



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: September 15, 2006
Author: Mario Lee
Phone No.: 604.871.6034
RTS No.: 6156
VanRIMS No.: 11-2200-10
Meeting Date: October 3, 2006

TO: Vancouver City Council
FROM: Director of Social Planning
SUBJECT: Social Responsibility Fund - Guidelines for Allocations

RECOMMENDATION

- A. THAT City Council approve the general guidelines for four different funding categories from the Social Responsibility Fund (SRF) as described in this report, and instruct staff to report back every year with a review of the four funding categories, for the duration of the SRF;
- B. THAT City Council approve the creation of an annual grant program of \$125,000 for the duration of the Edgewater casino permit, to support community capacity building projects in the Downtown, Downtown Eastside, Strathcona, and Mount Pleasant neighbourhoods, generally as described in this report, and instruct staff to report back to Council on specific grant criteria;
- C. THAT Council approve funding allocations for the year 2006 to the following initiatives as outlined in this report; source of funds to be the Social Responsibility Fund:
 - (i) \$25,000 towards the City's contribution to the 2006/07 operation of the Responsible Gambling Information Centre (RGIC) at Edgewater Casino;
 - (ii) \$25,000 in 2006 towards the funding of local awareness and responsible gambling initiatives in partnership with the Edgewater Casino, BC Lottery Corporation, and the BC Gaming Policy and Enforcement Branch;
 - (iii) \$25,000 in 2006 towards research, training and staff development activities.

CITY MANAGER'S COMMENTS

The initiatives outlined in this report provide for a sensitive and timely use of the resources allocated to the Social Responsibility Fund (SRF). Historically, the City's response to gaming activities in the City has been one of balancing the demands for growth on the part of the gaming industry, with the need to take into consideration the impacts on local residents.

The City Manager RECOMMENDS approval of A, B and C (i), (ii), (iii).

COUNCIL POLICY

- On July 20, 2004, as part of the rezoning conditions for the Plaza of Nations, Council accepted a public benefit offering from Edgewater Casino that included a donation of \$200,000 annually, for the duration of the temporary permit to operate a casino at Plaza of Nations, towards the creation of a Social Responsibility Fund.
- On September 13, 2005, Council approved the allocation of \$25,000 from the Social Responsibility Fund towards the development of a responsible Gambling Information Centre at Edgewater Casino.
- Council policy requires Council authorization for funds to be drawn from the reserve.

PURPOSE

The purpose of this report is to seek Council approval of a set of general guidelines to approve allocations from the Social Responsibility Fund, and to recommend approval of allocation of funds for three specific proposals, namely: The City's contribution towards the RGIC at Edgewater Casino; support for local awareness campaigns and responsible gaming initiatives; and support for research, training and staff development initiatives.

BACKGROUND

On July, 20, 2004, as part of the rezoning conditions related to the development of a temporary Class 2 Casino at Plaza of Nations, City Council accepted an offering of public benefits from the operators of Edgewater Casino that included annual allocations of \$200,000 for the creation of a Social Responsibility Fund. This contribution is to continue for the duration of the permit to operate the casino, which recently has been extended until July 2013. This contribution is above and beyond the casino revenue that the City receives from the Province as part of the host local government gaming revenue agreement.

The declared intent for the use of the SRF was to assist in the development and implementation of harm reduction strategies and programs to mitigate possible negative impacts of the gambling industry on the City of Vancouver. The legal agreement that was consequently signed by the City and Edgewater Casino on November 1, 2004, indicates that the City has sole discretion to administer the funds.

The City has received the payment for the years 2005 and 2006 in their full amount, and a special reserve account for the fund has been created. On September 13, 2005, Council

approved the allocation of \$25,000 out of the SRF towards the development of a Responsible Gambling Information Centre (RGIC) at Edgewater Casino. The Information Centre was inaugurated on October, 2005, and continues to operate, providing information and referrals to the public, as well as providing consultation services to casino employees. Feedback collected to date on the performance of the RGIC is encouraging, and a full detailed review of the performance of the RGIC will be conducted later this fall.

