

BCLC Gambling Service Provider Commissions Report

Fiscal Year 2017/18

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British Columbia's Casino and Bingo Facility Gambling Operations Model

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

The OSAs, created in 1997, define the service and operating responsibilities and overall compensation structure, and are typically 10-year-contracts with a renewal option for an additional 10 years. These OSAs provide service providers with the following compensation:

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
- 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 marketing fees to BCLC (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, service providers can earn compensation in the form of a facility development commission (FDC) and an accelerated facility development commission (AFDC) determined as a percentage of net win if they meet investment requirements.

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, which, 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.

It should be noted that in November 2017, BCLC introduced a [new OSA and commission structure](#), which becomes effective on the date negotiated by BCLC and the service provider. No contracts came into effect prior to April 1, 2018; therefore, this 2017/18 report captures commissions earned and paid under the original OSA, outlined above.

Capital Investments by Casino Service Providers, and Development Commissions Earned (By Facility)

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	Service Provider Projects Qualified for FDC or AFDC	Total Capital Investment (qualifying for FDC or AFDC) ¹	Total FDC/AFDC Earned as at March 31, 2018	Balance of Qualified Expenditures Remaining as at March 31, 2018
Billy Barker Casino Quesnel	<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	5,594	1,850
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 	66,991	65,884	1,107
Casino Nanaimo	<ul style="list-style-type: none"> Initial build out Property refresh 	30,679	30,073	606
Casino of the Rockies Ktunaxa Nation (Cranbrook)	<ul style="list-style-type: none"> Initial development of the Casino of the Rockies Minor maintenance and renovations 	6,842	6,236	606
Parq Vancouver (formerly 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 development 	19,075	5,593	13,482
Elements Casino Surrey	<ul style="list-style-type: none"> Initial build out 2nd floor gaming relocation and addition of table games Casino renovations 	68,072	36,213	31,859

Casino	Service Provider Projects Qualified for FDC or AFDC	Total Capital Investment (qualifying for FDC or AFDC) ¹	Total FDC/AFDC Earned as at March 31, 2018	Balance of Qualified Expenditures Remaining as at March 31, 2018
Grand Villa Casino Burnaby	<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 	120,360	90,412	29,948
Hard Rock Casino Vancouver Coquitlam	<ul style="list-style-type: none"> Initial development of casino Casino redevelopment and parkade Show theatre Rebranding 	154,094	102,069	52,025
Hastings Racecourse Casino Vancouver	<ul style="list-style-type: none"> Temporary and permanent slots facility build out 	46,297	10,412	35,885
Cascades 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 	66,060	20,136	45,924
Playtime Casino Kelowna (formerly 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 	29,749	27,262	2,487
Cascades Casino Penticton (formerly 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 Development of new facility 	22,505	16,027	6,478
Lake City Casino Vernon	<ul style="list-style-type: none"> Initial development Minor maintenance and renovations Redevelopment of relocated Vernon Casino Renovations 	18,514	15,214	3,300
River Rock Casino Resort Richmond	<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 	319,830	191,857	127,973

Casino	Service Provider Projects Qualified for FDC or AFDC	Total Capital Investment (qualifying for FDC or AFDC) ¹	Total FDC/AFDC Earned as at March 31, 2018	Balance of Qualified Expenditures Remaining as at March 31, 2018
Starlight Casino New Westminster	<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 Expansion of facility 	100,679	59,372	41,307
Treasure Cove Casino Prince George	<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 Expansion of facility 	28,055	28,939	(884)
View Royal Casino Greater Victoria	<ul style="list-style-type: none"> Minor renovations to Mayfair Initial build-out of View Royal Parkade construction and land purchase Facility expansion and refresh 	55,777	49,272	6,505
Closed sites and transfers		120,982	120,982	-
Total		1,282,005	881,547	400,458

¹If 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 (By Facility)

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

Fiscal 2017/18

(in thousands of dollars)

