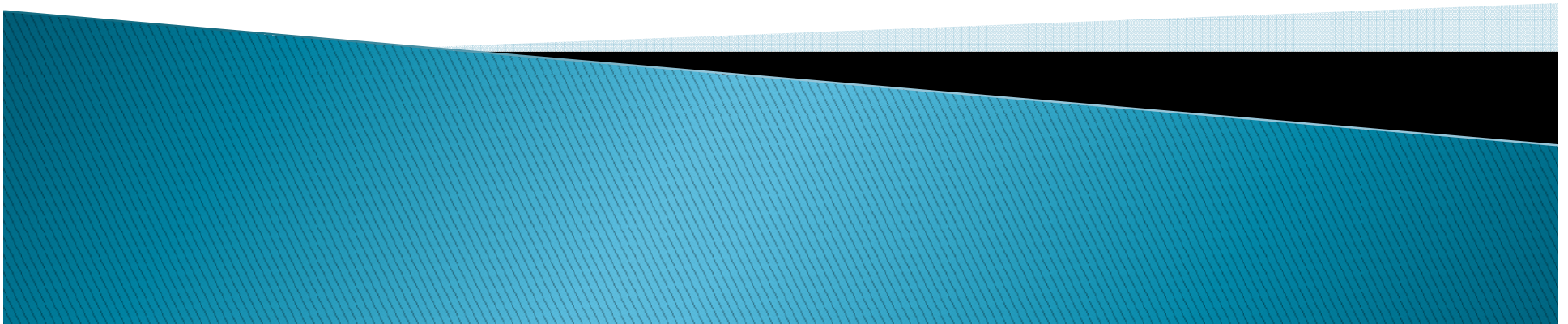


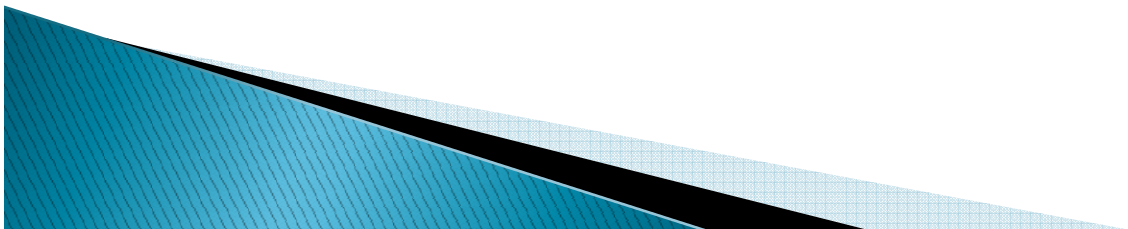
# Potential Casino Impact on Entertainment, Culture & Fund-raising

Arenas, Parks, &  
Recreation Advisory Committee  
March 19, 2013



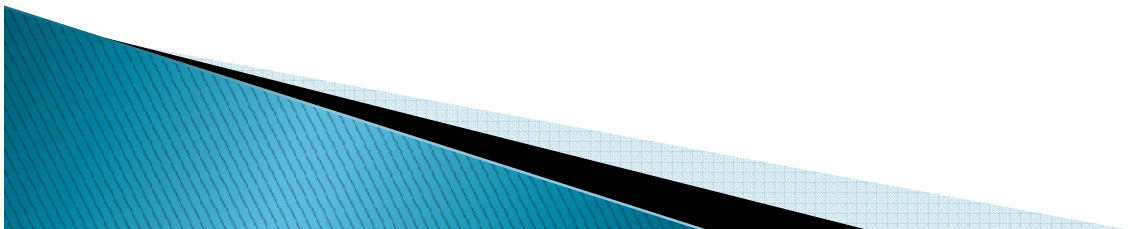
# Research

- ▶ Notable absence of research, especially local
- ▶ Little available on the specific impact on culture and fund-raising
- ▶ Research from other Canadian municipalities and especially the United States



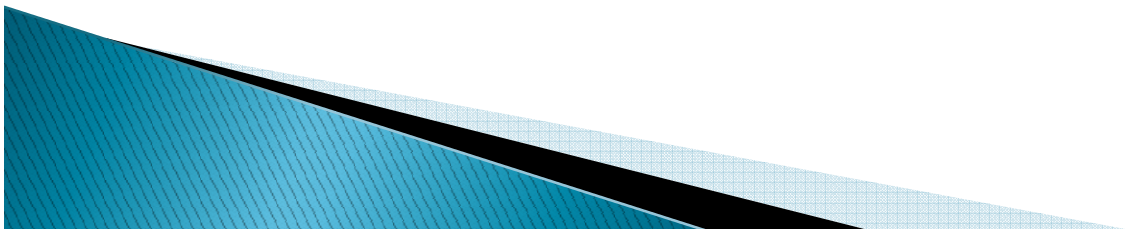
# Summary Impacts

- ▶ Local business
- ▶ Tourism
- ▶ Local cultural opportunities and businesses
- ▶ Job creation and wages in the cultural sector
- ▶ Local Fund-raising through Charity Bingo



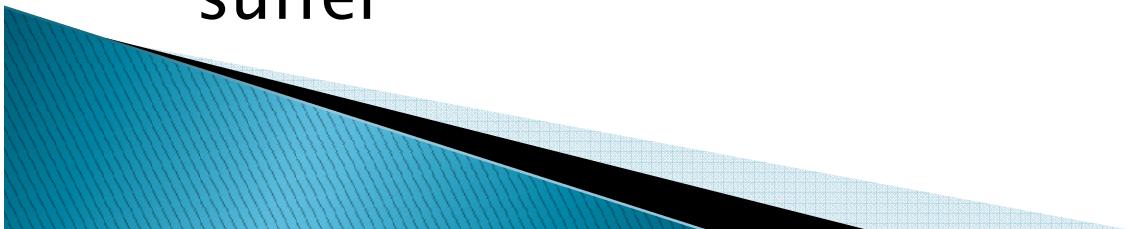
# Local Business Impacts

- ▶ 1998 study of 4 American cities (Colorado and South Dakota):
  - ▶ Local retail and restaurant business was cannibalized as gambling became dominant
- ▶ 2004 Thunder Bay Study:
  - ▶ Many local businesses negatively impacted by redirection of discretionary incomes of local residents to casino
  - ▶ Most pronounced: entertainment, cultural, restaurants



