

# Backgrounder

## Process and Timeline for Proposed Entertainment Complex

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The development of a world-class international entertainment destination has long been part of the plan for the revitalized stadium and dates back to the initial work undertaken for the BC Place Lands Official Development Plan (ODP) back in the 1980's. This proposal is all part of completing the vision of the BC Place ODP, which has influenced the major revitalization of the downtown peninsula.

The entertainment complex development is very important to the business plan that was approved when PavCo received approval from its board to proceed with the redevelopment of BC Place. PavCo presented a business plan to the provincial government that generated revenue through a variety of means, including: sponsorship, sale of advertising, naming rights and the development of the real estate that PavCo owns around the perimeter of the stadium. In terms of the entertainment complex, the lease payments that PavCo will receive from Paragon over a 70 year period, \$6 million annually, will go to offset a large part of the debt of the revitalized BC Place.

In early 2008 PavCo submitted an application to the City of Vancouver which sought an Amendment to the False Creek North (FCN) Official Development Plan (ODP). PavCo then identified the re-envisioned master plan for the North East False Creek areas as:

*"a new state of the art retractable roof for the Stadium, vast interior upgrades for the stadium that include suite renovations and seating/washroom/concession upgrades, approximately 1.4 million sq ft. of mixed use residential, retail and commercial development on the lands directly adjacent to the Stadium."*

This aligned with City council approved Terms of Reference for the Northeast False Creek High Level Review, approved by Council on May 3, 2007, which states in Section 4.2.1 that:

*"Maintain and enhance the role of the area as a transit-oriented citywide entertainment, sport, cultural and public activity draw, including, among others, BC Place, GM Place, and the Casino"*

The City staff report, September 2008, recommended the NFCODP amendments and made reference to the inclusion of *"a major casino that will also serve the city and region"*.

In November 2008 City Council approved the NFCODP Bylaw. Following the approval, PavCo issued a Request for Expressions of Interest in March 2009 – 14 responses were received. A subsequent Request for Proposal was issued to three shortlisted proponents. On May 22 the RFP closed and in late June 2009, we selected Paragon as the Preferred Proponent.

Paragon's proposal was assessed as a sound operation and the best choice to realise the entertainment complex at BC Place. BCLC is also supportive of Paragon's sound business plan and proposal to relocate the existing casino and provide a high quality casino gaming facility sized to fit the marketplace. As a result of the due diligence involved, it took many months to finalize an agreement between PavCo and Paragon Gaming Inc. to lease and develop the BC Place lands intended for an entertainment complex.

Since being awarded Paragon's team has been working with PavCo, the City and local stakeholders, to ensure the proposal complies with the City Bylaws and meets the needs of the City and region and is reflective of its surroundings and provides numerous benefits to the City and Province. A breakdown of the process and stages of proposal review is included below:

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#### Process Timeline

Date	Item
January 21, 2008	Staff report to Council recommending a review of BC Place ODP amendments in parallel with Northeast False Creek High Level review.
February 2008	Council instructed staff to assess a proposal by the BC Pavilion Corporation to amend the False Creek North Official Development Plan (FCN ODP) paralleling the NEFC High Level Review. The report was approved in February 2010. Appendix B of report reference Council approved Terms of Reference Adopted May 3, 2007. In section 4.2.1 Casino Use was identified as a use to "maintain and enhance."
July 1, 2008	PavCo submits final ODP submission to the City
July, August 2008	Public notices sent out, two public open houses, city staff meet with consultative group.
September 3, 2008	Staff report to council recommending amendments to the False Creek North ODP; To allow 1.4M sq-ft of residential/commercial development; Referenced to Casino uses in ODP section 3.5.2.2 made reference to inclusion of "a major casino, that will also serve the city and region."
October 2008	City Council approved the FCN ODP amendments whereby ODP will add development potential to the BC Place Stadium site were approved. The amendments were consistent with the evolving NEFC HLR. As part of this PavCo entered into an Upgrade Commitment Agreement [dated October 14, 2008] with the City, forgoing any Community Amenity Contributions (CACs) and Development Cost Levies (DCL's) as long as the stadium upgrade was completed by Dec 2012 and it would include a retractable roof.
November 25, 2008	Council enacted the NFCODP Bylaw.
March 6, 2009	Request for Expressions of Interest (RFEOI) issued by PavCO for the development of the BC Place lands. 14 responses received.
March 27, 2009	RFEOI closed
April 20, 2009	Request for Proposals (RFP) issued to three (3) shortlisted proponents for the development of the BC Place lands.
May 22, 2009	RFP closed
June 2009	Paragon notified of its selection as Preferred Proponent (subject to negotiation of an acceptable "Master Development Agreement" (MDA) and approval by PavCo Board)
January 22, 2010	MDA approved by PavCo Board, subject to finalization of legal wording.
July 2009 to February 2010	Negotiation of MDA
February 15, 2010	MDA signed
March 26, 2010	Paragon agreement announced
Spring 2010 to current	Stakeholder meetings with community organizations; full rezoning application submitted and now available online at <a href="http://www.Vancouver.ca">www.Vancouver.ca</a>

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June 24 and 26, 2010	PavCo, Paragon and City staff held two open houses in downtown Vancouver and BCLC staff attended. The public could review the land uses proposed including design, floor plan, streetscape and road alignment for the relocated Edgewater Casino. Over 300 people attend over 2 days of public consultation. The City notified landowners in the area about the open house, and Paragon notified through newspaper advertisements placed in the Vancouver Sun and The Georgia Straight.
July 28, 2010	Urban Design Panel (City advisory committee) approves project design. <i>Note:</i> In addition the proposal was discussed at length with City staff (planners and urban design professionals) prior to the UDP meeting to develop a concept that was recommended by City staff.
January 2011	Staff report on the proposed rezoning for the BC Place lands posted online.
February 8, 2011	Following typical city notification of the area, City hosts information session on gaming expansion for NEFC.
March 7, 2011	Scheduled public hearing for the Casino Entertainment Complex

For more information about the False Creek North ODP and the rezoning application process for this proposal, visit the rezoning centre webpage on the City of Vancouver website:  
[www.vancouver.ca](http://www.vancouver.ca)

For more information about the project, visit the project information page on Paragon Gaming's website: [www.paragongaming.com](http://www.paragongaming.com) and the "Neighbourhood" page of the BC Place website: <http://www.bcplacestadium.com/index.php/the-neighbourhood.html>

# Frequently Asked Questions

## International Entertainment Destination at BC Place Stadium

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### 1. Why is an entertainment complex being proposed for the BC Place Lands?

