

# Municipality of Lakeshore - Report to Council

## Strategic & Legal Affairs

### Civic Affairs



**To:** Mayor & Members of Council

**From:** Brianna Coughlin, Division Leader – Civic Affairs  
Alex Denonville, Team Leader – Civic Engagement

**Date:** September 20, 2022

**Subject:** Results of Public Engagement – Location of a cGaming Centre

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### Recommendation

**Option #1** – Direct Administration to advise the applicant (Community Gaming and Entertainment Group), the Alcohol and Gaming Commission of Ontario (AGCO) and the Ontario Lottery and Gaming Corporation (OLG) that the Municipality of Lakeshore supports the location of a gaming site at 446 Advance Boulevard; and further that, subject to the Provincial approval of the OLG business case for the gaming site and the AGCO approval of the relocation of the PowerPlay Gaming Centre, funding for the staff resources required to implement the cgaming permitting program be funded from OLG revenue and overall wage surplus for the remainder of 2022 and be included in the 2023 base budget, all as further described in the report of the Division Leader – Civic Affairs presented at the September 27, 2022 Council meeting;

or

**Option #2** – Direct Administration to advise the applicant (Community Gaming and Entertainment Group), the Alcohol and Gaming Commission of Ontario (AGCO) and the Ontario Lottery and Gaming Corporation (OLG) that the Municipality of Lakeshore does not support the location of the Power Play Gaming Centre at 446 Advance Boulevard.

### Background

On July 14, 2022, the Municipality of Lakeshore received a proposal from the Community Gaming and Entertainment Group (CGEG) to locate 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, along with the legislative framework and potential municipal administrative responsibilities, was presented to Council at the August 9, 2022 meeting and has been included in this report as Appendix A.

Following the presentation of the above-noted report, Council passed resolution #318-08-2022:

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.

## **Comments**

As part of the proponent's requirement for public consultation under the regulations of the Alcohol and Gaming Commission of Ontario (AGCO), the proponent advertised in the Windsor Star on two consecutive weeks seeking written comments on the proposed location of the facility to 446 Advance Boulevard. Written comments were directed to both the AGCO and the Municipality of Lakeshore by August 29, 2022. No written comments were received as part of this process.

As directed and in accordance with the requirements of the *Ontario Lottery and Gaming Corporation Act*, Administration undertook a public engagement process regarding the proposed gaming site. The following is a brief outline of the engagement process:

- Virtual open house held Monday, September 12<sup>th</sup>
- In-person open house held Wednesday, September 14<sup>th</sup> at the Atlas Tube Recreation Centre
- Online survey available for comments from August 26<sup>th</sup> to September 19<sup>th</sup>

The public engagement process included notice on the municipal website, email distribution, social media, and advertised in the Lakeshore News.

The engagement initiative was also covered by a number of local media outlets, including: Blackburn News, AM800, WindsoriteDOTca, and CTV News – Windsor.

## ***Part 1: Public Feedback***

### ***Public Information Sessions***

The virtual open house held September 12, 2022 saw 23 registered participants and 14 attendees. Questions were related to traffic, zoning, parking, and complaints or issues at the current gaming centre.

The in-person open house held September 14, 2022 was attended by 19 participants who had the opportunity to ask questions to the applicant and learn about Lakeshore's role in the process as well as general community engagement. Five surveys were distributed at the event, with four returned that evening.

## Survey

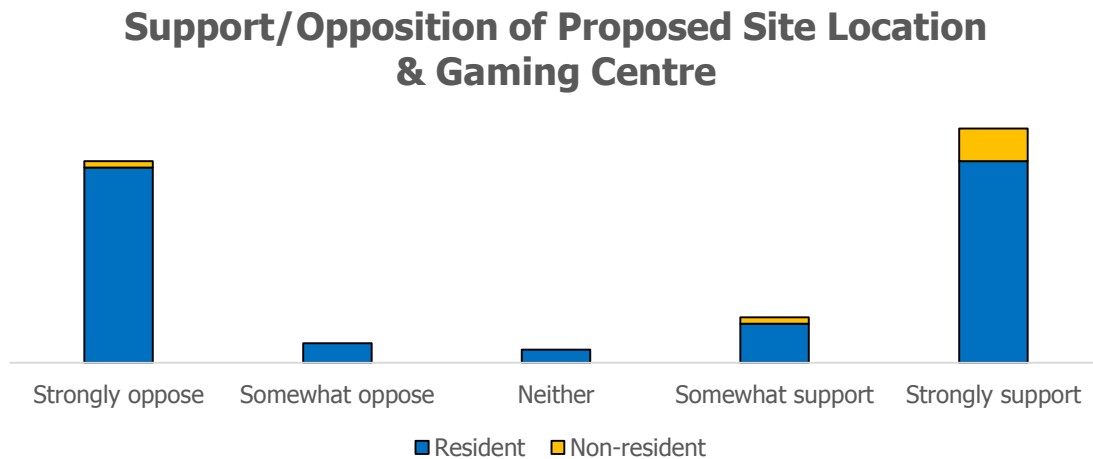
As part of the consultation process, Administration drafted a survey to gather feedback from members of the public regarding specific questions relating to the location of a cGaming Centre within the Municipality of Lakeshore.

