

BCLC Gambling Service Provider Commissions Report

Fiscal Year 2015/16

Table of Contents

British Columbia’s Gambling Operations Model	2
Casino Service Provider Capital Investments and Development Commissions Earned	3
Commissions Earned by Casino Service Providers Annually.....	6
Community Gaming and Bingo Service Provider Capital Investments and Development Commissions Earned.....	7
Commissions Earned by Community Gaming and Bingo Service Providers Annually	9
Appendix 1: BCLC Casino, Community Gaming and Bingo Facilities and Service Providers	10

British Columbia's Gambling Operations Model

Under the Gaming Control Act (B.C.), BCLC is mandated to conduct, manage and operate commercial gaming on behalf of the Government of British Columbia. BCLC enters into Operational Service Agreements (OSAs) with private sector service providers who, under BCLC's oversight, finance, build and operate gambling facilities including casinos, community gaming centres and bingo halls.

The OSAs, which define the service and operating responsibilities and overall compensation structure, are typically 10 year contracts with a renewal option for an additional 10 years.

There are two major types of commissions that service providers receive from BCLC: operating and facility development, which have been in place since BCLC was given the mandate to oversee and manage casinos in British Columbia in 1997.

Service providers receive the following operating commissions:

Casino Games

- 25 per cent of net win from slots
- 40 per cent of net win from tables
- 75 per cent of poker rake
- 75 per cent of craps
- 60 per cent of low limit blackjack

Bingo Games

- 60 per cent of bingo sales (after prizes are paid) on the first \$20,000 per week
- 40 per cent of bingo sales (after prizes are paid) on the next \$60,000 per week, and
- 25 per cent on bingo sales (after prizes are paid) greater than \$80,000 per week.

Service providers pay BCLC for certain costs that are subtracted in order to calculate the total commission. These costs include: the equivalent of one per cent of table net win for table game supplies; service provider contribution to BCLC marketing (0.6 per cent of total net win from any sites with 400 or more slot machines) and other cost adjustments from time to time.

Also in accordance with the OSAs, the service providers can earn additional compensation in the form of a facility development commission (FDC) and an accelerated facility development commission (AFDC) determined as a percentage of net win.

The service providers earn five per cent FDC on bingo games (after prizes are paid), three per cent FDC on casino games and two per cent AFDC on all games if they incur and submit costs related to gaming and ancillary amenities development as outlined by the Facilities Development Commission and Accelerated Facilities Development Commission (FDC/AFDC) Standards, Policies and Procedures. These costs are subject to BCLC review and all decisions regarding FDC or AFDC are at the sole and absolute discretion of BCLC, whom, from time-to-time, may make independent business decisions based on individual submissions for FDC or AFDC Qualifying Expenditures to assist in achieving BCLC's goals and strategies.

Casino Service Provider Capital Investments and Development Commissions Earned

The following table details investments that have qualified for FDC/AFDC since 1997. In cases where a casino has relocated or where several casinos have merged into one larger redeveloped casino, the total includes qualified amounts from all of those facilities.

(in thousands of dollars)

Casino	Projects Qualified for FDC or AFDC	Total Capital Investment (qualifying for FDC or AFDC) ¹	Total FDC/AFDC Earned as at March 31, 2016	Balance of qualified expenditures remaining as at March 31, 2016
Billy Barker Casino	<ul style="list-style-type: none"> Initial development of Billy Barker Casino Redevelopment of Billy Barker Casino incorporating a show lounge Main floor renovation 	7,444	5,076	2,368
Cascades Casino Langley	<ul style="list-style-type: none"> Initial Royal Towers Casino development Initial Cascades Casino development Cascades Casino parkade development and casino enhancement Renovations and floor refresh 	53,600	52,998	602
Casino Nanaimo	<ul style="list-style-type: none"> Initial build out Property refresh 	26,604	26,396	208
Casino of the Rockies	<ul style="list-style-type: none"> Initial development of the Casino of the Rockies Minor maintenance and renovations 	5,517	5,546	(29)
Edgewater Casino	<ul style="list-style-type: none"> Initial development of the Grand Casino Initial development of the Royal Diamond Casino Initial development subsequent expansion of Edgewater Casino Additional Edgewater Casino enhancements Edgewater Casino poker room High limit tables Parq parkade build and development 	81,743	61,532	20,211
Elements Casino (formerly Fraser Downs Racetrack and Casino)	<ul style="list-style-type: none"> Initial build out 2nd floor gaming relocation and addition of table games Casino renovations 	59,079	28,846	30,233

