



City of
Peterborough

TO: Members of the Planning Committee

FROM: Malcolm Hunt, Director, Planning and Development Services

MEETING DATE: March 5, 2013

SUBJECT: Report PLPD13-013(A)
Location Options for a Proposed Casino

PURPOSE

A report to establish Council's position on hosting a proposed casino in the City of Peterborough and to clarify Council's location preferences.

RECOMMENDATIONS

That Council approve the recommendations outlined in Report PLPD13-013(A) dated March 5, 2013, of the Director of Planning and Development Services, as follows:

- a) That the presentation of the Director of Planning and Development Services, the special presentation of the Ontario Lottery and Gaming Corporation (OLG) and all public delegations be received for information.
- b) That the following resolution be passed if Council supports the establishment of a casino within the City of Peterborough:

Pursuant to Section 2 of Ontario Regulation 81/12 the Council of the City of Peterborough hereby gives notice to the Ontario Lottery and Gaming Corporation of the City's support for the establishment of a gaming site in the municipality.

- c) That the Council express its location preference(s) for a proposed casino by passing the following resolution, with necessary modifications to reflect the will of Council:

That the Ontario Lottery and Gaming Corporation be advised that the City is prepared to give full consideration to an appropriate gaming site in the following location options as described in Planning Report PLPD13-013 appended to this report:

- i) Option A: The Central Area (Downtown)**
- ii) Option B: Commercial Catalyst Zone (East)**
- iii) Option C: The Gateway Zone (South-West)**
- iv) Option D: The Strategic Zone (West Side/West of City)**

BUDGET AND FINANCIAL IMPLICATIONS

There are no direct budget and financial implications arising out of the adoption of the recommendations.

BACKGROUND

Planning Report PLPD13-013, considered by Planning Committee on February 11, 2013, is appended for ease of reference. The report outlines OLG's modernization process, the potential application of the gaming model in the Peterborough context, the City's current land use policy and regulatory framework, and four broad location options for a proposed casino.

The essential step required of Council, if it is the will of Council to host a gaming facility within the municipality, is the passage of a resolution formally expressing the City's position. Recommendation a) provides the necessary wording.

An optional step for Council, but one that is highly recommended in order to give additional clarity to potential proponents who will be invited by OLG to participate in the bidding process, is a clear statement of the City's location preference or preferences for the proposed casino. Council can keep any or all of the options in play. The benefit of narrowing the options at this time is to focus prospective proponents' property search efforts and to eliminate locations that may be deemed by the community to be controversial or inappropriate. The benefit of not eliminating all but one option at this time is to maintain a competitive balance.

The broad location options have been illustrated in very conceptual terms and it is within council's prerogative to adjust the boundaries of any or all of the options. For example, if council finds the Option B: The Commercial Catalyst Zone to be appropriate but would rather eliminate the north end of the 'Tourism Corridor' (Ashburnham Drive) from consideration then this is an opportune moment to do so.

The broad location options are not intended to compel any existing property owner to offer their property for sale. There is no obligation on the City to be involved in land assembly – rather, this will fall to any proponent that OLG is prepared to work with. It is recognized that within each location option there are sites that are attractive, sites that are untouchable and sites that already fulfill their highest and best use.

Recommendation b) has been prepared so that council can state its location preferences. By identifying any location option Council is not compelled to grant land use approvals to any site specific application that may be advanced. The successful proponent must assemble an appropriate site and work with the municipality on all of the normal land use planning and site development issues that any development proponent would be expected to satisfy.

The Special Planning Committee Meeting will start with a brief presentation by the Director of Planning and Development Services covering the highlights of Report PLPD13-013. Representatives of OLG will be in attendance and will make a presentation to Planning Committee on the Modernization program. Following this presentation the Planning Committee will receive public delegations; registered delegations first followed by unregistered delegations. Following the delegations it is expected that Planning Committee will give consideration to the recommendation section of Report PLPD13-013(A).

Submitted by,

Malcolm Hunt, MCIP, RPP
Director, Planning and Development Services

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Attachments:
Appendix A: Planning Report PLPD13-013



City of
Peterborough

EXHIBIT A - Page 1 of 16

TO: Members of the Planning Committee

FROM: Malcolm Hunt, Director, Planning and Development Services

MEETING DATE: February 11, 2013

SUBJECT: Report PLPD13-013
Land Use Planning Options for a Proposed Casino

PURPOSE

A report to identify the land use planning options for a proposed casino in the City of Peterborough.

RECOMMENDATIONS

That Council approve the recommendations outlined in Report PLPD13-013 dated February 11, 2013, of the Director of Planning and Development Services, as follows:

- a) That Council express its **intent** to pass the following resolution as required by Ontario Regulation 81/12 if Council continues to support the establishment of a casino within the City of Peterborough as first declared on April 2, 2012:

Pursuant to Section 2 of Ontario Regulation 81/12 the Council of the City of Peterborough hereby gives notice to the Ontario Lottery and Gaming Corporation of the City's support for the establishment of a gaming site in the municipality.

- b) That, prior to the passage of the foregoing resolution, Council receive delegations in respect of the resolution and on the location options for the proposed casino at a special Planning Committee meeting to be held on March 5, 2013 and that a final determination on the passage of the resolution and the location options presented in Planning Report PLPD13-013 be made at that time.

EXHIBIT A - Page 2 of 16

- c) That following the determination of the resolution and the preferred location(s) for the proposed casino, that staff be authorized to provide the Ontario Lottery and Gaming Corporation with a copy of the resolution, the preferred location(s) and a description of the steps taken by the municipality to seek public input as well as a summary of the public input received.

