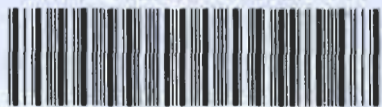


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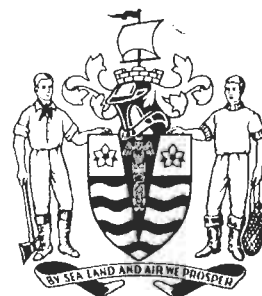
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City of Vancouver Casino Review Final Resolutions

December 1994



INTRODUCTION

This document is a compilation of staff reports and City Council minutes related to the City of Vancouver's decision on major casinos. It is a companion to the report entitled: "City of Vancouver Casino Review: A Discussion Paper" published in August 1994. Taken together, these two documents will give you a very good understanding of the background, process, issues and decisions of the City of Vancouver Casino Review in 1994.

If you have any questions or comments, please contact:

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**CITY OF VANCOUVER CASINO REVIEW
FINAL RESOLUTIONS**

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**CITY OF VANCOUVER CASINO REVIEW
COUNCIL RESOLUTIONS**

On November 1st, 1994, Vancouver City Council approved the following resolutions:

THAT major casinos not be permitted in the City of Vancouver.

THAT the Vancouver Port Corporation be advised that a major casino in the 'Seaport Centre Vancouver' proposal on the Central Waterfront Port Lands is not consistent with City Policy.

THAT the policy of the City of Vancouver on major casinos be communicated to the Province of British Columbia.

THAT Council advise the Province the City of Vancouver has conducted an extensive consultation program, and on the basis of public input the City opposes the expansion of present gaming activities including the introduction of VLT's in charity casinos and licensed drinking establishments, the expansion of electronic bingo, and an increase in the number of charity casinos in the City or in adjacent areas where the City could be impacted.

THAT Council advise the Province the City of Vancouver considers gaming expansion a matter for determination by the people of British Columbia through appropriate broad and local involvement in a meaningful consultation program.

THAT Council advise the Province it is opposed to making rules for any casino license holder different from the rules for other casino license holders and therefore concerned about the Province's proposal for First Nations gaming.

THAT Council advise the Province that if the Province determines that legislation to enable expanded gaming is appropriate after broad public consultation, that legislation:

- (a) should only permit expanded gaming where it is approved by local municipal councils after a local public process;
- (b) should provide that 50% of all revenues generated should be allocated to the municipalities affected for mitigation measures; and
- (c) should contain a process which would establish an area around a proposed gaming site and require approval by residents within that area, including across municipal or First Nations boundaries.

THAT Council request staff report when appropriate on any new information on expanded gaming in other jurisdictions inside and outside of the Province, including issues related to the enforcement of regulations applicable to VLT's, electronic bingo and new charity casinos in the Province.

THAT the City recommends the Province pass legislation suitable to control "grey" video gaming machines.

THAT Council authorize a delegation of the Mayor and Council to:

- (a) meet with the Minister of Government Services and the Premier to communicate the foregoing City position on gaming expansion as soon as possible; and
- (b) continue to work with the UBCM to communicate the City's position and the results of the City's public consultation to UBCM municipalities and request the UBCM conduct a special poll of its members on this issue to present to the Province.

THAT staff advise whether the Federal Government, under the Indian Act, may allow the First Nations to set up their own by-laws to govern gaming on their lands.

CITY OF VANCOUVER CASINO REVIEW CHRONOLOGY

- February 17, 1994 City Council approves the Central Waterfront Port Lands (CWPL) Policy Statement, outlining general guidelines for development of CWPL. "In approving the Policy Statement, Council is not approving a 'for profit' casino use at this time".
- February 22, 1994 The Vancouver Port Corporation (VPC) Board of Directors approves the CWPL Policy Statement.
- February 23, 1994 The Provincial Government announces a study to review its gaming policy, with recommendations to Cabinet expected to be ready in the Fall of 1994.
- February 24, 1994 The VPC announces that VLC Properties Ltd., in association with Mirage Resorts Inc., was selected as the successful bidder for the development of the CWPL. VLC/Mirage have formed a company called Seaport Centre. Their preliminary development scheme, entitled Seaport Centre Vancouver, includes a major casino as well as a 1,000 room hotel, convention and cruiseship facilities.
- March 15, 1994 City Council votes "that staff report back on a suggested City process of analysis and public consultation on the question of a 'for-profit' casino in Vancouver, that is coordinated with the Provincial Government's review".
- June 21, 1994 City Council votes "that the Terms of Reference for study of the implications of introducing a commercial casino in Vancouver and as part of the CWPL development be approved" and "that the public consultation process as outlined in the June 6th report be approved".
- July 25, 1994 VLC/Mirage decides to put Seaport Centre Vancouver on hold until the Provincial Government finalizes its gaming policy.
- July 26, 1994 City Council resolves "that Council request the Provincial Government to ensure that there will be municipal participation in the evaluation of community impacts of any expansion to gaming activity, and that gaming legislation or regulations require municipal endorsement of specific gaming locations prior to approval".
- August 8, 1994 The City of Vancouver publishes the Casino Review Discussion Paper, in preparation for public meetings in September. The document is available at City Hall and all public libraries in Vancouver. About 4,000 copies were picked up by citizens. The document was posted on two local computer bulletin boards (the Vancouver Freenet and Wimsey).

- September 1994 The City of Vancouver organizes seven large public meetings and 13 meetings with interest groups, which involve over 750 people. A casino "talkback" line at City Hall is set up and close to 500 people call in and leave messages. Close to 300 letters were received, and about 1,400 people signed petitions. The vast majority opposes major casinos.
- October 4, 1994 Based in part on the City analysis and public consultation findings, the Provincial Government announces its new gaming policy: no "Las Vegas-style" casinos, but "moderate expansion" of charity casinos. Plans are announced to allow video-lottery terminals (VLTs) and to explore possibilities for First Nations casinos.
- October 12, 1994 The City of Vancouver releases the final recommendations of its casino review: not to permit major casinos in Vancouver, and to express concern over the gaming expansion announced by the Provincial Government. Tabled with the report is the City's economic impact study, as well as the results of the City's poll conducted in late September.
- October 18-21, 1994 Special Council Meeting to hear comments on the final recommendations of the casino review. A total of 44 delegations spoke to Council.
- November 1, 1994 City Council votes "that major casinos not be permitted in the City of Vancouver", "that the VPC be advised that a major casino in the Seaport Centre Vancouver proposal is not consistent with City policy" and "that the policy on major casinos be communicated to the Provincial Government". City Council also passes resolutions on VLTs and other forms of gambling expansion (see pages 3-4 for details).

roved
11/01

A

Administrative Report

Date: October 07, 1994
 Dept. File No. LBB/JR

TO: Vancouver City Council

FROM: City Manager, the Directors of Planning, Social Planning, Housing and Properties, and Finance, the Chief of Police and City Engineer

SUBJECT: Major Casinos in Vancouver

RECOMMENDATION

- roved
11/01
- A. THAT major casinos NOT be permitted in the City of Vancouver.
 - B. THAT the Vancouver Port Corporation be advised that a major casino in the 'Seaport Centre Vancouver' proposal on the Central Waterfront Port lands is not consistent with City policy.
 - C. THAT the policy of the City of Vancouver on major casinos be communicated to the Province of British Columbia.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of A, B and C.

COUNCIL POLICY

- In 1987, 1989 and 1992, Council established principles for charity casino gaming in Vancouver and decided that casino applications be regulated in a similar manner as liquor license applications.
- On February 17, 1994, Council resolved that in approving the Central Waterfront Port Lands Policy Statement it was not approving a "for profit" casino use at that time.
- On July 26, 1994, Council requested that the provincial government ensure there will be municipal participation in the evaluation of community impacts of any expansion to gaming activity, including video lottery terminals, gaming on First Nations lands and major casinos, that gaming legislation or regulations include municipal endorsement of specific gaming locations prior to approval, and that any new gaming activity be conditional on a portion of the revenue being available to local government for mitigation measures.

BACKGROUND AND PURPOSE

On February 23, 1994, the Province of British Columbia announced a study of expanded gaming in the province. On February 24, 1994, the Vancouver Port Corporation announced selection of a developer for the Central Waterfront Port Lands who proposed a major casino.

On March 15, 1994, Council requested a report on a suggested City process of analysis and public consultation on the question of a major casino in Vancouver. On June 21, 1994, Council approved terms of reference and a public consultation process.

On October 4, 1994, the Province of British Columbia announced its rejection of Las Vegas style casinos, while embarking on significant expansion of gaming activity. These activities include expansion of charitable casinos, increase in electronic bingos, and the introduction of video lottery terminals. As well, the Provincial Government has entered into gaming negotiations with the First Nations Summit.

This report presents staff's conclusions and recommendations from the City's Casino Review. Pursuant to Council's instructions, staff have assessed the positive and negative impacts of introducing a major casino in Vancouver and also as a component of the 'Seaport Centre Vancouver' proposal on the Central Waterfront Port Lands.

DISCUSSION

Staff have concluded that major casinos should not be introduced into Vancouver. While recognizing the potential economic benefits and anticipated social costs, the recommendation was reached after careful examination and understanding of individual and community values.

Deep-seated community values have come strongly to the fore through the various means used in testing public opinion. Through opinion polling, community meetings, a telephone hotline, freenet and written submissions, a diversity of opinion on whether Vancouver should approve a major casino has been expressed (Appendices D and E). Basic social and community values were discussed more than economic issues. Basically, people have questioned the compatibility of major casinos with our City's image. They have identified concerns that symbolically major casinos are not in harmony with the image of Vancouver they value. The City is renowned worldwide for its spectacular setting, its safety, and variety of entertainment and recreational activities, as well as an enviable quality of life.

- 3 -

There was a clearly and repeatedly stated desire to protect and enhance that image. The public commentary suggests widespread concern and passionate opposition while those in favour or not objecting were less so and were less forthcoming.

A study was commissioned by the City regarding the potential economic impact of a casino. Incremental spending in the local economy, number of jobs created and additional government revenues were examined. In addition, the Seaport proponents carried out a separate economic impact analysis to evaluate these impacts. City staff reviewed these two studies, along with comparative data from other Canadian casinos and prepared an accompanying report (Appendix C).

From a purely economic stand-point, the available information indicates that either a casino or a casino/resort complex would mean significant new economic activity for Vancouver.

However, there must be consideration of significant social costs many of which cannot be effectively measured in dollars. The impacts that have been identified include the social costs related to problems such as: effects on adjacent communities, including low cost housing, the impact on charitable gaming, the influence on families and young children, compulsive gambling, victimization from crime, money laundering, profit skimming, and prostitution. It is difficult to identify and measure the consequences and the resulting costs for individuals, families and communities.

While the current provincial government has rejected a major casino, the City of Vancouver felt it was critical to complete its casino review, including the extensive public process, in order to ensure that if a provincial government considers approving a major casino at a future date, the City's position is clear.

If a major casino was pursued by the Province in the future, in the face of Council's overall policy, the following requirements would need Council's consideration:

- * revenue sharing with local government to mitigate impacts
- * local government approval of location
- * a major casino be subject to zoning and development control regulations
- * major casinos stand alone and be fully-owned and operated by the government
- * locations to be separated from low-income neighbourhoods, and to be well integrated with the downtown core.

WHAT ABOUT SEAPORT CENTRE VANCOUVER?

The Vancouver Port Corporation (VPC) has participated in good faith in cooperative planning of the Central Waterfront Port Lands. VPC has said that they will not pursue a casino on this site if the City of Vancouver is not supportive.

The proposed City policy does not support the casino component of the 'Seaport Centre Vancouver' proposal.

However, City policy does support the cruiseship terminal and expanded convention facilities on the Central Waterfront Port Lands. VPC should be urged to explore alternative ways and means to achieve these facilities, with City involvement to the extent it is helpful.

CONCLUSIONS

Through the Casino Review conducted by an interdepartmental team with broad community consultation, a major casino development should not be allowed in the City of Vancouver.

* * * * *

APPENDIX A - CASINO REVIEW: A DISCUSSION PAPER EXECUTIVE SUMMARY WITH ADDENDUM

The complete discussion paper, including the addendum, is on file with the City Clerk and is available for viewing on request.

EXECUTIVE SUMMARY (August 1994)

1. Introduction

In March 1994, Vancouver City Council set in motion a review of the issue of having a major casino in Vancouver. Large-scale casinos are a growing presence in North America, bringing with them the promise of enormous revenues - and the risk of significant costs. The provincial government's review of all gaming policy, includes the possibility of major casinos. A major casino was proposed by a private development consortium as part of a large resort complex called "Seaport Centre Vancouver", on Vancouver's central waterfront. Other proposals on other sites are also possible. Although this discussion paper does not draw definitive conclusions, it has been prepared to help interested citizens reflect on how a major casino may affect our city and its various communities.

2. Timetable For Decision Making

This Casino Review started in June 1994. Discussions were scheduled with community groups and scheduled public information meetings throughout September and special Council meetings in late October. City decisions will then be made and forwarded to the Province.

3. Current status of British Columbia's gaming industry

Although B.C. has legislation to govern lotteries and horse racing, the Province has no other general legislation to govern its gaming industry. The provincial government's current review of all aspects of gaming is expected to result in expanded legislation. Vancouver City Council has requested that the City be a key participant in the review and in approving any expanded gaming in Vancouver. They have also called for the City to be considered for revenue sharing.

4. City Image

Although each citizen has a personal image of the city, Vancouver's image is also an important economic asset. The elements most important to Vancouver's image involve our setting, environment, scale, safety, cleanliness, neighbourhoods, diversity, social responsibility and relaxed lifestyle.

Some casino impacts will significantly affect our image. Also, the casino itself could become symbolic of this city. It is important to reflect whether such effects are acceptable.

5. Business, Tourism And Cultural Industries

A casino will affect the economic life of Vancouver. Although casinos can create economic benefits, a key determinant of whether they in fact do so is the number of "new" tourists they attract (i.e., tourists who would not come to the city except for a major casino). Generally speaking, the higher the percentage of new tourists among casino patrons, the better for the overall economy. The higher the proportion of local residents who are patrons, the more money will be diverted from elsewhere in the existing economy.

