

MOTION**Report Request – Revenue Sharing Fairness of Woodbine Racetrack Slot Machine and Gaming Revenue****Moved by: Councillor Palacio** _____**Seconded by: Councillor Mammoliti** _____**SUMMARY:**

Woodbine Racetrack is one of 17 free-standing racetrack slot facilities in Ontario. It is owned by the Woodbine Entertainment Group, but operated by the Ontario Lottery and Gaming Corporation (OLG). The recent expansion just approved by Council will create the largest and most exciting entertainment complex in the City of Toronto, a new entertainment heart of the City, including new slot machines and will generate hundreds of millions of dollars in new gaming revenue.

Under the current revenue-sharing formula Toronto receives a paltry 2.7% of the gross gaming revenue derived from slot machines, as compared to a minimum 10% for all other stakeholders.

According to City Staff, in 2006, the distribution of revenues from the Woodbine slot operation, a total estimated of \$550 million, was:

- City of Toronto \$14.8 million or 2.7%
- Woodbine Entertainment Corp \$55 million or 10% (est)
- Horse breeders \$55M or 10% (est)
- Ministry of Health's Problem Gambling Strategy \$11 million or 2% (est)
- Province inc. General Revenue and Ontario Trillium Foundation \$414 million (est)

Council must work with the Provincial Government and OLG to amend this unfair and antiquated agreement. If the formula was changed to provide the City with a more equitable percentage of the gross revenue for all new slot machines created under this expansion for example, the City would receive literally hundreds of millions of dollars in new revenue. The City should at least be seeking a formula similar to First Nation's agreements that see all net revenues distributed to first nations communities for economic and community development. This is an opportunity to help resolve the revenue imbalance between the Province and the City at only an opportunity cost to the Province.

The below recommendation has been discussed with and is agreeable to the City Manager, City Solicitor and Chief Financial Officer.

RECOMMENDATIONS:

1. That the City Manager, in consultation with appropriate City staff, report to the next meeting of the Executive Committee on the feasibility of negotiating a larger percentage of the slot machine revenue dedicated to the City from Woodbine Racetrack.