
RICHMOND PREFERRED CASINO GAMING OPERATOR & LOCATION – ONE CASINO + RESORT



City Council Organizational Development Committee Meeting
June 7, 2021



Affordable Housing
Equitable Economic Development
Jobs
Reducing Poverty
School Funding
Services for Citizens
Stronger Economic Base



$$\mathbf{\$84M} = \mathbf{\$1M}$$

**Assessed New
Real Estate Value**

**New General Fund Real Estate
Tax Revenue @ \$1.20 Rate**



$$\$0.01 = \$2.51 \text{ M}$$

One Penny of the FY20 Real Estate Tax Rate of \$1.20

Projected General Fund Real Estate Tax Revenue in FY20
(Total FY20 Real Estate Tax Revenue was \$301.2M)



THEREFORE

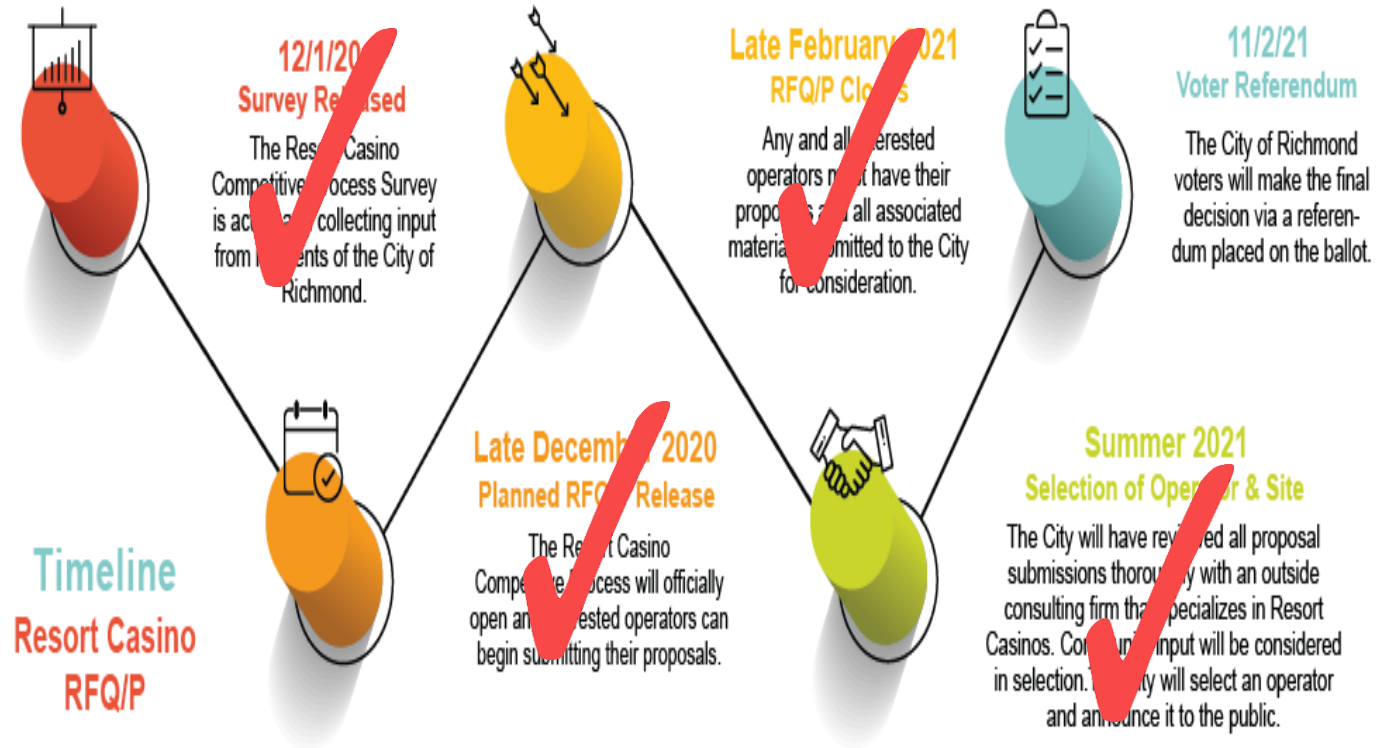
\$210.8M = \$.01

**Assessed New
Real Estate Value**

**One Penny of the
FY20 Real Estate
Tax Rate of \$1.20**



- In 2020 the Virginia General Assembly enacted Chapter 1197 of the 2020 Acts of the Assembly (and its identical counterpart Chapter 1248) which authorizes a process for licensing and regulating the development and operation of a limited number of casino gaming operations in the Commonwealth of Virginia (The “Virginia Casino Act”)
- Richmond is one of five cities that can have a casino gaming establishment licensed by the Commonwealth of Virginia if Richmond voters approve a casino at a specific location/site by voter referendum
 - Criteria is established in the Virginia Casino Act
 - The other four cities are Bristol, Danville, Norfolk, and Portsmouth
- Establishes tax paid to the City by the casino on it’s adjusted gross receipts
 - 6% tax on the first \$200 million of adjusted gross receipts
 - 7% tax on the adjusted gross receipts that exceed \$200 million and are less than \$400 million
 - 8% tax on the adjusted gross receipts that exceed \$400 million
 - The tax paid on the adjusted gross receipts does not include other tax revenue that would be payable to the City (i.e. Real Estate Tax, Sales Tax, Meals Tax, Lodging Tax, etc.)
- Richmond opted to have a voter referendum in November 2021, and prior to the voter referendum the City must:
 - Select the City’s preferred location/site for a casino
 - Select the City’s preferred operator to develop and operate the casino
 - Submit the City’s preferred casino operator to the Commonwealth of Virginia for pre-certification
 - The governing body of the host city petitions the court asking that a referendum be held on the question of whether casino gaming shall be permitted within the city
 - The question asked on the referendum will be, **“Shall casino gaming be permitted at a casino gaming establishment in [name of city and location] as may be approved by the Virginia Lottery Board?”**

