



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: January 15, 2007
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Meeting Date: January 30, 2007

TO: Vancouver City Council

FROM: Director of Planning in consultation with the Directors of Social Planning and Director of Legal Services

SUBJECT: CD-1 Text Amendment: 750 Pacific Boulevard (Edgewater Casino at the Plaza of Nations)

RECOMMENDATION

THAT the application by Paragon Gaming Inc., to amend Comprehensive Development District (CD-1) By-law No. 7592 (reference No.349) for 750 Pacific Boulevard (Plaza of Nations) to change the maximum number of gaming tables from 60 to 75, be referred to Public Hearing together with:

- i. draft CD-1 By-law amendments, generally as contained in Appendix A; and
- ii. the recommendation of the Director of Planning to approve the application, subject to conditions generally as contained in Appendix B.

FURTHER THAT the Director of Legal Services be instructed to prepare the necessary amending by-law generally in accordance with Appendix A for consideration at Public Hearing.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing.

COUNCIL POLICY

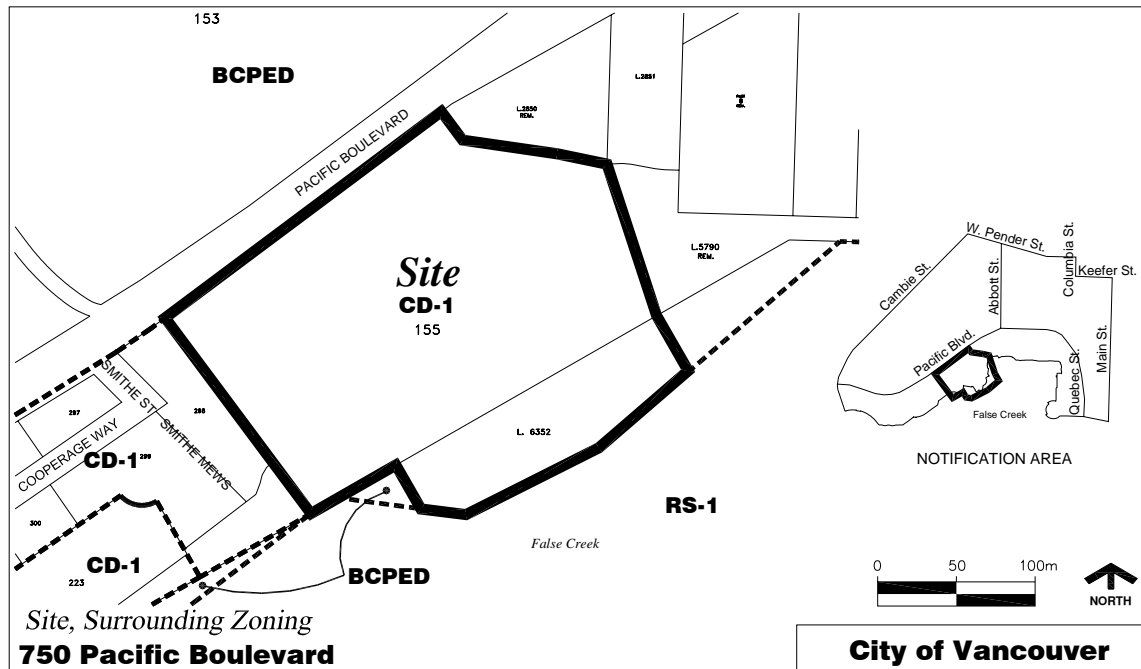
Following a Public Hearing on January 20 and 21, 2004, Council approved an amendment to CD-1 By-law No. 7592 to permit a Casino-Class 2 (a casino including slot machines), for a period no greater than four years.

On May 30, 2006, Council passed a resolution advising the Development Permit Board that based upon the merits of Paragon Gaming Inc.'s proposal to purchase the Edgewater Casino and to thereafter take steps to relocate the casino, that Council supported the Development Permit Board's consideration of an extension to the time-limited development permits for the Edgewater Casino (DE408507 and DE408622) from the current expiry date of December 3, 2008 to no later than July 31, 2013. The Development Permit Board on June 5, 2006, approved the extension of the development permits to no later than July 31, 2013, subject to certain conditions being met.

The False Creek North Official Development Plan identifies the Plaza of Nations complex as a commercial precinct.

PURPOSE AND SUMMARY

This report assesses an application to amend the CD-1 By-law for 750 Pacific Boulevard, the Edgewater Casino at the Plaza of Nations, to revise the maximum number of gaming tables permitted under the by-law from 60 to 75 within the limits of the maximum floor area currently permitted for gaming under CD-1 By-law No. 7592. The amendment is proposed in order to provide greater flexibility for the applicant in changing the mix of gaming tables and slot machines. Staff support the proposed amendment and recommend that the application be referred to a Public Hearing and approved subject to conditions.



BACKGROUND

In January 2004 Council approved an amendment to the CD-1 zoning of the Plaza of Nations site to permit Casino - Class 2 use (a casino with slot machines), for a period of time not exceeding four years after the issuance of the initial occupancy permit for this use. The Edgewater Casino subsequently opened on February 4, 2005.

The original operator of the Edgewater Casino was unable to operate on a profitable basis and in September 2006, Paragon Gaming Inc. (Paragon) took over as the new operator of the casino. To provide adequate time for Paragon to secure a new site and construct a permanent casino facility elsewhere, the Development Permit Board, based upon the support of Council, approved an extension to the term of the current approval, allowing the casino use to continue on the Plaza of Nations site up to July 31, 2013.

