly that this is not only a job creator, its an economic benefit for them and gets right to the bottom line of the financial viability of their municipality and the quality of life in their municipality.”

Steve Parish, Mayor of Ajax

Modernizing Gaming in Ontario

OLG is currently implementing a plan to modernize its lottery and gaming operations to:

1. Become more customer focused
2. Expand regulated private sector delivery of lottery and gaming
3. Renew OLG's role in oversight of lottery and gaming

Zone E3

- Bingo hall part of revitalization
- Current facility

Contains: City of Kingston, Frontenac County (Township of South Frontenac), City of Gananoque, Leeds and Grenville United Counties (Township of Leeds and the Thousand Islands)



Proposed Gaming Zone: City of Kingston

- Most of the City of Kingston is included in E3, with portions of the rural areas in Kingston north of the City excluded.
- Allowed range of slot machines: Up to 600
 - As a comparison, OLG Slots at Western Fair has 715 slot machines
- Allowed range of table games: TBD
- Jobs: Hundreds of direct permanent jobs and hundreds more from construction, increased local tourism and planning

Potential Revenue to Community

- OLG pays a portion of its slot revenue to host communities
- As an example of how the City of Kingston might benefit from hosting a gaming site, OLG Slots at Western Fair can be used as a comparator

City of London Benefit Summary (Life-to-date from Sep 1999)

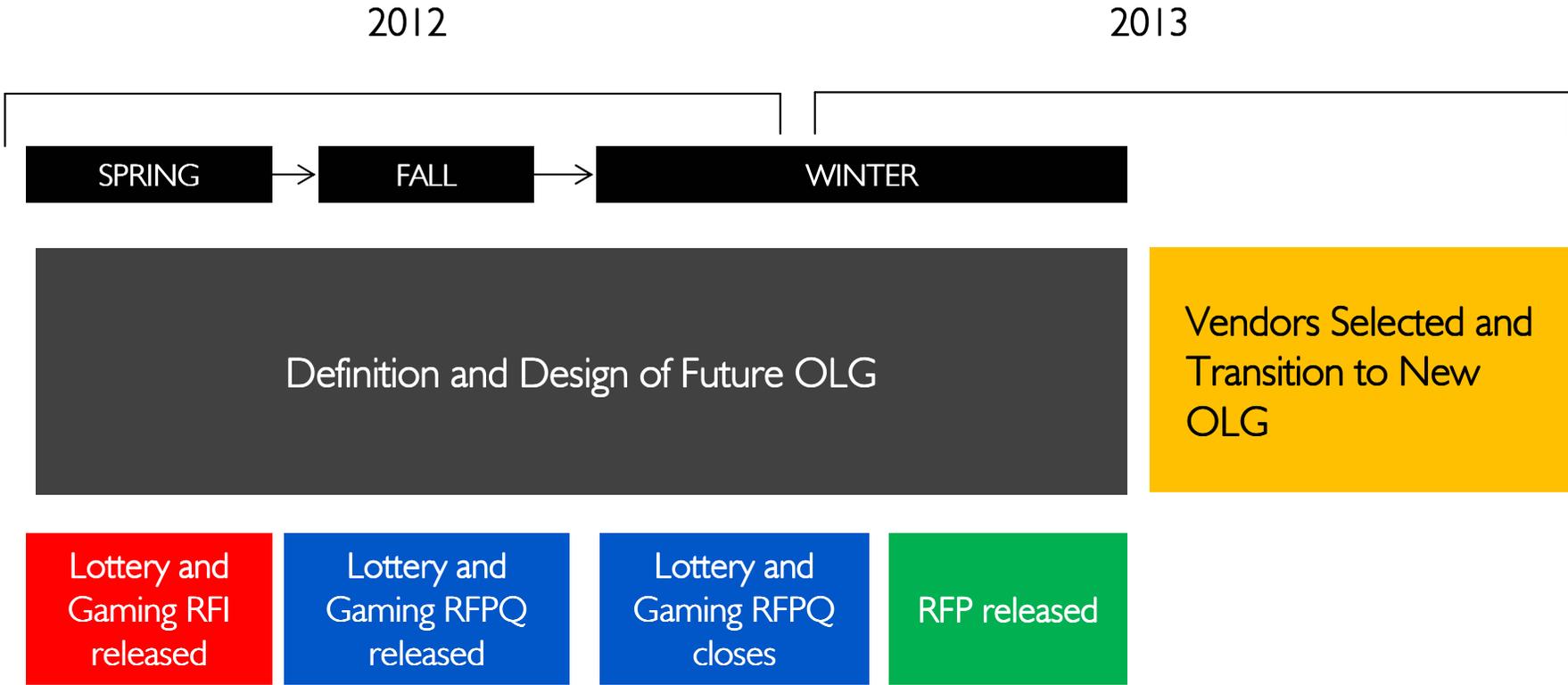
SOURCE	BENEFIT TO COMMUNITY
Wages and benefits to gaming employees	\$146.8 million
Host municipalities' share of slot revenue (5% – 2%)	\$46.6 million
Purchases from local and regional vendors	\$9.9 million
OLG corporate sponsorship for local community events	\$500,571