BUDGET AND FINANCIAL IMPLICATIONS

There are no direct budget and financial implications arising out of the adoption of the recommendations of this report. Staff will report separately on the financial benefits of hosting a casino and the potential costs in other areas of municipal interest. If the City is confirmed by OLG as the host municipality, the development applications by the successful proponent will provide Council with an opportunity to consider the site specific budget and financial implications of the proposal.

BACKGROUND

SECTION 1: OLG'S LOTTERY AND GAMING MODERNIZATION PROCESS

During 2012 the Province of Ontario began a process to modernize the provincial lottery and gaming business following a strategic business review undertaken by the Ontario Lottery and Gaming Corporation (OLG). The business review concluded with 3 key recommendations: to become more customer-focused; to expand the private sector delivery of lottery and gaming; and to transition OLG from direct delivery to the oversight of lottery and gaming.

The modernization process is justified by OLG based on two premises: that gaming is here to stay and that the business in Ontario is underperforming relative to other jurisdictions and therefore the Province does not receive the level of revenue it otherwise might.

While the modernization process addresses both provincial lottery and gaming businesses the focus of this report is on the gaming business as gaming is being positioned for the greatest degree of change and now becomes a fundamental land use consideration for municipalities.

The current gaming model came out of a controversial "Charity Gaming Club" initiative promoted by the province in the late 90's. In response to a general backlash of opposition, the Charity Gaming Club project was abandoned and replaced by a partnership with the horse-racing industry where slot machines were placed at

EXHIBIT A - Page 3 of 16

racetracks where similar gaming activity was already taking place. That initiative did not meet with opposition and for the past 12 years has become a mainstream activity in the province.

The modernization review process has concluded that the current gaming model does not address customer interests and does not locate gaming facilities where the customers are. Accordingly the modernization strategy has identified several urban centres as obvious locations for a more comprehensive offering of gaming opportunities and no longer limits gaming facilities to racetracks.

The modernization process is also seeking to place the burden of the production of new gaming venues and the operation of them in the hands of experienced private operators. The objective is for the province to move completely away from direct delivery to an oversight role and to build the business through competent private operators.

In May of 2012 the Province released a Request for Information (RFI) from qualified operators. In doing so private operators were given an opportunity to give critical advice on the proposed modernization strategy and OLG was able to communicate the emerging business model to Ontario municipalities. In June of 2012 OLG held information briefings with the municipal sector to outline the intent of the RFI process, the opportunities for municipalities, and the anticipated timelines. There has been some evolution of the business concept since the RFI was released.

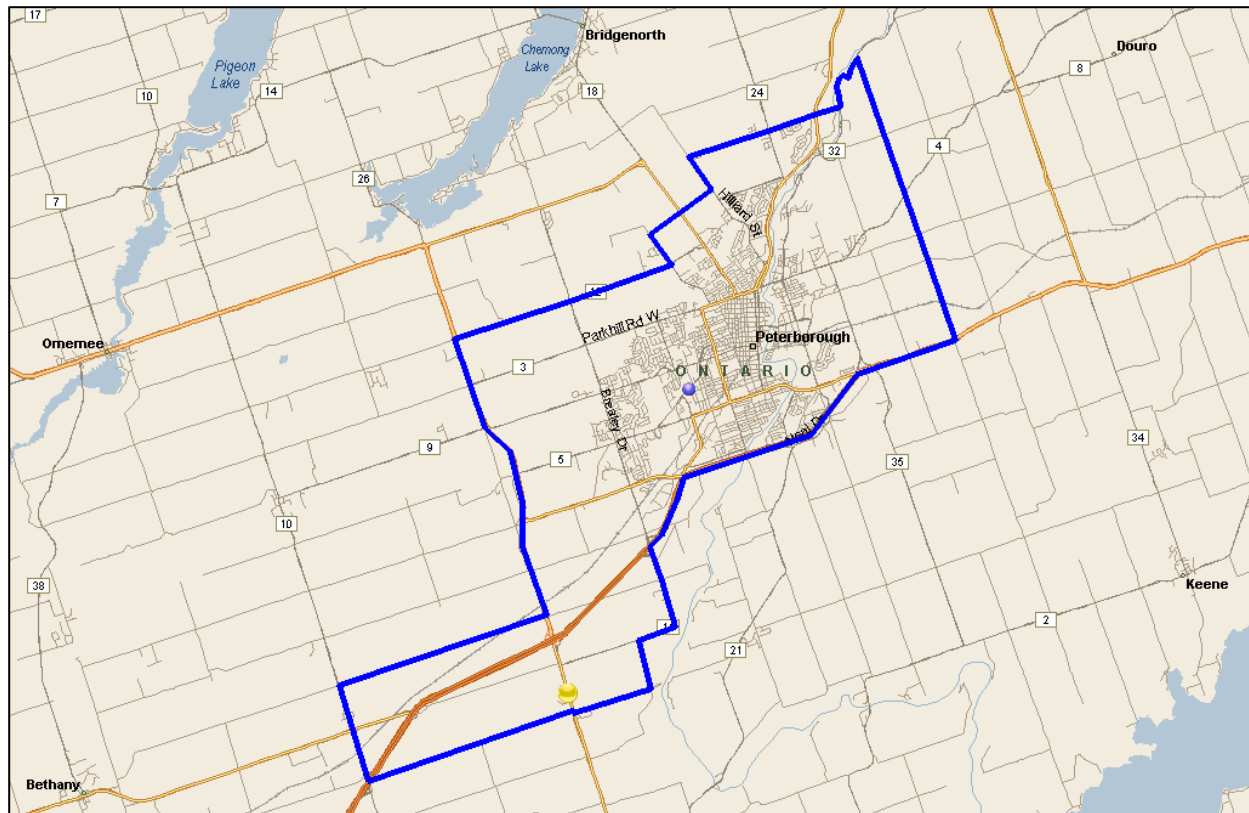
At this stage in the modernization process, the intent of OLG is to serve Eastern Ontario through 4 distinct geographic zones centred on Peterborough, Belleville, Kingston and Ottawa. The City has recently become aware that OLG intends to bundle the Peterborough, Belleville and Kingston zones in the control of a single operator. It is presumed that this will lend itself to operational economies of scale, a more comprehensive suite of services between the 3 zones, and a more successful operation.

