

FILE: 1110-20 NO. 1613

TO: Dec 21/09 - I.C., Mayor

DATE: DEC 11 2009

Mayor Chernoff  
Clr. Chernoff  
Clr. Duff  
Clr. Hearne  
Clr. Krueckl  
Clr. McIntosh  
Clr. Turner

December 7, 2009

By email

Mayor Lawrence Chernoff  
Castlegar City Hall  
460 Columbia Avenue  
Castlegar, B.C. V1N 1G7

Dear Mayor Chernoff:

Re: Development of Community Gaming Centre - Castlegar

British Columbia Lottery Corporation (BCLC) writes in response to your request for an update on the development of the Community Gaming Centre (the "CGC") in the City of Castlegar (the "City"). The CGC came about from BCLC's proposal to relocate a gaming facility from Cranbrook to the City, a relocation which the City approved as required by the *Gaming Control Act* (the "Act").

Understandably, the City has expressed concern about the lack of progress with respect to the CGC. For various reasons, BCLC's Service Provider, Terrim Properties Ltd. ("Terrim"), has been unable to deliver on its commitments, schedule or modified timelines to develop the CGC on land which Terrim leases from the City.

BCLC is also concerned about the delay and the resulting impacts on the City as well as BCLC's business. We appreciate the City's patience and anticipate that the City will be encouraged by receiving BCLC's assurances on the following:

1. BCLC is actively considering all available options and alternatives to address the delay and will take the appropriate actions to move the CGC development forward;
2. As mandated by the Act and directed by the Minister, only BCLC has the authority to propose locations and relocations of gaming facilities for sound business reasons; and
3. BCLC is committed to its proposal of a CGC in the City of Castlegar on the basis of both a strong business case and the host local government's support.

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playing it right

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Moving ahead, BCLC is also committed to updating the City regularly with respect to the progress of the CGC. In refining our alternatives, BCLC may need the City's assistance. Therefore, we thank you in advance for continuing to work with BCLC and appreciate the City's support in these challenging circumstances.

Yours truly,



Michael Graydon  
President and CEO

cc: Hon. Rich Coleman, Minister of Housing and Social  
Development  
Darryl Schiewe, BCLC VP Casino and Community Gaming  
Kevin Gass, BCLC VP Corporate Affairs  
Terry Segarty, Terrim Properties Ltd.

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