

Corktown Residents & Business Association
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Executive Committee
City of Toronto

November 1, 2012

Mayor Ford and members of the Executive Committee,

Re: Executive Committee Item EX24.1 – Considering a New Casino in Toronto

I commend the City Manager recommending that the matter of establishing a Casino in Toronto, or not, be the subject of public consultation authorised by Executive Committee. I am sure that Toronto residents and businesses will respond with the energy and participation shown for the Port Lands public process.

However, along with many others, I believe now is the time to be starting to express strongly held views on the process, before it starts.

I will also leave comparisons with other major cities where casinos have been introduced to those who have researched that aspect more than I have. Suffice to say that the feedback from such places is dismal, with very few exceptions. And yet many of them went through the process you might be initiating here. There are plenty of warning signs for all to see.

My focus is on the City Manager's report and the Ernst & Young Report upon which much of it is based.

In my work life, I have hired many consultants of different disciplines to prepare reports for me or my clients; Planning reports, property appraisals, traffic studies, cost consultant reports, environmental studies, and engineering studies. In every case, the first place I look in the reports is the exclusions and the caveats; this is where the real meat is. The balance of the report is written to suit the client's purpose more or less; the exclusions and caveats are there to protect the report writer through full disclosure of the real story.

Limitations

I urge you to read carefully section 1.02 Limitations in the Ernst & Young report rather than repeat it all here. But the section includes the following two passages:

- *"The magnitude of the Economic Impacts will be dependent on a number of factors, conditions and events that are presently unknown and / or outside the control of the City"* and
- *"Consequently, in preparing the illustrative estimates of the Economic Impacts, numerous assumptions were required to be made about these factors, conditions and events. The actual Economic Impacts will vary from the illustrative estimates, even if the assumptions are realized. Such variations may be material."*

I read that as saying that all the numbers in the report, sometimes given in great detail and often containing very attractive looking revenues to the City, must be taken with a generous pinch of salt. As I will show shortly, there are also many offsetting costs which have simply been ignored.

Existing Businesses

The E&Y report states the following:

- *“Some of the GDP contributed by an Integrated Entertainment Complex will be at the expense of existing businesses to the extent consumers shift their entertainment and leisure spending from existing businesses to the Integrated Entertainment Complex”*

If you speak with those who know far more about the retail business than I do, and that includes developers whom you might otherwise think would be delighted to have such a complex attracting hordes of people to their districts, you will find this statement grossly understates the potential and most likely impact of a Casino of any type on existing business. That translates to both direct and indirect costs to the City, a cost which is not evaluated or estimated anywhere in either the City or Ernst & Young reports.

Assumptions

A significant number of assumptions are prefaced by “it is uncertain whether . . .” or “If we assume that . . .” or “If our assumptions are correct”. Well, of course that is what the consultant must write because they are dealing with hypothetical scenarios and data which they do not generate. But with respect to the social and health and existing business impacts, there are no commensurate assumptions, accurate or otherwise.

Further, in the voluminous assumptions which are made, there is far too much room for doubt and far too great a need for more definitive research for the outcomes to be taken seriously. I have no doubt that if such work were undertaken, the projected revenues would be significantly less.

But all of this is based upon an overarching assumption that the principal consideration is financial and that such considerations trump all others. I say that because the other considerations all have significant impacts which have not been addressed in sufficient detail nor costed and so appear to be viewed as secondary, if that.

Indeed, in its submission to your Committee, the Service Employees International Union (SEIU), Local 2, states:

- *“In our view, the decision (on a casino) ought to be based primarily, if not solely, on whether or not the proposal provides a net good job gain and economic benefit to Toronto.”*

Yet the SEIU is also concerned about the impact of another casino in the OLG C2 area which currently hosts Woodbine Racetrack and Slots and the negative impact on the jobs currently created and filled there. They know what happens!