As part of the Casino Review, the City has commissioned an economic impact review, which will be completed in September.

6. Jobs

The number of jobs that could be created by a large-scale casino also depends on how many new tourists (and therefore how much "new" money) it attracts to Vancouver. Most of the new jobs will be service sector jobs that require less than post-secondary education. This matches the qualifications and capacities of many of Vancouver's unemployed, including those in our poorer neighbourhoods.

7. Problem Gambling

Most North American studies put the prevalence rate of problem gambling at between 3 and 6 percent of the adult population. However, the number of problem gamblers in B.C. is not known. As with other addictive behaviours, problem gambling is not confined to adults but also exists among youth. Treatment of pathological gamblers is relatively new, and little information is available on successful programs.

Whereas some provinces have established programs for reaching and treating problem gamblers, the only help currently available in B.C. is from Gamblers Anonymous, a self-help group modelled on Alcoholics Anonymous.

8. Crime And Policing

The effect of a major casino on crime levels in Vancouver will depend on several factors:

- tight in-house security and controls by the casino management;
- strict regulation and inspection by provincial authorities;

APPENDIX A - Page 3

- adequate police resources and training to handle the increased workload and for intelligence gathering and anti-gang/organized crime work;
- close cooperation between the casino management, provincial authorities, Vancouver Police and other law enforcement agencies.

All of these factors must be in place to minimize increases in criminal activities such as money laundering, profit skimming, loan sharking, extortion, prostitution and illegal drug sales.

9. Adjacent Areas

A major casino could have a great impact on the neighbourhoods closest to it. Traditionally, gamblers at destination casinos have tended to show little interest in the rest of the city. This may be changing as mitigation measures are tried such as limiting on-site business and insisting on casino access through established shopping areas.

Casinos have relatively inflexible design needs which tend to focus inward and require bulky buildings. Because of the nature of our cityscape, such a casino would pose an extraordinary design challenge to fit into its surroundings without affecting parks, the waterfront, character areas or the natural environment.

Casino traffic tends to be greatest in the evening, so congestion is spread over regular traffic's off-peak hours. Although a casino may be well served by transit, adequate parking is also needed but can create its own difficulties. Casino operating hours are limited in some cities in an effort to minimize impacts.

10. Housing And Real Estate

For almost any inner-city site, a major casino could affect affordable housing - especially single room occupancy hotels (SROs). Pressure for SRO conversion or redevelopment could be caused by demand for budget tourist accommodation or for inexpensive housing for casino employees. Any loss of SROs, whether through conversion, redevelopment or escalation in rent over what the current residents can pay, would result in an increase in homelessness.

Long-term impacts on real estate values will depend on whether the casino generates activity nearby. If adjacent areas experience economic vigour, the community would have to accept the increased real estate values and taxation rates that accompany this.

11. Existing Gaming

A large-scale casino could provide strong competition for existing gaming, particularly charitable casinos if they remain subject to existing restrictions (no slot machines, no serving of alcohol, no offering of credit, low betting limits). Since charitable casino

nights and other gaming events are an important source of income for many non-profit service and cultural organizations, this competition could reduce the level of services offered in the city or place an additional burden on the municipal government. Government would have to consider ways to increase gaming revenue to these organizations, including expansion of the gaming options open to them.

12. Municipal Government Revenues And Expenses

Since casinos would be owned by the Province, the City may or may not receive a provincial grant in lieu of regular property taxes. Other sources of revenues for the City would be one-time payments for capital improvements when zoning is approved, business license fees tied to local costs and revenue sharing negotiated on a case-by-case basis. On the other hand, we could face initial capital costs to service the casino, long-term replacement costs for services and an array of operating costs to deal with impacts.

Elsewhere, local governments sometimes share in gaming revenue to cover their increased costs (such as policing infrastructure servicing and social costs). To date Vancouver has not shared in gaming revenue and would have to negotiate with the Province to do so.

Municipal cost and revenue projections will be clarified if any new gaming options are pursued.

ADDENDUM TO CASINO REVIEW DISCUSSION DOCUMENT (September 1994)

Since the release of the Discussion Paper, the City has received additional information from a number of sources, and through our consultation process, the public identified some issues needing greater emphasis or broader discussion. In response, staff have prepared an addendum to the Discussion Paper with further information and commentary on the following chapters:

City Image

Certain forms of casinos (e.g. charities) have less independent identity and would affect our image less. However, major casinos can become a powerful symbol, especially in Vancouver where our image is still evolving and may say something about our civic values to our visitors and our citizens.

Business, Tourism, Culture and Jobs

In cities with major casinos, the casino has tended to become an important component to the tourism and convention marketing strategies. In Windsor and Montreal, local community colleges offer casino staff training and over 90% of the casino's employees are Canadians.

Problem Gambling

People wanted us to say more about the ripple effect of problem gambling on family and friends, and the potential for violence, abuse and neglect. While we are unable to quantify the extent of this problem, it clearly has impacts beyond the problem gambler.

Crime and Policing

People wanted us to say more about organized crime and gambling, influence and corruption of public officials. There is also a concern that the potential for money laundering may be greater in Vancouver because of the existing illegal drug industry and because we are a port of entry into Canada.

Adjacent Areas

The impacts of a major casino on nearby businesses and tourist facilities may be more positive if the facility is stand-alone because patrons must leave the casino to eat, shop, or enjoy entertainment.

Housing and Real Estate

East Downtown spokespeople expressed concern that the potential loss of the community SROs would be much greater than we estimated.

Other Issues. Integrity of Government Processes

People wanted us to say more about the appearance of conflict of interest of government as the promoters, major beneficiary and regulator of gaming. The implications of government coming to depend on gaming revenue for basic services was another issue brought forward. There was concern about undue influence expressed about the movement of people between the public, regulatory and private, operating sectors of the gaming industry. There was concern expressed about the lack of conflict of interest guidelines for government employees moving to the private gaming sector.

The 20 additional studies and articles on gambling we obtained since August are also listed in the Addendum, on file with the City Clerk.

APPENDIX B - SUMMARY OF CITY STAFF VISITS TO WINDSOR AND MONTREAL CASINOS

Only key findings are included in this summary. The complete report on the site visits is on file with the City Clerk and is available for viewing on request.

The City delegation included Judy Rogers, Assistant City Manager, and Larry Beasley, Associate Director of Planning. Vicki Kuhl, the City's gaming consultant, also elected to take part.

WINDSOR, ONTARIO - WEDNESDAY, SEPTEMBER 7TH

Meeting with Windsor Casino Management and Tour of Casino

- **Legal Framework** - The casino opened in May 1994, and is owned by the Ontario Casino Corporation (OCC), a Crown corporation responsible for all casino operations in the province. The Ontario Gaming Control Commission is a separate Crown agency responsible for regulations and enforcement. It was financed and operated by a consortium of private companies. Under Ontario legislation, a casino cannot be located in a community without municipal council approval.
- **Employees** - The casino employs 2,000 full and part-time staff, with 90% of these from the Windsor area.
- **Revenue Distribution** - No portion of gaming revenue is paid to the City. It does, however, receive property taxes, parking revenue, and some limited funds for extra policing costs (approximately \$1 million).
- **Local Government Relations** - Initially, the casino spent little time developing working relationships with the City and business community.
- **Casino Tour** - The casino is on three levels containing about 60,000 sq. ft. of gaming area. It is open 24 hours a day, seven days a week, with average daily attendance of 18,500 people. It is located close to downtown, with 4,000 parking spaces provided nearby.

Meeting With Five Windsor Business Leaders

- Prior to opening, there was no consultation with the business community by the Province or the private casino company.
- A strategic plan should be developed to optimize local business opportunities and spin-off benefits.

Meeting With the Mayor of Windsor and Seven Senior City Officials

- **Contractual Agreements for Costs** - The City has no contractual agreements with either OCC or Windsor Casino. Good working relationships exist however, and negotiations for cost recovery of infrastructure costs continue.
- **Community Process** - The City established a Casino Response Team to deal with implementation problems and to provide information. The Mayor was actively involved in addressing local concerns.
- **Policing** - Street crime has decreased, and there is no visible increase in prostitution. Some increase has occurred with other crimes including credit card fraud, and counterfeit currency. Increased policing has occurred in the downtown (casino) area. Casino patrons feel Windsor is a safe area.

Meetings With Windsor Business Community Leaders

- General positive feedback was received from local business leaders on the casino benefits, with some comment that programs are required to capitalize on increased tourism and business investment opportunities.

MONTREAL, QUEBEC - THURSDAY/FRIDAY, SEPTEMBER 8TH/9TH**Meeting with Societe des casinos du Québec (SCQ) and Tour of Casino de Montréal**

- **Legal Framework** - Loto Québec is a Crown corporation responsible for all gaming in Quebec except racing. The casino is managed by a government owned subsidiary, the Société des casinos du Québec Inc. A separate agency is responsible for regulation and control.
- **Employees** - Casino de Montréal has 1,724 employees, and after expansion will have 2,000 more. Most are from Québec.
- **Patrons: Tourists vs. Locals** - Initially, 95% were from the province of Quebec. In the summer, the tourist proportion has increased to about 20%.
- **Revenue Distribution** - There is no revenue sharing with local government. Net profit to province in first 6 months of operation was \$70 million, significantly more than originally anticipated.
- **Local Government Relations** - No prior consultation occurred and contractual negotiations have been difficult.

APPENDIX B - Page 3

- **Casino Tour** - The facility is a European-style casino on four levels, with 85,000 sq.ft. (after expansion) of gaming area. It is open 7 days a week, from 11:00 a.m. to 4:00 a.m., with average daily attendance of 12,000 people. Its location is on an island remote from downtown, with controlled access and limited parking available. With expansion, about 2,000 parking spaces will be provided.

Meeting With the Montreal Director of Planning, and other Senior City Officials

- **Contractual Agreements** - City owns casino property, and receives \$3 million in property taxes and base revenue per year. After expansion, this will increase to \$6 million. City also receives revenue from business license tax on each table and slot machine.

- **Revenue Distribution** - Annual municipal revenue from permits, licenses and taxes is \$8 million.

- **Community Process** - There was no public review process.

- **Policing** - City is not directly involved in policing activities and would not advise as to crime impacts, as these are the responsibility of the regional district.

Meeting With One Official from the Office des Congr s et du Tourisme

- There is a joint marketing program with the casino.

- The casino is an adjunct to the tourist and convention trade, and is becoming an important requirement in the increasingly competitive market.

- The casino housed in a heritage structure has become a symbol of Montreal's image.

APPENDIX C - ECONOMIC IMPACT SUMMARY

1. Background

A study was commissioned by the City to address questions raised in the August Discussion Paper regarding the potential economic impact of a major casino in the City of Vancouver. Incremental spending in the local economy, number of jobs created, and additional government revenues were examined. Studies were also carried out by consultants for Seaport Centre to evaluate these impacts.

City staff reviewed the studies prepared by the consultants, gathered comparative data from other Canadian casinos, and presented their findings in the Economic Impact Summary Report. This report, along with the consultants' studies, forms the back-up documentation to this summary. All this material is on file and available for viewing upon request in the City Clerk's Office.

The table below summarizes the consultants' projected impacts. However, because of the uncertainties surrounding the final form of a casino and how it might be allowed to operate, the numbers in this table should be interpreted as broad guidelines showing a pattern of positive economic benefit rather than absolute measures of the actual benefit.

STAND-ALONE CASINO

	CITY			SEAPORT
	Scenario 1	Scenario 2	Scenario 3	
# of daily visitors	15,000	15,000	15,000	15,300
% of locals	30%	40%	60%	45%
% of existing tourists	20%	30%	20%	13%
% of new tourists	50%	30%	20%	42%
direct incremental spending -	\$673 million	\$523 million	\$353 million	*
total incremental spending - annual	\$1,339 million	\$1,040 million	\$702 million	*
direct construction jobs - 3 years	3,240	3,240	3,240	*
indirect construction jobs - 3 years	3,240	3,240	3,240	*
total construction jobs - 3 years	6,480	6,480	6,480	*
gross direct operating jobs - annual	3,000	3,000	3,000	3,200
% of spending diverted	11%	17%	26%	29%**
net direct operating jobs - annual	2,672	2,492	2,216	2,272
net indirect operating jobs - annual	2,672	2,492	2,216	2,272 ***
net total operating jobs - annual	5,344	4,983	4,431	4,544 ***
incremental govt. revenue - annual	\$190 million	\$150 million	\$111 million	\$257 million

Seaport did not calculate these figures for a stand-alone casino.

** Based on the visitor mix for a casino/resort complex.

*** Using the mid-range multiplier of 1.0

The conclusions reached in the staff report for each of the key issues follow.

Number of Visitors: Based on the analyses in the studies by Seaport and the City, and the comparisons to other casinos, the 15,300 figure used as an estimate of the potential number of visitors to the Casino seems reasonable. However, since it is by no means a definite number, and this is a crucial variable in making projections, a range of other attendance figures should be considered in evaluating the economic impacts as the development scenario is further refined.

Visitor Mix: As outlined in the Discussion Paper, the visitor mix (proportion of locals to new and existing tourists) significantly affects the level of economic benefit from a casino since some of the spending by locals and existing tourists is diverted away from other spending in the Vancouver area. It is not possible to determine the exact visitor mix which could result in a Vancouver casino. However, by looking at comparisons with other Canadian casinos, it is reasonable to state that, because of its proximity to the U.S. border and status as a tourist destination, Vancouver will not have the high proportion of locals experienced in Winnipeg and Montréal casinos. Further, because of its broader existing tourist base and greater local population, Vancouver will not have as high a percentage of new visitors as the Windsor casino. The probable visitor mix is expected to fall between the ranges for the scenarios set out in the report for the City which are consistent with the visitor mix used in Seaport's study. Even with this wide range of estimates surrounding the mix of visitors, the basic statement from the previous Discussion Paper holds true: the higher the percentage of new tourists among casino patrons, the better for the overall economy. The higher the number of local residents, the more money will be diverted from other sectors of the existing economy.

