



## MEMORANDUM

May 31, 2004

TO: Mayor and Council

FROM: Director of Current Planning and Director of Social Planning

C.C.: Judy Rogers, City Manager  
Brent MacGregor, Deputy City Manager  
Jacquie Forbes-Roberts, General Manager CSG  
Dave Rudberg, City Engineer  
Jamie Graham, Chief Constable, VPD  
Annette Klein, Director, Budget Services  
Bruce Maitland, Director, Real Estate Department  
Patsy Scheer, Assistant Director, Legal Services  
Sue Harvey, Manager, Hastings Park/PNE Project  
Catherine Clement, Director of Corporate Communications  
Stephen Learey, Executive Assistant to the Mayor

SUBJECT: Hastings Racecourse Updated Information

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On December 2, 2003, Council decided to postpone consideration of the report, dated November 17, 2003, entitled CD-1 Text Amendment for 2901 East Hastings Street (Hastings Park), until the Council meeting on June 8, 2004. The report is now scheduled for consideration. This memorandum brings to Council's attention some relevant additional information.

### 1. New Operator for Hastings Racecourse

On April 8, 2004, the Great Canadian Gaming Corporation announced that it had completed the purchase of Hastings Entertainment Inc. (HEI) through a wholly-owned subsidiary (686486 BC Ltd). The HEI had been operating the Hastings racetrack since May 1, 2002. It was also announced that the Wall Financial Corporation has agreed to acquire a 40% interest in 686486 B.C. Ltd. The investment by Wall Financial is subject to the approval of the Gaming Policy and Enforcement Branch of British Columbia.

City staff have been formally informed about this new development. The rezoning application stands as originally presented, and while the rezoning application continues to be under Hastings Entertainment Inc. and the British Columbia Lottery Corporation (BCLC), the main contact is now Mr. Bruno Wall.

### 2. PNE/Hastings Park

On December 2, 2003 Council directed staff to defer consideration of the Hastings Entertainment application until June 8, 2004, and directed staff to undertake a public consultation process for the future of Hastings Park and the Pacific National Exhibition (PNE).

On May 18, 2004, Council received an Information report dated May 6, 2004, outlining four approaches to the future of Hastings Park and the PNE, developed through a multi-phased public consultation process. The information in the report provides Council with the general concepts generated from the public input, analysed to determine site area, land use, capital and operating costs as well as employment and economic impacts. It also contains information with respect to land use issues and other changes to the four approaches arising from the possible introduction of slot machines at the Racetrack. This report was not intended to replace the public consultation process associated with the slot machine rezoning application, but to provide context and implications as they relate to future uses at Hastings Park.

As part of the public process, a team of technical consultants with expertise in areas of urban design, landscape architecture, fair operations, economic and employment impacts, adaptive reuse of buildings, as well as traffic, parking and access, were retained to assess each of the final four approaches - with and without slot machines. In addition, a consultant was retained to review the public feedback related to the possible introduction of slot machines received throughout the public consultation process and to provide factual and balanced information to address those concerns as well as to recommend mitigation strategies, where appropriate.

Many of the gambling related issues raised by the public were philosophical or regional in nature such as gambling addiction, while other comments such as concerns about traffic, parking, access and public safety were site related.

Both, the Information report and the consultant's report, are available on line at: [www.city.vancouver.bc.ca/pnepark](http://www.city.vancouver.bc.ca/pnepark)

### 3. Casino at the Plaza of Nations

Following a Public Hearing on January 20 and 21, 2004, Council approved amendments to the CD-1 By-law for 750 Pacific Boulevard (Plaza of Nations) to permit Casino - Class 2, being a casino with slot machines. This would represent a relocation of the Royal Diamond Casino and the Grand Casino into the "Enterprise Hall" building. Council further approved consequential amendments to the Zoning & Development By-law to amend the definition of Casino - Class 2 and to amend the prohibition clause pertaining to this use. Council enacted the consequential amendments on March 11, 2004.