At present, the Social Responsibility Fund has \$375,000 available. Considering the recent extension of the temporary permit to Edgewater Casino to operate at Plaza of Nations until July, 2013, the total amount of allocations to the SRF will reach over \$1.5 million.

DISCUSSION

When Council allocated \$25,000 towards a Responsible Gambling Information Centre on September 13, 2005, staff acknowledged in its report to Council, that while the responsibility for supporting gambling addiction related programs was under provincial jurisdiction, the municipality also has a role in finding ways to address some of the impacts of gaming. Other municipalities in British Columbia also support local initiatives related to responsible gambling, including the declaration of an awareness week in Nanaimo, and the support for prevention and education programs in Richmond.

Prior to providing a detailed proposal on how the City of Vancouver could utilize the Social Responsibility Fund, it is important to understand how gaming impacts, particularly in relationship to the Edgewater casino, are being analyzed and understood. It is also important to understand the scope of programs and activities being implemented by the Provincial government, which are discussed below.

The four funding categories proposed in this report take into account the findings of a socio-economic impact study in which the City is taking part, and existing Provincial initiatives.

Socio-Economic Impacts Study

Staff has reported earlier that the City of Vancouver is taking part in a Provincially funded initiative to assess the socio-economic impacts arising from gambling expansion. Together with the Cities of Surrey, Langley, and Langley Township, Vancouver is part of a longitudinal study being conducted by Blue Thorn Research and Analysis Group, on behalf of the BC Ministry of Public Safety and Solicitor General. The study is measuring indicators such as demands on the health system, per capita income changes, impacts on policing, number of crimes, changes to the hospitality industry, tourism rates, and problem gambling changes.

A Baseline Report was produced in 2005, and the first impact report was released in May, 2006. The first impact report provides some general observations related to the overall impacts in the region and some detailed observations about the impacts in each of the specific communities involved in the study. Some of the findings in the report inform the proposed guidelines in this Council report.

The findings of the report are based on three different methodologies, namely: a Random Digit Dialling Survey, involving 2,500 adults in the Lower Mainland; a Patron Survey conducted

at the facility level (including the Cascades Casino in Langley, the Fraser Downs racetrack in Surrey, and the Edgewater Casino), and; a qualitative assessment based on various interviews.

The report is available online at:

www.pssg.gov.bc.ca/gaming/responsible_gambling/docs/impact_study_first_report.pdf

Some of the general findings since the Baseline Report was produced in 2005 are:

- Relatively small impact on overall gambling behaviour among the public in terms of frequency of play, type of game played, and expenditures.
- Some decrease in the incidence of reported out-of-country gambling activities (e.g. Washington and Nevada states).
- Slight increase in negative attitudes about the harms of gambling for society.
- No statistically significant change in problem gambling incidence or prevalence in the four communities studied. However, the data does show an increase in new gamblers and increase in average spending on gambling.

Some of the specific findings related to Vancouver, include the following: (The proposed grant program will respond to the highlighted findings)

- There are 0.4% of adults with severe problem gambling, 3.3% of adults who are moderate problem gamblers, and 11.1% are low risk gamblers. The rest of the population are non problem gamblers (64.3%) and non gamblers (20.1%).
- **A considerable number of players (21.20%) at Edgewater Casino reported family income under \$30,000; this is slightly higher than the average for all venues (20.57%).**
- When asked about the highest level of education completed, **21.93% of Edgewater patrons indicated that they have completed high school, significantly lower than the 27.98% for all venues.** At the same time, however, 17.65% of Edgewater patrons indicated that they have completed a university degree, compared to only 11.26% for all venues.
- No impact of the casino with increased policing problems in the area.
- **In responding to a question to identify the ethnic or cultural group to which the patrons belonged, Edgewater patrons indicated belonging to Chinese and Aboriginal groups to a higher degree than other venues.**
- A higher than average proportion (in comparison to other venues) of male and never-married individuals frequent the Edgewater Casino.
- The majority of Edgewater's patrons (52.3%) live in Vancouver, and **57.3% of the Vancouver patrons reside in the postal codes areas immediately adjacent to the casino.**

