

# Municipality of Lakeshore – Report to Council

## Strategic & Legal Affairs

### Civic Affairs



**To:** Mayor & Members of Council  
**From:** Brianna Coughlin, Division Leader – Civic Affairs  
**Date:** July 26, 2022  
**Subject:** Proposal to Relocate a cGaming Centre

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### Recommendation

Direct Administration to schedule a public input session in September, 2022 regarding the proposed relocation of a cGaming Centre to 446 Advance Boulevard, as presented at the August 9, 2022 Council meeting.

### Background

On July 14, 2022, the Municipality of Lakeshore received a proposal from the Community Gaming and Entertainment Group (CGEG) to relocate the Power Play Gaming Centre from 13320 Desro Drive in the Town of Tecumseh to 446 Advance Boulevard in the Municipality of Lakeshore. The proposal has been included in this report as Appendix A.

Beginning in 2005, the Ontario Lottery and Gaming Commission (OLG) partnered with charities, commercial bingo hall operators and municipalities to allow for the transformation of existing bingo halls to charitable gaming (cGaming) centres, which allow for electronic versions of charitable gaming as well as traditional paper products. There are 37 approved sites throughout the Province of Ontario, which are all former bingo hall sites licensed through the Alcohol and Gaming Commission of Ontario (AGCO).

The following is an overview of the responsibilities of each participant in the cGaming process.

Stakeholder	Responsibilities	Activities
Ontario Lottery and Gaming Corporation (OLG)	Responsible for the conduct and management of all cGaming site, as per section 207(1)(a) of the <i>Criminal Code of Canada</i>	Issues licences and contracts to providers, charity associations and municipalities

Stakeholder	Responsibilities	Activities
Ontario Charitable Gaming Association (OCGA)	A provincial body representing all the charities participating in cGaming	Provides training and support for charities participating in cGaming throughout Ontario  Contracted by the OLG to develop policies and procedures
Charitable Gaming Centre Association (CGCA)	An association representing charities participating at their local site	Supports member charities and facilitates participation with the CGCSP
Charitable Gaming Centre Service Provider (CGCSP)	Provides the venue for the cGaming site, including all technology and equipment and is responsible for daily operations	Managers the facility and all gaming activity, including site marketing and staffing Coordinates with the CGCA for scheduling of participation of local charities and distribution of profit sharing
Municipality	Initial: Approves cGaming program to operate within the municipal boundaries subject to public input  Ongoing: Monitors ongoing eligibility of charities, provides permits to eligible charities (as per OLG guidelines)	Approve gaming site subject to a public input session and provincial approval based on OLG business case  Determine eligibility of charities and issue permits on behalf of the OLG; monitor and ensure compliance with permit requirements including the use of proceeds; ensure monthly reports are received from the CGCSP and validate the distribution of funds to charities; ensure monthly reports and banking statements are received from charities; investigate and notify OLG of any breaches of the requirements by charities or the CGCSP
Charities	Apply for permits and provide volunteers to participate at cGaming events	Apply for permits and adhere to the requirements, including monthly reporting and monitoring of use of proceeds

## Comments

### *Legislative Process for Approval of a cGaming Site*

The Power Play Gaming Centre (formerly the Classic III Bingo Hall) received approval for the cGaming model in 2019 and has been operating as such since 2020.

The CGCSP for the Power Play Gaming Centre is the Community Gaming and Entertainment Group. The CGCA is the Tecumseh Gaming Association, which represents 25 charities within Essex County. The Tecumseh Gaming Association has provided a letter of support for the proposed relocation (included in Appendix A).

The proposed location at 446 Advance Boulevard is zoned as Mixed Use, which permits a “place of entertainment”. The Zoning By-law defines a Place of Entertainment as:

a motion picture of other theatre, amusement arcade including **game machines**, arena, auditorium, assembly hall, billiard or pool room, **bingo hall**, drive-in theatre, bowling alley, indoor racquet courts, indoor swimming pool, ice or roller rink, studio, dance hall or music hall, but does not does not include an adult entertainment establishment or any place of entertainment or amusement otherwise defined or classified herein. (bold font emphasis added here for clarity).

The OLG advises that this is the first time a proposal has come forward to move a cGaming site into a municipality that does not have a previously approved gaming site. As such, the proposal requires approval from both the AGCO to licence the location, as well as the OLG for the location/operation of the site.

