



City of
Peterborough

TO: Members of the Arts, Culture and Heritage Advisory Committee

FROM: Ken Doherty, Director of Community Services

MEETING DATE: March 14, 2013

SUBJECT: Report ACHAC13-008
Potential Casino Impact on Local Entertainment, Culture, and Fund-raising

PURPOSE

A report to present information on the potential impact of the proposed casino development on local entertainment, culture, and fund-raising.

RECOMMENDATION

That the Arts, Culture & Heritage Advisory Committee approve the recommendation outlined in Report ACHAC13-008 dated March 14, 2013 of the Director of Community Services, as follows:

That the presentation on the potential casino impact on local entertainment and culture by the Director of Community Services be received for information.

BUDGET AND FINANCIAL IMPLICATIONS

There is no budget or financial implications in receiving this report.

BACKGROUND

Planning Reports

The Ontario Lottery and Gaming Corporation (OLG) is modernizing the provincial lottery and gaming business. It has identified a Peterborough Zone, which includes most of the City and portions of Cavan Monaghan Township as the site for an enhanced casino operation. Such an operation would expand beyond slot machines to include gaming tables.

At the Planning Committee meeting on February 11, 2013, the Director of Planning, Malcolm Hunt, presented report PLPD13-013 - Land Use Planning Options for a Proposed Casino (Appendix A) and a power point presentation. He sought direction from Council regarding the City's support for the establishment of a gaming site in the municipality and preferred location options.

As part of the process, the Planning Department identified four general location options including: the Central Area (downtown), an East Peterborough Commercial Catalyst, a Gateway Zone (south-west), and a Strategic Zone (west of the City).

Financial Report

At the February 19, 2013 Committee of the Whole, the Director of Corporate Services presented Report CPFS13-012 Financial Consideration of a Proposed Casino (Appendix B). The report identified potential annual revenues in the range of \$3 to \$4 million. It suggested that such revenues should be directed towards the City's Capital program to enhance the Capital Levy or for more strategic investments in capital infrastructure.

The report also flagged some challenges associated with the potential development as follows:

A recent City of Toronto report, on the potential health impacts of gambling expansion in Toronto, states that increased access to gambling is associated with a corresponding increase in problem gambling rates. Specifically, gambling addiction may increase with closer proximity to gambling venues and with 24/7 operations. On the cultural side, the provision of regular high profile entertainment offerings associated with a full service casino may have an impact on existing entertainment/cultural venues like: Showplace, Market Hall, The Venue, the Peterborough Memorial Centre, and the Little Lake Music Fest. If the proposed development proceeds, mitigation strategies should be developed accordingly.

Impact of OLG Slots on Local Health and Social Services

While the OLG Slots has been operating at Kawartha Downs for some time, there has not been a comprehensive study of the effect of gambling on local health and social services. Nevertheless, it could be argued that the broader community and the City, in particular, is already dealing with that impact. If the level of gambling activity increases as a result of the proposed enhanced operation, then the impact could also increase.

Potential Impact on Local Entertainment and Culture

The current operation does not provide regular headline entertainment as part of its offering. It is anticipated, however, that a full fledged casino in the City may eventually operate more like the casino at Rama and bring in major acts to attract visitors. Typically, such bookings prohibit repeat performances within a set radius. This could impact all of the major local performance venues.

Experience in other casino communities also shows that many of the visitors are local or regional “day trippers”. Since the level of entertainment discretionary income is finite, this could also have an impact on local live music offerings.

Potential Impact on Charity Bingo Fund Distribution

A charity bingo operation has been located in the City at 1019 Clonsilla for a number of years. Last year, the Delta Bingo & Gaming Center distributed almost \$1m among its 44 local charity and not-for-profit members.

The financial model for this fund distribution was changed by OLG in December so that the value of the funds distributed is now based on net instead of gross revenues. Local member groups are anticipating a significant reduction in their level of funding from this source as a result. Both the existing charity bingo and its member organizations could be further affected by the arrival of a full service casino. Since many of these charitable organizations also rely on City funding to sustain their operations, there may be a significant increase in the number and level of funding requests as early as the City’s 2014 grant run.

Public Consultation

While City Council endorsed the principle of the City becoming a host for the new gaming facility back on April 2, 2012, it must seek and document public input and pass a resolution supporting the gaming site. A special Planning Committee meeting was held on March 5, 2013 to receive presentations from OLG, the Medical Officer of Health, and community delegations.

There was a large turn out at the meeting, including 26 delegations. Some expressed opinion about preferred sites or sites to avoid. Some advocated for the operation to remain at the current location in Cavan Monaghan and expressed concern about the impact on the local horse racing industry if the casino moved. Several also challenged the projected employment impact and commented on the nature and type of employment created.

Many addressed the negative impact of gambling addiction on health, social services, and policing. Many also noted that the majority of the anticipated revenues would come from local and regional residents - typically from those who could least afford it - not tourism. Many expressed frustration with both the province for its reliance on gambling revenues and on OLG for a process that divides communities.

Planning Committee Decision

Following the community delegations, Council meeting as Planning Committee approved the following:

- a) That the presentation of the Director 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 PLPD13-003 amended 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)

Presentation

The Director of Community Services will provide a presentation based on the Director of Planning's overview presentation on the context and land use planning options relating to the proposed casino development. He will also review staff findings relating to the potential impact on local entertainment and culture, especially if the proposed development eventually includes a performance venue.

SUMMARY

The Ontario Lottery and Gaming Corporation has identified a Peterborough Zone as the site for an enhanced casino operation. Council, meeting as Planning Committee, indicated its support for the establishment of a casino within its boundaries in the following areas: Central area (Downtown); Commercial Catalyst zone (East); or the Gateway Zone (South-West).

While a number of individuals and groups have expressed concerns about the locations, the impact of gambling on health, social services, and economic development, the proposed casino operation could also have a negative impact on local entertainment, culture, and fund-raising.

Respectfully submitted,

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Director of Community Services

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Attachments:

Appendix A - PLPD13-013 - Land Use Planning Options for a Proposed Casino

Appendix B - Report CPFS13-012 Financial Consideration of a Proposed Casino