

Commonly Asked Questions Regarding Ontario Lottery & Gaming Corporation (OLG) Gaming Facility Opportunity

The Ontario Lottery and Gaming Corporation (OLG) has announced their intention to expand private sector gaming in Ontario by establishing five (5) new gaming sites in the province, the largest being in the City of Toronto. The municipalities of the Town of Wasaga Beach, the Town of Collingwood, Clearview Township and the Township of Springwater have been identified as one of those areas and is referred to as Zone C7 by the OLG. The OLG has indicated that each identified zone will only support one gaming facility and will ensure any new gaming facilities are not in close proximity to an existing gaming operation.

Below are commonly asked questions regarding the opportunity:

1. How many slot machines and tables will be permitted in Zone C7?

The OLG has indicated that the Zone C7 gaming facility may have up to 300 slot machines. If a gaming facility is located within the zone, the private sector operator will make a final decision regarding the total number of slot machines. There is also the potential for additional table games.

2. Where would a new gaming facility be permitted to locate in Zone C7?

It would be permitted to locate in a municipality that has indicated that it is prepared to be a willing host and there is a property owner and facility operator that meet the OLG requirements.

3. What will happen if the four (4) municipalities within Zone C7 say no to having a gaming facility within the C7 zone?

If all of the municipalities located within Zone C7 say no to hosting a gaming facility within the zone, the OLG will not locate a gaming facility within the identified zone. OLG and the Ontario government have both indicated that a gaming facility will only be put in a willing host municipality.

4. How many full time and part time positions are created with a 300 slot machine gaming facility?

Similar size facilities in Ontario employ between 80-90 staff. Full-time and part-time staff compliments vary with each gaming facility. The required number of employees will be determined between the private operator and OLG. The number of jobs will depend on the business proposal put forth by the successful private sector operator. It will depend on the size of the gaming facility and any associated amenities, such as a hotel, restaurant or convention centre.

The private sector operator has the discretion of building a facility with up to the allowed range of slot machines, or less, depending on its business case.

Host communities can benefit not only from the direct jobs in the gaming facility, but also from indirect jobs created as a result of hosting a local gaming site, such as construction jobs to build the facility, to ongoing landscaping of the site, to suppliers of food and beverage for the site, etc.

5. Would staffing wages for a gaming facility be competitive to a tourism wage or an industrial wage?

OLG does not want to speculate on specific wages for a gaming facility in Zone C7, but as a comparator, OLG currently works with private sector operators at its resort facilities, such as Caesar's Windsor, Fallsview, and Casino Rama and their wages are comparable to those paid by OLG for its currently owned and operated sites. Some of the resort facility operators provide better benefits than OLG and, in some cases, the pensions may not be as generous as that of a crown agency.

The wages and benefits at a gaming facility in Zone C7 are expected to be fair.

6. **What are the estimated revenues to the host community that could be generated by a 300 slot gaming facility in Zone C7?**

It is estimated based on similar operations in other Ontario communities that a 300 slot gaming facility will generate between \$1 million and \$2 million of revenue per year. A more accurate figure will be available as the final number of slots for the zone is determined between the private operator and OLG.

7. **How many gaming facilities are proposed within Ontario in the next few years?**

As part of its modernization plan, OLG plans to open five new gaming facilities in Ontario – one facility is proposed for the GTA and four are proposed for new communities, such as North Bay, the Belleville area, Kenora, and in the Simcoe County (Wasaga Beach/Collingwood area) known as Zone C7. This will bring the total number of gaming facilities in Ontario to 29.

8. **Does a gaming facility generate the need for additional policing?**

According to the Detachment Commander of the Huronia West OPP, based on the OPP's experience in other communities, a gaming facility would not generate the need for additional policing in the community.

Over the past 15 years of casino gambling in Ontario, mayors in the current 23 host municipalities have anecdotally indicated that there is no correlation between gaming in their communities and crime rates.

In Windsor, data from the Canadian Centre for Justice Statistics, Statistics Canada, shows that incidents of crime went down approximately 30% between 1998- 2010 (Casino Windsor opened in 1996).

In addition, two recent studies in Alberta found no significant statistical relationship between gambling and crime.

9. **What about the social impacts of gambling and the impacts on a community of problem gamblers?**

- Gambling is an activity that will always result in problem behaviour for a small portion of the population.
- Approximately 3.4% of adult Ontarians have a severe or moderate gambling problem – the second lowest rate among 6 Canadian jurisdictions.
- This rate is the second lowest among 6 Canadian provinces with populations greater than 1 million.
- Problem gambling rates are similar across jurisdictions and time periods world-wide: between 1% and 5% of adults.
- There is no clear evidence that gaming expansion results in an increase in crime rates.
- Two recent studies in Alberta found no significant statistical relationship between gambling and crime.
- Over the past 15 years of casino gambling in Ontario, mayors in all 23 host municipalities have anecdotally indicated that there is no correlation between gaming in their communities and crime rates.

