



# **CAMROSE CASINO RELOCATION PRESENTATION TO RURAL LEADERS**

# Camrose Casino Relocation

- The Camrose Casino applied to AGLC to relocate to South Edmonton in September 2021, however, the AGLC Board denied the application in November 2022. An AGLC Appeal Hearing is scheduled for March 13<sup>th</sup>.
- The physical relocation of the Camrose casino would have allowed the Rural casino license to continue generating charitable gaming revenues for Rural communities, while increasing the Rural revenues by more than 4 times.
- AGLC's relocation denial blocks this opportunity and materially, financially affects over one thousand Rural charitable groups and hundreds of thousands of Rural Albertans (from Lloydminster to Jasper).
- Rural Alberta charities in the Camrose and St Albert regions have been short changed over \$250 MM since the inception of charitable gaming in Alberta, versus their Urban peers.



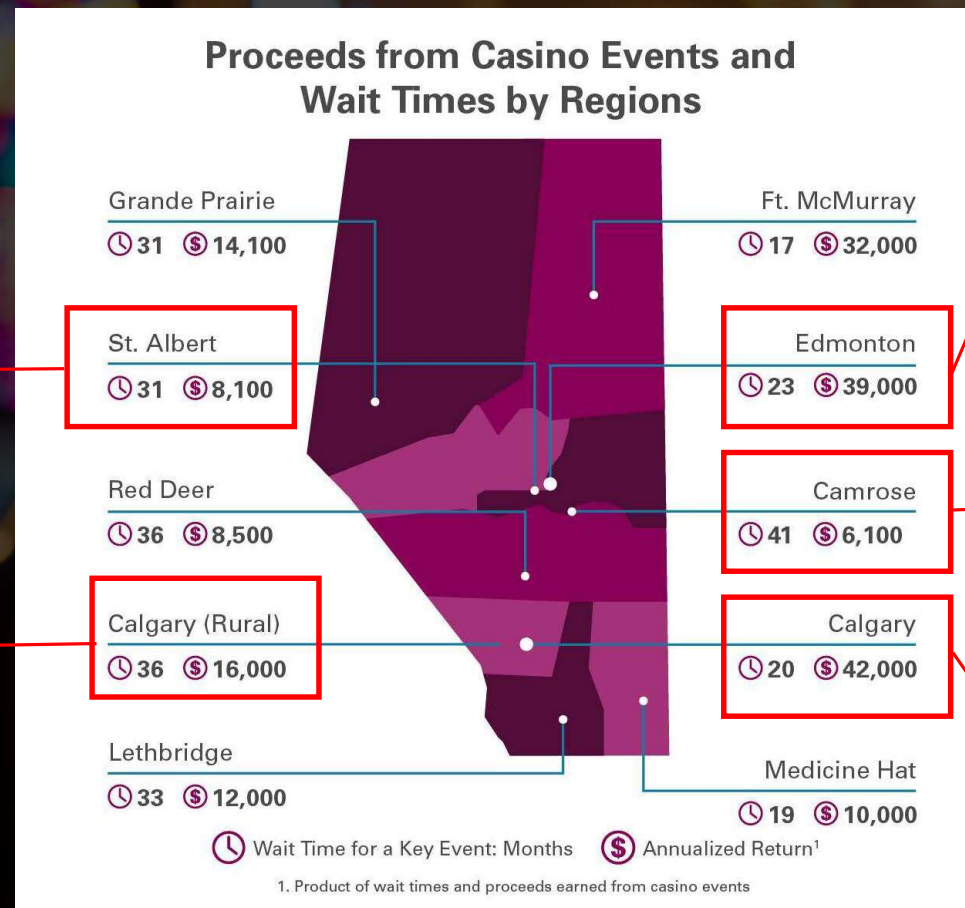
# Camrose Casino Relocation

- There is a precedent in Calgary that allows a single Rural casino license to operate inside the City of Calgary and address Rural needs. The Rural casino license in the City of Calgary provides a level playing field, equality and fairness to Rural charities surrounding Calgary.
- However, 650 Rural Charitable groups in Camrose are now on the brink of losing all of their charitable revenue with the impending closure of the Camrose Casino.
- Opposition to the casino relocation is lead by Edmonton Municipal Mayor and Councilors, Edmonton Urban Charitable Groups that currently receive 5x - 6x the revenue of Rural Charities and non-Alberta owned casino operators.
- We are asking for your assistance to provide fairness and equality to Rural Albertans and this is why...