The Peterborough Zone (Zone E1) is geographically defined in Figure 1.

The zone includes most of the City of Peterborough and portions of Cavan Monaghan Township at the west edge of the City and adjacent to Highway 115, including the Kawartha Downs. A small portion of Selwyn Township and Otonabee South Monaghan Township rounds out the zone, north of Parkhill Road and west of Brealey Drive and east of Television Road, including the Donwood area. The City understands that the limit of the zone represents a hard line and therefore the new casino must be placed within the defined zone. The zone reflects the objective of OLG to place the facility where the customers are.

Figure 1
Zone E1: Peterborough Zone

EXHIBIT A - Page 4 of 16



Source: RFI# 1213-001 Modernizing Land Based Gaming in Ontario

According to the RFI, the existing facility at Kawartha Downs has a gaming floor area of approximately 10,650 sq ft, 450 slot machines and no tables. The RFI contemplates up to 600 electronic gaming positions such as slot machines and a maximum of 180 table gaming positions in the new facility.

In anticipation of the release of the RFI, City Council passed a resolution on April 2, 2012 endorsing the principle of Peterborough becoming a host for the new gaming facility.

As part of the RFI process OLG has requested municipalities to be helpful to all bidders by identifying potential sites, passing resolutions to confirm interest and ultimately ensuring that land use approvals are secured. During the past several months the Director of Planning and Development Services and the Mayor have met with several potential bidders to better understand the business aspirations of the private sector, the scale of the potential facility and to outline the current land use planning context for the entry of any new facility within the City of Peterborough.

EXHIBIT A - Page 5 of 16

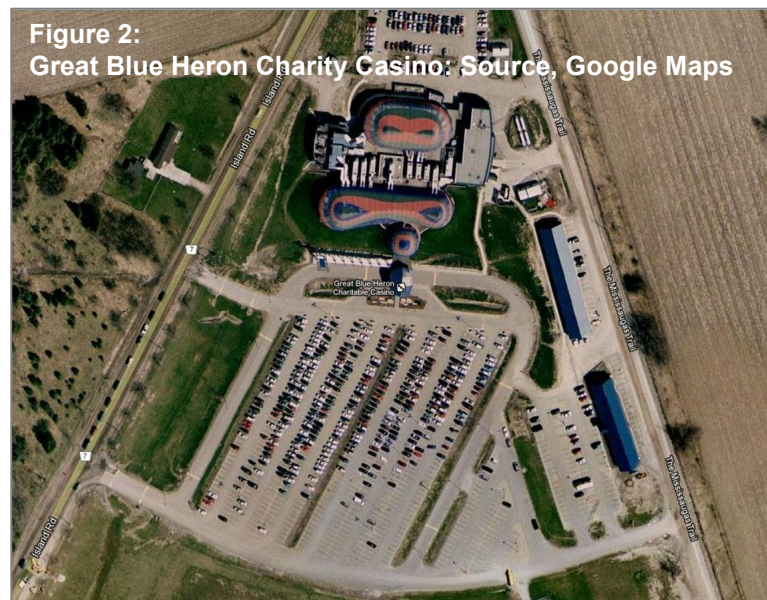
In the summer of 2012 the Province passed Ontario Regulation 81/12 to give further clarity to the expectations of OLG's modernization process and, in particular, the role of a municipal council. A municipal host must seek public input into the establishment of a proposed gaming site and must provide a written description of the steps it took to consult and a summary of the public input received. In addition, a host municipality is required to pass a resolution supporting the gaming site.

SECTION 2: APPLYING THE OLG CONCEPT IN THE PETERBOROUGH CONTEXT

The scale of any Casino operation in Peterborough will ultimately be the business determination of OLG based on the business case presented by private sector operators. Employment levels of any operation will be largely a factor of the number of tables in the casino rather than slot machines and the breadth of amenities, such as restaurant and entertainment venues that become integral to the operation.

For comparison purposes, OLG directly operates Casino Thunder Bay with 14 tables and 452 slots. There are 360 full and part time employees and the building appears to be approximately 28,000 sq ft in floor area including a 14,000 sq ft gaming area.

The Great Blue Heron Casino in Port Perry is a partnership between OLG and a private operator. The facility includes a casino with 60 tables, 545 slot machines, and a full service food and beverage operation. The casino has 800 full time employees and 350 part time positions. The casino is approximately 65,000 sq ft of which 25,000 sq ft is associated with the gaming area. The facility is supported by more than 1000 parking spaces.



The RFI released by OLG suggests that the Peterborough site would consist of up to 600 electronic gaming positions such as slot machines and a maximum of 180 table gaming positions (18-36 tables). Using the experience of Thunder Bay and Port Perry it would be reasonable to expect that a private sector operator would seek to enter the Peterborough market with a facility in the order of 45,000 sq feet generating a parking demand of approximately 750 parking spaces. Employment levels are

EXHIBIT A - Page 6 of 16

speculative at this stage; however, it can be reasonably expected that the facility as outlined would be supported by approximately 600 full and part-time positions. The Great Blue Heron Casino operates 24 hours a day, 7 days a week. Casino Thunder Bay does not. It is anticipated that hours of operation will be established by the operator.