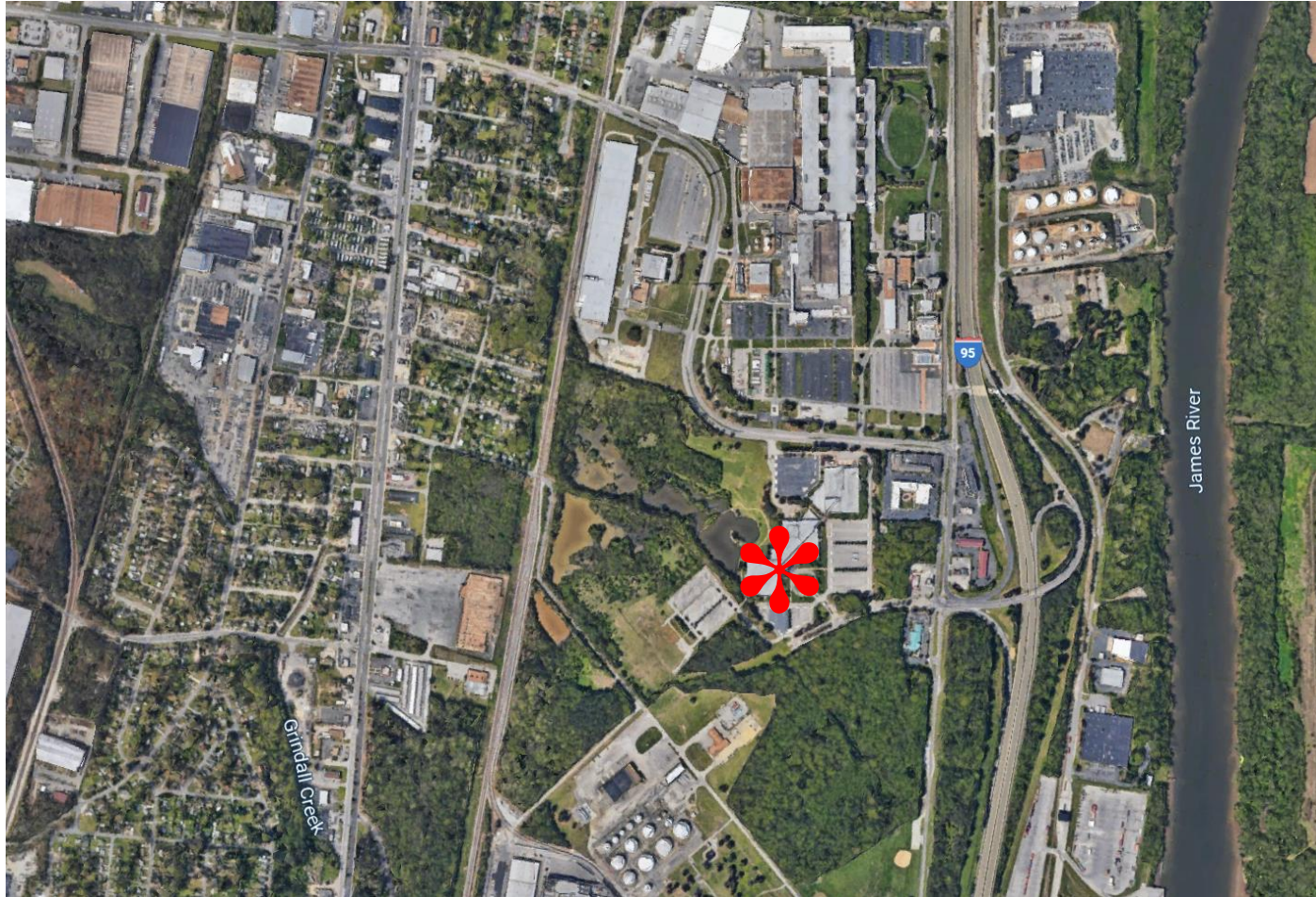


- **Considered requirements in the Virginia Casino Act and other criteria that can be categorized into five (5) overarching categories:**

- Project Feasibility and Sustainability
- Proposed Location
- Economic Development Impact
- Financial Revenue Impact
- Community Benefits



- **Owned by Urban One** – a multifaceted media company that has strong roots in Richmond as owners and operators of KISS-FM, ESPN Richmond, Praise Richmond and iPower
- **Developed and managed by Peninsula Pacific Entertainment** – owner and operator of casinos, Rosie’s Gaming Emporiums in Virginia, and Colonial Downs Racetrack in New Kent County, Virginia



- **Former “Philip Morris Operations Center”**

- 2001 Walmsley Boulevard and 4700 Trenton Avenue
- Approximately 108 acres¹
- \$35.6M assessed value
- Property has been for sale since 2009 according to media reports
- Direct access to Interstate 95 (North/South)
- At the intersection of Walmsley Boulevard and Commerce Road
- Served by GRTC Route 88
- Zoned M-2 – all of the project’s proposed uses are allowed by right

Notes:

1 – Approximately 97 acres of the site will be sold for the project

ONE CASINO + RESORT – PROJECT FEATURES



- 250 hotel rooms
- Resort amenities (pool, spa, & fitness center)
- Casino (poker room, high limit area, and sports wagering area)
- 15 food and beverage options
- 3,000 person event center for live entertainment
- 55-acre park and green space
- Radio, television, and film production studios and soundstage
- Convention, event, and meeting room space
- Parking garage and surface parking



The City of Richmond will not, nor does it have any obligations to, provide any funding for the development or operation of the proposed resort casino project for:

- Funding for public or private infrastructure required for the project
 - *§ 58.1-4110.B.4. – “Any required local infrastructure or site improvements, including necessary sewerage, water, drainage facilities, or traffic flow, are to be paid exclusively by the applicant without state or local financial assistance.”;*
- Abatements;
- Exemptions;
- Subsidies;
- Incentives;
- Rebates;
- Financing;
- Financial waivers; or
- Any type of funding or tax relief for the Project for the life of the Project

Note: Discretionary improvements to enhance the appearance of the public right of way, that are separate and apart from the public and private infrastructure improvements required for the project, may mutually be agreed upon by the City and the Owner in which case the Owner agrees to pay 50% of the cost of the beautification improvements (on Walmsley Boulevard adjacent to the project and within one-quarter mile for the intersection of Walmsley Boulevard and Commerce Road).