Casino	Projects Qualified for FDC or AFDC	Total Capital Investment (qualifying for FDC or AFDC) ¹	Total FDC/AFDC Earned as at March 31, 2016	Balance of qualified expenditures remaining as at March 31, 2016
Grand Villa Casino	<ul style="list-style-type: none"> Initial Burnaby Casino development Development of Grand Villa Casino, convention space, restaurants hotel upgrade, show lounge and parkade redevelopment 	122,173	69,180	52,993
Hard Rock Casino Vancouver	<ul style="list-style-type: none"> Initial development of casino Casino redevelopment and parkade Show theatre Rebranding 	153,852	86,410	67,442
Hastings Racecourse Casino	<ul style="list-style-type: none"> Temporary and permanent slots facility build out 	46,261	8,373	37,888
Cascades Casino Kamloops (formerly Lake City Casino Kamloops)	<ul style="list-style-type: none"> Initial development of the Kamloops Casino Subsequent redevelopment and enhancement of Kamloops Casino Build of Cascades Kamloops 	24,833	16,668	8,165
Lake City Casino Kelowna	<ul style="list-style-type: none"> Initial development of the Kelowna Casino Reconfiguration and enhancement of the Kelowna Casino Minor maintenance and renovations 	29,584	23,637	5,947
Lake City Casino Penticton	<ul style="list-style-type: none"> Initial development of Penticton Casino Development of direct access from the parkade and completion of the poker room Minor maintenance and renovations 	13,598	13,312	286
Lake City Casino Vernon	<ul style="list-style-type: none"> Initial development Minor maintenance and renovations Redevelopment of relocated Vernon Casino Renovations 	18,373	11,721	6,652
River Rock Casino Resort	<ul style="list-style-type: none"> Initial development of the casino, show theatre, parkade and hotel upgrades Development of convention space, second parkade, poker room, VIP gaming room, gaming floor reconfiguration 	321,575	158,804	162,771

Casino	Projects Qualified for FDC or AFDC	Total Capital Investment (qualifying for FDC or AFDC) ¹	Total FDC/AFDC Earned as at March 31, 2016	Balance of qualified expenditures remaining as at March 31, 2016
Starlight Casino	<ul style="list-style-type: none"> Initial development of Royal City Star Casino Subsequent Starlight gaming floor reconfiguration Initial development of Starlight Casino and parkade 	94,732	47,038	47,694
Treasure Cove Casino	<ul style="list-style-type: none"> Initial development of Casino Hollywood Initial development of Treasure Cove Casino and Show Lounge Reconfiguration and enhancement of Treasure Cove Casino Incorporation of bingo into Treasure Cove Casino 	24,270	26,130	(1,860)
View Royal Casino	<ul style="list-style-type: none"> Minor renovations to Mayfair Initial build-out of View Royal Parkade construction and land purchase 	44,676	42,048	2,628
Closed sites and transfers		85,913	85,913	-
Total		1,213,827	769,628	444,199

¹ If a service provider operates more than one facility, BCLC allows for consolidation of FDC eligible expenditures as outlined in the FDC/AFDC Standards, Policies and Procedures. Totals for these sites include site specific and consolidated eligible expenditures.

Commissions Earned by Casino Service Providers Annually

See Appendix 1 for further details on locations, service providers and former names of existing casinos.

Fiscal 2015/16
(in thousands of dollars)

Casino Name	Slot Revenue	Table Revenue	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission
Billy Barker Casino	8,061	166	8,227	2,100	247	-	2,347
Cascades Casino	96,727	23,317	120,044	34,614	3,599	2,399	40,612
Casino Nanaimo	39,280	2,898	42,179	11,101	1,265	-	12,366
Casino of the Rockies	11,672	852	12,524	3,304	396	-	3,700
Edgewater Casino	61,910	97,499	159,409	56,498	7,960	3,184	67,642
Fraser Downs Racetrack and Casino	51,227	8,495	59,722	16,596	1,788	996	19,380
Grand Villa Casino	121,407	77,422	198,829	63,379	5,964	3,976	73,319
Hard Rock Casino Vancouver	95,439	43,375	138,814	43,369	4,160	2,774	50,303
Hastings Racecourse Casino	20,056	-	20,056	5,014	602	401	6,017
Lake City Casino Kamloops	29,025	3,579	32,604	8,924	978	127	10,029
Lake City Casino Kelowna	30,216	5,765	35,981	10,214	1,077	718	12,009
Lake City Casino Penticton	26,876	1,570	28,446	7,478	852	-	8,330
Lake City Casino Vernon	34,159	1,160	35,318	9,058	1,060	706	10,824
River Rock Casino Resort	152,735	212,795	365,530	125,322	10,963	7,309	143,594
Starlight Casino	79,000	44,674	123,674	38,148	3,710	2,474	44,332
Treasure Cove Casino	43,322	2,404	45,726	11,956	1,371	915	14,242
View Royal Casino	63,085	8,709	71,794	19,338	2,154	1,436	22,928
Total	964,197	534,680	1,498,877	466,413	48,146	27,415	541,974