In discussions with several potential proponents, all envision a phased roll out of the full business model. Initially the focus will be on the gaming facility and food and beverage services. A broader range of entertainment amenities and accommodations are typical inclusions in a mature facility and therefore these services should be anticipated in Peterborough in subsequent phases of development.

Potential proponents who have met with City officials express a general willingness to respect the location preference as established by City Council. All proponents expressed a number of common site ideals: minimum site size of 10-20 acres, a city-based site with full municipal services, proximity to the regional highway system, and the ability to provide parking on site or in very close proximity to the facility.

SECTION 3: PETERBOROUGH'S CURRENT LAND USE POLICY AND REGULATORY FRAMEWORK

THE ZONING BYLAW

The City's land use policy framework for a casino was developed in the late 90's in response to the Province's intention to implement the Charity Gaming Club concept. In April of 1997 Council passed an interim control by-law to prevent, for a one year period, the establishment of a casino under the "place of assembly" definition found within the zoning by-law. Council also directed that a question be placed on the November 1997 municipal election ballot to determine the community opinion concerning the Province's intent to establish a permanent charity gaming club in the City. The provincial initiative was opposed by 64% of those who cast votes.

Prior to the holding of municipal elections, and in the face of growing municipal opposition to the gaming club concept, the Province indicated that it would not place a gaming club in a community that did not want to host one. Notwithstanding the decision of the province to respect the municipal position, City Council elected to permanently amend the "place of assembly" definition to exclude a "permanent gaming club or permanent casino". The permitted use "place of assembly" is widely applied throughout the City. It includes the entire downtown, old industrial areas, most commercial land use districts, and in residential areas on sites zoned for schools and churches. For additional clarity the "Place of Amusement" and "Place of Entertainment" definitions in the zoning bylaw were also proposed for amendment to include a similar exclusion for a casino.

On August 17, 1998 Council passed the amending by-law. Planning Report PL-98-020 stated: *“This (amendment) will have the effect of prohibiting, as-of-right, the establishment of these uses in the municipality. It doesn’t preclude an applicant from seeking a zoning change on a site specific basis...However, such an application would involve a public review process and the site specific decision would rest with City Council.”*

In the summer of 1998 the Provincial government abandoned the plan to broadly implement the charity casino model electing instead to retain charity casinos in communities that had supported their introduction and to forge a partnership with the horse racing industry where gaming activity was already permitted.

THE OFFICIAL PLAN

The City’s Official Plan does **not** include a similar prohibition on the establishment of a casino in the City. As a general description of the nature of land use activity associated with a casino, it would be appropriate to deem a casino as a “commercial use”. The entity itself and the component parts, such as the food services, the gaming floor with its amusement and entertainment devices and tables, accommodations, and entertainment venues are all “commercial” activities as envisioned by the City’s Official Plan.

Section 2.3 of the Official Plan describes the Commercial Structure of the City. This section outlines the City’s strategic policies for commercial land use activity. The Plan states that the Central Area (the Downtown) is the prime focus of office, cultural and entertainment uses ... including regional uses and services, and tourist facilities. Section 2.3.2 specifically directs the City to *“maintain the economic vitality, historic and community value of the Central Area, by encouraging the development, redevelopment and rehabilitation of the area for a diverse range of uses, including retailing of all types...entertainment, cultural and recreation facilities, tourism and hospitality functions...”* Section 2.3.3 of the Official Plan states that *“the planned function of the Central Area is to be a multi-faceted activity centre for the City and the surrounding region”* and describes all of the foregoing uses and others as integral to that function.

The Central Area Master Plan forms part of the Official Plan. The Central Area Master Plan confirms that the priority functions of the Central Area are Entertainment and Cultural Uses, Major Office Uses, and Institutional Uses (section 10.6.3). To implement this objective, the Central Area Master Plan promotes a “Downtown First” philosophy for public investment in municipal cultural and entertainment facilities. While the casino is likely to be a private venture, depending on the location, the use may necessitate public expenditures to support it such as additional structured parking and enhanced road capacity. Regardless of the level of expenditure what is clear is that all entertainment facilities of a regional scale are intended, by Official Plan policy, to be directed to the Central Area.

EXHIBIT A - Page 8 of 16

The land use policy and regulatory framework therefore is quite clear. The Official Plan does not preclude the establishment of a casino within the City. If Council expresses support to host a casino within the City, the clear policy direction would be to promote its location in the Central Area. Should Council be inclined to find planning merits in a location outside of the Central Area then an Official Plan Amendment would be required to overcome the obligation to direct the use to the Central Area so that there is no conflict with the priority functions of the Central Area.

Regardless of location, **any** site will require a rezoning as there is presently no zoned land within the City permitting a casino. As there will be a planning process required to zone a site, an Official Plan Amendment for a non-Central Area site can be processed simultaneously.