Daily Spending: Although it is impossible to predict spending patterns and levels with absolute certainty, the evidence available supports the conclusion reached for the previous point: incremental spending and therefore the benefit to the economy is greater when there is a higher percentage of new visitors.

Recapture of Locals from Gambling Elsewhere: Although the estimates of the actual number of locals recaptured by a casino range widely, it can reasonably be expected that this number would be positive. This means additional spending in the local economy of what would have otherwise been spent by British Columbians and Albertans on gaming and related travel expenses outside of B.C.

Impact on Other Businesses:

(i) Hotels: The magnitude of the revenues projected by the two separate studies indicates that there would be substantial demand for hotel rooms and revenues in excess of that which a 1,000 room hotel at a casino could accommodate.

(ii) **Restaurants/Retail:** Although there will be incremental spending on food, shopping and non-casino entertainment as a result of a casino development, it is not clear with the available information how much of this spending would accrue to businesses outside of a casino or casino/resort development. It is clear that there will be a greater benefit to surrounding businesses if less services are accommodated on-site and if there are better connections between a casino and the adjacent retail areas.

Jobs Created:

(i) **Construction:** The casino proposal would create new construction jobs downtown, but no analysis has been done to estimate how many construction jobs for this proposal are incremental over those which would result from other developments at the site.

(ii) **Operating:** A significant number of new direct and indirect jobs would be created by a casino in downtown Vancouver. These jobs closely match the educational profile of workers currently unemployed and those on social assistance in the area surrounding the Seaport proposal. No analysis has been carried out to determine whether a casino would create more jobs or more desirable jobs than another type of development on the Vancouver Port Corporation's lands. If a casino is approved, the City may wish to encourage the casino operators to hire from the adjoining Canada Employment Centres and to provide training programmes in order to maximize benefits to surrounding areas.

Government Revenues and Costs: Government revenues and costs are too dependent on the Provincial gaming regulations and related taxation policies (which have not been developed) to be projected with confidence. It is reasonable that, even with diversion, these incremental revenues would be positive. It is also logical that the City could ensure that those directly measurable costs not included in annual revenues would be recovered from any developer. However, there are serious questions remaining as to the extent of additional social costs which may result from a casino, and which level of government these costs will fall upon.

2. Conclusion

The study prepared for the City concludes that "a casino in Vancouver would have a large and positive economic impact on the City of Vancouver". Based on this study, the studies prepared for Seaport Centre, and the comparisons to other casinos, the various measures of economic benefit are all very positive. A review of the consultants' studies has not revealed any significant discrepancies or problems which would affect the positive nature of the projections.

From a purely economic stand-point, the available information indicates that either a casino or a casino/resort complex would mean significant new economic activity for Vancouver. This economic activity would translate into additional revenues for Vancouver-area businesses, new jobs, and new revenue sources for each level of government. The new money injected into the economy would outweigh the direct quantifiable costs. However, there would also be other social costs incurred which can not be effectively measured in dollars, and which must be considered when looking at any projections of positive economic impacts.

The complete report on the opinion poll is on file with the City Clerk and is available for viewing on request (after October 11th).

The poll includes two distinct samples of 364 interviews for a total of 768 Vancouver residents. The first sample was conducted city-wide; the second covered the three inner-city communities nearest the Seaport site (i.e. Strathcona/Downtown Eastside, the Downtown and the West End). The questions and results are as follows:

1. **First, have you heard about the Seaport Centre proposal that includes the development of a major casino on Vancouver's central waterfront near the Seabus Terminal and Canada Place?**

City-wide results

Inner-city results

- | | |
|---|---|
| <ul style="list-style-type: none"> · 93.8% have heard of Seaport | <ul style="list-style-type: none"> · 93.0% have heard of Seaport |
|---|---|

2. **Would you support or oppose the development of the Seaport casino?**

City-wide results

Inner-city results

- | | |
|--|--|
| <ul style="list-style-type: none"> · 52.3% are opposed. · 30.2% are in favour. · 10.7% have no opinion. · 4.9% are neutral. · 1.8% said it depends. | <ul style="list-style-type: none"> · 48.7% are opposed. · 32.8% are in favour. · 10.9% have no opinion. · 4.2% are neutral. · 3.4% said it depends. |
|--|--|

3. **My next question refers to the development of major casinos in Vancouver, in general, not just the Seaport proposal. These casinos could be located anywhere in Vancouver. In general, do you oppose or support major casinos in the City of Vancouver?**

City-wide results

Inner-city results

- | | |
|---|---|
| <ul style="list-style-type: none"> · 63.8% are opposed. · 22.1% are in favour. · 6.3% said it depends. · 5.7% have no opinion. · 2.1% are neutral. | <ul style="list-style-type: none"> · 55.2% are opposed. · 24.5% are in favour. · 8.6% said it depends. · 7.6% have no opinion. · 4.2% are neutral. |
|---|---|

The survey results are accurate to within 5 percentage points 19 times out of 20.

APPENDIX E - SUMMARY OF PUBLIC CONSULTATION

The complete documentation of the public consultation is on file with the City Clerk and is available for viewing on request.

City Hall Reaching Out To Vancouverites

- About 4,000 Casino Discussion Papers have been distributed. The Executive Summary was translated into French, Chinese, Punjabi, Vietnamese and Spanish. The Discussion Paper was accessible on two local computer bulletin boards, the Vancouver Freenet and Wimsey.
- Over 1,000 notifications of the public meetings were mailed to people on our mailing list. Over 100 community and business organizations were notified. The public meetings were advertised in 10 local newspapers.

Vancouverites Reaching Out To City Hall

- Close to 700 people attended the seven public meetings. Of those who spoke, 87% opposed or had serious concerns about major casinos, while 7% supported them. The most frequently stated concerns are that human/social costs outweigh economic benefits, the burden of increased costs for public services on Vancouver taxpayers, increases in crime and problem gambling and impacts on charity casinos.
- A community organization "NO to Casino" Committee attended each community meeting and distributed their literature and obtained signatures for their petition. No similar group surfaced in support of a casino.
- City staff also met with 13 interest groups on this issue. Many expressed concerns about casinos. Six groups are opposed, while two groups support a major casino. Five groups have not finalized a position on the issue. We expect a number to formally state their position to Council.
- Of 289 letters received, 95% oppose major casinos. The most frequently stated concerns are increase in crime, incompatibility with Vancouver's image, social costs, and impacts on charity casinos.
- 22 petitions were received with close to 1,400 names, all opposed to major casinos in Vancouver. As well, 325 people mailed in 'form letters' opposing casinos.
- Of the 455 calls received on the Casino Talkback line, 83% opposed major casinos, while 14% supported them. The most frequently stated concerns are incompatibility with Vancouver's image, increases in crime and problem gambling and that a casino is a poor use on the waterfront.
- Of the 74 comment forms received at community meetings, 81% of respondents opposed or had serious concerns about major casinos, while 11% supported them. The most frequently stated concerns are that a major casino would hurt Vancouver's image, increase problem gambling and crime, and threaten affordable housing in the inner city.

Public MeetingsAttendance

September 14, 1994	Robson Square	200
September 17, 1994	Sheraton 500 (12th/Cambie)	50
September 20, 1994	Kerrisdale Community Centre	130
September 22, 1994	Carnegie Centre	150
September 22, 1994	Oakridge Auditorium	70
September 26, 1994	Killarney Community Centre	30
September 28, 1994	P.N.E. Dogwood Room	35

————— Total: about 650 to 700

Community/Business Organizations that met with City staff

August 25, 1994	No Casino Committee
August 31, 1994	B.C. Confederation of the United Church
September 14, 1994	Vancouver City Planning Commission
September 17, 1994	The Lookout Shelter
September 19, 1994	B.C. Public Interest Advocacy Centre
September 19, 1994	Heritage Advisory Committee
September 19, 1994	International Longshoremen Workers' Union
September 21, 1994	Urban Development Institute
September 21, 1994	Gastown Heritage Area Planning Committee
September 21, 1994	Strathcona Property Owners and Tenants Association
September 22, 1994	Tourism Vancouver
September 27, 1994	Neighbourhood Helpers
September 28, 1994	Urban Design Panel

CITY OF VANCOUVER CASINO REVIEW ANALYSIS OF ECONOMIC IMPACTS

1. Purpose

In August the City put out a Discussion Paper which identified a number of issues surrounding the proposed development of a casino in Vancouver. While the Paper outlined the issues, it did not provide any detailed estimates of the economic impacts of the proposal. Since then, staff have gathered additional financial information and several studies have been prepared which attempt to predict the economic impact of a casino.

The City commissioned an economic review of existing information which estimates the customers, expenditures, jobs and government revenues which would be generated by (i) a stand-alone casino and (ii) a casino and resort hotel complex (such as that proposed by Seaport Centre). The other economic studies were commissioned by Seaport Centre to respond to questions raised by the City. Seaport's studies address: the potential demand for a casino; the impact of this demand on Vancouver's hotel and restaurant industries; the effect that the new shops and restaurants proposed for the Centre would have on nearby businesses; and the potential jobs and government revenues which would result from the development. While these reports are largely specific to the proposed Seaport Centre development, the results can also be used to try to predict the effect of a tourist destination resort complex containing a casino.

As with any economic forecasting, the end results are heavily influenced by the assumptions on which they are based. Determining these assumptions was made more difficult in this case since it is essentially a new product in a new market, with a lack of ready comparisons to similar developments and to previous local experience. In deriving assumptions such as spending patterns, comparisons were made to casinos in other jurisdictions such as Windsor, Montréal, Winnipeg, Las Vegas and cities in Australia, but the differing circumstances in each area meant that their numbers are indicative rather than definitive of what Vancouver might experience.

In addition, many of these assumptions had to be made only because the operating regulations which would apply to a casino in Vancouver are not yet known. Factors such as location, the hours of opening, the types of games permitted, the size of the gaming area and the bet limits are all undetermined. These factors impact variables such as the number of potential visitors and the revenue to be generated. Those variables in turn will affect predictions about how many jobs could be generated and how much tax revenue could be collected by each level of government.

The key assumptions used and the economic impacts predicted are discussed below. However, because of the uncertainties surrounding the final form of a casino and how it might be allowed to operate, these numbers should be interpreted as broad guidelines showing a pattern of positive economic benefit rather than absolute measures of the actual benefit.

2. Key Assumptions and Economic Impacts

Number of Visitors:

The number of people who would visit a casino is one of the key variables for any analysis of potential economic impact. This number is crucial in determining how much a casino would contribute to the local economy.

Seaport Centre's market projections estimate that there would be 20,800 visitors per day to Seaport with 15,300 of those being visitors to the Casino. These were derived by comparisons to the figures from the Mirage Casino in Las Vegas.

Seaport also commissioned two consulting firms to carry out a market analysis of potential demand for casino-visits in the Vancouver area to determine if its estimates were reasonable (Ernst & Young and KPMG). The analysis by these firms found the potential demand for visits to all casinos in the Vancouver area to be 27,000 per day initially, rising to 49,000 visits per day with the development of further casinos and with increased customer awareness, convenience and familiarity as the market matures.

These demand projections are contingent on some key assumptions: casino operating regulations similar to those in other international resorts; existing government regulations, plus a new Provincial tax of 10% on casino revenues; other regulatory changes to enable growth of other casinos (First Nations, B.C. charity casinos); and significant improvements in air access to Vancouver.

At averages of 18,500 per day in Windsor and 12,000 per day in Montréal, both cities found their actual number of visitors far exceeded their projections of 12,000-15,000 and 5,000 respectively. However, in both instances these are not mature operations and may still be experiencing a novelty effect. Winnipeg has had a casino since 1989 which is 15% the size of the one proposed for Vancouver, and which attracts on average 1,350 visitors per day.

If the daily attendance figures from these casinos were adjusted to show what their attendance would be if they were the same size as Seaport's proposed casino, the comparable daily attendance figures would be: Windsor - 31,000; Montréal - 25,000; and Winnipeg - 9,000.

Based on these analyses and comparisons, the 15,300 figure used as an estimate of the potential number of visitors to the Casino seems reasonable. However, since it is by no means a definite number, and this is a crucial variable in making projections, a range of other attendance figures should be considered in evaluating the economic impacts as the development scenario is further refined.

Visitor Mix:

The August Discussion Paper defined the three types of visitors to a casino: local residents, existing tourists and new tourists. The percentage break-down between these three types is important for predicting impacts such as revenues to the casino and benefits to the surrounding area. This is because each group has different spending patterns (discussed following) leading to a different level of impact on the economy from each group's spending.

One reason for these varying impacts is that some of the money spent by these groups at a casino would have otherwise been spent in the local economy on other forms of entertainment. This shift in spending is called "**diverted spending**" and was noted as a concern in the August Discussion Paper. The proportion of diverted spending is predicted to vary according to the type of visitor, and has been estimated in the study for the City at 50% for existing visitors, 75% for locals and 0% for new visitors. (None of the spending by new visitors has been diverted away from other spending in the local economy since the members of this group would probably not have visited the City without a casino.) The study for the City used three visitor mix scenarios shown in Table 1 which produced weighted averages of overall diversion of 11%, 17% and 26% for a stand-alone casino in Scenarios 1, 2 and 3 respectively.

By comparison, Seaport's study estimated diversion at 70% for both existing visitors and locals and 0% for new visitors and recaptured locals for a weighted average of 29% overall diversion (therefore 71% of all spending at Seaport Centre is considered incremental). The implication of these diverted spending estimates is that the higher the proportion of new and existing tourists to locals at a casino, the greater the amount of incremental spending in the local economy.

The study commissioned by the City looked at three potential visitor mix scenarios for a casino. Further analysis showed that the economic projections were very sensitive to the visitor mix selected:

TABLE 1

	<u>Stand-alone Casino</u>			<u>Seaport Casino/Resort Complex</u>		
	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>
Local	30%	40%	60%	27.4%	36.5%	54.7%
Existing	20%	30%	20%	20.0%	30.0%	20.0%
New	50%	30%	20%	52.6%	33.5%	25.3%

The following assumption about the visitor mix was estimated by KPMG, consultants for Seaport:

	<u>Stand-alone Casino</u>	<u>Seaport Casino/Resort Complex</u>
Local	45%	48%
Existing	13%	14%
New	42%	38%

This mix shows a higher proportion of local visitors to tourists at its casino than did the original Seaport projections. As noted in the August Discussion Paper, the original estimate was 30% locals, 20% existing tourists and 50% new tourists. Therefore, this revised customer mix means more diversion of existing spending and less incremental spending than initially projected.