Both the AGCO and OLG approval processes require a resolution from the Municipality of Lakeshore to support the location of the cGaming centre within the municipality.

As part of the requirement for AGCO approval, the Community Gaming and Entertainment Group published a public notice in the Windsor Star on July 23, 2022 advising of the proposed relocation of the cGaming centre. Written comments may be submitted to both the AGCO and the Municipality of Lakeshore until August 29, 2022.

The OLG approval is governed by [Ontario Regulation 81/12: Requirements for Establishing a Gaming Site](#), under the *Ontario Lottery and Gaming Corporation Act, 1999*. This process requires the OLG to prepare a business case for the proposed gaming site, to be submitted to the Minister, that sets out the cost of establishing the proposed gaming site, demonstrates the viability of the proposed gaming site and the adequacy of responsible gaming features for the proposed gaming site, and sets out or demonstrates any other matter that the Corporation considers appropriate.

As part of this process, Council is required to seek public input into the establishment of the proposed gaming site and then provide OLG with a written description of the steps it

took to do so and a summary of the public input received. Then Council would have the opportunity to consider whether it wishes to pass a resolution supporting the establishment of the gaming site in the municipality. The decision of Council would then be sent to both the AGCO and the OLG, as well as the applicant. This would satisfy the municipal requirements of both the OLG and AGCO processes. Following that, the OLG would then complete its business case for presentation to the Province for a final determination as to whether to approve the gaming site.

### *Introduction of cGaming - Administrative Responsibilities*

Unlike traditional lottery licensing programs with set fees established by the AGCO, the permit application process for cGaming is free for eligible charities. Instead, participating charities and the municipality receive a percentage of the net gaming wins. It is estimated that the municipal portion of wins (2.79%) would be approximately \$150,000 annually. It is noted that this revenue was significantly lower in recent years due to the COVID-19 pandemic, however these revenues have increased in 2022.

Currently lottery licensing is undertaken by the Civic Affairs division as approximately 10% of overall duties, and generates an average revenue of \$14,000 per year. While cGaming represents a significant opportunity for local charities, it also comes with a significant increase in time and staffing resource requirements. It is estimated that the additional permitting responsibilities required for cGaming will add an average of 40 hours per month to process permits. Additionally, there will be supervisory responsibilities relating to training, enforcement, required quarterly meetings with the Gaming Association and annual reporting to Council and the OLG. These additional responsibilities are expected to consume a minimum of 105 hours (3 work weeks) regular activities per year. Hours spent on enforcement would vary. This increased workload cannot be accommodated in the current staff complement. As such, additional staff members would need to be hired to accommodate this new programming. A business case will be brought to Council which will include the costs and resources needed, which are anticipated to be offset by the anticipated revenue received from OLG annually.

It is the recommendation of Administration that a public input session be scheduled to solicit feedback from the community on the proposed gaming site. The public input session would be held mid-September, 2022 and consist of an in-person open house and a virtual session. These will be advertised via social media, print newspaper outlets, and municipal website. Members of the public will have access to the related information and a form on the Municipality's website to submit written comments.

### **Others Consulted**

Ontario Lottery and Gaming Corporation (OLG)

Alcohol and Gaming Corporation of Ontario (AGCO)

Community Gaming and Entertainment Group (applicant)

### **Financial Impacts**

Under the AGCO approval process, the applicant (Community Gaming and Entertainment Group) has the responsibility to bear the costs of public engagement for the proposed relocation and establishment of the gaming site within the Municipality of Lakeshore. The Applicant has already undertaken the public notice in the Windsor Star, as required by the AGCO.

The cost of the proposed public input session, including materials and public notice, is estimated to be approximately \$3,500.

### **Attachments**

Appendix A – Proposal to relocate a Class A cGaming Centre, submitted by the Community Gaming and Entertainment Group

### **Report Approval Details**

Document Title:	Relocation of a cGaming Centre - Power Play.docx
Attachments:	- Appendix A - Power Play Relocation Proposal.pdf
Final Approval Date:	Aug 4, 2022

This report and all of its attachments were approved and signed as outlined below:

Prepared by Brianna Coughlin

Submitted by Kristen Newman

Approved by Justin Rousseau and Truper McBride