Existing Provincial Programs and Strategies

At present, the Provincial government sponsors a number of programs and initiatives to respond to the impacts arising from gambling activities. The B.C. government provides \$4 million annually to fund problem gambling programs. The Provincial problem gambling program includes: counselling services; education and awareness activities; advertising and marketing standards for the gambling industry; research and education initiatives, and; counsellor and industry training.

The Province is currently implementing a responsible gambling strategy, which is detailed in a three year plan. The Provincial strategy has three defined goals, namely: the reduction of incidents of problem gambling; the reduction of harmful impacts of excessive gambling; and the delivery of gambling in a manner that encourages responsible gambling.

Some of the specific services related to the Provincial problem gambling initiative are:

- A help line, which last year (2005/06) fielded over 5,830 calls specifically related to problem gambling.
- A counselling service, which last year contracted 33 clinical counsellors to provide treatment services.
- Provision of prevention services, which in 2005/06 provided targeted services to schools, seniors groups, Corrections staff, police, First Nations Bands, church groups, and others.
- Delivery of awareness programs, including: the Appropriate Response Training (ART) to gaming industry personnel; the development of two Responsible Gaming Information Centres; and a program awareness campaign through advertising, web sites, washroom ads and targeted university and college newspapers.
- Conduction of some research activities, including: assessing the impacts of new gaming venues in four Lower Mainland communities; developing an Adolescent Problem Gambling Index, in partnership with other provinces, and; reviewing the Canadian Problem Gambling Index (CPGI).

For a detailed analysis of the Provincial problem gambling program, you can download the annual report at:

www.pssg.gov.bc.ca/gaming/responsible_gambling/docs/2005_06_pg_annual_report.pdf

Proposed Guidelines for Use of the Social Responsibility Fund

Some of the potential uses of the SRF identified in the Council report of September 13, 2005, included awareness activities and education initiatives related to issues of gambling policy and problem gambling, support for self-help groups, partnership with dedicated agencies for education/prevention, and support for crime prevention activities at the neighbourhood level.

An important element of the proposed allocations relates to the time-limited nature of the funding. The funds will cease to exist once the casino closes its doors. Therefore, any allocation will have to be for time limited projects or proposals, and not for ongoing funding.

In light of the findings of the impact analysis to date, and in recognition of the already established Provincial programs, it is proposed that allocations from the City of Vancouver SRF be focused on four specific areas.

While some of the proposed uses of the Vancouver Social Responsibility Fund could reinforce the three identified Provincial goals the City's activities, all focus on areas within the City's jurisdiction, and on impacts to the immediate neighbourhood.

1. Continued support for the Responsible Gambling Information Centre at Edgewater Casino

A detailed in-depth review of the RGIC at Edgewater Casino will be conducted in the Fall, in partnership with the BC Lottery Corporation and the BC Gaming Policy and Enforcement Branch. Information to date indicates that the Centre is being utilized by both patrons and casino employees, to seek information and referrals on problem gambling related issues. The City's contribution towards the RGIC will amount to \$25,000 annually. The Centre will continue to be monitored on an annual basis.

2. A grant program to support awareness and community capacity activities for targeted groups in the immediate neighbourhood surrounding the Edgewater Casino

Located at the Northeast end of False Creek, the Edgewater Casino is in close vicinity to some neighbourhoods with already identified community development and community capacity needs. Targeted neighbourhoods include: Downtown; Downtown Eastside, Strathcona, and; Mount Pleasant.

The Casino already has a very successful "hire-local" program that employs more than 10% of employees from the surrounding neighbourhoods in east Vancouver. Continued support to the communities in those neighbourhoods will enhance the "good neighbour" aspects of the casino and the City's commitment to support community development and increased community capacity.