By comparison, in Windsor approximately 80% of casino visitors are U.S. tourists, of which the majority only visits for the day. Windsor estimates that locals make up between 3-6% of their attendance. In Montréal tourists from outside Québec initially made up only 4.4% of the total average attendance over its first year. However, with additional marketing to casino tours, Montréal has seen an increased proportion of tourists in the summer months of close to 20%. The Winnipeg casino also has a high proportion of locals at 75%, and estimates that of its customers from outside of Winnipeg, close to half are from outside the Province.

It is not possible to determine the exact visitor mix which could result in a Vancouver casino. However, by looking at comparisons with other Canadian casinos, it is reasonable to state that, because of its proximity to the U.S. border and status as a tourist destination, Vancouver will not have the high proportion of locals experienced in Winnipeg and Montréal casinos. Further, because of its broader existing tourist base and greater local population, Vancouver will not have as high a percentage of new visitors as the Windsor casino. The probable visitor mix is expected to fall between the ranges for the scenarios set out in the report for the City which are consistent with the visitor mix used in Seaport's study. Even with this wide range of estimates surrounding the mix of visitors, the basic statement from the previous Discussion Paper holds true: the higher the percentage of new tourists among casino patrons, the better for the overall economy. The higher the number of local residents, the more money will be diverted from other sectors of the existing economy.

Daily Spending:

The amount of money spent by visitors on gambling, food, drinks, travel and accommodation is another crucial variable in determining how much new money a casino would bring into the local economy. The assumption in the August Discussion Paper was that new tourists, existing tourists and local residents would all spend an average of \$100 daily on gambling while at the casino. Based on patterns elsewhere, this number is still a good estimate.

In Montréal, the average financial outlay per visitor from outside Québec while in Montréal is \$258 on gambling alone (\$100 per day) with another \$154 per day for food, accommodation and travel related expenses. The overall average spent on gambling is \$60 per day. The numbers being realized in Windsor to date are an average customer spend per visit of \$75. A study done for New Orleans [which was based in part on experience from Las Vegas (Ryan, 1990)] projected daily spending at between approximately \$50 (converted to 1994 Canadian \$) by locals and existing visitors to \$100 (1994 Canadian \$) by new visitors on gambling alone. These numbers were used in the study done for the City.

Spending levels range since the different types of visitors tend to spend varying amounts on gambling. Existing visitors (those who would come to visit Vancouver anyway) would usually not spend as much as would new visitors specifically attracted by a casino. The same New Orleans study (Ryan, 1990) estimated that existing tourists would wager half of what other casino visitors would wager and that locals would wager the same as existing tourists. This was the assumption used in the study carried out for the City of Vancouver.

In addition to the assumptions noted previously, the study for the City also assumed that half of existing tourists would stay an extra day. All of these assumptions were used to calculate the **direct incremental spending generated by a stand-alone casino** (including off-site spending on food and accommodation) at between \$353 million for Scenario 3 and \$673 million for Scenario 1. When the indirect and induced effects are added in, the incremental spending ranges between \$702 million for Scenario 3 to \$1,339 million for Scenario 1. The variation of the numbers between the scenarios shows the sensitivity of the results to the varying proportions of visitors in the visitor-mix.

Although it is impossible to predict spending patterns and levels with absolute certainty, the evidence available supports the conclusion reached for the previous point: incremental spending and therefore the benefit to the economy is greater when there is a higher percentage of new visitors.

Recapture:

The diversion of dollars toward gambling is partially offset by "recapturing" some of the local markets that would otherwise spend their gambling and entertainment dollars outside of the region. This is in addition to the new visitors who would come to the City because of a casino and the existing visitors who would stay longer and spend more money.

The recapture of locals was calculated by Seaport Centre's consultants at 570,000 visits. This was based on recapturing a third of Vancouverites currently visiting casinos in Washington state and half of Vancouverites visiting Las Vegas. This latter number seems high as Las Vegas has become more of a holiday destination in recent years with fewer visitors noting gambling as a primary reason for their visit. To be conservative Seaport's consultants did not include the Las Vegas visitors in their further calculations.

The study commissioned by the City also estimated the number of locals who would choose to gamble in Vancouver instead of elsewhere. This study projected that between 122,980 and 137,980 Albertans and British Columbians will be diverted annually from Las Vegas and Redo (it did not consider Washington State). This number is much lower than Seaport's, in part because it used very different assumptions about the proportion of Canadian visitors to Las Vegas from British Columbia. The study for the City estimated recapturing one-quarter of British Columbians and Albertans who would otherwise visit Las Vegas.

Although the estimates of the actual number of locals recaptured by a casino range widely, it can reasonably be expected that this number would be positive. This means additional spending in the local economy of what would have otherwise been spent by British Columbians and Albertans on gaming and related travel expenses outside of B.C.

Impact on Other Businesses:

(i) Hotels

Seaport proposes a 1,000 room hotel for the high-end of the market to serve tourists, convention visitors and casino gaming visitors. The August Discussion Paper noted that: "if few new tourists are attracted to Vancouver, and the casino is integrated with a hotel, the hotel industry may suffer because the same number of tourists are available for a larger number of hotel rooms."

David A. Hughes & Associates was commissioned by Seaport to review the impact a casino/resort hotel would have on the hotel industry in downtown Vancouver. The study found that there would be additional demand for hotel rooms generated by Seaport, and that this demand would exceed the capacity of the new 1,000 room hotel. The study predicted the new demand created by Seaport would mean a need for 1,660 rooms in addition to the 1,000 room hotel, generating an incremental gross revenue to hoteliers of approximately \$45-50 million. Extrapolating from Tourism Vancouver data on spending patterns, the study further estimated that these additional overnight visitors would spend another \$45-50 million on food and beverages. Finally, the study noted that the type of visitors to a casino would be less seasonal than current visitors, and would help to improve the seasonality of the hotel industry.

The study for the City calculated the number of additional hotel rooms required at between 2,045 to 3,845 in addition to the 1,000 room resort hotel. These higher numbers are due, in part, to a lower visitor occupancy per room being used in the calculations.

The study for the City also projected what new and existing visitors would spend on hotels if a stand-alone casino were built. Looking at new visitors only, it estimated annual spending of between approximately \$50 million in Scenario 3 to \$120 million in Scenario 1. These revenues are far in excess of what could be accommodated at a 1,000 room resort at a casino (estimated at roughly \$32 million), with the remainder being new revenue for the remaining hotels. Further, additional spending on hotels by existing visitors who stay longer because of a casino is estimated at between roughly \$40 to \$60 million. Again, these projections of incremental benefit exceed those provided by Seaport's consultant.

The magnitude of the revenues projected by the two separate studies indicates that there would be substantial demand for hotel rooms and revenues in excess of that which a 1,000 room hotel at a casino could accommodate.

(ii) Restaurants/Retail

A study for Seaport Centre by Thomas Consultants compared the Seaport proposal to casino/resort complexes operating in Australia and the U.S. The study maintains that Seaport will have positive impacts on surrounding businesses as long as it is well connected to Gastown through the promenade and other physical links, and as long as it has a complementary rather than competitive mix. The study bases this assessment on the fact that Seaport will offer higher-priced retail facilities that would be lacking in Vancouver with the additional demand from new visitors, and which will not duplicate existing shopping centres. The majority of the fashion/gift floorspace is expected to be leased to retailers not already in the marketplace.

The study prepared for the City estimated annual spending on food, shopping and entertainment by new and existing visitors to a casino at between \$122 million in Scenario 3 to \$208 million in Scenario 1. A portion of the annual spending by existing visitors would have occurred even without a casino; the direct incremental portion is calculated at between \$90 million and \$175 million. Applying a multiplier of one to reflect the indirect spending which would result doubles the incremental spending figures.

These figures were derived for a stand-alone casino with no services on-site, and it was therefore assumed that all spending would be done off-site. The study does not estimate what portion would be spent off-site (that is, in the surrounding business community) with a combined casino/resort complex such as the Seaport proposal.

Although there will be incremental spending on food, shopping and non-casino entertainment as a result of a casino development, it is not clear with the available information how much of this spending would accrue to businesses outside of a casino or casino/resort development. It is clear that there will be a greater benefit to surrounding businesses if less services are accommodated on-site and if there are better connections between a casino and the adjacent retail areas.

Jobs Created:

There would be two kinds of direct jobs generated by a casino development - those short-term jobs related to its construction and those jobs required on an ongoing basis to operate the casino. In addition to both of these categories are the indirect or spin-off jobs which would be created as a byproduct of the direct jobs.

(i) Construction:

Construction jobs created are quoted in "person years". This reflects the fact that all construction workers do not work for a full year so that the number of persons involved will be greater than the number of person years. A person year is equivalent to one full-time equivalent job.

The study for Seaport estimates that, depending on the scale of the development, between 1,900 to 2,500 on-site person years of work will be created during the three-year construction program for the entire development including the casino, resort, convention centre and pier. Every direct on-site job will have an indirect or induced effect on other jobs in the region. Applying a range of multipliers from .5 to 1.5 to measure these indirect jobs means a potential range of total on-site and off-site jobs of between 2,850 and 6,250 annually.

By comparison, the study for the City used Seaport's estimates and predicted 1,080 direct person years annually for the construction of the casino alone. It applied a multiplier of 1.0 for a total of 2,160 jobs annually for each of the three years. This is based on the assumption that 30% of the total construction jobs are attributable to the casino alone.

These numbers are not an incremental analysis; that is they do not take into account the fact that if a casino does not go ahead, another development will eventually occur which would also generate construction jobs.

The casino proposal would create new construction jobs downtown, but no analysis has been done to estimate how many construction jobs for the Seaport proposal are incremental over those which would result from other developments at the site.

(ii) Operating:

Seaport projects that 3,200 direct full-time equivalent jobs would be required at its casino with another 1,800 required for the resort. Using a range of multipliers from 0.5 to 1.5 to predict indirect jobs gives a total of between 4,800 and 8,000 jobs at a casino alone. As discussed previously, some of the spending at a casino would be diverted from other spending in the economy, and as a result jobs would be lost in other areas. Using the Seaport study's 29% diversion factor discussed in the section on "Visitor Mix", and netting out those jobs lost as a result of diversion, gave Seaport an estimated total of between approximately 3,400 and 5,700 direct and incremental jobs created by its proposed casino.

The study prepared for the City used an estimate of 3,000 direct full-time equivalent jobs at a casino. It applied a multiplier of 1.0 for a total of 6,000 jobs. The study then applied diversion factors to recognize those jobs lost as a result of a casino. As the diversion factors are based on diverted spending, and this varies according to the visitor mix, three different factors were used: 11%, 17% and 26%. This resulted in a total net job gain from a casino of between approximately 4,400 and 5,350 full-time equivalent jobs.

The study also analyzed the education levels required for these jobs and compared this to Vancouver's labour supply profile. It found that there is a good fit between the type of employee required by a casino and the unemployment beneficiaries available for work at the four Canada Employment Centres adjacent to the proposed casino. In addition, the study for the City broke down the casino-related jobs by education level using Mirage's Nevada operation for comparison.

This breakdown revealed the following:

	<u>% of Total Casino Jobs</u>	<u>Average Salary</u>
No High School	5.1%	\$24,850*
High School	69.9%	\$28,200*
Vocational/College	19.1%	\$34,550*
University/College	5.8%	\$45,450
Post Graduate	0.1%	\$60,800

* These numbers do not include tips which can be quite substantial for some jobs in these categories.

A significant number of new direct and indirect jobs would be created by a casino in downtown Vancouver. These jobs closely match the education profile of workers currently unemployed and those on social assistance in the area surrounding the Seaport proposal. No analysis has been carried out to determine whether a casino would create more jobs or more desirable jobs than another type of development on the Vancouver Port Corporation's lands. If a casino is approved, the City may wish to encourage the casino operators to hire from the adjoining Canada Employment Centres and to provide training programmes in order to maximize the benefits to the surrounding area.

Government Revenues and Costs:

Government revenues are very difficult to predict as they are contingent on factors previously discussed such as gross revenues, the number of jobs and total employee salaries which will depend on the Province's operating regulations for casinos. For example, the number and type of games allowed will have a large impact on gross revenues and on the number of employees required. In addition, one of the important revenue sources could be a "win tax" charged by the Province on gross revenues, and it is not known yet whether this would be implemented or what the percentage would be. Further, it is not clear whether the City would receive a portion of any revenue, if property taxes would be payable, or if the City could charge licensing fees on each table or machine.

Seaport Centre has estimated that a casino and hotel would generate \$256 million annually in additional government revenues plus another \$195 million from the construction of the complex. Seaport estimated the win tax at 10% (which is the current licensing fee charged to charity casinos in B.C.). They assumed that revenues would not be shared with the City, that the City would not charge licensing fees but that it would receive property taxes. These estimates do not include potential revenues from the convention centre and cruise ship terminal. Further information on how these numbers were derived was not available so they could not be verified by City staff.

The study prepared for the City also attempted to project additional government revenues for all levels, and estimated these would total between \$111 million for Scenario 3 and \$190 million for Scenario 1 annually from the operation of a stand-alone casino. This is based on a win tax of 20% of which 5% (or 1% of the total win) would go to the City, and assuming the City would not charge licensing fees or receive property taxes. Unlike Seaport's estimates, these projections are an incremental analysis so are reduced by the amount of GST and sales tax that will be lost from the diverted spending. The projections do not take into account the additional revenues to be realized from recapturing locals who would otherwise spend their money outside the Province.

By comparison with other casinos, the Provincial win tax for Ontario casinos is 20% of gross revenue. The City receives property taxes, revenue from parking, and has received \$1 million for extra policing. It does not receive a percentage of the profits. The City of Montreal receives property taxes, lease revenue and a business licence tax on each table and slot machine. It also does not receive a share of the revenues from gaming.