74 surveys were submitted through the municipal website and 5 hard copy surveys were submitted. Seventy-two respondents self-identified as residents, while seven respondents self-identified as non-residents.

Compared to other Lakeshore surveys, interest was relatively low on this initiative. It should also be noted that online surveys have limitations and do not necessarily capture an accurate representation of the population.

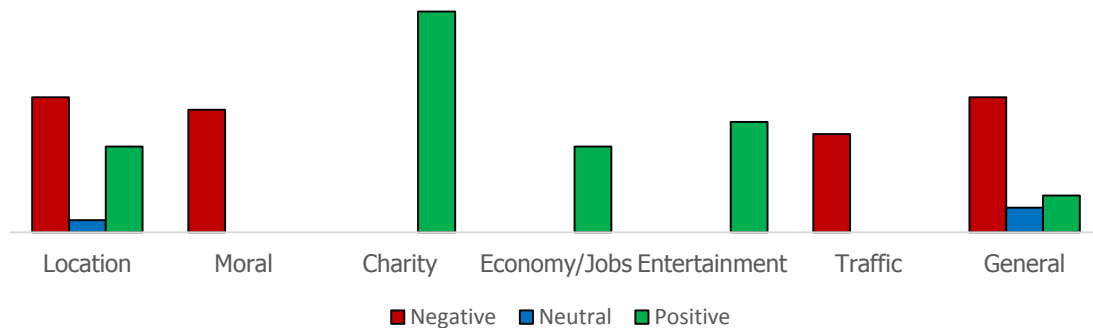
Below are graphic summaries of the responses along with a brief explanation.

The first chart, “Support/Opposition of Proposed Site Location & Gaming Centre,” breaks down the number of responses to the question “To what extent do you support or oppose the establishment of a gaming site, for a Charitable Gaming Centre, at 446 Advance Blvd. in the Municipality of Lakeshore?” Responses from self-identified residents are shown in blue with non-residents shown in yellow. The responses show both strong support and strong opposition to the proposed site and gaming centre.



In addition to the questions identified above, the survey also allowed for respondents to provide additional comments. The comments have been anonymized, analyzed, and categorized with brief descriptions below. Each comment may include multiple categories.

## Comments by Category & Sentiment



**Location:** Negative comments generally focused on the site’s proximity to a daycare and church. Positive comments went the other way, supporting the site because it is far enough away from residential areas and fits well with the other uses in the area.

**Moral:** All comments were noted as negative with respondents conveying their belief that gambling is bad for society so should not be supported by the Municipality. Some comments also noted a perception that the gaming centre could correlate to an increase in crime and/or impaired driving.

**Charity:** All the comments in this category noted the positive impact and work that local charities can do with proceeds from the gaming centre.

**Economy:** These comments noted the positives of bringing jobs to Lakeshore, the gaming centre benefitting other local businesses in the area, as well as additional tax revenue.

**Entertainment:** This category is a corollary to the economy comments. Respondents largely noted that the centre would be a welcome entertainment attraction to Lakeshore.

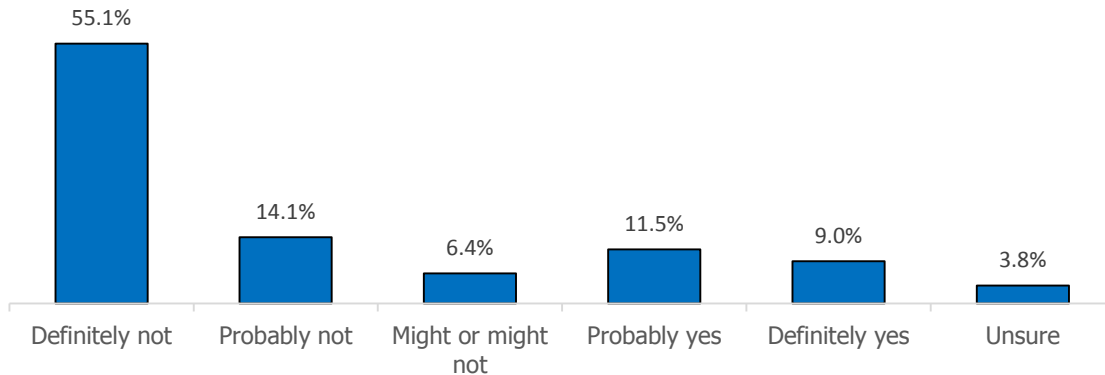
**Traffic:** Respondents noted that more visitors to the centre would increase traffic in the area.