Paragon has undergone a review of the casino operations and is currently in the process of undertaking physical improvements and service enhancements to the facility.

DISCUSSION

Proposal

An application has been received from Paragon to amend the CD-1 zoning of this site which currently allows up to a maximum of 600 slot machines and 60 gaming tables. The purpose of the requested amendment is to increase the maximum number of gaming tables permitted from 60 to 75, thereby providing greater flexibility in changing the mix of gaming tables and slot machines. The currently proposed gaming mix includes a maximum of 513 slot machines and a maximum of 70 gaming tables.

There could be some concern that this proposed text amendment will allow increased gaming activity as a result of increases in the number of gaming tables. However, there are restrictions in place that will prevent the operator from having the maximum number of slots and gaming tables simultaneously. First, the CD-1 By-law imposes a limit on the floor area permitted for gaming (36,598.5 sq. ft.). The casino operator's current proposal does not involve any increases to the By-law's floor area limits for gaming activity.

Second, the BC Lottery Corporation (BCLC) has gaming area guidelines that pertain to the mix of the gaming activity on the casino floor. Under BCLC gaming area guidelines, the floor area of one gaming table is similar to the area of approximately six slot machines; therefore, in order for the casino operator to operate in compliance with the CD-1 By-law's gaming floor area limits, the addition of gaming tables must be accompanied by a reduction of existing slot machines.

Further, any changes to the mix of slot machines and gaming tables, within the limits prescribed in the CD-1 By-law, will require approval by the Director of Planning in consultation with the Director of Social Planning.

Staff support the provision of additional flexibility in the mix of gaming activity and recommend that the maximum number of gaming tables be increased from 60 to 75.

Traffic and Parking

Since this proposal does not involve an increase in the floor area permitted for gaming activity, there is no impact on the parking or loading requirements for this site.

Public Benefit

A range of public benefits were negotiated through the previous rezoning, including the following:

- Social responsibility fund - \$200,000/year is paid to the City to mitigate potential negative consequences associated with casino gambling.
- Job creation program - Ten percent of employees hired by the casino must be from targeted groups, with emphasis on the Downtown Eastside area.
- Community use of the performance plaza - Performance space must be made available to community groups for a minimum of seven (7) days a month.

In addition, by way of a Memorandum of Understanding (MOU) a commitment was made to the city's Bingo Charities to construct a new bingo facility.

This proposal does not seek to alter any of these existing agreements or commitments.

Public Input

Public notification included the installation of two rezoning information signs on the site and notification of almost 3,700 area residents and approximately 70 stakeholders.

Staff have received a total of six responses from area residents, of which two were opposed to the proposal. Comments included:

- Not in favour of any increase in gaming activity.
- No casino should be permitted due to impacts on youth.
- Plaza of Nations activities have resulted in parking impacts on Quebec Street.

Applicant Comment

Paragon accepts the Administrative Report as written, and requests the Vancouver City Council approve the 8902 CD-1 Text Amendment as proposed by Staff.

FINANCIAL IMPLICATIONS

Prior to the approval of the Edgewater Casino in 2004, it was estimated that a fully operational casino at this location would generate approximately \$6.5 million a year for the City. This figure has not been achieved in the past years; however, it is anticipated that the proposed changes in gaming activity will contribute to increased revenue contributions to the City. Revenue projections provided by Paragon show the Casino exceeding the original estimates by 2007.

SOCIAL IMPLICATIONS

There are no anticipated additional social implications resulting from this proposal, as the overall level of gaming will not be increased. City staff will continue to monitor potential impacts arising from casino activities.

The Vancouver Police Department does not have any concerns regarding this application.

CONCLUSION

This amendment to the CD-1 by-law will provide the Edgewater Casino with additional flexibility in changing the mix between slot machines and gaming tables to better meet the needs of its customers and will improve the economic viability of the casino.

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750 Pacific Boulevard
DRAFT BY-LAW AMENDMENTS REQUIRING A PUBLIC HEARING

Note: A draft by-law amendment will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

CD-1 By-law No. 7592 for 750 Pacific Boulevard (Plaza of Nations) is amended as follows:

Conditions of Use:

Amend Section 4.2, Conditions of Use, to provide that for Casino - Class 2, gaming activity be limited to a maximum of 600 slot machines and 75 gaming tables.

750 Pacific Boulevard
PROPOSED CONDITIONS OF APPROVAL

Note:

These are draft conditions which are subject to change and refinement prior to finalization of the agenda for the public hearing, to the satisfaction of the Director of Legal Services.

DEVELOPMENT APPROVAL

THAT the registered owner shall obtain approval of a development application by the Director of Planning who shall have particular regard to, among other things, the following:

Fire Safety

- i. The applicant must update their current Fire Safety Plan and the evacuation plans to show alterations.
- ii. The current occupant load for the proposed area must have a new stamp for the Fire Safety Office to update files.

LEGAL AGREEMENTS

THAT arrangements must be made to the satisfaction of the City Manager in consultation with Director of Legal Services and the Director of Planning, at no cost to the City, to modify all legal agreements and to make all consequential adjustments in the legal relations between the City, the registered owner, Edgewater Casino Inc. and any new casino operator that the Director of Legal Services considers necessary based upon this CD-1 Text Amendment to By-law No. 7592 and the change to the operator of the casino.