

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 28, 2013

Item 1, Report No. 27, of the Special Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on May 28, 2013.

1 ONTARIO LOTTERY AND GAMING CORPORATION (OLG) - POTENTIAL OF AN ENTERTAINMENT AND GAMING COMPLEX IN THE VAUGHAN METROPOLITAN CENTRE

The Committee of the Whole recommends:

- 1) That the City of Vaughan indicate its willingness to host a world class Cultural and Entertainment District, which will include an Integrated Convention, Trade Centre, Five Star Hotel, and Entertainment Arts Centre, including a gaming complex, and other infrastructure and services consistent with the City's plan to improve the citizens' standard of living and quality of life, on the terms and conditions set out in this report;**
- 2) That the City Clerk be requested to forward this resolution to the Ontario Lottery and Gaming Corporation;**
- 3) That the report of the Executive Director, dated May 28, 2013, be received;**
- 4) That the presentations from the Executive Director, Office of the City Manager, Robert Hutton, Pollara Strategic Insights; Rod Phillips and Paul Pellizzari, OLG; and Mayor Chris Friel, City of Brantford, be received.**
- 5) That the following deputations and Communications, be received:**
 - 1. Mr. Roberto Burgos, Lady Nadia Drive, Maple;**
 - 2. Ms. Gabriela Burgos, Lady Nadia Drive, Maple;**
 - 3. Ms. Hailey Luu, Alysha Way, Maple;**
 - 4. Mr. Mike Yorke, Carpenters Union Local 27, Rowntree Dairy Road, Woodbridge, and Communication C12;**
 - 5. Mr. Franco Palladini, Palladini Leasing, Fairground Lane, Woodbridge;**
 - 6. Mr. Nelson Wong, York Chinese Canadian Association, Anthony Lane, Concord;**
 - 7. Ms. Sybille B. Hahn, Hesperus Village, Hesperus Road, Vaughan, and Communication C13, petition;**
 - 8. Ms. Mary T. Hynes, Older Women's Network, Don Mills Road, Toronto;**
 - 9. Ms. Lis Pimentel, Unite Here Local 75, Gervais Drive, Toronto;**
 - 10. Mr. Frank Cerisano, Centennial College, Progress Avenue, Toronto;**
 - 11. Ms. Shirley Wong, Real Estate Investment Network, Weston Road, Vaughan;**
 - 12. Mr. Asif Khan, Ahmadiyya Muslim Community, Jane Street, Maple;**
 - 13. Mr. Mark McEwan, McEwan Foods, Yonge Street, Toronto;**
 - 14. Mr. Durval Terceira, Carpenters Union Local 27, Rowntree Dairy Road, Woodbridge;**
 - 15. Mr. Adriano Volpentesta, America Avenue, Vaughan;**
 - 16. Mr. Ian Howard, Pine Valley Drive, Woodbridge;**
 - 17. Mr. Guido Masutti, Riverview Avenue, Woodbridge;**
 - 18. Mr. Martin Gonzalez, Broomlands Drive, Vaughan, and Communication C14, petition;**
 - 19. Mr. Steve Wolstenholme, MGM Resorts International, Hazelton Avenue, Toronto;**
 - 20. Ms. Rossana Burgos, No Casino Vaughan, Lady Nadia Drive, Maple, and Communication C15, petition;**
 - 21. Mr. Andres Burgos, Lady Nadia Drive, Maple;**
 - 22. Ms. Franca Stirpe, Wycliffe Avenue, Woodbridge;**
 - 23. Ms. Ann Costantino, Wycliffe Avenue, Woodbridge;**
 - 24. Ms. Connie Paniccia, Wycliffe Avenue, Woodbridge;**
 - 25. Mr. Raul Gonzalez, Broomlands Drive, Vaughan;**

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26. Mr. David Lubotta, Synagus Ventures, Davenport Road, Toronto;
27. Mr. Richard Lorello, Treelawn Boulevard, Kleinburg;
28. Mr. Bill Rutsey, Canadian Gaming Association, Bloor Street West, Toronto;
29. Mr. Savino Quatela, Grand Valley Boulevard, Vaughan;
30. Mr. David Di Gregorio, RDQ LLP, Hwy #7, Vaughan;
31. Mr. Antony Pullano; Aurora
32. Mr. Nick Pinto, West Woodbridge Homeowners Association Inc., Mapes Avenue, Woodbridge;
33. Mr. Abu Azam, Unite Here Local 75, Vellore Woods Boulevard, Woodbridge;
34. Mr. Domenic Di Gironimo, Ultimate Sports, Kirkbride Crescent, Maple;
35. Ms. Andrea Kuprejanov-Hatzis, Vanda Drive, Maple;
36. Ms. Belle Yuan, Alysha Way, Maple;
37. Ms. Sonia Meucci, Blackburn Boulevard, Woodbridge;
38. Ms. Nadia Magarelli, Blackburn Boulevard, Woodbridge;
39. Mr. Michael Marchese, Wycliffe Avenue, Woodbridge;
40. Mr. Sony Rai, Vaughan Mills Road, Vaughan;
41. Mr. Gino Nave, Islington Avenue, Vaughan;
42. Ms. Ida Vivacqua, Jane Street, Vaughan;
43. Mr. Jeffrey Stone, Bathurst Street, Vaughan;
44. Mr. Frank Greco, Islington Avenue, Kleinburg;
45. Ms. Lina Masci, Barrhill Road, Maple;
46. Mr. Mario Racco, Checker Court, Vaughan;
47. Mr. Alex Gallo, Ambassador Crescent, Woodbridge;
48. Mr. Hamid Rahman, Bashir Street, Maple;
49. Mr. Alex Congiusta, Bucks Place, Woodbridge;
50. Mr. Frank Salvatti;
51. Mr. Mohammad Bhatti, Nasir Crescent, Maple; and
52. Mr. Mubarak Ahmed, Worthview Drive, Woodbridge; and

6) That the following Communications be received:

- C1 Gavin and Vashtie Singh, Black Maple Crescent, Maple, dated May 28, 2013;
- C2 Mr. Conrad Italiano, St. David's Parish, Maple, dated May 26, 2013;
- C3 Mr. Paul Burns, Canadian Gaming Association, Bloor Street West, Toronto, dated May 27, 2013;
- C4 Mr. Neil MacCarthy, Archdiocese of Toronto, Yonge Street, Toronto, dated April 25, 2013;
- C5 Ms. Ellie Shuo Jin, dated May 2013;
- C6 Mr. Lal Khan Malik, Ahmadiyya Muslim Jama'at, Jane Street, Maple, dated May 24, 2013;
- C7 Mr. Ken Schwenger, KARA, dated May 28, 2013;
- C8 Mr. Ian Jones and Mr. Steve Rosenthal, Caesars Entertainment, Rock Gaming, dated May 28, 2013;
- C9 Ms. Paula Curtis, Vaughan Chamber of Commerce, Edilcan Drive, Vaughan, dated May 28, 2013;
- C10 Presentation Material, titled "An Integrated Entertainment & Gaming Complex in Vaughan", dated May 28, 2013;
- C11 Presentation Material, OLG, dated May 28, 2013; and
- C16 Ms. Ellie Shuo Jin, dated May 26, 2013.

Recommendation

The Executive Director in consultation with the Interim City Manager recommends:

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1. That Council give consideration to the adoption of the following resolution:
“The Council of the City of Vaughan declares the City of Vaughan to be a willing host to an integrated entertainment and gaming complex on the terms and conditions set out in this report”;
2. That if such a resolution is adopted, the City Clerk be requested to forward the resolution to the Ontario Lottery and Gaming Corporation; and
3. That any presentations and deputations be received.

Contribution to Sustainability

Green Directions Vaughan embraces a *Sustainability First* principle and states that sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations.

The City's New Official Plan 2010 clearly articulates that one of the City's principles that support the long-term vision of the Vaughan Metropolitan Centre (VMC) is that the downtown will be a model of sustainable development. To that end, Vaughan Holding's Inc. has developed plans for a District Energy System to service the VMC. The integrated entertainment and gaming complex project with hotel, performance venue, convention space, restaurant, retail and mixed use would be an ideally suited development to be a significant catalyst and customer of the newly developed District Energy system.

Economic Impact

A permanent facility could provide significant benefits to Vaughan including additional revenue, new jobs, capital investment and property taxes. The OLG has communicated to staff that an integrated entertainment and gaming complex in Vaughan with an anticipated capital investment of more than \$1.2 billion by a private sector gaming operator would:

- Generate an annual OLG hosting fee to the City of \$32 million per year based on OLG's new hosting fee formula presented on May 17, 2013 (Attachment 1)
- Produce approximately \$16.3 to \$24.5 million in property taxes of which \$2.4-\$3.7M would be the City's share
- Create 8,000 – 10,000 direct permanent jobs
- Create 3,000 construction jobs

Communications Plan

If the City proceeds in the OLG Modernization process as outlined in this report and identifies through a Council resolution that the City would consider being a willing host municipality under specific terms and conditions, Staff will create a formal communications plan.

Purpose

The OLG is seeking from Vaughan Council a declaration of its interest in being a host municipality for an integrated entertainment and gaming complex to be located in the Vaughan Metropolitan Centre.

The Province of Ontario has approved the OLG's Modernization Plan which identifies that a billion dollar world-class gaming and entertainment facility will be built and independently operated in the GTA. However, the final site location for the new facility must be in a municipality that has declared itself a willing host. Vaughan is currently one of only five contenders for this project and

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must make a decision to continue in the OLG process or remove itself from the list of potential sites. Other potential sites include; Markham, Richmond Hill, Mississauga and Toronto.

Background - Analysis and Options

As part of the Ontario Government's new direction to OLG in July of 2010, OLG was asked to complete a comprehensive strategic review of the lottery distribution network and land-based gaming facilities. The result of the review was an OLG report to government on March 12, 2012 titled, *Modernizing Lottery and Gaming in Ontario: Advice To Government*.

The report concluded that by 2017-18, OLG will be: A modern, sustainable organization, which will increase net profit to the Province by an additional \$1.3 billion annually – all while upholding responsible gambling standards.

The report identified where and how gaming will be offered in the province across all types of games and all channels through the creation of geographic areas called, "Gaming Zones".

Gaming Zones

OLG has identified 29 gaming zones where existing or new gaming facilities would be permitted following municipal and other approvals. OLG originally based the zones on a business model that is designed to maximize revenue and create value for the province. Factors such as proximity of a gaming location to other gaming facilities and residential areas were measured to determine the zones.

The zones for the location of OLG gaming facilities have been refined by OLG. The geographic areas were adjusted based on ongoing discussions with relevant stakeholders, information received, and through the OLG procurement process. A portion of Vaughan was originally identified as part of a gaming zone which also includes the current OLG site, Woodbine Racetrack and Slots.

The OLG has since modified its C1 Zone identifying a portion of Vaughan. (Picture 1)



Picture 1: OLG C1 Zone Boundaries in Vaughan

OLG's Procurement Process for Modernization

On May 17, 2012, OLG announced a new competitive and transparent procurement process to seek input from potential vendors as it expands regulated private-sector gaming in Ontario. The multi-stage process includes:

- *Request for Information (RFI)* – (Now underway) allows the OLG to gather valuable information from potential regulated vendors and help determine the range of options available in the market and assess potential vendor interest, as well as risks. The RFI was issued on May 17, 2012 and is expected to close on June 30, 2013. The RFI is published on MERX tendering system (www.merx.com). The RFI will be followed by and RFP in the fall of 2013.
- *Request for Pre-Qualification (RFPQ)* – (potential release summer 2013) gives vendors interested in the RFP an opportunity to submit information on their financial and technical capabilities. OLG will then select pre-qualified vendors.

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- *Request for Proposal (RFP)* – (potential release fall 2013) gives the selected vendors the opportunity to bid on specific products and/or services within the gaming business, and identify sites. Once the bidding process is complete, OLG will select vendors to become the regulated private sector providers for gaming and lottery gaming sites.

OLG has confirmed that the RFPQ and RFP process to select a private operator for a GTA integrated entertainment and gaming facility will begin in 2013 with an award in early 2014. OLG will focus the RFPQ process only with municipalities which have passed by Council resolution a willingness to host a facility.

Research and Information Overview

Per Council direction, staff has researched and gathered further information from a number of sources as they relate to the socio/economic impact of an integrated entertainment complex with a casino if located in Vaughan/GTA. These sources include;

- Meetings with OLG Representatives
- City of Toronto Staff Reports
- Independent Consultancy Reports
- International Real Estate and Architectural Design Firms
- Media Articles; and
- OLG Modernization Documents

Significant Opportunity for Vaughan

The Council endorsed 10-year Economic Development Strategy states that in order to support the City as a destination, there are opportunities for enhancement of the existing entertainment amenities that are currently found in the area. Overall, there are a number of creative and cultural industry strengths disbursed across the city, making it difficult for residents and tourists to package these amenities into coordinated “Vaughan experiences”. By creating stronger virtual and physical connections, a hub and spoke concept, radiating out from the Vaughan Metropolitan Centre, the city can enhance the overall quality of its cultural and tourism industries.

Therefore, the private sector (through the OLG RFP process) could fund and build an entertainment district anchored by a gaming complex in an appropriate area in Vaughan, such as the Vaughan Metropolitan Centre, and bring benefits that support the City’s economic development strategy, and be a catalyst for arts, culture and tourism development such as;

- Build a performing arts/concert styled venue(s).
- A convention facility with the ability to host international-sized conventions (approximately 500,000 sq. ft.)
- Anchor a Forbes Five Star rated accommodation(s). (Approximately 800 rooms)
- Position Vaughan as an overnight destination.

In addition to providing an anchor for the cultural and tourism industry, this development could, as the City’s largest potential non-taxation revenue source, help fund a number of growth related opportunities that are ineligible for funding under the Development Charges (DC) Act as well as provide financial assistance to the maintenance of existing infrastructure thus mitigating potential future tax rate increases. Some key projects may include:

- The new Vaughan Mackenzie Health Hospital
- Offset future tax rate increases
- Underground relocation of hydro transmission lines along Highway 7
- Future expansions to general administrative space

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- Acquisition of parkland
- \$58M portion of the 10-Year DC Program requiring non-DC funding for “Benefit to Existing” reductions such as future Community Centre expansions, Fire Station re-locations, Parks/Works Yard expansions and various Streetscaping Works
- \$38M portion of the 10-Year DC Program requiring non-DC funding for the 10% statutory reduction on soft services
- Repair and replacement of roads, water, wastewater, parks, indoor recreation, library and other public infrastructure across the City of Vaughan

The Economic Impact of Locating an OLG Integrated Entertainment and Gaming Complex In Vaughan

A permanent facility could provide significant benefits to Vaughan including additional non taxation revenue, create new jobs, capital investment and additional property taxes. Following multiple staff meetings with representatives of the OLG, an integrated entertainment complex with a casino could generate;

- Annual OLG hosting fees of \$32 Million
- Property Taxes that range from \$16.3 to 24.5 Million* (see breakout below for share)
- Approximately 8,000-10,000 direct jobs
- Approximately 4,000 indirect jobs
- Approximately 3,000 construction jobs (three to four year period)
- Capital Investment of \$1.2 to \$1.5B
- Strengthened tourism market – promoting overnight and multi-day stays
- Be a catalyst for other development

Noting the above, the annual OLG hosting fee directly to the City of Vaughan will be \$32 Million if a permanent Integrated Entertainment and Gaming complex was located within the City. These funds can be used by the City at its own discretion.

The OLG estimates that 60 percent of total jobs at the facility will be related to gaming, with 20 percent in management and supervisory roles (avg. compensation \$60 - \$100,000) and the remaining 80 percent in floor staff (avg. compensation \$40 - \$60,000).

In addition to a permanent facility, OLG has also made Staff aware that it has plans to have a phased approach while the permanent site is completed. OLG provided the following information about a “Phase 1” site if it was located in Vaughan:

- Annual OLG hosting fees of \$10-\$15M (two to three year period)
- 2,000 Direct jobs
- Approximately 500 construction jobs (six to 12 months)
- Capital Investment of \$200M
- Increased property taxes

***Property Taxes** have been calculated using 2012 Tax Information and a projected capital investment of \$1.2 to \$1.5B. A discount of 15% was applied for MPAC purposes based on discussions with OLG.

Proportion of Taxes \$1.2B	
City:	\$2.4M
Region:	\$4.3M
Education:	\$9.6M
TOTAL:	\$16.3M

Proportion of Taxes \$1.5B	
City:	\$3.7M
Region:	\$6.4M
Education:	\$14.4M
TOTAL:	\$24.5M

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Provincial Public Consultation Process

The public consultation process can take many forms in Ontario. The Ontario Lottery and Gaming Corporation Act had required that municipalities hold a referendum in regard to being a site for a casino. However, on June 1, 2012 the Province replaced this regulation (347/00) with regulation that provided greater flexibility for the municipality to undertake public consultation.

The new regulation (81/12) refers to seeking public input into the establishment of a gaming site but does not set out specific methods or quantity of public consultation that must be undertaken.

The following is an excerpt from Regulation 81/12 subsection 2(3) for a proposed gaming site to be established in a municipality:

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

Vaughan's Consultation Process

As reported to Council at Committee of the Whole Working Session on October 23, 2012, Staff retained one of Canada's leading research and opinion firms – Pollara to undertake a research initiative that engaged the Vaughan Community as it relates to the OLG's expansion of gaming in Ontario and the opportunity of siting a large-scaled entertainment and gaming complex in the Greater Toronto Area.

To that end, the following objectives were set:

- Assess residents' general attitudes toward casinos;
- Determine citizens views as pros and cons of having a casino in the GTA and specifically in the City of Vaughan; and
- Understand attitudes toward trade-offs between potential economic benefits and social issues associated with a casino.

The Consultant

Due to the timing of the OLG process and to prepare a report back to Council in a timely manner, Staff followed the Council approved purchasing policy guidelines to undertake a single source contract. The contract, in the amount of \$25,000, to undertake the qualitative and quantitative research was awarded to Pollara Research. Pollara is one of Canada's leading public opinion and market research firms providing strategic advice based on accurate measurement of opinions, attitudes and perceptions. Leading the project was Executive Vice President, Mr. Robert Hutton.

Mr. Hutton has extensive experience in advanced research design and analysis, particularly in the areas of loyalty, branding, advertising testing, segmentation, perceptual mapping, innovative non-linear online design, panel building, and social media. Mr. Hutton has undertaken research initiatives across Canada, Asia Pacific, Europe and the United States.

Research Methods

Given the nature of the subject matter, it was recognized that it was important to use more than one type of research method to better understand residents' views. Therefore, three different methods were adopted to meet the objectives:

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- **Focus Groups** – The focus groups (two) which were held on Saturday, July 21, 2012, had a good mix of age (18 or older), income, education, and representation from all five Vaughan communities. Each focus group was split by gender, as to better address potentially different reactions/attitudes and consideration set among men and women, and to ensure that those opinions were explored in sufficient depth.

Key Findings included;

- Benefits associated with casinos outweigh the drawbacks
 - A casino in the GTA would be welcome (but not in Toronto)
 - Casino in Vaughan as a concept is viewed in a positive light, but when discussed in the context of crime, women's views can be swayed. Men don't see it as an issue.
 - Traffic congestion is a big concern for everyone.
 - All agree that the City has an obligation to explore the fiscal viability of this opportunity.
 - The opportunity must be examined in the context of the City's other priorities
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- **Survey** – An on-line survey was created using information gained from the focus groups. The survey took the respondent 10-12 minutes to complete and was completed by 500 residents during August 10 and 18, 2012. The survey was carefully designed to ensure that it covers various perspectives, was statistically sound and presented the discussion of a casino in a relevant and unbiased context, thus giving residents a comprehensive picture of what such an endeavour could mean to the City. Furthermore, the survey was designed to ensure that the respondents' answers were based on a good understanding of the subject matter rather than on reactionary, surface answers typical of a flash poll. The results were weighed by age and gender to 2006 Canada Census proportions to ensure that the results are representative of the opinions of the general public. The results are accurate $\pm 4.38\%$ nineteen times out of twenty. Key findings included; (Attachment 2: Pollara - Residents' Perspectives on a Casino/Entertainment District in Vaughan, August 2012)
 - In general, the overall trends in attitudes hold true across demographic segments
 - Overall, positive or neutral impressions of casinos outweigh negative ones.
 - For a majority (78%), casino visits are seen as an entertainment destination, an outing that offers shows, restaurants, nightlife, with gambling being only a part of that experience. Only 22% go there exclusively to gamble.
 - In terms of advantages associated with a casino, a majority think of the economic benefits a casino brings: jobs (61%) and revenues for the city (55%) and businesses (54%).
 - As for drawbacks- social issues and an increase in traffic congestion are on the minds of nearly seven-in-ten citizens (each), while worries about undesirable populations are mentioned by 61%.
 - A majority (59%) agree that benefits of having a casino /entertainment district are too great NOT to consider it, even in light of potential drawbacks.
 - Yet a vast majority (77%) agree (40% strongly) that the City of Vaughan has a financial obligation to assess the financial benefits of such development within the city's boundaries.
 - Citizens feel even more strongly about the city's obligation to assess social impact of such development in Vaughan (85% agree, 51% strongly).
 - **Information Session** – The information session gave residents the opportunity to learn about the topic from different perspectives. To this end, staff was in attendance at the information session which included presenters from the following organizations: Pollara, who presented the findings of the survey and OLG, who explained the concept and expansion of gaming in the GTA. The Information Session was attended by approximately 125 citizens and business owners. From a market researcher's experience, it is important to note that civic "open houses" tend to attract a

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highly unrepresentative section of the population that typically comprise activists on both sides of an issue. They virtually never form a valid representation of a population.

