

Facility Purchase / Construction

In accordance with the Charitable Gaming Policies Handbook (CGPH) 4.4.13, with prior AGLC approval, groups that provide a facility for public use may be eligible to use gaming proceeds for the purchase, rental, capital, leasehold, and operating costs of the facility. AGLC may approve the use of gaming proceeds to purchase or construct a facility for the delivery of charitable programs

Before any gaming proceeds may be spent for facility purchase or construction, the group must submit a detailed business plan at least 60 days prior to the possession date or the start of construction.

The business plan must include the following:

- A copy of the membership and/or executive meeting minutes at which the purchase agreement (or other contractual agreement) was approved
- A detailed description of charitable program activity at the facility and any commercial use in any part of the facility
- A copy of the offer to purchase, purchase agreement, or other legal contractual agreement
- Legal fees for the purchase of the facility, including closing and land transfer title costs
- Location of facility, floor plan, and square footage
- Zoning of property (zoning must be compatible with the intended use of the land)
- Sources of gaming and non-gaming funding and/or proposed funding arrangements such as mortgages and loans
- Sources of funds for ongoing operating costs including, but not limited to, utilities, property taxes, insurance, and maintenance
- The possession or completion date

Facility costs must be managed on a cost-recovery basis. If the licensed group receives funding (donations/grants) specifically for the purchase or construction of a facility, these funds must be used prior to the use of gaming proceeds.

If constructing a facility on municipal, provincial, or federal lands, the group must provide written permission from the government body.

The purchase price or cost of construction must be no more than fair market value.

If the group is purchasing the facility from a member of the group or a related party, the relationship between/among the parties must be disclosed in the business plan.

Development of the land must be started within two years of land purchase, or the group will be required to redeposit the amount of gaming proceeds used for the original purchase back into the gaming account (Exception: nature conservation groups).

A group may request to retain gaming proceeds for the purchase or construction of a facility (see Retention of Gaming Funds or CGPH 4.4.14). All forms and information are available at aglc.ca

Any monies from the sale of a facility or land that were originally purchased with gaming funds must be deposited into the gaming account unless the property has AGLC designation as a vested facility.