Community Gaming and Bingo Service Provider Capital Investments and Development Commissions Earned

This chart details investments that have qualified for FDC/AFDC since 2002/03. (in thousands of dollars)

CGC or Bingo Hall	Projects Qualified for FDC or AFDC	Total Capital Investment (qualifying for FDC or AFDC) ¹	Total FDC/AFDC Earned as at March 31, 2016	Balance of qualified expenditures remaining as at March 31, 2016
Bingo Esquimalt	<ul style="list-style-type: none"> Major renovations to enhance player experience Minor renovations 	173	269	(96)
Chances Abbotsford (formerly Abbotsford Bingo)	<ul style="list-style-type: none"> Initial build out of facility Minor renovations 	13,423	5,764	7,659
Chances Campbell River	<ul style="list-style-type: none"> Initial build out of facility Minor renovations 	8,899	5,871	3,028
Chances Castlegar	<ul style="list-style-type: none"> Initial build out of facility 	9,863	2,017	7,846
Chances Chilliwack	<ul style="list-style-type: none"> Initial build out of facility to include slot machines 	15,912	6,444	9,468
Chances Courtenay (formerly Valley Entertainment Palace)	<ul style="list-style-type: none"> Initial build out of facility 	12,066	5,950	6,116
Chances Cowichan (formerly Inkspot Bingo)	<ul style="list-style-type: none"> Initial build out of facility 	9,904	6,025	3,879
Chances Dawson Creek (formerly Bear Mountain Bingo)	<ul style="list-style-type: none"> Initial build out of facility 	14,358	6,167	8,191
Chances Fort St. John (formerly Rainbow Bingo Hall)	<ul style="list-style-type: none"> Renovations to incorporate slot machines Initial build out of facility 	18,636	6,387	12,249
Chances Kamloops (formerly Enterprise Entertainment)	<ul style="list-style-type: none"> Initial build out of facility 	8,947	7,509	1,438
Chances Kelowna (formerly Bingo Kelowna)	<ul style="list-style-type: none"> Initial build out of facility Renovations to incorporate slot machines 	16,420	15,272	1,148
Chances Maple Ridge (formerly Haney Bingo Plex)	<ul style="list-style-type: none"> Initial build out of facility Renovations to incorporate slot machines 	23,938	5,431	18,507
Chances Mission (formerly Chances Boardwalk Mission & Mission Bingo)	<ul style="list-style-type: none"> Initial build out of facility 	4,798	4,355	443
Chances Prince Rupert (formerly Totem Bingo Hall)	<ul style="list-style-type: none"> Initial build out of facility 	8,697	3,503	5,194
Chances RimRock (formerly Dob City)	<ul style="list-style-type: none"> Initial build out of facility 	7,923	3,636	4,287
Chances Salmon Arm	<ul style="list-style-type: none"> Initial build out of facility 	9,137	222	8,915
Chances Signal Point (formerly Lucky's the Bingo Centre)	<ul style="list-style-type: none"> Initial build out of facility Renovations to incorporate slot machines 	8,046	5,826	2,220

