

Respect

Accountability

Integrity

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OLG Modernization Update Sudbury City Council March 22nd 2016

Presentation



OLG Background

- OLG is the steward for gambling entertainment in Ontario
- OLG's purpose is four-fold:

**Promote responsible
gambling**

**Enhance Ontario's
economic
development**

**Generate revenues
for the Province**

**Ensure the
public good**



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Modernization

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- March 2012, OLG launched modernization
- OLG and private sector building new model for lottery and gaming
- OLG will continue to:
 - conduct and manage
 - comply with AGCO
 - own key player information
 - uphold RG
 - distribute MCA payments



Responsible Gambling

OLG POSITION

We don't want problem gamblers playing our games -
Responsible Gambling is a top business priority

RG has grown up since 1990s:

- Ontario has one of world's best RG structures
- Strong RG supports part of modernization plan
- OLG designs and delivers RG with independent agencies
- No new forms of gambling being introduced



Modernization Progress

- OLG:
 - completed RFI for lottery and land-based gaming
 - issued RFPQ's and getting submissions for lottery and land-based gaming bundles (7)
 - procured iGaming service provider & launched PlayOLG.ca
 - launched cGaming revitalization
 - integrating horse racing integration
 - completed East Bundle RFP process and announced proponent
 - launched RFPs for North, Southwest and GTA Gaming Bundles



Modernization Progress - continued

- On September 9, 2015 OLG announced OGELP as the service provider for the East Gaming Bundle
- OGELP took over certain day-to-day operations of OLG Casino Thousand Islands and OLG Slots at Kawartha Downs on January 11, 2016
- January 25, 2016 OGELP announced plans to build new casino in Belleville; \$41 million investment; 48,000 square feet, will employ up to 300 staff
- Partnership with OGELP “Living Lab”



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Communities and Modernization

- Municipal and community choice mandatory
- OLG will only locate gaming facilities with support from municipal council or First Nation band
- OLG respects municipal or band council decisions regarding hosting a new site, relocating or expanding an existing one
- Must pass resolution 81/12 under the OLGCA



Communities and Modernization - continued

- If restrictions part of resolution, OLG will ensure service providers are aware of conditions during the RFP process
- Adding table games, relocating site, or building new site can only occur with municipal/band council consent and viable business plan from service provider, approved by OLG
- All subject to final Ontario government approval

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Northern Bundle

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- Sudbury Council confirmed support for gaming modernization in May and August 2012; passed resolution adopting principles for a potential casino development in February 2013
- The North Gaming Bundle has five gaming zones (N1-5)
- Three are currently served by OLG facilities:
 - OLG Slots at Sudbury Downs – N1
 - OLG Casino Sault Ste. Marie – N2
 - OLG Casino Thunder Bay – N3
- Potential for a new gaming site in each of the other two gaming zones: Kenora (N4) and North Bay (N5)



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Northern Bundle - continued

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- On November 23, 2015 OLG issued the RFP documents to pre-qualified proponents for the Northern and Southwestern Bundles
- RFP details will not be released for commercial confidentiality reasons while the process is ongoing
- Northern procurement proceeding
- Public announcement slated for early 2017



Horse Racing Integration

- OLG is working with industry to:
 - create sustainable business model
 - provide advice to government & support legislative changes
 - optimize branding and build public awareness
 - develop new horse-themed lottery and gaming products
 - OLG is sharing its expertise and helping the industry adopt an RG program and has hired an SVP to lead integration
- OLG working with racetracks to finalize lease agreements
- OLG finalized lease with Woodbine Entertainment Group for Woodbine Racetrack; the largest racetrack in Ontario with the busiest gaming floor
- The lease for Sudbury Downs expires in 2020 and is subject to two five-year renewal terms, upon OLG approval



OLG Slots at Sudbury Downs

- OLG Slots at Sudbury Down opened in November 1999 and has 406 slots, 158 employees and over 8.5 million visitors to date
- In Fiscal 2014-15, Sudbury received \$2.3 million in MCA revenues, and \$33.9 million from the slots facility to date
- Gaming employees wages and benefits totaled \$8.1 million in 2014-15 and \$108.5million to date
- Purchases from local and regional vendors were over \$765,000 in Fiscal 2014-15 and \$21.9 million to date
- OLG sponsored local festivals and events in the amount of \$2,500 in Fiscal 2014-15 and over \$500,000 since opening



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THANK YOU!

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*Questions
and
Answers*