SECTION 4: LOCATION OPTIONS

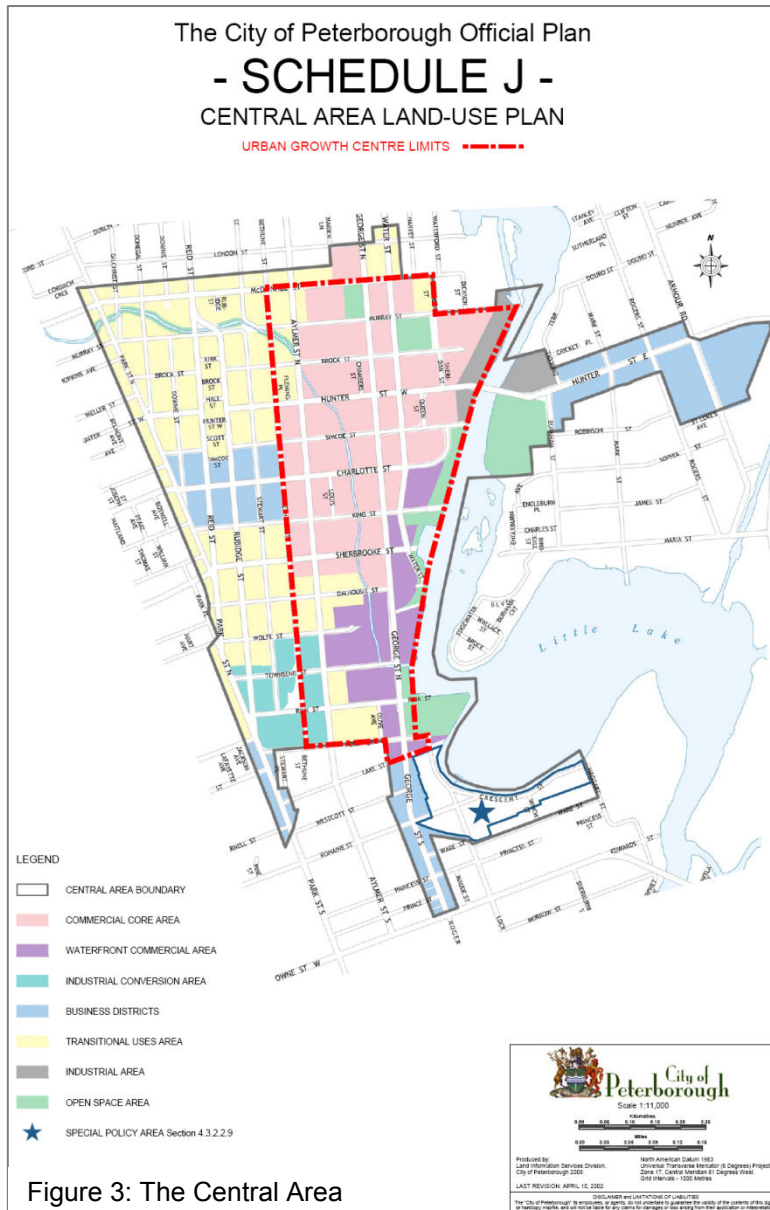
While the location options are ultimately determined by the policy objectives of the City, the policy objectives must also be tempered by a number of practical considerations. As established in Section 2 of this report, it is anticipated that a casino will enter the Peterborough market with a facility size requirement in the order of 45,000 sq feet generating a parking demand of approximately 750 parking spaces. Initially the focus will be on the gaming facility and food and beverage services. A broader range of entertainment amenities and accommodations are typical inclusions in a mature facility and therefore these services will add to the facility size, the land requirements and parking demand in subsequent phases of development. In addition, proponents have thus far expressed a number of common site ideals: minimum site size of 10-20 acres, a city-based site with full municipal services, proximity to the regional highway system, and the ability to provide parking on site or in very close proximity to the facility.

OPTION A: THE CENTRAL AREA (DOWNTOWN)

The current Official Plan policy regime of the City would aggressively direct potential casino proponents to a Central Area location. The Central Area is delineated on Schedule J of the Official Plan (see Figure 3). Within the Central Area, the Commercial Core Area and the Waterfront Commercial Area are the best fit for a use of this scale. During the meetings held with potential proponents this policy position has been clearly articulated. While the facility size of 45,000 sq ft and the desired property size will limit the range of site choices, there are candidate sites that can be considered. Future phases of a mature casino operation could easily double the ground floor building requirements and so an expandable site is clearly required. Parking in the Central Area is rarely provided on an exclusively surface parking arrangement. Structured parking, while adding significantly to overall project cost, will allow sites with less than 10 acres to be considered and is a more efficient use of land.

EXHIBIT A - Page 9 of 16

The intent of this report is not to provide an exhaustive list of all Central Area site possibilities but rather to establish if a Central Area location remains the location preference of Council.



A PRACTICAL TARGET AREA

Figure 4 identifies the most practical Target Zone for a Central Area location. Within the Target Zone is a site option that can be offered by the City consisting of the Public Works Yard on Townsend Street together with the parking lots on the north side of the CP Rail mainline. The Public Works Yard has been the subject of a recent relocation study due to severe operational constraints within the existing site and the site has been designated in the Official Plan as part of the Waterfront Commercial Sub-area of the Central Area for the past 22 years. In short it has been conceived of as a prime redevelopment opportunity supporting a use more befitting the site's strategic profile in the Downtown and waterfront area. The Public Works site is 4.18 acres.

On the north side of the CP mainline are City-owned properties consisting of surplus

railway lands and land formerly owned by Rehill Building Supply. The land was assembled by the City in the mid 90's following the construction of the King Street Parkade and was acquired to protect the City's next long-term structured parking solution. These properties together constitute an additional 3.3 acres. Conceptually the Public Works Yard could be the site of the casino and subsequent phases of related development. The lands on the north side of the railway line would be the multi-level parking solution serving the casino and the south end of the downtown. An elevated pedestrian walkway could connect the 2 sites.