**General:** These uncategorized comments mostly reiterated the respondent’s support/opposition to the site.

The next chart shows a breakdown of responses to the question “If a cGaming Centre is established in the Municipality of Lakeshore, additional municipal staff and resources would be needed to administer and enforce the gaming licenses required by the Province of Ontario. It is expected that these costs would be offset by revenue from the

cGaming Centre. Does the need for additional municipal staff affect your support or opposition to the proposed gaming site and cGaming Centre?”

### Impact of staffing/services levels on support/opposition?



Of the responses, 12 provided additional comments/concerns related to the impact on municipal staffing/service levels. Of those comments, five noted that all additional municipal expenses should be covered by the increased revenue/gaming centre. Two comments indicated additional jobs would be a positive and one suggested outsourcing licence enforcement. The other four comments were incorporated into the previous analysis as they were not related to the question.

#### **Part 2: Staffing Resources – subject to cGaming proposal approval by AGCO and OLG**

As noted in the previous report to Council on August 9, 2022, the introduction of cGaming would represent a dramatic increase lottery permitting activities and one that is very different from the services currently required of the community and provided through the Municipality’s current lottery licensing program.

Currently, lottery licensing comprises 10% of overall duties of a Civic Affairs Assistant and generates an average revenue of \$14,000 per year. The duties associated with cGaming are more and greater than is expected under the current lottery licensing program.

The following table provides an overview of responsibilities under the current lottery licensing program versus the increased responsibilities with a cGaming permitting program.

<b>Activities</b>	<b>Current Duties</b>	<b>cGaming Duties (additional responsibilities to current licensing program)</b>
Eligibility	<p>Determine eligibility of charities, including charitable status, review of constitution/by-laws, audited financial statements, organizational annual budget, lottery annual budget, list of board of directors and list of participants (for youth sports only)</p> <p>Annual eligibility update recommended</p>	<p>Determine eligibility of charities, including charitable status, review of constitution/by-laws, audited financial statements, organizational annual budget, lottery annual budget, list of board of directors and list of participants (for youth sports only)</p> <p>Annual eligibility update required</p> <p>Coordination with OLG and charitable gaming provider/association to determine any concerns or violations that would prohibit eligibility</p>
Licence/Permit approval	<p>Process and approve lottery licences with prize values under \$50,000 subject to applicable conditions and use of proceeds</p>	<p>Process and approve lottery permits for charitable gaming on behalf of the OLG subject to applicable conditions and use of proceeds</p>
Monitoring	<p>Process post-lottery reports submitted by charities within 60 days of the lottery event</p> <p>Ensure proceeds have been spent in accordance with lottery conditions</p> <p>Follow-up with charities if reports are not submitted in a timely manner</p> <p>Ensure enforcement for violations of licence conditions</p>	<p>Process permit reports submitted by charities monthly</p> <p>Ensure proceeds have been spent in accordance with permit conditions, including analysis of financial statements and invoices</p> <p>Follow-up with charities if reports are not submitted in a timely manner; notify charitable gaming partners and OLG of any breaches of requirements</p>

	(may range from no further licences or up to/including criminal charges)	
Reporting	<p>Quarterly reporting to the AGCO regarding the number and type of lottery licences issued by the Municipality</p> <p>Annual report to Council recommended</p>	<p>Monthly reporting to the OLG and charitable gaming partners</p> <p>Validation of the distribution of funds to charities</p> <p>Validation of the funds received by the Municipality (2.79% of wins)</p> <p>Annual report to Council recommended</p>
Training	<p>Provide training to internal staff</p> <p>Provide information to new charities participating in lottery licensing</p> <p>Provide updates relating to legislative changes</p>	<p>Provide training to internal staff</p> <p>Provide information to new charities participating in OLG permitting program</p> <p>Coordinate and participate in annual or quarterly meetings with charitable gaming partners and charities</p>

Administration estimates that the additional permitting responsibilities required for cGaming will increase administrative duties by 34% for the processing of permit applications and reports. 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. Regular supervisory responsibilities are estimated to range between 7-14% of supervisory duties, as time spent on enforcement would vary throughout the year. Significant time would be spent in the first year establishing the program.

