

Appendix 3: Summary of 2013 Staff Analysis on Expanded Gaming and Development at Woodbine Racetrack

2013 City Planning Analysis: Woodbine Study Area

- The north Etobicoke area where Woodbine is located would benefit from economic development and growth. Compared with Toronto as a whole, it has relatively high unemployment levels. While the area has traditionally had a solid manufacturing base, between 2001 and 2011, the area north of Eglinton and west of the Humber lost 14,300 jobs (16.8%). Rexdale lost 8,100 jobs (13.6%).
- Woodbine is an existing facility that has had a large slot operation since 2000 in the grandstand building. There is a total of approximately 3,000 slot machines (2,756 slot machines and 244 electronic table games) within a casino floor area of 150,000 square feet. Slot machines are permitted through a Ministerial Zoning Order (O. Reg 688/98).
- The 2007 Council approved development concept for Woodbine included hotel, meeting and conference facilities, retail, theatre and office space. The area is planned to be an urban entertainment and retail attraction with a world-class horse track facility as its focal point. The 2007 City approved Official Plan Amendment (SASP No. 296), rezoning and draft plan of subdivision for a development proposal of 330,000 square metres of mixed use development for a destination entertainment retail project that builds on and supplements the existing racetrack operations and includes a residential component.
- The planning framework for Woodbine supports both the current casino (slots and electronic table games) as well as a potential expansion to include live-dealer table games. The potential advantages to expanding casino facilities at Woodbine from a citywide perspective include:
 - the potential for additional development on this underutilized site;
 - opportunities to better integrate the site into the larger context;
 - the potential to spur development related to the approved plans;
 - it would not destabilize adjacent areas; and
 - given the proximity of the site to Pearson International Airport, the facility could attract travelers waiting for connecting flights, and in particular if enhanced transit accessibility to/from the airport is achieved.

2013 Staff Analysis on Economic Impact Considerations: Woodbine Study Area

Potential Woodbine Expansion -Construction Impacts

Woodbine Expanded Casino Complex	Direct FTEs	Indirect FTEs	Induced FTEs	Total FTEs	GDP (million)
Size 1.5 million ft ²	2,415	695	930	4,045	\$995

- Construction is projected to take place over 3 years so projected FTEs would be created for a 3-year period.
- Components of an illustrative expanded Woodbine casino complex are listed below.

Potential Woodbine Expansion- Total Jobs & GDP (Net) - Operations

C2 Woodbine: Total Jobs & GDP (Net) - Operations					
Integrated Complex	Direct FTEs	Indirect FTEs	Induced FTEs	Total FTEs	GDP (million)
Gaming (80,000 ft ² expansion)	470	150	95	715	\$92
Hotel (800 rooms over 800,000 ft ²)	220	30	35	285	\$18
Retail/Amenity (450,000 ft ² expansion)	360	90	55	505	\$35
Convention Space (170,000 ft ² expansion)	70	15	15	100	\$7.6
Total	1,120	285	200	1,605	\$153

- Estimated employment and GDP impacts are based on net new spending in Toronto (i.e. by visitors). For example, 450,000 square feet of retail and amenity space would require more FTEs than projected in the table but since it would primarily serve a local market, only a relatively small portion of the spending (by visitors) would translate into net new jobs for the City.
- The estimates related to the expansion of the gaming floor also assumed a new casino in the C1 zone. New analysis needs to be completed to look at the impacts of one expanded casino at Woodbine, and no downtown casino.

2013 Staff Analysis on Social Considerations

- On November 5, 2012, Executive Committee directed City staff to "give consideration... to the establishment of a signed 'social contract' between the City and the OLG. Four areas were

identified for inclusion in a social contract, to ensure investments contribute to strengthening Toronto's social, economic and urban fabric:

- i. Social procurement opportunities in the development and operation of a casino and related facilities (i.e. convention centre, hotel, etc.);
 - ii. City and community use of space agreements for appropriate uses (i.e. local arts, culture, etc.);
 - iii. Harm mitigation strategies to address negative societal impacts; and
 - iv. Measuring and monitoring systems to independently assess Social Contract implementation and effectiveness.
- The inclusion of a Toronto Casino Social Contract would help to establish expectations and establish commitments between government, the private sector, institutions and society on how the social benefits of a casino will be realized and the negative societal impacts will be addressed. The terms that make up the Toronto Casino Social Contract will emphasize commitment from all parties towards:
- Partnership – working together to build sustainable community and city-wide relationships and initiatives which benefit Toronto residents.
 - Open and Inclusive Dialogue – identifying priorities, developing solutions and avoiding marginalization of residents throughout the development and operation of a new Toronto casino.
 - Strengthening Toronto through Investment – supporting economic opportunities for individuals, communities and the city, with a focus on vulnerable groups disproportionately impacted by economic uncertainties (e.g. youth, unemployed and underemployed individuals and newcomers).
 - Addressing Impacts on Toronto's Social Fabric – proactively addressing the negative impacts of problem gambling through prevention, intervention, treatment and harm mitigation initiatives based on internationally recognized 'best practices'.
 - Independent Monitoring and Analysis – supporting regular independent monitoring and analysis of the social, health, employment and economic impact of casino operations on Toronto communities and residents to keep the Toronto Casino Social Contract relevant, transparent and accountable to Torontonians.

2013 Staff Analysis on Financial Impacts of Expanded Gaming at Woodbine Racetrack

New Hosting Fee Formula

In May 2013, the Ontario government announced a new formula to determine a province-wide fee municipalities receive for hosting an OLG gaming facility. Under the new formula, host municipalities receive:

- 5.25 per cent on the first \$65 million of annual slot revenue, plus
- 3.00 per cent on the next \$135 million of annual slot revenue, plus
- 2.50 per cent on the next \$300 million of annual slot revenue, plus
- 0.50 per cent on annual slot revenue above \$500 million, plus
- 4.00 per cent on table game revenue, where applicable

Based on the new formula and implementing OLG's modernization plan, OLG would expect to provide over \$50 million more annually to host municipalities by 2017-18.

Under this formula, the City of Toronto receives approximately \$15 million annually as part of a Municipal Contribution Agreement with the OLG per revenues generated from 3,000 slots (but no table games) at the existing operations at Woodbine Racetrack.

In the 2013 staff report, the financial analysis assumed an additional of up to 1,500 slot machines (increased from 3,000 to up to 4,500) and up to 150 new table games. Note the OLG RFPQ document contains reference to an expansion potential of up to 5,000 electronic gaming positions and potential introduction of up to 2,400 live table gaming positions at Woodbine (Gaming Zone C2).

Economic and Financial Impacts (based on 2013 staff analysis but adjusted according to new hosting fee formula)		Woodbine Expansion (up to)
City Revenues	Hosting Fees **	\$25 million
	Property Taxes	\$15 million
Provincial Tax Revenues	Construction	\$119 million
Federal Tax Revenues	Construction	\$203 million

* assuming no cannibalization from other casinos

** based on current OLG Hosting Fee formula for illustration only (see below)

Current and Projected Revenues		\$Million		
		Slots	Tables	Total
Current	Gaming Revenue *	600	-	600
	City's Share	15.5	-	15.5
Expansion (up to)	Gaming Revenue *	1,035	203	1,238
	City's Share	17.6	8.1	25.7
Additional Revenue	Gaming Revenue *	435	203	638
	City's Share	2.1	8.1	10.2

* assuming 2013 E&Y productivity assumptions and current hosting fee formula