# AGLC Urban vs Rural Regions

- AGLC Charitable Gaming model is outdated and unfair. Charitable groups generate casino revenues by working a 2 day event. Average revenues are paid on a quarterly basis pooled by region.
- The current model's revenue distribution highly favours urban charities versus rural charities. In all other provinces with private casino operators (BC and Ontario), charitable funds are pooled across the province and distributed on a grant/needs basis by the government regulator – not by regions or municipality.
- Considerable revenue distribution inequality between rural and urban charities. AGLC indicates that Camrose and St Albert regions wait the longest and earn the least amount of revenue:
  - Revenue: \$39,000 Urban Edmonton Charities versus \$6,100 Rural Camrose Charities and \$8,100 Rural St Albert Charities, per two day gaming event (annualized revenue).
  - Wait Time: 23 months in Edmonton versus 41 months in Camrose and 31 months St Albert.

# AGLC Gaming Regions Revenues



Pooled with Camrose. Second lowest revenue.

Precedent Rural License in an Urban Market. Not dilutive to Urban Calgary Charity Revenues

Second highest revenue and fourth shortest wait time.  
5 Urban and 0 Rural Charitable Casinos.

Pooled with St Albert. Lowest revenue and longest wait time.  
1 Charitable Casino.

5 Urban and 1 Rural Charitable Casinos.

Source: AGLC



# Impact on Charities

- 2021 *AGLC Charitable Gaming Review* "Consensus Recommendation" to locate a casino license in Edmonton that solely serves rural charities.
- In the City of Calgary there is a dedicated rural casino license at ACE Casino Blackfoot that solely serves rural charities outside of Calgary (all rural communities west to Banff).
- In 2022, ACE Casino Blackfoot relocated and expanded in Calgary, yet received no opposition from Calgary Urban Charities.
- Relocating the Camrose Casino is in line with AGLC's own Charitable Gaming Review recommendations, provides the same fairness as the Calgary region and helps to solve the revenue inequity between Rural and Urban charities.

# Impact on St Albert Region

- St Albert and Camrose gaming regions are the only two AGLC gaming regions in the province that pool revenues together. Based on AGLC data, these two regions have the lowest revenues per gaming event and some of the highest event wait times in the entire province.
- As a result of the AGLC regional pooling mechanism, the proposed relocation will increase the amount of charitable revenues for both the Camrose and the St Albert regions, improving parity with large urban charitable revenues. Effectively the relocation improves the financial disparity issue for two rural gaming regions, not just one region.
- **A dollar for Camrose is a dollar for St Albert, and vice versa.**

# AGLC Charitable Gaming Review

Proposed Improvements to **CASINOS**: continued

EXCERPT PAGE

## Consensus

- ✧ More reporting on the impact of \$ from casinos and where the money goes.
- ✧ No longer requiring volunteers to be bonafide members.
- ✧ Allow more Casinos to be built.
- ✧ Designate a Casino in Edmonton area that serves rural areas (like is set up in Calgary).  
= if this helps balance access/distribution
- ✧ More flexibility for 1 or 2 day events.



## Non-Consensus

- ✧ Greater equity to groups with larger geographic
- ✧ Provincial pooling of proceeds.
- ✧ Limiting the # of new applications based on categories / how the pie is / relevance / phase out some.