ONE CASINO + RESORT – 5-YEAR CONSERVATIVE GENERAL FUND REVENUE ESTIMATES



Current State
Former "Philip Morris Operations Center"

Revenue Source	5-Year General Fund Revenue
Real Estate Tax	\$2,136,960.00
Total	\$2,136,960.00

Proposed Future State
ONE Casino + Resort

Revenue Source	5-Year General Fund Revenue ¹
One-Time Upfront Payment ²	\$25,000,000.00
Real Estate Tax	\$12,033,345.00
Revenue on Casino Adjusted Gross Receipts (Statutory Tax & Incremental)	\$113,111,425.00
Business Personal Property Tax	\$6,660,000.00
Admissions Tax	\$2,866,500.00
Lodging Tax	\$3,240,000.00
Meals Tax	\$7,067,250.00
Sales Tax	\$1,347,300.00
Total	\$171,325,820.00

Notes:

1 – Does not include all revenue sources

2 – Payable to the City within 30 days of the passage and certification of the results of the voter referendum

ONE CASINO + RESORT – 5-YEAR CONSERVATIVE GENERAL FUND REVENUE ESTIMATES



Recently Completed Industrial Development Project (South Richmond)

Revenue Source	5-Year General Fund Revenue ¹
Real Estate Tax	\$4,199,640.00
Total	\$4,199,640.00

Recently Completed Commercial Office Development Project (Downtown)

Revenue Source	5-Year General Fund Revenue ¹
Real Estate Tax	\$18,428,460.00
Total	\$18,428,460.00

Recently Completed Mixed-Use Development Project (Scott's Addition)

Revenue Source	5-Year General Fund Revenue ¹
Real Estate Tax	\$3,439,560.00
Total	\$3,439,560.00

Notes:

1 – Assumes the assessed value stays the same

Proposed ONE Casino + Resort

Revenue Source	5-Year General Fund Revenue ¹
One-Time Upfront Payment ²	\$25,000,000.00
Real Estate Tax	\$12,033,345.00
Revenue on Casino Adjusted Gross Receipts (Statutory Tax & Incremental)	\$113,111,425.00
Business Personal Property Tax	\$6,660,000.00
Admissions Tax	\$2,866,500.00
Lodging Tax	\$3,240,000.00
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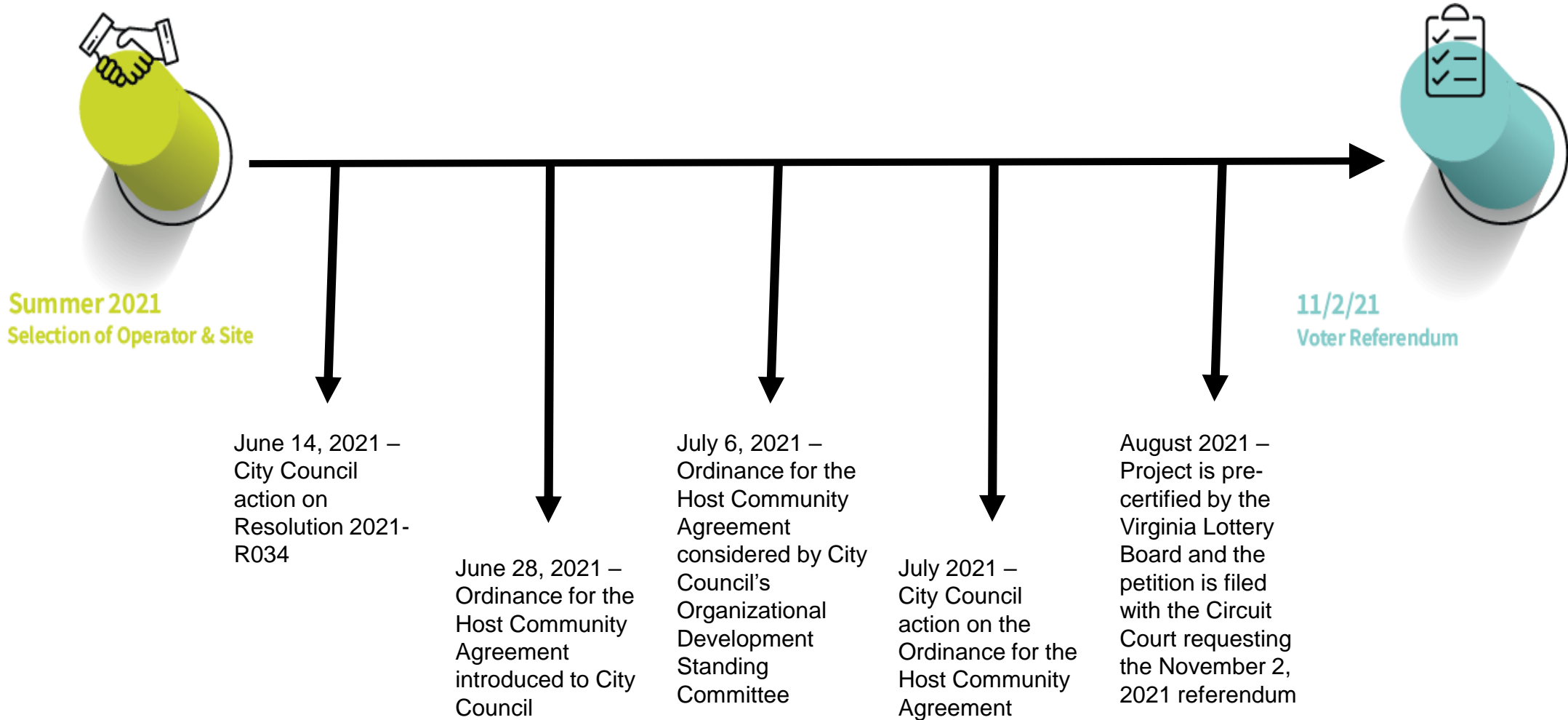