As noted in the City's Discussion Paper, there would be additional capital costs (such as traffic signals and upgrades to the water and sewer systems) and ongoing operating costs (additional policing, licensing and inspections) which the City would incur. No additional estimates to those found in the Discussion Paper have been prepared as this is not possible without knowing more details about the final site design and scale.

The City would need to ensure that the developers of the site would pay the appropriate share of the incremental costs, perhaps through a conditional use permit that could be renegotiated as costs become apparent. The current proponent, Seaport Centre, has stated that it would work with the City to assess the potential impacts and appropriate mitigative measures.

The City's Discussion Paper also noted the likelihood of social costs resulting from a casino. Although attempts have been made to attach a value to these costs, it is impossible to fully measure in dollars the impact of consequences such as a marriage breaking-down, increased domestic violence or a job lost as a result of gambling. In addition to the social issues raised, there are also some hard costs which will have to be borne by society to try and prevent or remedy these impacts. One concern from the City's perspective is that it will be faced with many unquantifiable costs without receiving any additional funding for this purpose. This would have to be carefully negotiated with the Province, and could potentially include a share of the revenue to address these costs.

Government revenues and costs are too dependent on the Provincial gaming regulations and related taxation policies (which have not been developed) to be projected with confidence. It is reasonable that, even with diversion, these incremental revenues would be positive. It is also logical that the City could ensure that those directly measurable costs not included in annual revenues would be recovered from any developer. However, there are serious questions remaining as to the extent of additional social costs which may result from a casino, and which level of government these costs will fall upon.

3. Conclusion

The study prepared for the City concludes that "a casino in Vancouver would have a large and positive economic impact on the City of Vancouver". Based on this study, the studies prepared for Seaport Centre, and the comparisons to other casinos, the various measures of economic benefit are all very positive.

As noted previously, since the studies all have to rely on a series of assumptions, their projections should not be regarded as exact numbers but merely guidelines or indicators of the extent and nature of local economic activity a casino or casino/resort complex would generate. A review of these studies has not revealed any significant discrepancies or problems which would affect the positive nature of the projections. The following table summarizes the key assumptions and projections developed in the study for the City and in the studies for Seaport:

STAND-ALONE CASINO

	CITY			SEAPORT
	Scenario 1	Scenario 2	Scenario 3	
# of daily visitors	15,000	15,000	15,000	15,300
% of locals	30%	40%	60%	45%
% of existing tourists	20%	30%	20%	13%
% of new tourists	50%	30%	20%	42%
direct incremental spending -	\$673 million	\$523 million	\$353 million	*
total incremental spending - annual	\$1,339 million	\$1,040 million	\$702 million	*
direct construction jobs - 3 years	3,240	3,240	3,240	*
indirect construction jobs - 3 years	3,240	3,240	3,240	*
total construction jobs - 3 years	6,480	6,480	6,480	*
gross direct operating jobs - annual	3,000	3,000	3,000	3,200
% of spending diverted	11%	17%	26%	29%**
net direct operating jobs - annual	2,672	2,492	2,216	2,272
net indirect operating jobs - annual	2,672	2,492	2,216	2,272 ***
net total operating jobs - annual	5,344	4,983	4,431	4,544 ***
incremental govt. revenue - annual	\$190 million	\$150 million	\$111 million	\$257 million

* Seaport did not calculate these figures for a stand-alone casino.

** Based on the visitor mix for a casino/resort complex.

*** Using the mid-range multiplier of 1.0

From a purely economic stand-point, the available information indicates that either a casino or a casino/resort complex would mean significant new economic activity for Vancouver. This economic activity would translate into additional revenues for Vancouver-area businesses, new jobs, and new revenue sources for each level of government. The new money injected into the economy would outweigh the direct quantifiable costs resulting from this type of development. However, there would also be other social costs incurred which can not be effectively measured in dollars, and which must be considered when looking at any projections of positive economic impacts.

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ADMINISTRATIVE REPORT

Date: October 7, 1994
Dept. File No. Casinos

TO: Vancouver City Council

FROM: Casino Review Task Force

SUBJECT: The Introduction of Video Lottery Terminals,
Electronic Bingo and Gaming Activity on First
Nations Reserve Lands in the City of Vancouver

RECOMMENDATION

- A. THAT Council express concern over the gaming expansion and support a municipal approval process for electronic bingo and Video Lottery Terminal (VLT) locations in the City of Vancouver similar to location approval of charity casinos.
- B. THAT Council approve the appointment of a Special Council/Staff Committee on Gaming Issues that will discuss with the province the following:
- i) reiteration of the City's position that there be wide public consultation prior to implementing any expanded gaming;
 - ii) a revenue sharing formula for VLTs and electronic bingo in approved locations in the City of Vancouver;
 - iii) a funding formula for new community based policing programs to be derived from gaming revenue;
 - iv) consultation with the Provincial Government re First Nations wishing to establish gaming activity on reserve lands located within or near the City of Vancouver;
 - v) a process to ensure that with increasing numbers of casinos, consultation take place with everyone who is affected (e.g. neighbouring municipalities).
- C. THAT Council request staff to report on issues related to enforcement of regulations applicable to VLTs, including the issue of illegal or grey machines.

Not approved
see pages 3-4
for approved
resolutions

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of the foregoing.

COUNCIL POLICY

On July 26, 1994 Council resolved the following:

- that the provincial government ensure local government approval of specific gaming locations and consultation on community impacts for any expansion to gaming activity.
- that approval of any new gaming activity including VLTs, electronic bingo, and First Nations gaming be conditional on a portion of gaming revenue being available to local government to offset costs and that the potential effects on charitable gaming be addressed.
- that Mayor and a delegation from Council seek a meeting with the Minister of Municipal Affairs and the Minister of Government Services to present these requests.
- that Council request UBCM endorse these resolutions on behalf of all B.C. municipalities.

On October 4, 1994, Council resolved the following:

- "That Council reaffirm its commitment to the people of Vancouver to conduct an open public process on the issue of expanded gaming in Vancouver, and
- That Vancouver City Council continue its public consultation process through the public hearings scheduled for October 18, 19 and 21, so that Council can base its decision on the information City staff have gathered and circulated to the public, and which the public will have had an opportunity to comment upon, and
- Further That Vancouver City Council's policy decision made at the conclusion of our public hearings be communicated to the Province for inclusion in the legislation on gaming, which the Provincial Government will be framing over the next few months."

On October 6, 1994, the Vancouver Liquor Licensing Commission resolved the following:

"That staff prepare a report to Council on the impact of video lottery terminals being introduced to licensed liquor establishments."

UBCM POLICY

On September 23, 1994 UBCM unanimously endorsed the resolutions submitted by the City of Vancouver:

"Be it resolved that UBCM request the Provincial Government to ensure that there will be municipal participation in the evaluation of community impacts of any expansion to gaming activity, and that gaming legislation or regulations require municipal endorsement of specific gaming locations prior to approval;

And be it further resolved that UBCM request the Provincial Government ensure through policy that any new gaming activity, including First Nations, be conditional on a portion of the revenue being available to local government for mitigating measures, and that any proposals for new gaming activity specifically address the potential effects on charitable gaming.

PROVINCIAL POLICY ANNOUNCEMENT

On October 4, 1994, the Province of British Columbia announced its rejection of Las Vegas style casinos while embarking on significant expansion of gaming activity. These activities include the expansion of charitable casinos, increase in electronic bingos, the introduction of video lottery terminals, and expansion of gaming to First Nations.

PURPOSE

The purpose of this report is to provide Council with the information on the new provincial government gaming policy, and to outline implications for the City as well as initiate a process to deal with gaming issues. The process would ensure Council's participation in the consultation, approval and revenue sharing relating to VLTs, electronic bingo, and gaming on First Nations reserve lands.

BACKGROUND

It has been the experience of local government in other provinces that the introduction of new forms of gaming such as gaming on First Nations reserve lands, major casinos, VLTs, and electronic bingo has been legislated and introduced by provincial governments without prior consultation with the affected municipalities. Negotiations after the fact, attempting to mitigate community social impacts and municipal cost recovery for significant unanticipated expenses, have been protracted and difficult. With no consultative process in place and no legislative requirement for municipal approval of locations, additional problems were encountered. Effective

lobbying by special committees of Councils in Toronto and Windsor resulted in amendments to gaming legislation in Ontario and, as a result, Council approval for casino locations is now a legislated requirement in Ontario.

DISCUSSION

The seven year moratorium on gaming expansion has now been lifted. The provincial government has embarked on a significant expansion of gaming activity throughout the province which will eventually expand to First Nations reserve lands. The extent or nature of First Nations gaming activity is currently under negotiation and is not expected to be completed until the end of this year.

It has been announced that up to 5,000 computer style electronic gaming machines (video lottery terminals) will be licensed for age restricted locations such as pubs, bars and charity casinos. Up to 1600 electronic bingo units will be introduced to charitable bingo halls.

Allowing an increase in the number of charity casino locations, and introducing VLTs to these casinos and in a number of bars and pubs throughout the City will make VLTs accessible to a broader sector of the community. Many of the concerns and issues over social impact, increased policing costs, increased problem gambling and its consequences, and the location of gambling activity that were addressed in the City's casino review remain relevant and must be addressed. Access to more kinds of gambling may bring unique and as yet undetermined problems.

Council's stated concern that expanded gaming activity could impact charity gaming may have been addressed by government's announcement that charity casinos will have VLTs. It is important to note that the Criminal Code interpretation currently requires that proceeds from electronic gaming devices must accrue to the provincial government. It is not clear how charities will benefit from this added revenue source.

CONCLUSION

Council's proactive initiatives have ensured the provincial government is aware of the need for local government to approve locations of new gaming activity, to consult on implications and to share in gaming revenue to offset additional costs. Establishing a method of managing gaming issues positions Council to minimize somewhat the social costs and ensure the City is reimbursed for the additional expenses incurred from this expanded gambling activity.

CITY OF VANCOUVER
SPECIAL COUNCIL MEETING

1

A Special Meeting of the Council of the City of Vancouver was held on Tuesday, October 18, 1994, in the Judge White Theatre, Robson Square Conference Centre, 800 Robson Street, Vancouver, B.C., commencing at approximately 7:30 p.m. Subsequently, the meeting reconvened in Robson Square at 8:00 p.m. on October 19, 1994, and at 7:30 p.m. on October 21, 1994 in the Council Chamber, third floor, City Hall.

PRESENT: Mayor Owen
Councillors Bellamy, Chiavario, Clarke,
Hemer, Ip, Kennedy, Kwan, Price
and Puil

ABSENT: Councillor Bellamy (October 19 & October 21)
Councillor Ip (October 19 & October 21)
Councillor Sullivan (Leave of Absence)

CITY MANAGER'S OFFICE: Judy Rogers

CLERK TO COUNCIL: M. Kinsella & G. MacIsaac

COMMITTEE OF THE WHOLE

MOVED by Cllr. Kwan,
SECONDED by Cllr. Price,

THAT this Council resolve itself into Committee of the Whole,
Mayor Owen in the Chair.

- CARRIED UNANIMOUSLY

1. Casino Review

The Mayor announced this was the first of three evening meetings scheduled to provide Council an opportunity to receive delegations and submissions on gaming issues.

Before Council for consideration were two reports. The first, from the City Manager and senior City staff on Major Casinos in Vancouver, and the second from the Casino Review Task Force on the Introduction of Video Lottery Terminals, Electronic Bingo and Gaming Activity on First Nations Reserve Lands in the City of Vancouver.

cont'd....

Special Council, October 18, 19 and 21, 1994 2

Casino Review (cont'd)

Ms. Judy Rogers, Assistant City Manager, introduced the Administrative Report dated October 7, 1994 on Major Casinos in Vancouver. This report presents staff's conclusions and recommendations from the City's Casino Review. Pursuant to Council's instructions staff assessed the positive and negative impacts of introducing a major casino in Vancouver and also of a casino as a component of the 'Seaport Centre Vancouver' proposal on the Central Waterfront Port Lands.

On February 23, 1994, the Province announced a study of expanded gaming in British Columbia. On February 24, 1994, the Vancouver Port Corporation announced selection of a developer for the Central Waterfront Port Lands who proposed a major casino.

On June 21, 1994, Council approved terms of reference for a City process of analysis and a public consultation process on the question of a major casino in Vancouver.

Ms. Rogers reviewed the public consultation process, which included opinion polling, community meetings, a telephone hot-line, freenet and written submissions. Approximately 400 copies of the Casino Discussion Papers were distributed. The Executive Summary was translated into French, Chinese, Punjabi, Vietnamese and Spanish. The Discussion Paper was accessible on two local computer bulletin boards, the Vancouver Freenet and Wimsey. A Casino Talkback Line was also established. In addition, an Economic Impact Study was commissioned by the City. Copies of all the documents referred to are on file in the City Clerk's Office.

While the proposed City policy does not support the casino component of the 'Seaport Centre Proposal', City policy does support the cruise-ship terminal and expanded convention facilities on the Central Waterfront Port Lands.

The Administrative Report on Major Casinos in Vancouver submitted the following recommendations for Council's consideration:

- A. THAT major casinos NOT be permitted in the City of Vancouver.
- B. THAT the Vancouver Port Corporation be advised that a major casino in the 'Seaport Centre Vancouver' proposal on the Central Waterfront Port Lands is not consistent with City policy.

cont'd....

Special Council, October 18, 19 and 21, 1994 3

Casino Review (cont'd)

- C. THAT the policy of the City of Vancouver on major casinos be communicated to the Province of British Columbia.

Mr. Larry Beasley, Associate Director - Central Area Planning, pointed out while the Economic Impact Study shows there are significant economic benefits from casinos, there often are significant social costs associated with casinos, e.g., addictive gambling, increase in crime and loss of housing. Of significance factor was the findings of the opinion poll which was done at the end of the public discussions. This showed over 50% of those polled were opposed to a casino on Vancouver's waterfront. A similar reaction was prevalent throughout the public discussion. However, it appeared most people are comfortable with charity casinos, because of their relatively low impact.