This new cGaming Permitting Program cannot be accommodated in the current staff complement. As such, additional staff would need to be hired to accommodate this new programming.

While staff could be hired solely for the coordination of the cGaming Permitting Program, this provides an opportunity for the Municipality to move forward with service level improvements that would be mostly offset by the funds received from the OLG for administrative responsibilities relating to cGaming, estimated to be approximately \$150,000 annually. Council has identified by-law and policy development as a priority which could be significantly enhanced with additional resources. In addition, Administration recommends creating a dedicated resource for committee training and coordination. These services could be performed with the additional staff complement.

Administration recommends that the following two positions be approved for the Civic Affairs Division:

1. Civic Affairs Assistant (20 hours per week) – administrative responsibilities relating to cGaming are estimated at approximately 0.4 FTE. The position would also include administrative responsibilities for other types of municipal lottery licensing as well as general administrative support for the division. The 2023 wage with benefits and pension would be approximately \$44,000.
2. Team Leader – Legislative Affairs (full-time) – supervisory responsibilities relating to cGaming are estimated at 0.3 FTE. Regular approvals, training and quarterly meetings would account for approximately 0.15 FTE while onboarding new charities and enforcement activities could vary significantly. The 2023 wage with benefits and pension would be approximately \$126,000.

The Team Leader is a position that was identified in the Organizational Review for consideration in 2025. Administration recommends that a full-time position be approved at this time to take on the supervisory responsibilities for cGaming as well as additional supervisory responsibilities such as onboarding, training and program deliverables for records management and additional support, training and coordination for committees. This would make more time available for the Division Leader – Civic Affairs for additional Council policy development and policy management.

It is noted that the hiring of the above-noted staffing resources would be subject to the successful approval of the cGaming proposal by both the AGCO and the OLG and subject to the completion of agreement with the OLG regarding the cGaming program.

### ***Options for Council Consideration***

As part of the approval process for both the AGCO and OLG, the Municipality must provide a resolution of Council noting its support or opposition to the proposed location. As such, Administration is recommending that Council provide direction through one of the following options:



**Option #1** – advise the applicant (Community Gaming and Entertainment Group), the Alcohol and Gaming Commission of Ontario (AGCO) and the Ontario Lottery and Gaming Corporation (OLG) that the Municipality of Lakeshore supports the location of a gaming site at 446 Advance Boulevard; and further that, subject to the Provincial approval of the OLG business case for the gaming site and the AGCO approval of the relocation of the PowerPlay Gaming Centre, funding for the staff resources required to implement the cgaming permitting program be funded from OLG revenue and overall wage surplus for the remainder of 2022 and be included in the 2023 base budget, all as further described in the report of the Division Leader – Civic Affairs presented at the September 27, 2022 Council meeting;

or

**Option #2** – Direct Administration to advise the applicant (Community Gaming and Entertainment Group), the Alcohol and Gaming Commission of Ontario (AGCO) and the Ontario Lottery and Gaming Corporation (OLG) that the Municipality of Lakeshore does not support the location of the Power Play Gaming Centre at 446 Advance Boulevard.

### Financial Impacts

Should Council support the proposal for the location of the Power Play Gaming Centre at 446 Advance Boulevard, and should the proposal subsequently be approved by both the AGCO and the OLG, Administration will move forward with the staffing resource identified (Team Leader and Administrative Assistant) which is anticipated to be largely offset by the anticipated revenue received from OLG annually.

Recruitment would need to occur quickly following an approval by the AGCO and OLG, in order to establish agreements and procedures with the OLG and service provider, as well as to prepare for permits for eligible charities. As such, it is anticipated that there may be a financial impact for 2022 beginning as early as November (more likely December).

	2022 Financial Impact	2023 Financial Impact
Part-time Administrative Assistant (wages for 20 hours per week with pension and benefits)	\$12,000	\$44,000
Team Leader	\$19,000	\$126,000
Revenue from cGaming**		(\$150,000)
Total estimated impact	\$31,000	\$20,000

\*\* Based on actual estimates from current OLG licensing fees in a neighboring Municipality who ran similar operations.

Any financial impacts for 2022 would be funded from any revenue received from the OLG and from overall wage surplus, and the 2023 impacts would be included in the 2023 base budget.

**Attachment**

Appendix A – Proposal to Relocate a cGaming Center, presented at the August 9, 2022 Council meeting

**Report Approval Details**

Document Title:	Results of Public Engagement - Location of a cGaming Centre.docx
Attachments:	- Appendix A - ProposaltoRelocateacGamingCentre.pdf
Final Approval Date:	Sep 22, 2022

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

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Submitted by Kristen Newman

Approved by Justin Rousseau and Truper McBride