Requirements for Establishing a New Gaming Site

- Before OLG can establish a new gaming site in a municipality, the municipality must first do several things:

REQUIREMENT	WHAT IT MEANS
Seek public input on the establishment of a gaming site	<ul style="list-style-type: none">■ The municipality must ask the public what it thinks of establishing a gaming site in the community.■ This is a requirement under legal regulation.
Pass a resolution supporting the establishment of the gaming site	<ul style="list-style-type: none">■ OLG will not establish a new gaming site within a community without clear municipal approval and support■ This is a requirement under legal regulation
Get zoning approval for a gaming site	<ul style="list-style-type: none">■ Municipalities may want to zone to allow for various amenities at a gaming site such as slots, table games, entertainment venue, hotel, etc.
Enter into a host municipal funding agreement with OLG	<ul style="list-style-type: none">■ OLG pays a portion of revenues from its gaming sites to the municipalities that host them.■ The Mayor and City Council must endorse this base funding model agreement

Timeline



Responsible Gambling in Ontario

OLG POSITION

We don't want problem gamblers playing our games -
Responsible Gaming is a top business priority

Responsible Gambling (RG) has grown up dramatically since gambling expansion of 1990s:

- Ontario now has one the best Responsible Gambling structures in the world
- OLG's role is now well defined. Strong supports will be part of the plan.
- OLG designs and delivers RG program with independent agencies
- No new forms of gambling are being introduced, and Ontario's population is experienced with lottery and slots/casino gambling:
 - Dramatic increase in problem gambling cases are unlikely – this would not be anticipated if, for example, VLTs were being introduced

OLG Strategy: To Prevent and Mitigate Effects of Problem Gambling

Operator's role is defined by points of contact with players: staff interactions, marketing, data



Evolution of Responsible Gambling: 2 decades of government-sponsored gambling has generated:

- RG field informed by research, supported by clinicians, researchers, prevention specialists
- Gambling operators with defined RG role that is integrated with experts to commonly support gamblers

Responsible Gaming Plan to Support Modernization

Extend comprehensive OLG supports and counseling services commensurate with Plan, including:

- All operators will be required to adhere to rigorous external standards/controls (AGCO regulation, “RG Check” from RG Council)
- Support CAMH with new world-leading suite of internet counselling through heavy OLG promotion
- Free gambling/credit counselling in every community with a gaming site
- Leading new technology will make time/money limits part of slot machines, driven by data analysis of play patterns
- Training to teach and reinforce staff to respond to red-flag signs
- Integration of OLG efforts with independent services: RG Centres at all gaming sites, off-site Self-Exclusion with counsellors across 20 offices

OLG designs and delivers its RG program with provincially funded specialist agencies, and will devise a detailed initiatives with these groups to support Optimization Plan



Questions and Answers