



## Planning and Land Use Committee Report

For the Meeting of November 26, 2015

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**To:** Planning and Land Use Committee **Date:** November 17, 2015  
**From:** Jonathan Tinney, Director, Sustainable Planning and Community Development  
**Subject:** BCLC Request for Expressions of Interest for Siting of New Casino Facility

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### RECOMMENDATION

That Council direct staff to submit a response to the British Columbia Lottery Corporation's Request for Expressions of Interest indicating that the City of Victoria would consider a casino proposal consistent with City policies and guidelines.

### EXECUTIVE SUMMARY

On October 29, 2015, Council directed staff to gather further information from the British Columbia Lottery Corporation (BCLC) regarding the proposed scope and size of a potential casino facility within the City and to prepare a draft response to BCLC's Request for Expression of Interest. The purpose of this report is to provide Council with further information on the proposed scope and selection process for a casino, as well as a recommended response to BCLC.

The City has established guidelines and policies for regulating a casino's location and development. The City's *Casino Rezoning Guidelines* explicitly state that Victoria would consider one casino located in the City. The Guidelines also require a plan for monitoring and mitigating the social impacts of a casino facility.

A casino facility could range in size from 30,000 to 60,000 square feet of floor space. It must be incorporated into a mixed-use development containing other non-gaming amenities in order to meet the requirements of the City's *Casino Rezoning Guidelines*. Staff recommend that a casino be located within a major tourist centre of the City which could accommodate the increased demand for entertainment amenities a casino would generate.

A casino could provide a significant income source for the City of Victoria. For comparison, the gross revenue which the Town of View Royal receives from its casino is approximately \$4 million annually.

If Victoria was selected for a new casino facility by BCLC, the casino service provider would be compelled to work within all zoning and gaming policies stipulated by the City. The City can choose to withdraw its interest at any time and Council is not obligated in any way by BCLC's selection decision to approve the casino proponent's rezoning application.

## PURPOSE

The purpose of this report is to provide Council with further information from the British Columbia Lottery Corporation (BCLC) on the proposed scope and selection process for a casino, as well as a recommended response to BCLC.

## BACKGROUND

At the Council meeting of October 29, 2015, Council passed the following motion:

- "1. Direct staff to engage with BCLC to gather further information.*
- 2. Direct staff to review current policy, identify and assess any key issues, and provide a draft response to BCLC's Request for Expression of Interest for Council consideration at the November 26, 2015, Planning and Land Use Committee meeting."*

## ISSUES & ANALYSIS

### Proposed Scope of Casino and BCLC's Selection Process

The letter for a Request for Expression of Interest is the preliminary phase of BCLC's selection process. Only municipalities who respond to the letter will then proceed to the following step. BCLC will then rank the participating municipalities and make their selection. Requests for proposals from casino service providers are then tendered. The chosen service provider must then work within all guidelines and regulations of the selected municipality when designing and constructing the casino facility.

Depending on the service provider and the regulations stipulated by the municipality, casino facilities can range in size from 30,000 to 60,000 square feet of floor space. These facilities can be designed as stand-alone gaming centers or they can be constructed as mixed-use entertainment centers with restaurants, retail shopping, and conference and concert venue space.

### Casino Rezoning Policy

The City's *Casino Rezoning Guidelines* were adopted in 2003. The policy provides guidelines and criteria that must be met for consideration of a casino within the City limits. The policy allows for only a single facility and stipulates that any casino facility must form part of a mixed-use project that is consistent with the *Official Community Plan* (OCP) and local area (neighbourhood) plans. Areas that will be considered for a casino include parts of the Downtown and the tourism precinct of James Bay, as well as the Douglas-Blanshard corridor from the north edge of the Downtown to the City boundary at Tolmie Street, with the exception of the Hudson Bay block (at 1701 Douglas Street).

