TORONTO

STAFF REPORT
ACTION REQUIRED

Response to Various Motions Respecting Casinos in Toronto and East York District

Date:	November 2, 2012
To:	Toronto and East York Community Council
From:	Director, Community Planning, Toronto and East York District Acting Director, Transportation Services
Wards:	14, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, and 32
Reference Number:	IBMS Folder No. 12 226741 SPS 00 TM

SUMMARY

At its meeting of October 10, 2012, Toronto and East York Community Council adopted several motions requesting further information respecting a casino in Toronto and East York District. See Decision History for the full list of requests.

This report provides information regarding these requests.

RECOMMENDATIONS

The City Planning Division and Transportation Services Division recommends that:

1. Toronto and East York Community Council receive for information the report (dated November 2, 2012) from the Director, Community Planning, Toronto and East York District, and the Acting Director, Transportation Services, entitled "Response to Various Motions Respecting Casinos in Toronto and East York District".

Financial Impact

The recommendations in this report have no financial impact.

DECISION HISTORY

At its meeting of February 14, 2012, Toronto and East York Community Council requested the Chief Planner and Executive Director, City Planning in consultation with the City Solicitor and the Chief Building Official to report to the September 11, 2012 meeting of the Toronto and East York Community Council on the zoning regulations governing casinos (also known as gaming sites or gaming premises) as a land use in the Toronto and East York District, and any necessary actions to prohibit casinos, gaming sites or gaming premises under the zoning by-laws for the Toronto and East York Community Council area.

At its meeting of September 11, 2012, Toronto and East York Community Council requested the Chief Planner to provide further information on parking standards associated with other Ontario Casinos and on the parking capacity within the Front Street and John Street precinct.

Both of the above mentioned reports were Received for Information at the October 10, 2012 Toronto and East York Community Council Meeting.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.TE19.9

Also at its meeting of October 10, 2012, Toronto and East York Community Council adopted the following motions:

1. Requested the following staff reports to the November 6, 2012, meeting of the Toronto and East Community Council:

    a. the Director, Community Planning, Toronto and East York District, in consultation with the City Solicitor, with respect to the specific legislative provisions dealing with land use permissions on the Exhibition Place lands, including provisions related to the HK Hotel agreement;

    b. the Director, Community Planning, Toronto and East York District, on the impact that a single use facility, such as a "destination casino", would have on surrounding land uses and property values in the Toronto and East York District;

    c. the Director, Community Planning, Toronto and East York District, on possible zoning amendments to allow controls of video lottery terminals and other related electronic gaming that may seek entry in stores and other commercial facilities within the Toronto and East York Community Council District;

    d. the Chief Planner and Executive Director, City Planning, in consultation with the Chief Executive Officer, Waterfront Toronto, on the planning implications of a Port Lands Casino on the Port Lands acceleration initiative, which was passed by City Council on October 2, 2012;

    e. the Acting Director, Transportation Services, Toronto and East York District, and the Director, Community Planning, Toronto and East York District, in consultation with appropriate City staff, on a traffic and congestion study for

the impact of a 5,000 to 7,500 parking garage at Exhibition Place, Front Street at John, and the LCBO Warehouse site on the Waterfront; and

f. the Acting General Manager of Transportation Services, Toronto and East York District, on:

i. Information from other jurisdictions on traffic operation issues arising from large casino/resorts in downtown locations in similar-sized cities.

ii. An overview of the current traffic conditions, capacity constraints and other operational issues on the highways and arterial roads in the vicinity of the Exhibition/Ontario Place grounds.

COMMENTS

1a. Land Use Permissions at Exhibition Place & HK Hotel's Lease

Section 406 of the *City of Toronto Act, 2006*, contains provisions respecting Exhibition Place that entrusts its management and operations to the Board of Governors. Section 406 (2) of the *City of Toronto Act, 2006,* outlines the use of the lands known as Exhibition Place as follows:

"Use of Exhibition Place

(2) Exhibition Place shall be used,

(a) for parks and exhibition purposes;

(b) for the purposes of trade centres and trade and agricultural fairs such as, but not limited to, the annual Canadian National Exhibition and Royal Agricultural Winter Fair;

(c) for displays, agricultural activities, sporting events, athletic contests, public entertainments and meetings;

(d) for highway, electrical transmission or public utility purposes;

(e) for any other purpose that the City may approve. 2006, c. 11, Sched. A, s. 406 (2)."