- The development of a world-class international entertainment destination has long been part of the plan for the revitalized stadium and dates back to the initial work undertaken for the BC Place Lands Official Development Plan back in the 1980s. This proposal is all part of completing the vision of this plan which has influenced the major revitalization of the downtown peninsula.
- When completed, the entertainment district will be linked to Vancouver's iconic neighbourhoods – Yaletown, Chinatown, Robson Street – by a network of pedestrian paths, bikeways and public transportation.
- The lease payments PavCo will receive from Paragon, \$6 million annually, will go to offset the debt of the revitalized BC Place.

### 2. What was the process for the selection of Paragon Gaming as the successful proponent to develop these lands?

- Following the approval of the ODP by City Council, PavCo issued a Request for Expressions of Interest in March 2009 – 14 responses were received.
- A subsequent Request for Proposal was issued to three shortlisted proponents by PavCo. On May 22 the RFP closed and in late June 2009, Paragon was selected as the Preferred Proponent.
- Since being awarded Paragon's team has been working with PavCo, the City of Vancouver, businesses, associations, the community and local stakeholders, to ensure the proposal complies with the City Bylaws and meets the needs of the City and region, is reflective of its surroundings and provides numerous benefits to the City and Province.

### 3. Has there been public consultation on this project?

- The development of a world-class international entertainment destination has long been part of the plan for this part of False Creek North. The Casino use was included in the Northeast False Creek High Level Review Terms of Reference approved by City Council on May 3, 2007.
- Stakeholders and the public have been consulted throughout the process. There has been a working group with the City for the last three years.
- In early 2008 PavCo submitted an application to the City of Vancouver which sought an Amendment to the False Creek North (FCN) Official Development Plan (ODP). In mid-2008 two open houses were held following the distribution of public notices.
- Throughout 2010 and early 2011, meetings have been held with various interest groups, businesses, community and stakeholders, open houses have been held and the City hosted a public information meeting.
- In addition, the full application and comprehensive staff report are available on the City's website.

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## International Entertainment Destination at BC Place Stadium

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### **4. How will this proposed Entertainment Complex fit into the neighbourhood?**

- BC Place Stadium, the entertainment complex and Rogers Arena will interplay to create a social hub of entertainment and cultural environment that truly reflect Vancouver's diverse and complex marketplace.
- The plans/renderings are part of the rezoning application and clearly show a modern building – that has been approved after multiple reviews by City of Vancouver Planners and finally by the Urban Design Panel – with lots of glass and indoor/outdoor gathering spaces and entrances from the street.
- Paragon has worked with the City of Vancouver and stakeholders to come up with the right design for the development, and more design detail will be developed as part of the Development Permit Process.
- When complete, the entertainment district will be linked to Vancouver's iconic neighbourhoods – Yaletown, Chinatown, Robson Street – by a network of pedestrian paths, bikeways and public transportation.

### **5. How much public money is going to be invested in this complex?**

- Paragon, a privately held company, is investing approximately \$500 million to build the proposed Entertainment Complex – all private dollars.
- Before construction commences Paragon is required to secure the financing to the satisfaction of PavCo.
- BCLC has budgeted for \$364 million in capital costs for all of its facilities in the Province over the next three fiscal years. These costs - which represent all BCLC capital expenditures in IT, facility gaming and lottery divisions - cover infrastructure and technology, and include gambling equipment like slot machines.
- BCLC estimates it will spend about \$30 to \$35 million on gambling equipment for the new Edgewater Casino, depending upon the number and complement of games we'll be installing. This equipment all remains the property of BCLC.
- In the interest of keeping a high standard of quality and service at all of its gaming facilities, BCLC has built in a capital improvements incentive program consisting of two parts: the Facility Development Commission (FDC) and the Accelerated Facility Development Commission (AFDC).

### **6. What is the size of the development and what does it encompass?**

- The proposed Entertainment Complex at BC Place will energize the North East False Creek neighbourhood with two hotels, a luxury branded five-star and a boutique lifestyle, seven restaurants, flexible meeting and conference space and a relocated expanded casino.
- Paragon is focused on the overall experience and how the hotel, restaurants, spa, lounges and the casino will help attract additional international tourists to the City and region for extended periods of time.
- 85 per cent of the proposed entertainment complex is dedicated to entertainment or non-casino aspects; the casino is only 14 per cent of the development.