Social and Health Issues

In fairness to E&Y, they then go on to say:

- *“However these economic benefits have to be weighed against the potential social costs.”*
- *“Problem gambling exists in Toronto today and affects a small proportion of the population. Approximately 0.2% of the GTA population has a severe problem gambling problem.”*
- *“Problem gambling has significant negative health impacts on individuals, families and communities.”*
- *“Increasing access to gambling through any means (including a casino) is associated with an increase in the prevalence of problem gambling.”*
- *“A casino located anywhere in the Greater Toronto Area likely will result in increased health risks for Toronto residents, with a greater effect on closer communities compared to those further away.”*

The Toronto Public Health report currently in draft form but partially referenced in the E&Y report adds the following:

- *“Much remains unknown about how to successfully treat problem gambling. Only a minority of problem gamblers (1 to 2% per year) seek or receive treatment.*
- *A broad range of strategies and policies that focus on prevention of exposure to gambling are needed to minimize the probability of problem gambling occurring and reduce health impacts for problem gamblers and their families. These strategies are further outlined in the report to the Board of Health.*
- *Decisions regarding a new casino in the GTA should consider the likely increase in problem gambling and associated health impacts.”*

It is inconceivable to most of the people that I have spoken with that a report of the breadth of the E&Y report while mentioning these significant problems has not attempted to evaluate the cost impact.

Of course, health is a Provincial matter and so the treatment of acute and long-term care and mental health cases does not come directly out of the City’s coffers, as Public Health does. But homelessness and poverty are City costs, to say nothing of the broader impacts on the community. And health-care being primarily a Provincial concern simply means that the impacts are spread over a much larger population outside of Toronto’s concern. But ultimately it all comes back, quite apart from the ethical considerations.

The E&Y report then goes on, as does the City Manager’s report, to list the various initiatives undertaken by OLG and the amount of money it has sunk into these initiatives to address the health and social impacts of its facilities. Well, I liken that to “big tobacco” touting its “good corporate citizen” activities in funnelling considerable funds into cancer research and prevention. It is disingenuous in the extreme.

Crime Impacts

The E&Y report states the following for crime and emergency services:

- *“Crime statistics for municipalities that host casinos do not show a link between crime rates and the opening of a casino in the municipality.*
- *Toronto Police Services advised that it does not anticipate additional criminal activity as a result of a casino in Toronto, other than what would normally result from the opening of a new large development in the City”*

As the crime statistics released just in the past week in Toronto as reported by the CBC show, such statistics are hugely unreliable and open to great subjectivity and must be treated with great care if they are to form any kind of justification for or against anything. All this statement says is that the statistics don’t show a link, it does not say that there is no link. The truth is quite the contrary; the link is direct and harmful.

As for the TPS, you could not expect any thinking member of the public to accept that with the outcomes listed under the sections on social and health issues related to gambling and slots and casinos, there will be no additional crime introduced into the areas surrounding the facility. Such an assertion is simply nonsense! Yes, this casino would be a large development and will bring the additional criminal activity the TPS anticipates and will add to that from the very nature of its use. Unfortunately for the City as a whole, much of that criminal activity will be dispersed throughout the areas that the patrons travel from, which is why the statistics are so hard to come by.

Further, the statement that crime rates have declined is given as an apparent appeasement; don't worry, crime is going down. Well it is, and I think most in Toronto would like to see it stay that way. We have a remarkable record in this City – let's not mess with it! The crime rate decline will not be as great with a casino, anywhere, as without it.


So my main point! I live and work downtown and I represent a community organisation in the south-east corner of downtown, proximate to the Port Lands. I have an increasing amount of correspondence from residents who are almost unanimously opposed to a Casino in the Port Lands, or to one Downtown. Even developers who have land holdings in the Port Lands, who one might think would jump at the apparent profitability of a deal for something around 25 acres for an integrated casino, hotel, entertainment, and commercial complex, are totally against it and have made that view known publicly. They know, as do the residents, that this is an entirely inappropriate use for a thriving downtown, one which is not just offices and shops, but is also increasingly a place where people live. It is one of the almost unique things about Toronto. That kind of city-building is not compatible with this use.

Notwithstanding the public consultation which will likely ensue, we wish to go on record now that we oppose such uses in the Port Lands and Downtown, where we live. Patrons of a casino really do not care about its environs – the want to get there and away again as quickly as they can and spend their time there indoors mostly. To take up waterfront or water-connected land, which has taken decades to bring to a point of possible real development and maintaining access to the waterfront for all of Toronto and its visitors, would be a travesty and a total disservice to all in Toronto.

And lest anyone on Committee or Council smell a NIMBY element, let me hasten to add that we feel the same about a casino anywhere else in Toronto. I confess to it being a NIABY attitude – Not In Anyone's Back Yard!!

Thank you for your attention. I trust that ultimately Executive Committee and Council will do the right things and put city-building and the social wellbeing of a thriving city above the money grab that is looming. There are other ways to deal with deficits without undermining the hard-won social fabric.

Respectfully,


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cc: CRBA Board
Councillor Pam McConnell