



COUNCIL REPORT

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Meeting Date: May 8, 2024
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TO: Standing Committee on Policy and Strategic Priorities
FROM: General Manager of Arts, Culture & Community Services
SUBJECT: British Columbia Lottery Corporation – Gaming Requests

Recommendations

- A. THAT Council amend the gambling moratorium adopted by Council at its meeting of April 19, 2011 generally as described in Appendix A.
- B. THAT Council require that any applications brought forward for Council consideration for gambling expansion in the City include an assessment of the health, social, and economic impacts of the proposals.

Purpose and Executive Summary

This report seeks Council direction regarding the gambling and/or gaming moratorium adopted by Council at its meeting of April 19, 2011 (the “Moratorium”) in light of recent interest from the British Columbia Lottery Corporation (BCLC) in potentially expanding gambling at the City’s two existing casinos: Parq and Hastings Racecourse.

Currently, the Moratorium prohibits City consideration of applications to expand gambling at existing or new locations. In response to inquiries from BCLC, staff are recommending that Council modify the Moratorium to allow applications for expansion of gambling at existing facilities and to enable staff to subsequently analyse and present relevant City and community implications of that request to Council for consideration. This approach aims to ensure Council decisions are informed by sufficient detail to assess the impacts of expanding gambling at existing facilities before making a decision on an application, while keeping other elements of the Moratorium intact.

Council Authority/Previous Decisions

- [On April 19, 2011](#), after a public hearing related to the relocated Parq Vancouver Casino rezoning application, Council adopted a Moratorium on expansions of gambling/gaming venues in the City:

THAT a moratorium shall be imposed on any and all applications to expand gambling and/or gaming venues in the City of Vancouver. Specifically that while the moratorium is in effect the City will not accept either of (1) applications to develop, use or operate a facility as a new gaming facility as described in section 18 (1) (a) of the *Gaming Control Act* or (2) applications to substantially change the extent of lottery schemes at existing gaming facilities under section 18 (1) (c) of the *Gaming Control Act*. This is not intended to affect applications to relocate an existing facility under section 18 (1) (b) of the *Gaming Control Act*, or applications to the City to change the mix of lottery schemes within existing facilities.

AND THAT this moratorium shall be in effect until such time as the Province of British Columbia, the British Columbia Lottery Corporation and/or their agents:

- (i) undertakes a comprehensive public consultation on the issue of expanded gambling in the City of Vancouver, and the results of this consultation are deliberated by Vancouver City Council; and
 - (ii) implements internationally recognized best practices in:
 - promotion of responsible gambling
 - prevention of problem gambling
 - treatment for problem gamblers
 - protection against money laundering, fraud and other criminal activity.
- For a list of other previous Council decisions on the topic of gambling, see Appendix B.

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

Regulatory Context for Gambling/Gaming

The Provincial Gaming Policy and Enforcement Branch regulates all gambling in BC, including regulatory oversight of BCLC, which conducts and manages commercial gambling. In 2002, the Province enacted the *Gaming Control Act*, which gives local governments the ability to approve or deny hosting gambling facilities in their jurisdiction and to regulate specific aspects of the gambling facility, including the size of the gambling floor, the allowable number of slots and table games, and related issues like responsible gambling. Local governments that host casinos ("host local government") receive 10% of the net casino gaming revenue from casinos within their jurisdiction.

Vancouver Casinos

Since January 1987, there has been extensive Council discussion and consideration with respect to slot machines, and gambling generally, in Vancouver.

There are currently two approved gambling venues in Vancouver: the Hastings Racecourse and Casino ("Hastings Racecourse") and the Parq Vancouver Casino ("Parq"). Through zoning, development permits, agreements with casino operators, and *Gaming Control Act* approvals, the City has capped the amount of gambling allowed at the Parq and Hastings Racecourse casinos as follows:

	Parq (permitted)	Parq (current)	Hastings Racecourse (permitted)	Hastings Racecourse (current)
Slots	600	600	600 ¹	446
Table games	75	61	0	0

Health and Social Considerations

Given the known health and safety concerns arising from problem gambling and – at times – casino operations, the health and social impacts of gambling are important factors in determining whether to allow an expansion of gambling in the city. Vancouver Coastal Health (VCH) would be in a position to advise on the public health component of the assessment of increased gambling in Vancouver, and VPD would be able to advise the safety considerations. Given Vancouver's unique position in the region as the commercial, cultural, and social centre, the extent of various impacts of increased gambling opportunities on the community is likely to differ from impacts in other jurisdictions and should be considered in any assessment.

Responsible Gaming Program

Currently, BCLC operates a Responsible Gaming Check accreditation program in Vancouver. This program measures standards and criteria relating to requirements around policy, self-exclusion programs, informed decision-making, access to money, venue and game design, employee training, assistance for players, and marketing/communications.