**7. What are the benefits of this proposal?**

- There are many benefits from this development, including social and economic benefits – and they are just what our city and region need. These include:
- Community - PavCo have committed to \$6 million for a community amenity contribution
- Economic
  - Total budget: +\$500 million of private investment
  - Estimated construction jobs: 5,500
  - Total economic activity: \$538 million annually
  - Jobs once operating: 1,700 to 1,900
  - Revenues to BC Government: \$224 million annually
  - Revenues to City of Vancouver: \$23 million annually (\$17M in annual gaming revenues + anticipated property taxes of \$6M annually).
  - Contribute to the City of Vancouver’s Social Responsibility Fund to help with gambling addiction programs identified in the region – grown from \$200,000 to \$300,000 annually.
  - “Made in BC” - use of native materials in design elements, local BC wood, BC stone/tiles, locally sourced concrete, local artists
  - Keeping it Local:
    - During construction - build relationships with local contractors/suppliers
    - Once operational - build on-going strategic partnerships with local businesses/suppliers
    - Approximately \$1.4 million contribution towards local public art
- Social
  - Paragon will maintain Edgewater’s unique job creation program of hiring at least 10 per cent of the workforce once operational from the Downtown Eastside, Chinatown, Strathcona and Mt. Pleasant communities. Due to the increased number of positions once operational this number of actual positions will increase.
  - Assisting Local Vancouver Charities: Paragon has entered into a multilateral agreement with Community Gaming Management Association (CGMA), the operators of Planet Bingo, and BCLC to ensure the creation of funding to benefit Vancouver charities.
  - Community Support - make a special effort to reach out to help those who need assistance and support.
- Environmental
  - LEED Gold equivalent
  - Development to tie into the District Energy System being created by the City of Vancouver

# Frequently Asked Questions

## International Entertainment Destination at BC Place Stadium

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### **8. How confident are you that people will travel to Vancouver to stay at this entertainment complex? Where will the visitors come from?**

- Paragon believes the Vancouver experience is so rich and well established that the proposed entertainment complex will be uniquely positioned in the North American gaming market.
- Moving into the Vancouver market with its purchase of Edgewater Casino in 2006, Paragon undertook extensive marketing planning and research for the casino's relocation and expansion. Paragon has a keen understanding of what is required to provide a premier entertainment experience in this unique location.
- Through the analysis of the market and competitor offerings Paragon can differentiate its resort casino through cross promoting its location and partnership with BC Place.
- Paragon believes the proposed Entertainment Complex will bring new customers and be additive to the market; meaning visitors to BC Place and the entertainment complex will extend their stay to the area, benefitting local businesses.
- The casino is only a small part of the entertainment complex development, 14 per cent, but it will help to attract new conventions and new visitors, and keep people in the city longer than just overnight stays.

### **9. Why does the Edgewater Casino need to move at all – and expand - as part of this new proposed complex at BC Place Stadium?**

- Edgewater Casino was only ever approved to operate as a temporary facility (until 2013) in the refurbished Plaza of Nations building owned by Canadian Metropolitan Properties (CMP). With the lease running out in less than two years, CMP has development plans for the site. Paragon has been looking for the right home for Edgewater for many years.

### **10. Who is Paragon Gaming?**

- Paragon Gaming Inc. is a Nevada corporation active in the gaming industry with the business objective of establishing new casino operations in Canada.
- As a second generation, very successful and accomplished Las Vegas family company, Paragon Gaming's senior management team is one of the most experienced and respected in the gaming industry today, with roots that extend back to Las Vegas gaming industry pioneer and icon, Bill Bennett.
- Paragon co-founders CEO Diana Bennett, (Bill Bennett's daughter), and President, Scott Menke (Bennett's nephew), are today carrying on the high standards he set in building and running some of the most outstanding gaming and entertainment operations in North America.
- Ms. Bennett and Mr. Menke are experienced developers, operators and managers in gaming and are core to the successful design, development and operation of many major hotel/casino resorts in North America.
- As an executive of Circus Circus Enterprises' leadership team, Ms. Bennett opened and operated multiple gaming operations which became landmark gaming properties, including the Luxor and Excalibur. Along with Scott Menke, she led the takeover and

transformation of one of the timeless icons of the Las Vegas Strip, the Sahara Hotel and Casino in 1995.

**11. What is Paragon's track record in developing and managing successful casinos?**

- In September 2006, Paragon successfully acquired the Edgewater casino out of bankruptcy for \$53 million, securing the jobs of over 600 employees, and has since repositioned the property as a premier gaming establishment in the heart of Vancouver. Of the five casinos in the lower mainland (River Rock, Grand Villa, Boulevard and Cascades) between fiscal years 2007 - 2009, only the current Edgewater Casino achieved positive growth in FY 2009 and increased its gaming win by about 41%.
- Acquiring the Edgewater out of bankruptcy, Paragon took over the struggling property, stabilized operations, and repositioned the Edgewater Casino with extensive interior and exterior renovations, new patron and gaming amenities, and implemented an aggressive marketing plan - all under the leadership of Paragon's Corporate Team.
- Paragon best demonstrates its capabilities and experience in its long-term partnership with Enoch Cree Nation and the development of the River Cree Resort & Casino. As general partner, Paragon directed the entitlement, financing, design, construction, and operation of the largest gaming development in Alberta, and the first development of its kind on First Nation Lands in western Canada.
- River Cree has become Alberta's top performing casino generating 2009 gross gaming revenues in excess of \$139M compared to 2008 gross gaming revenues of \$135.6M. The Marriott hotel stabilized within 6 months of the opening (vs. the normal 18-24 months) and established itself in top two/three in occupancy in AB. \$75M annual revenue to Alberta Lotteries, \$25M annual revenues to First Nations charity, \$12.5M/yr as part of economic development program for First Nations

**12. Won't this new entertainment complex put more pressure on our policing resources? We want our neighbourhood to be safe.**

- Security and integrity are paramount in BC casinos. Player safety includes the security of our facilities and the integrity of our games.
- Gambling in BC is highly regulated and BCLC has multiple layers of security and oversight in place to provide a safe and secure gambling experience for players.
- The larger casinos in BC have more security and surveillance than most banks or venues of a comparable size – each have over 100 security staff and 800+ security cameras.
- The relocated Edgewater Casino will have 1,500 surveillance cameras and 150 security staff monitored by trained staff 24-hours a day.
- Local police jurisdictions have indicated calls for service to gaming facilities are in line with what would be expected with any large facility that attracts large numbers of people, for example, a big box store; plus casinos have surveillance cameras and security.