CGC or Bingo Hall	Projects Qualified for FDC or AFDC	Total Capital Investment (qualifying for FDC or AFDC) ¹	Total FDC/AFDC Earned as at March 31, 2016	Balance of qualified expenditures remaining as at March 31, 2016
Chances Squamish (formerly Chances Boardwalk Squamish)	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	11,971	1,335	10,636
Chances Terrace (formerly Lucky Dollar Bingo Palace)	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	5,434	5,218	216
Harbour City Bingo	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	152	601	(449)
Newton Community Gaming Centre	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	5,791	3,294	2,497
Planet Bingo	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	270	1,459	(1,189)
Playtime Langley (formerly Langley Bingo Palace)	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	3,594	3,338	256
Playtime Penticton (formerly Penticton Bingo Palace)	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	811	742	69
Playtime Victoria	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	1,082	1,035	48
Treasure Cove Bingo	<ul style="list-style-type: none"> Initial build out of facility 	5,261	2,018	3,243
Closed Sites		1,783	1,783	-
Total		227,290	111,471	115,819

¹ If a service provider operates more than one facility, BCLC allows for consolidation of FDC eligible expenditures as outlined in the FDC/AFDC Standards, Policies and Procedures. Totals for these sites include site specific and consolidated eligible expenditures.

Commissions Earned by Community Gaming and Bingo Service Providers Annually

See Appendix 1 for further details on locations, service providers and former names of existing facilities.

Fiscal 15/16 (in thousands of dollars)

CGC or Bingo Hall	Slot Revenue	Table Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission
Bingo Esquimalt	-	-	3,407	3,407	657	62	-	719
Chances Abbotsford	16,388	-	288	16,676	4,140	495	329	4,964
Chances Campbell River	12,003	-	819	12,822	3,151	373	245	3,769
Chances Castlegar	7,912	-	215	8,126	2,012	240	159	2,411
Chances Chilliwack	25,176	-	5,194	30,370	7,206	846	540	8,592
Chances Courtenay	16,218	-	845	17,062	4,208	499	330	5,037
Chances Cowichan	12,723	-	1,568	14,291	3,508	410	266	4,184
Chances Dawson Creek	11,269	-	484	11,754	2,922	347	229	3,498
Chances Fort St. John	14,543	1,656	249	16,448	4,440	491	326	5,257
Chances Kamloops	14,071	-	3,343	17,414	4,085	472	301	4,858
Chances Kelowna	32,854	-	7,451	40,304	9,295	1,095	701	11,091
Chances Maple Ridge	19,784	-	2,627	22,411	5,420	634	412	6,466
Chances Mission	10,209	-	709	10,918	2,662	316	208	3,186
Chances Prince Rupert	8,846	-	1,195	10,041	2,442	285	185	2,912
Chances RimRock	7,912	-	969	8,881	2,182	255	165	2,602
Chances Salmon Arm	5,692	-	362	6,054	1,487	175	47	1,709
Chances Signal Point	9,828	-	1,150	10,977	2,720	317	205	3,242
Chances Squamish	4,174	-	389	4,562	1,104	131	86	1,321
Chances Terrace	10,932	-	1,028	11,959	2,951	347	226	3,524
Fairweather Bingo	-	-	802	802	169	15	-	184
Harbour City Bingo	-	-	5,242	5,242	1,077	108	-	1,185
Newton Community Gaming Centre	-	-	5,175	5,175	936	96	-	1,032
Planet Bingo	-	-	7,337	7,337	1,240	131	-	1,371
Playtime Langley	1,828	-	5,586	7,415	1,519	161	191	1,871
Playtime Penticton	-	-	2,393	2,393	526	44	-	570
Playtime Victoria	-	-	3,448	3,448	757	69	-	826
Treasure Cove Casino	-	-	9,291	9,291	1,361	145	58	1,564
Total	242,362	1,656	71,566	315,580	74,177	8,559	5,209	87,945

Appendix 1: BCLC Casino, Community Gaming and Bingo Facilities and Service Providers