To select RVA Entertainment Holdings, LLC, as the City's preferred casino gaming operator to operate a casino gaming establishment located at 2001 Walmsley Boulevard and 4700 Trenton Avenue and to provide for the requisite referendum pursuant to Va. Code § 58.1-4123.

TERM SHEET RESORT CASINO HOST COMMUNITY AGREEMENT CITY OF RICHMOND & RVA Entertainment Holdings, LLC	
<p>This non-binding Term Sheet sets forth the proposed minimum business terms and conditions regarding the Host Community Agreement for a Resort Casino Project in the City of Richmond, Virginia between the City of Richmond, Virginia and RVA Entertainment Holdings, LLC ("Owner") as the owner of ONE Casino + Resort. The terms provided herein are non-binding and are solely intended to set forth the minimum business terms to be utilized in finalizing a more detailed and definitive Host Community Agreement which would facilitate the contemplated transaction between the City of Richmond and the Owner ("Agreement").</p>	
General Terms and Conditions:	
Host City:	City of Richmond, Virginia ("City")
Resort Casino Owner & Manager:	ONE Casino + Hotel (RVA Entertainment Holdings, LLC) ("Owner") ONE Casino + Hotel (Richmond VA Management, LLC) ("Manager")
Site:	"Phillip Morris Operations Center" 2001 Walmsley Boulevard (Parcel ID# S0090310019) 4700 Trenton Avenue (Parcel ID# S0090387001)
Project Branding:	ONE Casino + Resort
Capital Investment:	The Project Capital Investment shall be a minimum of \$562,534,705 (subject to a reasonable contingency amount) and shall be made pursuant to the "Development Cost Schedule" (see attached).
Approximate and Minimum Square Footage:	The Owner shall develop and open a luxury resort casino project that has approximately 1,061,000 million square feet (minimum of 1,007,950 square feet), estimated as follows: Parking Garage – 525,000 sf. (min 498,750 sf.) Gaming Floor and Support – 117,000 sf. (min 111,150 sf.) Food & Beverage and Support – 84,000 sf. (min. 79,800 sf.) Hotel/Convention/Spa – 265,000 sf. (min. 251,750 sf.)
<small>Term Sheet – Resort Casino Host Community Agreement – ONE Casino + Resort Page 1 of 10 May 21, 2021</small>	

The full Term Sheet for the Host Community Agreement is included with Resolution No. 2021-R034.

NEXT STEPS





- Creates a significant number of *new good paying jobs with benefits* for Richmond citizens
- Creates significant *new general fund revenue* to address Richmond's priorities and to help to keep taxes low for everyone in Richmond
- Creates a significant *new economic engine in South Richmond*



Resort Casino Engagement



Public Engagement Opportunities

The engagement process follows 5 phases outlined below. All materials, meeting links, and digital workshop links will be shared on www.rva.gov/economic-development/resort-casino

1 Share & Listen

February 26 – April 4, 2021

Purpose: Evaluation panel listens to the community. Community will have the opportunity to learn about resort casino developments across the nation, receive an overview of the 6 proposals, ask questions about the proposed projects, and answer questions about benefits, revenue, and mitigation.