# AGLC Charitable Gaming Review

## Proposed Improvements to CASINOS:

EXCERPT PAGE

### Example: Equity Pool Redistribution

Red Tape Reduction - Wait Time and Proceeds							
Remove Edmonton/Calgary Restriction							
Immediate - Move 150 Greater Edmonton Charities at Camrose to 5 Edmonton Casinos							
	Charities	Change	Wait Time	Change	Proceeds	Change	Change
Before Move							
Camrose	650		42		6,400		
Edmonton	360		23		40,000		
After Move							
Camrose	500	-150	32	-10	8,400	2,000	+31%
Edmonton	390	+30	25	+2	36,800	-3,200	-8%
150 Moved							
Before	150		42		6,400		
After	150		25	-17	36,800	30,400	+475%
Immediate - Move 150 Calgary Rural Charities to 5 Calgary City Casinos							
Before Move							
Rural	550		36		14,000		
City	320		20		41,000		
After Move							
Rural	400	-150	26	-10	19,385	5,385	+38%
City	350	+30	22	+2	37,275	-3,725	-9%
150 Moved							
Before	150		36		14,000		
After	150		22	-14	37,275	23,275	+166%
Annual Proceeds and Wait Times from Chart on page 27 Charitable Gaming Review 2021							
Number of Charities from AGLC Q&A Board							
Historical analysis only, future is unknown							
Greater Edmonton: Devon, Beaumont, Ft Saskatchewan, Sherwood Park, Nisku, Leduc							

### Consensus / Non-Consensus

- Support as a concept for pooling resources as improved equity and reduced wait times across the province
- Further analysis needed

## Consensus

- Allow licensed group to choose casino location throughout province
- Pool and distribute funds provincially for all organizations, not just by region
- Do not eliminate volunteer positions and licensed group responsibility during casino events
- Provide accessible and on demand ratings and review system for the Casino Advisors Volunteer groups must hire
- Do not make this a grant program
- Ensure AGLC have good understanding and experience with the different types of nonprofits and their licensing

## Non-Consensus EXCERPT PAGE

- Require 3 volunteers at casino event, only if little or no money is taken away from licensed group by the operator
- Remove advisor role for Volunteer Groups
- Do not want to see a new system; just some tweaks

## Proposed Improvements to Casinos

# PROPOSED IMPROVEMENTS TO CASINOS

## PROPOSED IMPROVEMENT

## RATIONALE

1) Redistribution/Removal of Regional Boundaries

Creates a more equitable distribution of funds  
Traveling to St. Albert vs Edmonton is 10 minutes but funds and wait times are significantly different

2) Reduce Volunteer Requirements

Roles and number of volunteers are no longer necessary due to technological advances

3) Keep current Advisor structure

It is working well

4) Remove 100 km Rule

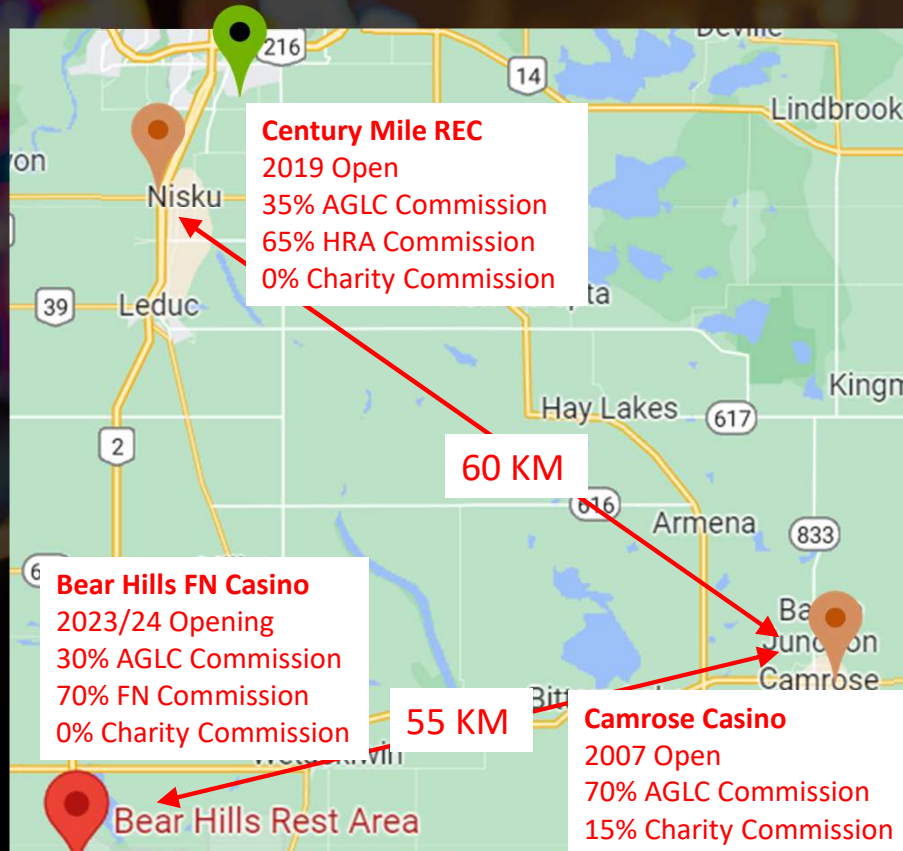
Reduces financial barriers for smaller and rural organizations