At the conclusion of the session, Pollara found that the questions written on the cards, from those in attendance, were completely consistent with the focus groups and survey and could be grouped into three categories:

1. Economic impact questions- which were by far the majority, often very specific;
2. Location queries- which typically involved details about the suggested site and site impacts, and;
3. Social concerns- which were generally formed around perceptions and lack of factual information.

Safety For Vaughan Residents

Staff met with York Regional Police to understand the implications on York Regional Police if a casino was to locate in Vaughan, possibly in the Vaughan Metropolitan Centre (VMC). **At the meeting York Regional Police indicated that they do not anticipate an increase in crime as a result of a casino other than what would be expected to result for many new large developments and/or influx of people.**

Therefore, if a casino is to open in York Region, attracting more visitors and tourists to the area may result in increased workload pressures.

Other media and studies have reported the following over the past year -

- A deputy chief with the Hamilton Police Service says he's found no evidence so far that a casino directly leads to increased crime. Ken Leenderste began researching the issue last year. He's found from other cities that entertainment districts bring more people, which by nature means more crime. But it's not the casino itself." *CBC, Casinos Alone Don't Cause Crime, January 2013*
- Toronto police Supt. Ron Taverner said crime rates around the racetrack [Woodbine Racetrack] these days are relatively low compared with other areas of the city. "From a policing perspective, I don't see any issues at all," he said, adding that fears of increased prostitution, loan sharking and even traffic flow and parking problems didn't pan out... Police Chief Bill Blair echoed the sentiment, saying, "I certainly don't perceive it's been a significant public safety issue for us. It's a well-organized, well-managed business, and they work very closely with the police." *The Star, Do Casinos Drive Up the Crime Rate, April 2012*
- Retired Queen's University law professor Stanley Sadinsky isn't convinced that crime automatically comes with casinos. In Windsor, Ont. — home to one commercial casino — crime rates actually went down, he said. Sadinsky added that he thinks police departments have also seen the introduction of casinos as an occasion to increase their manpower. "There was this worry that there would be a problem, and monies were suddenly available to municipalities. If I were the chief of police I'd make the case for more resources as well." *The Star, Do Casinos Drive Up the Crime Rate, April 2012*
- A 2011 study found that the introduction of gambling may lead to a small increase in crime. The study stated that although crime rates may slightly increase, legalized gambling opportunities may also lead to a decrease in the availability of illegal gambling operations. The study also concluded that "the impact that gambling has on crime is particularly complex and the results are mixed." Williams, R.J., Rehm, J., & Stevens, R.M.G. (2011). *The Social and Economic Impacts of Gambling. Final Report prepared for the Canadian Consortium for Gambling Research.* March 11, 2011.

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Vaughan and The Vaughan Metropolitan Centre – Does an Integrated Entertainment and Gaming Complex fit with the Vision of Vaughan’s future downtown?

Planning Perspective

A casino would prompt the need for acceleration of certain capital projects already determined as being required for full build out of the VMC. Additional resources would need to be engaged in the Planning and Engineering and Public Works Commissions in order to expedite delivery of infrastructure projects, to complete a precinct plan and related studies ahead of planned schedule to implement the project.

The in-force Official Plan is OPA 500:

- A) Corporate Centre Node - permits entertainment uses
- B) Corporate Centre District - permits major entertainment uses including theatre complexes and other entertainment attractions

A casino would be permitted in the Corporate Centre District surrounding the Node. The Node would include major residential, retail and office along Regional Road 7.

VMC Secondary Plan:

The Integrated Entertainment and gaming complex does not conform to some of the policies in the current Council endorsed VMC Secondary Plan and associated designations that have been appealed to the Ontario Municipal Board. However, concerns with policies and schedules in the western part of VMC where an integrated entertainment and gaming complex would most likely be located have been expressed. The plan may need to be amended or modified irrespective of a casino being located in the VMC based on the outcome of settlement discussions related to OMB appeals.

City-to-City Comparison

Staff have made every effort to understand the implications of locating an integrated and entertainment gaming complex in the Vaughan Metropolitan Centre and fully understand how this development may impact the City and the future downtown. Although the research is wide-spread on the negative impacts of the gaming industry, an equal amount of research is available about the positive impacts. (Attachment 3 – Research on the Gaming Industry).

At the most recent Committee meeting of January 22, 2013, Council made note that the amount of research available on the world wide web was vast and that not all of the information may be accurate – thus staff were directed to find, if possible, a “real-world” example(s) of how an integrated entertainment and gaming development fits within an urban context. Council raised questions such as;

What is the:

- Impact on the recruitment of Office Tenants
- Impact on Residential Development
- Effect on local business
- What do the landowner’s want
- What is the revenue mix of casino vs. non-gaming activity

After reviewing a number of cities across North America and world-wide, one city in particular proved to be an example that best matched the VMC.

Southbank- Crown Entertainment

The Southbank Precinct in Melbourne where the Crown Entertainment Complex (CEC) is located, is an excellent ‘real world’ example of how an integrated entertainment and gaming development

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could exist in the VMC and provides insight to many of the questions that Council requested more information on. Such as the impact on residential, retail and office development and the successful integration into the planned 'fabric' and vitality of the area.

The complex is located in the Southbank Precinct of the City of Melbourne in the Central Business District. Southbank's claim to fame is an arts, cultural and leisure precinct, including retail, residential, eating, office, casino and other entertainment. It is a high growth area of the City – both from an employment and residential perspective.

Furthermore, staff contacted the City of Melbourne to better understand the relationship of the Crown casino and the integrated entertainment complex. Staff in Melbourne's Strategic Planning/City Planning and Infrastructure department and Research departments provided invaluable assistance and insight to the Crown Complex.

Melbourne staff emphasized that the key point is that Southbank Precinct was the impact of the whole "Crown Entertainment Complex" (CEC) – not just the casino. The CEC was a very large development and a key generator of development on the South of the Yarra River after Southgate and then followed by the Melbourne Convention and Exhibition Centre and then the Docklands. In a sense it was one piece in the jigsaw of planned development of the Yarra's south side from a light-industrial mixed-use area. It initially competed with commercial and retail areas of the traditional Central Business District but now forms a complementary part of it.

In addition, Melbourne staff highlighted that the Southbank Plan 2010, Melbourne's 30-year planning document for the Southbank Precinct identifies that the future planning of the Precinct incorporates the same principles - - lifestyle, sustainability, livability that compliments what Vaughan Council has endorsed through the Official Plan for the Vaughan Metropolitan Centre. Melbourne's Southbank Precinct clearly identifies that an integrated Entertainment and Gaming Complex with casino, convention, hotel, retail and restaurants can be an anchor development that supports residential, commercial and office development while being integrated with the urban fabric and implementing the "vision" for the downtown area.

Demographics

- The population is now 10,500 and growing at twice the rate, annually, than the municipality overall;
- It is characterized by predominantly young adults aged 20 to 34 years, usually living alone or as couples;
- It has the third largest concentration of young people (12 to 25 year olds) in the municipality;
- Approximately 25% of residential construction that will begin in the next five years will be in Southbank.
- The population is highly educated and workers and employed residents are more often in higher status occupations; More than 36% have a BA Degree or higher
- The vast majority of residents (two-thirds) live in high-rise apartments, rented and the suburb is one of the municipality's most expensive in which to rent;
- The median household income in Southbank is one of the municipality's highest;
- Southbank has the municipality's lowest proportion of micro businesses (businesses employing less than five staff);

The Complex

The Complex is a leading International Class luxury resort featuring more than 1,600 hotel rooms and VIP villas, spas, swimming pools, high-end retail shopping, signature restaurants, a convention centre, gaming areas and live entertainment venues. Crown is investing \$1.5 billion to upgrade and expand the Complex.

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More than 18 million visitors walk through the Complex's doors annually, making it one of Australia's most visited tourist attractions. KPMG estimated that Crown contributed approximately \$1.5 billion to value-added in the state of Victoria (Melbourne is the Capital and most populous city in the state of Victoria) economy annually.

Crown operates Victoria's largest single-site workforce from the Complex. In 2012, more than 8,850 people came to work at the Complex, with Crown's direct workforce numbered at 6,686 positions, which includes full-time, part-time and casual employees.

Impact on Local Businesses

Integrated Resorts create spillover investment by increasing the number of visitors to the area of the resort. For example, many resort visitors will visit nearby attractions simply because they are in the neighbourhood.

The number of hotel rooms in Niagara Falls increased following the opening of the \$1 billion Niagara Fallsview Casino Resort from 12,050 in 2003, the year prior to the opening, to 14,100 in 2011. The room count increase came at a time when overall U.S. border traffic into Canada was challenged due to increased security and a weakening U.S. dollar.

By partnering directly with local businesses, there are methods Integrated Resorts can use to enhance local business. For example, some businesses lease space in the Integrated Resort to local restaurateurs as well, developing an approach that supports cultural activities and "mom and pop" retail and restaurants elsewhere in the VMC is critical. The resort can also create cross-marketing relationships with local entertainment and sports venues. These are all activities that would be anticipated.

Local hotels and businesses in the vicinity of the VMC were contacted in the preparation of this report and they noted support of an integrated entertainment and gaming complex if what was to be developed in the VMC.

Terms and Conditions

Council directed staff to develop a set of terms and conditions that should be considered to include in a response to the OLG if Council makes the decision to proceed with a resolution that identifies itself as a host municipality.

- Stipulation of a maximum size of the gaming floor to 15% of the development and minimum required size for the hotel/convention infrastructure.
- That a casino will only be considered in a specific geographic area within Vaughan
- If the casino proposal does not adequately demonstrate the mitigation of physical, transportation and infrastructure impacts acceptable to Council then proponent will adjust the proposed gaming and non-gaming elements accordingly.
- Proponent to provide a plan that identifies proposed entertainment options and co-ordination with other events in proximity of the site.
- That the casino operator develop a joint employment and labour market plan with the City to support the operation of the casino and related functions.
- That the casino operator identify opportunities to partner with educational facilities in the GTA to develop complementary skills training programs to support the joint employment and labour market plan.
- That the casino and related operator implement a supply chain diversity policy that encourages opportunities for local businesses and ensures that the casino utilizes a continuing skilled labour forces that resembles the diversity of the City.
- That the casino operator allocate a limited number of hours annually to provide City residents the use of casino live entertainment and/or meeting space for appropriate community cultural purposes at a reduced cost.

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- That the casino development conform to the City's Official Plan and be consistent with City policies and guidelines respecting planning, development and design.
- That the casino operator will be responsible for funding transportation and other infrastructure it requires for the development and operation of the casino.
- That the casino operator will develop an international marketing plan and demonstrate how the facility will attract tourists both nationally and internationally.
- That the casino will have an urban form that is designed to fit its planned local context.
- Develop the site to integrate with the VMC District Energy plan
- That parking for the various uses be paid parking and provided in structures, not on surface lots
- To form or become part of landowners group for the quadrant
- Prepare a comprehensive plan / precinct plan and draft plan of subdivision if new streets, parks or blocks are to be created
- Built to LEED Gold Certification
- To consider locating the integrated entertainment and gaming complex on the provincially owned lands that are located adjacent to the 407 Subway Station.
- Provide on-site responsible gaming support centre
- That the terms, conditions and principles be further refined with the gaming operators to reflect a development that is outward facing and intertwined with the fabric of downtown in terms of its uses, synergies, and relationships; as well as the cultural opportunities that could be created in achieving architectural excellence.
- Creation of a Local task force/working group

OLG Decision Process

The OLG is seeking from Vaughan Council a declaration of its interest in being a host municipality for an integrated entertainment and gaming complex to continue in the OLG RFPQ and RFP process. The OLG process requires that Vaughan Council formally pass a resolution to that effect.

The OLG will choose a preferred operator in late 2013. If the preferred gaming operator has a site in Vaughan, then the City will begin the planning application process with OLG and the gaming operator.

Regional Implications

The OLG anticipates an investment of \$1.2-\$1.5B in capital investment by the preferred gaming operator if the complex is located in Vaughan. This would generate approximately \$4.3 to \$6.4 Million dollars revenue in the form of property tax for the Region. An increase in the workload of social services should also be identified and anticipated. In addition, Staff have highlighted in the report that York Regional Police have noted that attracting more visitors and tourists to the area may result in increased workload. In addition, the Region would need to potentially accelerate construction of works on Highway 7, including the interchange.

Conclusion

As the City continues to position itself as the gateway of economic activity to the Greater Toronto Area this opportunity may accelerate its city building process and strengthen its arts, culture and economic base. This advantageous competitive position will significantly contribute to Vaughan being the key economic development driver of the GTA over the next twenty years.

OLG has confirmed that an entertainment/gaming complex will be built in the GTA. If built outside Toronto, the entertainment complex is expected to have a capital investment in the range of \$1.2 to \$1.5 billion when complete. A facility of that scope and scale is expected to generate

CITY OF VAUGHAN

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\$32 million dollars annually in direct revenue to the host municipality and \$16.3 to \$24.5 Million in property tax of which the Regional Municipality of York would receive from \$4.3 to \$6.4 million and Education would receive \$9.6 - \$14.4 Million per year in revenue from property taxes. In addition, the City could anticipate an additional 8,000 to 10,000 new jobs and more than 3,000 construction jobs during the three to four years of construction.

Terms and conditions have been developed to guide the approach OLG should take in the event that Vaughan is identified as host municipality. In the terms and conditions, Staff is also recommending that the Provincially owned lands at the 407 subway station be considered as a site for the integrated entertainment and gaming complex as well as the Vaughan Metropolitan Centre.

Given that OLG has made the decision to locate an entertainment/gaming complex in the GTA the primary issue for Council is to weigh the relative financial, economic and other benefits against the potential social impacts of having the facility located within the City of Vaughan versus a neighbouring municipality.

Attachments

Attachment 1 – New Hosting Fee Formula to Benefit All Host Municipalities

Attachment 2 – Pollara Residents' Perspectives on a Casino/Entertainment District in Vaughan,
August 2012

Attachment 3 – Research on the Gaming Industry

Report prepared by:

Tim Simmonds, Executive Director, Office of the City Manager

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

SPECIAL COMMITTEE OF THE WHOLE – MAY 28, 2013

ONTARIO LOTTERY AND GAMING CORPORATION (OLG)- POTENTIAL OF AN ENTERTAINMENT AND GAMING COMPLEX IN THE VAUGHAN METROPOLITAN CENTRE

Recommendation

The Executive Director in consultation with the Interim City Manager recommends:

1. That Council give consideration to the adoption of the following resolution:
“The Council of the City of Vaughan declares the City of Vaughan to be a willing host to an integrated entertainment and gaming complex on the terms and conditions set out in this report”;
2. That if such a resolution is adopted, the City Clerk be requested to forward the resolution to the Ontario Lottery and Gaming Corporation; and
3. That any presentations and deputations be received.

Contribution to Sustainability

Green Directions Vaughan embraces a *Sustainability First* principle and states that sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations.

The City's New Official Plan 2010 clearly articulates that one of the City's principles that support the long-term vision of the Vaughan Metropolitan Centre (VMC) is that the downtown will be a model of sustainable development. To that end, Vaughan Holding's Inc. has developed plans for a District Energy System to service the VMC. The integrated entertainment and gaming complex project with hotel, performance venue, convention space, restaurant, retail and mixed use would be an ideally suited development to be a significant catalyst and customer of the newly developed District Energy system.

Economic Impact

A permanent facility could provide significant benefits to Vaughan including additional revenue, new jobs, capital investment and property taxes. The OLG has communicated to staff that an integrated entertainment and gaming complex in Vaughan with an anticipated capital investment of more than \$1.2 billion by a private sector gaming operator would:

- Generate an annual OLG hosting fee to the City of \$32 million per year based on OLG's new hosting fee formula presented on May 17, 2013 (Attachment 1)
- Produce approximately \$16.3 to \$24.5 million in property taxes of which \$2.4-\$3.7M would be the City's share
- Create 8,000 – 10,000 direct permanent jobs
- Create 3,000 construction jobs

Communications Plan

If the City proceeds in the OLG Modernization process as outlined in this report and identifies through a Council resolution that the City would consider being a willing host municipality under specific terms and conditions, Staff will create a formal communications plan.

Purpose

The OLG is seeking from Vaughan Council a declaration of its interest in being a host municipality for an integrated entertainment and gaming complex to be located in the Vaughan Metropolitan Centre.

The Province of Ontario has approved the OLG's Modernization Plan which identifies that a billion dollar world-class gaming and entertainment facility will be built and independently operated in the GTA. However, the final site location for the new facility must be in a municipality that has declared itself a willing host. Vaughan is currently one of only five contenders for this project and must make a decision to continue in the OLG process or remove itself from the list of potential sites. Other potential sites include; Markham, Richmond Hill, Mississauga and Toronto.

Background - Analysis and Options

As part of the Ontario Government's new direction to OLG in July of 2010, OLG was asked to complete a comprehensive strategic review of the lottery distribution network and land-based gaming facilities. The result of the review was an OLG report to government on March 12, 2012 titled, *Modernizing Lottery and Gaming in Ontario: Advice To Government*.

The report concluded that by 2017-18, OLG will be: A modern, sustainable organization, which will increase net profit to the Province by an additional \$1.3 billion annually – all while upholding responsible gambling standards.

The report identified where and how gaming will be offered in the province across all types of games and all channels through the creation of geographic areas called, "Gaming Zones".

Gaming Zones

OLG has identified 29 gaming zones where existing or new gaming facilities would be permitted following municipal and other approvals. OLG originally based the zones on a business model that is designed to maximize revenue and create value for the province. Factors such as proximity of a gaming location to other gaming facilities and residential areas were measured to determine the zones.

The zones for the location of OLG gaming facilities have been refined by OLG. The geographic areas were adjusted based on ongoing discussions with relevant stakeholders, information received, and through the OLG procurement process. A portion of Vaughan was originally identified as part of a gaming zone which also includes the current OLG site, Woodbine Racetrack and Slots.

The OLG has since modified its C1 Zone identifying a portion of Vaughan. (Picture 1)



Picture 1: OLG C1 Zone Boundaries in Vaughan

OLG's Procurement Process for Modernization

On May 17, 2012, OLG announced a new competitive and transparent procurement process to seek input from potential vendors as it expands regulated private-sector gaming in Ontario. The multi-stage process includes:

- *Request for Information (RFI)* – (Now underway) allows the OLG to gather valuable information from potential regulated vendors and help determine the range of options available in the market and assess potential vendor interest, as well as risks. The RFI was issued on May 17, 2012 and is expected to close on June 30, 2013. The RFI is published on MERX tendering system (www.merx.com). The RFI will be followed by and RFP in the fall of 2013.
- *Request for Pre-Qualification (RFPQ)* – (potential release summer 2013) gives vendors interested in the RFP an opportunity to submit information on their financial and technical capabilities. OLG will then select pre-qualified vendors.
- *Request for Proposal (RFP)* – (potential release fall 2013) gives the selected vendors the opportunity to bid on specific products and/or services within the gaming business, and identify sites. Once the bidding process is complete, OLG will select vendors to become the regulated private sector providers for gaming and lottery gaming sites.

OLG has confirmed that the RFPQ and RFP process to select a private operator for a GTA integrated entertainment and gaming facility will begin in 2013 with an award in early 2014. OLG will focus the RFPQ process only with municipalities which have passed by Council resolution a willingness to host a facility.

Research and Information Overview

Per Council direction, staff has researched and gathered further information from a number of sources as they relate to the socio/economic impact of an integrated entertainment complex with a casino if located in Vaughan/GTA. These sources include;

- Meetings with OLG Representatives
- City of Toronto Staff Reports
- Independent Consultancy Reports
- International Real Estate and Architectural Design Firms
- Media Articles; and
- OLG Modernization Documents

Significant Opportunity for Vaughan

The Council endorsed 10-year Economic Development Strategy states that in order to support the City as a destination, there are opportunities for enhancement of the existing entertainment amenities that are currently found in the area. Overall, there are a number of creative and cultural industry strengths disbursed across the city, making it difficult for residents and tourists to package these amenities into coordinated "Vaughan experiences". By creating stronger virtual and physical connections, a hub and spoke concept, radiating out from the Vaughan Metropolitan Centre, the city can enhance the overall quality of its cultural and tourism industries.

Therefore, the private sector (through the OLG RFP process) could fund and build an entertainment district anchored by a gaming complex in an appropriate area in Vaughan, such as

the Vaughan Metropolitan Centre, and bring benefits that support the City's economic development strategy, and be a catalyst for arts, culture and tourism development such as;

- Build a performing arts/concert styled venue(s).
- A convention facility with the ability to host international-sized conventions (approximately 500,000 sq. ft.)
- Anchor a Forbes Five Star rated accommodation(s). (Approximately 800 rooms)
- Position Vaughan as an overnight destination.