10. What programs exist to help problem gamblers?

- OLG builds a Responsible Gambling program that supports players of all profiles.
- Training is provided to all front-line staff to recognize and respond to players who show behaviour signs that could suggest problems.
- Help is available at gaming sites and in Ontario communities.
- 170,000+ people receive information, support at gaming sites annually.
- 16,000+ have received provincially-funded gambling counselling since 2006.
- 15,000+ people are enrolled in voluntary Self-Exclusion.
- Education on safe habits: 150,000+ learn interactively through OLG’s gambling education program annually.
- All gaming sites have Responsibly Gambling (RG) Centres, and the largest ones have staff from the RG Council of Ontario, who provide information, support and referrals.
- OLG is also currently exploring new design features to support RG priorities, including:
 - Time and money limits built into slot machines
 - Use of natural lighting
 - Customer and RG-friendly ATM locations
 - Placement of clocks on walls.
- OLG has also received accreditation by the World Lottery Association for the highest level of RG framework.
- OLG is also pursuing “RG Check” – the world’s most rigorous standard for land-based gaming (RG Council.)
- Each year, of the \$40 million OLG provides to the province for responsible gambling, the province dedicates approximately \$28 million to provide gambling counselling services across the Province.
- Should a gaming facility be built in a municipality in Zone C7, the Ministry of Health would review case load requirements and ensure that appropriate free resources are available in the municipality.
- OLG’s Responsible Gambling program is integrated with local social services, such as credit counsellors, addictions counselling, family support, etc.
- Staff from gaming sites and the Responsible Gambling Council, who run our support centres at sites, develop relationships to ensure that people who need help get to the services they seek.

11. When the OLG selects a private operator, is the contract between the OLG and the operator put in place for a defined period of time? Will the OLG review any agreements during the term of the contract?

All contract agreements with private sector operators will be for a specific amount of time and will vary from site to site. A private sector operator will be investing millions of dollars into a gaming site and will anticipate a contract agreement in which it can realize its investment. OLG will continue its conduct and manage role at the gaming site and remain the “operating mind” behind the delivery of gaming.

After operations are in place, OLG will maintain control and oversight of the gaming business and will continue to hold responsibility for all critical decisions related to the operation of gaming, including:

- Strategic planning and market management
- Gaming service/product offering
- Financial management
- Brand management
- Service provider management
- Risk management
- Information technology; and
- Customer management.

12. How does the OLG select a private operator for the gaming facility site? Will the OLG consider a franchise operation as a potential operator of a gaming facility site?

OLG is currently conducting a multi-staged fair and transparent procurement process to select private sector operators for its gaming sites.

OLG issued a Request for Information (RFI), which was open from May 17, 2012 to July 4, 2012. The RFI solicited input from industry experts about the viability of different locations for potential gaming facilities.

The RFI process will be followed by a fair and transparent Request for Pre-Qualification (RFPQ) to pre-qualify potential operators based on their ability to operate a gaming facility to OLG's standards. OLG will then issue a Request for Proposal (RFP), which is an opportunity for pre-qualified vendors to make formal bids.

Once the RFP process is complete, OLG will select the vendors to become private sector operators of gaming facilities.

13. Does the OLG intend to implement online gaming products?

The OLG has indicated that it intends to implement iGaming in 2013. Lottery games will likely be implemented first followed by other games, including poker and blackjack.

14. Does the OLG have guidelines or requirements for the public consultation process undertaken by a potential host municipality?

The OLG requires that a municipal council seek public input into the establishment of a proposed gaming site. If a municipal Council has determined that its community is prepared to be a willing host it must provide the OLG, in writing, a description of the steps it took to do so and a summary of the public input it received. In addition, the municipal council must pass a resolution supporting the establishment of the gaming site in the municipality and give a copy of the resolution to OLG. The purpose of this process is to ensure that every municipality has consulted with its residents and businesses and is indeed prepared to be a willing host to a gaming facility. This is a legal requirement specified in the OLGC Act – Regulation 81/12.

15. What is the deadline for a municipality to indicate their interest in becoming a host community?

Before OLG can get to the next phase of the procurement process which is the issuing of the RFPQ, followed by the RFP, it needs to have clear expressions of interest from municipalities in the gaming zone. This will allow the prospective proponents to know which areas will allow a gaming facility.

OLG understands and appreciates that public input is a vital and necessary step for municipalities to determine if they are willing hosts for a new gaming facility. OLG is aware that some municipalities may need more time, and is willing to accommodate that request within reasonable timeframes.

16. What size of property is required for a gaming facility site?

The size varies from 3 to 8 hectares depending what other facilities are developed with the gaming facility.

17. Is the OLG, as a crown corporation, subject to all municipal approval processes, planning or otherwise in establishing a gaming facility in a host municipality?

The new gaming facility, which will be funded and built by a private sector operator, would be subject to all municipal building permit and site plan review processes.

18. What is the Purpose of the Public Consultation being held on October 16, 2012?

The Town of Wasaga Beach, Town of Collingwood, Clearview Township and Township of Springwater are working together to find out as much information as possible on the positives and negatives of locating a casino in Zone C7. This Public Consultation gives an opportunity for residents and businesses within these communities to get information and be given the opportunity to ask questions and provide input.

19. What is the next step for the Municipalities in Zone C7?

The results of the Public Consultation will be taken back to individual Council's as part of their decision review on this matter.

For more information on OLG's modernization plan and how it could affect our community, visit www.modernolg.ca.