EXHIBIT A - Page 10 of 16

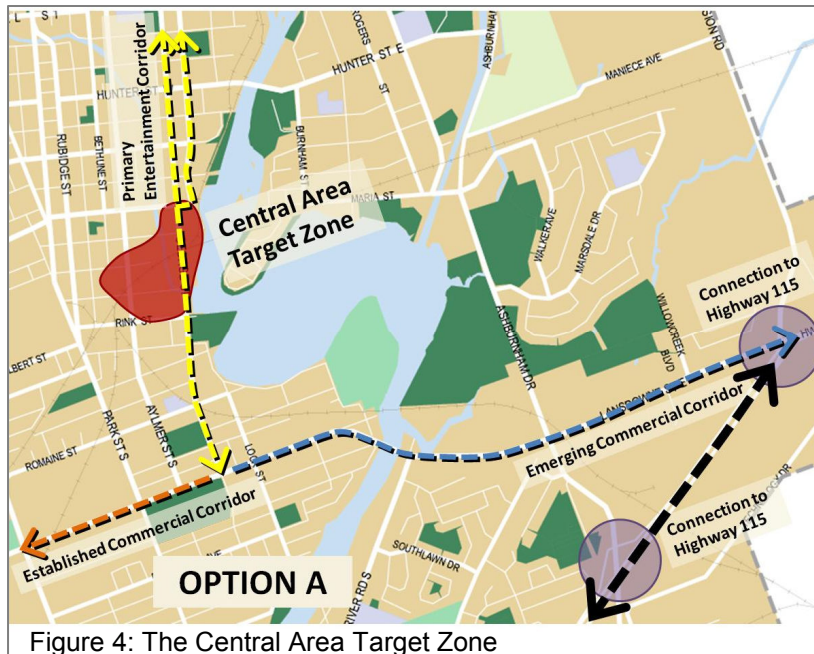


Figure 4: The Central Area Target Zone

The site can be expanded towards George Street (2 acres) and potentially encompass the Market Plaza site (5 acres) over the long term. This is but one example of a location option within the Central Area Target Zone. It would displace the PW Yard and trigger a substantial capital project for its relocation. It would likely necessitate some participation by the City in the parking solution. Capacity of feeder roads would have to be studied and potential improvements

made. However, the investments would likely be required in any event if the Central Area expansion objectives of the Official Plan are to be realized. The question for Council to resolve is whether a Casino development and related services is the appropriate trigger for the chain reaction of needed municipal investments.

AT ISSUE: IS A DOWNTOWN CASINO THE ANSWER FOR DOWNTOWN?

There is a widely held view that, while the strict reading of the City's Official Plan would direct all regional scale entertainment uses to the Central Area, a casino is not the kind of entertainment use that fulfils the *intent* of the entertainment function envisioned by the Plan. The conglomeration of major entertainment uses in the Central Area is intended to create a multi-functional destination and generate traffic that, in a synergistic way, adds to the vitality of the whole Central Area. **Businesses cross fertilize each other and thus all win.**

A casino, however, tends to be a destination unto itself. The business model of a casino is to provide a full service entertainment venue to patrons. It is anticipated that there would be minimal interaction between the casino and Central Area businesses. The use would generate the physical traffic into the Central Area but not necessarily the economic activity beyond the walls of the casino itself. A casino tends to be an island of activity. As such it would only satisfy the letter of the Official Plan as opposed to the intent of the Plan.

EXHIBIT A - Page 11 of 16

It could be argued that large hotels, theatres and retail malls attempt to be full service centres also and capture as much business as possible within their walls. However, it would appear that the culture of the casino business and the aspirations of its patrons have a singular focus while attending the facility. For this reason, it is important for Council to give serious consideration to non-Central Area location options.

While proponents have been advised that a Central Area location is currently identified as the City's policy preference, as established in the Official Plan, proponents were also advised that Council may find that a non Central Area location better serves the long-term interests of the City and its citizens. Proponents acknowledged the potential challenges developing a Central Area location, the potential challenges of the City dealing with the volumes of activity attending the facility, and the business objective of a casino to be a full service entertainment venue. Proponents agreed to work with any location decision the City would make but were also hopeful that the merits of a location outside the Central Area would also be seriously considered.

OPTION B: AN EAST PETERBOROUGH COMMERCIAL CATALYST (EAST)

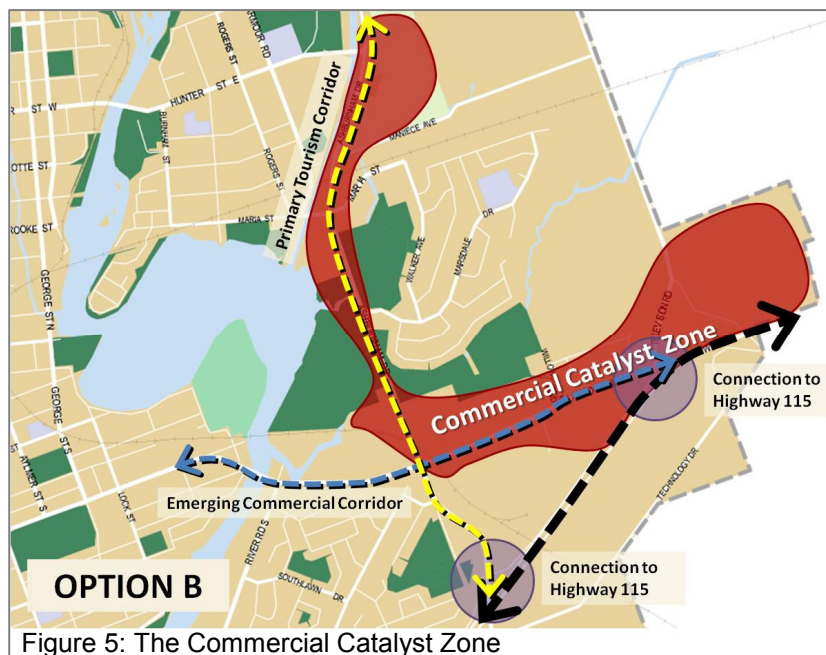


Figure 5: The Commercial Catalyst Zone

Figure 5 depicts a zone of opportunity identified as the Commercial Catalyst Zone. There are two main factors justifying the delineation of this area.