In addition to providing an anchor for the cultural and tourism industry, this development could, as the City's largest potential non-taxation revenue source, help fund a number of growth related opportunities that are ineligible for funding under the Development Charges (DC) Act as well as provide financial assistance to the maintenance of existing infrastructure thus mitigating potential future tax rate increases. Some key projects may include:

- The new Vaughan Mackenzie Health Hospital
- Offset future tax rate increases
- Underground relocation of hydro transmission lines along Highway 7
- Future expansions to general administrative space
- Acquisition of parkland
- \$58M portion of the 10-Year DC Program requiring non-DC funding for "Benefit to Existing" reductions such as future Community Centre expansions, Fire Station re-locations, Parks/Works Yard expansions and various Streetscaping Works
- \$38M portion of the 10-Year DC Program requiring non-DC funding for the 10% statutory reduction on soft services
- Repair and replacement of roads, water, wastewater, parks, indoor recreation, library and other public infrastructure across the City of Vaughan

The Economic Impact of Locating an OLG Integrated Entertainment and Gaming Complex In Vaughan

A permanent facility could provide significant benefits to Vaughan including additional non taxation revenue, create new jobs, capital investment and additional property taxes. Following multiple staff meetings with representatives of the OLG, an integrated entertainment complex with a casino could generate;

- Annual OLG hosting fees of \$32 Million
- Property Taxes that range from \$16.3 to 24.5 Million* (see breakout below for share)
- Approximately 8,000-10,000 direct jobs
- Approximately 4,000 indirect jobs
- Approximately 3,000 construction jobs (three to four year period)
- Capital Investment of \$1.2 to \$1.5B
- Strengthened tourism market – promoting overnight and multi-day stays
- Be a catalyst for other development

Noting the above, the annual OLG hosting fee directly to the City of Vaughan will be \$32 Million if a permanent Integrated Entertainment and Gaming complex was located within the City. These funds can be used by the City at its own discretion.

The OLG estimates that 60 percent of total jobs at the facility will be related to gaming, with 20 percent in management and supervisory roles (avg. compensation \$60 - \$100,000) and the remaining 80 percent in floor staff (avg. compensation \$40 - \$60,000).

In addition to a permanent facility, OLG has also made Staff aware that it has plans to have a phased approach while the permanent site is completed. OLG provided the following information about a "Phase 1" site if it was located in Vaughan:

- Annual OLG hosting fees of \$10-\$15M (two to three year period)
- 2,000 Direct jobs
- Approximately 500 construction jobs (six to 12 months)
- Capital Investment of \$200M
- Increased property taxes

***Property Taxes** have been calculated using 2012 Tax Information and a projected capital investment of \$1.2 to \$1.5B. A discount of 15% was applied for MPAC purposes based on discussions with OLG.

Proportion of Taxes \$1.2B		Proportion of Taxes \$1.5B	
City:	\$2.4M	City:	\$3.7M
Region:	\$4.3M	Region:	\$6.4M
Education:	\$9.6M	Education:	\$14.4M
TOTAL:	\$16.3M	TOTAL:	\$24.5M

Provincial Public Consultation Process

The public consultation process can take many forms in Ontario. The Ontario Lottery and Gaming Corporation Act had required that municipalities hold a referendum in regard to being a site for a casino. However, on June 1, 2012 the Province replaced this regulation (347/00) with regulation that provided greater flexibility for the municipality to undertake public consultation.

The new regulation (81/12) refers to seeking public input into the establishment of a gaming site but does not set out specific methods or quantity of public consultation that must be undertaken.

The following is an excerpt from Regulation 81/12 subsection 2(3) for a proposed gaming site to be established in a municipality:

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

Vaughan's Consultation Process

As reported to Council at Committee of the Whole Working Session on October 23, 2012, Staff retained one of Canada's leading research and opinion firms – Pollara to undertake a research initiative that engaged the Vaughan Community as it relates to the OLG's expansion of gaming in Ontario and the opportunity of siting a large-scaled entertainment and gaming complex in the Greater Toronto Area.

To that end, the following objectives were set:

- Assess residents' general attitudes toward casinos;
- Determine citizens views as pros and cons of having a casino in the GTA and specifically in the City of Vaughan; and

- Understand attitudes toward trade-offs between potential economic benefits and social issues associated with a casino.

The Consultant

Due to the timing of the OLG process and to prepare a report back to Council in a timely manner, Staff followed the Council approved purchasing policy guidelines to undertake a single source contract. The contract, in the amount of \$25,000, to undertake the qualitative and quantitative research was awarded to Pollara Research. Pollara is one of Canada's leading public opinion and market research firms providing strategic advice based on accurate measurement of opinions, attitudes and perceptions. Leading the project was Executive Vice President, Mr. Robert Hutton.

Mr. Hutton has extensive experience in advanced research design and analysis, particularly in the areas of loyalty, branding, advertising testing, segmentation, perceptual mapping, innovative non-linear online design, panel building, and social media. Mr. Hutton has undertaken research initiatives across Canada, Asia Pacific, Europe and the United States.

Research Methods

Given the nature of the subject matter, it was recognized that it was important to use more than one type of research method to better understand residents' views. Therefore, three different methods were adopted to meet the objectives:

- **Focus Groups** – The focus groups (two) which were held on Saturday, July 21, 2012, had a good mix of age (18 or older), income, education, and representation from all five Vaughan communities. Each focus group was split by gender, as to better address potentially different reactions/attitudes and consideration set among men and women, and to ensure that those opinions were explored in sufficient depth.

Key Findings included;

- Benefits associated with casinos outweigh the drawbacks
 - A casino in the GTA would be welcome (but not in Toronto)
 - Casino in Vaughan as a concept is viewed in a positive light, but when discussed in the context of crime, women's views can be swayed. Men don't see it as an issue.
 - Traffic congestion is a big concern for everyone.
 - All agree that the City has an obligation to explore the fiscal viability of this opportunity.
 - The opportunity must be examined in the context of the City's other priorities
-
- **Survey** – An on-line survey was created using information gained from the focus groups. The survey took the respondent 10-12 minutes to complete and was completed by 500 residents during August 10 and 18, 2012. The survey was carefully designed to ensure that it covers various perspectives, was statistically sound and presented the discussion of a casino in a relevant and unbiased context, thus giving residents a comprehensive picture of what such an endeavour could mean to the City. Furthermore, the survey was designed to ensure that the respondents' answers were based on a good understanding of the subject matter rather than on reactionary, surface answers typical of a flash poll. The results were weighed by age and gender to 2006 Canada Census proportions to ensure that the results are representative of the opinions of the general public. The results are accurate $\pm 4.38\%$ nineteen times out of twenty. Key findings included; (Attachment 2: Pollara - Residents' Perspectives on a Casino/Entertainment District in Vaughan, August 2012)
 - In general, the overall trends in attitudes hold true across demographic segments
 - Overall, positive or neutral impressions of casinos outweigh negative ones.
 - For a majority (78%), casino visits are seen as an entertainment destination, an outing that offers shows, restaurants, nightlife, with gambling being only a part of that experience. Only 22% go there exclusively to gamble.

- In terms of advantages associated with a casino, a majority think of the economic benefits a casino brings: jobs (61%) and revenues for the city (55%) and businesses (54%).
- As for drawbacks- social issues and an increase in traffic congestion are on the minds of nearly seven-in-ten citizens (each), while worries about undesirable populations are mentioned by 61%.
- A majority (59%) agree that benefits of having a casino /entertainment district are too great NOT to consider it, even in light of potential drawbacks.
- Yet a vast majority (77%) agree (40% strongly) that the City of Vaughan has a financial obligation to assess the financial benefits of such development within the city's boundaries.
- Citizens feel even more strongly about the city's obligation to assess social impact of such development in Vaughan (85% agree, 51% strongly).
- **Information Session** – The information session gave residents the opportunity to learn about the topic from different perspectives. To this end, staff was in attendance at the information session which included presenters from the following organizations: Pollara, who presented the findings of the survey and OLG, who explained the concept and expansion of gaming in the GTA. The Information Session was attended by approximately 125 citizens and business owners. From a market researcher's experience, it is important to note that civic "open houses" tend to attract a highly unrepresentative section of the population, that typically comprise activists on both sides of an issue. They virtually never form a valid representation of a population.

At the conclusion of the session, Pollara found that the questions written on the cards, from those in attendance, were completely consistent with the focus groups and survey and could be grouped into three categories:

1. Economic impact questions- which were by far the majority, often very specific;
2. Location queries- which typically involved details about the suggested site and site impacts, and;
3. Social concerns- which were generally formed around perceptions and lack of factual information.

Safety For Vaughan Residents

Staff met with York Regional Police to understand the implications on York Regional Police if a casino was to locate in Vaughan, possibly in the Vaughan Metropolitan Centre (VMC). **At the meeting York Regional Police indicated that they do not anticipate an increase in crime as a result of a casino other than what would be expected to result for many new large developments and/or influx of people.**

Therefore, if a casino is to open in York Region, attracting more visitors and tourists to the area may result in increased workload pressures.

Other media and studies have reported the following over the past year -

- A deputy chief with the Hamilton Police Service says he's found no evidence so far that a casino directly leads to increased crime. Ken Leenderste began researching the issue last year. He's found from other cities that entertainment districts bring more people, which by nature means more crime. But it's not the casino itself." *CBC, Casinos Alone Don't Cause Crime, January 2013*
- Toronto police Supt. Ron Taverner said crime rates around the racetrack [Woodbine Racetrack] these days are relatively low compared with other areas of the city. "From a policing perspective, I don't see any issues at all," he said, adding that fears of increased

prostitution, loan sharking and even traffic flow and parking problems didn't pan out... Police Chief Bill Blair echoed the sentiment, saying, "I certainly don't perceive it's been a significant public safety issue for us. It's a well-organized, well-managed business, and they work very closely with the police." *The Star, Do Casinos Drive Up the Crime Rate, April 2012*

- Retired Queen's University law professor Stanley Sadinsky isn't convinced that crime automatically comes with casinos. In Windsor, Ont. — home to one commercial casino — crime rates actually went down, he said. Sadinsky added that he thinks police departments have also seen the introduction of casinos as an occasion to increase their manpower. "There was this worry that there would be a problem, and monies were suddenly available to municipalities. If I were the chief of police I'd make the case for more resources as well." *The Star, Do Casinos Drive Up the Crime Rate, April 2012*
- A 2011 study found that the introduction of gambling may lead to a small increase in crime. The study stated that although crime rates may slightly increase, legalized gambling opportunities may also lead to a decrease in the availability of illegal gambling operations. The study also concluded that "the impact that gambling has on crime is particularly complex and the results are mixed." Williams, R.J., Rehm, J., & Stevens, R.M.G. (2011). *The Social and Economic Impacts of Gambling*. Final Report prepared for the Canadian Consortium for Gambling Research. March 11, 2011.

Vaughan and The Vaughan Metropolitan Centre – Does an Integrated Entertainment and Gaming Complex fit with the Vision of Vaughan's future downtown?

Planning Perspective

A casino would prompt the need for acceleration of certain capital projects already determined as being required for full build out of the VMC. Additional resources would need to be engaged in the Planning and Engineering and Public Works Commissions in order to expedite delivery of infrastructure projects, to complete a precinct plan and related studies ahead of planned schedule to implement the project.

The in-force Official Plan is OPA 500:

- A) Corporate Centre Node - permits entertainment uses
- B) Corporate Centre District - permits major entertainment uses including theatre complexes and other entertainment attractions

A casino would be permitted in the Corporate Centre District surrounding the Node. The Node would include major residential, retail and office along Regional Road 7.

VMC Secondary Plan:

The Integrated Entertainment and gaming complex does not conform to some of the policies in the current Council endorsed VMC Secondary Plan and associated designations that have been appealed to the Ontario Municipal Board. However, concerns with policies and schedules in the western part of VMC where an integrated entertainment and gaming complex would most likely be located have been expressed. The plan may need to be amended or modified irrespective of a casino being located in the VMC based on the outcome of settlement discussions related to OMB appeals.

City-to-City Comparison

Staff have made every effort to understand the implications of locating an integrated and entertainment gaming complex in the Vaughan Metropolitan Centre and fully understand how this development may impact the City and the future downtown. Although the research is wide-spread on the negative impacts of the gaming industry, an equal amount of research is available about the positive impacts. (Attachment 3 – Research on the Gaming Industry).

At the most recent Committee meeting of January 22, 2013, Council made note that the amount of research available on the world wide web was vast and that not all of the information may be accurate – thus staff were directed to find, if possible, a “real-world” example(s) of how an integrated entertainment and gaming development fits within an urban context. Council raised questions such as;

What is the;

- Impact on the recruitment of Office Tenants
- Impact on Residential Development
- Effect on local business
- What do the landowner's want
- What is the revenue mix of casino vs. non-gaming activity

After reviewing a number of cities across North America and world-wide, one city in particular proved to be an example that best matched the VMC.

Southbank- Crown Entertainment

The Southbank Precinct in Melbourne where the Crown Entertainment Complex (CEC) is located, is an excellent ‘real world’ example of how an integrated entertainment and gaming development could exist in the VMC and provides insight to many of the questions that Council requested more information on. Such as the impact on residential, retail and office development and the successful integration into the planned ‘fabric’ and vitality of the area.

The complex is located in the Southbank Precinct of the City of Melbourne in the Central Business District. Southbank’s claim to fame is an arts, cultural and leisure precinct, including retail, residential, eating, office, casino and other entertainment. It is a high growth area of the City – both from an employment and residential perspective.

Furthermore, staff contacted the City of Melbourne to better understand the relationship of the Crown casino and the integrated entertainment complex. Staff in Melbourne’s Strategic Planning/City Planning and Infrastructure department and Research departments provided invaluable assistance and insight to the Crown Complex.

Melbourne staff emphasized that the key point is that Southbank Precinct was the impact of the whole “Crown Entertainment Complex” (CEC) – not just the casino. The CEC was a very large development and a key generator of development on the South of the Yarra River after Southgate and then followed by the Melbourne Convention and Exhibition Centre and then the Docklands. In a sense it was one piece in the jigsaw of planned development of the Yarra’s south side from a light-industrial mixed-use area. It initially competed with commercial and retail areas of the traditional Central Business District but now forms a complementary part of it.

In addition, Melbourne staff highlighted that the Southbank Plan 2010, Melbourne’s 30-year planning document for the Southbank Precinct identifies that the future planning of the Precinct incorporates the same principles - - lifestyle, sustainability, livability that compliments what Vaughan Council has endorsed through the Official Plan for the Vaughan Metropolitan Centre.

Melbourne’s Southbank Precinct clearly identifies that an integrated Entertainment and Gaming Complex with casino, convention, hotel, retail and restaurants can be an anchor development that supports residential, commercial and office development while being integrated with the urban fabric and implementing the “vision” for the downtown area.

Demographics

- The population is now 10,500 and growing at twice the rate, annually, than the municipality overall;

- It is characterized by predominantly young adults aged 20 to 34 years, usually living alone or as couples;
- It has the third largest concentration of young people (12 to 25 year olds) in the municipality;
- Approximately 25% of residential construction that will begin in the next five years will be in Southbank.
- The population is highly educated and workers and employed residents are more often in higher status occupations; More than 36% have a BA Degree or higher
- The vast majority of residents (two-thirds) live in high-rise apartments, rented and the suburb is one of the municipality's most expensive in which to rent;
- The median household income in Southbank is one of the municipality's highest;
- Southbank has the municipality's lowest proportion of micro businesses (businesses employing less than five staff);

The Complex

The Complex is a leading International Class luxury resort featuring more than 1,600 hotel rooms and VIP villas, spas, swimming pools, high-end retail shopping, signature restaurants, a convention centre, gaming areas and live entertainment venues. Crown is investing \$1.5 billion to upgrade and expand the Complex.

More than 18 million visitors walk through the Complex's doors annually, making it one of Australia's most visited tourist attractions. KPMG estimated that Crown contributed approximately \$1.5 billion to value-added in the state of Victoria (Melbourne is the Capital and most populous city in the state of Victoria) economy annually.

Crown operates Victoria's largest single-site workforce from the Complex. In 2012, more than 8,850 people came to work at the Complex, with Crown's direct workforce numbered at 6,686 positions, which includes full-time, part-time and casual employees.

Impact on Local Businesses

Integrated Resorts create spillover investment by increasing the number of visitors to the area of the resort. For example, many resort visitors will visit nearby attractions simply because they are in the neighbourhood.

The number of hotel rooms in Niagara Falls increased following the opening of the \$1 billion Niagara Fallsview Casino Resort from 12,050 in 2003, the year prior to the opening, to 14,100 in 2011. The room count increase came at a time when overall U.S. border traffic into Canada was challenged due to increased security and a weakening U.S. dollar.

By partnering directly with local businesses, there are methods Integrated Resorts can use to enhance local business. For example, some businesses lease space in the Integrated Resort to local restaurateurs as well, developing an approach that supports cultural activities and "mom and pop" retail and restaurants elsewhere in the VMC is critical. The resort can also create cross-marketing relationships with local entertainment and sports venues. These are all activities that would be anticipated.

Local hotels and businesses in the vicinity of the VMC were contacted in the preparation of this report and they noted support of an integrated entertainment and gaming complex if what was to be developed in the VMC.

Terms and Conditions

Council directed staff to develop a set of terms and conditions that should be considered to include in a response to the OLG if Council makes the decision to proceed with a resolution that identifies itself as a host municipality.

- Stipulation of a maximum size of the gaming floor to 15% of the development and minimum required size for the hotel/convention infrastructure.
- That a casino will only be considered in a specific geographic area within Vaughan
- If the casino proposal does not adequately demonstrate the mitigation of physical, transportation and infrastructure impacts acceptable to Council then proponent will adjust the proposed gaming and non-gaming elements accordingly.
- Proponent to provide a plan that identifies proposed entertainment options and co-ordination with other events in proximity of the site.
- That the casino operator develop a joint employment and labour market plan with the City to support the operation of the casino and related functions.
- That the casino operator identify opportunities to partner with educational facilities in the GTA to develop complementary skills training programs to support the joint employment and labour market plan.
- That the casino and related operator implement a supply chain diversity policy that encourages opportunities for local businesses and ensures that the casino utilizes a continuing skilled labour forces that resembles the diversity of the City.
- That the casino operator allocate a limited number of hours annually to provide City residents the use of casino live entertainment and/or meeting space for appropriate community cultural purposes at a reduced cost.
- That the casino development conform to the City's Official Plan and be consistent with City policies and guidelines respecting planning, development and design.
- That the casino operator will be responsible for funding transportation and other infrastructure it requires for the development and operation of the casino.
- That the casino operator will develop an international marketing plan and demonstrate how the facility will attract tourists both nationally and internationally.
- That the casino will have an urban form that is designed to fit its planned local context.
- Develop the site to integrate with the VMC District Energy plan
- That parking for the various uses be paid parking and provided in structures, not on surface lots
- To form or become part of landowners group for the quadrant
- Prepare a comprehensive plan / precinct plan and draft plan of subdivision if new streets, parks or blocks are to be created
- Built to LEED Gold Certification
- To consider locating the integrated entertainment and gaming complex on the provincially owned lands that are located adjacent to the 407 Subway Station.
- Provide on-site responsible gaming support centre
- That the terms, conditions and principles be further refined with the gaming operators to reflect a development that is outward facing and intertwined with the fabric of downtown in terms of its uses, synergies, and relationships; as well as the cultural opportunities that could be created in achieving architectural excellence.
- Creation of a Local task force/working group

OLG Decision Process

The OLG is seeking from Vaughan Council a declaration of its interest in being a host municipality for an integrated entertainment and gaming complex to continue in the OLG RFPQ and RFP process. The OLG process requires that Vaughan Council formally pass a resolution to that effect.

The OLG will choose a preferred operator in late 2013. If the preferred gaming operator has a site in Vaughan, then the City will begin the planning application process with OLG and the gaming operator.

Regional Implications

The OLG anticipates an investment of \$1.2-\$1.5B in capital investment by the preferred gaming operator if the complex is located in Vaughan. This would generate approximately \$4.3 to \$6.4 Million dollars revenue in the form of property tax for the Region. An increase in the workload of social services should also be identified and anticipated. In addition, Staff have highlighted in the report that York Regional Police have noted that attracting more visitors and tourists to the area may result in increased workload. In addition, the Region would need to potentially accelerate construction of works on Highway 7, including the interchange.

Conclusion

As the City continues to position itself as the gateway of economic activity to the Greater Toronto Area this opportunity may accelerate its city building process and strengthen its arts, culture and economic base. This advantageous competitive position will significantly contribute to Vaughan being the key economic development driver of the GTA over the next twenty years.

OLG has confirmed that an entertainment/gaming complex will be built in the GTA. If built outside Toronto, the entertainment complex is expected to have a capital investment in the range of \$1.2 to \$1.5 billion when complete. A facility of that scope and scale is expected to generate \$32 million dollars annually in direct revenue to the host municipality and \$16.3 to \$24.5 Million in property tax of which the Regional Municipality of York would receive from \$4.3 to \$6.4 million and Education would receive \$9.6 - \$14.4 Million per year in revenue from property taxes. In addition, the City could anticipate an additional 8,000 to 10,000 new jobs and more than 3,000 construction jobs during the three to four years of construction.

Terms and conditions have been developed to guide the approach OLG should take in the event that Vaughan is identified as host municipality. In the terms and conditions, Staff is also recommending that the Provincially owned lands at the 407 subway station be considered as a site for the integrated entertainment and gaming complex as well as the Vaughan Metropolitan Centre.

Given that OLG has made the decision to locate an entertainment/gaming complex in the GTA the primary issue for Council is to weigh the relative financial, economic and other benefits against the potential social impacts of having the facility located within the City of Vaughan versus a neighbouring municipality.

Attachments

Attachment 1 – New Hosting Fee Formula to Benefit All Host Municipalities

Attachment 2 – Pollara - Residents' Perspectives on a Casino/Entertainment District in Vaughan,
August 2012

Attachment 3 – Research on the Gaming Industry

Report prepared by:

Tim Simmonds, Executive Director, Office of the City Manager

Respectfully submitted,

Tim Simmonds
Executive Director, Office of the City Manager

New Hosting Fee Formula To Benefit All Host Municipalities*Ontario Government Provides Fair Increases for all of Ontario*

May 17, 2013 10:45 a.m.

The Ontario government today shared a new and equitable formula to determine the fee municipalities receive for hosting an OLG gaming facility. The new formula will provide more money for host municipalities and will be fair and consistent for all municipalities across the province.

