

## Ottawa city council votes 19-5 in favour of casino motion

### Councillors divided on feelings toward gaming commission

BY DAVID REEVELY, OTTAWA CITIZEN NOVEMBER 1, 2012



Councillor Doug Thompson, left, and Councillor Scott Moffatt during the debate on an Ottawa casino at the Ottawa City Council meeting at City Hall on Wednesday.

Photograph by: Garth Gullekson, Ottawa Citizen

OTTAWA — Despite many councillors' very vocal misgivings, city council decided Wednesday afternoon that Ottawa should have a new casino.

The 19-5 vote to tell the Ontario Lottery and Gaming Corp. to seek private-sector bids to build a new casino here was closer than the number suggests: many of the votes in favour of the idea came from councillors who warned the city staffers who'll work with the OLG to treat the provincial agency and its plans with suspicion.

"I do not welcome you as a friendly partner," said Bay Councillor Mark Taylor, addressing himself to the OLG. "I see you as an adversarial business interest."

Several other councillors, such as Knoxdale-Merivale's Keith Egli and Osgoode's Doug Thompson picked up his language, though all three of them ended up voting the way the gambling agency wanted — along with Somerset's Diane Holmes, who's deeply concerned about gambling addiction and traffic problems, College's Rick Chiarelli, who didn't think he had enough information at hand to justify a vote either way, and Rideau-Rockcliffe's Peter Clark, who doesn't have much faith that gambling is a worthwhile industry.

"Let them go play in the sandbox," Clark summarized. The OLG will come back with a specific proposal and maybe it'll be worthwhile, though he doubts it will be.

The five councillors who actually voted against the motion were David Chernushenko (Capital), Diane Deans (Gloucester-Southgate), Mathieu Fleury (Rideau-Vanier), Scott Moffatt (Rideau-Goulbourn) and Tim Tierney (Beacon Hill-Cyrville).

Virtually all the critics were angry about the secrecy of the process for deciding where a new casino will go. After Wednesday's vote, the OLG will seek bidders to come up with a shortlist, and then present city council with one proposal for what kind of casino a private operators wants to build and where. Formally, city council and the public will never see the shortlist of options, even though each of them is expected to include a specific location and plan.

Informally, however, in closed-door meetings, city officials will have a say. The city's economic-

development director Saad Bashir promised councillors that “staff will be thoroughly engaged with OLG,” which didn’t placate many of the politicians.

City manager Kent Kirkpatrick told councillors his staff have already had preliminary meetings with about five would-be casino operators — lobbyists from gambling interests across North America have registered on the city’s lobbying registry — and he himself has attended two or three of them. They’re interested in sites all over town, though Kirkpatrick said the dominant theme is sites inside the Greenbelt but outside the downtown core. The airport area is one of them, he said, in response to specific questioning by Deans, though he emphasized that everything is still very exploratory.

“I have no knowledge of any one of those consortiums having decided whether they’re going to respond to OLG’s call for proposals or what sites they might have in mind,” Kirkpatrick said.

As councillors pressed him, Kirkpatrick said he’ll speak to people at the OLG about revealing more information about the bidders before one finalist is presented, though after the vote Mayor Jim Watson dumped a bucket of cold water on the likelihood of that. Requests-for-proposals don’t work like that, he said, scorning the idea of having the various bidders compete for public approval.

“The RFP process, as you all know, they bring forward one proposal,” he said. “When we bring forward the RFP for light rail, we’re not bringing you a smorgasbord of candidates. We’re bringing one forward. The OLG will do the same. What councillors have asked for and what we’ll follow up on is whether is they’re willing to show us all of the bidders or what their proposals are. I don’t know if they would do that, because it’s not common practice in an RFP to have a contest among three or four.”

Councillors could reject the bid the gambling agency likes best, and then it’ll be up to the OLG whether it wants to present the city with its second choice or walk away, Watson said. But don’t expect to choose from a list of options, or any detailed public consultations beyond the standard City Hall committee and council meetings.

Although city treasurer Marian Simulik told councillors she expects a chance to negotiate a new deal with the OLG to divide up the proceeds from a new casino, the agency has said clearly it’ll only offer municipalities a share of the slot-machine take, likely something in the single-digit millions of dollars. The city received \$4.4 million from the gambling at the Rideau Carleton Raceway last year; the agency recently offered “host cities” a slightly richer deal than that for existing slot machines and said those are the same terms it intends to apply to future casinos.

There’s virtually nothing the city can do to protect that gambling business at the raceway, Kirkpatrick and other officials made clear. The track and 1,200-machine slot operation there can bid to host the new casino, but the decision will be entirely in the OLG’s hands.

Moffatt, for one, is sure that this is the end of the raceway.

“It’s clear that Rideau Carleton Raceway isn’t their No. 1 priority,” Moffatt said, in the most impassioned council speech he’s ever given. “In fact, I don’t think it’s a priority for them at all.”

The zone where the OLG wants to put a casino extends just far enough south in Ottawa that the raceway operators get to bid, but it’s clear to him that the whole point of the OLG’s provincewide strategy is to close rural racetracks and open urban casinos.

“They have created the parameters to achieve what they want to achieve,” he said, by insisting city council ultimately take an all-or-nothing vote on one location, which he’s sure won’t be the raceway. The OLG plans to shut its slots there next March, and although there are negotiations underway to extend that deadline until a new casino opens somewhere, the writing is on the wall.

On the flip side, the mayor said he’s certain the agency would never try to force a casino into Ottawa against city council’s wishes.

From here, the process is supposed to move quickly. The city’s health and economic-development departments are to produce reports on how a casino could be expected to affect their work and present those at the same time as the OLG presents its chosen bidder to the city in the new year.

The chairman of the gambling agency’s board is Paul Godfrey, who is also the chief executive of Postmedia Network Inc., which owns the Citizen.