## About BCLC

- British Columbia Lottery Corporation is a Crown Corporation with a mandate to conduct and manage gaming on behalf of the Government of British Columbia for the benefit of British Columbians.
- BCLC is statutorily authorized to enter into agreements with private sector entities to provide operational services to BCLC at its gaming facilities such as casinos and community gaming centres.
- BCLC undertakes relocation of gaming facilities in accordance with the provisions of the Gaming Control Act.
- In recent years, BCLC's strategy has been to implement casino facilities with fewer, higher quality properties sized to fit the marketplace and to position casino gaming as a major tourism attraction.
- BCLC conducts comprehensive assessments of the regional gaming market to determine consumer demand for gambling. BCLC determines the size and scope of gaming facilities based on these market assessments.
- Some of the factors considered include:
  - BCLC's business case analyzing the regional market, demographics, tourism and other economic opportunities;
  - The Service Provider's business plan;
  - The appeal and fit of the Service Provider's business plan to BCLC and the Preferred Host Local Government.

## BCLC and the Edgewater Casino Relocation Process

- BCLC's study of the Vancouver gaming market identified a significant market opportunity which would result in incremental revenue at Edgewater Casino. In addition, BCLC analysis shows little negative impact on other gaming facilities in the Lower Mainland area following the implementation of a relocated Edgewater Casino.
- The Paragon Gaming proposal responded to BCLC's marketplace assessment of the market while providing significant additional entertainment options, including hotels, restaurants and banquet facilities.
- The current lease on the existing Edgewater Casino facility expires in 2013. Together, BCLC and Paragon Gaming have submitted a comprehensive development proposal for the Edgewater Casino Relocation to the City of Vancouver.
- The Gaming Control Act requires that BCLC receive a resolution from the City indicating its support for the casino relocation. As well, the City must demonstrate it has provided the public with the opportunity to comment on the proposal and notified adjacent municipalities that it is considering a gaming development.

BCLC is a provincial Crown Corporation that offers socially responsible gaming entertainment while generating income that benefits all British Columbians.

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## **Additional Resources**

### **International Entertainment Destination at BC Place Stadium**

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The following additional resources are available online:

- **Proposed Destination Entertainment Complex - High level Economic Impact Assessment**  
Prepared for Paragon Gaming Inc. by Deloitte & Touche LLP  
October 6, 2010
  - Available on the Paragon Gaming website at:  
<http://www.paragongaming.com/proposed-vancouver-project/whats-new/>
  
- **BC Place – Continuing Catalyst for a More Vibrant Downtown.**  
**Edited excerpts from the Vancouver Board of Trade Thursday, February 10, 2011**  
Featuring speeches from Michael Graydon, BCLC; David Podmore, PavCo, and Scott Menke, Paragon Gaming Inc.  
February 10, 2011
  - Available on the BC Place website at:  
<http://www.bcplacestadium.com/index.php/news-releases.html>
  
- **Rezoning Application – 777 Pacific Boulevard (BC Place) (and related documents)**  
Submitted by PavCo
  - Available on the City of Vancouver’s Rezoning Centre website:  
<http://vancouver.ca/commsvcs/planning/rezoning/applications/777pacificblvd/index.htm>

# A Complete Entertainment Experience

Paragon's spectacular destination and entertainment centre represents a dramatic game-changer for Vancouver's tourism market. The Proposed Project will build on the Olympic Games experience and take our city's reputation as a major international tourism destination to new heights.

By seamlessly integrating with BC Place Stadium, this new dynamic icon on Vancouver's skyline will offer tourists and residents an extraordinary sports, entertainment and cultural experience in a stunning waterfront setting. It will be a catalyst for the revitalization of northeast False Creek and further the development of a vibrant new entertainment district in the heart of downtown Vancouver.

## At a Glance

The proposed project will include:

- Two Hotels: a ~297 room Boutique Hotel and a ~349 room, Luxury Signature Branded Hotel
- Conference/Banquet: atrium event space joining the two hotels and also approximately 30,000+ square feet of flex space that can accommodate banquets, meetings, exhibitions, and small scale concerts
- Spa and gyms
- Casino: total Casino (not including circulation and support areas) will be approximately 110,000 square feet, and designed to accommodate up to 1,500 slot machines, 150 table games and off-track betting
- Retail: approximately 5,000 square feet of retail lease space
- Food and Beverage: various lounges, a rooftop restaurant and lounge, quick bites food court, fine dining Chinese restaurant, casual Italian, noodle bar, sports bar, deli, and a three-meal café

It is expected that more than 240 major sports events, concerts, exhibitions and trade shows will be hosted each year, generating additional business for other nearby hotels, restaurants and bars.

## Economic Benefits

In addition to attracting tourists from around the world, the project will provide significant economic and social benefits to the surrounding community, the City of Vancouver and the Province of BC.

- City will receive approximately \$23 million annually in revenue
- City will receive \$300,000 annually from Paragon through its Social Responsibility Fund
- Province will receive more than \$224 million in revenues each year
- Will generate approximately 5,500 Full-Time Equivalent jobs during construction
- Will employ between 1,700 and 1,900 people when it begins operating
- Assisting local Vancouver Charities - Paragon has entered into a tripartite agreement with Community Gaming Management Association (CGMA), the operators of Planet Bingo, and the BCLC to ensure the creation of funding to benefit Vancouver charities
- Additionally, Paragon will maintain its commitment to provide a minimum of 10 per cent of its jobs to residents of the Downtown Eastside, Chinatown and Mount Pleasant.

## Design

- Paragon has retained Elizabeth Blau, principal and founder of Blau and Associates, as Senior Concept Designer to oversee the overall design concept, and branding of the development.
- Paragon has chosen Rockwell Group to lead the architectural design of the project, who will work in collaboration with the Vancouver office of IBI Group, the designated architect of record also responsible for managing and overseeing the project's engineering team.