# How Did This Happen?

- The Camrose Casino opened in 2007 serving the local rural community in the Camrose AGLC Gaming Region.
- In 2019, AGLC approved the relocation of the Northlands REC to the AGLC Camrose Gaming Region (Nisku) which is 60 KM from the Camrose property. The Camrose property has 208 EGMs while the Century Racino opened with 600 EGMs. This relocation greatly impact the financial viability of the Camrose Casino and redistributed charitable revenues to the REC/HRA.
- In 2022, AGLC approved the Louis Bull First Nations Bear Hills Casino which is 55 KM from the Camrose property. This new FN casino license, which is approved for 200 EGMS and up to 15 table games, will greatly impact the financial viability of the Camrose Casino given that Camrose's second largest player market in Wetaskiwin will be located only 17 KM from the new First Nations casino and will offer players the opportunity to smoke on premises. There will also be a very significant redistribution of charitable revenues to the HFN Charity, further exacerbating the difference in charitable revenues generated by Rural Camrose Charities and Urban Edmonton, HRA and HFN Charities.
- The unviable financial outlook for the Camrose Casino is of great and growing concern to the local community, its employees and the local charitable partners that it serves. An amount of return of charitable gaming revenues to Rural Camrose Charities through the proposed relocation is fair and reasonable given that Rural Camrose Charities have already lost or are expected to lose such a significant portion of their Camrose Region revenues to HRA and HFN Charities.

# How Did This Happen?



# What If?

- Regrettably, the Camrose Casino is not financially viable. The business generates a meaningful financial loss each year and with the proliferation of the recently relocated Century Mile REC and soon to open Bear Hills First Nations Casino, the Camrose Casino will have to either relocate or close in order to cease financial losses.
- In 2021, the Camrose Casino unsuccessfully attempted to relocate to Sherwood Park/Strathcona County, the only community within the AGLC Camrose Region with a sufficient customer population to restore financial viability. The municipality rejected reforming its bylaws to permit a casino.
- In the event that the proposed relocation application is unsuccessful, the Camrose casino closure will displace approximately 650 Camrose region charities. These rural Camrose charities will either be without an opportunity to generate any charitable revenues or will presumably be absorbed by the Edmonton AGLC Region casinos, as the St Albert and Red Deer AGLC regions currently have much longer wait times.



# Urban Charities Still Further Ahead

- Post Camrose Casino relocation to Edmonton, AGLC management forecasts:
  - Rural Charities to increase their earnings from \$25,000 to \$51,000 per event.
  - Urban Edmonton Charities to decrease their earnings from \$75,000 to \$68,000 per event.
- Urban charities will still earn a superior amount, 34% more, over rural charities, but also avoid the need for prospective sweeping legislative changes to pool AGLC charitable funds across the province instead of by region, in order to provide fairness and equality amongst rural and urban charities.
- However, if Camrose Casino closes, Edmonton Urban Charities and Politicians are already advocating for several Camrose Rural Charities to be redistributed to St Albert and Red Deer AGLC regions which would further exacerbate the disparity in revenues and wait times between these rural and the Edmonton regions.