Community-Benefits: Revenue and Agreements

Over the past seven years, the City has received the following as its share of host local government gaming revenue from gaming proceeds in Vancouver:

Fiscal Year	Parq	Hastings Racecourse	Total
2022/23	\$6,225,000	\$996,000	\$7,221,000
2021/22	\$4,471,000	\$692,000	\$5,163,000
2020/21²	\$0	\$0	\$0
2019/20	\$7,142,000	\$948,000	\$8,090,000
2018/19	\$8,223,000	\$1,079,000	\$10,512,000
2017/18	\$9,433,000	\$1,097,000	\$10,530,000
2016/17	\$8,548,000	\$1,109,000	\$9,657,000

¹ The Exhibition Park CD-1 (3B) zone permits up to 900 slot machines; Hastings Racecourse is limited to 600 slot machines through the terms of its approved Development Permit and the Operating Agreement between the City and the casino operator.

² Casinos were closed during the COVID-19 pandemic.

In addition to the host local government share of revenue, the City also receives funding from the casinos at Parq and Hastings Racecourse to offset the negative impacts of gambling in the surrounding areas. For Parq, the annual contributions include \$300,000 to St. Paul's Foundation and \$300,000 to the Social Responsibility Fund for disbursement to projects and programs in the Downtown Eastside and surrounding area. Due to the COVID-19 pandemic, these payments have been delayed in recent years, but a repayment schedule is underway to catch up on outstanding contributions.

For Hastings Racecourse, annual contributions include community funding as a base amount plus a CPI adjustment and has averaged approximately \$130,000 annually over the past five years. Through the Operating Agreement between the City and the casino operator, Hastings Racecourse also pays the City operating fees totalling ~\$1.750m per annum (subject to CPI adjustments), which are currently allocated to the Hastings Park Reserve to fund the Hastings Park/PNE Master Plan.

Discussion

Current BCLC Interest

BCLC is seeking to expand gambling opportunities at the Parq and Hastings Racecourse casinos by potentially increasing the number of slot machines and table games, which would result in an expansion of gambling capacity at these facilities. Although the scope of the desired expansion has yet to be confirmed, consideration of any expansion would require the Moratorium to be amended.

BCLC suggests that the expansion of gambling as they envision at the Parq and Hastings Racecourse casinos would result in increased revenue at the respective casinos. If achieved, this would in turn increase the revenue to the City as the host local government. BCLC has projected the host local government share of potential increased revenues to be in the range of \$2.6 million to \$5 million.

BCLC has also expressed an interest in modernizing its responsible gaming curriculum in 2025/26. The new approach would differ from the Responsible Gaming Check by measuring outcomes related to influencing safer play rather than the inputs to support safer play. Implementation of any revisions may require amendments to agreements between the City and casino operators.

Process for Consideration of BCLC Request

For the City to consider a request by BCLC to expand gambling in Vancouver, Council would first need to consider the status of the Moratorium. To date, the Province and BCLC have not completed the work set out in the Moratorium that must be completed before the Moratorium ends, so the Moratorium remains in effect in the city.

Options and Analysis

Staff have identified four options to address BCLC's inquiries:

1. Amend the Moratorium to direct staff to receive applications to substantially change the extent of lottery schemes at existing gaming facilities under Section 18 (1) of the *Gaming Control Act* and require the applicant to provide a full health and safety and economic

impact assessment of their proposals (Recommended).

2. Lift the Moratorium entirely to consider applications for gambling expansion at existing or new facilities and require applicants to provide a full health and safety impact assessment of their proposals.
3. Retain the status quo by leaving the Moratorium in place.
4. Direct staff to lead and resource a full assessment and analysis of the public policy implications of amending or lifting the Moratorium and report back to Council.

Table 1: Options Analysis

	Option 1 (Amend Moratorium)	Option 2 (Lift Moratorium)	Option 3 (Retain Moratorium)	Option 4 (Staff Assessment)
Benefits	<p>Allows for assessment of gambling expansion without erasing limitations.</p> <p>Supports increased City revenue.</p> <p>Cost of public health and safety and economic impacts assessment required of the applicant.</p>	<p>Supports increased City revenue.</p> <p>Sends clear message for potential future casino applications.</p> <p>Cost of public health and safety and economic impacts assessment required of the applicant.</p>	<p>Avoids additional public health and safety impacts of gambling expansion.</p>	<p>Provides a fuller, updated public policy analysis on gambling/gaming as a whole.</p>
Risks	<p>Public health and safety and economic impacts (to be considered as part of application assessment).</p>	<p>Public health and safety and economic impacts (to be considered as part of application assessment).</p>	<p>No opportunity to consider expanding gambling in the City.</p> <p>Lost opportunity to potentially increase City revenue.</p>	<p>Delays timeline to application consideration and potentially increased City revenue.</p> <p>Assessment is not on current workplan.</p> <p>Cost of assessment would fall to the City.</p>
Path Forward	<p>Applications for expansion at Parq / Hastings could come forward for consideration.</p>	<p>Applications for expansion at Parq / Hastings and for new casinos could come forward for consideration.</p>	<p>No further work at this time.</p>	<p>Staff prepare analysis of implications of addressing the Moratorium and provide to Council for consideration.</p>

Staff recommend Option 1, enabling Council consideration of the impacts of individual applications brought forward to expand gambling in Vancouver, while restricting the scope of those requests to existing facilities.

