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Mayor Bob Bratina and
Members of Hamilton City Council
The Corporation of the City of Hamilton
71 Main Street
West Hamilton, Ontario
L8P 4Y5

September 20, 2012

Dear Worship and Members of City Council:

On behalf of our Chair, Paul Godfrey and our President and CEO, Rod Phillips, I want to thank you for the invitation for OLG to appear before the General Issues Committee of Council this week and for the opportunity to respond to your questions.

Our modernization plan seeks to achieve a number of objectives, allowing us to locate in areas of greatest customer demand and to generate increased revenues for the government. In addition, we seek to bring significant benefits to our host communities, including direct funding to municipal partners, as well as positive economic spin-offs, such as quality jobs, private sector investment and enhanced tourism opportunities.

The question you posed yesterday focused on whether OLG would delay a decision on this zone (SW9) pending a referendum being conducted at some date within the next few years.

I want to, once again, be clear about OLG's position regarding referenda. Under our mandate there is no requirement for host communities to hold referenda of whether to host a gaming entertainment centre within their zone. This has been confirmed by regulation 81/12 (excerpt below) of the *Ontario Lottery and Gaming Corporation Act, 1999*.

Our mandate requires us to seek municipal consent in whatever form the municipality chooses to provide it to us. This consent must involve a public input process. It is entirely up to the municipality to decide how this occurs. Since the referendum is not required by OLG, no additional funding will be provided to the municipality to undertake this step.

We will continue to move forward to implement our modernization plan and related procurement activities. We remain optimistic that Hamilton Council will consider its options and make a decision in a timely way. We have been grateful to receive the clear indication from 33 municipalities of their interest in becoming or remaining a host community. We have also received many positive comments from both existing and potential new host gaming communities with respect to our modernization process.

Again, thank you for the opportunity to answer your questions directly. I hope this letter clarifies our position on the modernization process. We remain available for further assistance on other questions, and look forward to hearing from Council on its decision regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Larry Flynn', with a long horizontal flourish extending to the right.

Larry Flynn
Senior Vice President - Gaming

Excerpt from Regulation 81/12

Under the *Ontario Lottery and Gaming Corporation Act, 1999*

3. In the case of a proposed gaming site to be established at premises in a municipality or on a reserve,

- i. the municipal council or the council of the band, as the case may be, seeks public input into the establishment of the proposed gaming site and gives the Corporation, in writing, a description of the steps it took to do so and a summary of the public input it received, and*
- ii. the municipal council or the council of the band, as the case may be, passes a resolution supporting the establishment of the gaming site in the municipality or on the band's reserve and gives a copy of the resolution to the Corporation.*

(Note: Corporation in the text above refers to the Ontario Lottery and Gaming Corporation)