Referring to an Administrative Report dated October 7, 1994, from the Casino Task Force on The Introduction of Video Lottery Terminals, Electronic Bingo and Gaming Activity on First Nations Reserve Lands in the City of Vancouver, Mr. Beasley stated staff are concerned with the possible expansion of Video Lottery Terminals (VLTs). There is concern they may be more addictive than other forms of gambling. Because of this concern, staff is conducting further research into this matter and will submit a report on their findings to Council on November 1, 1994.

Many of the concerns and issues over social impacts, increased policing costs, increased problem gambling, and its consequences, and the location of gambling activity that were addressed in the City's casino review are relevant to VLTs, Electronic Bingo and expanded gaming activity.

The relevant Administrative Report submitted the following recommendations for Council's consideration:

- A. THAT Council express concern over the gaming expansion and support a municipal approval process for electronic bingo and Video Lottery Terminal (VLT) locations in the City of Vancouver similar to location approval of charity casinos.
- B. THAT Council approve the appointment of a Special Council/Staff Committee on Gaming Issues that will discuss with the Province the following:

cont'd....

Special Council, October 18, 19 and 21, 1994 4

Casino Review (cont'd)

- i) reiteration of the City's position that there be wide public consultation prior to implementing any expanded gaming;
 - ii) a revenue-sharing formula for VLTs and electronic bingo in approved locations in the City of Vancouver;
 - iii) a funding formula for new community-based policing programs to be derived from gaming revenue;
 - iv) consultation with the Provincial Government re First Nations wishing to establish gaming activity on reserve lands located within or near the City of Vancouver;
 - v) a process to ensure that with increasing numbers of casinos, consultation take place with everyone who is affected (e.g., neighbouring municipalities).
- C. THAT Council request staff to report on issues related to enforcement of regulations applicable to VLTs, including the issue of illegal or grey machines.

Speakers

A total of 44 delegations addressed Council during the three meetings.

The following speakers were generally in favour of the recommendations in the Administrative Reports before Council:

- Mr. Don Larson, CRAB
- Ms. Connie Fogal, Concerned Citizens Against the Casino (brief on file)
- Mr. John Shayler, Action Project Carnegie Community
- Mr. Mel Lehan, Neighbour-to-Neighbour
- Ms. Dorothy Goresky, Unitarian Church
- Professor Robert Clarke (brief on file)
- Mr. Joe Arnaud
- Mr. David Mitchell, MLA, West Vancouver
- Mr. Derek Humphreys
- Ms. Esther Silva
- Ms. Cindy Terry
- Dr. Len Henrikson (brief on file)

cont'd....

Special Council, October 18, 19 and 21, 1994 5

Casino Review (cont'd)

- Mr. John Van Luven
- Ms. Peggy MacIntosh, Raging Grannies
- Ms. Eleanor Hadley
- Mr. Ernest Culley
- Mr. Paul Pasternak
- Mr. John Church
- Mr. Stuart Parker
- Mr. Anthony Norfolk
- Mr. Barry Morris, Vancouver Urban Core Workers
- Mr. Blake MacLeod
- Ms. Emma Dal Santo (letter on file)
- Mr. Stuart Howard, Vancouver Heritage Advisory Committee
- Ms. Barbara Schumiatcher, No Casino Committee
- Ms. Margo Furk, No Casino Committee
- Mr. Hart Molthagen
- Mr. Gordon Wilson, MLA, Powell River/Sunshine Coast
- Ms. Sue Lister & Ms. Bobbi Lucas, Theatre Terrific
- Dr. Edward Shaffer (letter on file)
- Ms. Nancy Alexander
- Ms. Isabel Minty, Concerned Citizens Against The Casino
- Mr. Hans Schmid
- Ms. Alice Robson
- Mr. Lee Lafferty
- Mr. Donald Bazett
- Mr. Harvey Pudwell
- Mr. Gary Farrell-Collins, MLA, Fort Langley/Aldergrove
- Mr. Bob Tanner
- Mr. Cody Williams, Citizens Concerned About Free Trade
- Ms. Peggy McIntosh.

The foregoing speakers agreed with one or more of the following statements:

- Staff are to be commended on the recommendations that have been arrived at through a comprehensive public process;
- City Council has not taken a leadership role in this issue to date, and upon receiving public input should take a strong stand on this issue. More input from Council at an earlier stage would have been helpful. Vancouver Council's decision will set a trend for the remainder of the Province, and will be listened to by the Provincial Government;
- Public response has shown an overwhelming opposition to major casinos in Vancouver;

cont'd....

Special Council, October 18, 19 and 21, 1994 6

Casino Review (cont'd)

- There is a long history of crime and corruption associated with gambling in British Columbia;
- Concern was expressed that future governments might reconsider a major casino proposal in Vancouver;
- Charity casinos in Vancouver fill a need and should continue as is;
- Charity casinos could also become a source of concern because they will need to compete with other gambling initiatives, and this could result in requests for liquor licenses;
- Charity casinos and all other types of gambling in Vancouver are wrong and should be opposed;
- The City should oppose any proposal for expanded gambling. This would include the introduction of video lottery terminals (VLTs), electronic bingo and gaming activity on First Nations reserve lands;
- VLTs are one of the most highly addictive forms of gambling.
- Statistics show that people from all social and economic backgrounds can become pathological gamblers, although teenagers are particularly susceptible to this problem. Research has also proven that a higher suicide rate exists among children who have a parent that suffers from pathological gambling;
- Gambling will have a devastating effect on the social and mental health of citizens of Vancouver;
- Governments are elected to preserve the well-being of society. Yet the Provincial Government is admitting there will be social ills associated with gambling, because they have agreed to set aside funds to treat gambling disorders. Therefore, the Provincial Government is not acting responsibly because it is creating a situation which will have negative impacts on society. This is also inconsistent with the new directions in health initiative which is being implemented by the Provincial Government;

cont'd....

Special Council, October 18, 19 and 21, 1994 7

Casino Review (cont'd)

- There is a lack of information about VLTs and their consequences, and at present there is no credible rationale for the direction being taken by the Provincial Government;
- The Provincial Government uses the existence of illegal machines as a justification for the introduction of VLTs. If there are illegal machines operating, the Government should remove them;
- VLTs will likely be introduced into licensed premises, which will increase the chances of pathological gambling abuse;
- The majority of licensed premises in the City are in the Downtown Eastside. Expanded gaming and VLTs will worsen the social problems already existing in this community;
- The role of B.C. Lottery Corporation in this issue needs to be closely monitored;
- First Nations peoples should be subject to the same laws as the remainder of society, and should not be allowed to conduct gambling on their lands;
- When all of the costs of gambling are considered and included, the result is a negative, economic impact to the community;
- Governments should not look to gaming for any of its revenues;
- Casinos do not create new wealth for the community;
- Casinos may be better suited for another community in B.C. with a less vibrant economy;
- There should be no expansion of gaming of any kind without the support of the community that will be impacted;
- Casinos are incompatible with Vancouver's image because of their scale, inward orientation and infrastructure.

Mr. David Podmore, President, Vancouver Land Corporation (VLC), advised the role of his company in the Seaport proposal was to design and build the facility. The focus was on the creation of new jobs, new wealth and new infrastructure.

cont'd....

Special Council, October 18, 19 and 21, 1994 8

Casino Review (cont'd)

Mr. Podmore complimented staff on the process that was carried out, but took exception with the statement there was a lack of support for the project. This was due in part to a low profile played by VLC and its shareholders during the public consultation process and a list containing names of 50,000 - 60,000 individuals who were in support of the project was presented to Council (on file in the City Clerk's Office).

Mr. Podmore expressed disappointment that a comprehensive review was not undertaken by the Provincial Government. He voiced concerns about the following aspects of the gaming policy proposed by the Provincial Government:

- There is a consensus in the literature that an expansion of video lottery terminals, other than in a controlled gaming environment (casino), generally results in negative impacts. VLTs are probably the most addictive form of gambling and are often subject to abuse. The rationale for support by the Province is that the legalization of VLTs will improve the enforcement of illegal activities. Mr. Podmore urged the City to express its concern about the VLTs.
- On the issue of charity casinos, this is a \$1.5 billion industry in the Province today, but nothing is set aside for the treatment of addictions.

Mr. Podmore stated a preference that the Province adopt an approach of controlled expansion of gaming, which means the creation of new wealth and an influx of new money into the community, rather than the present proposed method of allowing a continued gradual expansion of gaming. The latter approach is less preferable because it results in a recycling of money locally and the community ends up with all of the negative aspects but none of the positive aspects that could be achieved. Mr. Podmore also expressed concern that other important elements of this proposal such as the need for a cruise terminal, and the need and merits of an expanded convention floor in Vancouver have been forgotten.

Mr. Doug Williams, Downtown Vancouver Association (brief on file), advised the Association is in support of a major casino in Downtown Vancouver, and cited the following reasons for its support:

cont'd....

Special Council, October 18, 19 and 21, 1994 9

Casino Review (cont'd)

- The policy of not allowing major casinos will result in a loss of opportunity for significant public benefits such as new tourist dollars, new jobs and infrastructure for major public facilities;
- Gaming is already an established part of our social fabric and the majority of DVA members have no objections on the ethical/moral issue of gambling;
- The Provincial ownership of gaming facilities and strict controls are the most effective ways to limit potential criminal activity;
- Any casino should be integrated with other tourist facilities into the city fabric;
- A major destination casino would improve the overall economic impact on businesses Downtown;
- A major gambling facility should be located in the Downtown and away from residential neighbourhoods.

Mr. Williams requested Council limit the locations of non-profit gambling through zoning controls, and adopt by-laws to eliminate video lottery terminals in Vancouver.

Responding to a question from a member of Council, Mr. Williams advised the Association would prefer not to see one big casino, but would support more than one casino in locations such as hotels in the Downtown.

Conclusion

Following the conclusion of the representations from the public, Council agreed to defer a final decision on this matter until the regular Council meeting on Tuesday, November 1, 1994.

cont'd....

Special Council, October 18, 19 and 21, 199410

RISE FROM COMMITTEE OF THE WHOLE

MOVED by Cllr. Puil,
 THAT the Committee of the Whole rise and report.

- CARRIED UNANIMOUSLY

ADOPT REPORT OF COMMITTEE OF THE WHOLE

MOVED by Cllr. Puil,
 SECONDED by Cllr. Clarke,
 THAT the report of the Committee of the Whole be adopted.

- CARRIED UNANIMOUSLY

* * *

The Special Council adjourned at 10:05 p.m.,
 Friday, October 21, 1994.



CITY OF VANCOUVER

Planning

UB-1(i) 55

MEMORANDUM

October 31, 1994

TO: Mayor and Members of Council

FROM: Casino Review Task Force

SUBJECT: Video Lottery Terminals (VLT's)

At the recent Special Council Meetings on the Casino Review, Council asked staff for further information on video lottery terminals (VLT's). This memorandum provides the information we have been able to gather to date.

What is a VLT?

A VLT is an electronic gambling machine. Such machines evolved from traditional mechanical slot machines using computer technology. VLT's may have touch screens and offer different games on one terminal, such as video poker, keno or match-3. There are several manufacturers across North America and new games are constantly being developed. Appendix A shows a typical VLT.

VLT's may be both "cash" and "cashless". "Cash" machines accept coins and pay out coins or credits. In Canada, a winner receives a printout pay slip which must be redeemed for cash on site. Apparently, VLT's proposed by the Province would be "cashless". The player buys credits on site which are programmed into the VLT. A winner receives a pay slip to redeem. The Province believes this system controls spending and allows age control as the gambler has to deal with an agent on site.

What is Canadian experience with VLT's?

Since their introduction in New Brunswick in 1990, VLT's have spread to every province except Ontario and B.C., as summarized in Appendix B. Six provinces restrict VLT's to age-restricted or licensed premises. New Brunswick and Prince Edward Island also allow VLT's in convenience locations such as corner stores, laundromats, and bowling alleys. Provincial authorities regulate VLT's through contracts with site holders covering installation and maintenance, revenue sharing and security precautions. Provinces also regulate the number of VLT's that each retailer can have.

Nova Scotia has experienced problems with VLT's. Nova Scotia initially allowed about 4,500 VLT's in adult restricted and convenience locations. After one year, about 1,500-2,000 VLT's were removed from non age-restricted locations because of broad public concerns over the high incidence of youth gambling, fears about addiction and problems with 24 hour operations.

What is the Netherlands' experiences with gambling machines?

The situation in the Netherlands was referred to often in the Casino Review meetings, but little information was then on hand.

There are no VLT's in the Netherlands, but there are about 50,000 slot machines, which were introduced in 1986. They are allowed in arcades, bars, restaurants, snack bars and corner stores. Only arcades have age restrictions (customers must be 16 years or older). The national government created the regulatory framework for slot machines, but municipalities license and regulate them. Municipalities cannot completely restrict the location of slot machines but can limit them to one machine per establishment.

Apparently, the national government is considering a moratorium on any expansion as well as changes to regulations, because of concern about the extent of gambling addiction in young men between 15 and 25 years old. We could find no evidence that slot machines have been recalled or that the moratorium has been implemented to date.

Where are the probable VLT outlets in Vancouver?

The Province wants to introduce VLT's into age-restricted, licensed premises.

As of 1991, there are about 250 licensed premises (excluding another 250 restaurants) in Vancouver. Appendix C shows their location. About 20% are located in the East Downtown neighbourhoods, 15% in Downtown South, 35% in the rest of the Central Area and 30% in community settings elsewhere in the City. The Province has indicated that up to 5 VLT's could be placed in such an establishment.

There are 5 existing charity casinos in Vancouver. Appendix D shows their locations. The Province may allow up to 15 VLT's in each casino. Since the moratorium on charity casinos has been lifted, their number in the city could increase.

What are Grey Machines? How many are there? Where are they?

Grey machines are video terminals offering games of chance. These games can be for amusement purposes only; however, they are often used for gambling, similar to a VLT. Usually no cash is fed in and no pay slip comes out. If a player wins, credits appear on the screen and are redeemed for cash on site. Police cannot seize these grey machines unless they prove they are being used for gambling by witnessing a player in the act of being paid out. The Police believe there are about 10,000 grey machines in B.C. although not all of these are in use. Roughly 3,000 may be in Vancouver, with 1,500 of these in operation, located in corner stores, restaurants, pool halls, arcades, bars and basements of houses.