Under the new formula, host municipalities will receive:

- 5.25 per cent on the first \$65 million of slot revenue
- 3.0 per cent on the next \$135 million of slot revenue
- 2.5 per cent on the next \$300 million of slot revenue
- 0.5 per cent on slot revenue above \$500 million
- 4.0 per cent on table game revenue

The Cities of Niagara Falls and Windsor as hosts of resort casinos, which have until now been receiving fixed fees plus payments in lieu of property tax under agreements, will now also be compensated under the new formula.

Based on the new formula and implementing OLG's modernization plan, OLG would expect to provide over \$50 million more annually to host municipalities by 2017-18. This is part of the Ontario government's commitment to the OLG's modernization while providing fairness throughout the entire province.

QUOTES

" Modernization is about more than benefiting one community or one facility; it's about benefiting all Ontarians by providing more money for hospitals and community infrastructure projects across the province."

- Charles Sousa
Minister of Finance

QUICK FACTS

- OLG currently provides nearly \$2 billion annually to the Ontario government to help fund provincial priorities. Modernization will enable OLG to increase that contribution to more than \$3 billion.
- All host municipalities must sign a new MCA as a legal requirement before receiving hosting payments under the new formula.
- Casino Rama's compensation will remain the same due to an earlier Ontario-First Nations agreement.

For Media Inquiries only Susie Heath - Minister's Office
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[Disponible en Français](#)



Residents' Perspectives on a Casino/Entertainment District in Vaughan

Presented to:

City of Vaughan

August 2012

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Background and Objectives

- City of Vaughan wished to gauge citizens' attitudes toward the idea of building a casino in the City of Vaughan, and toward the various economic and social aspects that such a development would entail.
- Citizens' feedback will play an integral part of any future discussions or debates on the subject.
- A survey instrument was designed to assess citizens' views on the following topics:
 - Incidence and frequency of casino visits
 - Overall impressions and attitudes toward casinos
 - Perceived benefits and drawbacks of casinos in general
 - Suitability of the potential location for a casino/entertainment district in Vaughan
 - Suitability of Vaughan as a potential location for a casino/entertainment district (vs. Toronto or other cities)
 - City's obligation to assess financial and social impact of a casino/entertainment district in Vaughan
 - Level of support/opposition toward a casino/entertainment district in Vaughan
 - Key barriers that would need to be addressed to make citizens comfortable with the concept

Methodology

- Pollara conducted a 12 minute online survey of n=500 residents of Vaughan and its various communities who were 18 years of age or older.
- The survey was conducted between August 10 and 18, 2012.
- The results were weighed by age and gender to 2006 Canada Census proportions to ensure that the results are representative of the opinions of the general public.
- Results are accurate $\pm 4.38\%$ nineteen times out of twenty.

Main Findings and Strategic Considerations

A Note on Demographic Differences in Results

- The big picture: in general, the overall trends in attitudes hold true across demographic segments.
- While some variations between segments do exist, they by no means deviate from the overall patterns in the results.
 - Two more noteworthy* differences: Women and families with children are somewhat more concerned that a casino may compromise the safety of the community, and they are likely to seek more assurance from the City on this front.
 - Also, full-time employees and households without children show somewhat higher* concern about traffic congestion, and they will need the City to address this issue satisfactorily.
 - Overall, however, these groups' attitudes are in line with the rest of the population.
 - All noteworthy differences are noted throughout the report.
- Also note that most findings in the following report are in line with the results from the qualitative phase.

*Statistically significant

Main findings (1 of 3)

- Overall, positive or neutral impressions of casinos outweigh negative ones.
- Most have visited a casino (90%) and their experiences are also largely positive (75% positive). This is true across demographic segments.
- For a majority (78%), casino visits are seen as a entertainment destination, an outing that offers shows, restaurants, nightlife, with gambling being only a part of that experience. Only 22% go there exclusively to gamble.
- In terms of advantages associated with a casino, a majority think of the economic benefits a casino brings: jobs (61%) and revenues for the city (55%) and businesses (54%).
- As for drawbacks, social issues and an increase in traffic congestion are on the minds of nearly seven-in-ten citizens (each), while worries about undesirable populations are mentioned by 61%.
 - Increase in crime rate is relatively low on the radar (35%), although it's higher among families with children (41% vs. 33% among those without).
- There is no consensus as to which of the concerns would be a deal breaker, with voices split across the various potential issues: traffic, social issues, undesirable element/crime (between 21% and 27%)...

Main findings (2 of 3)

- But a majority (59%) agree that benefits of having a casino /entertainment district are too great NOT to consider it, even in light of potential drawbacks.
- The **overall support** toward building an entertainment complex with a casino in Vaughan is stronger than the opposition (55% vs. 34%), although the support skews 'soft' (37% somewhat support, 18% strongly).
- Yet a vast majority (77%) agree (40% strongly) that the City of Vaughan has a financial obligation to assess the financial benefits of such development within the city's boundaries.
 - The attitudes generally hold true across demographic segments, including those who oppose such a development.
- Citizens feel even more strongly about the city's obligation to assess social impact of such development in Vaughan (85% agree, 51% strongly).
- There are three key areas that would need to be addressed in sufficient detail to ease citizens' concerns and build more solid support for the bid:
- *The City's plan to deal with the potential impact on safety (particularly among women and families with children), increased traffic congestion, and the actual financial benefits to the City and its residents.*

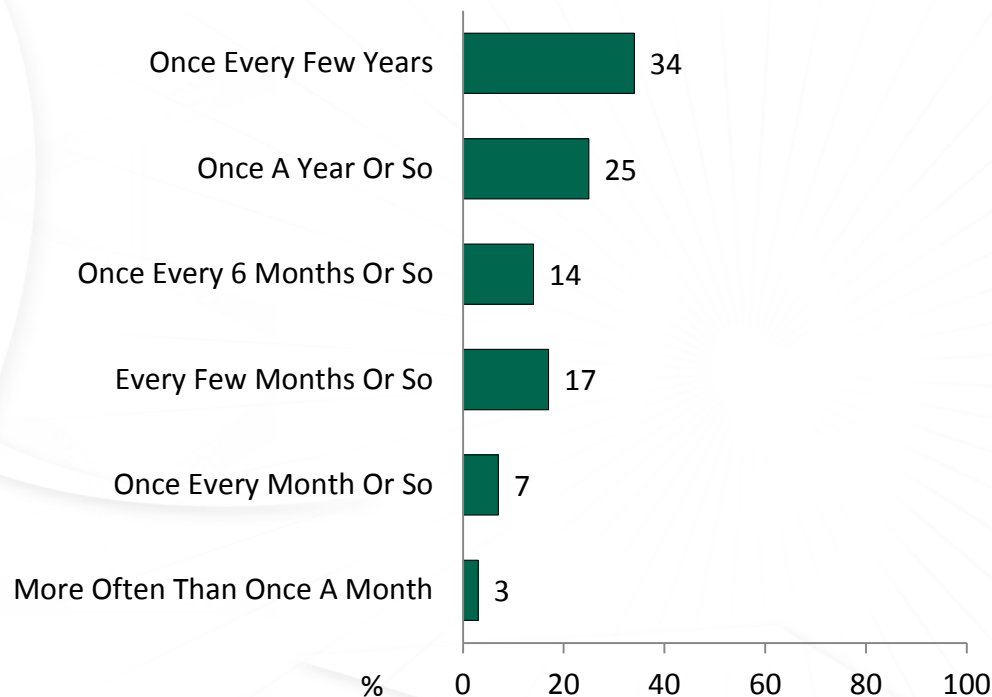
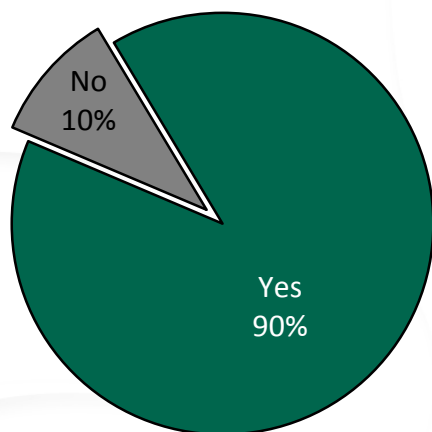
Main findings (3 of 3)

- Over two-thirds (67%) find the proposed site suitable for a casino/entertainment district.
- Most (about a sixth of residents) agree that there are many favourable conditions in Vaughan, making it more suitable than Toronto or other cities in the GTA to have a casino/entertainment district: more real estate space, better access and parking, lower crime, and greater need for more entertainment options.
- But many (about a fourth) are also not sure whether Vaughan is more capable than other cities to effectively collaborate on the project (26% think it can), do it right (31% think it can), or to address potential issues associated with the development (24% think it can).
- *In any future communication with citizens on the casino/entertainment district proposal, it may be beneficial for the City to also develop a communication strategy that not only addresses the City's plans for dealing with these concern areas, but also builds awareness of the City Management's credentials and capabilities to undertake such endeavour.*

Detailed findings

Incidence and frequency of casino visits

- Most respondents (90%) have been to a casino, with a majority (59%) visiting rarely – once a year or less, 31% making occasional visits – every few to every 6 months, and 10% visiting at least once every month. Men and individuals under 35 tend to visit slightly more frequently.

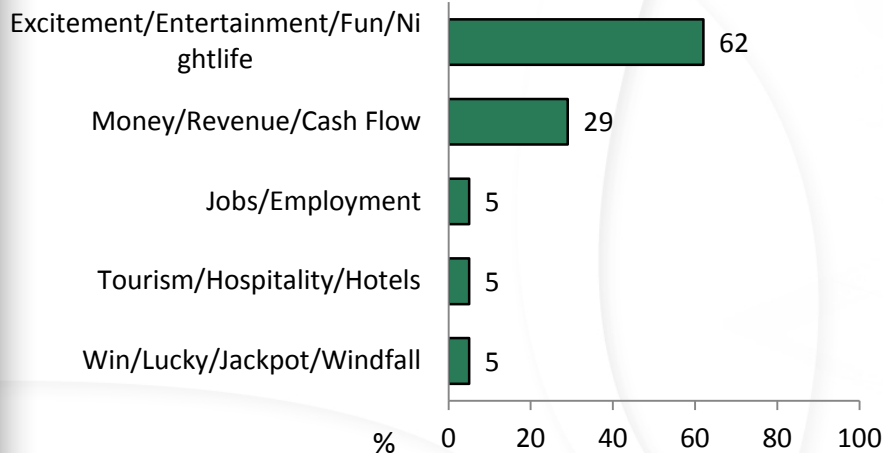


Q4. Have you been to a casino?

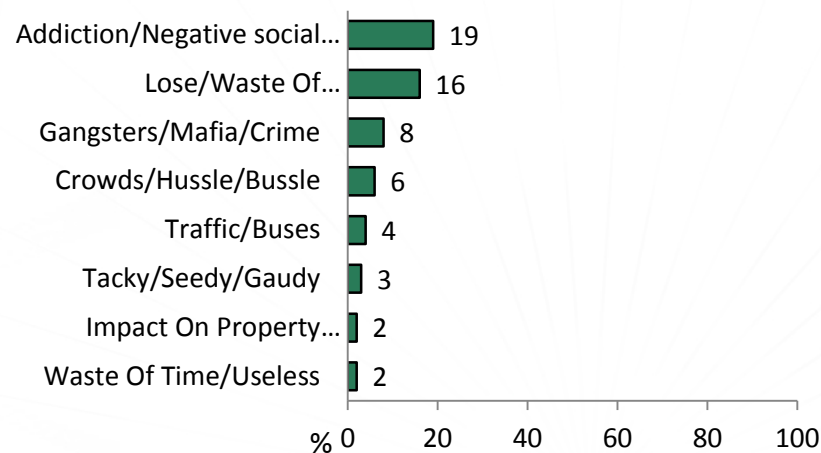
Q5. [ASK IF ANSWERED 'YES' IN Q.4] How often do you typically visit casinos? [ALLOW ONE SELECTION]

Top-of-mind perceptions of casinos (visitors and non-visitors)

Positive impressions: 106%

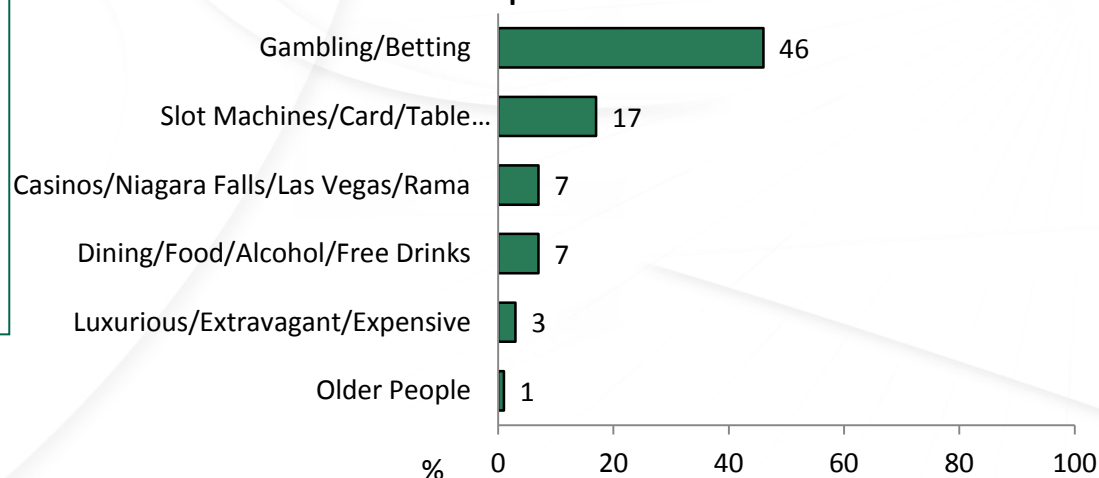


Negative impressions: 60%



Overall, positive and neutral impressions of casinos outweigh negative ones

Neutral impressions: 81%

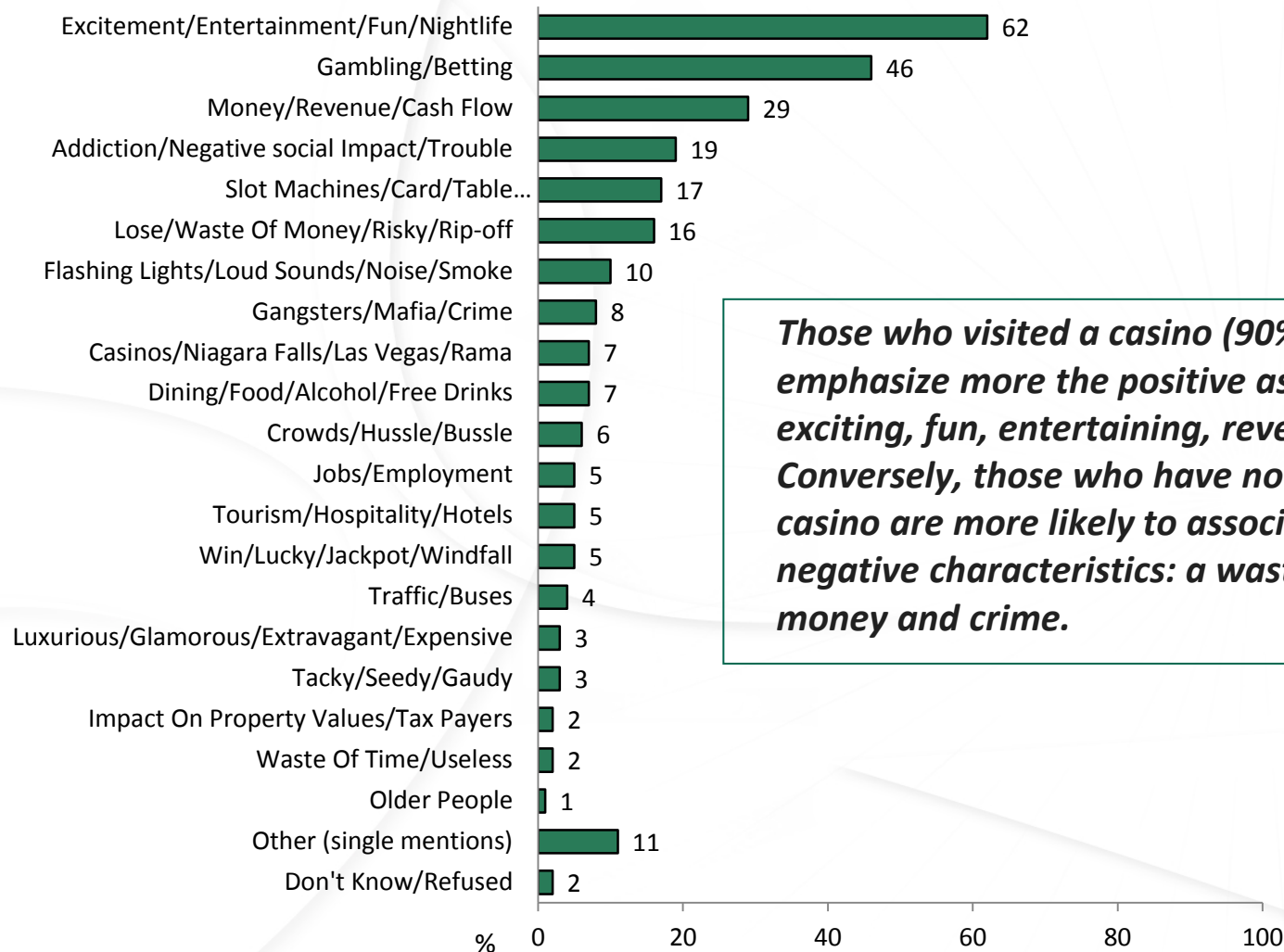


Q3. When you think of the word 'casino', what words or impressions come to mind? Please provide up to 3 impressions, typing each one in a separate text box.

[OPEN-END] [ALLOW UP TO 3 MENTIONS/3 TEXT BOXES]

N=500

Top-of-mind perceptions of casinos



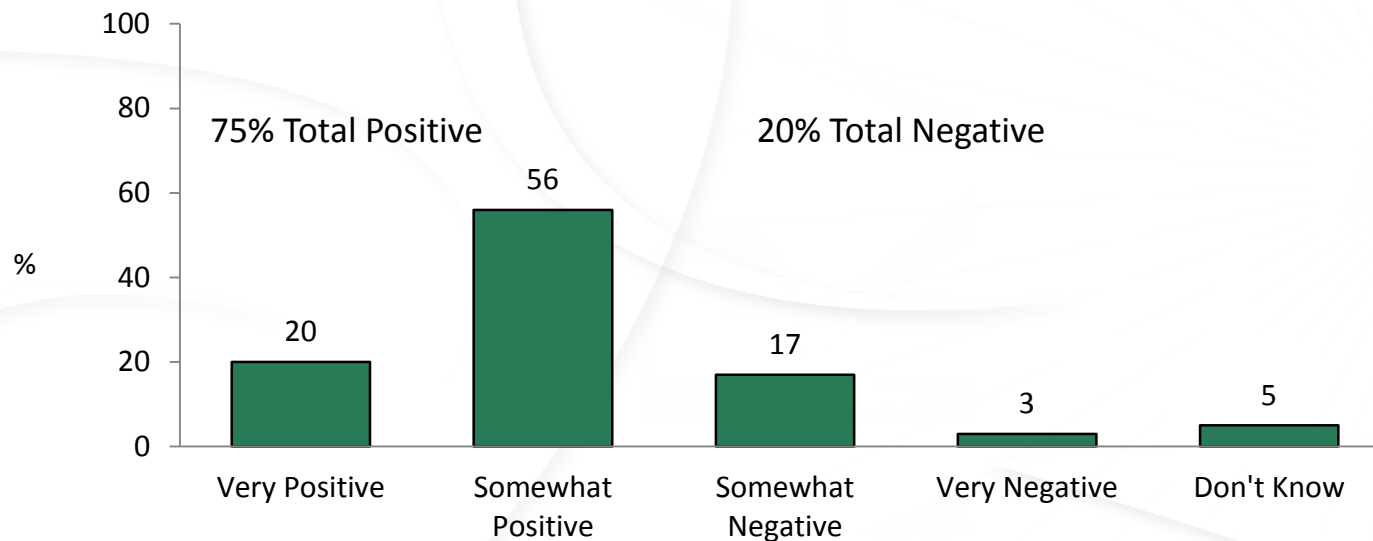
Those who visited a casino (90%) emphasize more the positive aspects: exciting, fun, entertaining, revenue. Conversely, those who have not been to a casino are more likely to associate it with negative characteristics: a waste of money and crime.

Q3. When you think of the word 'casino', what words or impressions come to mind? Please provide up to 3 impressions, typing each one in a separate text box.