With respect to a casino at Exhibition Place, Section (e) would apply. From this section of the *City of Toronto Act, 2006*, both the Exhibition Place Board of Governors and Toronto City Council would have to approve this use.

Given the statutory provisions entrusting management and development of Exhibition Place to the Board of Governors with broad use permissions, Zoning By-law 438-86, as amended is considered not to apply to development at Exhibition Place. Additionally, although development at Exhibition Place is not subject to the site plan approval process, development is subject to a site plan consultation protocol, whereby there is only a consultation, not approval, process for development at Exhibition Place.

Pursuant to Executive Committee Item EX36.3 adopted by City Council at its meeting held on November 30, December 1, 2, 4 and 7, 2009, the City of Toronto and the Exhibition Place Board of Governors have entered into a lease with Princes Gates Hotel Limited Partnership as a tenant. The tenant will develop and operate a full service hotel with resort-style amenities and related ancillary uses and underground parking. The term of the lease is 49 years commencing on December 1, 2012, with two options to renew the term for periods of 25 years each. Ancillary uses may include restaurants, licensed lounges, spa and/or health club, swimming pool, tennis courts, business centre, and compatible retail facilities. The site for the initial phase of the hotel includes the Stanley Barracks and construction is scheduled to begin early in 2013. The tenant has the option to expand into a second phase, on adjoining lands to the west, exercisable within approximately 10 years after the hotel opens for business. If not exercised by then, the option to add the second phase lands to the lease expires.

The tenant is prohibited from using the lands for a number of activities which relate to exclusive uses already granted to other tenants within the grounds or which might compete with the business activities of Exhibition Place. The tenant is also prohibited from using the leased lands for a casino or gaming facility. However, the lease does not preclude the tenant from competing for the opportunity of becoming a casino operator, if at any time the landlord decides to entertain the possibility of a casino within Exhibition Place by way of an open competition such as an REOI or RFP. The lease makes it clear that the landlord is under no obligation to invite expressions of interest or proceed by way of an open competition if it is contemplating the possibility of a casino at Exhibition Place.

The tenant has been granted certain exclusive rights to operate a hotel at Exhibition Place. The landlord has agreed not to grant the right to any other party to operate a hotel within the whole of Exhibition Place for the period ending approximately 15 years after the hotel opens for business. Thereafter, the landlord will not grant the right to any other party to operate a hotel within the portion of Exhibition Place located to the east of Ontario Drive, which is east of the Better Living Centre.

1b. Impacts of a Casino on Surroundings within the Toronto and East York District

Impacts of a Casino on Surrounding Land Uses

In the absence of a site, location or development proposal, only general comments on the impacts that a potential use or development, including a facility such as a "destination casino", may have on surrounding land uses in the Toronto and East York District can be made.

To-date, neither the Province nor any of the private sector casino operators, have made any planning application submissions to the City for a casino in Toronto and East York District, or elsewhere in the city. Information on the preferred sites that are under consideration within the C1 Gaming Zone has largely come from private sector casino operators and through the media. Oxford Properties has recently presented to staff a conceptual scheme for a large-scale

mixed-use project including a casino that would include redevelopment of the Metro Toronto Convention Centre site.

Any development, including a large-scale, mixed-use development with a casino, would be evaluated for consistency with the City's Official Plan, zoning by-laws, Council policies and guidelines, in a similar manner to other large-scale, mixed-use developments that have been proposed in the Toronto and East York District.

A large-scale, mixed-use development proposal that includes a casino, would necessitate applications for a Zoning By-law Amendment, potentially an Official Plan Amendment, and would also be subject to the Site Plan Approval process. Through applications to amend either the Official Plan and/or the Zoning By-Law, the City would undertake a comprehensive review of the project as a whole, including a review of detailed drawings and studies pursuant to the City's complete application submission requirements. A full public consultation process would also be undertaken as part of the review.