A TOURISM CORRIDOR

Ashburnham Drive is regarded as the City's primary tourism corridor. Flanking the east side of Little Lake and the Trent Canal are Beavermead Park, Eastgate Park, the Parks Canada Waterway and Activity Centre, the

Hydraulic Liftlock and Liftlock Golf Club. All are significant regional tourism features found in this corridor. The Liftlock is the iconic symbol of city-based tourism.

Casino proponents have advised that unlike most existing Ontario casinos which see a decline in activity during the summer season, the casino activity at Kawartha Downs increases during the summer. This would suggest that a Peterborough based facility would continue to serve a greatly expanded seasonal population in the region and add to the tourism amenities of the City. Placing the casino in the Commercial Catalyst Zone would complement the corridor's existing function.

EXHIBIT A - Page 12 of 16

Placing the casino along the primary tourism corridor (Ashburnham Drive) would demand the highest standards of urban design in order to preserve the natural and cultural history of the area. Any development would have to demonstrate a sensitive integration with all adjoining uses. Section 4.5.2.5 of the Official Plan deals with land designated “Major Open Space” and is particularly relevant for much of Ashburnham Drive: *“Commercial development such as marinas, motels, hotels, restaurants and small scale retail uses may be permitted on the Otonabee River or Trent Waterway system only within the Central Business District or as an integral part of planned park development on Little Lake or the Liftlock area.”* This policy would require proposals in Major Open Space designations to address the relationship of the site within a much larger park development and even take on the responsibility for the development of the park as a basis for approval.

AN EMERGING COMMERCIAL CORRIDOR

Lansdowne Street East also happens to be an under-developed commercial node even though it is poised to serve the commercial needs of a substantial proportion of the City’s future residential growth. The Willowcreek Node, as it is described in the Official Plan, continues to lack the anchor that enhances the profile of the node and thereby serves as a stimulus to new investment. In the past, commercial nodes have looked to the development of shopping centres or major concentrations of retail activity to serve as the anchor. In the current commercial economy, shopping centres are no longer being built, retail expansion has slowed and department store anchors are few and far between. The City’s commercial planning policies promote the Willowcreek node as the location of the next department store to enter the Peterborough market. This was done with the intent of achieving the retail anchor a shopping node needs to fulfill its planned function. Similarly, the Official Plan identified Lansdowne Street East as the *preferred* location of a major regional retail draw such as Costco in order to help deliver the Willowcreek Node catalyst.

The proposed casino is a “one-of-a-kind” entity. It is being positioned in Peterborough to serve a regional trade area. A casino is not considered to be an anchor for retail development or to replace the essential commercial service functions of a shopping node. A casino as envisioned by the OLG, however, will attract additional commercial investment and change the profile of the surrounding commercial land base, planned for such purposes for the past 25 years.

The Zone is also directly served by two points of access to Highway 115.

Within the Zone are several large sites poised for development and redevelopment. These include, but are not limited to, a 90 acre site at the east limit of the City behind Burnham Mansion, the undeveloped half of the Willowcreek Shopping Centre, the redevelopment of the Trentwinds site in conjunction with adjacent properties, and the north end of the Liftlock Golf Club property.

As Council considers the merits of Option B: Commercial Catalyst Zone, it remains Council's decision to include all of the land depicted on Figure 5, to eliminate one of the 2 corridors or pare back the extent of any corridor.

OPTION C: GATEWAY ZONE (SOUTH-WEST)

The Gateway Zone is situated at the City's most significant access point to Highway 115 and the area has long been regarded as the gateway to the City. Figure 6 conceptually illustrates the Gateway Zone.

Within the Zone is the existing Visitor Information Centre, a planned location for a hotel and restaurant services, and large parcels of undeveloped land. The conceptual limits of the zone would also include the vacant industrial site formerly occupied by NHB Industries although the boundaries can be reasonably interpreted to other suitable sites in the vicinity.

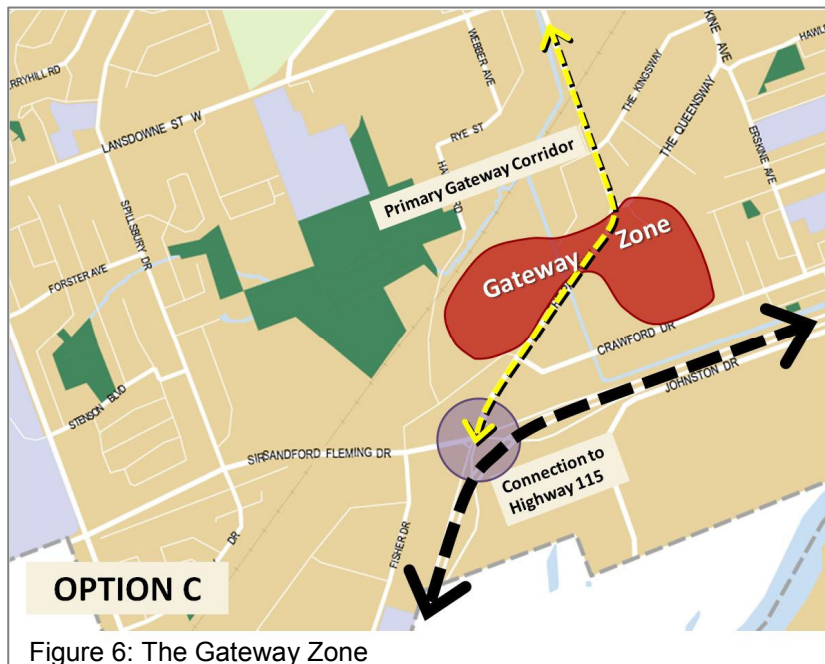


Figure 6: The Gateway Zone

The Gateway Zone is very well positioned to serve the location objectives of casino operators due to its proximity and visibility to Highway 115. The City does hold 10-12 developable acres north-east of the Visitor Centre site. The City-owned land had been reserved for a Lowes Building Supply Store in conjunction with a