[OPEN-END] [ALLOW UP TO 3 MENTIONS/3 TEXT BOXES]

Experiences with casino visits

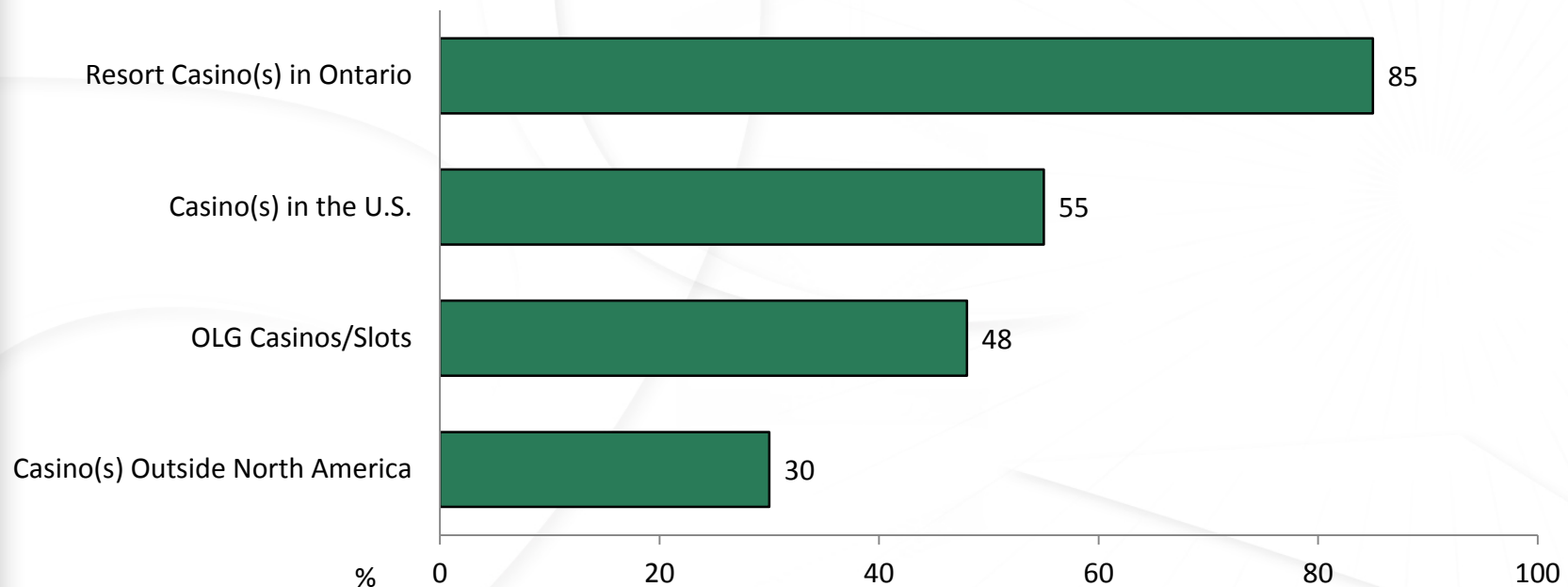
- Reflecting the top-of-mind responses, experiences with casinos are also largely positive across segments.



Q7. [ASK IF HAVE BEEN TO A CASINO] Overall, how would you describe the experiences with your visits to casinos? N=442

Casino locations visited

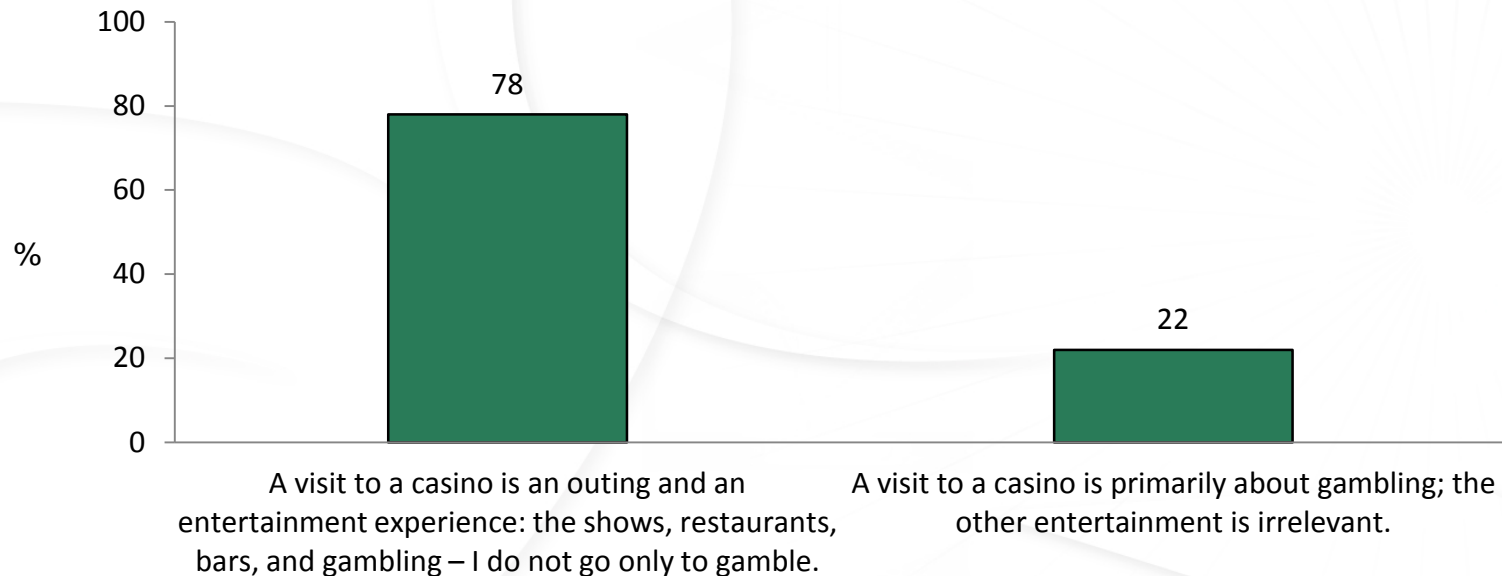
- Local resort casinos (which feature other types of entertainment) are the most preferred option – this finding holds across various demographic segments.



Q6. [ASK IF ANSWERED 'YES' IN Q.4] Which of the following casino locations have you visited? Select all that apply. N=442

Attitudes toward casinos: an entertainment experience

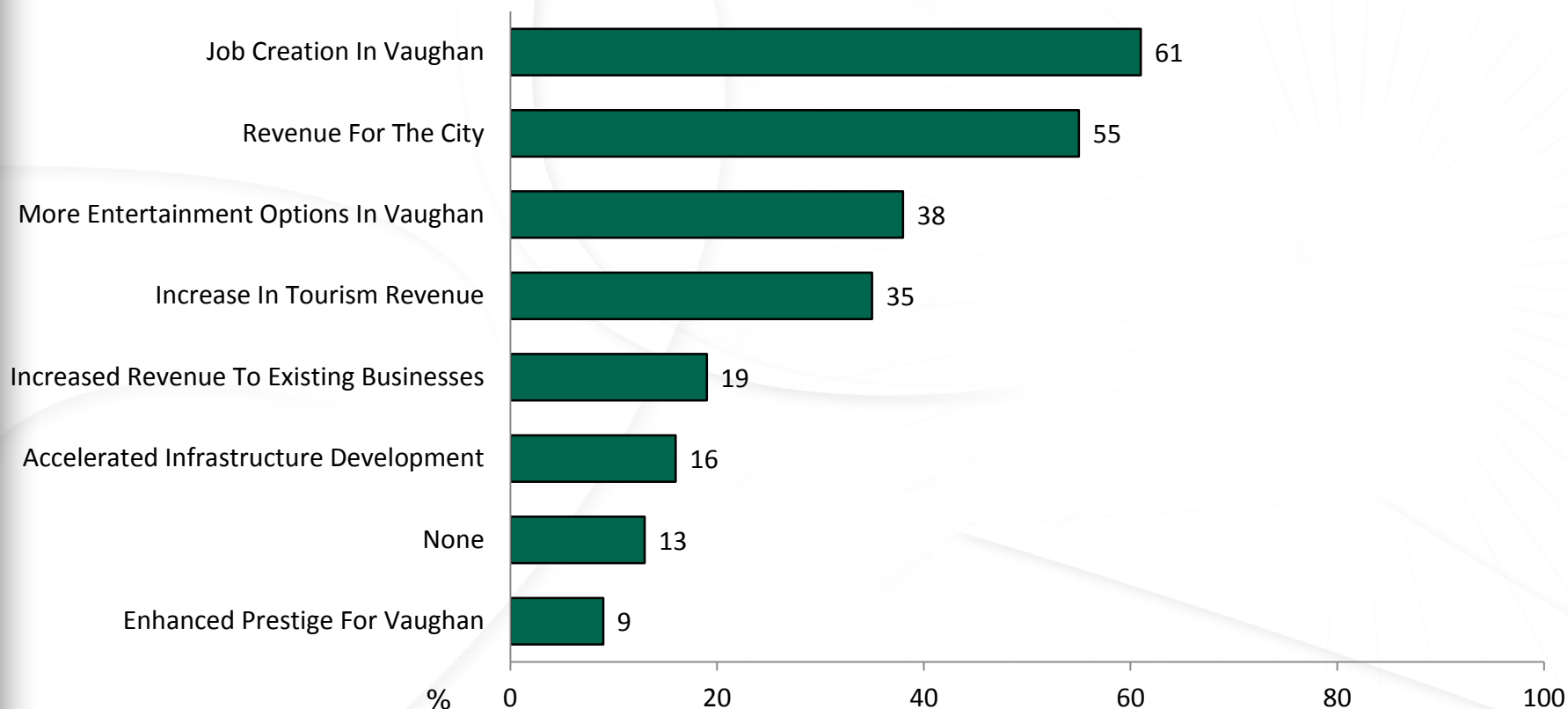
- For a vast majority (78%), casino visits are seen as an entertainment destination, an outing experience that offers shows, restaurants, nightlife, with gambling being only a part of that experience. Again, this attitude is largely true across various segments of the population.



Q8. Which one of the following descriptions best reflects your views of casino visits? [ALLOW ONE SELECTION] N=500

Benefits of casino/entertainment district in Vaughan

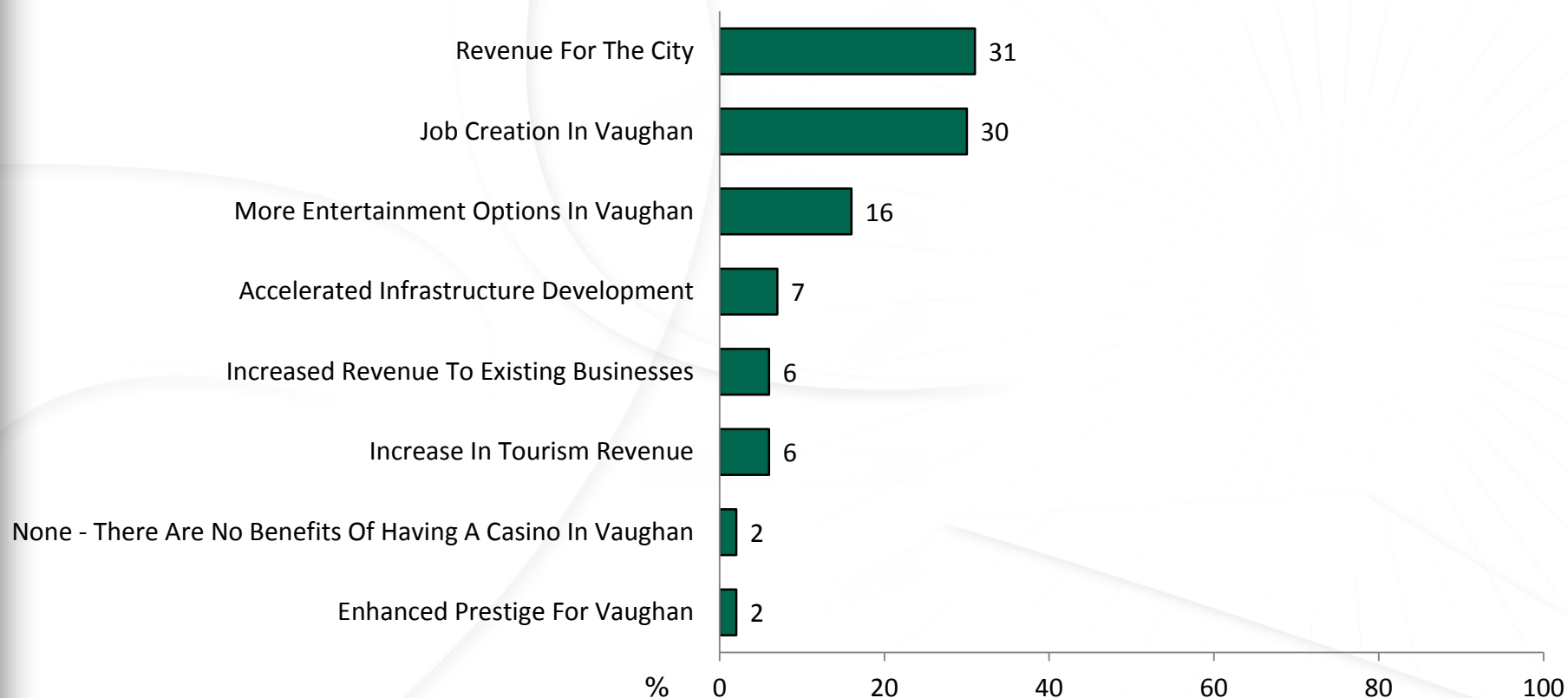
- A majority of respondents focus on the economic benefits associated with a casino/entertainment district in Vaughan: jobs (61%) and revenues (for the city (55%) and businesses (54%)).



Q9. If City of Vaughan was to consider a casino/entertainment district in Vaughan, which three of the following benefits associated with such development would be most important for the City and its residents? [ALLOW 3 ANSWERS] N=500

Key benefit of casino/entertainment district in Vaughan

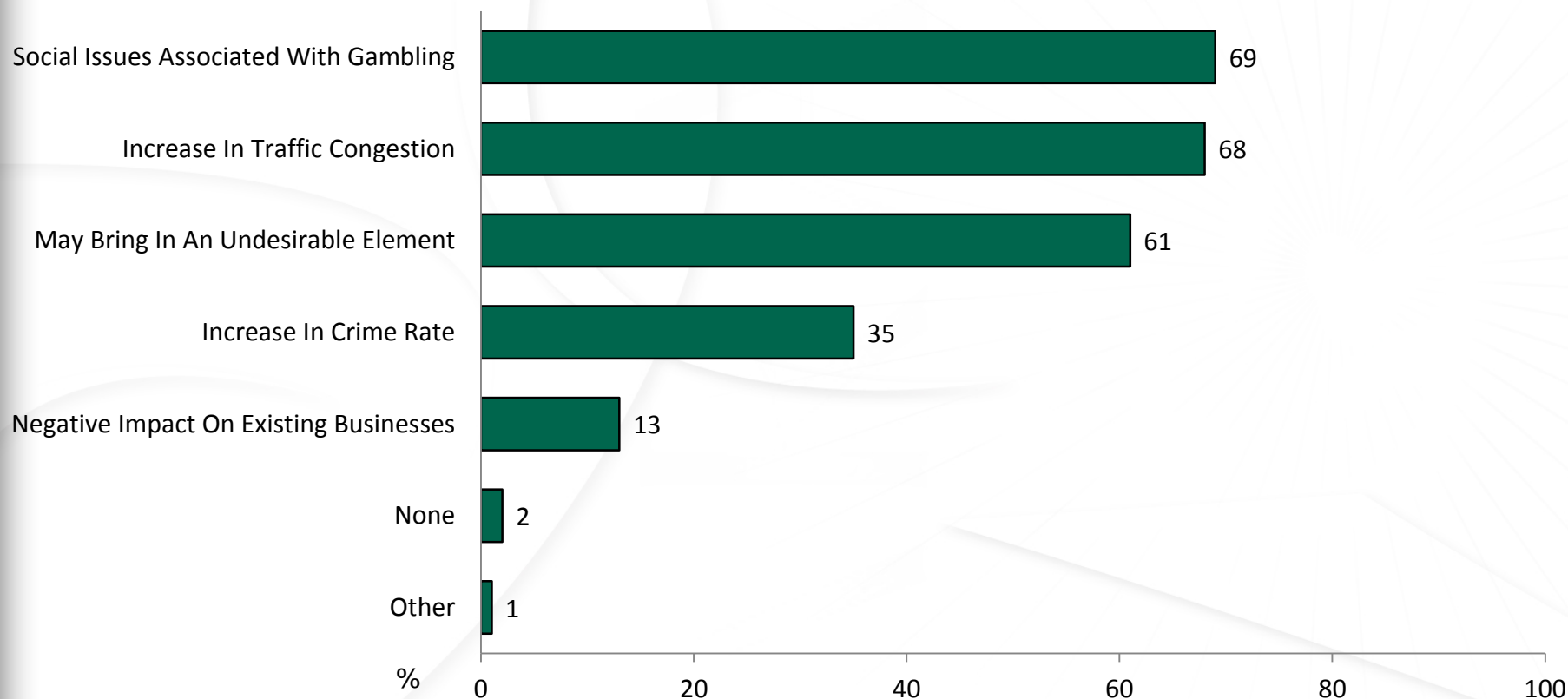
- The key benefit is the economic stimulation associated with a casino/entertainment district: revenue for the city and job creation (30% each).



Q10. And if you were to choose the **one** benefit that would be **most important** for Vaughan, which one would it be? [ALLOW 1 ANSWER] N=436

Drawbacks of casino/entertainment district in Vaughan

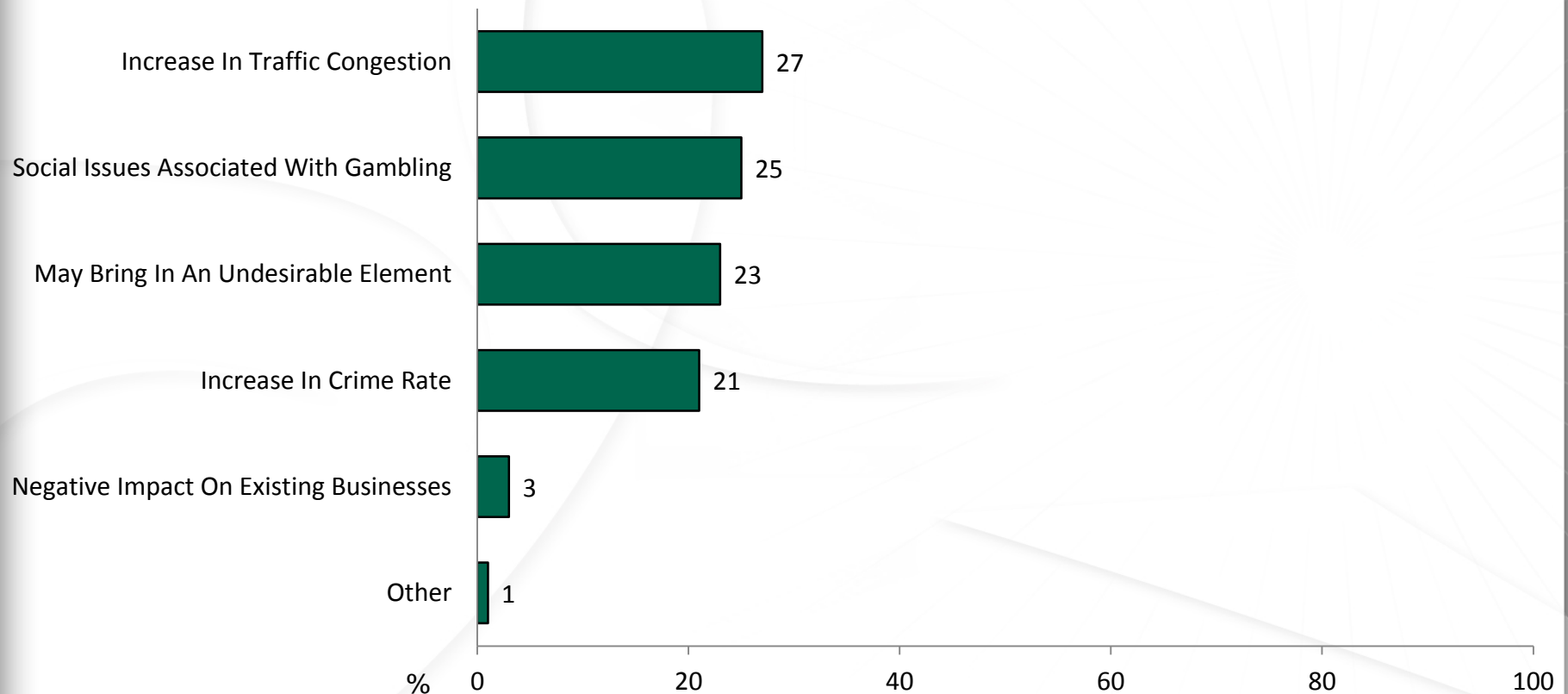
- Social issues and an increase in traffic congestion are on the minds of nearly seven-in-ten citizens (each). Increase in crime rate is relatively low on the radar. These attitudes largely hold true across demographic groups, although crime rate increase is more of a concern among families with children (41% vs. 33% among those without children).



