

# OLG Modernization Update: Presentation to the Township of Cavan Monaghan

January 8, 2013



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# Update on Modernization Plan

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## Request for Information (RFI)

- In May 2012, OLG released the land based gaming RFI
- In the RFI, OLG identified 29 proposed Gaming Zones – or geographic areas where qualified service providers might operate a single facility
- As a result of feedback we received from the RFI, we are now grouping some of the 29 Gaming Zones into Gaming Bundles
- Gaming Zones will still act as areas where only one facility would exist, whether it is a current site, a relocated site or new site
- Interested parties will need to submit proposals on an entire area, not on individual Gaming Zones or Gaming Sites within a bundle. This allows:
  - better management of the gaming market in Ontario
  - opportunities for qualified service providers to be more efficient by operating multiple facilities in a given region

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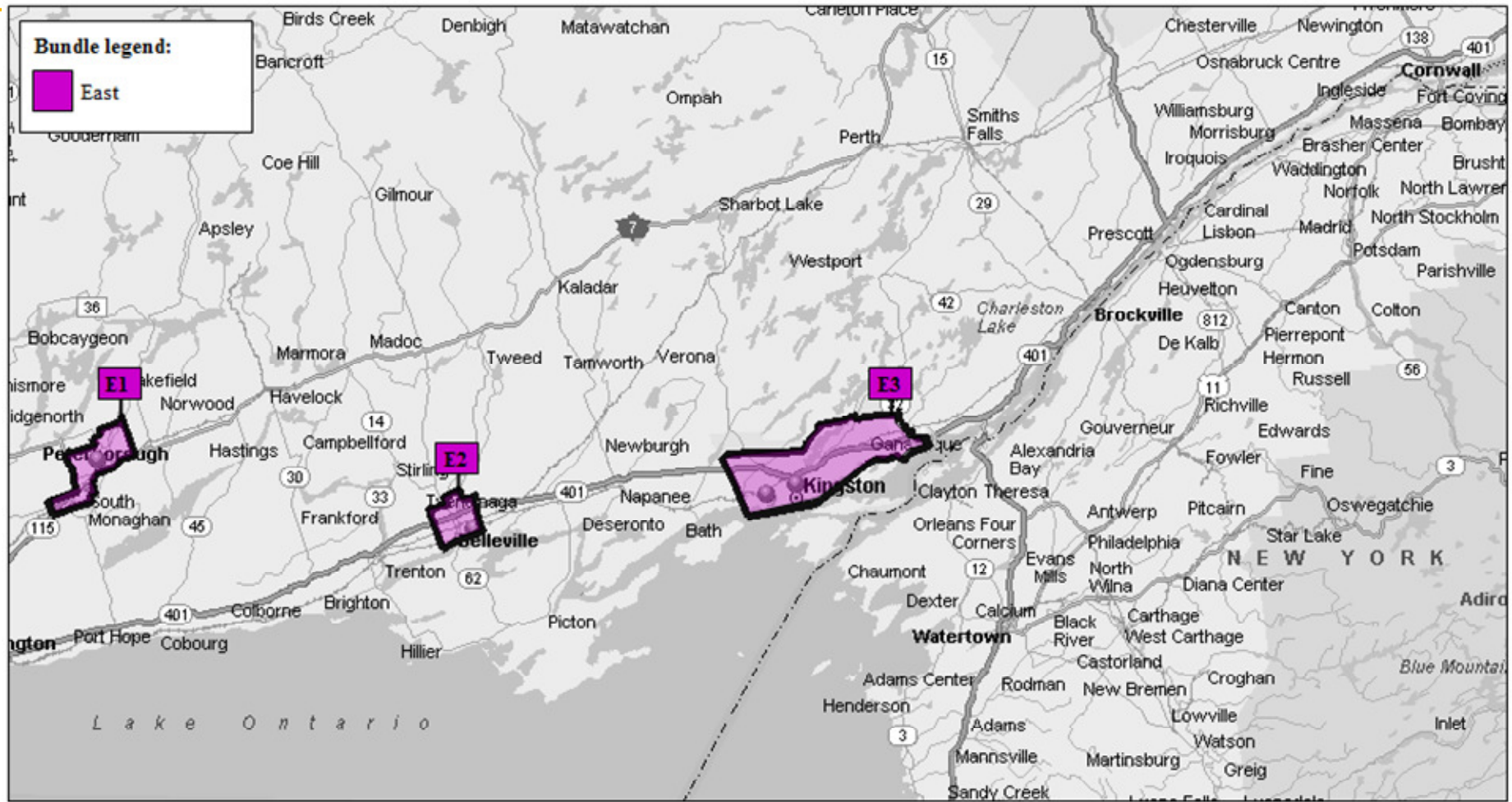
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## Request for Pre Qualification (RFPQ)