Casino Name	Slot Revenue	Table Revenue	Total Revenue	Operator Commission	FDC Earned	AFDC Earned	Total Commission
Billy Barker Casino	8,618	186	8,804	2,253	264	-	2,517
Cascades Casino	112,370	26,740	139,110	40,348	4,170	2,425	46,943
Casino Nanaimo	45,572	4,909	50,481	13,590	1,534	765	15,889
Casino of the Rockies	10,411	776	11,187	2,967	336	-	3,303
Parq Vancouver	80,931	110,341	191,272	66,544	5,690	3,793	76,027
Elements Casino	60,513	13,591	74,104	20,651	2,222	1,481	24,354
Grand Villa Casino	141,781	78,629	220,410	69,339	6,598	4,398	80,335
Hard Rock Casino Vancouver	113,220	47,611	160,831	48,632	4,820	3,213	56,665
Hastings Racecourse Casino	20,451	-	20,451	5,114	614	409	6,137
Cascades Casino Kamloops	31,567	3,670	35,237	9,616	1,054	703	11,373
Playtime Casino Kelowna	29,707	6,990	36,697	10,568	1,099	732	12,399
Cascades Casino Penticton	34,631	2,116	36,748	9,584	1,103	733	11,420
Lake City Casino Vernon	33,420	1,721	35,141	9,087	1,052	701	10,840
River Rock Casino Resort	160,397	167,327	327,723	108,774	9,821	6,548	125,143
Starlight Casino	88,928	37,578	126,506	37,948	3,783	2,522	44,253
Treasure Cove Casino	45,377	2,175	47,551	12,483	1,418	951	14,852
View Royal Casino	64,362	9,515	73,878	19,922	2,219	1,452	23,593
Total	1,082,256	513,875	1,596,131	487,420	47,797	30,826	566,043

Capital Investments by Community Gaming and Bingo Service Providers, and Development Commissions Earned (By Facility)

This chart details investments that have qualified for FDC/AFDC since 2002/03.

(in thousands of dollars)

CGC or Bingo Hall	Service Provider Projects Qualified for FDC or AFDC	Total Capital Investment (qualifying for FDC or AFDC) ¹	Total FDC/AFDC Earned as at March 31, 2018	Balance of Qualified Expenditures Remaining as at March 31, 2018
Bingo Esquimalt	<ul style="list-style-type: none"> Major renovations to enhance player experience Minor renovations 	177	383	(206)
Chances Playtime Abbotsford	<ul style="list-style-type: none"> Initial build out of facility Minor renovations 	13,486	7,758	5,728
Chances Playtime Campbell River	<ul style="list-style-type: none"> Initial build out of facility Minor renovations 	9,603	7,254	2,349
Chances Castlegar	<ul style="list-style-type: none"> Initial build out of facility 	10,097	2,899	7,198
Chances Chilliwack	<ul style="list-style-type: none"> Initial build out of facility to include slot machines 	15,947	9,925	6,022
Chances Playtime Courtenay	<ul style="list-style-type: none"> Initial build out of facility 	12,253	7,751	4,502
Chances Cowichan	<ul style="list-style-type: none"> Initial build out of facility 	12,652	7,486	5,166
Chances Dawson Creek	<ul style="list-style-type: none"> Initial build out of facility 	14,421	7,336	7,085
Chances Fort St. John	<ul style="list-style-type: none"> Renovations to incorporate slot machines Initial build out of facility Expansion of facility 	18,767	7,936	10,831
Chances Kamloops	<ul style="list-style-type: none"> Initial build out of facility Expansion of facility 	14,869	9,193	5,676
Chances Kelowna	<ul style="list-style-type: none"> Initial build out of facility Renovations to incorporate slot machines 	18,585	18,245	340
Chances Maple Ridge	<ul style="list-style-type: none"> Initial build out of facility Renovations to incorporate slot machines 	23,970	8,091	15,879
Chances Mission	<ul style="list-style-type: none"> Initial build out of facility 	5,802	5,243	559
Chances Prince Rupert	<ul style="list-style-type: none"> Initial build out of facility 	8,697	4,443	4,254
Chances Rimrock, Port Alberni	<ul style="list-style-type: none"> Initial build out of facility 	8,197	4,486	3,711
Chances Salmon Arm	<ul style="list-style-type: none"> Initial build out of facility 	11,494	1,151	10,344
Chances Signal Point, Williams Lake	<ul style="list-style-type: none"> Initial build out of facility Renovations to incorporate slot machines 	9,612	6,908	2,704

