

**FEATURE** Casinos expansion capped by province as focus switches to betting on small-town bingo halls

# B.C.'s gamble pays off

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**A** bid to revitalize the gambling business in British Columbia will move into a new phase this fall as **Gateway Casinos** opens the 90,000-square-foot Grand Villa in Burnaby, the last new destination casino currently approved for the province.

While a number of existing projects are planning expansions – such as the makeover planned for the River Rock Casino Resort in Richmond – and improvements that will rejig the current configurations, the market will be left to absorb the current facilities before the **B.C. Lottery Corp.** approves additional locations.

“Once those works are done, that basically completes the process as it was envisioned many, many years ago,” said **Scott Calvert**, vice-president, property development for Gateway. “The general philosophy will be to get those buildings up and fully operating and offered to the public.”

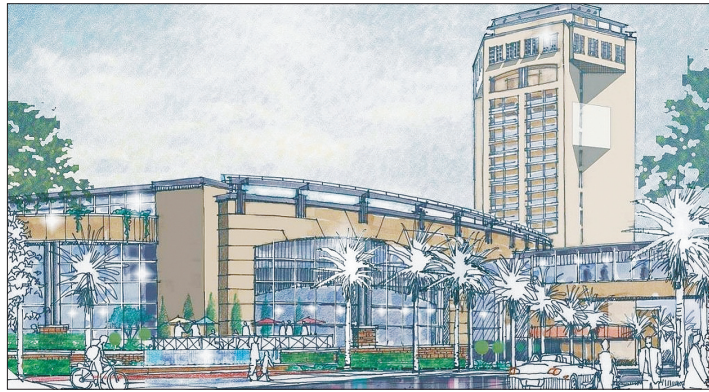
Only once the properties are operating will the province and operators such as Gateway make decisions regarding new opportunities.

“There isn’t a market here in [Metro Vancouver] to continue building these large scale projects,” Calvert said.

Still, the opportunities Gateway is tapping through the Grand Villa, as well New Westminster’s Starlight Casino and the Cascades Casino in Langley, are significant.

Revenues for Gateway jumped to more than \$211 million last year from \$191.7 million in 2006, more than double the revenues in 2003.

Tenants at the Starlight property in New Westminster such as the **Schanks** sports bar and **Kirin Seafood** restaurant are reporting good business on the back of traffic through the 80,000-square-foot casino, Calvert said. He expects similar activity when the 90,000-square-foot Grand Villa property opens this



Gateway's 90,000-square foot Grand Villa in Burnaby will be the last large casino approved for some time in B.C. It is to open this fall.

fall. The Burnaby casino development includes the hotel, restaurant, lounge and sports bar. Together, the two properties represent an investment in excess of \$200 million.

The prospects for Gateway were strong enough to prompt Australia’s **Crown Casinos** to acquire Gateway in partnership with **Macquarrie Group Ltd.** in a \$1.4 billion deal last year.

## River Rock

Underlining the strength of the market are plans by **Great Canadian Casinos Inc.** of Richmond, the province’s largest casino operator, to redevelop its River Rock property in Richmond. Plans call for redeveloping the existing facilities (watch for the addition of a spiral escalator similar to the one at **Caesars Palace** in Las Vegas), as well as a new hotel tower, 1,800-car parkade and a retail strip oriented to the adjacent rapid transit line stop.

The casino is currently standing-room-only some nights, said **Howard Blank**, vice-president, media and entertainment for Great Canadian, and he doesn’t expect demand

to decrease in advance of the 2010 Winter Olympics.

Key in the success of the property, which originally opened in 2004, has been its location, Blank said. It is 20 minutes from both downtown Vancouver and the U.S. border, as well as near the Vancouver International Airport. In addition, it offers a comprehensive mix of entertainment options, including casual and fine dining, a lounge, a show theatre and other amenities.

“The average person is only going to spend an hour and a half inside the casino,” Blank said. “The key to keep people on your property and enjoying your amenities is being able to offer other things. ... It’s all in one, and they don’t have to think about going somewhere else to eat or somewhere else to see a show, it’s all there.”

The reward, for Great Canadian, is higher revenues. Diversification at River Rock and other properties pushed revenues to nearly \$400 million last year, up from \$113.9 million in 2003.

A similar philosophy informs the approach

taken since 2004 of reimagining bingo halls as community gaming centres, the latest area of growth for the provincial lottery corporation. Operating under the **Chances** banner, the new-style centres have transformed the bingo halls of yore into community centres offering a wide range of gambling opportunities as well as entertainment.

Great Canadian opened **Chances Dawson Creek** in July 2008, a facility offering not just bingo but slots, off-track betting, electronic blackjack tables and electronic bingo, as well as a range of other lottery products, a full-service restaurant and lounge. Acts including tribute artists **Nearly Neil** and **Tiny Tina**, who perform at the River Rock property, have played the lounge. “It’s been a big hit,” Blank said.

## Bingo makeover

The new community gaming centres may not be the competition to the casino resorts down south, but they do spruce up one of the few entertainment options available to northern residents.

Bingo alone wasn’t doing it for them, says **Marsha Walden**, vice-president, community gaming, for B.C. Lotteries. Before the decision to revitalize bingo halls in 2004 through the addition of slot machines, off-track betting and amenities, bingo revenues were declining at three per cent to five per cent a year; since the launch of the Chances centres, bingo halls have declined just two per cent a year on average. The margins for operators have, in turn, more than doubled, from less than 15 per cent to almost 35 per cent.

“Bingo has not been particularly successful in holding its own,” Walden said. “What we’re trying to achieve is a completely new facility model that is a business success.”

Chances locations are now open in 12 communities, primarily in northern B.C. Additional centres have received approval from the municipalities of Abbotsford, Castlegar, Langley and Terrace. Walden says the community aspect of such centres prevail. “They’re not about the big glamorous gaming experience. It’s very much about socializing with locals, and community and friends.” ♦