Experience elsewhere suggests that grey machines do not disappear when legal VLT's are introduced. Removal of grey machines is possible if the Province enacts legislation to make them clearly illegal.

What powers does the City have to forestall or regulate VLT's in Vancouver?

The Province is a senior government to the City and provincial laws override municipal bylaws. As VLT's will be owned and managed by the Province, through the B.C. Lottery Corp., the City has no power to forestall them in Vancouver, to limit their locations, regulate them or draw revenues from them unless the Province chooses to give such authority to the City.

In Alberta, Edmonton is considering a gaming tax on VLT's to be paid by operators of hotels, bars and restaurants. Also, municipal officials in northeastern Alberta have been meeting with the Premier to negotiate a share in VLT revenues.

Do VLT's increase the likelihood of problem gambling?

Many governments across North America have allowed gaming expansion, including VLT's, without much research, and without much effort to determine social and health consequences. There is also a perception that it may not be in the interest of governments or the gambling industry to fund research which may be critical.

Very few studies are available on VLT's, so we looked for information from the treatment field and from gambling crisis help-lines. Women and young men under 30 appear to be at particular risk in developing gambling related problems from VLT's. There is some evidence that VLT's may present a greater gambling problem for women than men. In a Las Vegas study of those who sought treatment at a local hospital for gambling, 95% of the women and 74% of the men identified problems with video poker. Women are also less likely to seek treatment for gambling problems. From those who play VLT's the treatment field is seeing a more rapid onset of gambling problems and a greater severity of the problem.

Research has shown a substantial overlap between pathological gambling and other addictions. Pathological gamblers have much higher rates of alcohol and other drug abuse than the general population - from as few as 10-15% to as high as 40-50%. Information on the overlap between VLT users and substance abuse is not available.

The Alberta Alcohol and Drug Abuse Commission's help line for problem gamblers had 249 calls during their first 3 months between July and September 1994. Of the 141 (58.3%) who reported problems with VLT's, 62% were men and 38% women. The majority of the VLT problem callers were between 26-35, and were employed. Of the total calls, 13.7% reported a

dual problem with alcohol. This data is very preliminary and would likely be different after a full year. Also, results may be influenced by gambling having become a controversial media issue in Alberta.

In 1993, Dr. Barbara Gfellner surveyed VLT gamblers in Brandon, Manitoba. Of the 507 who completed surveys, 65% were men and 35% women. The refusal rate of more than 50% was considerably higher than in most telephone surveys. Most were between 18 and 45, had high school or greater education, worked full-time, and had an annual income of \$25,000 to \$29,000. Most said they had a budget to play VLT's and stuck to it. They also participate in other gambling activities, but VLT use is most frequent. Overall, the findings in Brandon show VLT gaming is engaged in regularly by young adults, in a social context.

However, the survey also found that 9.3% of VLT gamblers could be classified as probable pathological or problem gamblers. This is considerably higher than reported in other gambling studies. Men and women were equally represented, however men were significantly younger. There were no differences in education and income. Problem gamblers played VLT's on average 3-4 times a week, and were involved in other forms of gambling. They reported more change in their behaviour since the introduction of VLT's (mostly concerning expenditures) and they indicated more concerns about their VLT gambling (spending) than non-problem gamblers.

There are particular concerns about the possible crossover of video or computer games to VLT gambling and addiction, especially among youth. Little research has been done on this topic, and more information is needed in order to understand the connection.

In conclusion, the following characteristics of VLT's are of particular concern regarding problem gambling:

- immediacy - you get the results right away;
- ability to increase play - the amount wagered and the time spent playing can all increase;
- perception of skill - a game of chance that creates illusion that one can beat the machine;
- mesmerizing effect - ability to lose yourself in the activity;
- losses seem painless - there is small increment but high volume betting.

What is the bottom line on VLT's from the available information?

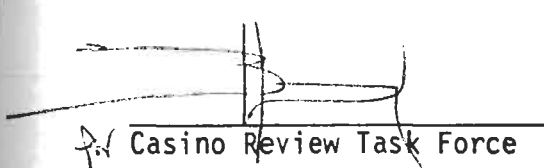
Detailed research, especially long-term studies, on VLT use and impacts is scarce or non-existent. Anecdotal evidence and treatment information suggests that VLT's may be linked to higher rates of problem gambling, particularly among younger people. Studies in cross addiction suggest

that all gambling, not excluding VLT's, in association with liquor consumption may create special problems. More research may be appropriate before VLT expansion is implemented.

If, regardless of the City point of view, the Province proceeds with VLT's, experience elsewhere would endorse age-restricted locations without alcohol. Charity casinos would satisfy these parameters. Otherwise, most age-restricted places also include liquor consumption. Also, in Vancouver, a significant proportion of liquor premises are in lower-income, inner-city neighbourhoods. VLT's in these locations could place more vulnerable people at risk. The point is that many age-restricted locations may simply be incompatible with VLT's. Local government, with community consultation, has the demonstrated ability, through experience with liquor licensing, to make such detailed locational decisions.

Finally, simply providing VLT's as a gambling alternative will not lead to the disappearance of grey machines. New legislation is essential to make grey machines illegal and give police the power to remove them.

This memorandum is meant to augment the two reports from the Casino Review Task Force that are already before Council. A bibliography of sources used to compile this information is attached as Appendix E.



Casino Review Task Force

KH/ln

HEM/020-1718

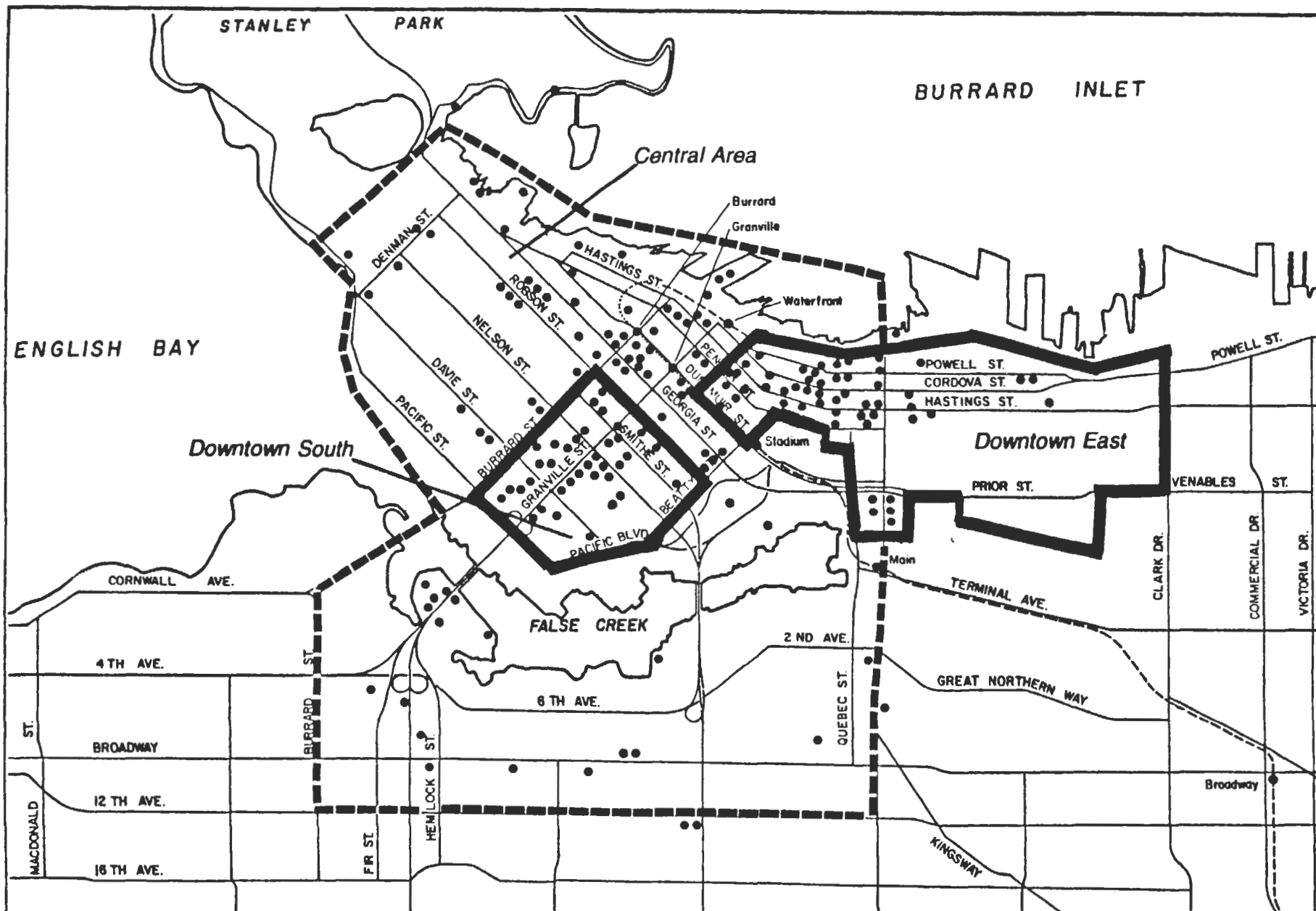


(Note: the original memorandum pictured an older-style VLT; we have inserted this picture of a modern VLT in its place.)

APPENDIX B

VIDEO LOTTERY TERMINALS
IN CANADA

PROVINCE	INTRODUCED	NUMBER OF VLT'S NOW	% OF REV. TO PROV. GOV'T	WHERE PERMITTED	NUMBER PERMITTED PER ESTAB.
New Brunswick	1990	3,400	50	CONVENIENCE LOCATIONS	5
Prince Edward Island	1991	550	50	CONVENIENCE LOCATIONS	5
Newfoundland	1990	1,700	80	LIQUOR LIC. ESTAB.	5
Nova Scotia	1991	2,400	70	LIQUOR LIC. ESTAB.	5
Quebec	1993	500	80	LIQUOR LIC. ESTAB.	5
Manitoba	1992	5,000	80	LIQUOR LIC. ESTAB.	40
Saskatchewan	1993	3,500	85	AGE CONTROL ESTAB.	3-12
Alberta	1992	5,500	85	LIQUOR LIC. ESTAB.	10



POTENTIAL LOCATIONS FOR VLT'S IN VANCOUVER'S CENTRAL AREA
(does not include restaurants)

City of Vancouver Planning Department

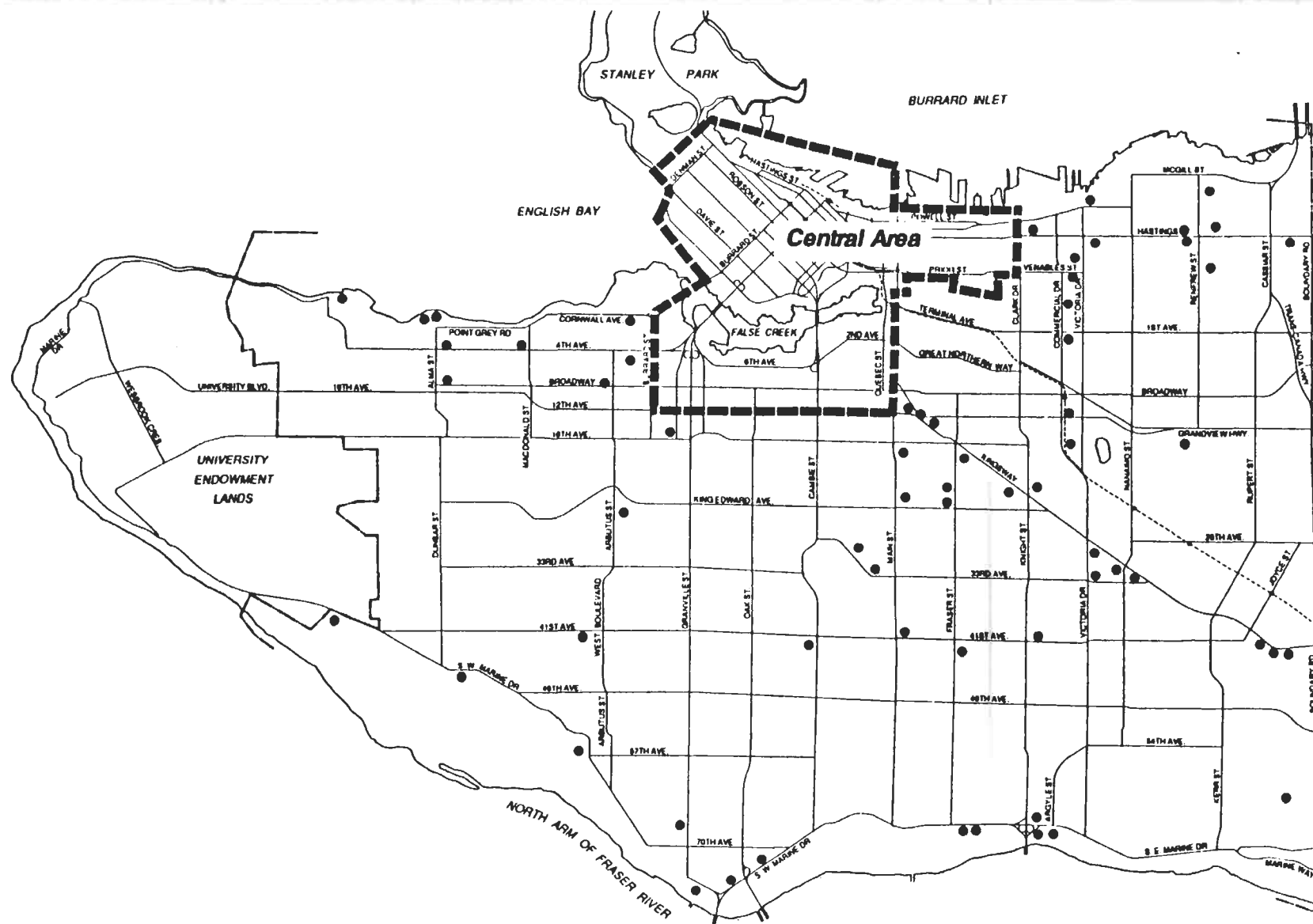
Date 94 10 28

Drawn MD/CC

Scale

No.





