

Ref: 2008-MM24.1

September 30, 2008

EXECUTIVE COMMITTEE:

City Council on September 24 and 25, 2008, referred the following Motion to the Executive Committee:

MM24.1 Woodbine Slot Revenue Agreement
Moved by Councillor Palacio, seconded by Councillor Moscoe

SUMMARY:

The City of Toronto has an agreement with the Ontario Lottery and Gaming Corporation (OLG) to share in the net proceeds from the slot machine revenues at Woodbine Racetrack. The current agreement provides for revenue sharing on the basis of the number of slot machines: 5 percent for the first 450 machines and 2 percent for any balance over 450. The City's effective share of the revenues is 2.693 percent, given the number of machines at Woodbine based on the number of slot machines as at December 31, 2006.

At its meeting of January 29 and 30, 2008, Council adopted Executive Committee Item 16.7, headed "Revenue Sharing Fairness of Woodbine Slots", which recommended among other things that:

"The Mayor and staff negotiate a change in the Racetrack Municipality Contribution Agreement with the Ontario Lottery and Gaming Corporation with respect to revenue sharing with the objective of increasing the City's share to be the same as other non-government stakeholders, i.e., 10 percent of the Net Win as defined by the existing agreement; and that these negotiations take place on a political, as well as staff-to-staff level."

The Woodbine facility (racetrack and slot operations) is owned by Woodbine Entertainment Group and the slot operations are operated by OLG.

RECOMMENDATIONS:

1. That Woodbine Entertainment Group and the City of Toronto approach OLG with a joint proposal to amend the City's agreement with OLG to increase the City's share of the slot revenues to 10 percent, irrespective of the number of slot machines.

2. That the City Manager report, in-closed session if necessary, to the October meeting of the Executive Committee on the status of the City of Toronto's efforts to alter the current slot machine revenue sharing arrangement, as well as how the current WoodbineLive! proposal can be effectively leveraged in any way to meet this City objective.

Council also considered a Fiscal Impact Statement (September 23, 2008) from the Deputy City Manager and Chief Financial Officer.

for City Clerk

M. Toft/cd

Attach.