Council may amend the *Casino Rezoning Guidelines* to include other possible locations. However, staff recommend the strongest candidate location for a casino would be situated close to a major tourism locale of the City. The major tourist centers of the City, such as the Downtown, can accommodate the increased demand for tourist amenities a casino would create, such as hotels, restaurants, shopping, parking and other entertainment demands. In addition, the concentration of these activities into a more densely populated and mixed-use area would contribute to Crime Prevention Through Environmental Design (CPTED) principles, which may not be the case if the potential casino were to be situated in an isolated location. Since the

*Casino Rezoning Guidelines* stipulate that the casino must be a part of a mixed-use development, this requirement also lends support to a tourist-concentrated area of the City where additional entertainment amenities would be suitable.

### Key Issues

A casino could provide a significant income source for the City of Victoria. BCLC issues a 10% share of the net gaming income from table games and slot machines to the host municipal government. The Town of View Royal receives an annual amount of approximately \$4 million from View Royal Casino. View Royal, neighbouring municipalities and the First Nations entered into an income-sharing agreement to split the revenues generated from the casino. This was an agreement that was initiated by the Town and its neighbouring local governments and it is a unique arrangement within the Province of British Columbia; it was not a stipulation of BCLC nor was BCLC a contributing member of this agreement.

The social, health, policing and related security impacts of a casino located within the City may be another key issue. The City's *Casino Rezoning Guidelines* stipulate that a professional social impact analysis, which would demonstrate how health and security impacts would be monitored and mitigated, must accompany a casino rezoning application.

### **OPTIONS & IMPACTS**

Option 1: That Council direct staff to submit a completed response in accordance with Attachment 1 to the Request for Expression of Interest from BCLC for their consideration **(recommended)**.

If selected by BCLC, the City can choose to withdraw its interest at any time if the City finds that the casino service provider cannot adequately meet policy requirements. Also, Council can further regulate the development details of a casino during the casino rezoning application process. Council is not obligated in any way by BCLC's selection decision to approve the casino proponent's rezoning application.

Option 2: That the City not respond to the Request for Expression of Interest.

If Council is concerned about the potential impacts of a casino potentially being located in a neighbouring municipality, Council can direct staff to discuss potential partnerships with adjacent candidate municipalities to explore casino revenue splitting agreements similar to the View Royal model. BCLC does not participate in revenue splitting agreements (the agreement struck between View Royal and its neighbouring municipalities is the only one of its kind in the Province), so the City of Victoria would need to take a proactive approach with other municipalities in this manner.

### *2015 – 2018 Strategic Plan*

The Strategic Plan does not contain a specific objective or action item to establish a casino facility within the City, however, a casino development may support Strategic Plan Objective 5: Create Prosperity Through Economic Development which identifies goals to create a vibrant Downtown



that is a draw for residents and visitors. Other Strategic Plan objectives could be supported by casino revenues. For comparison, the gross revenue which the Town of View Royal receives from its casino is approximately \$4 million annually.

#### *Impacts to 2015 – 2018 Financial Plan*

A new casino facility could add significant dollars to the City's annual revenue. In particular, revenue could be allocated to housing initiatives or infrastructure reserves to fund priority projects such as Fire Hall No. 1, Crystal Pool or other Strategic initiatives such as David Foster Harbour Pathway or the cycling network.

#### *Official Community Plan Consistency Statement*

Should a casino proposal come forward and a specific site proposed, it would be evaluated by the *Official Community Plan*, local area/neighbourhood plan and the *Casino Rezoning Guidelines*.

### **CONCLUSIONS**

The City has established guidelines and policies for regulating a casino's location and development. A potential casino development must be consistent with the *Official Community Plan* (OCP) and local area (neighbourhood) plans. The City's *Casino Rezoning Guidelines* explicitly state that Victoria is prepared to allow one casino to locate in the City. The Guidelines also require a plan for monitoring and mitigating the social impacts of a casino facility. If Victoria was selected for a new casino facility by BCLC, the casino service provider would be compelled to work within all zoning and gaming policies stipulated by the City. The City can choose to withdraw its interest at any time and Council is not obligated in any way by BCLC's selection decision to approve the casino proponent's Rezoning Application.