vacant 10 acre site immediately south, flanking The Parkway. It is not certain that the Lowes development will be proceeding. The planned hotel development at the Visitor Centre would provide an immediate amenity. The former NHB/Masterbrand site is not particularly suitable for re-use as an active industrial operation due to its proximity to residential uses and the changing character of the area. As outlined in Section 2, the proposed casino represents a significant employment use and thus would be an appropriate replacement for lost employment activity associated with the former industrial operation.

EXHIBIT A - Page 14 of 16

From a land use planning perspective the location of a casino in this zone does not pose incompatibilities that could not be resolved through improving the capacity of existing infrastructure, such as intersection improvements. Many such improvements are already in the planning and implementation stages.

The Gateway Zone however, is situated in close proximity to the strongest commercial node outside of the Central Area. The intensification of commercial development in the Lansdowne and Parkway area has long been regarded as the greatest threat to achieving the **“healthy interaction and balance”** principle that lies at the core of the City’s commercial policies. In this regard a casino in location Option B: “Commercial Catalyst” will make a more positive contribution to the overall commercial planning strategies of the City. For this reason, Option B is preferred over Option C, notwithstanding the Gateway Zone may be very attractive to the casino operator. The ability for a host municipality to make the location choice based on local planning priorities is recognized by OLG and all proponents.

OPTION D: STRATEGIC ZONE (WEST OF CITY)



Figure 7: The Strategic Zone

Option D, described as the Strategic Zone, is by intent an unconventional option.

The basic premise of Option D is that the casino development may create an environment of opportunity that fulfills an even broader, strategic interest of the City. Option D places the casino in close proximity to the City for servicing reasons and OLG preferences but not necessarily within the City. The conceptual limit of the Strategic Zone is depicted

on Figure 7. Of all Options presented in this report, the exact physical extent of the zone is the most fluid, waiting for creative opportunities to emerge.

The Option as illustrated in Figure 7 presumes that there may be a willingness to consider an inter-municipal solution where each municipality finds sufficient benefit to work in a form of partnership.

The Strategic Zone is considerably closer to the City than the existing casino and is therefore capable of accessing municipal services. The conceptual limits of the zone can be reasonably interpreted to other suitable sites in the vicinity, including sites closer to the existing City boundary.

NEXT STEPS

The recommendations of this report propose a 2-step decision process for City Council to address the location options for a proposed casino. If Council remains supportive of the “agreement-in-principle” to host a gaming facility, as expressed in its resolution passed on April 2, 2012, then it is recommended that a Special Planning Committee be convened to consider the location options outlined in this report. The meeting should include an opportunity for public delegations. This would include potential proponents of a casino development, representatives of OLG, community agencies, and citizens. This would also be an opportune time for representatives of the DBIA and other Central Area land owners to address the issue “is a downtown casino the answer for downtown”. Copies of this report will be made available through the Clerk’s Office and the Planning Division, as well as being posted on the City’s web site. Parties wishing to address Planning Committee as a delegation should register with the City Clerk in the usual manner.

Given that the OLG expectations of a host community include the passage of a specific resolution of support, it is recommended that Council clearly express its intent to pass the requisite resolution. By doing so the matter is before the public and delegations at the Planning Committee can address the merits of hosting the casino as well as the location.

At the conclusion of the Planning Committee meeting, Council can elect to retain one or more preferred location options for casino development. If Council no longer wishes for the City to be the host of any casino development, Council is not obliged to support any of the location options. Following the Planning Committee meeting Council will have more than satisfied the expectations of the legislation and Council will be sufficiently informed to make the decisions necessary to complete this stage in the municipal review process. The recommendations outlined in this report will be carried forward to the March 5, 2013 Planning Committee Meeting for action.

Even if Council supports being a host municipality, the selection of the casino proponent and the proponent’s business plan, including the proponent’s intended casino location will be made by OLG. If the successful proponent has identified a property or properties within the City, the onus will rest upon the proponent to gain the requisite municipal land use approvals before the project can proceed. At any time in the evaluation process the municipality is free to initiate the land use approvals to expedite the decision making process and construction phase. There is no obligation of the municipality to be

EXHIBIT A - Page 16 of 16

involved in the assembly of property. The only expectation of any host municipality by OLG is simply to speak clearly on its location preferences and once done to be as helpful as possible.

OLG is currently conducting a pre-qualification process for potential casino developers/operators. The pre-qualification process for the eastern Ontario zones closes March 7, 2013. The formal Request for Proposal document is expected to be released by mid 2013. It is not known how long the RFP process will last or the duration of the evaluation phase. It can be expected, however, that pre-qualified proponents will be actively developing their proposals using real site locations and therefore will have considerable contact with staff seeking information to assist with bid development.

SUMMARY

Four broad casino location options are presented in this report. Each zone has unique land use planning implications. Staff are recommending that this report be used as a foundation for public discussion on the land use planning options for a proposed casino in the City of Peterborough.

Submitted by,

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