Development application DE408501 was submitted on May 21, 2004 for the proposed casino. Staff are working with the applicant to address the rezoning and development permit conditions. Once the conditions are met, the by-law will return to Council for enactment, likely accompanied with a motion for Council to adopt an amended form of development. The proponents are aiming to open the casino later this fall.

### 4. Regional Developments

- a) Slot Machines installed at Fraser Downs racetrack in Surrey - On April 5, 2004, the Fraser Downs Gaming Centre opened with 200 slot machines. Fraser Downs offers live standardbred harness racing, together with telecasting facilities. In partnership with the BCLC, the facility is undergoing a \$25 million upgrade scheduled for completion by April, 2005. This upgrade will expand the total capacity of slots to 400.
- b) New Richmond Casino - On June 25, 2004, the new Great Canadian Casino located at Bridgeport will officially open. The casino, with 70,000 sq. ft. of

gaming space. It will have 1,000 slot machines and 70 gaming tables, making this facility the biggest casino in British Columbia. The new facility may also get a liquor license. Early in 2005, the facility will add a two-tower Hotel and a 21,000 sq. ft. show theatre.

- c) **Burnaby Casino upgrade** - On May 18, 2004, Gateway Casinos, the company that operates the Burnaby casino, announced that it has purchased the Radisson Hotel where the casino is presently located. Gateway announced that it plans to expand the existing casino by 13,000 sq. ft. to accommodate an additional 400 slot machines. Over the long-term, Gateway plans to develop a new 100,000 sq. ft. casino with 1,000 slot machines, 50 table games, and a 15-table poker room. Subject to necessary approvals, the facility will open in the spring of 2006.

## 5. Gambling Research Project in Vancouver

On April 16, 2004, the Provincial Government, through the Ministry of Public Safety and Solicitor General, formally launched a Request for Proposal (RFP) to conduct a "Problem Gambling Research Project" in four Lower Mainland communities, the City of Vancouver being one of those communities. The other three targeted communities are Surrey, City of Langley, and Langley Township. Vancouver City staff form part of the Advisory Committee that will be overseeing the work of the researchers, once they are hired.

The research project will examine the social and economic impacts of gambling, particularly as they relate to the relocation of casinos or to the introduction of slot machines. Once the researcher is identified, the contract services are expected to begin in June, 2004, and to continue through to March 31, 2006, with a possible extension of one year to March 31, 2007.

Some of the study elements to be measured over time include:

- Health indicators - an increase or decrease in health issues, demands on the health system and changes in suicide rates;
- Problem gambling - changes in calls to the help line from specific communities, calls related specifically to problems developed after increased access to gaming and increase or decrease in numbers of people entering treatment in affected communities;
- Crime rates - impacts on policing, number of crimes, larcenies, burglaries, vehicle theft, assaults, robberies and domestic violence; and
- Economic impacts - including changes to tourism rates, construction starts, hospitality industry, other entertainment and gaming venues, restaurants and other merchandise.

Measurement of some of these indicators will be taken prior to gambling expansion in targeted communities, followed by a second measurement after six months of the introduction of slot machines or casino relocation, and a final measurement six months later. Reports will be made available after each measurement period. The researchers will also look at experiences from other jurisdictions and actions taken to address either social or economic implications.

## 6. Economic Development Strategies for Horseracing

On December 2, 2003, Council requested information on how Council might assist the economic development of the racetrack, and on the option of engaging an economic

consultant to work with the track and its employees to succeed in the operation of the track.

The viability of the horse racing industry has been the subject of two significant studies in British Columbia. City staff have reviewed these two previous Provincial studies: the PricewaterhouseCoopers Horse Racing Review, commissioned by the Provincial Government and released in September, 1999, and the 2001 "Road to Recovery" study conducted by the B.C. Racing Commission and released on May 2, 2001.