In reviewing such an application, issues of impact on the surrounding land uses would be captured in the broad applicability of the Official Plan policies summarized below:

a) **Structuring Growth in the City**
   Supporting a better urban environment by locating people and jobs in areas targeted for growth and supported by transportation and infrastructure.

   - Transportation
   Supporting the existing system, better use of existing capacity and protecting for expansion; downtown policies directed at improving transit access, discouraging commuting, building transit capacity and enhancing the public realm and the PATH network.

   - Downtown
   Supporting the Downtown environment as the premier employment centre in the Greater Toronto Area, supporting and enhancing public realm, creativity and innovation, retail and entertainment as important regional and tourist destinations, high quality business infrastructure and advancing research and business development alliances.

   - Infrastructure
   Ensuring adequacy and enhancement of infrastructure.

b) **The Built Environment**
   Consistency with the Built Environment policies and guidelines including the planned context, the public realm, built form, public art, and heritage.

c) **The Human Environment**
   Influencing the pattern of development to promote the vibrancy and health of the city including the provision and access to housing, jobs, community services and facilities, including parks and recreation.

d) Building New Neighbourhoods
New neighbourhoods will be planned comprehensively reflecting the Official Plan's goals.

e) Natural Environment
Protecting, restoring and enhancing the natural environment.

f) Economic Health
Supporting growth in the economy through policy and implementation to improve quality of life and a broad base for economic growth, including culture life and a strong and diverse retail sector

g) Land Use Designations
Consistency with Land Use policies applicable to the site or area.

h) Other Area Policies
Consistency with Secondary or Area Specific Planning policies such as the Railway Lands Central Secondary Plan or the Central Waterfront Secondary Plan.

Issues of particular concern with respect to large-scale projects that feature internalized spaces such as a casino, include how these uses, if not properly designed, can detract from the urban context. Other considerations include, but are not limited to:

- Does the proposal reinforce the role and function of its surroundings?

- Concerning the nature of the uses proposed, how do they relate to the character of an area that has a mixed-use focus? Does the subject area have an entertainment, culture, sports or public events focus?

- How does the proposed use and design foster a pedestrian experience at-grade, relate to the public realm, activate, animate, provide pedestrian amenity and create transparency between the inside and outside.

Overall, development should advance planning objectives to define a high quality public realm with strong buildings of presence and high quality.

Given the potentially large scale and profile of such a facility, it will be important to request additional studies as part of a planning application, including potentially a market impact study to understand the impacts on the planned function of any adjoining mixed use areas.

Impacts of a Casino on Surrounding Property Values

Impacts of specific land uses or development proposals on surrounding property values is not per se a planning issue that is reviewed in the context of the City's development application review process.

Many factors affect property values, including overall market trends, demand and supply, location and other subjective considerations. The scale of development, range of land use permissions and accessibility, among other matters, influence value.

In the time available to canvas information available to respond to this request as it pertains to casinos, it appeared that both positive and negative impacts on property values have been identified by the municipalities evaluating casino facilities.

1c. Zoning Amendments to Control Video Lottery Terminals & Electronic Gaming in Commercial Facilities within the Toronto and East York District

The use of a lot or the erection or use of a building or structure on a lot for the purposes of electronic gaming in Toronto and East York District is regulated by Zoning By-law 438-86, as amended.

Mechanical or electronic game machines to be used for the purpose of gambling other than for teletheatre purposes is not permitted by the zoning by-law. In fact, a number of definitions under Section 2(1) of Zoning By-law 438-86, including, but not limited to "*concert hall*", "*hotel*", "*place of assembly*", "*pinball or electronic game machine establishment*", and "*retail store",* specifically prohibit mechanical or electronic game machines used for the purpose of gambling.

However, the zoning by-law permits the use of a building or structure for the purposes of "teletheatre gambling" provided is it located only within an "*entertainment facility"* as defined and located within the Reinvestment Area District of By-law 438-86.