Q11. Which **three** of the following drawbacks would be the key **realistic** concerns you would have with regard to having a casino/entertainment district in Vaughan? N=500

Key drawback (deal breaker) of casino/entertainment district in Vaughan

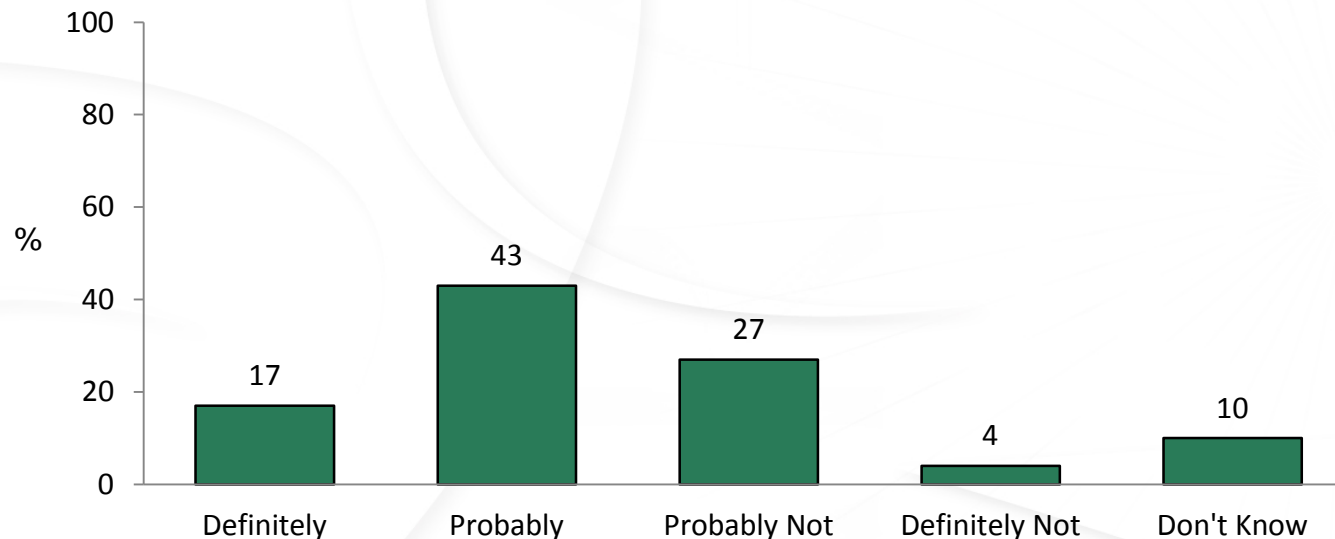
- There is no consensus which of the concerns would be a deal breaker, with voices split across the various potential issues: traffic, social issues, undesirable element/crime (between 21% and 27%)
- Again, increase in crime rate stands out more among households with children (26% vs. 18% for households without children).



Q12. Which concern would be a '**deal breaker**': one that should prevent the city from looking into having a casino/entertainment district? N=416

Possibility of alleviating traffic congestion

- Of the 27% who think that increased traffic would be the key concern and a deal breaker, 50% also are of the opinion that it could be prevented by making appropriate infrastructure adjustments, e.g., casino/entertainment district exits and new roads. Another 31% don't believe these measures would help prevent heavier traffic.
 - A well devised messaging, outlining the plans for dealing with the potential traffic issue is likely to help ease these concerns.



Q13. [ASK IF ANSWERED 'c' Q.12] If additional casino-only exits were built off the highways and new roads were added to alleviate the casino traffic, would the traffic congestion become less of a concern?

N=115

Views on pros and cons of casino/entertainment district in Vaughan

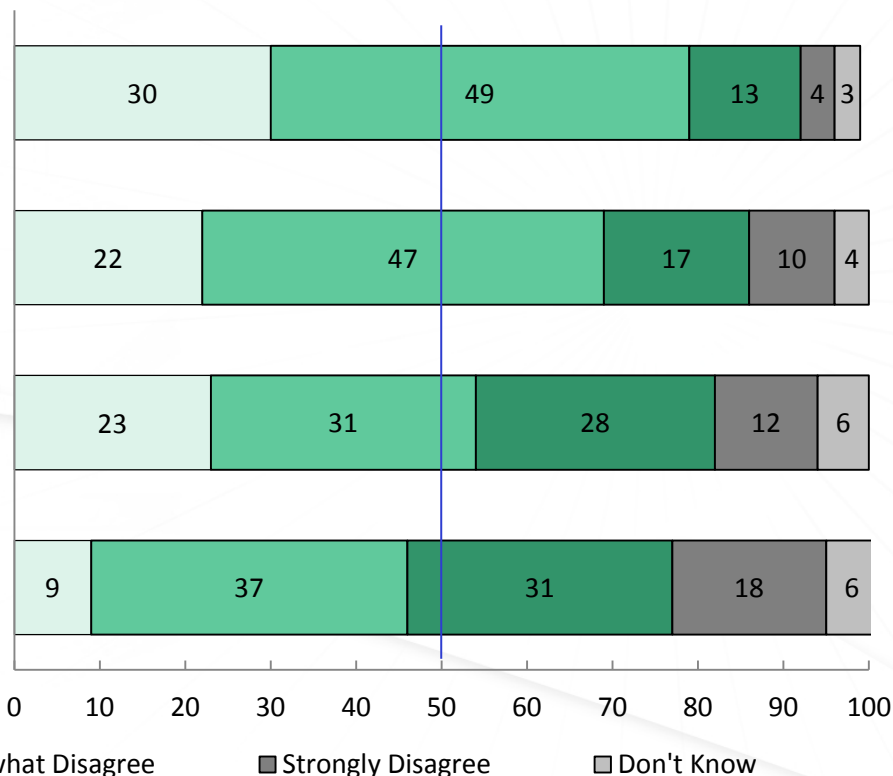
- A vast majority (79%) believe that problem gamblers will find a way to feed their addiction, with or without a casino, and responsible gamers should not be denied the choice – the onus should be on the individuals to exercise self-control (69%).
- At the same time, 54% believe that not pursuing a casino bid and preserving the city's safe community is worth foregoing the economic benefits. 46% believe that economic benefits are worth the potential risks.

Casinos(..)provide more opportunities for problem gamblers, but problem gamblers will always find a way to feed their dependence.

The majority of the population are responsible gamers and they should not be denied the choice of this type of entertainment to protect problem gamblers from themselves. The onus should be on the individual to exercise self-control or seek help.

Casinos(..)provide more opportunities for crime and other social ills, and not pursuing a casino in Vaughan is the right thing to do to preserve the City's safe and community, even if it means forgoing the economic stimulus and revenue generation.

Casinos(..) provide more opportunities for crime, but potential revenues and other benefits are worth potential risks.

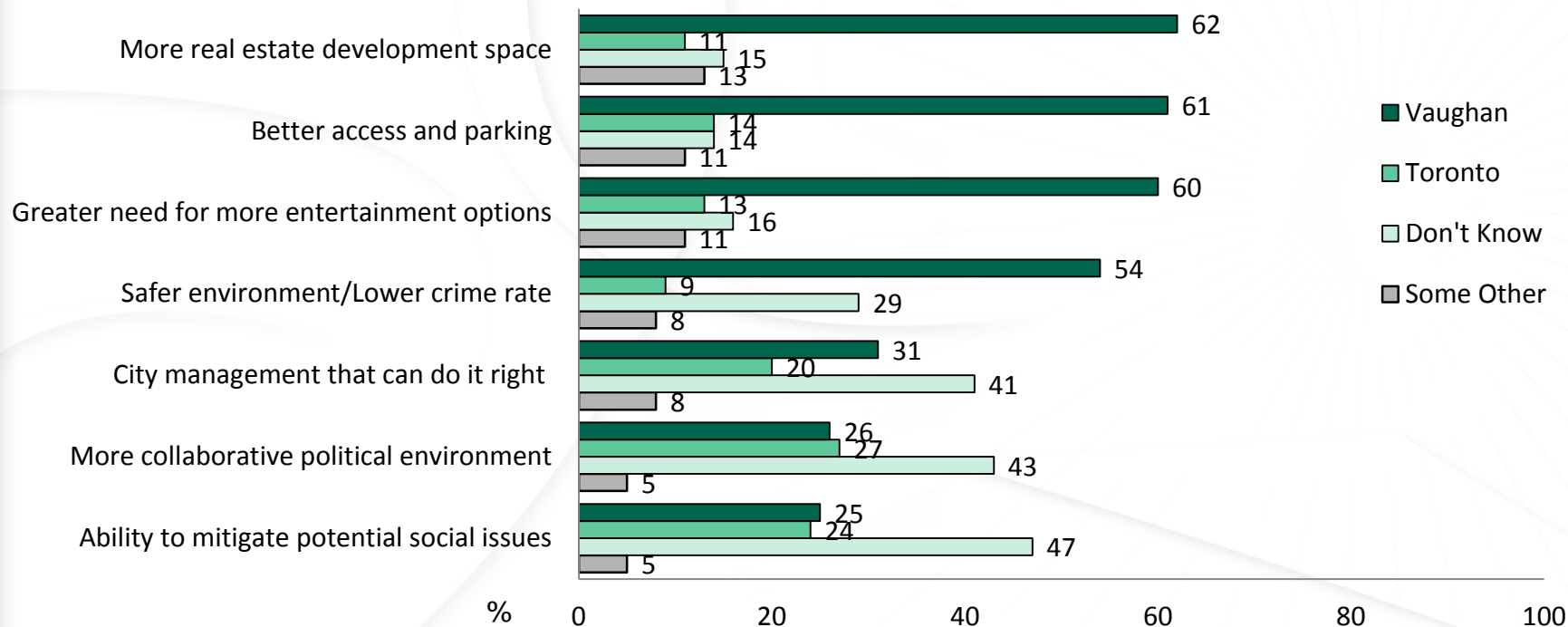


Q14. Again, thinking about the list of pros and cons associated with casino/entertainment district development, how much would you agree or disagree with the following statements

N=500

Location more suited for a casino/entertainment complex: Toronto vs. Vaughan?

- Most (about a sixth of residents) feel that Vaughan has many favourable conditions that make it more suitable than Toronto or other cities in the GTA for a casino/entertainment district development: more real estate space, better access and parking, lower crime, and is in need for more entertainment options.
- But many (about a fourth) are also not sure whether Vaughan is more capable than other cities to have what it takes to work collaboratively and to do it right, or to address potential issues associated with the development.

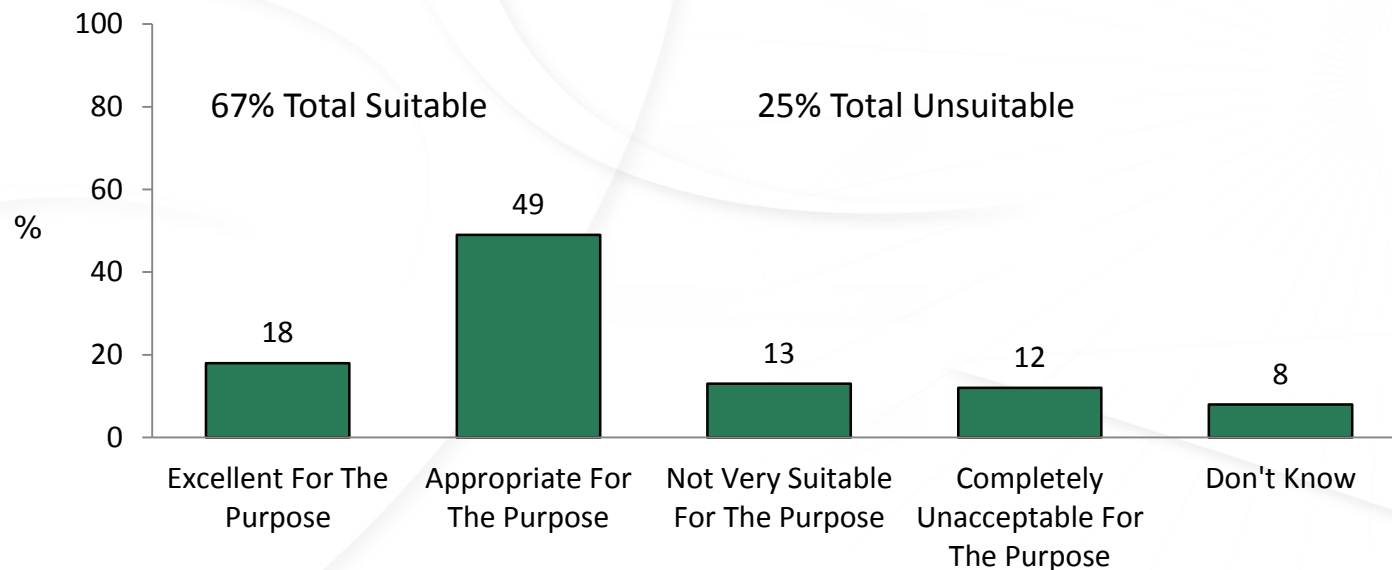


Q15. If the choice of locations for a casino/entertainment district development in the GTA was between Toronto and Vaughan, which of the two cities would be more suited to have such development in terms of... N=500

Reactions to Vaughan Metropolitan Centre as possible location for a casino/entertainment district

MAP SHOWN/EXPLANATION: A site suitable for a casino/entertainment district development needs to meet a range of criteria: it would need to be economically viable, not too remote, with easy highway access and existing infrastructure in order to attract private investment necessary to develop such a complex. At the same time, the site should not be situated close to residential areas.

- Over two-thirds find the proposed site suitable for a casino/entertainment district.
 - The preference of the area for a casino/entertainment district is stronger among men (72% vs. 62% women)* and households with children under 18 (70% vs. 65%)*.
 - Frequent and occasional casino goers find this location more suitable (82% and 73%) than those who make such visits rarely (62%)*.

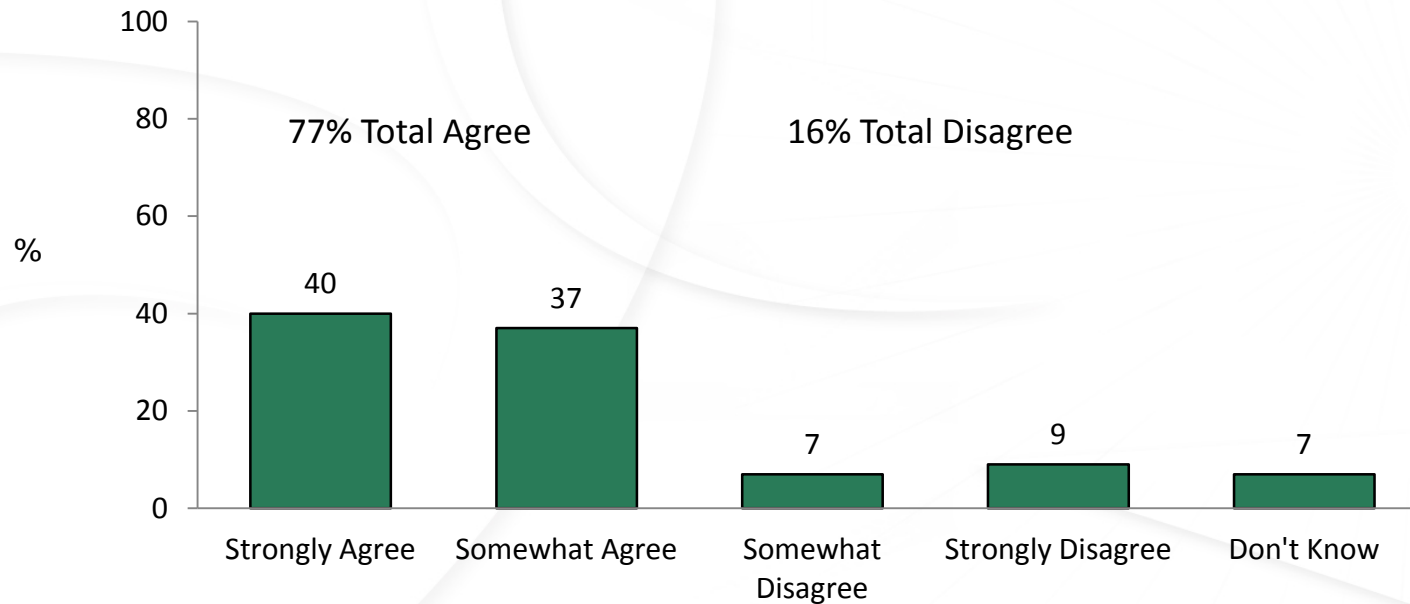


Q16. Keeping those criteria in mind, if City of Vaughan was to consider a casino/entertainment district in the Vaughan Metropolitan Centre, an industrial area close to highway 400 and highway 7; a site that does not boarder with any residential areas, would you consider this location to be... N=500

*Statistically significant differences

City's obligation to assess financial benefits of a casino/entertainment district in Vaughan

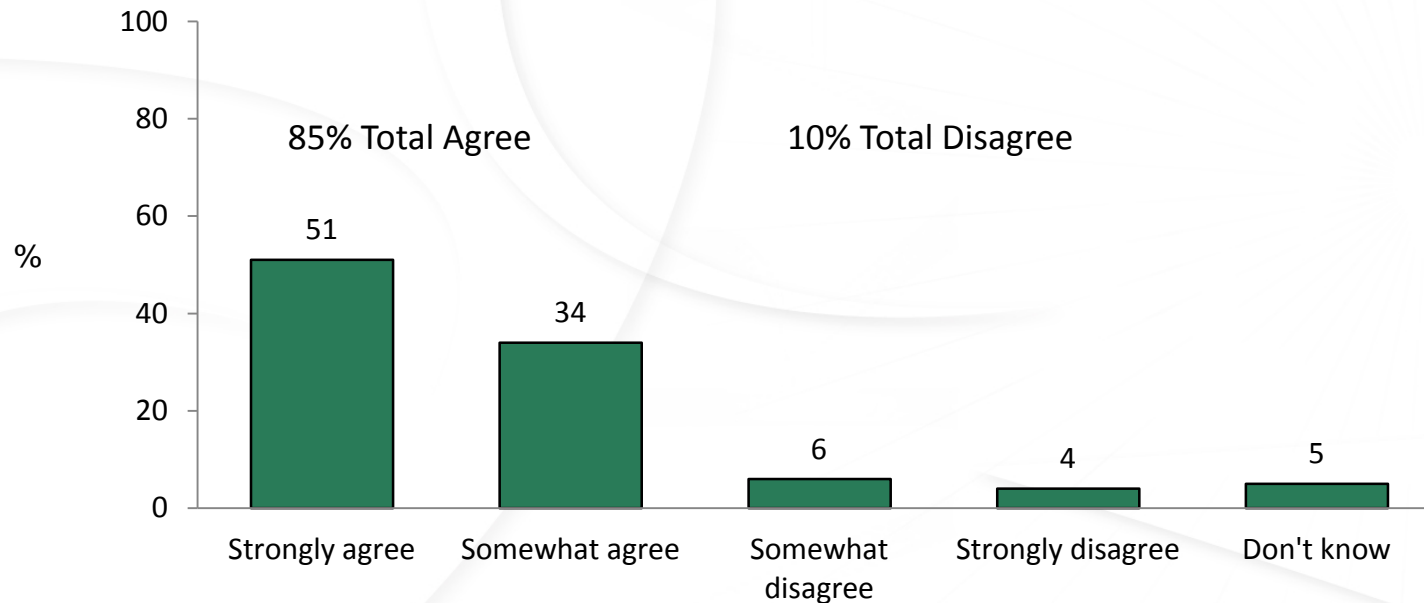
- A vast majority (77%) agree (40% strongly) that the City of Vaughan has a financial obligation to assess the financial benefits of having such a development within the city's boundaries.
- The attitudes generally hold true across demographic segments, including those who oppose such a development (59% agree).



Q17. Would you agree or disagree that city of Vaughan has a financial obligation to its citizens to assess financial benefits of having a casino/entertainment district within its boundaries? N=500

City's obligation to assess social impact of a casino/entertainment district in Vaughan

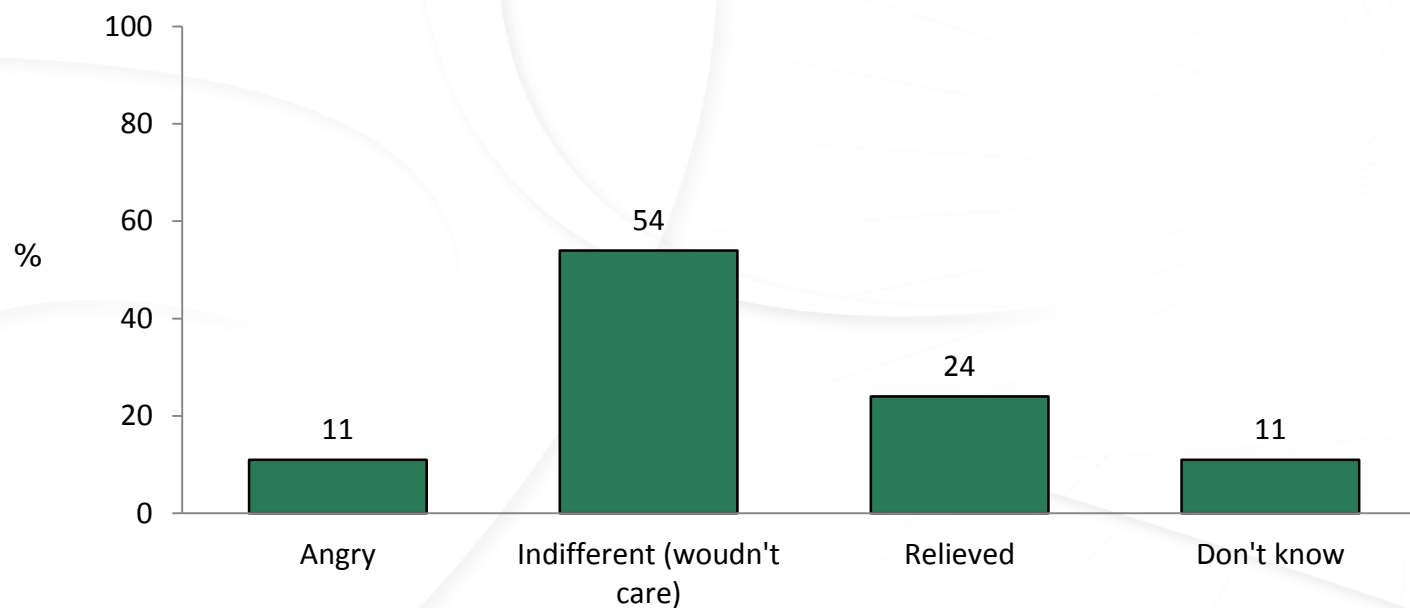
- Citizens feel even more strongly about the city's obligation to assess social impact of such a development in Vaughan (85% agree, 51% strongly).
- Again, this expectation is held across various demographic groups.