## About Paragon

Established in 2000, Paragon Gaming Inc. has extensive experience in the development and operation of destination gaming and entertainment projects. Our team members have individually and collectively been responsible for the successful development and operation of numerous landmark projects throughout North America. Paragon's philosophy is to immerse ourselves within the local culture, developing a project which specifically meets the design, amenity and operational needs of the local community. We understand the impact business ventures have on the lives of customers, employees and the communities in which Paragon develops projects.



**Diana Bennett** – Ms Bennett, CEO of Paragon Gaming, is a second-generation casino operator with over 40 years of gaming experience. She has been named repeatedly to the Outstanding Women of Nevada since 1994, and in 2007 was named as one of the Top Ten Great Women of Gaming in the US.

Following college at Arizona State University, Ms. Bennett's career started under the tutelage of her father, industry icon William Bennett. As an executive of Circus Circus Enterprises' leadership team, Ms Bennett opened and operated multiple gaming operations which became landmark gaming properties, including the Luxor and Excalibur. She also led the merger of the executive staffs of the Edgewater Hotel/Casino in Laughlin, Nevada and the Colorado Belle Hotel/Casino. She also directed the purchase, takeover, and integration of new management into one of the timeless icons of the Las Vegas Strip, the Sahara Hotel and Casino, acquired by the Bennett family's Gordon Gaming division in 1995.

She is recognized as an expert in establishing gaming systems, and served as President and Chief Operating Office of Casino Data Systems (CDS), where she planned, grew and managed one of the major gaming manufacturers in North America and was licensed in multiple gaming jurisdictions. She, along with her business partner Scott Menke, formed Paragon in 2000.

**Scott Menke** – As President of Paragon Gaming with over 25 years of experience in the gaming industry, Mr. Menke is responsible for identifying and securing gaming and development opportunities for Paragon. Upon graduating from the University of Nevada, Las Vegas Hotel School, he entered hotel/casino operations with the development of the Colorado Belle Hotel/Casino in Laughlin, Nevada, which set a new standard for the Laughlin area that is still maintained today. Scott later became responsible for coordinating the construction and development efforts of Circus Circus Enterprises. Reporting directly to Founder/Chairman William Bennett, he oversaw the creation of over 10,000 hotel rooms, including the Excalibur and Luxor properties, two of the most successful themed destination properties in Las Vegas.

As a senior member of Mr. Bennett's team, he structured the acquisition of the Sahara Hotel and Casino by Gordon Gaming within a total transaction period of under 6 months, and played a key role in the redevelopment and transition of that property to the current Sahara management team. In 1997, he led the successful reorganization of the landmark Oasis Hotel/Casino on behalf of Mr. Si Redd, the founder of International Gaming Technology until forming Paragon Gaming with his business partner Diana Bennett in 2000.

Diana and Scott are both second generation members of one of Nevada's most prominent gaming families. Under the leadership of William Bennett, the family has led multiple successful gaming companies as described below:

### **Circus Circus Enterprises**

William Bennett, co-founder of Circus Circus Enterprises, purchased the Circus Circus Hotel and Casino in 1974. He had the vision to transform the struggling high roller resort and casino, into a successful, first of its kind, family friendly resort on the Las Vegas Strip. He is often credited with revolutionizing the gaming industry as a whole by bringing Middle America to Las Vegas. He went on to grow Circus Circus Enterprises into multiple resorts/casinos across many different gaming jurisdictions and eventually successfully launched the most successful IPO of the 80's. Mr. Bennett's most notable destination properties in Las Vegas are the Luxor Hotel and Casino and the Excalibur Hotel and Casino. These two major casino/resort properties remain as two major landmark casino properties on today's Las Vegas Strip 20 years later.

### **Gordon Gaming**

William Bennett formed Gordon Gaming in 1991 with the intent of purchasing Sahara Hotel and Casino. Scott Menke, and Diana Bennett, as key members of Mr. Bennett's team, structured the acquisition of the Sahara Hotel and Casino by Gordon Gaming within a total transaction period of under 6 months, and played a key role in the redevelopment and positive transition of the property. After Mr. Bennett's death in 2002, the Bennett family sold the Sahara in 2006, recording one of the largest land transactions for the Las Vegas Strip at over a \$1 Billion dollars.

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## **BC Place a Catalyst for Change**

30 years ago, the population of downtown Vancouver was shrinking. False Creek was heavily polluted, and cluttered with log booms and debris. The Kitsilano Rail Trestle clogged the entrance to the inlet. Rail yards covered the north shore. Yaletown was a collection of old warehouses. We were losing population in our downtown core. There was no convention centre, no Canada Place and no cruise ship terminal. No rapid transit either.

Thirty years later the population of downtown has doubled. More and more people are choosing to live downtown in one of the most liveable, vibrant and cosmopolitan cities in the world. And, looking back thirty years, BC Place has been a catalyst to the clean up and development of lands in False Creek, and the revitalization of Yaletown and other parts of downtown from Burrard Bridge to Quebec Street.

BC Place has served the city well as a multi-purpose gathering place. It's far more than just a sports facility. Local businesses depend greatly on the exhibitions, community gatherings, special events and entertainment hosted there. Prior to the current revitalization of BC Place, the stadium was averaging 210 event days a year, of which a maximum of 20 per cent would be sports-related. That's an indication of how important BC Place has been to this city, and this province, over the last 30-year period. Along the way, more than 26 million people have visited the building, as it hosted Expo 86 Opening Ceremonies, provided a world stage for the Opening and Closing ceremonies of the 2010 Olympic and Paralympic Winter Games, welcomed Queen Elizabeth II, Pope John Paul II, the Vancouver International Auto Show, Vancouver International Boat Show, BC Home and Garden shows, special exhibitions and major concerts, along with football, baseball and soccer – both amateur and professional.

