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## GENERAL NOTICE

No. 10

### EASTERN CAPE GAMBLING AND BETTING BOARD APPLICATIONS FOR CASINO LICENCES

*The Eastern Cape Gambling and Betting Board ("the Board") acting in terms of section 41(2) of the Gambling and Betting Act, 1997 (Act No. 5 of 1997) (Eastern Cape) ("the Act), hereby-*

- (a) invites applications for casino licences for the area set out hereunder;
- (b) gives notice for general information that, in accordance with the determination by the MEC for Economic Affairs, Environment and Tourism in the Provinces in terms of section 41(5) of the Act, the Province has been divided five areas (zones) and that applications are now invited for the following two areas, namely:

#### **Area 5**

The magisterial districts of Bizana; Flagstaff; Lusikisiki; Matatiele; Mount Currie; Maluti; Mount Ayliff; Maxesibeni; Mount Fletcher; Mount Frere; Siphageni; Tabankulu; Umsinkulu.

That one (1) licence may be awarded in the above area and that no licence may be transferred from one area to another : Provided that the Board may, subject to section 45(2) of the Act, issue a second licence in any area if no suitable applications are received in any other such area;

- (c) state that it is required that all casinos will be viable businesses which will contribute meaningfully to the development of the province, that directors, shareholders and managers of applicants will be unimpeachable individuals with a high level of integrity and professionalism; that the ventures are to be financially sound and supported by shareholders committed to the long term success of the venture and who have access to sufficient resources both to fund the venture over the long term and to meet the empowerment, community, economic, social, financial, management, development, environmental and other objectives set by the Board, including those set by the Board, including those set out in (d) below;

Applicants are also referred to sections 19, 31, 42 and 43 of the Act which contain provisions relating to the fact that licences can only be awarded to companies, general disqualifications, additional disqualifications and additional considerations respectively;

- (d) state that in accordance with section 43(1) of the Act and the determination of the Board, the **evaluation criteria** to be applied, in no particular order, will be as follows:

#### **Empowerment and community criteria:**

The extent to which the casino will promote sustainable employment at its locations and in the Province in general; the extent to which the applicant will procure labour, goods and services from the casino locality and Province in general for the construction and conducting of the casino; the extent to which the applicant intends to provide for the participation in the ownership or profits of the casino by persons, or groups or categories of persons, previously disadvantaged by unfair discrimination; any facilities the applicant will provide or furnish for the benefit of, or for utilisation or enjoyment by, any needy community at or near the premises, or to previously disadvantaged groups or individuals; the extent to which the grants of the licence will promote RDP objectives and the need for prioritisation of development in non-metropolitan areas.

#### **Economic criteria:**

The degree to which the granting of the licence will maximise new investment in the Province; the extent to which the applicant will reinvest profits in the Province; the potential taxation revenues to be generated; the extent to which the granting of the licence will result in the displacement of existing investment, spending, jobs and facilities in the Province; the extent to which the casino will promote tourism at the place where the premises will be situated and in the Province in general; the extent to

which the applicant will promote opportunities for small, micro and medium enterprises; whether the granting of the licence will create or aggravate a monopoly situation; whether the granting of the licence will result in an over saturation of casinos.

**Social criteria**

The extent to which the applicant will provide for the social development and upliftment for its employees; the extent to which the applicant will promote art, culture and sport as an element of tourism and local development; the extent to which the public interest will be protected, particularly regarding social gambling and proximity of the casino to schools, churches and other such entities; the extent to which the applicant will ensure sound human resources and employment equity practices.

**Financial criteria**

The financial control and shareholding of the applicant; the financial strength of the applicant; the applicant's financing structure and access to capital resources; the financing of empowerment shareholding; the financial viability of the applicant and the suitability of guarantees provided.

**Management criteria**

The propriety and integrity of the management of the casino; the access to expertise and experience of the casino operator; the access to expertise and experience of the operators of other amenities; the applicant's access to development and project management expertise; the applicant's access to international marketing expertise; the strategy and objectives the applicant intends to follow.

**Development strategy criteria**

The applicant's development strategy; the site location and size; the site layout and architectural design of structures; the casino size and design; the mix and design of non-casino features; the accessibility of the site by public and private transport; the internal and external security arrangements; that the applicant will be sole occupier of the casino premises with security of tenure.

**Environmental impact criteria**

Whether the casino will enhance the neighbourhood and environment; the infrastructural, physical, biophysical, cultural, social and visual impacts of the casino; the compliance with planning and other policies of various authorities; the distribution of development and prevention of over concentration of casinos;

**Minimum requirements**

The following minimum requirements shall apply in respect of zone 5:

- (a) A casino including gambling machines and a tables area;
- (b) A hotel which is to be owned or operated by the applicant or its wholly owned subsidiary;
- (c) Minimum project cost of R 250 million;
- (d) Conference facility;
- (e) Restaurants;
- (f) Crèche;
- (g) Children's play area;
- (h) Landscaped gardens;

- (i) A minimum effective economic interest by Zone 5 previously disadvantaged individuals or groupings in the development throughout the licence period of at least 30 % (of which at least 50% of the 30% must be in the form of a Trust for the benefit of the previously disadvantaged community in the area in which the casino is to be located);
  - (j) Local management company at least 50% held by Eastern Cape based previously disadvantaged individuals or groupings holding shares in the casino in the same proportion as contemplated in paragraph (i) is to derive at least 30% of the total management fees payable in respect of the casino;
  - (k) Financing of previously disadvantaged individuals/ the applicant to be sufficient that their stakes are secure even if dividends are not declared in the first three years or any year thereafter;
  - (l) the development is to be themed either to have a theme consistent with the culture, environment, history, tradition, tourist routes and/or architecture of the area in which it is to be located (e.g. "African") or to provide a radical "must see, must do" theme and as far as possible comments from the relevant District Municipality on how the theme ties in with the tourism theme for that area should be provided.
- (e) state that each licence shall, subject to the provisions of the Act, be valid for 10 (ten) years;
- (f) invite applicants to tender payment of a lump sum in consideration of exclusive right to conduct a casino in the area concerned;
- (g) state the exclusivity if granted will endure for the initial period of validity of the licence as set out in (e) above;
- (h) state the copies of the request for Proposal to be submitted by applicants and which sets out the Board's requirements in more detail, will be available at the offices of the Board, ECGBB Building, Quenera Office Park, Quenera Drive, Beacon Bay, East London **Monday, 21 January 2008** on payment of a non-refundable fee of R5000 (exclusive of VAT) (R5700,00 inclusive of VAT);
- (i) **STATE THAT THE CLOSING DATE FOR APPLICATIONS BE AT 11:00 SOUTH AFRICA STANDARD TIME ON MONDAY 21 APRIL 2008.**

**R M ZWANE**  
**Acting Chief Executive Officer**  
**Eastern Cape Gambling and Betting Board**

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