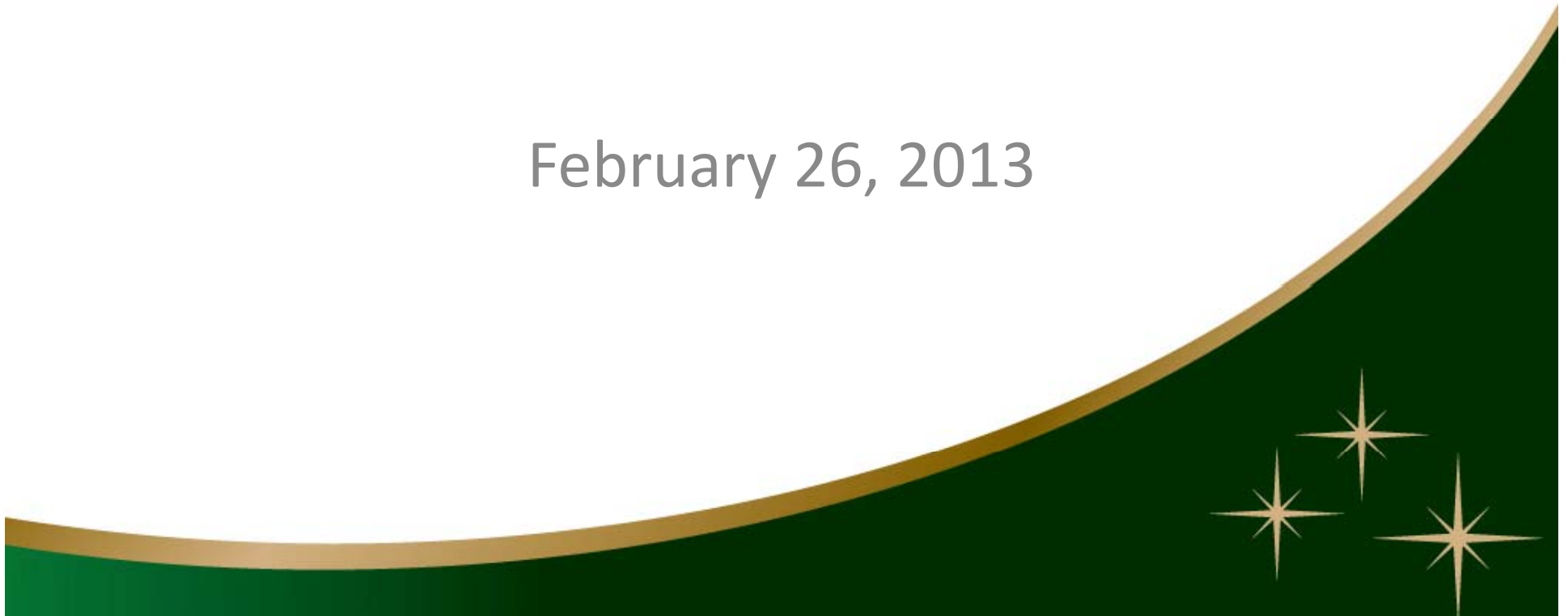


# Casino Opportunity Update

February 26, 2013



# Presentation Outline

- OLG Process Overview
- CGS Approach
- Summary of Public Consultation
- OLG Creation of Bundled Opportunities and Request for Pre Qualifications (RFPQ)
- Anticipated Next Steps
- Process Uncertainties
- Potential Role of the City of Greater Sudbury



# OLG Process Overview

- Announcement of Modernization Initiative
  - March 12, 2012
- RFI – Released May 17, Closed July 4
- RFPQ – Released November 30, Closes March 7
- RFP – Expected May
- Negotiation with Finalist Bidders
- Announcement of Successful Proponent
- Transfer of Existing Facility to New Operator



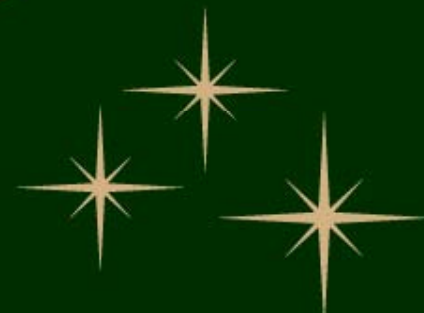
# CGS Approach

- Research and Understand Process
- Outreach to Gaming Industry
- Work with Local Proponents, Landowners and Developers
- Presentation to Council
- Public Consultation
- Ongoing Liaison with OLG
- Further Engagement with Gaming Industry
  - Release of Opportunity Document
  - Approx 40 meetings with Interested Parties