Respectfully submitted,



Andrea Hudson, Assistant Director  
Community Planning



Jonathan Tinney, Director  
Sustainable Planning and Community Development

Report accepted and recommended by the City Manager:



Date: November 19, 2015

### **List of Attachments**

- Attachment 1: Proposed Response to BCLC Request for Expression of Interest
- Attachment 2: Casino Rezoning Guidelines.

## **Attachment 1 – Proposed Response to BCLC Request for Expression of Interest**

If you are interested in being considered to host a gaming facility in your community, kindly include the following information in your response:

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

**Yes**

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

**Not currently. Would require rezoning**

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

**A casino would require compliance with the City of Victoria's Casino Rezoning Guidelines, 2003**

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

**VLT's are prohibited by the City of Victoria's Casino Rezoning Guidelines, 2003**

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

**No**

Are there any existing resolutions or restrictions that would limit the number of table games that could be included in a future facility?

**No**

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

**No**

**CASINO REZONING GUIDELINES (FILE 03-98)**  
*Adopted by Victoria City Council – June 12, 2003*

**INTRODUCTION**

Victoria is prepared to allow one casino to locate in the city. This guideline provides direction to the single rezoning application and is to be read along with the City's *Official Community Plan* and neighbourhood plans and regulations for the portions of Burnside, Downtown and James Bay illustrated on the *Casino Guidelines Map*. The standard rezoning process, including a statutory public hearing, will be required.

**MIXED USE**

The casino must be part of a multi-use structure. Depending on location, choices for other parts of the building may include such non-residential uses as hotel, meeting/convention, arts, cultural, recreation, service facilities, light industry, offices, retail or restaurant.

**BUILDING STANDARDS**

The building massing, height and siting will be subject to plan standards for the area in question. Higher density may be negotiated where community amenities are included, consistent with city policy e.g. *Downtown's Density Bonus Policy* or *City's Draft Density Bonus Policy for Burnside and James Bay*. Within the mixed use building, it is anticipated the actual casino size and characteristics will be determined by the Provincial Lottery Commission in consultation with the City.

**TRAFFIC AND PARKING**

Casinos generate significant automobile trips and have a high demand for long-term customer parking. In recognition of this, an application for rezoning must be accompanied by a professional traffic and parking impact study, including mitigation measures to offset identified impacts. Because Downtown Victoria (area shown on map between Caledonia and Belleville) is well served by both transit and customer parking, a lower parking ratio may be considered.

**DESIGN**

Building and landscaping will be consistent with City design guidelines as set out in Schedule "B" of the *Official Community Plan*. A *CPTED* (Crime Prevention Through Environmental Design) analysis of the site and building, including the proposed parking arrangements, must also be submitted with the application. Parking must be enclosed, within the building and preferably underground. Special requirements may apply in unique areas, e.g. in Downtown's retail core, shop frontage, in the form of retail or restaurant display windows and entrances are required along streets. "Shop frontage" excludes offices, banks or blank walls longer than 4.5 metres.

## LOCATION

Locations that will be considered are illustrated in the *Casino Guidelines Map* and include parts of Downtown and the Tourism Precinct of James Bay, as well as the Douglas-Blanshard Corridor (from north edge of Downtown to city boundary). Areas that will not be considered include: any location near an established residential area, harbour shoreline, 'Old Town', former Hudson's Bay block portion of Downtown and Humboldt Valley precinct of Fairfield.

The following two sub-areas, within the lands outlined on the map, are considered as 'site sensitive locations' where siting and design of a casino will require special care:

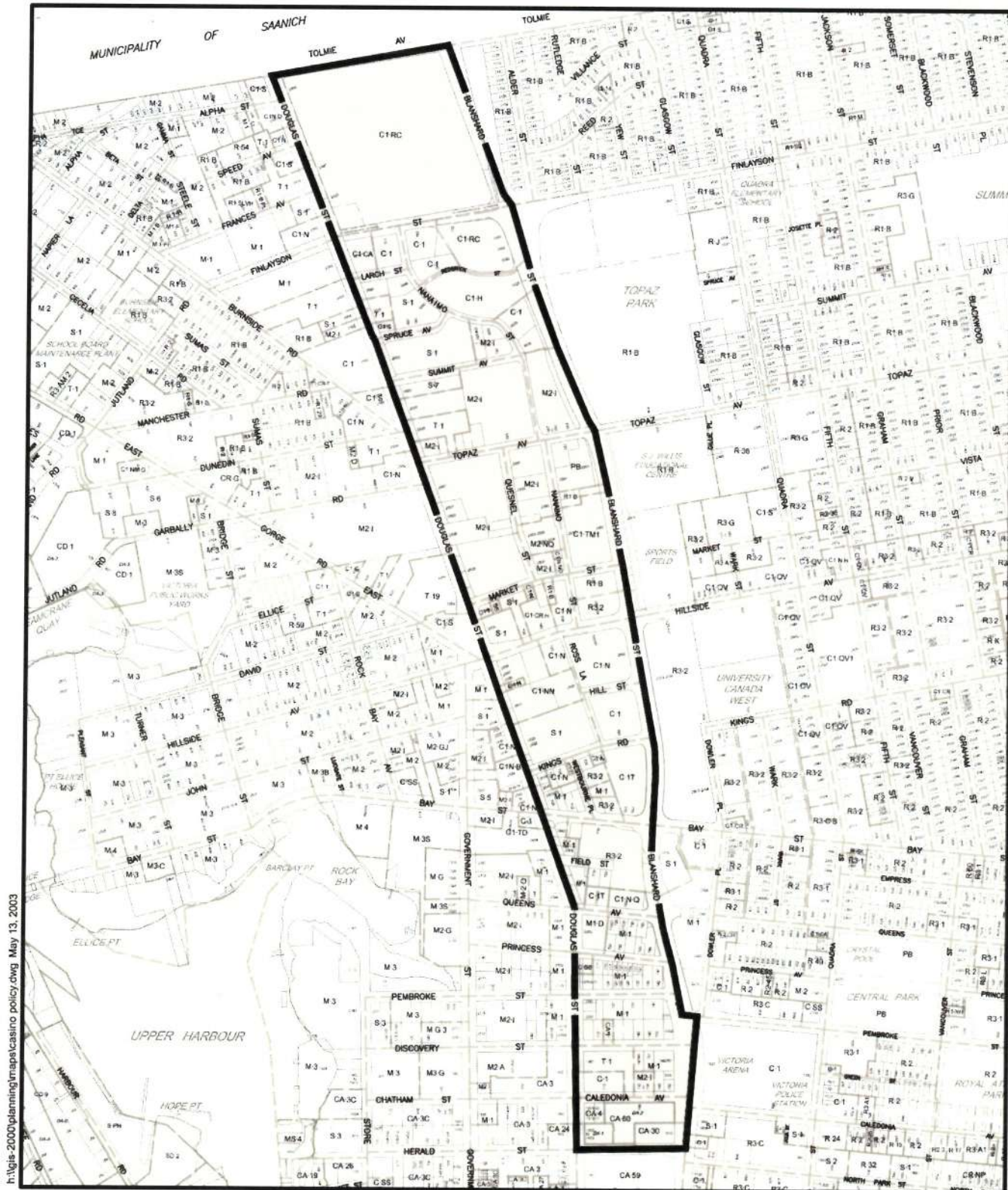
- Belleville Street buildings visible from the harbour between Pendray Street and Menzies Street
- The Crystal Gardens site

## SOCIAL

The proposed casino will comply with articulated municipal social principles and goals. Gaming is addictive and as gaming activity increases and diversifies, that impact increases. An application for rezoning must be accompanied by a professional social impact analysis demonstrating how impacts will be monitored and mitigated. Impacts should be assessed under the categories of personal or health issues, family and social dysfunction, non-criminal community issues and criminal community issues. A management plan must accompany the application outlining proposed operational policies, including recruitment, hiring, training and development of staff.

VLTs will not be allowed in the City of Victoria, based on information received by Council that a three or four fold increase in gambling addiction is attributable to VLTs.