# Edmonton Casinos

## Distance From Proposed Site:

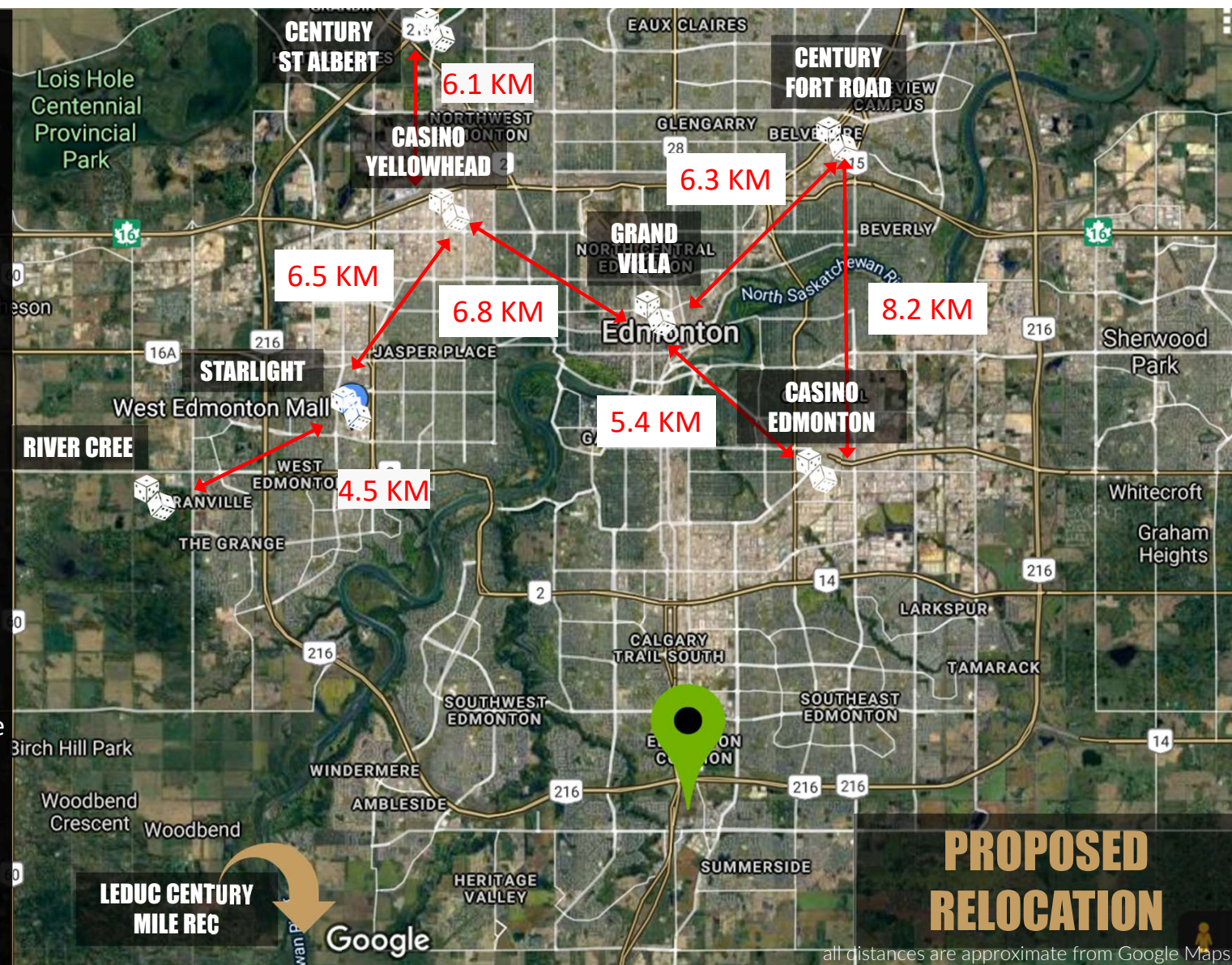
9.7 KM to Casino Edmonton

13.8 KM to Leduc Century Mile REC

14.0 KM to Starlight Casino

16.9 KM to River Cree FN Casino

- Every casino in Edmonton's city limits has a different casino located closer to it than the proposed relocation site
- Recent ACE Casino Calgary relocated to Airport location 8.4 KM from nearest charitable casino, 7.8 KM from nearest REC and 16.5 KM from FN casino





# Impact on Community & Municipality

- Camrose Region political leaders understand that the Camrose Casino license has to move to Edmonton in order to generate a fair and equitable amount of revenue for rural charities, as well as be financially viable.
- The employees of the Camrose Casino who live in the Camrose region will still have employment opportunities with the new relocated facility with improved compensation. The Camrose Hotel will backfill the casino with another entertainment facility which will continue to provide employment opportunities to existing Camrose staff.
- The majority of the rural charities in the Camrose region are located in Edmonton bedroom communities, including: Sherwood Park, Leduc, Beaumont, Devon, etc. These charities would have a shorter drive to volunteer at a casino located in Edmonton than Camrose.



