

c 8
Communication
cw: Oct 15/13
Item: 20

**DATE:** October 10, 2013

**TO:** Hon. Maurizio Bevilacqua, P.C., Mayor  
Members of Council

**FROM:** Tim Simmonds, Executive Director, Office of the City Manager

**RE:** **COMMUNICATION – MEMBER'S RESOLUTION Integrated Entertainment and Gaming Complex**

---

### Recommendation

The Executive Director, Office of the City Manager recommends:

1. Council continue following the OLG process by using informed discussion, debate and education to fully examine and provide Council with the information to make the most informed decision regarding being the site of an integrated entertainment and gaming complex.

### Background

At this time, a communication has been received from the Ministry of Finance [Attachment 1] that indicates the OLG Process will commence within the next 10 weeks, prior to the end of 2013.

Council made its decision to be a willing host based on information from previous staff reports that contained such balanced information as:

- Statistically valid research which supported the concept of a gaming facility only if it was built into a larger entertainment complex
- Comment from York Regional Police indicating that they do not anticipate an increase in crime as a result of a casino
- A report prepared by Toronto Public Health in consultation with the Centre for Addiction and Mental Health, Problem Gambling Institute of Ontario, titled The Health Impacts of Gambling Expansion in Toronto – Technical Report, November 2012
- A set of non-negotiable terms and conditions

The Province has yet to begin the second phase of its modernization process for the C1 Zone. Vaughan, as a municipality, completed phase one of the OLG process when the City declared itself a willing host.

During the second phase of the process, the OLG will choose a private-sector operator through a fair and transparent procurement process to design, build and operate the gaming facility. The OLG's procurement process includes a Request for Pre-Qualification (RFPQ) and a Request for Proposal (RFP). As part of this procurement process, the OLG will ensure that potential

operators understand Vaughan's terms and conditions and have the opportunity to meet with the City to review and discuss their individual plans. If the selected private-sector operator proposes to build the integrated entertainment and gaming complex in Vaughan, then the third phase will be initiated by the OLG.

In phase three, the successful proponent will need to work with Vaughan on specifics about the facility—as would happen for any major development. Council will review location, design, building height, density and more. Furthermore, zoning and development restrictions and the terms and conditions set out by the City will be key tools to ensure that whichever site is chosen, it will benefit Vaughan.

Council was clear that its terms and conditions are non-negotiable. These terms and conditions emphasize the need for the complex to improve the quality of life for Vaughan residents, have a positive economic impact and mitigate negative social impacts that may result.

The May 28, 2013 Staff report identified research that shows the vast majority of Vaughan residents agree (77 percent agree, 40 percent strongly agree) the City has a financial obligation to assess the financial benefits of this type of development within the City's boundaries.

However, citizens feel even more strongly about the City's obligation to assess the social impact of an integrated entertainment and gaming complex in Vaughan (85 percent agree, 51 percent strongly). The Staff report clearly indicated the primary issue for Council throughout this process is to weigh the relative financial, economic and other benefits against the potential social impacts of having the facility within the City of Vaughan versus a neighbouring municipality given the OLG's decision to locate an integrated entertainment and gaming complex in the GTA.

The residents and businesses of Vaughan do not yet have a complete understanding of what the economic and social impacts are with regard to the Integrated Entertainment and Gaming Complex.

### **The Changing Financial Landscape**

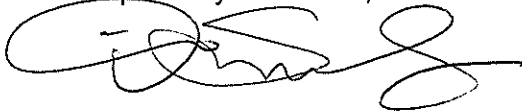
It is also important to consider the City's financial picture. At this moment in time, the City boasts strong economic and employment numbers. However, the Financial Master Plan identifies a magnitude of financial pressures over the next 10+ years that will require Council to raise taxes significantly or find a non-taxation revenue source. A key pressure is the infrastructure deficit. In 2012, there was a funding gap of \$151.4 million to replace existing infrastructure – that figure will rise to \$327.4 million in 2022. Coupled with maintaining current service levels and funding existing master plans, the City has mounting financial pressures to address in the coming years. This opportunity would generate millions of dollars in new non-taxation revenue for the City annually. Moreover, the facility would open in 2018, a time when these impending costs will be impacting the City and new revenue will be needed.

### **Next Steps**

With this update, Staff will begin to take the next step toward forming an Advisory Task Force, as mandated in Council's terms and conditions.

An Advisory Task Force will ensure that Council is aware of any and all economic, social and quality of life impacts involved in the potential development of an integrated entertainment and gaming complex in Vaughan so a final decision can be made based on informed discussion, debate and education.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tim Simmonds', with a large, stylized initial 'T' and 'S'.

Tim Simmonds  
Executive Director, Office of the City Manager

- c. Barbara Cribbitt, Interim City Manager  
Senior Management Team  
Jeffrey A. Abrams, City Clerk

Attachment: Letter dated October 8, 2013 from Hon. Charles Sousa, Minister of Finance



7<sup>th</sup> Floor, Frost Building South  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Telephone: 416 325-0400  
Facsimile: 416 325-0374

7<sup>e</sup> étage, Édifice Frost sud  
7, Queen's Park Crescent  
Toronto ON M7A 1Y7  
Téléphone : 416 325-0400  
Télécopieur : 416 325-0374

October 8, 2013

Mayor Maurizio Bevilacqua  
City of Vaughan  
2141 Major Mackenzie Dr.  
Vaughan, Ontario  
L6A 1T1

Dear Mayor Bevilacqua:

I am writing to thank you for your continued participation in the process to consider a gaming entertainment centre in the City of Vaughan.

As you know, OLG is currently conducting a fair and competitive procurement process to select service providers to run the day-to-day operations of gaming sites as well to build five new sites across Ontario.

The modernization of OLG is a substantial and complex transformation requiring significant due diligence. It involves many stakeholders including multiple levels of government, employees and vendors. Modernization is a five-year plan that will be fully implemented in 2017-18.

The procurement process is now in the Requests for Pre-Qualification (RFPQ) stage to determine the skills and abilities of potential service providers. Right now, the procurement process is underway in 15 of the 29 gaming zones.

OLG expects to release the majority of the remaining RFPQs before the end of the year including the C1 zone that includes Vaughan. The RFPQ will advise proponents that Vaughan has expressed interest in hosting a new gaming entertainment centre. Once the RFPQ process is complete, OLG will launch the Request for Proposal process to select service providers.

I hope this letter helps to assure you that we are proceeding steadily. Please be in touch if you have further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Sousa".

Charles Sousa  
Minister of Finance