

Q&A

October 2016

GREATER VICTORIA EXPRESSION OF INTEREST PROCESS

Q: How did BCLC determine demand for a second gaming facility in Greater Victoria?

A: BCLC has been managing the casino market in B.C. for almost two decades, and key to our success is a keen understanding of gambling and how it fits within communities in B.C.

We routinely monitor our facilities and review the gambling market in B.C. in order to best serve our customers. Our analysis in the rapidly growing Greater Victoria marketplace – which looked at population data, existing facilities, estimated revenue potential and other factors – determined that it is one of the most underdeveloped gambling entertainment markets in Canada.

Q: How did BCLC decide on Victoria as its preferred host for a potential gaming facility?

A: BCLC initiated an Expression of Interest process to local governments and First Nations in the Greater Victoria region where an opportunity was identified for a potential second gaming facility. The decision to select Victoria as the preferred host local government was made based on a variety of factors, including population distribution, tourism considerations, transportation access, distance to existing facilities in the region, zoning requirements and timelines.

We made this decision as part of an extensive assessment process that was overseen by a third-party fairness monitor.

Q: Where does BCLC want to put a gaming facility in Victoria?

A: Potential locations within Victoria, as well as facility size and scope details, will be explored once a service provider has been selected to operate a potential facility on our behalf.

Q: Is it common for two facilities to co-exist within a region?

A: Yes, there are a number of examples throughout B.C. where two facilities are operating very successfully – each appealing to a specific market.

For many years there have been two facilities in Kamloops, which has a population about a quarter the size of Greater Victoria. Throughout the Lower Mainland there are also a number of facilities in adjacent municipalities.

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Q: Will a second casino affect the existing View Royal Casino in terms of amenities or revenue?

A: Our market analysis shows that there are players in the eastern region of Greater Victoria who are not currently visiting the View Royal Casino. Given the geographic nature of the region and the demographics of those within the eastern region of Greater Victoria, these players can best be served through a second facility in the region.

It wouldn't be in the best interest of BCLC to develop a second facility at the cost of an existing one – especially one as successful as View Royal Casino. We believe that two facilities, each with their own distinct offerings, will thrive in the Greater Victoria market while helping to support B.C. communities. Last year, more than \$1 billion generated by BCLC gambling supported health care, education and community groups across B.C.

Q: Where can I find the market analysis report for Greater Victoria?

A: The full market analysis report contains competitive information and could provide an unfair advantage in a competitive process, including harming the operations of our private-sector service providers.

Consistent with Freedom of Information legislation related to competitive information, we cannot release this analysis. The gaming industry is competitive; releasing the full study and market data would negatively impact our current and future business.

Q: What type of gaming facility does BCLC want to build?

A: BCLC will develop a gaming facility to suit the market in the City of Victoria, with the View Royal Casino remaining the primary facility in the region. The decision of the size and scope of the new facility will be based on redevelopment plans for the View Royal Casino.

Q: What role does a service provider play?

A: Private-sector service providers are key players in our made-in-B.C. operating model.

They own or lease gaming facilities and maintain operations on a day-to-day basis. They hire the staff at facilities, provide surveillance and security behind the scenes and operate to the standards that BCLC sets out. We work with them to develop proposals for gaming facilities.

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Q: How much revenue does Victoria stand to earn from a new gaming facility?

A: Local governments that host a gaming facility receive 10 per cent of the net income generated by that facility.

Incremental revenue potential from a Victoria facility is estimated to be approximately \$28.5 million; this would result in an annual Host Local Government payment of approximately \$1.6 million.

Q: Will BCLC consult with the community?

A: Ultimately, when a proposal for a gaming facility is made, the host community has the final say as to whether it will accept it.

BCLC is committed to sharing information on our proposed plans for Greater Victoria, and hearing about what's important to you.

There will be plenty of opportunities for the public to provide feedback. The preferred host local government must seek and consider input from the community before making a final decision.

For more information contact:

BCLC Media Relations
604.225.6460
mediarelations@bclc.com