The new BC Place will be an almost entirely new facility, and will continue to serve as our major gathering place for the next 40 to 50 years. Revitalization of the existing building is being accomplished at a significantly lower cost than would have been the case if a new facility was to be built at a new location. It's in the best place. It's on transit. It's within walking distance for tens of thousands of people. It's near hotels and restaurants and a growing entertainment district.

Now the focus for PavCo is to help provide another equally important catalyst, together with the revitalized stadium - the further development of the long-talked-about entertainment precinct around the perimeter of the facility and in North East False Creek.

This entertainment complex is fundamental to the business plan that was approved prior to PavCo proceeding with the redevelopment of BC Place. PavCo's business plan saw the generation of revenue through a variety of means, including: sponsorship, naming rights and the development of the real estate that PavCo owns around the perimeter of the stadium.



PavCo went out for proposals in March 2009. Fourteen inquiries were received in response to PavCo's Request for Expressions of Interest (RFEI) on the opportunity to develop the parcel west of the stadium. A Request For Proposal (RFP) was issued to a shortlist of proponents, and PavCo received two detailed proposals that were evaluated.

The Paragon proposal was considered the best and most beneficial to BC Place and to PavCo. It was an extremely well thought out, thoroughly researched and documented proposal. Paragon has the full responsibility under the lease to finance, build and operate the entertainment complex, and to provide PavCo with an ongoing stream of income that will significantly contribute to meeting the cost of the rehabilitation of the stadium. It's a 70 year lease, \$6 million annually for the first 10 years, with an escalator that kicks in starting in the tenth year, and continuing through for the remaining 60 years.

The new BC Place, coupled with the facilities in Vancouver Convention Centre will allow Vancouver to attract larger conventions - conventions the city wouldn't have been able to accommodate previously, particularly when there was a need for a venue that can seat 40 or 50 thousand people as a part of their program. The PavCo facilities, when combined, afford Vancouver the opportunity to offer about 750,000 square feet of trade, exhibition and convention and meeting space to market – allowing us to pursue the larger and most significantly beneficial events and conventions.

This entertainment complex was part of the original concept, going back years and years, that there would be an animated area around BC Place that would have restaurants, retail and entertainment venues that would integrate with the stadium so that we would create an area of activity and interest to bring people to the venue.

That's what this proposal achieves, and PavCo is excited to work with our partners, Paragon Gaming and BC Lotteries Corporation, to further advance the entertainment options and excitement of downtown Vancouver.

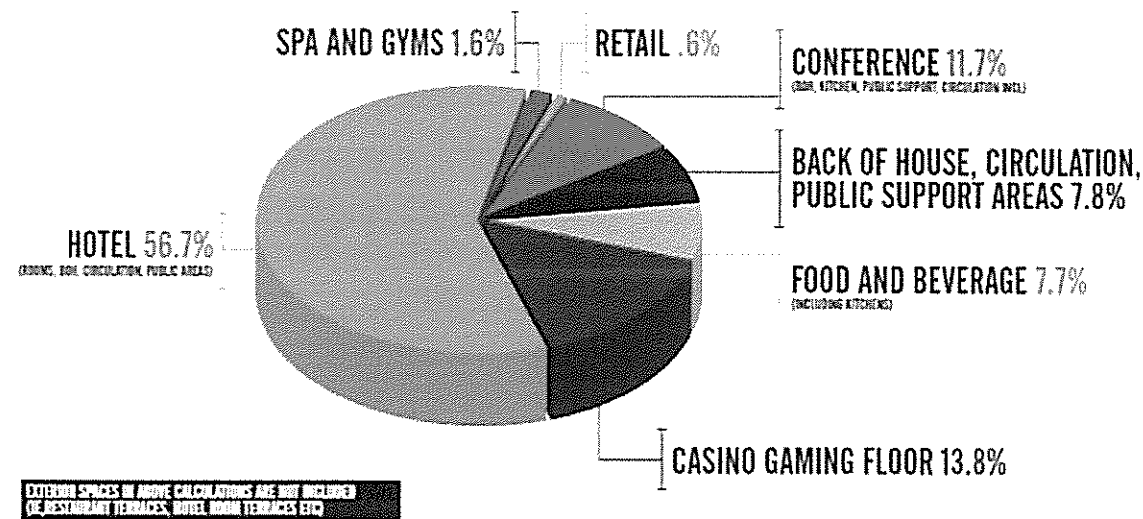
Media contact:  
Trevor Pancoust  
604.646.3567

## Project Breakdown

As the developer, Paragon Gaming has full responsibility to build and operate the entertainment complex. The casino itself is only 14% of the development. It will be flanked by two hotels: a luxury five-star property with convention space, and a boutique lifestyle hotel. Catering to two different clientele, Paragon will partner with two separate hotel companies but will market one great experience that includes BC Place.

Over 85% of the proposed entertainment complex is dedicated to entertainment or non-casino aspects. Paragon remains focused on the overall experience and how the hotel experience, the restaurants, hotels, spa, lounges and the casino can help drive additional tourism visits to the region for extended periods of

### PROJECT COMPONENT BREAKDOWN



### About PavCo

BC Pavilion Corporation (PavCo) is a Provincial Crown Corporation of the Ministry of Tourism, Trade and Investment and has a rich history of leadership in the meetings and events industry. Committed to excellence from our values to our execution, PavCo operates two of BC's top public assembly facilities: BC Place and The Vancouver Convention Centre. From hosting global summit meetings to world-class sporting and entertainment events, PavCo performs on its mandate of generating economic and community benefit for the people of BC through the prudent management of public facilities. PavCo attracts customers internationally and continuously strives to optimize the financial performance of its facilities, which generate significant economic benefit for the Province of British Columbia. For more information, visit [www.bcpavco.com](http://www.bcpavco.com).