CGC or Bingo Hall	Service Provider Projects Qualified for FDC or AFDC	Total Capital Investment (qualifying for FDC or AFDC) ¹	Total FDC/AFDC Earned as at March 31, 2018	Balance of Qualified Expenditures Remaining as at March 31, 2018
Chances Squamish	<ul style="list-style-type: none"> Minor renovations to enhance player experience Expansion of facility 	7,218	1,824	5,394
Chances Terrace	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	6,232	5,989	243
Harbour City Bingo	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	197	833	(636)
Newton Community Gaming Centre (closed April 21, 2018)	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	5,791	3,479	2,312
Planet Bingo	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	358	1,737	(1,379)
Playtime Langley (closed February 21, 2018)	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	3,726	3,726	-
Chances Playtime Victoria	<ul style="list-style-type: none"> Minor renovations to enhance player experience 	1,197	1,171	26
Treasure Cove Bingo	<ul style="list-style-type: none"> Initial build out of facility 	5,261	4,322	939
Closed Sites		2,564	2,564	-
Total		241,174	142,133	99,040

¹If 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 (By Facility)

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

Fiscal 2017/18

(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	-	-	3,360	3,360	650	61	-	711
Chances Playtime Abbotsford	20,946	-	95	21,041	5,246	629	419	6,294
Chances Playtime Campbell River	14,090	-	546	14,636	3,617	431	285	4,333
Chances Castlegar	8,935	-	347	9,282	2,290	273	181	2,744
Chances Chilliwack	35,158	-	4,115	39,273	9,515	1,122	730	11,367
Chances Playtime Courtenay	18,252	-	607	18,858	4,671	557	368	5,596
Chances Cowichan	14,312	-	1,445	15,757	3,855	453	296	4,604
Chances Dawson Creek	12,522	-	477	12,999	3,236	385	254	3,875
Chances Fort St. John	15,092	1,331	257	16,680	4,418	498	331	5,247
Chances Casino Kamloops	15,829	-	3,392	19,221	4,533	525	336	5,394
Chances Kelowna	37,351	-	8,677	46,028	10,649	1,259	-	11,908
Chances Maple Ridge	27,374	-	2,072	29,447	7,226	854	561	8,641
Chances Mission	11,651	-	790	12,441	3,038	360	-	3,398
Chances Prince Rupert	9,080	-	1,274	10,355	2,497	292	189	2,978
Chances Rimrock	8,243	-	822	9,065	2,232	262	171	2,665
Chances Salmon Arm	9,234	-	757	9,992	2,429	287	189	2,905
Chances Signal Point	9,997	-	1,380	11,377	2,790	325	210	3,325
Chances Squamish	5,040	-	441	5,481	1,326	157	103	1,586
Chances Terrace	11,096	-	934	12,030	2,958	349	-	3,307
Harbour City Bingo	-	-	5,886	5,886	1,178	121	-	1,299
Newton Community Gaming Centre	-	-	5,302	5,302	961	94	-	1,055
Planet Bingo	-	-	7,709	7,709	1,351	145	-	1,496
Playtime Langley	-	-	5,425	5,425	1,054	110	-	1,164
Playtime Victoria	-	-	3,382	3,382	743	68	-	811
Treasure Cove Casino	-	-	9,881	9,881	1,444	156	63	1,663
Total	284,202	1,331	69,373	354,908	83,907	9,773	4,686	98,366