Q19. Would you agree or disagree that city of Vaughan has an obligation to its citizens to assess the social impact of having a casino/entertainment district within its boundaries? N=500

Residents' expected reactions to Vaughan's non-participation in a casino bid

- The casino topic does not seem to be an emotionally charged issue for most: 54% would feel indifferent if it was built elsewhere, one-in-ten (11%) would be angry (16% men vs. 6% women*), and just under a quarter of residents (24%) would feel relieved if the city didn't bid on it.

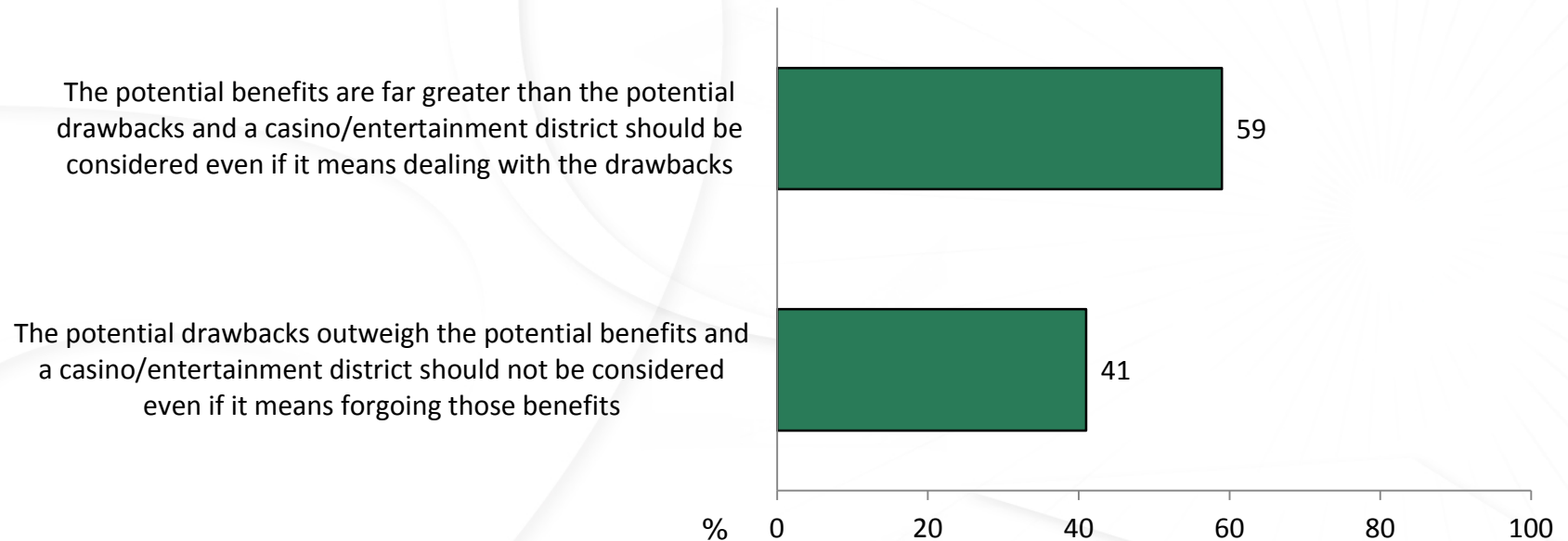


Q18. If Vaughan's neighbouring communities, e.g., City of Mississauga or Markham, were involved in a bid for casino/entertainment district development and City of Vaughan chose not to participate in the bid, how would you feel about that decision? Would you be... N=500

*Statistically significant difference

Benefits vs. Drawbacks – The trade-off residents accept

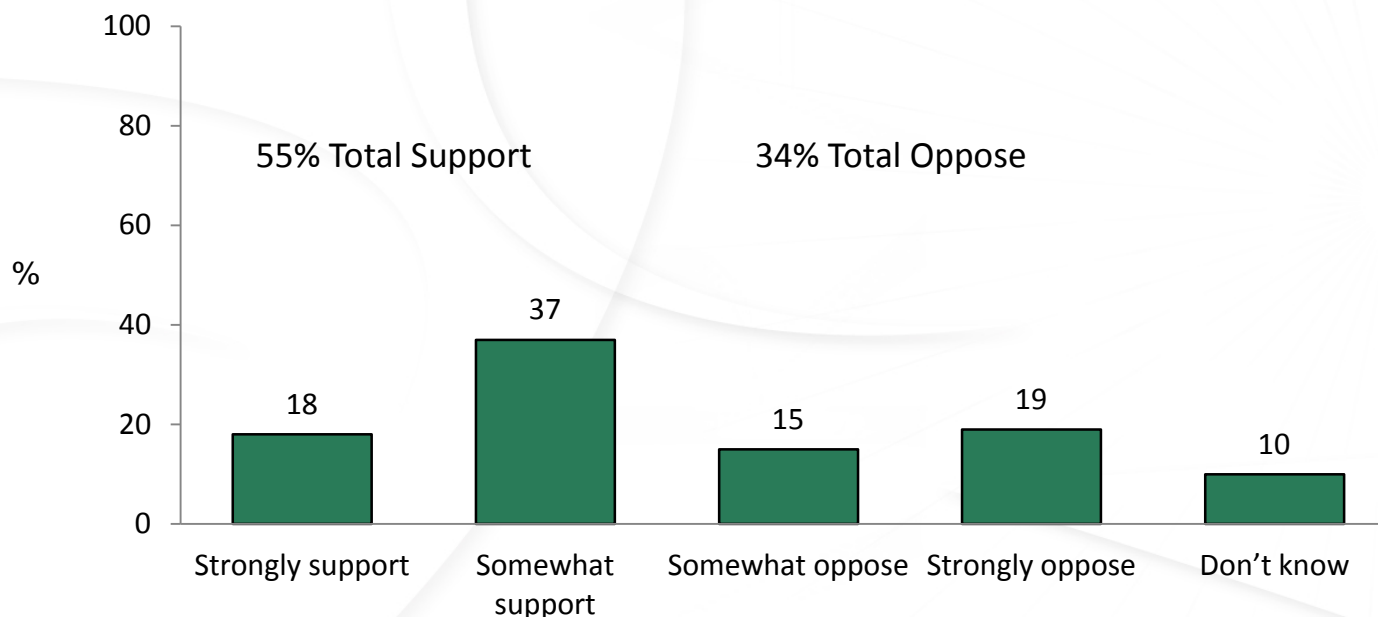
- But still, a majority (59%) agree that benefits of having a casino /entertainment district are too great NOT to consider it, even in light of potential drawbacks.
- The opposite is true for the other 41% of residents, particularly among those under 35 (48%).



Q20. Given that there are trade-offs associated with a casino/entertainment district, as it has both benefits and drawbacks for the economy and community in which it is built, would you say that...
[ALLOW ONE SELECTION] N=500

Level of support toward an entertainment complex with a casino in Vaughan

- The overall support toward building an entertainment complex with a casino in Vaughan is stronger than the opposition (55% vs. 34%), although the support is mostly 'soft' (37% somewhat support, 18% strongly).
- Support is slightly stronger among men (59% vs. 52% women)
- Support is lower among the under 35 segment (46%), vs. about 60%* for the other age segments.

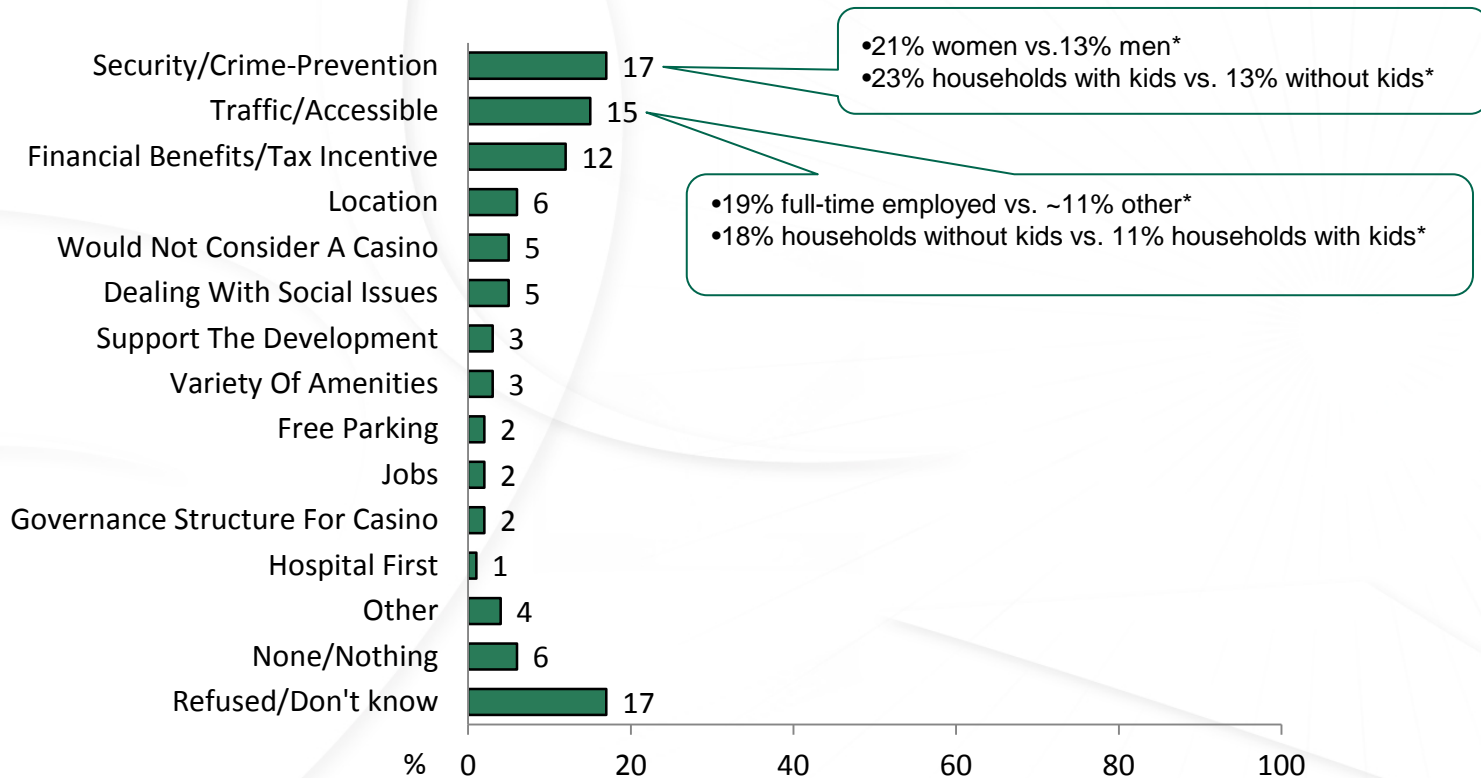


Q21. If a proposal to build an entertainment complex including a casino in the Vaughan Metropolitan Centre was put forward, would you support or oppose such a development? N=500

*Statistically significant difference

Key issues needed addressing to ensure support of the development

- There are three key areas that would require addressing to ease concerns and strengthen support: security, traffic, and financial benefits
 - Security is more important* for women and households with children
 - Traffic is of a particular concern* for citizens working full time and households without children



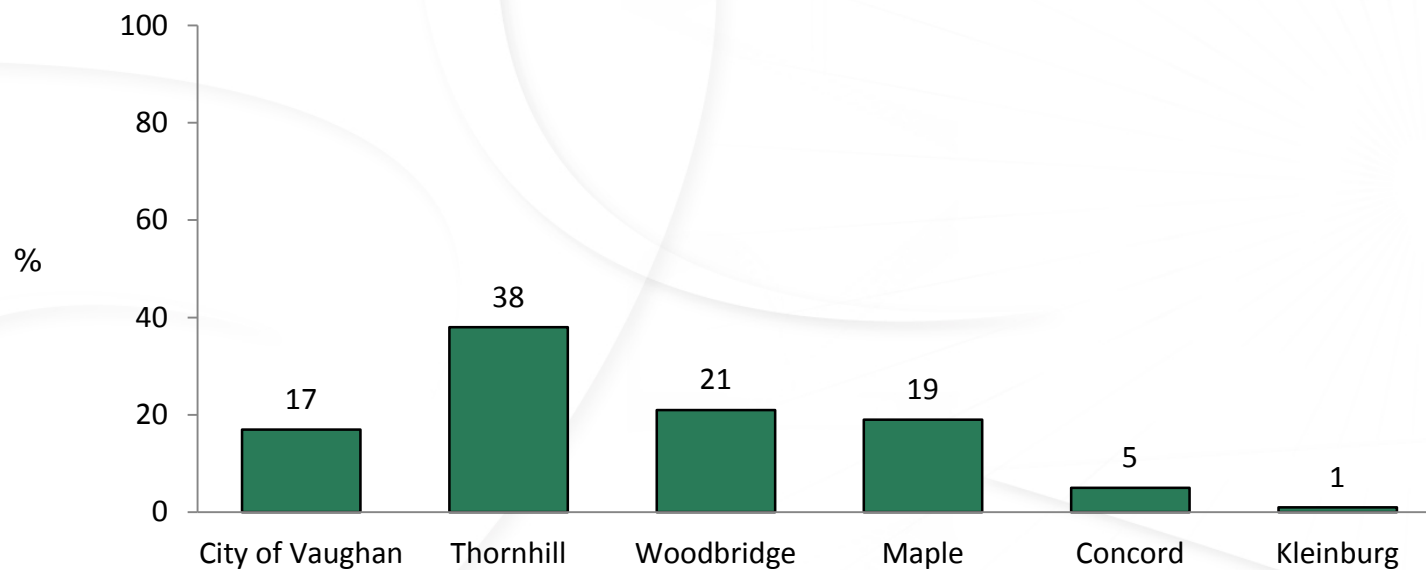
Q22. If City of Vaughan were to consider casino/entertainment district development, what is it that you would need the City to convince you about, to make you comfortable with the idea of such development in Vaughan? [OPEN END] N=500

*Statistically significant differences

Demographic Profile of Respondents

Community

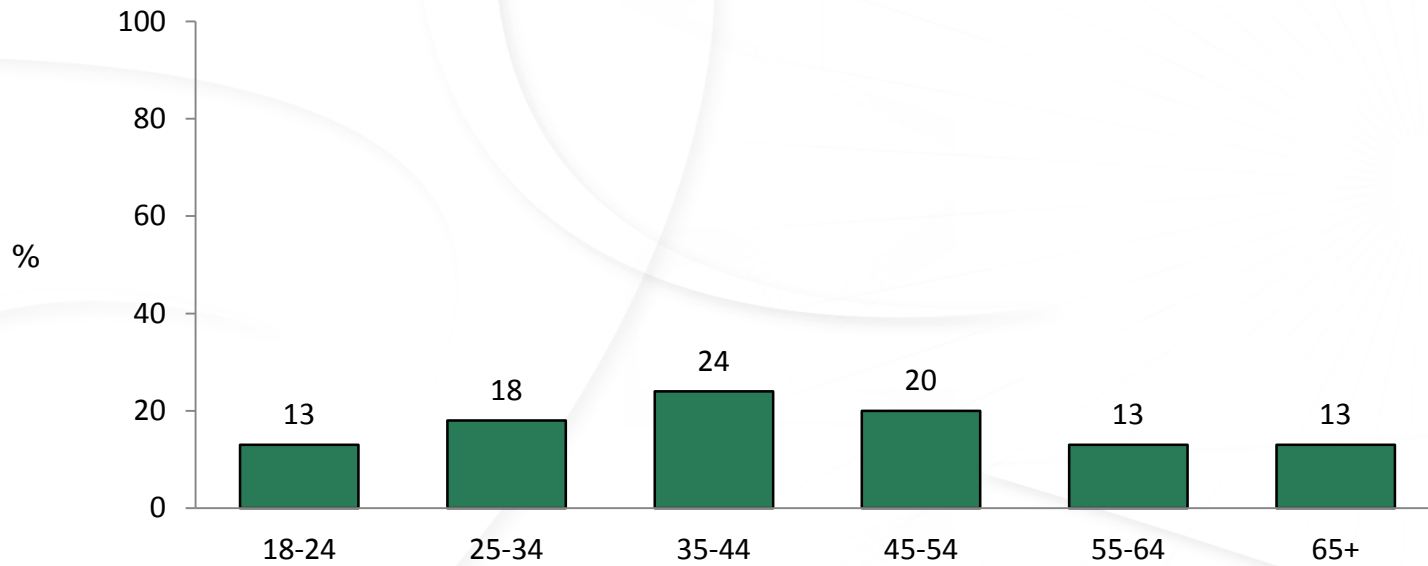
■ Text



Q1. Do you live in the City of Vaughan, or in one of its communities?