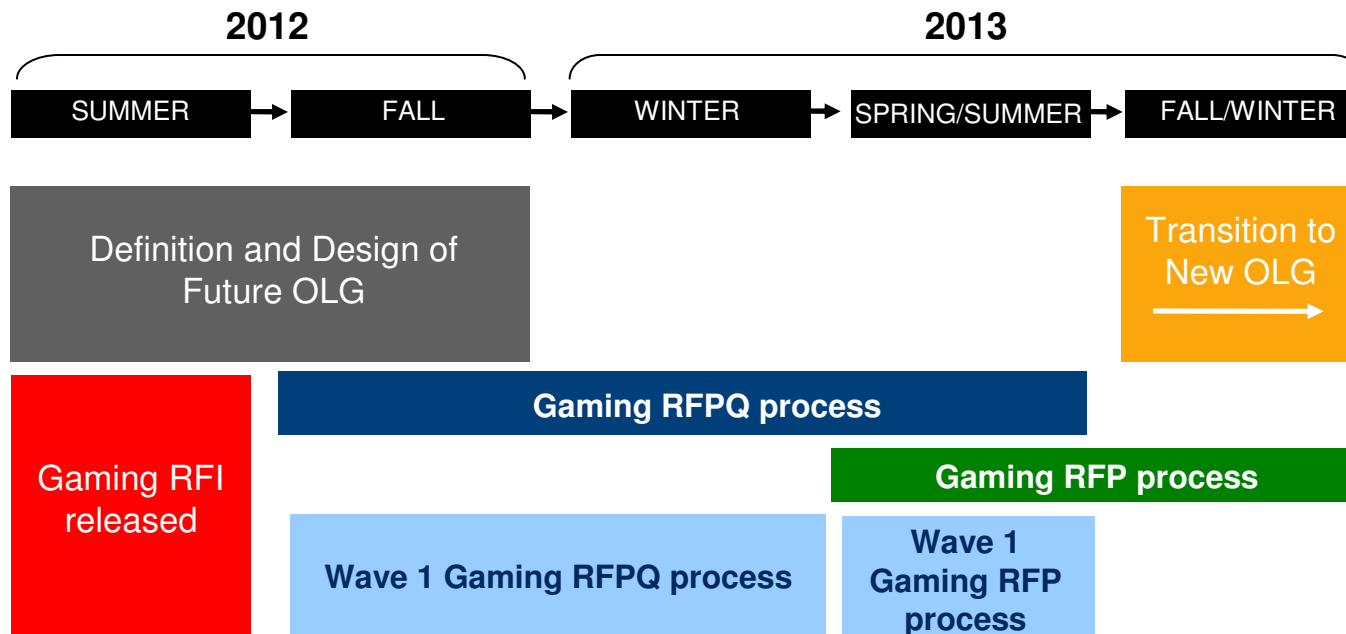
- OLG released the first wave of land-based gaming RFPQs on November 30, 2012
  - **The East Gaming Bundle** brings together Zones E1, E2 and E3
    - E1 includes City of Peterborough, Peterborough County (Township of Cavan-Monaghan, Township of Ottonabee-South Monaghan, Township of Smith-Ennismore-Lakefield)
    - E2 includes City of Belleville, Municipality of Quinte West
    - E3 includes City of Kingston, Frontenac County (Township of South Frontenac), Town of Gananoque, Leeds and Grenville United Counties (Township of Leeds and the Thousand Islands)
  - **The North Gaming Bundle** brings together Zones N1, N2, N3, N4 and N5
    - N1 includes City of Greater Sudbury
    - N2 includes City of Sault Ste. Marie
    - N3 includes Thunder Bay
    - N4 includes City of Kenora, WON Reserve
    - N5 includes City of North Bay
  - **The Ottawa Area Bundle** is made up of Zone E4
    - E4 includes the City of Ottawa and the United Counties of Prescott and Russell (City of Clarence-Rockland)
- The first wave of RFPQs closes on March 7, 2013

# The East Gaming Bundle – Zones E1, E2, E3



Gaming Bundle	Number of Gaming Zones included	Gaming Zones included in Gaming Bundle	Maximum Number of Electronic Gaming Positions	Maximum Number of Live Table Gaming Positions
East	3	E1: Includes the Kawartha Downs site	600	180
		E2: Area around the City of Belleville	300	180
		E3: Includes the OLG Casino Thousand Islands	600	300

# Strategic Procurement Milestones for Gaming



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# Ontario Regulation 81/12 Requirements

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- In the case of a proposed gaming site to be established at premises in a municipality, OLG requires:
  - ✓ A resolution supporting the establishment of a gaming site
  - A description in writing, of the steps you've taken to seek public input in your community
  - A summary of the public input you've received

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# Phases of Process & Responsibilities

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- Mayor & Council work with selected service providers
  - Determine final location (could remain at existing site)
  - Required zoning for a potential new facility and amenities, if relocated
  - Municipality retains control of any zoning amendments & development requirements
- OLG obtains final approval from the Ontario Government for each successful proponent's business case
- OLG works closely with the municipality and service provider to ensure mutual support
- The municipality enters into an amended Municipality Contribution Agreement (MCA) with OLG (same agreement, with different location address if the facility moves)
- OLG & Board of Directors approved a three month extension of transition funds paid to existing host municipalities to align with the commencement of the new MCA on April 1, 2013
  - Township of Cavan Monaghan estimated incremental benefit from April 1, 2011 to March 31, 2013 = \$200,883

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## Status of Site Holder Lease Negotiations

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- OLG continues to be in conversation with current site holders about new short term lease agreements for slots facilities
- Until lease agreements are signed, site holders cannot participate in the RFPQ process – as an applicant or as part of a bidding consortium
- Unless an extension to a current site holder agreement or a new lease agreement is finalized prior to the RFP submission deadline, it may be necessary for a service provider or OLG to relocate an existing gaming site with requisite municipal approval
- For the first wave of RFPQs released, the site holders include Rideau Carleton Raceway, Kawartha Downs and Sudbury downs



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# Questions and Answers