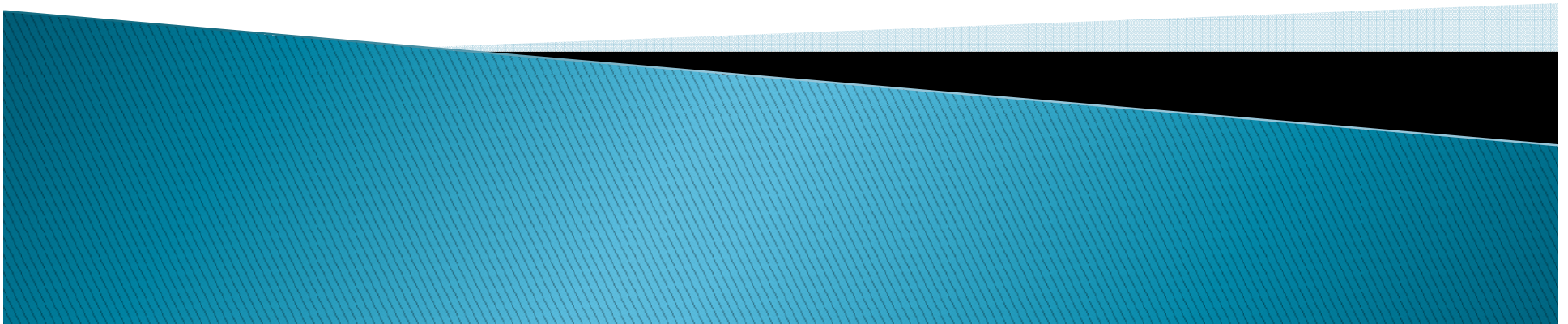


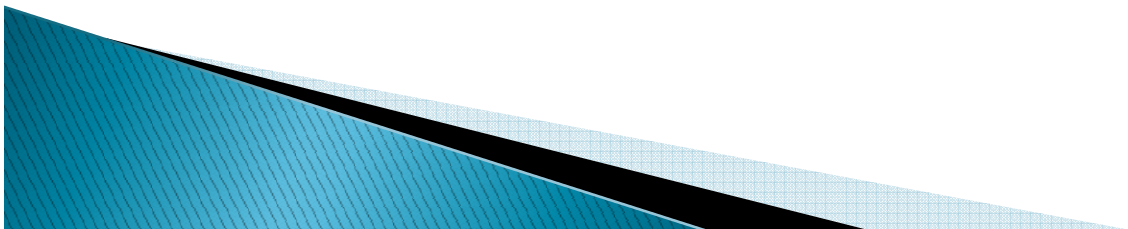
Potential Casino Impact on Entertainment, Culture & Fund-raising