Targeted groups to benefit from funded projects would reflect the demographic profile of the casino patrons, which at present include a significant proportion of Aboriginal, Chinese, low income, and single male individuals. Some potential examples of projects to be funded may include: Capacity building for Chinese youth in the Chinatown area; community development activities with Aboriginal seniors, and projects which support literacy.

The Social Planning Department will develop grant guidelines and application forms, not dissimilar to the ones already approved by Council for the Community Services grants. The funding won't be available for ongoing projects that could eventually require funding above and beyond the limited time nature of these funds.

Social Planning staff will report back to Council on program details, eligibility criteria, and will seek Council's endorsement on each specific allocation. It is anticipated that \$125,000 can be allocated to this stream on an annual basis for the duration of the Edgewater casino permit. A review of this funding stream will be conducted every year.

3. Support for local awareness campaigns and responsible gaming community-based forums

In partnership with the Edgewater Casino, the BC Lottery Corporation, and the BC Gaming Enforcement and Policy Branch, the City will support locally-based educational and awareness initiatives related to responsible gaming. This could include the declaration of an awareness week, and support for community-based forums involving local educational institutions and established community agencies.

It is anticipated that \$25,000 on an annual basis, can be allocated to these types of initiatives. This amount may change in future years depending on the results of the annual review of all funding streams. The City Manager in consultation with the Director of Social Planning is responsible for authorizing specific allocations.

4. Support for Research, training and staff development initiatives

As the gambling industry continues to expand in British Columbia, and particularly in the Lower Mainland, it is important to understand and assess both its positive and negative impacts. In the near future, for example, it is anticipated that 600 slot machines will be placed at Hastings Racetrack, a new upgraded casino will open in Burnaby, with up to 1,000 slot machines and 82 tables, and a new upgraded casino will open in New Westminster with 600 slot machines and 70 tables. This expansion will add to the already existing inventory of gambling facilities in the region, which includes facilities in Richmond, Coquitlam, Langley, Surrey, and Vancouver.

The Provincial government is already engaged in funding or sponsoring initiatives that will continue to provide a broader understanding of the impacts of gambling in the larger society. The City of Vancouver, however, could benefit from specific targeted research to better understand specific impacts to the city. Partnerships with local academic institutions, Police, addiction services, and others would result in research and training projects that benefit Vancouver's residents. Furthermore, the expertise already accumulated by City staff could continue to be maintained and enhanced through attendance to forums, conferences, and training programs. This would allow an informed and well coordinated approach to these issues by the City. It is proposed that the training and staff development component of this initiative be capped at \$3,000 annually.

It is anticipated that \$25,000 on an annual basis can be dedicated to this particular stream. This amount may change in future years depending on the results of the annual review of all funding streams. The City Manager, in consultation with the Director of Social Planning, is responsible for authorizing specific allocations.

FINANCIAL IMPLICATIONS

A Social Responsibility Fund has been created as a reserve, with the original \$400,000 received already, and \$25,000 already spent, as authorized by Council on September 13, 2005. The Fund will continue to accumulate with future annual payments from Edgewater Casino. This report seeks authorization to start allocating existing funds and to continue to allocate \$200,000 from this reserve on an annual basis. The four proposed funding streams and the amounts allocated to them may change in future years. An annual review of all funding streams will be conducted by staff and reported back to Council.

CONCLUSION

The proposed guidelines to allocate funds from the Social Responsibility Fund will further complement the City's commitment to a balanced approach to gambling activities in the city. Four specific areas of intervention have been identified including information and awareness services to be provided inside the Edgewater Casino, support to increased community capacity in surrounding neighbourhoods, support to awareness and educational activities, and

support for locally based research and training activities. Staff will provide an annual full report on the allocation of all funds, as well as an assessment on the progress of the different components of the Social Responsibility Fund.

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