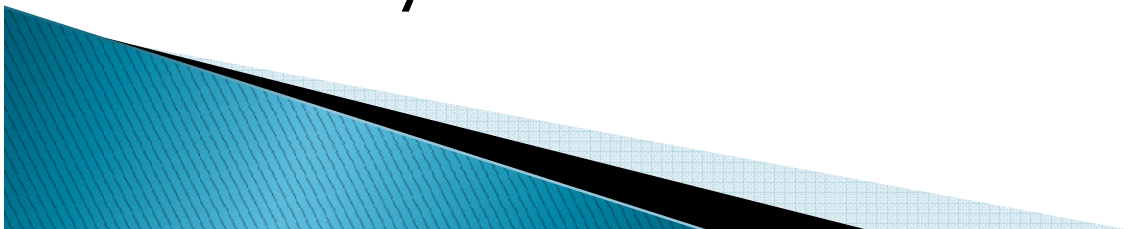
# Local Business Impacts

- ▶ 2005 Study of 4 Ontario casino communities:
- ▶ Negative impact on many existing local businesses
- ▶ Forced to compete with lower priced food, beverages, and entertainment
- ▶ Alleged unfair pricing resulted in business closures and civil suits
- ▶ Hamilton study:
- ▶ If casino draws overnight tourists, hospitality services benefit
- ▶ If patron base is local, other local businesses suffer



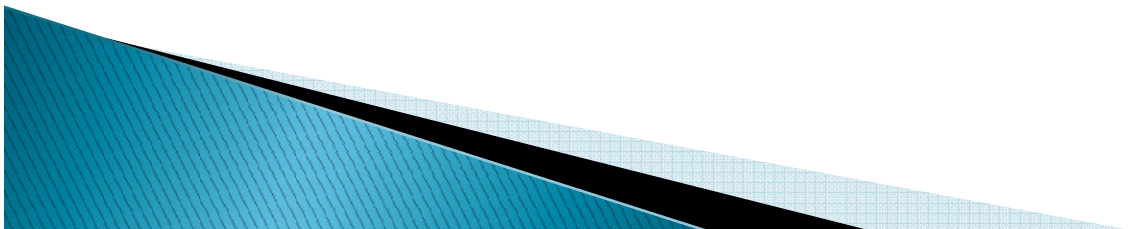
# Tourism Impacts

- ▶ 2005 Ontario Study of Thunder Bay, Sault Ste. Marie and Sarnia:
- ▶ Failed to generate tourism income anticipated
- ▶ Majority of patrons were local residents
- ▶ Brantford: casino's convention centre increased attendance but not to other attractions
- ▶ Sarnia: most out of town casino visitors are "day trippers"
- ▶ 77% do not stay over night and do not spend money elsewhere



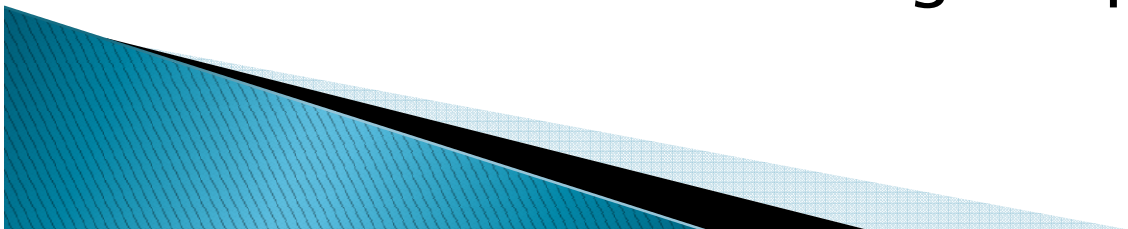
# Tourism Impacts

- ▶ Tourism to Las Vegas and Reno Nevada exceptions to this trend
- ▶ Massachusetts Study:
  - ▶ “nearly all of the ancillary spending (food, entertainment, shopping) occurs within the casino complex and the profits from this activity are largely retained by the casino operators”



# Local cultural opportunities and businesses

- ▶ Canadian Study 2011:
- ▶ The funds Canadian Municipalities receive from the province do not offset the negative economic impacts
- ▶ Thunder Bay 2004:
- ▶ 1<sup>st</sup> 5 years of operation negatively impacted all local NFP organizations to raise funds and reduced revenues needed for operational and programming costs (\$2m)
- ▶ Local arts and heritage impacted the most





# Job creation and wages in the cultural sector

- ▶ Hard to capture #'s since casinos are also classed as entertainment
- ▶ Better characterized as job displacement rather than as new growth
- ▶ 50% of most casino jobs are part time; 25% are full time management
- ▶ Entertainment provided at casino would compete with live music entertainment at local venues
- ▶ Local restaurants, cafes, and galleries could also be affected, thereby reducing opportunities for local emerging artists



# Fund-raising Impact

- ▶ Delta Bingo and Gaming Centre
- ▶ 2012: 44 NFP and Charity members received almost \$1 m
- ▶ Significant reduction in December as OLG moved from percentage of gross to percentage of net revenues
- ▶ Charity Bingo revenues could be affected by arrival of full service casino
- ▶ Many of the 44 organizations already rely on the City for funding through grants