Arts Culture &
Heritage Advisory Committee
March 14, 2013



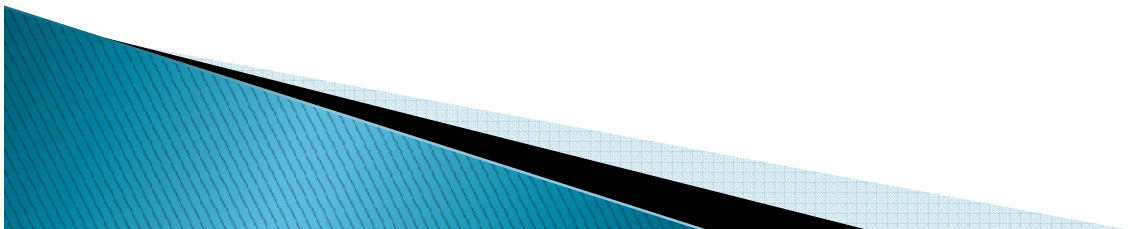
Research

- ▶ 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



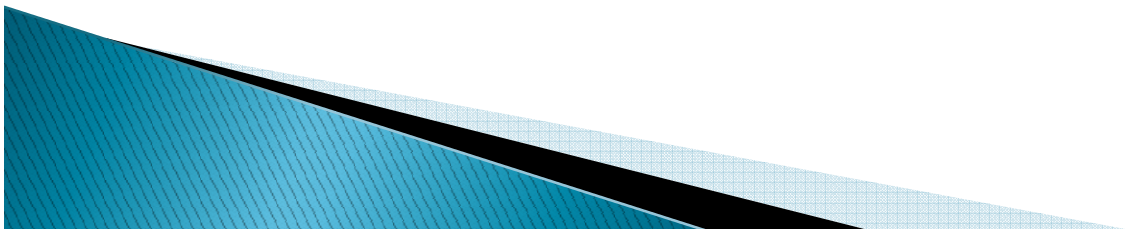
Summary Impacts

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



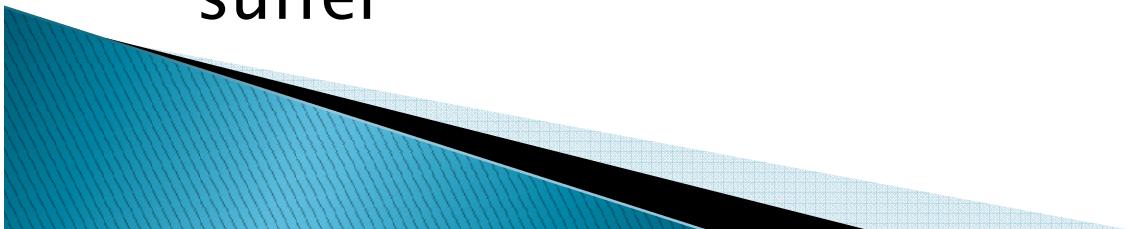
Local Business Impacts

- ▶ 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



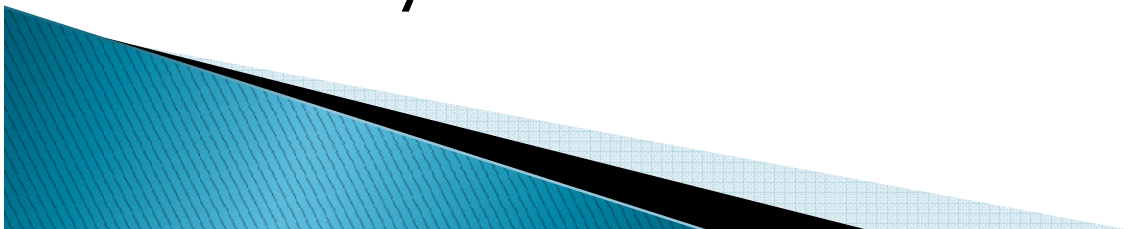
Local Business Impacts

- ▶ 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



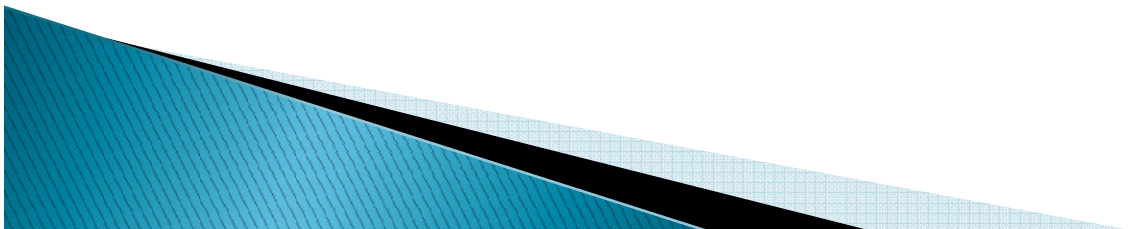
Tourism Impacts

- ▶ 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



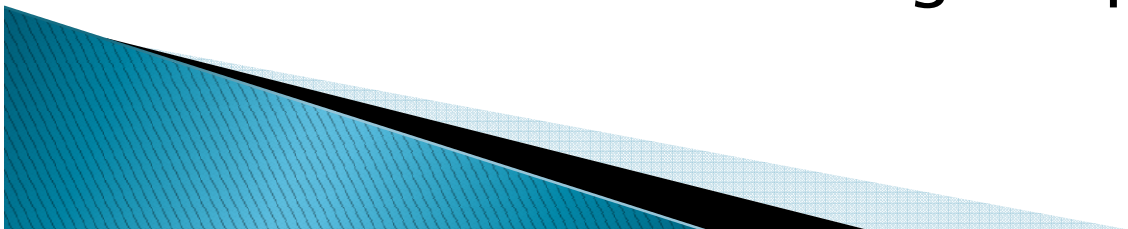
Tourism Impacts

- ▶ 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:
- ▶ 1st 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

