

## **Background**

Duncan Dabbers Bingo Society (DDBS) and Cowichan Tribes have had informal discussions about working together over the past few months. Interest in working together has now reached the point where the two organizations would like to enter into formal discussions. This week DDBS and Cowichan Tribes received authorization from their members/Council respectively.

## **Purpose & Objectives**

DDBS's current Service Agreement with BC Lottery Corporation expires in January 2005. As part of the agreement renewal, BC Lottery Corporation requires a new business plan to expand the market and increase revenues. Specific items identified include updated facilities and state-of-the-art gaming operations, on-site parking, and expanded gaming options.

The key driver to move location is the requirement for on-site parking. Currently there is no on-site parking, but the public parking lot across the street provides easy access. However, when the new Walmart begins construction, that parking will no longer be available.

The proposed project would benefit all of the charities in the Cowichan Region, charities throughout the province, Cowichan Tribes in terms of jobs and self-sufficiency, and the Cowichan Region in terms of contributing to the local economy.

For Cowichan Tribes, the project would mean:

- Job creation and training – both construction and permanent jobs.
- Economic self-sufficiency through revenue generation.
- Additional business opportunities.
- Highest and best use of land-holdings.

For BBDS, the project would mean:

- Retaining the sole gaming agreement in the Cowichan Region for the benefit of local charities and not-for-profit organizations.
- Increase revenues for charitable organizations locally and provincially.
- A modern state-of-the-art gaming facility in the Cowichan Region.
- Turn-key operation that would provide continuous uninterrupted bingo operations in the Cowichan Region during the transition.

## **Ownership, Management & Regulation**

Duncan Dabbers Bingo Society would continue as the agreement holder, subject to BCLC approval. Cowichan Tribes would be the developer and leaseholder. The land is part of Cowichan Tribes reserve.

BC Lottery Corporation issues the license, establishes, monitors and enforces gaming regulations, and administers the charity funding.

## **Revenues**

Current revenue is about \$4.4 million. Revenue from the new facility is expected to exceed that.

Revenues will be distributed as per the standard BCLC distribution: 60% for prizes, 20% to BCLC for provincial charities, and 20% to the management company. In this case, DDBS is the management company and the net profits are distributed among the member charities. Last year's net profit was approximately \$250,000.

Cowichan Tribes will receive lease payments and property taxes.

## **Construction & Operations**

Preliminary estimates based on similar facilities, cost to build will be in the neighbourhood of \$7 to \$8 million, and barring any unforeseen difficulties, the project completed and in operation within two years.

One of the primary partnership objectives is to create training and employment opportunities for Cowichan Tribes' members. Therefore, discussions will include the possibility of contracting Cowichan Tribes' subsidiary, Khowutzun Mustihmuw Contracting, to be the general contractor and main construction company, with additional expertise and resources acquired as necessary.

The facility would operate 24/7, same as the current facility. Responsibility for the daily management of the facility has not been identified.

## **Facilities**

The site is approximately 2 hectares (5 acres), located in Duncan, BC, at the corner of the Trans Canada Highway and Cowichan Way, next to the Quw'utsun' Cultural Centre, on reserve land.

The current facility is approximately 11,000 square feet with 440 seats. The new facility could be up to 27,000 square feet, with 600 to 800 seats. That is comparable in size to the gaming centres in Kamloops and Kelowna, the first to develop what are called 'gaming centres' of the type proposed by DDBS and Cowichan Tribes.

The feasibility study will look at a range of gaming options, including slots but no casino games, and the potential market for each. At minimum, the facility will offer the same gaming entertainment as is currently offered, plus electronic bingo.

## **Schedule**

This announcement signals the start formal discussions. The next steps are to commission a market feasibility study, and then start to put a business proposal together.