



CHANCES KELOWNA
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November 8, 2019

Mayor and Council
City of Kelowna
1435 Water Street
Kelowna, BC
V1Y 1J4

Dear Mayor and Council,

Re: Proposed Substantial Change to Add Live Table Games

In cooperation with BCLC, I am writing to request Council consider approving the inclusion of Live Table games at Chances Kelowna as further detailed in the BCLC August 7, 2019 letter to Council.

Since we last appeared before Council in 2014, Chances has continued to mature as a business. The slot floor has expanded to 343 slot machines and 1 electronic table game offering 5 playing positions. Teletheatre horse racing is well established. Chances is the most prominent and comfortable venue for horse racing from Penticton to Vernon and as such we regularly entertain guests from throughout the valley.

Bingo has 410 permanent seats boasting 348 electronic terminals. We have the second highest sales volume in the province and we are continuing to grow at a rate of over 5% per year. Kelowna is the only major bingo facility in the valley as both Vernon and Penticton have closed. Bingo is a strong cornerstone of our business and we enjoy providing this entertainment to our region.

Chances is a vibrant and growing gaming facility and in order to meet the demands of our diverse customer base Chances is seeking to offer the one gaming product that is not yet available to our players. This component is Live Table Games that may include blackjack, roulette, baccarat, poker and other such games as Chances and BCLC see viable in the future. These will be games that are not electronic in nature but feature live dealers, betting chips and playing cards. This request is considered a "Substantial Change as defined in the Gaming Control Act" and as such requires that the municipality approve the introduction of live games at the Chances Kelowna facility.

The ability to offer all of the BCLC games is important as Chances works with BCLC to manage the changes that are happening in the Kelowna marketplace. As the Crown agency responsible to conduct and manage gaming in British Columbia, BCLC is required to approve what types of games and equipment are made available to the gaming properties. Approval of my request will allow Chances and BCLC to best manage the success of the business and the marketplace by having access to deploy all present and future gaming and Lottery products available to BCLC.

The request we have made will allow Chances to compete on a level playing field with its competition in Kelowna and the Okanagan valley. Our competition's casinos in Vernon, Kelowna and Penticton have access to all of the BCLC gaming and lottery products and their hours of operation go until 2:00am or later. I am asking council to allow me the ability to compete on equal footing with the other gaming establishments in Kelowna and the Okanagan.

The municipality of Kelowna receives a share of the revenue generated from casino gaming in Kelowna regardless of which facility it is earned at. It is anticipated that changes made at Chances will result in increased revenue in Kelowna and the City will share in that increase.

Since its inception in 2002 Chances has enjoyed a very good relationship with its neighbor Rona. They have allowed Chances to utilize the Rona parking lot for any excess parking and have allowed a permanent staircase to allow patrons to safely pass between the two properties and parking lots. In February of 2014 Chances and Rona entered into a formal easement agreement that allows Chances to use the Rona parking lot as shared parking. This arrangement assures the use of Rona's underused parking for Chances. The peak hours of operation for Chances are the slowest hours of operation for Rona so the arrangement is a very amenable one.

Since the building of Chances and the introduction of slot machines in 2005 there have been almost no incidents requiring police involvement. Chances has co-existed with its neighbors in a peaceful fashion and has maintained a clean well-kept property inside and out. I believe we have proven ourselves to be good corporate citizens and any concerns that Council may have had in the past have been allayed with our good example and unblemished community record. We wish only to provide a first class, fully equipped casino for the residents and visitors of our city. I hope Council will take this into consideration during their deliberations.

Chances is not requesting any changes to the hours of operation or to the occupancy of the building. An approval of the Proposed Substantial Change to Add Live Table Games will allow Chances to introduce Table games in the next 2 months.

It is the intent of Chances to request a Development Permit to expand the Chances Casino building in the near future. The expanded property will be presented to Council for consideration and if approved will grant Chances the ability to serve as an enhanced gaming entertainment and tourism offering in Kelowna. It is my hope that Council sees the merits in firstly granting a Substantial Change to allow Table Games in the existing casino and by extension consider allowing that to grow into the new expanded premises in the next 2-3 years.

Thank you for considering my request.

Sincerely,

A handwritten signature in black ink, appearing to read "Stanley R. Walt". The signature is fluid and cursive, with the first name "Stanley" and last name "Walt" clearly distinguishable.

Stanley R. Walt