POTENTIAL LOCATIONS FOR VLT'S IN VANCOUVER
(except Central Area; does not include restaurants)

City of Vancouver Planning Department

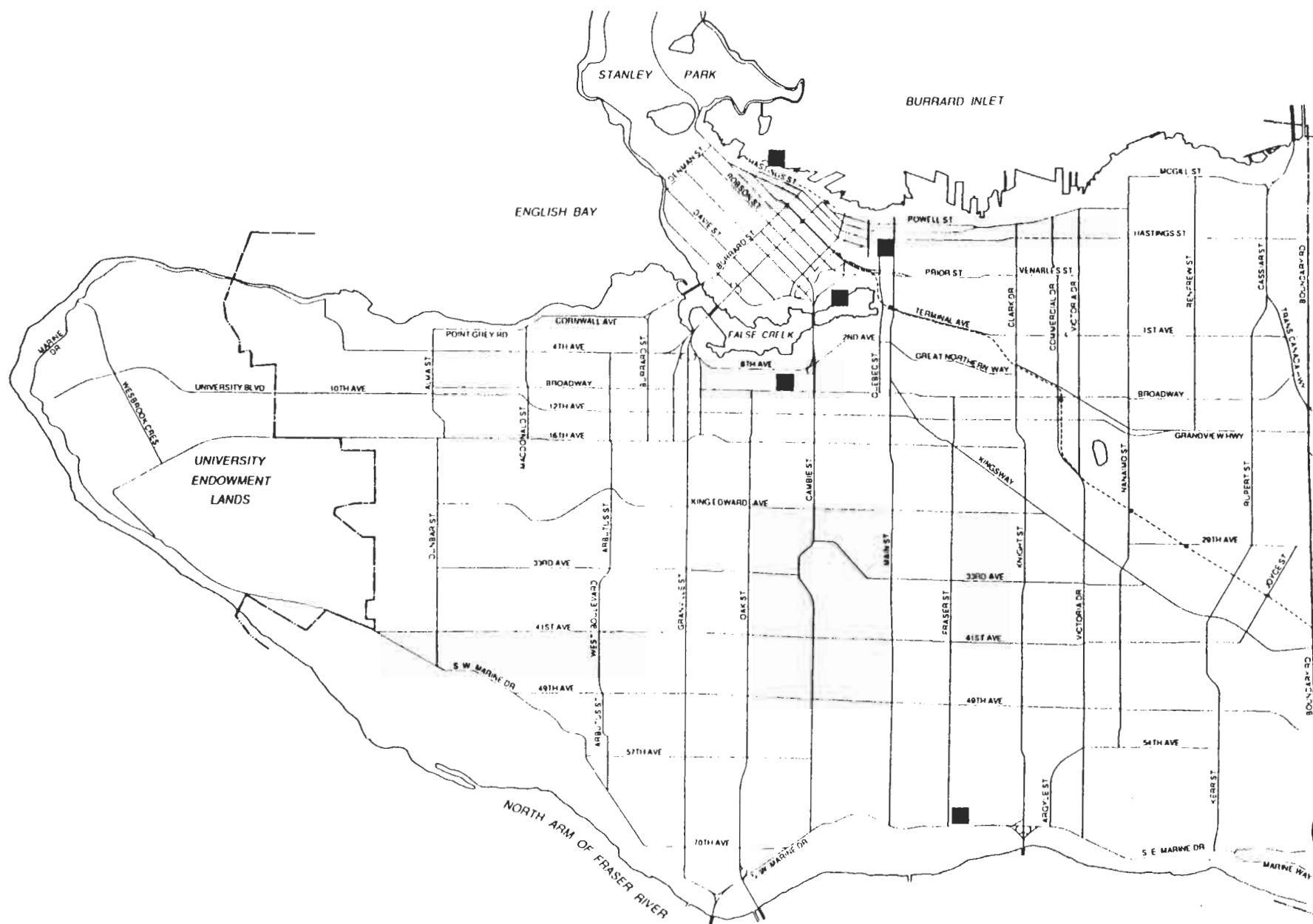
Date 94 10 28

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Scale

metres 1000 500 0 1 2 kilometres





VANCOUVER CHARITY CASINO LOCATIONS

Date 94 10 28

Drawn MD/CC



Sources Used in Compiling Information on VLT's

Interviews, advice and information

1. Patricia Angelhal, Newfoundland Lottery Licensing Branch
2. Mr. Bohemen, Ministry of Economic Affairs, the Netherlands
3. Brian Egli, Alberta Lotteries and Gaming, Gaming Control Branch
4. Janet Feastie, Policy Coordinator, Ontario Gaming Control Commission
5. Dr. Barbara Gfellner, Department of Psychology, Brandon University, Manitoba
6. Clyde Horner, Nova Scotia Lottery Commission
7. Dr. Rob Hunter, Clinical Director, Charter Hospital Programs, Las Vegas, Nevada.
8. Vicki Kuhl, Gaming Consultant
9. Nancy MacKinnon, Department of Transportation and Public Works, Office of the Deputy Minister, Prince Edward Island
10. Tammy Mazerolle, Atlantic Lottery Corporation
11. Netherlands Lottery Corporation, Netherlands
12. Susan Olynik, Communications, Manitoba Lottery Corporation
13. Ron Robinson, International Game Technology, Calgary, Alberta
14. Dr. Gary Smith, Department of Physical Education and Sports Studies, University of Alberta, Edmonton, Alberta
15. Dr. Jim Thorsteinson, Chair of Department of Family and Community Medicine, Saint Paul's Hospital, Vancouver, B.C.
16. Dr. Rachel Volberg, President, Gemini Research, Pennsylvania.
17. Tom Wispinski, Program Consultant - Problem Gambling, Alberta Alcohol and Drug Abuse Commission.
18. Lillie Wong, VLT Project Manager, Saskatchewan Liquor and Gaming Authority

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1. Alberta Alcohol and Drug Abuse Commission (1994). "Data from 1-800 Help Line for Problem Gamblers", July 1, 1994 - September 30, 1994.
2. Aronovitz, Cory (1992). "To Start, Press the Flashing Button: The Legalization of Video Gambling Devices". *Software Law-Journal*, Vol. V. Dec. 1992, November 4, 771-796.
3. Eadington, William R. & Judy R. Cornelius, eds. (1993). Gambling Behaviour and Problem Gambling. Institute for the Study of Gambling and Commercial Gaming, University of Nevada, Reno.
4. Fisher, Sue (1993). "Identifying Video Game Addiction in Children and Adolescents". University of Plymouth, Great Britain.
5. Fisher, Sue (1992). "Gambling and Pathological Gambling in Adolescents". *Journal of Gambling Studies*. Vol. 9(3). Fall 1993, 277-288.
6. Gfellner, Barbara M. (1994). "A Profile of VLT Gamblers in Brandon, Manitoba. Submitted to the Brandon Crime Prevention Committee.
7. "Going for Broke". MacLean's. Jan. 20, 1992, pp 34-35.
8. Griffiths, Mark (1993). "Factors in Problem Adolescent Fruit Machine Gambling: Results of a Small Postal Survey". *Journal of Gambling Studies*, Vol. 9(1), Spring 1993, pp 31-45.
9. PEI Standing Committee on Justice, Labour, and Industry (1992). "Final Report on Sunday Shopping and Video Lottery Machines.
10. Slavick, Wesley (1993). "A Review of the Research Literature and Other Sources on Problem Gambling". Report prepared for Alberta Alcohol and Drug Abuse Commission.
11. Sullivan, Patrick (1993). "PEI's video gambling machines creating an addiction problem, Island MDs warn). *Canadian Medical Association*, 1993; 148(2), pp 257-259.
12. Volberg, Rachel A. and Randall M. Stuefen (1994). Gambling and Problem Gambling in South Dakota: A Follow-up Survey. A study commissioned by Citizens Uniting for Gambling Reform and the Business Research Bureau.

EXTRACT FROM THE MINUTES OF THE VANCOUVER CITY COUNCIL MEETING
NOVEMBER 1, 1994

1. Casino Review

File: 8040-3

On October 18, 19 and 21, 1994, Council heard from public delegations on the issue of casinos in Vancouver.

At the conclusion of the meetings, Council deferred any decisions to this meeting.

Resubmitted for Council's information were the following:

- (A) Administrative Report dated October 7, 1994, entitled "Major Casinos in Vancouver";
- (B) Administrative Report dated October 7, 1994, entitled "The Introduction of Video Lottery Terminals, Electronic Bingo and Gaming Activity on First Nations Reserve Lands in the City of Vancouver".

Also before Council was a memorandum dated October 31, 1994, from the Casino Review Task Force providing additional information concerning video lottery terminals (VLT's).

MOVED by Cllr. Clarke,

THAT the recommendations of the City Manager, as contained in the Administrative Report dated October 7, 1994 and quoted below, be approved:

- A. THAT major casinos NOT be permitted in the City of Vancouver.
- B. THAT the Vancouver Port Corporation be advised that a major casino in the 'Seaport Centre Vancouver' proposal on the Central Waterfront Port lands is not consistent with City policy.
- C. THAT the policy of the City of Vancouver on major casinos be communicated to the Province of British Columbia.

- CARRIED UNANIMOUSLY

MOVED by Cllr. Clarke,

THAT Council advise the Province the City of Vancouver has conducted an extensive consultation program, and on the basis of public input the City opposes the expansion of present gaming activities including the introduction of VLT's in charity casinos and licensed drinking establishments, the expansion of electronic bingo, and an increase in the number of charity casinos in the City or in adjacent areas where the City could be impacted.

- carried unanimously

Extract from the Minutes of the Vancouver City Council Meeting
November 1, 1994
Page 2

Casino Review (Continued)

MOVED by Cllr. Kwan (in amendment),

THAT the foregoing motion be amended by inserting the following after the words "public input":

and consideration of impacts, particularly known and unknown negative impacts,

- LOST

(Councillors Bellamy, Clarke, Hemer, Ip,
Price, Puil, Sullivan and the Mayor opposed)

The motion to amend having lost, the motion by Councillor Clarke was put and CARRIED UNANIMOUSLY.

MOVED by Cllr. Clarke,

THAT Council advise the Province the City of Vancouver considers gaming expansion a matter for determination by the people of British Columbia through appropriate broad and local involvement in a meaningful consultation program.

- carried

MOVED by Cllr. Kwan (in amendment),

THAT the foregoing motion be amended to add the following:

AND FURTHER THAT the City of Vancouver considers gaming expansion inappropriate if it has any negative impacts for its residents.

- LOST

(Councillors Bellamy, Clarke, Hemer, Price,
Puil, Sullivan and the Mayor opposed)

The motion to amend having lost, the motion by Councillor Clarke was put and CARRIED with Councillor Kwan opposed.

Extract from the Minutes of the Vancouver City Council Meeting
November 1, 1994
Page 3

Casino Review (Continued)

MOVED by Cllr. Clarke,

THAT Council advise the Province it is opposed to making rules for any casino license holder different from the rules for other casino license holders and therefore concerned about the Province's proposal for First Nations gaming.

- CARRIED UNANIMOUSLY

MOVED by Cllr. Clarke,

THAT Council advise the Province that if the Province determines that legislation to enable expanded gaming is appropriate after broad public consultation, that legislation:

- (a) should only permit expanded gaming where it is approved by local municipal councils after a local public process;
- (b) should provide that 50% of all revenues generated should be allocated to the municipalities affected for mitigation measures; and
- (c) should contain a process which would establish an area around a proposed gaming site and require approval by residents within that area, including across municipal or First Nations boundaries.

- CARRIED

(Councillor Kwan opposed)

MOVED by Cllr. Clarke,

- A. THAT Council request staff report when appropriate on any new information on expanded gaming in other jurisdictions inside and outside of the Province, including issues related to the enforcement of regulations applicable to VLT's, electronic bingo and new charity casinos in the Province.
- B. THAT the City recommends the Province pass legislation suitable to control "grey" video gaming machines.

Extract from the Minutes of the Vancouver City Council Meeting
November 1, 1994
Page 4

Casino Review (Continued)

C. THAT Council authorize a delegation of the Mayor and Council to:

- i) meet with the Minister of Government Services and the Premier to communicate the foregoing City position on gaming expansion as soon as possible; and
- ii) continue to work with the UBCM to communicate the City's position and the results of the City's public consultation to UBCM municipalities and request the UBCM conduct a special poll of its members on this issue to present to the Province.

- CARRIED UNANIMOUSLY

MOVED by Cllr. Kwan,

THAT the Mayor and Council set up a meeting with representatives of the Carnegie Community Centre Association and representatives of the Downtown Eastside to formulate a process that will ensure any future development in the Central Waterfront District will not negatively impact the Downtown Eastside.

- LOST

(Councillors Bellamy, Clarke, Hemer, Ip, Kennedy, Price, Puil, Sullivan and the Mayor opposed)

MOVED by Cllr. Kennedy,

THAT staff be requested to investigate the possibility of establishing an independent committee on gaming operations, similar to that set out in Bill 8 of the Province of Ontario.

- LOST

(Councillors, Bellamy, Chiavario, Clarke, Hemer, Kwan, Price, Puil, Sullivan and the Mayor opposed)

.../5

Extract from the Minutes of the Vancouver City Council Meeting
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Page 5

Casino Review (Continued)

MOVED by Cllr. Kennedy,

THAT staff advise whether the Federal Government, under the Indian Act, may allow the First Nations to set up their own by-laws to govern gaming on their lands.

- CARRIED

(Councillors Bellamy and Clarke opposed)

Members of Council also expressed their appreciation to the members of the Casino Review Task Force for their significant efforts in dealing with a very difficult issue and the clarity with which they presented the information to Council.

* * * * *

Councillors Bellamy and Price returned to the meeting and Councillor Ip arrived at the meeting prior to the vote on the foregoing motions.

* * * * *