Where permitted as an accessory use to a permitted principal use in the zoning by-law, teletheatre gambling is limited in floor area. The use of teletheatre gambling as an accessory use is limited as identified under the Section 2(1) of Zoning By-law 438-86 to *"place of amusement"* and *"restaurant*" when located in Reinvestment, Mixed Use or Industrial District. There are limitations that regulate the floor area, as an accessory use, to an aggregate of six-percent of the non-residential gross floor area of the building or 47 square metres, whichever is the lesser.

Teletheatre gambling is not to be confused with electronic gaming for gambling purposes as regulated by the zoning by-law. Teletheatre gambling is not defined by the zoning by-law but is regulated and licensed by the Ontario Racing Commission. Teletheatre gambling permits off-track betting locations operated by racetracks. Teletheatre gambling establishments are regulated and licensed by the Ontario Racing Commission.

Irrespective of the provisions within the zoning by-law that regulate teletheatre gambling, mechanical or electronic game machines to be use for the purposes of gambling is not permitted on the lands regulated under Zoning By-law 438-86. There may be an opportunity to consider wording changes that provide a more clear and delineated approach to regulating

the non-permitted use of mechanical or electronic game machines used for the purpose of gambling in the context of considering the Draft City-Wide Zoning By-law.

1d. Planning Implications of a Casino on the Port Lands Acceleration Initiative

The Port Lands encompass approximately 880 acres of land to south and the east of the downtown. Extensive work has been done with respect to planning for the Port Lands area; both the Central Waterfront Secondary Plan, and more recently, the Port Lands Acceleration Initiative (PLAI), identify major planning strategies for this area. The PLAI was undertaken primarily to re-examine the Don Mouth Naturalization and the Port Lands Flood Protection Project Environmental Assessment, as well as to develop a business and implementation plan for the Port Lands.

The Central Waterfront Secondary Plan (CWSP) is the primary policy document that will guide the revitalization of the Port Lands. The Port Lands are conceived as a new large, diverse mixed-use City district which is envisioned to become a place to live as well as to work and enjoy. It is anticipated that future uses in the Port Lands will consist of an urban form consistent with the core principles of the CWSP.

A casino use was not specified in the PLAI and therefore no consideration has been given as to how a facility of this scale could be incorporated into the Port Lands. Additionally, through the community consultation process for the PLAI, a mixed-use urban district was identified as the most desirable vision for the area, and it is uncertain as to how an Integrated Entertainment Complex and casino would fit with this vision. Infrastructure planning and financing also remains a significant issue which will be the subject of further work with respect to all development in the Port Lands.

In addition, in response to Motion 1d. requesting comment on the planning implications of a casino on the Port Lands Acceleration Initiative (PLAI), Waterfront Toronto has provided comments in a letter dated October 23, 2012 (Attachment 1).

For further information refer to the Port Lands Acceleration Initiative - Final Report and Appendices: http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX22.1

1e. Traffic and Transportation Issues Resulting from a Casino

The following discussion is based on a casino facility ranging in size from 20,000 – 30,000 square metres, which would require approximately 5,000 – 7,500 parking spaces based on the Draft City-wide by-law rate of 25 parking spaces for each 100 square metres of a gaming establishment. A planning application (for a Zoning By-law Amendment or other) for a proposal of this size would be required to submit a Transportation Impact Study (TIS) and a Transportation Demand Management (TDM) plan in conjunction with an application for approval. The purpose of a TDM plan is to first outline a design and programming strategy to minimize the number of discretionary vehicle trips generated by the development and

encourage travel by other modes. This could include measures to discourage peak hour travel, and identify vehicle trip sharing strategies, variable parking pricing, parking reductions, transit use incentives, pedestrian connection improvements, transit improvements, shuttle bus services, etc. The TIS would then assess the impact of the project on the existing and planned future infrastructure for all modes of transportation, and identify appropriate requirements and mitigation measures to address key impacts in the surrounding area. The City would expect that a TIS and TDM study be submitted as part of a development application for a mixed-use development of the scale anticipated for an Integrated Entertainment Complex that includes a casino.