# Summary of Public Consultation

- Public meeting held on October 10, 2012
  - Approximately 200 attended
  - 450 provided feedback at the meeting and online
- General response themes
  - Strong support for keeping a casino facility separated from sensitive land uses
  - Adequate parking is important
  - Interest, though not universal, in an animated facility with additional street level uses
  - The most often mentioned additional amenities is a convention facility with some interest in a performing arts space and hotel



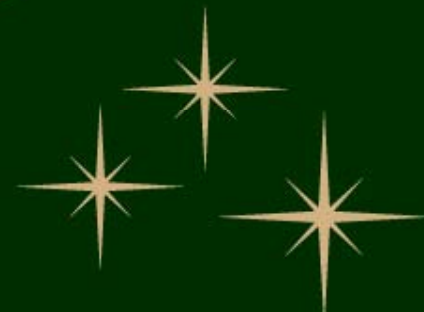
# Summary of Public Consultation

- A majority of respondents indicated a preference for the existing Sudbury Downs location.
  - Suggestion that this would support the horse racing industry, utilize existing infrastructure and be remote enough to discourage problem gambling.
- A significant number of respondents preferred a downtown casino setting
  - Potential for ancillary facilities and downtown revitalization cited as reasons for this choice.
- Lower numbers of respondents expressed preference for the Four Corners and Kingsway locations.
- Concerns also raised
  - Negative impacts of easy accessibility
  - Desire for more than a gaming room.



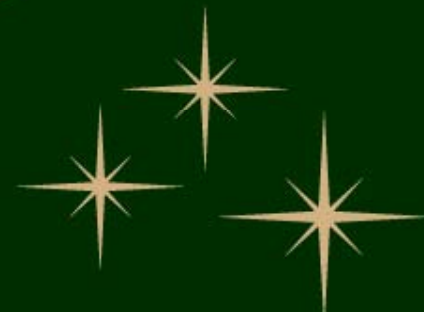
# Creation of Bundled Opportunities

- Possibility identified in RFI
- Announced as part of RFPQ
  - Bundles for Northern and Eastern Ontario
- Northern Bundle (5 communities)
  - Sudbury, Sault Ste Marie and Thunder Bay
    - Existing facilities, SSM and Thunder Bay owned by OLG
    - Each expects 600 slots, up to 180 table seats
  - North Bay, Kenora
    - New facilities, anticipated 300 slots, 120 table seats



# OLG Request for Pre Qualifications

- RFPQ for Northern Bundle released on Nov 30
  - Closes on March 7
- Not a Full Request for Proposals
  - Proponents required to detail structure of partnership, including key individuals
  - Evaluating experience with gaming, property development and finance
  - Also describes revenue model for RFP
    - All five Northern casinos are one business unit





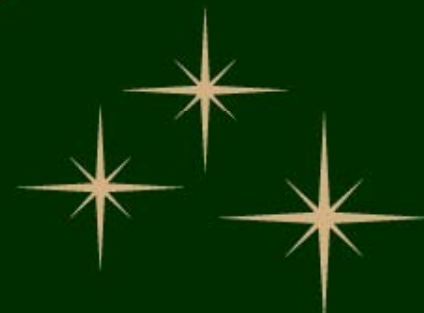
# Anticipated RFPQ Timeline

- RFPQ closes on March 7
  - OLG expects 4 to 6 weeks to evaluate submissions and determine who will be invited to submit RFP
- Private RFP invitation to 3 to 5 Proponents
  - Expected early May
  - OLG will not release the list publicly



# Anticipated RFP Timeline

- Proponents will have 60 to 90 days to submit
  - Proposal must address all five centres in Northern Bundle
  - Staff expects detailed discussions with proponents throughout this period
- OLG will conduct private negotiations with top two proponents, expected in September
- RFP to be evaluated based on two criteria
  - Increasing Gaming Revenue to OLG and the Province
  - Promoting economic development through job creation and capital investment in Gaming Bundle 3 (North)
- Successful proponent will assume current facilities



# Process Uncertainties

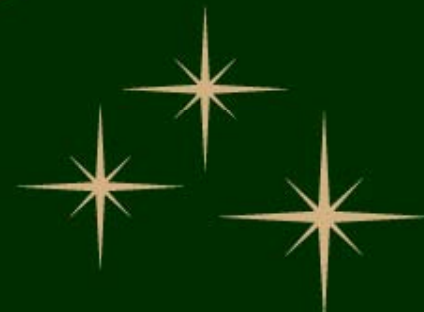
- Timelines have slipped
  - Currently approximately 9 months behind
- Key players not yet clear
  - Results of RFPQ will determine next steps
- Potential change in government
- Future of current location