# Impact on Community & Municipality

- City of Edmonton Councilors reviewed and approved the rezoning of the casino lands in April 2021. City of Edmonton Planning Department reviewed the file and advertised the development permit approval for public appeal simultaneously with the AGLC public consultation. The development permit was approved with **no appeals** in August 2022.
- The Mayor of Edmonton and Edmonton Federation of Community Leagues wrote to the AGLC Board asking to block the relocation in order to prevent an equitable redistribution of gaming revenues to Rural Charities.
- The AGLC Board needs to hear that there is support for the casino relocation and a more equitable split of gaming revenues in the Capital City Region.

# What Are AGLC's Issues?

- The AGLC Board incorrectly denied the relocation application based on the following reasons:

**1. Lack of Community Support.** We need your support by writing to AGLC.

Approximately 250 Edmonton Charities and Community Groups wrote to AGLC to oppose sharing Edmonton Charitable Gaming Revenues with Rural Alberta. Edmonton is the only AGLC gaming region in Alberta that doesn't invite rural charities into its casinos.

Please contact AGLC to support the relocation of the Camrose Casino to South Edmonton and ensure Rural Charities receive a fair financial deal.

# What Are AGLC's Issues?

- The AGLC Board incorrectly denied the relocation application based on the following reasons:

- **2. Cannibalization of Existing Casino Operator Revenues.** AGLC's own data confirms that no other casino operator will be materially affected by the relocation.

- **3. Limited New Gaming Revenues.** AGLC market assessment and a third party consultant confirmed that the relocation would generate \$7 - \$28 MM of new revenue for AGLC each year. This is a material amount of funds that could be used for schools, hospitals and roads. AGLC confirmed its own investment would be repaid in less than 2 years.



# What Are AGLC's Issues?

- The AGLC Board incorrectly denied the relocation application based on the following reasons:

## 4. Negative Impact to Horse Racing Alberta and First Nations Development Fund.

**FNDF:** AGLC's own analysis demonstrates that the impact on the First Nations Development Fund will be less than 0.9%, which is not material.

The FNDF receives \$117 MM per year, while each of Camrose and St Albert regions receive \$4.6 MM.

# What Are AGLC's Issues?

- The AGLC Board incorrectly denied the relocation application based on the following reasons:

## 4. Negative Impact to Horse Racing Alberta and First Nations Development Fund.

**HRA:** AGLC's own analysis demonstrates that the impact on the HRA Fund will be 4.3% which is not material. The HRA receives \$34 MM per year, while each of Camrose and St Albert regions receive \$4.6 MM.

AGLC's approval to relocate the Century Mile Racetrack from Edmonton to the Camrose region is a major factor why the Camrose Casino is financially impaired and rural charitable revenues have declined. The Camrose casino must now relocate in order be financially solvent and earn a reasonable amount of revenue for rural charities.

# Next Steps

- Contact the following AGLC Board and Management leaders and your MLA to express your support for the project prior to the March 13<sup>th</sup> AGLC Appeal Hearing:
  - Kandice Machado, AGLC CEO.
    - Email: [kandice.machado@aglc.ca](mailto:kandice.machado@aglc.ca)
    - Phone: 780-447-7433
  - Len Rhodes, AGLC Board Chair.
    - Email: [len.rhodes@aglc.ca](mailto:len.rhodes@aglc.ca)
    - Phone: 780-447-8668
- Please share this information with your community and ask them to contact AGLC & MLA.



# Questions & Answers

CAPITAL CITY CASINO RELOCATION PROPOSAL





A wide-angle photograph of a casino floor. In the foreground, a large wooden gaming table with a green felt top is visible. The floor is covered in a vibrant, multi-colored patterned carpet. In the background, there are several slot machines and a sports bar area with a sign that reads "8's SPORTS BAR". The ceiling is high with recessed lighting and decorative spherical pendant lights.

# Let's work together to build a better Alberta!

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# Thank You