



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall
1229 Esquimalt Road
Esquimalt, B.C. V9A 3P1

Staff Report

File #:15-541

REQUEST FOR DECISION

DATE: December 1, 2015

Report No. DEV-15-067

TO: Laurie Hurst, Chief Administrative Officer

FROM: Bill Brown, Director of Development Services

SUBJECT:

British Columbia Lottery Corporation request for Expressions of Interest

RECOMMENDATION:

That Council authorize the Mayor to submit a letter to the British Columbia Lottery Corporation expressing the Township of Esquimalt's interest to be a Host Local Government for a Gaming Facility, as attached as Schedule "A" to Staff Report DEV-15-067.

RELEVANT POLICY:

Official Community Plan
Zoning Bylaw
Economic Development Strategy

STRATEGIC RELEVANCE:

This initiative is not related to any strategic priorities identified in the 2015-2019 Strategic Priorities document.

BACKGROUND:

On September 30, 2015, the British Columbia Lottery Corporation (BCLC) sent a letter to the Mayor explaining that they had done a market analysis and determined that there was capacity for an additional Gaming Facility in our area (Schedule "B"). The letter further stated that, "As a first step in the updated process, BCLC is requesting that local governments identified within the market area provide an expression of interest in being considered as the Host Local Government of a gaming facility, as well as initial information about your community." The BCLC is requesting that a letter be sent to them no later than December 11, 2015 indicating whether or not the Township of Esquimalt is

interested in being a Host Local Government.

At their October 26, 2015 meeting, Council received the letter and passed the following motion:

That Council receives the Letter from Greg Walker (sic), BCLC, dated September 20, 2015, Re: Gaming Market Potential and direct staff to prepare a draft expression of interest for submission to BCLC for Council's review.

Attached as Appendix "A" to the letter from the BCLC are the following seven questions (staff has provided answers below each question):

- 1) Is there an Official Community Plan or equivalent that supports the establishment of gaming within your community?

The Official Community Plan is silent on the issue of gaming; however, since all bylaws must be consistent with the Official Community Plan, it is legally not possible for the it to support gaming since the Zoning Bylaw prohibits it.

- 2) Is there an area zoned in your community in which gaming is a permitted use?

Section 30.1 of the Zoning Bylaw states: "No person shall Use any land, Building or Structure for any Gaming Activity". "Gaming Activity" is defined in the Zoning Bylaw as: "means any game played on any mechanical or electronic device or machine for money, or anything of value, but excludes the purchase and sale of lottery tickets and electronic bingo in licensed bingo facilities".

- 3) Are there any existing resolutions against or other restrictions on establishing gaming facilities in your community?

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- 4) Are there any existing resolutions or restrictions that would limit the type of gaming that could be included in a future facility?

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- 5) Are there any existing resolutions or restrictions that would limit the number of gaming machines (slot machines) that could be included in a future facility?

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- 6) Are there any existing resolutions or restrictions that would limit the number of table games that could be included in future (sic) facility?

Section 30.1 of the Zoning Bylaw states: “No person shall Use any land, Building or Structure for any Gaming Activity”. “Gaming Activity” is defined in the Zoning Bylaw as: “means any game played on any mechanical or electronic device or machine for money, or anything of value, but excludes the purchase and sale of lottery tickets and electronic bingo in licensed bingo facilities”. Since table games are not “mechanical or electronic” devices there are no restrictions on the number of table games that could be included.

- 7) Is there another gaming facility of any kind, within the borders of your community?

Bingo Esquimalt is located with the boundaries of the Township of Esquimalt.

It should be noted that although the material distributed by the BCLC states that View Royal gets approximately four million dollars per year in revenues, in fact those revenues are shared with neighbouring municipalities including the Township of Esquimalt (Schedule “C”). Last year the Township of Esquimalt received approximately three hundred thousand dollars of gaming revenue from the View Royal Casino. It is also important to note that these revenues have been declining over the past few years. In addition, it is important to consider the possible ramifications if another gaming facility is built in the area. It is very likely that the revenues from the View Royal Casino will drop even further. This is a very poignant example of the basic principle of government finance that revenues should never be predicated on revenue streams that are highly influenced by perturbations in the economy including consumer trends.

The letter from the BCLC was also sent to other municipalities in the area. On October 19, 2015 the District of Saanich passed the following motion:

That Council provide an expression of interest to the BCLC to be considered as a potential Host Local Government of a gaming facility.

At their November 26, Planning and Land Use Committee meeting, the City of Victoria Council voted in favour of submitting an expression of interest. On the other hand, the District of Oak Bay has sent a letter to the BCLC stating that they are not interested.

ISSUES:

1. Rationale for Selected Option

Gaming Facilities represent a contentious land use that invokes a myriad of issues including

economic and fiscal impacts, land use, economic development, addiction, morality, traffic and parking, servicing, crime, and displacement of more appropriate land uses. At this time the BCLC is only asking for expressions of interest and has made it clear that a Local Government can opt out of the process at any time.

2. Organizational Implications

If Council requests that Esquimalt be considered as a potential Host Local Government for a gaming facility, staff will need to do the following:

- 1) Prepare a Zoning Bylaw amendment to remove the prohibition on Gaming Facilities from the Zoning Bylaw.
- 2) Prepare a financial analysis.
- 3) Prepare an economic analysis including an analysis of potential costs and benefits.
- 4) Prepare a land use analysis of potential impacts of a Gaming Facility in Esquimalt (e.g. impacts on adjacent land uses, opportunity costs, parking and traffic impacts, servicing costs and potential amenities.

3. Financial Implications

The Host Local Government gets ten percent of the **NET** revenues. There is not enough information at this time to provide even a rough estimate of potential revenues.

4. Sustainability & Environmental Implications

There are no direct sustainability and environmental implications associated with a request to be considered as a potential Host Local Government for a Gaming Facility.

5. Communication & Engagement

There has been no public communication or engagement to date. If Council wishes to request that the BCLC consider the Township of Esquimalt as a Host Local Government of a Gaming Facility staff recommend that an initial public consultation be held very early in the process.

ALTERNATIVES:

1. That Council authorize the Mayor to submit a letter to the BCLC expressing the Township of Esquimalt's interest to be a Host Local Government for a Gaming Facility, as attached as Schedule "A" to Staff Report DEV-15-067.
2. That Council not authorize the Mayor to submit a letter to the BCLC expressing the Township of Esquimalt's interest to be a Host Local Government for a Gaming Facility.