Overview Period

Starting February 26, one-page summaries of each proposal written by each operator are available on www.rva.gov/economic-development/resort-casino

Virtual Meetings: Process & Precedents

Held via MS Teams, community members will learn about 1) the community engagement process and 2) the community benefits a resort casino may provide, how communities have used resort casino revenues, and how a resort casino may mitigate negative impacts. Meetings will be recorded and posted on the website. All meeting links will be posted on www.rva.gov/economic-development/resort-casino

- City-wide Meeting: March 9, 6 P.M.
- City-wide Meetings: March 10, 12 P.M.
- Community Meetings: TBA

Digital Workshop 1: Benefits, Revenue, & Mitigation

Open from March 9 - April 4 and held on Konveio, the community can view examples of precedents from other communities and provide comments and ask questions related to:

- **Benefits:** What are meaningful community benefits for the city? Your community?
- **Revenue:** What would you do with new revenue?
- **Mitigation:** What concerns you about a casino in Richmond? How can those concerns be mitigated?

Virtual Meetings: Proposal Videos

Held via MS Teams, community members will learn more details about the proposals. Meetings will be recorded and posted on the website.

- City-wide Meeting: March 23, 6 P.M.
- City-wide Meeting: March 30, 6 P.M.
- City-wide Meeting: March 31, 6 P.M.
- City-wide Meeting: April 1, 6 P.M.
- Community Meetings: TBA

Digital Workshop 2: Proposals

Open from March 22 - April 4 and held on Konveio, the community can view short videos of the proposed projects and provide comments and ask questions about the project.

Canvassing

Canvassing will engage community members to spread the word about the proposed project, and encourage the community to submit feedback digitally on Konveio or email.

2 Report

April 8 – 9, 2021

Purpose: Evaluation Panel reports what they heard during Round #1.

Virtual Meetings

Held via MS Teams, community members will hear a report of the input received in Round #1. Meetings will be recorded and posted on the website.

- City-wide Meeting: April 8, 6 P.M.
- City-wide Meeting: April 9, 12 P.M.
- Community Meetings: TBA

3 Recommend

May – June, 2021

Purpose: Evaluation panel shares the recommended location, operator, and terms of the deal.

Virtual Meetings

Held via MS Teams, community members will learn the location, operator, and terms of the deal. Meetings will be recorded and posted on the website.

- City-wide Meetings: TBA
- Community Meetings: TBA

Council Meetings

Council meetings will be held to consider legislation related to the recommended operator and location.

4 Engage & Inform

June – November, 2021

Purpose: Continue to engage and inform the community about the details of the proposed resort casino project.

Details to be announced.

5 Voter Referendum

November 2, 2021

Purpose: Voter referendum on the ballot to vote on the resort casino site and operator.

Vote at your precinct on November 2, 2021

*All meeting links and Konveio links will be shared at www.rva.gov/economic-development/resort-casino

The screenshot shows the City of Richmond website's 'Richmond Resort Casino Development' page. The header includes the City of Richmond logo, 'RVA RICHMOND VIRGINIA', and navigation links for 'VIRTUAL CITY HALL', 'SOCIALS PAGE', and 'CITY NEWS'. A search bar is present with the text 'Type it, find it'. Below the header is a secondary navigation menu with categories like 'Economic Development', 'COVID-19 Help', 'About Us', 'RVA Advantages', 'Site Selection', 'Financial Tools', 'New Initiatives', 'Transportation', and 'RVA Tourism'. The main content area features a 'Contact Us' section with phone, email, and address information. Below that is a 'Virtual Meetings' section stating that links will be posted as they become available. A 'Virtual Meetings Archive' section lists an 'Education' meeting on Tuesday, May 25th, 6 P.M. The right side of the page has a 'Richmond Resort Casino Development' section with a sub-header 'In 2021, Richmond voters will have the opportunity to bring a resort casino to the city.' and a 'Term Sheet' graphic. A red circle is drawn around the '3 Recommend' section in the left sidebar of the page.

<https://www.rva.gov/economic-development/resort-casino>