# Potential Roles for CGS

## **CGS has 5 potential opportunities to participate:**

1. Decision whether or not to be Willing Host Community for Gaming Facility
  - Already addressed by existing site and confirmed by Council Resolution
2. Through potential zoning approvals and/or clear statement of interest or non-interest in a specific area of the city
  - Some areas, including the existing site, already allow gaming within the current zoning
  - Council has accepted four general areas of interest via resolution
3. Potential partnership involving municipal property



# Potential Roles for CGS cont'd

4. Potential partnership involving municipal contribution towards overall project or specific portions
  - For example, arena, parking structure, conference facility
5. Potential designation of a specific site.
  - Challenging with existing location
  - May limit opportunities for proponent bids
  - May be seen as unfair by other landowners



# Potential Roles for CGS cont'd

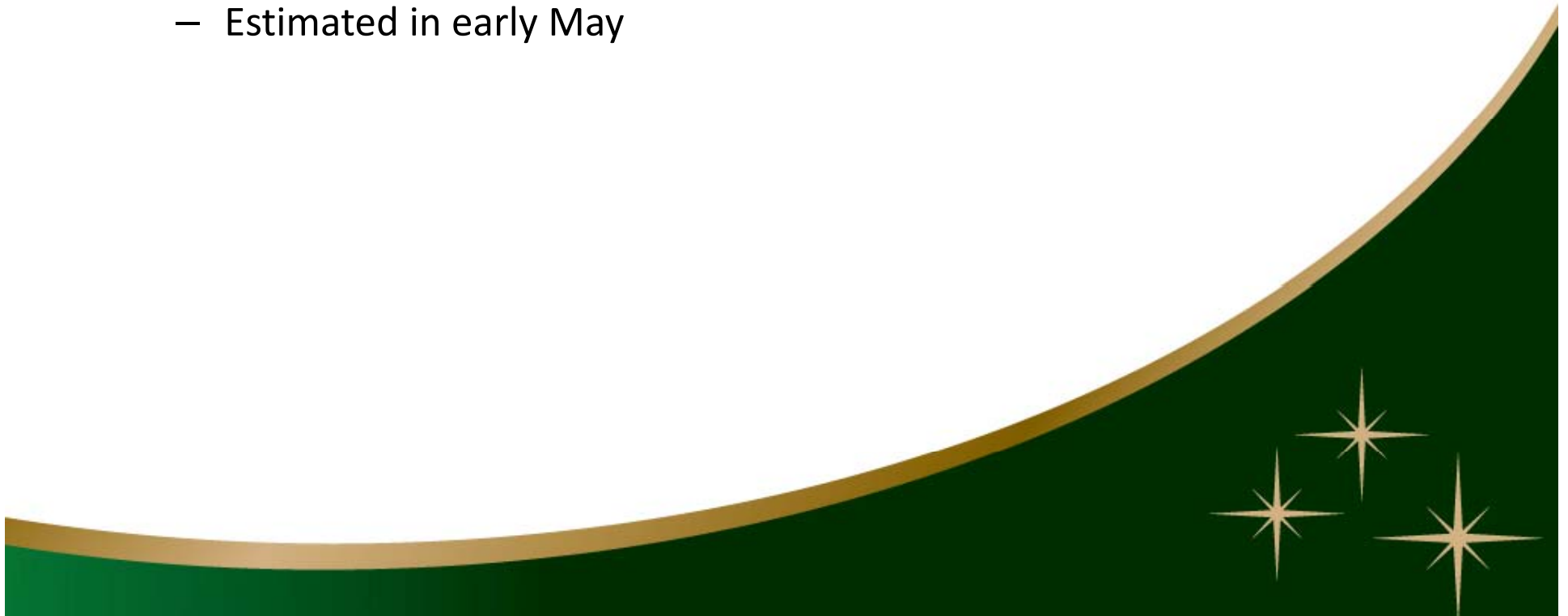
What Council cannot do:

- Choose the winning proponent



# Next Steps

- Staff will continue to provide information to potential proponents
- Detailed, site specific, questions and discussions expected following issuance of RFP
  - Estimated in early May



# QUESTIONS