Both Provincial studies concluded that the horse racing industry has been in decline and is in need of urgent reform if it is to survive. The PricewaterhouseCoopers report concluded that the industry needs to "increase its player base through attracting new players and increase current player activity". The need for improvements was identified in a number of areas including quality of facilities, and operation of facilities, prizes and customer betting education. The report also acknowledged the potential introduction of slot machines as a strategy to increase attendance and as a mechanism to increase purses.

The "Road to Recovery" report recommended three potential strategies to help the horse racing industry to grow, namely: a) approval of slot machines at racetracks; b) the approval of stand-alone teletheatres in the Greater Vancouver Area; and c) the creation of a new world class racetrack complex, operating 12 months a year and amalgamating both thoroughbred and standardbred racing.

These strategies are not dissimilar to what has already been tried or implemented in other jurisdictions such as in Ontario and Alberta - two provinces that have allowed slot machines to be introduced at racetracks.

City staff advise that engaging in further economic analysis is unnecessary in light of these very complete studies. Both, industry representatives and BCLC officials, have indicated to the City that the request for slot machines is the best option at this point, which is consistent with North American trends.

## 7. Policing Issues

In the referral report scheduled for your consideration on June 8, 2004, it is indicated that a detailed analysis of policing concerns and needs will be conducted during the development permit process (if Council approves the rezoning application). However, considering the approval in principle of the relocation of the Grand and the Royal Diamond casinos to Plaza of Nations, and further considering the feedback received during the PNE/Hastings Park Visioning process, the Vancouver Police Department has identified some specific areas of concern that need to be further evaluated.

There are some general regional or city-wide concerns related to gambling addiction and the committing of crimes to pay gambling debts (crimes such as theft, fraud, robbery, and prostitution). There are also concerns that are site specific, which relate to the assembly of a large number of people, and include issues such as theft from auto, assaults, and calls to Police regarding disturbances, and suspicious or annoying persons.

At this point, the Police have more concerns regarding the Plaza of Nations location than the Hastings Racecourse. However, considering the policing demands related to the already existing casinos, the VPD anticipate that additional policing resources will be needed. A detailed analysis on the amount of additional policing resources will be conducted if Council refers the Hastings Racecourse rezoning application to a public

hearing. The consultant's report and other sources of information (including Police statistics) will be included in this analysis.

At present, there are only two Police officers assigned to deal with gaming related issues. Any expansion may require additional resources.

In the long term, the Lower Mainland Gambling Research Project mentioned above will analyze changes to crime rates, if any, as they relate to gaming expansion in the Lower Mainland, including Vancouver.

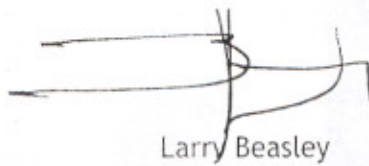
#### 8. Form of Development and Neighbourhood Impacts

As noted in the November 17, 2003, rezoning report, all details pertaining to building form, access, parking, mitigation measures, signage and community amenity issues will be dealt with at the Development Permit stage. Depending on the extent of proposed on-site changes, Council may be asked to approve an amendment to the approved form of development that applies to Hastings Park. All of the identified issues would then have been resolved to the satisfaction of Council.

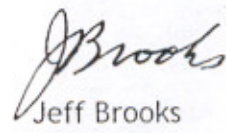
#### 9. Next Steps

On June 8, 2004, Council is scheduled to decide whether to refer the rezoning application to a public hearing. In the event that Council chooses to refer the application, the Public Hearing has been tentatively scheduled for Thursday, July 15, 2004. Prior to the Public Hearing, an Open House has been scheduled for Wednesday, July 7, at 5:30 pm, in the Hastings Community Centre.

For more information, please call Mario Lee, Social Planning Department, at 871-6034, or Dave Thomsett, Rezoning Centre, at 873-7796.



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