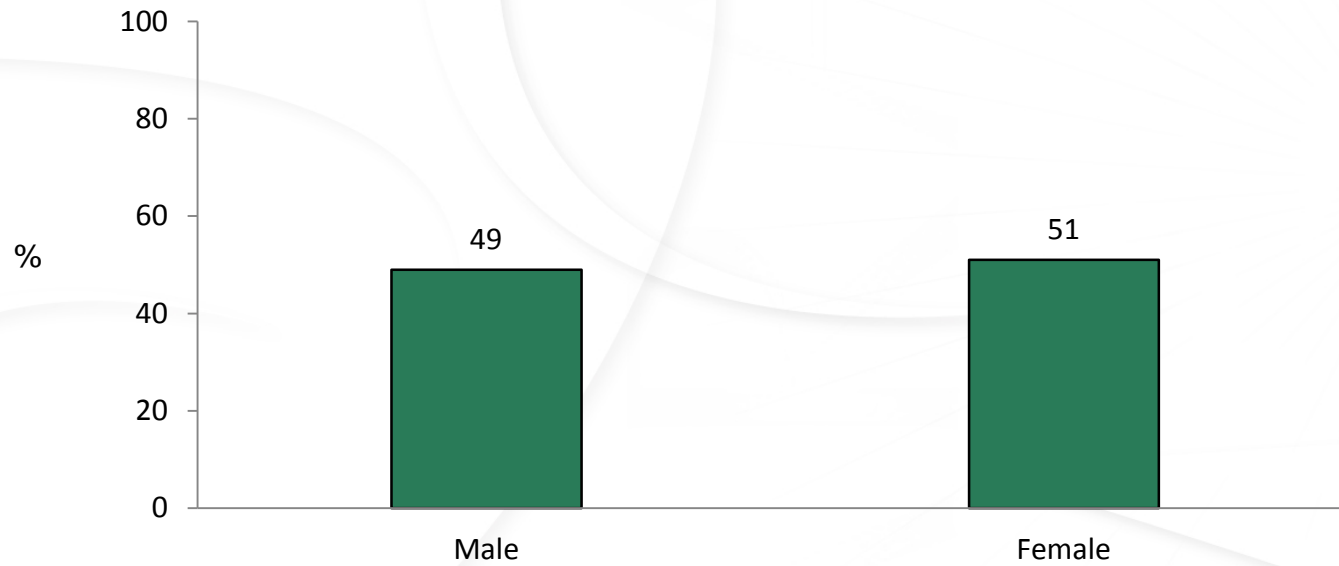
Age

■ Text

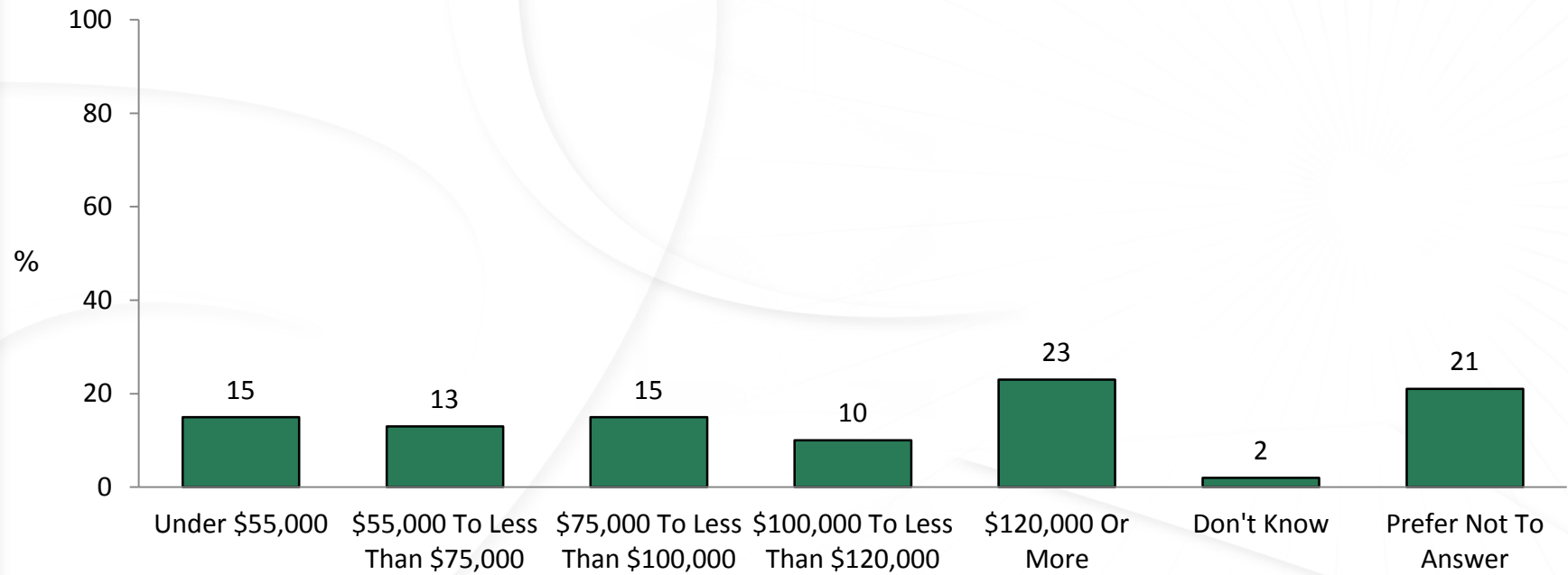


Gender

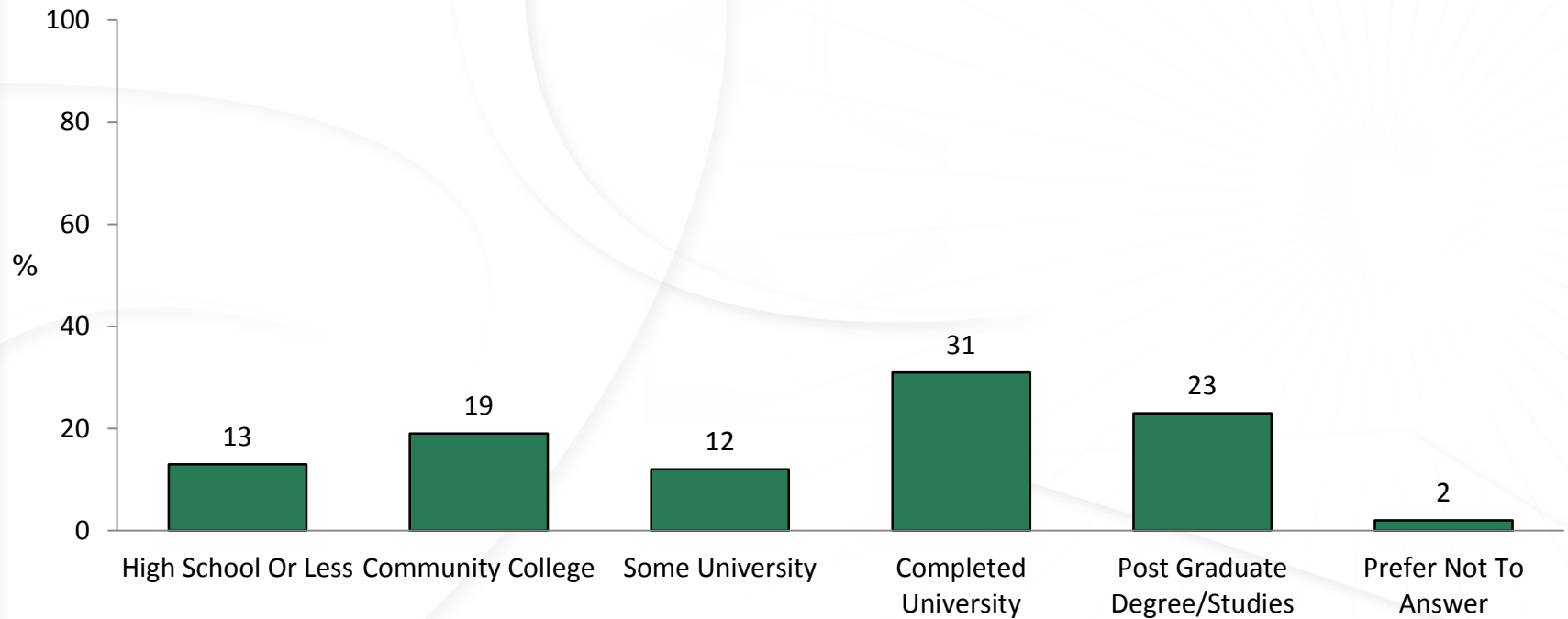
■ Text



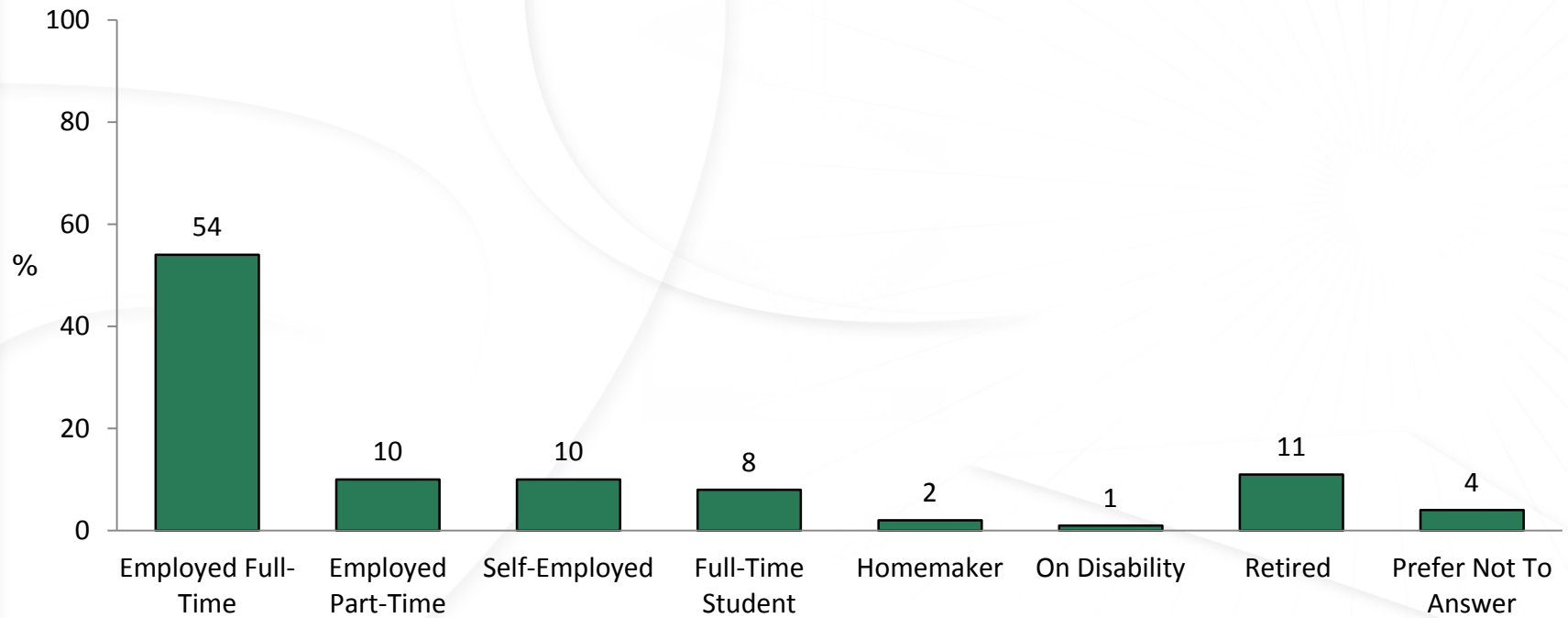
Income



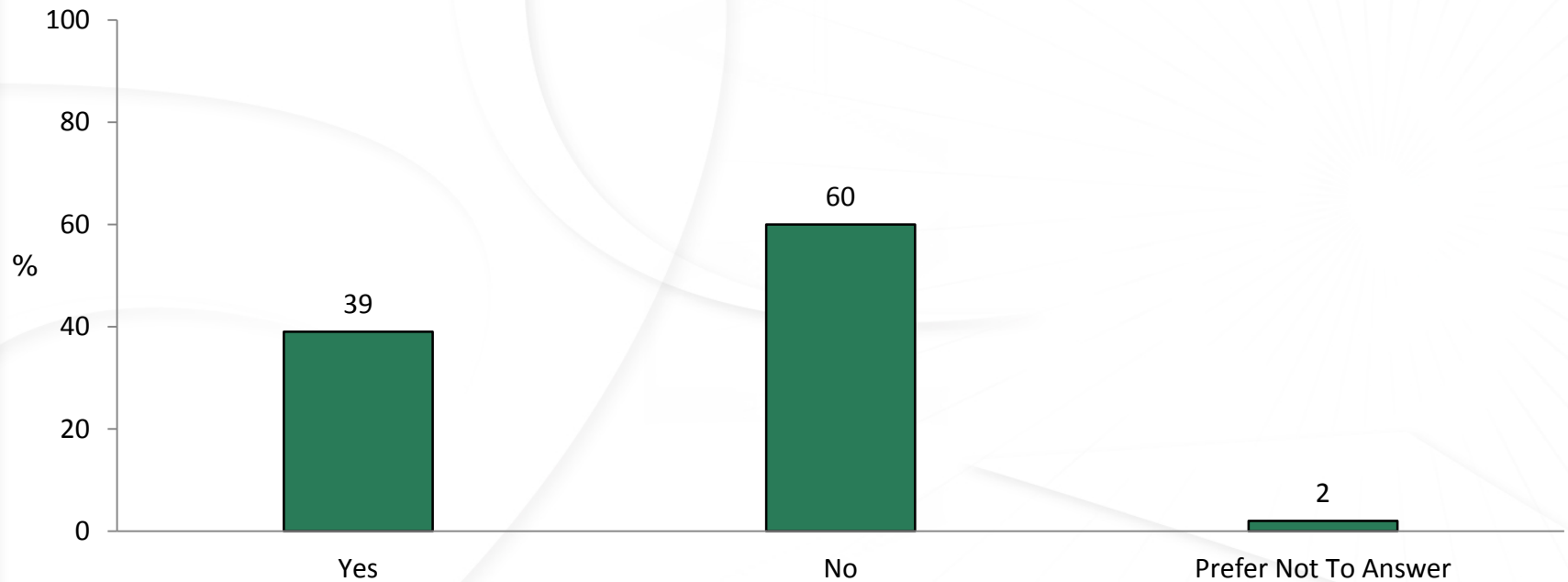
Education



Employment Status



Children under 18 in the Household



POLLARA

Thank You

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Toronto, Canada M5R 2A9
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Attachment 3

Research on the Gaming Industry

Issue	Yes	No	Mixed Results or No Impact	Mitigation Potential
Does the existence of a casino cause an increase in crime and other social problems?	<ul style="list-style-type: none"> Williams, R.J., Rehm, J., & Stevens, R.M.G. (2011). The Social and Economic Impacts of Gambling. Final Report prepared for the Canadian Consortium for Gambling Research. March 11, 2011. Malach, A. (2010). Economic and Social Impact of Introducing Casino Gambling: A Review and Assessment of the Literature. Federal Reserve Bank of Philadelphia. Spectrum Gaming Group (2009). Gambling in Connecticut: Analyzing the economic and social impacts. 193 – 197. 	<ul style="list-style-type: none"> Peter Reuter, The Impact of Casinos on Crime and other Social Problems: An Analysis of Recent Experiences, Report for the Greater Baltimore Committee (College Park, Md.: University of Maryland, January 1997). General Accounting Office, Impact of Gambling: Economic Effects More Measurable Than Social Effects (Washington, D.C.: GPO, April 27 2000. Basham & White, Gambling with Our Future? The Costs and Benefits of Legalized Gambling, p. 59-60, 2002. Humphreys, B.R. and Lee, Y.S. (2010). Legal Gambling and Crime: Evidence from EGMs in Alberta. Paper presented at the 70th International Atlantic Economic Conference, Charleston, SC. Phipps, A.G. (2004). Crime and disorder, and house sales and prices around the casino site in Windsor, Ontario, Canada. Canadian Geographer, 48(4), 403-432. Kahlil, S., Philander, K.S., Bernard, B.J. (2012). Informing the Public Debate: Academic Research on Crime and Casinos. UNLV International Gaming 	<ul style="list-style-type: none"> Williams, R.J., Rehm, J., & Stevens, R.M.G. (2011). The Social and Economic Impacts of Gambling. Final Report prepared for the Canadian Consortium for Gambling Research. March 11, 2011. Kahlil, S., Philander, K.S., Bernard, B.J. (2012). Informing the Public Debate: Academic Research on Crime and Casinos. UNLV International Gaming Institute. 	<ul style="list-style-type: none"> Ensure Crime Prevention Through Environmental Design (CPTED) standards are followed and focused on reducing crime. Insist upon OLG providing an onsite Responsible Gaming Support Centre along with establishing a Police Community Office onsite – paid for by OLG.

Research on the Gaming Industry

Issue	Yes	No	Mixed Results or No Impact	Mitigation Potential
		<ul style="list-style-type: none"> Institute. Moufakkir, O., Holecek, D. Impacts of Detroit's Casinos on the Local Community. 		
Does a casino cause increases in personal bankruptcies?	<ul style="list-style-type: none"> Baxandall, P. and Sacerdote, B. (2005). The casino gamble in Massachusetts. Cambridge, MA: Rappaport Institute for Greater Boston, John F. Kennedy School of Economics, Harvard University. 	<ul style="list-style-type: none"> Basham & White, Gambling with Our Future? The Costs and Benefits of Legalized Gambling, p. 59-60, 2002). 		<ul style="list-style-type: none"> Insist upon OLG providing an onsite Responsible Gaming Support Centre. Modify casino physical space (maximum 15% of floor space) to discourage excess gambling, i.e. digital clocks, more daylight, limit stimulation. In partnership with OLG, a casino self-exclusion program should be promoted.
Can a casino provide a community with positive economic impacts?	<ul style="list-style-type: none"> National Opinion Research Centre, et al., Gambling Impact and Behavior Study, report prepared for the National Gambling Impact Study Commission (Chicago: University of Chicago, April 1, 1999), 70-71. Turner, N.E. (2008). Games, gambling, and gambling problems. In Zangeneh, M., Blaszcznski, A., Turner, N.E. [Editors], In the pursuit of winning: Problem gambling theory, research and treatment, Springer. P 33 – 64. Richard, B. (2010). Diffusion of an Economic Development Policy Innovation: Explaining the International Spread of Casino Gambling. <i>Journal of Gambling Studies</i> 26: 287-300. Williams, R.J., Rehm, J., & Stevens, R.M.G. (2011). The Social and Economic Impacts of Gambling. Final Report prepared for the Canadian Consortium for Gambling Research. March 11, 2011. 	<ul style="list-style-type: none"> Williams, R.J., Rehm, J., & Stevens, R.M.G. (2011). The Social and Economic Impacts of Gambling. Final Report prepared for the Canadian Consortium for Gambling Research. March 11, 2011. Humphreys, B.R. Soebbing, B.P., Wynne, H., Turvey, J. & Lee, Y.S. (2011). The Socio-Economic Impact of Gambling in Alberta. Final Report to the Alberta Gaming Research Institute. May 25, 2011. Nichols, B.M. Stitt, G. & Giacompassi, D. (2002). Community Assessment Of the Effects Of Casinos On Quality of Life. <i>Social Indicators Research</i> 57: 229-262. Room, R., Turner, N.E. & Ialomiteanu, A.A. (1999). Community effects of the 	<ul style="list-style-type: none"> Lin, T.Y., Shoults, C.C., Williams, I.S. & McMurtry, C. (2012). Potential Health Effects of Casino Development in Southeast Kansas: Kansas Health Impact Assessment Project. Kansas Health Institute. 	<ul style="list-style-type: none"> Encourage local hiring. Promote local hotel usage/ cross-promotion and packaging to encourage overnight stays. Get upfront funding to improve community infrastructure, e.g. mitigate traffic and congestion before it happens. Develop programming that attracts participants outside/beyond the casino. Obtain joint employment and labour market plan with the City. That the casino operator identify opportunities to partner with educational facilities in the GTA to develop complementary skills training programs to support the joint employment and labour market plan.

Issue	Yes	No	Mixed Results or No Impact	Mitigation Potential
	<ul style="list-style-type: none"> UNLV International Gaming Institute: Informing the Public Debate: Economic Impacts of Casinos – Economic Benefits, Tax Regressivity, and Real Estate Impacts, January 2013. Moufakkir, O., Holecek, D. Impacts of Detroit's Casinos on the Local Community. 	<p>opening of the Niagara casino. Addiction. 94(10), 1449-1466.</p>		
<p>Is a casino's biggest impact on low-income households?</p>	<ul style="list-style-type: none"> Toronto Public Health. The Health Impacts of Gambling Expansion in Toronto – Technical Report. November 2012. Williams, R.J., Rehm, J., & Stevens, R.M.G. (2011). The Social and Economic Impacts of Gambling. Final Report prepared for the Canadian Consortium for Gambling Research. March 11, 2011. 	<ul style="list-style-type: none"> Katherine Marshall, Gambling 2011, Perspectives on Labour and Income, Statistics Canada, Winter 2011, p.6 2009 New Brunswick Gambling Prevalence Study, MarketQuest Research on behalf of New Brunswick Department of Health and New Brunswick Lotteries and Gaming Corporation. 2009, p. 3-4. 	<ul style="list-style-type: none"> Ferris, J., Stirpe, T. & Ialomiteanu, A. (1996). Gambling in Ontario: A Report From a General Population Survey on Gambling-Related Problems and Opinions (ARF Research Document Series 130). Toronto: Addiction Research Foundation. 	<ul style="list-style-type: none"> Education - gaming operator to provide funding for education and preventative outreach. Tailor messaging and distribution channels to reach these households. Preventative outreach to youth/students. Provide ready access to counseling and social programs for families – no restrictions on who can get help across the region.

Issue	Yes	No	Mixed Results or No Impact	Mitigation Potential
<p>Does a casino cause high rates or a long-term increase in pathological or problem gambling?</p>	<ul style="list-style-type: none"> ▪ Toronto Public Health, Position Statement on Gambling and Health, November 2012. ▪ Williams, R.J., Volberg, R.A. & Stevens, R.M.G. (2012). The Population Prevalence of Problem Gambling: Methodological Influences, Standardized Rates, Jurisdictional Differences, and Worldwide Trends. Report prepared for the Ontario Problem Gambling Research Centre and the Ontario Ministry of Health and Long Term Care. May 8, 2012. 	<ul style="list-style-type: none"> ▪ Wiebe, Jamie & Rachel A. Volberg (2007). "Problem Gambling Prevalence Research: A Critical Overview." A Report to the Canadian Gaming Association), pg 8. ▪ BCLC, South Surrey Entertainment Complex Socio-Economic Impact Analysis, December 4, 2012, p. 20. 		<ul style="list-style-type: none"> ▪ Train employees to recognize and respond to signs of problem gambling or addictive personalities. ▪ Work in partnership with OLG, gaming operator, other government bodies, and independent agencies to implement problem gambling programs.

Issue	Yes	No	Mixed Results or No Impact	Mitigation Potential
Does a casino increase business closings for establishments in close proximity?	<ul style="list-style-type: none"> Fenich, G. G. and Hashimoto, K. (2004). Perceptions of cannibalization: What is the real effect of casinos on restaurants? Gaming Law Review, 8(4), 247-259. 	<ul style="list-style-type: none"> Walker, D. M., Douglas, Wiley, J. A., Casino Revenues and Retail Property Values: The Detroit Case. (2009). National Opinion Research Centre, et al., Gambling Impact and Behavior Study, report prepared for the National Gambling Impact Study Commission (Chicago: University of Chicago, April 1, 1999), 70-71. UNLV International Gaming Institute: Informing the Public Debate: Cannibalization: The Effect of New Casinos on Gaming and Non-Gaming Businesses, November 2012. 	<ul style="list-style-type: none"> Williams, R.J., Rehm, J., & Stevens, R.M.G. (2011). The Social and Economic Impacts of Gambling. Final Report prepared for the Canadian Consortium for Gambling Research. March 11, 2011. 	<ul style="list-style-type: none"> Offer affordable kiosks to outside stores within the casino. Encourage pedestrian connections to area stores, restaurants. Implement a free (or low cost) shuttle service to area stores, restaurants. Establish a BIA. Work with chamber of commerce. Proponent to provide a plan that identifies proposed entertainment options and co-ordination with other events in proximity of the site.
Does a casino decrease values of nearby properties (commercial and residential)?	<ul style="list-style-type: none"> Gonzales, A. A., Lyson, T. A. and Mauser, K. W. (2007). What does a casino mean to a tribe? Assessing the impact of casino development on Indian reservations in Arizona and New Mexico. The Social Science Journal, 44(3), 405-419. 	<ul style="list-style-type: none"> Walker, D. M., Douglas, Wiley, J. A., Casino Revenues and Retail Property Values: The Detroit Case. (2009). UNLV International Gaming Institute: Informing the Public Debate: Economic Impacts of Casinos – Economic Benefits, Tax Regressivity, and Real Estate Impacts, January 2013. Buck, A.J., Deutsch, 	<ul style="list-style-type: none"> Wenz, M. (2007). The impact of casino gambling on housing markets: a hedonic approach. The Journal of Gambling Business and Economics, 1(2), 101-120. Phipps, A.G. (2004). Crime and disorder, and house sales and prices around the casino site in Windsor, Ontario, Canada. Canadian Geographer, 48(4), 403-432. 	<ul style="list-style-type: none"> Public realm improvements to adjacent sites – funding to beautify the surroundings.

Issue	Yes	No	Mixed Results or No Impact	Mitigation Potential
		J., Hakim, S., Spiegel, U., & Weinblatt, J. (1991). A Von Thünen model of crime, casinos and property values in New Jersey. <i>Urban Studies</i> , 28(5), 673-686.		
Does a casino cause an increase in the prevalence of problem gambling the closer an individual is to a casino?		<ul style="list-style-type: none"> Sevigny, S., Ladouceur, R., Jacques, C., & Cantinotti, M. Links between casino proximity and gambling participation, expenditure, and pathology. <i>Journal of Psychology of Addictive Behaviours</i>, Volume 22(2), 295-301, 2008. Williams, R.J., Rehm, J., & Stevens, R.M.G. (2011). <i>The Social and Economic Impacts of Gambling</i>. Final Report prepared for the Canadian Consortium for Gambling Research. March 11, 2011. 		<ul style="list-style-type: none"> OLG and the gaming operating should engage York Region, Peel Region and Durham Region in an effort to jointly respond to any potential concerns.