Endorsing the recommended Option 1 would also allow for a full assessment of the economic impacts of gambling expansion at existing facilities. In terms of revenue for the City, the host local government share of gambling revenue would likely increase following an expansion of gambling. Other economic impacts would also be considered as part of the application assessment process.

Financial Implications

There are no direct financial implications associated with this report's recommendation. However, if Option 1 or Option 2 are adopted by Council, the City's host local government share of gambling revenue could increase if subsequent applications to increase gambling in Vancouver are approved. A full description and analysis of those financial implications would be provided to Council at that time.

Legal Implications

Council's adoption of this report's recommendations would result in an amendment to the Moratorium to facilitate review by the City of any applications to substantially change the extent of lottery schemes at existing gaming facilities. The Moratorium would still apply to applications for any new gaming facilities, but does not affect applications to relocate an existing gaming facility, or applications to change the mix of lottery schemes within existing gaming facilities.

Applications may take the form of rezoning or development permit application, an application for authorization pursuant to the *Gaming Control Act*, a request to amend any agreements between the City and the casino operators, including the Hastings Racecourse Operating Agreement, or any combination of these applications. Certain applications may trigger statutory requirements for consultation, including with other local governments or the community under the *Gaming Control Act* or a formal public hearing in the case of a rezoning application. The specific process and consultation requirements will be determined based on the form of application received.

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**APPENDIX A
AMENDED MORATORIUM WITH EDITS SHOWN**

THAT a moratorium shall be imposed on any and all applications ~~to expand~~ **for new** gambling and/or gaming venues in the City of Vancouver. Specifically that while the moratorium is in effect the City will not accept ~~either of (1) applications to develop, use or operate a facility as a new gaming facility as described in section 18 (1) (a) of the *Gaming Control Act* or 2) applications to substantially change the extent of lottery schemes at existing gaming facilities under section 18 (1) (c) of the *Gaming Control Act*.~~ This is not intended to affect applications to relocate an existing facility under section 18 (1) (b) of the *Gaming Control Act*, **to substantially change the extent of lottery schemes at existing gaming facilities under section 18 (1) (c) of the *Gaming Control Act***, or applications to the City to change the mix of lottery schemes within existing facilities.

AND THAT this moratorium shall be in effect until such time as the Province of British Columbia, the British Columbia Lottery Corporation and/or their agents:

(I) undertakes a comprehensive public consultation on the issue of expanded gambling in the City of Vancouver, and the results of this consultation are deliberated by Vancouver City Council; and

(II) implements internationally recognized best practices in: - promotion of responsible gambling - prevention of problem gambling - treatment for problem gamblers - protection against money laundering, fraud and other criminal activity.

APPENDIX B LIST OF PREVIOUS COUNCIL DECISIONS REGARDING GAMBLING

- **1987 – 2002:** Starting January 27, 1987, Council passed a number of resolutions outlining its position on a variety of gaming policy issues. Some resolutions have dealt with the need to recognize the municipal role in defining gaming policy matters as they affect local communities, a role now defined under the *Gaming Control Act* (2002), as well as in the Memorandum of Agreement (signed in 1999) with the Union of British Columbia Municipalities (UBCM).
- **2004:** Council enacted amendments to the 750 Pacific Boulevard (Plaza of Nations) CD-1 (349) By-law to, among other things, add “Casino – Class 2” as a permitted use, with gaming activities restricted to 600 slot machines and 60 gambling tables. A further zoning amendment in 2007 increased the number of permitted gambling tables to 75.
- **2004 - 2005:** Council enacted amendments to the Exhibition Park CD-1 (3B) By-law to, among other things, allow up to 900 slot machines in the Hastings Racecourse racetrack facility. Council also directed that not more than 600 slot machines be operated onsite as well as that a number of other agreements be executed between the casino operator and the City. In October 2005, the Development Permit Board conditionally approved a development permit that included slot machines at Hastings Racecourse.
- **2007:** The City and the operator of Hastings Racecourse executed the Operating Agreement for Hastings Racecourse, which, among other things, restricts the number of slot machines at Hastings Racecourse to 600 and directs that any application to install or operate more than 600 slot machines must be brought forward to Council.
- **2011:** Council approved and enacted an amendment to the 777 Pacific Boulevard CD-1 (519) By-law to, among other things, allow the Casino – Class 2 use and up to 600 slot machines and 75 gaming tables. Under the *Gaming Control Act*, Council also approved the relocation of the former Edgewater Casino to 777 Pacific Boulevard (now Parq). At the same time, Council adopted the Moratorium.
- **2014:** The Development Permit for Parq was approved, subject to a number of conditions. The conditions included execution of a number of agreements between the City and the casino operator, including a Responsible Gaming Agreement and a Gaming Restriction Covenant prohibiting any future increase in any form of gambling including the number of slot machines from 600 and gaming tables from 75.