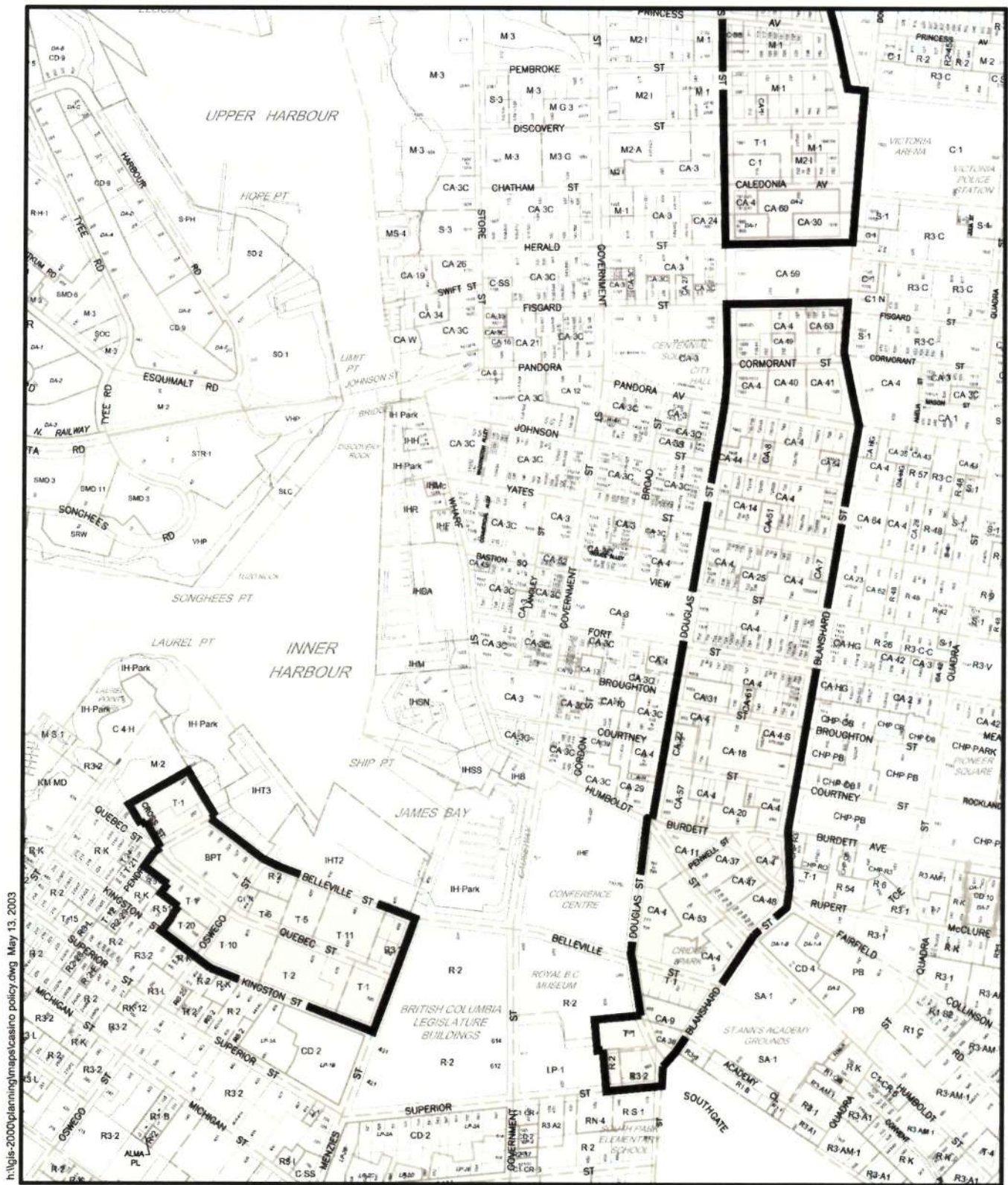


# Casino Policy

## Map 1 of 2







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# Casino Policy Map 2 of 2

