

Gaming Market Overview – North Shore of Metro Vancouver

As the Crown Corporation responsible for gaming in British Columbia, BCLC routinely assesses markets in conjunction with a third-party firm with extensive expertise in the international hospitality, tourism and leisure industries.

The North Shore region of Metro Vancouver currently has no casino or community gaming facility, and our market analysis continues to indicate potential for one.

As an initial step in determining interest amongst local governments to host a gambling facility, BCLC has initiated an Expression of Interest process with the City of North Vancouver, District of North Vancouver, District of West Vancouver, Squamish Nation and Tsleil-Waututh Nation.

Determining potential for a gambling facility is a detailed process that looks at a variety of factors, including existing play statistics, revenue potential, population size, proximity to other gaming facilities and socio-economic factors.

Our analysis looked at the gambling activities of the approximately 150,000 adults living on the North Shore. It showed that the annual spend for North Shore players at gambling facilities is lower than the average spend of players from any other municipality in the Lower Mainland, indicating that there is potential for increased gaming revenue in the North Shore with better accessibility.

Incremental revenue potential from a North Shore gambling facility is estimated to be between \$25 million and \$40 million; this would result in an annual Host Local Government payment of approximately \$1.5 million to \$2.2 million. A Host Local Government of a gaming facility receives 10 per cent of the net gaming income that its facility earns.

BCLC respects the authority of local governments to choose whether they want a gaming facility and will only consider pursuing development in communities where host local governments have indicated an interest.

Once a Host Local Government is identified, a detailed facility proposal may be submitted to the municipality for approval. All facility proposals will require the local government to seek and consider adequate community input.

For further information:

BCLC Public Affairs
publicaffairs@bclc.com

Expression of Interest Process

As the Crown Corporation responsible for managing gambling in the province, BCLC routinely assesses the gambling market in order to best serve British Columbians. When considering a new gaming facility, we adhere to a formal evaluation process that includes clearly defined criteria.

The process includes these key steps:

Market Review: BCLC uses specialized third-party market expertise to analyze and determine demand for a new gaming facility and what games would best serve the market. This analysis looks at factors including population data, existing gaming facilities and estimated revenue potential in the area.

Expression of Interest: When a new market is identified, BCLC issues an Expression of Interest to local governments in the identified market area. Local governments then notify BCLC whether they wish to be considered to host a facility. An independent fairness monitor oversees BCLC's review of submissions based on a number of factors.

Service Provider Selection: BCLC selects a private-sector operator which will build and operate the proposed facility on our behalf.

Gaming Proposal: BCLC will notify the preferred host local government, as determined by the Expression of Interest process, that it intends to bring forward a proposal for a gaming facility.

Community Input: BCLC is committed to meaningful community engagement and understanding what's important to British Columbians. In addition, the preferred host local government is obligated under the *Gaming Control Act* to seek and consider input from the community and to notify neighbouring governments.

Approval: Upon approval from the preferred host local government, BCLC makes its final decision regarding whether to proceed with development of the new gaming facility.

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Casino Gaming in BC

Governance

B.C.'s gaming industry is regulated by the Province's Gaming Policy and Enforcement Branch (GPEB) and operated by BCLC, a Crown Corporation. The Province of British Columbia chose to operate gambling through a Crown Corporation to balance the opportunity for revenue generation with the need for social responsibility and integrity. BCLC and GPEB report to the Minister of Finance. In 1998, the Province added casino gambling to BCLC's mandate and made it responsible for the operation of the casino industry in British Columbia.

How we work

BCLC is responsible for monitoring the market and determining the appropriate supply of gaming to meet demand. This includes determining the type of gaming facility, as well as what products (games) would serve that market.

BCLC contracts with private-sector companies which either own or lease the facilities and operate them on our behalf. They hire the staff and provide day-to-day operations. They sign operating agreements with BCLC and receive commissions based on the gambling revenue the facilities generate.

BCLC owns and deploys the gaming equipment, such as playing cards, shufflers, chips, dice and slot machines. We set and oversee operating standards, policies and procedures, including security, surveillance and responsible gambling. We monitor our operators to ensure they comply with these standards, as well as with legislation, regulations and federal laws.

Every gaming worker, including BCLC staff and those employed by our private sector partners, must be registered by our regulator, the Gaming Policy and Enforcement Branch.

Host local governments

Once BCLC has determined potential for gaming in an area, approval from the local government is required in order to develop a facility. The *Gaming Control Act and Regulation* outlines local governments' obligations to seek input from the community and from neighbouring local governments. Municipal, First Nations and regional districts with land-use authority can approve gaming in their community, and receive a 10 per cent share of the net gaming income that facility earns.

Types of gaming facilities

Gaming facilities in B.C. can include a variety of games, including live and electronic table games, slot machines and bingo. The type of facility and combination of games is tailored to suit each market and community. In general, BCLC operates three types of gaming facility:

- 7 Bingo Halls (offering paper and electronic bingo)
- 18 Community Gaming Centres (offering slot machines, electronic table games and bingo)
- 17 Casinos (offering table games with live dealers, electronic table games and slot machines)

There are currently 42 gaming facilities in B.C., located in 34 communities. Most gaming facilities also offer additional amenities, such as restaurants, bars/lounges, snack bars or meeting space.

Social responsibility

The majority of British Columbian adults who gamble do so recreationally (95.4%¹). B.C.'s gaming industry approaches gaming from the perspective that the decision to gamble is an individual's choice. To properly make the decision to gamble, an individual must have the opportunity to be informed. To that end, BCLC educates players and promotes responsible play in a variety of ways, including at each point of purchase.

Every gaming facility in B.C. has an information centre on the gaming floor that provides details regarding how games work, the odds of winning and tips to keep gambling fun and safe. In casinos, these GameSense Info Centres are staffed by specially trained personnel whose role is to interact with patrons in ways that proactively promote responsible gambling.

We acknowledge there is risk in gambling, and therefore all gaming facility staff members are trained to recognize and appropriately respond to players if they are exhibiting signs of stress. BCLC supports players who wish to take break from gambling by administering a Voluntary Self-Exclusion program. The Province of B.C. offers free counseling and treatment for individuals or their families free of charge and with no wait list. The Province of B.C. and BCLC also invest in research to continue to improve understanding of gambling issues and how to mitigate them.

Security

The safety of customers and staff is a priority at all B.C. gaming facilities. Sophisticated surveillance systems monitor activity in and around facilities and are supported by security staff throughout the venue. If suspicious activity is observed, staff will contact local police to assist, and report to the Gaming Policy and Enforcement Branch.

BCLC is required to report certain transactions to Canada's Financial Transactions and Reports Analysis Centre (FINTRAC) which are then used to identify patterns and gather evidence of potential money laundering. Most large cash transactions in B.C. occur in the financial sector (97%). Less than 2% of large cash transactions occur in casinos.

To further strengthen BCLC's commitment to safety and security, we have established information-sharing agreements with police. This allows us to refuse entry to persons with known links to criminal organizations, who pose a threat to public safety, or who are involved in criminal conduct likely to generate proceeds of crime.

For further information:

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¹ 2014 British Columbia Problem Gambling Prevalence Study