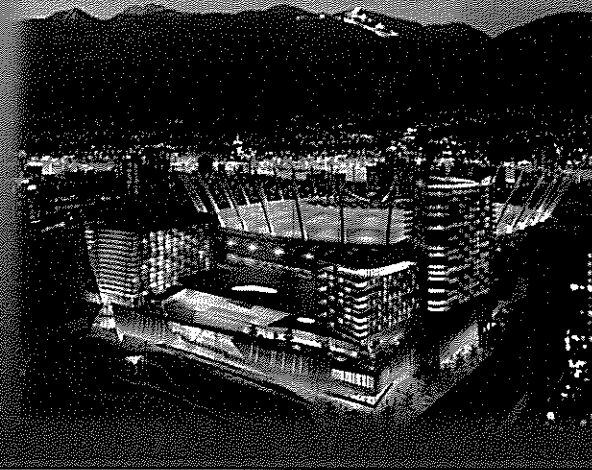
### About Paragon Gaming Inc.

Established in 2000, Paragon Gaming Inc. is a privately held Nevada Corporation with extensive experience in the development, operation and management of destination gaming and entertainment projects. Paragon co-founders CEO Diana Bennett and President Scott Menke are experienced operators and managers in gaming and have been the core to the successful design, development and operation of many major hotel/casino resorts in Las Vegas. With one casino in BC and two in Alberta, the corporation is focused on expanding operations in Canada with corporate offices in Vancouver, Edmonton and Las Vegas. For more information, visit [www.paragongaming.com](http://www.paragongaming.com).

Contact: Tamara Hicks, Paragon Gaming Inc., 604.408-4078, [thicks@paragongaming.com](mailto:thicks@paragongaming.com)

# BC Place Becomes a World Class International Entertainment Destination

March 2011

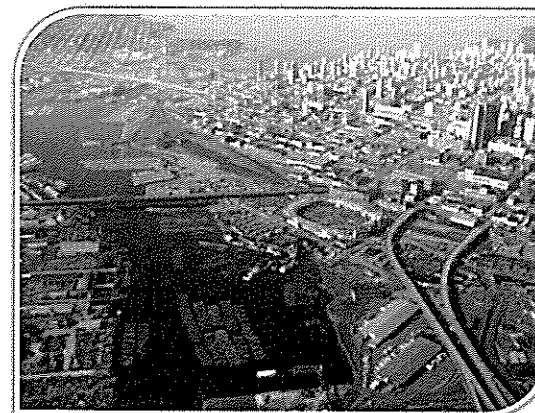


*The entertainment complex at BC Place will offer hotels, restaurants and an experience unlike any other in Vancouver.*

## Thirty years ago the population of downtown Vancouver was shrinking

There was no convention centre, no Canada Place and no cruise ship terminal. No rapid transit either. Then the stadium project was initiated in 1980 and Vancouver hosted the world's fair in 1986. Thirty years later the population of downtown has doubled with more and more people choosing to live downtown in one of the most livable, vibrant and cosmopolitan cities in the world. BC Place was a catalyst to the clean up and development of lands in False Creek, the revitalization of Yaletown and other parts of downtown from Burrard Bridge to Quebec Street.

BC Place has served the city well as a multi-purpose gathering place. More than just a sports facility, the local business community depends greatly on the trade shows, exhibitions, community uses, presentations and entertainment. After 30 years the stadium is now undergoing some much needed upgrades to ensure it will continue to be a superior facility to accommodate large events for the next 40 or 50 years.



## A New Entertainment Precinct

The development of a world-class international entertainment destination has long been part of the plan for the refurbished stadium. A new entertainment complex coupled with a refurbished BC Place will be a catalyst, much like the first BC Place was, to the continued evolution of False Creek and the development of an entertainment precinct for the area.

What's more, customers from the stadium, casino, hotels, restaurants and everything else, would be interconnected with other neighbourhoods – Robson Street, Granville Island, Chinatown, and Yaletown thanks to the rapid transit available and the proximity of BC Place to downtown.

*The new entertainment complex will add even more value to PavCo's three-quarters of a million square feet of trade, exhibition, convention and meeting space to attract large city-wide conventions.*



## Community Benefits

*There are many benefits to the City and the Region – all benefits listed below are in addition to benefits resulting from the refurbishment of BC Place stadium.*

### Economic Benefits of proposed entertainment complex

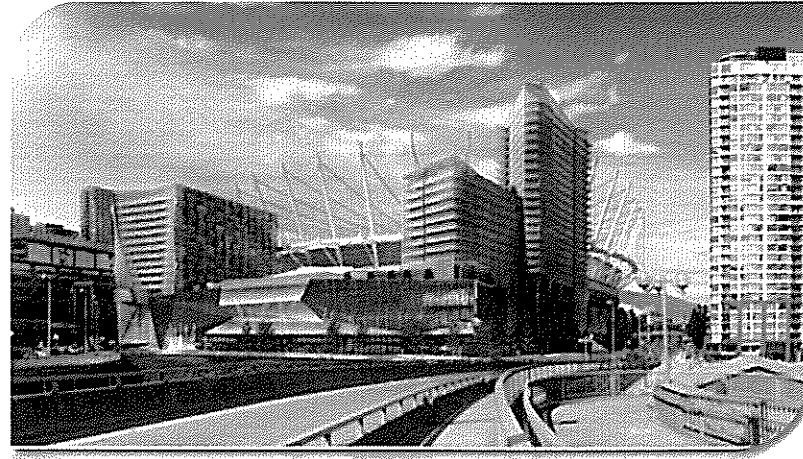
- Total budget: +\$500 million private investment
- Estimated construction jobs: 5,500
- Total economic activity: \$538 million annually
- Jobs once operating: 1,700 to 1,900
- Revenues to BC Government: \$224 million annually
- Revenues to City of Vancouver: \$23 million annually (\$17M in revenue + \$6M in property taxes)
- Lease payments to BC PavCo of \$6M+ over 70 year period will help to pay back the refurbishment of the stadium (stadium budget was \$563 M of which \$240M was for a new roof)