A permanent casino would be an unprecedented land use in the downtown and surrounding environs, and as such, the above noted transportation studies would be required to address the specific local conditions associated with any potential site at Exhibition Place, the Front Street and John Street area, the Liquor Control Board of Ontario (LCBO) site on the north side of Queens Quay between Freeland Street and Cooper Street, or any other potential locations. The following addresses the local transportation network context related to each of the specified sites:

- Exhibition Place is currently served by the Bathurst Street and Harbourfront streetcar lines, a Dufferin Street Bus Route and a GO Transit station on the Lake Shore West line. An Environmental Assessment (EA) has also been completed for the extension of the existing streetcar line from the Manitoba Drive loop to Dufferin Street. Exhibition Place also envisions the extension of Dufferin Street south from British Columbia Drive to Lake Shore Boulevard West, as per the Central Waterfront Secondary Plan (CWSP). There are currently 6,500 parking spaces on the Exhibition Place site (as well as approximately 1,984 parking spaces at Ontario Place), for the shared use of the various existing activities, operations and special events.

- The Front Street and John Street area is well served by transit – reflecting its central area location, but there is no immediate transit on either street. The area is generally subject to localized traffic congestion conditions during peak weekday conditions and during some special event times. Pedestrian volumes in the area also reflect busy downtown conditions, and this occurs in localized areas both on-street and within the PATH network of weather protected walkways. There are approximately 3,200 public parking spaces available in the area, and further information will be required to determine the occupancy of these spaces and the peak times. There are numerous development projects currently underway in the area and the cumulative impacts on area transportation facilities will have to be assessed for the current and future conditions.

- The LCBO site on the north side of Queens Quay between Freeland Street and Cooper Street, like Exhibition Place, also falls with the Central Waterfront Secondary Plan (CWSP) area. The site is specifically located in the Central Bayfront/Lower Yonge area that is currently the subject of an on-going Precinct Planning study (see separate agenda item http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.TE20.46).

The purpose of the Precinct Planning work is to define the built environment and the required infrastructure to address current and future development in an orderly manner that is consistent with the policies contained in the CWSP. The preliminary work for the Precinct Plan will include, along with land use planning, a Transportation Master Plan Environmental Assessment. A proposal for a casino in this area would have to be considered in the context of this current work.

1f. Other Traffic and Transportation Issues

i) Information from Other Jurisdictions on Traffic Operations Issues Resulting from a Casino

City staff have begun the process of soliciting information from other jurisdictions with casino /resort-type developments regarding their traffic operations experiences. Although further feedback is still pending, at the time of writing this report, staff have been advised that a comprehensive transportation demand management plan is essential to deal with the traffic demands of such a facility. This plan would address issues including parking management, access control, valet parking, charter bus and taxi pick-up/drop-off and parking/staging, and an emergency services plan. Given the anticipated scope of development that may be proposed for the City of Toronto, there may likely be other unique factors that arise that will need to be addressed.

ii) Overview of Current Traffic Conditions in the Vicinity of Exhibition Place and Ontario Place

Exhibition Place and Ontario Place are situated between the Gardiner Expressway, Lake Shore Boulevard and Lake Ontario. Access to these sites is provided from Lakeshore Boulevard, Dufferin Street and Strachan Avenue. Both sites are somewhat landlocked and isolated from surrounding neighbourhoods, though in the future, through the CWSP, Exhibition Place is envisioned to "expand into a dynamic area where people work, visit and live".

Traffic congestion, primarily along the Gardiner Expressway and Lake Shore Boulevard, is significant during the weekday morning and afternoon peak periods with little to no spare capacity. Although roadway capacity during weekday off-peak times may be more abundant, during weekend periods when major events are taking place at Exhibition Place, Ontario Place or downtown Toronto, major roadways in this area are often very congested. Moreover, there is limited direct access to the Gardiner Expressway, westbound at Jameson Avenue, as the on-ramp is closed during the afternoon peak period between the hours of 3:00 p.m. and 6:00 p.m. Similarly, the eastbound on ramp to the Gardiner Expressway is closed during the morning peak period between the hours of 7:00 a.m. to 9:00 a.m.

