

Family behind Pickering tourism proposal no stranger to big deals

Ajax mayor says Pickering lacks business case to move casino

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PICKERING -- The developer behind a massive tourism proposal in Pickering is from a family known for headline-grabbing real estate deals.

Pickering Developments Inc. is the applicant on a re-zoning application for Durham Live, a tourist destination proposed for the Bayly and Church streets area.

That name may not ring any bells, but the family behind the proposal also owns Triple Group of Properties, a Toronto firm with investments in Chicago, New York, Detroit, Florida and overseas.

The Apostolopoulos family -- Greek immigrant Andreas Apostolopoulos and his three sons Steve, Jim and Pete -- garnered international attention when Triple Group started buying up bargain properties in the Detroit area, including the 80,000-seat Pontiac Silverdome in Michigan, bought for the astonishing price of \$583,000 in 2009.

Triple Group followed up with the Penobscot Building, Detroit's third-tallest office tower, purchased for \$5 million in 2012, and Detroit's historic State Savings Bank, bought for about \$700,000.

The Apostolopoulos family was recently ranked No. 56 in Canadian Business magazine's annual list of "Canada's Wealthiest People." The rankings put the family's 2013 net worth at \$1.3 billion, up 23 per cent over the previous year.

Steve Apostolopoulos, co-founder and managing partner of Pickering Developments Inc., says there is "no affiliation" between the two companies owned by his family.

He says it's still too early to talk in detail about the Durham Live proposal, but pegs the project cost at about \$1.6 billion.



AJAX --Ajax Mayor Steve Parish says Pickering lacks business case to move casino. File photo from March 27, 2013

“Pickering is a fast-growing, thriving community ... that lacked a major entertainment or hospitality area,” he says, explaining why the site was chosen.

Pickering Developments has applied to rezone three parcels of vacant land located on the north side of Bayly, west of Church.

The proposal could potentially include a casino, five-star hotel, convention centre, performing arts centre, outdoor amphitheatre, movie theatre, restaurant plaza, waterpark and boutique hotel.

The current zonings -- which allow storage and manufacturing uses -- don't permit some of the proposed tourism projects, such as a casino or hotel.

Since there is no zoning category that allows for all the proposed uses, the intent is to create a site-specific zoning category called “major tourist destination.”

A public information meeting is planned for April 7, and a City staff recommendation report will follow in June or July.

In the meantime, mention of a casino in Pickering has raised questions about the future of Ajax Downs.

The Province has lumped Pickering, Ajax and Whitby into one “gaming zone,” which means there can only be one casino in the area.

Asked if he's worried about the Pickering proposal, Ajax Mayor Steve Parish's response was, “Frankly, no.

“The Ajax site is one of the most successful in the province,” he said. “When you go down the list and tick off the boxes, Ajax has it. The Province has made it clear, to move it off site, there has to be a strong business case. Pickering doesn't have one.”

The Town of Ajax received about \$6.9 million in revenue from Ajax Downs in 2012.

Ajax offered Whitby 15 per cent of what the Town receives, but Whitby officials turned it down. With that rejection, Ajax didn't approach Pickering.

Mayor Parish thinks the Pickering proposal is “one aspect” of the City trying to get some kind of revenue-sharing arrangement.

“There are going to be some people with red faces who didn't accept revenue sharing when it was offered,” he said. “They looked a gift horse in the mouth.”

In December 2012, Pickering council voted 4-3 to declare the city a willing host for an OLG gaming facility.

Councillors Bill McLean and Jennifer O'Connell and Mayor Dave Ryan were opposed.

The move came after the OLG announced a modernization plan that included grouping GTA municipalities into gaming zones -- including one zone for Ajax, Pickering and Whitby.

In response to the changes, Whitby declared itself a willing host in September 2012 and started negotiations with Ajax to receive a share of the Ajax Downs revenue, in exchange for not pursuing a gaming facility of its own.

Whitby ultimately rejected an offer of an annual 15-per cent share, or about \$1 million.

Pickering's move to become a willing host was an attempt to enter similar negotiations with Ajax.

While Pickering Mayor Ryan was among those who voted against being a willing host for a casino, Mayor Parish alleges Mayor Ryan is "working behind the scenes" to get one, adding "the politics on this is volatile."

"The fact that an application has been brought forward is not something that we've done," Mayor Ryan stressed.

He says the potential for 10,000 new jobs is what's driving his interest in the Durham Live proposal.

"The whole concept is to create an entertainment and tourism destination point in the eastern GTA, there isn't anything like that east of Niagara Falls," he said.

When asked about the potential for conflict between Ajax and Pickering as a result of the new casino proposal, Mr. Apostolopoulos said decisions about casino locations aren't his to make.

"The Province and OLG have the ultimate say in where the casino will go," he said, noting the Durham Live proposal isn't contingent on a casino, describing it as a "very small component" of the site.