### Social Benefits

- 10% commitment to hire from Downtown Eastside as well as Chinatown and Mount Pleasant
  - since stabilizing operations at Edgewater Casino in mid 2007 Paragon has exceeded the 10% target of new hires from the Downtown Eastside Community in years 2008, 2009, and YTD 2010.
- Social Responsibility Fund: increased to \$300,000 annually to help with gambling addiction programs identified in the region.
- Keeping it Local:
  - Build relationships with local contractors/suppliers during construction
  - Build ongoing strategic partnerships with local businesses/suppliers during operations
- Community Support: the project will create employment and make a special effort to reach out to help those who need assistance and support.
- PavCo have committed to \$6 million for a community amenity contribution

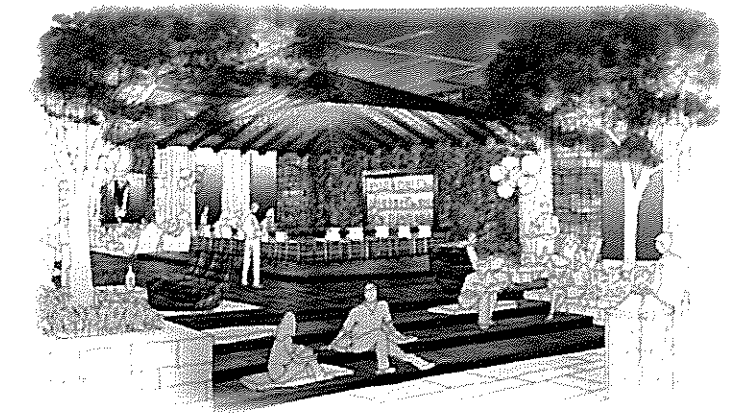
### Environmental Benefits

- "Made in BC" approach to the design whereby the complex will have a Westcoast influence through:
  - Abundance of vegetation design elements
  - Local BC wood
  - BC stone/tiles
  - Locally sourced concrete
  - Local artists
- Striving for LEED GOLD equivalent design (62/80 points)
- Design of complex to meet City's new stringent green building codes. This includes parking for electric vehicles and providing the necessary infrastructure to be part of the District Energy System already established in False Creek.



## Marketing an Experience

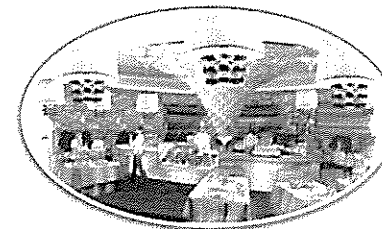
Entertainment tourism is the focus of this new proposed project. Paragon Gaming is working with BC Place (PavCo) to broaden the entertainment options for tourists and make the stadium side of town a destination. By pairing up hotels, restaurants and quality experiences with destination gaming, Paragon believes they will bring new customers and be additive to the market; meaning visitors to BC Place and the entertainment complex will extend their stays in the area, benefiting local businesses.



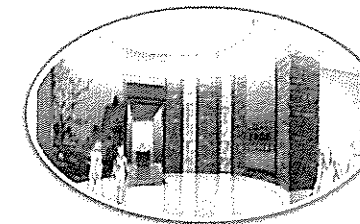
Paragon also plans to change the experience of what has been offered by BC Place Stadium and PavCo to its clientele in the past. In researching its proposal, Paragon identified there was no place to have functions for large crowds after big city-wide conventions (over 300 up to 2000). As part of the new proposal, a 30,000 sq ft sky deck (atrium) will be available for banquets and other convention gatherings. Restaurants have also become a destination of their own.

### Innovative Dining Reflective of Vancouver

Paragon has retained Consultant Elizabeth Blau as Senior Concept Designer to oversee the overall design concept and branding of the development. She is leading the charge on the guest experience for the new entertainment complex, and most importantly the food offerings. She is unbelievably excited to work with the diversity of cultures and offerings that Vancouver has here today – the experience will be very reflective of the variety and enriching experiences Vancouver has to offer.



Rooftop steakhouse

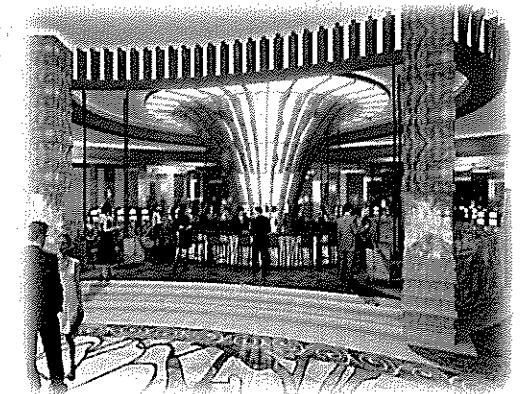


Authentic Chinese

### Casino Components

The Casino will be relocated from its current operation and will be expanded to accommodate visitors from the stadium, which can attract more than 50 thousand people.

- 110,000 sq ft Gaming Floor
- 1,500 slots
- 150 tables (including 30 poker tables)
- Casino Private Gaming Salons



### Detailed Project Design

Paragon has chosen Rockwell Group to lead the architectural design of the project, who will work in collaboration with the IBI Group, the designated architect of record also responsible for managing and overseeing the project's engineering team. More information about the proposal and rezoning application can be found on the Rezoning Centre page of the City of Vancouver website at [www.vancouver.ca](http://www.vancouver.ca).