The Liberty Village neighbourhood to the north has grown rapidly in recent years and has also contributed to the traffic congestion on the surrounding road network, including Dufferin Street and Strachan Avenue among others.

As previously noted in 1e. above, any redevelopment of either of these sites, including a casino on the Exhibition Place lands, would require a thorough and comprehensive review of the transportation impacts, including existing and projected capacity of the road and transit network, parking infrastructure, and sidewalk capacity. Measures to reduce automobile trips through a TDM plan would also be required and would likely constitute a significant portion of the transportation analysis that would be required for such a proposal. Other strategies such as charter bus and taxi loading/staging strategies would also have to be considered in the overall TDM concepts for the site. Consideration of more significant infrastructure improvements including those mentioned in Section 1e. i) of this report and other transit improvements would likely be required.

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SIGNATURE

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Gregg Lintern, MCIP, RPP
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ATTACHMENTS

Attachment 1: Letter from Waterfront Toronto

Attachment 1: Letter from Waterfront Toronto

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October 23rd, 2012

Jennifer Keesmaat
Chief Planner and Executive Director, Toronto City Planning
12th Floor, East Tower
100 Queen St. West
Toronto, ON M5H 2N2

Dear Ms. Keesmaat:

Re: Planning Implications of a casino on the Port Lands Acceleration Initiative (PLAI)

This letter is provided in response to the direction from the Toronto and East York Community Council on October 10th, 2012, that Waterfront Toronto and City Planning examine and advise on the planning implications of a casino on the Port Lands Acceleration Initiative (PLAI). Waterfront Toronto, in partnership with the City of Toronto and the Toronto Region Conservation Authority, recently completed a year-long study to identify ways to accelerate revitalization of the Port Lands and deployment of the lands for maximum benefit to the city's overall growth and prosperity. The recommendations of that effort were unanimously supported by City Council in October, 2012.

Casinos or gaming establishments were not given consideration as part of the PLAI review, as they were deemed not consistent with the existing Waterfront Secondary Plan that calls for mixed-use development throughout the area. No fiscal or technical planning analysis was done to assess the potential impact of a casino on the Port Lands. From a land-use planning perspective, the requirements of a casino in the Port Lands would likely conflict with the vision of a vibrant urban mixed-use environment like those that characterize Toronto's best existing neighbourhoods, including healthy retail main streets, a mix of uses and incomes, commercial offices and businesses, provision of schools and community centres, relatively high density development in a mix of predominantly mid-rise buildings, and a strong sense of place.

Casinos introduce challenges to achieving this vision. From a built form perspective, they tend to be land-consumptive, low–density, and inwardly-oriented rather than contributing to active street life. They require parking for as many as 5,000 cars or more, which given the sub-soil constraints in the Port Lands means they will either be in surface lots or large structured parkades, neither of which are consistent with best practices in place-making. The heavy demand for automobile access will require greater road capacity into the Port Lands than was contemplated in the PLAI, which had assumed a more transit-oriented modal split for new development. This may in turn divert some of the required transit funding to roadways. From a land-use compatibility perspective, a gaming complex would diminish the desirability of adjacent lands for new residential development, potentially undermining the ability to match the costs of environmental and flood protection works with revenue streams. If the complex includes extensive entertainment venues, it could also reduce market demand for these uses

Attachment 1: Letter from Waterfront Toronto

elsewhere in the city. Lastly, both the PLAI and the previous Lower Don Lands Plan were informed by years of public discussion that did not anticipate a casino, so its introduction now would require further consultation.

I trust that this provides sufficient information regarding the planning implications of a Port Lands Casino on the Port Lands Acceleration Initiative. With best regards and appreciation for all efforts on this very important file.

Sincerely,

John Campbell
President and Chief Executive Officer

cc: Chris Dunn, Waterfront Secretariat

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