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. (a subsidiary of Great Canadian Casinos Inc.)	Victoria
Cascades Casino Langley	Gateway Casinos and Entertainment Limited	Langley
Casino Nanaimo	Great Canadian Casinos Inc.	Nanaimo
Casino of the Rockies	SEM Resort Limited Partnership	Ktunaxa Nation (Cranbrook)
Chances Playtime Abbotsford	Playtime Gaming Group Inc. (a subsidiary of Gateway Casinos and Entertainment Limited)	Abbotsford
Chances Playtime Campbell River	Playtime Gaming Group Inc. (a subsidiary of Gateway Casinos and Entertainment Limited)	Campbell River
Chances Castlegar	Terrim Properties Ltd.	Castlegar
Chances Chilliwack	Chilliwack Gaming Ltd.	Chilliwack
Chances Playtime Courtenay	Playtime Gaming Group Inc. (a subsidiary of Gateway Casinos and Entertainment Limited)	Courtenay
Chances Cowichan	Duncan Dabber Bingo Society	Duncan
Chances Dawson Creek	Great Canadian Entertainment Centres Ltd.	Dawson Creek
Chances Fort St John	243045 Alberta Ltd.	Fort St John
Chances Kamloops	Enterprise Entertainment Ltd.	Kamloops
Chances Kelowna	Goldwing Investments (Saskatoon) Ltd.	Kelowna
Chances Maple Ridge	Great Canadian Entertainment Centres Ltd.	Maple Ridge
Chances Mission	427967 BC Ltd. (a subsidiary of Gateway Casinos and Entertainment Limited)	Mission
Chances Prince Rupert	0733244 BC Ltd.	Prince Rupert
Chances Rim Rock	Alberni Valley Gaming Association	Port Alberni
Chances Salmon Arm	Terrim Properties Ltd.	Salmon Arm
Chances Signal Point	Lucky's Ventures Ltd.	Williams Lake
Chances Squamish	Boardwalk Gaming Squamish Inc. (a subsidiary of Gateway Casinos and Entertainment Limited)	Squamish
Chances Terrace	Fort St. John Gaming Centre and Hotel Limited Partnership	Terrace
Parq Vancouver (formerly Edgewater Casino)	Parq Vancouver ULC	Vancouver
Elements Casino	Orangeville Raceway Ltd	Surrey
Grand Villa Casino	Gateway Casinos and Entertainment Limited	Burnaby
Harbour City Bingo	Harbour City Bingo Inc.	Nanaimo

Facility	Service Provider	Municipality
Hard Rock Casino Vancouver	Great Canadian Casinos Inc.	Coquitlam
Hastings Racecourse Casino	Hastings Entertainment Inc.	Vancouver
Cascades Casino Kamloops	Lake City Casinos Ltd. Gateway Casinos and Entertainment Limited	Kamloops
Playtime Casino Kelowna (formerly Lake City Casino Kelowna)	Lake City Casinos Ltd. Gateway Casinos and Entertainment Limited	Kelowna
Cascades Casino Penticton (formerly 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 (closed April 21, 2018)	427967 BC Ltd. Gateway Casinos and Entertainment Limited	Surrey
Planet Bingo	Community Gaming Management Association	Vancouver
Playtime Langley (closed February 21, 2018)	Playtime Gaming Group Inc. (a subsidiary of Gateway Casinos and Entertainment Limited)	Langley
Playtime Victoria	Playtime Gaming Group Inc. (a subsidiary of Gateway Casinos and Entertainment Limited)	Victoria
River Rock Casino Resort	Great Canadian Casinos Inc.	Richmond
Starlight Casino	Gateway Casinos and Entertainment Limited	New Westminster
Treasure Cove Casino	Treasure Cove Casino Inc.	Prince George
View Royal Casino	Great Canadian Casinos Inc.	View Royal