Facility	Service Provider	Municipality
Billy Barker Casino	585 Holdings Ltd.	Quesnel
Bingo Esquimalt	Kingsnorth Gaming Entertainment Inc. formerly 319968 BC Ltd.	Victoria
Cascades Casino Langley (formerly Royal Towers)	Gateway Casinos and Entertainment Limited	Langley
Casino Nanaimo	Great Canadian Casinos Inc.	Nanaimo
Casino of the Rockies	SEM Resort Limited Partnership	Cranbrook
Chances Abbotsford (formerly Abbotsford Bingo)	Playtime Peardonville Ventures Ltd. (a subsidiary of Gateway Casinos and Entertainment Limited)	Abbotsford
Chances Campbell River (formerly Campbell River Bingo Palace)	Playtime Community Gaming Centres Inc. (a subsidiary of Gateway Casinos and Entertainment Limited)	Campbell River
Chances Castlegar	Terrim Properties Ltd.	Castlegar
Chances Chilliwack	Chilliwack Gaming Ltd.	Chilliwack
Chances Courtenay (formerly Valley Entertainment Palace)	Playtime Community Gaming Centres Inc. (a subsidiary of Gateway Casinos and Entertainment Limited)	Courtenay
Chances Cowichan (formerly Inkspot Bingo)	Duncan Dabber Bingo Society	Cowichan
Chances Dawson Creek (formerly Bear Mountain Bingo)	Great Canadian Entertainment Centres Ltd.	Dawson Creek
Chances Fort St John (formerly Rainbow Bingo Hall)	243045 Alberta Ltd.	Fort St John
Chances Kamloops (formerly Enterprise Entertainment)	Enterprise Entertainment Ltd.	Kamloops
Chances Kelowna (formerly Bingo Kelowna)	Goldwing Investments (Saskatoon) Ltd.	Kelowna
Chances Maple Ridge	Great Canadian Entertainment Centres Ltd.	Maple Ridge
Chances Mission (formerly Mission Bingo)	427967 BC Ltd. (a subsidiary of Gateway Casinos and Entertainment Limited)	Mission
Chances Prince Rupert (formerly Totem Bingo Hall)	0733244 BC Ltd.	Prince Rupert
Chances Rim Rock (formerly Dob City)	Alberni Valley Gaming Association	Port Alberni
Chances Salmon Arm	Terrim Properties Ltd.	Salmon Arm
Chances Signal Point (formerly Lucky's the Bingo Centre)	Lucky's Ventures Ltd.	Williams Lake
Chances Squamish	Boardwalk Gaming Squamish Inc.	Squamish

Facility	Service Provider	Municipality
	(a subsidiary of Gateway Casinos and Entertainment Limited)	
Chances Terrace (formerly Lucky Dollar Bingo Palace)	Fort St. John Gaming Centre and Hotel Limited Partnership	Terrace
Edgewater Casino (formerly Grand & Royal Diamond)	Edgewater Casino ULC	Vancouver
Fairweather Bingo	Terrim Properties Ltd.	Vernon
Elements Casino (formerly Fraser Downs Racetrack and Casino)	Orangeville Raceway Ltd	Surrey
Grand Villa Casino (formerly Burnaby)	Gateway Casinos and Entertainment Limited	Burnaby
Harbour City Bingo	Harbour City Bingo Inc.	Nanaimo
Hard Rock Casino Vancouver (formerly Boulevard & Coquitlam)	Great Canadian Casinos Inc.	Coquitlam
Hastings Racecourse Casino	Hastings Entertainment Inc.	Vancouver
Cascades Casino Kamloops (formerly Lake City Casino Kamloops)	Lake City Casinos Ltd. Gateway Casinos and Entertainment Limited	Kamloops
Lake City Casino Kelowna	Lake City Casinos Ltd. Gateway Casinos and Entertainment Limited	Kelowna
Lake City Casino Penticton	Lake City Casinos Ltd. Gateway Casinos and Entertainment Limited	Penticton
Lake City Casino Vernon	Lake City Casinos Ltd. Gateway Casinos and Entertainment Limited	Vernon
Newton Community Gaming Centre	427967 BC Ltd. Gateway Casinos and Entertainment Limited	Surrey
Planet Bingo	Community Gaming Management Association	Vancouver
Playtime Langley	Playtime Community Gaming Centres Inc. (a subsidiary of Gateway Casinos and Entertainment Limited)	Langley
Playtime Penticton	Playtime Community Gaming Centres Inc. (a subsidiary of Gateway Casinos and Entertainment Limited)	Penticton
Playtime Victoria	Playtime Community Gaming Centres Inc. (a subsidiary of Gateway Casinos and Entertainment Limited)	Victoria
River Rock Casino Resort (formerly Richmond Casino)	Great Canadian Casinos Inc.	Richmond
Starlight Casino (formerly Royal City Star Casino)	Gateway Casinos and Entertainment Limited	New Westminster
Treasure Cove Casino (formerly Casino Hollywood)	Treasure Cove Casino Inc.	Prince George
View Royal Casino (formerly Mayfair, Victoria)	Great Canadian Casinos Inc.	View Royal
Treasure Cove Bingo (formerly Chances Good Time, Good Time Bingo)	Treasure Cove Casino Inc.	Prince George