

Resort Casino

Richmond City Council
Organization Development Standing Committee
June 5, 2023



DEPARTMENT OF
**ECONOMIC
DEVELOPMENT**

ONE Casino + Resort



Co-Owned by Urban ONE and Churchill Downs, Incorporated

- Urban ONE is a publicly traded integrated media company
- Churchill Downs, Incorporated is a publicly traded company that owns and operates live and historic horse racing entertainment venues (including the Kentucky Derby) and regional casino gaming properties



ONE Casino + Resort



\$562M Capital Investment & 1,300 new jobs

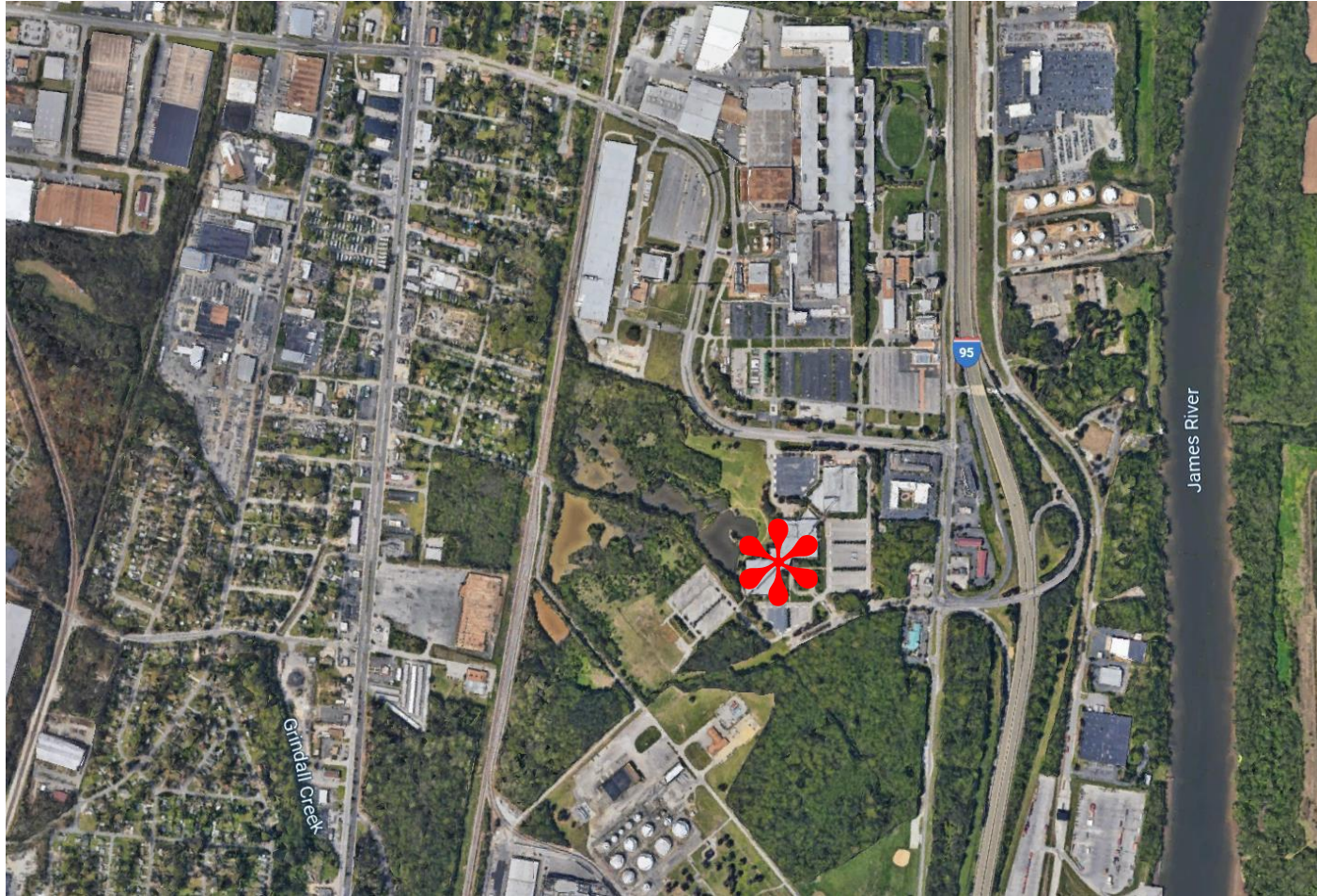
- 250 room luxury hotel
- Resort amenities (pool, spa, & fitness center)
- Live entertainment venue and conference center
- Food and beverage amenities
- Casino
- 55-acre park and green space
- Radio, television, and film production studios and soundstage
- Parking garage and surface parking



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ONE Casino + Resort - Location



Former “Philip Morris Operations Center”

- 2001 Walmsley Boulevard & 4700 Trenton Avenue (97-acres of the site)
- \$31M assessed value (decrease of \$4.5M since 2020)
- Direct access to Interstate 95 (North/South)
- 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

No City Funding for the Project

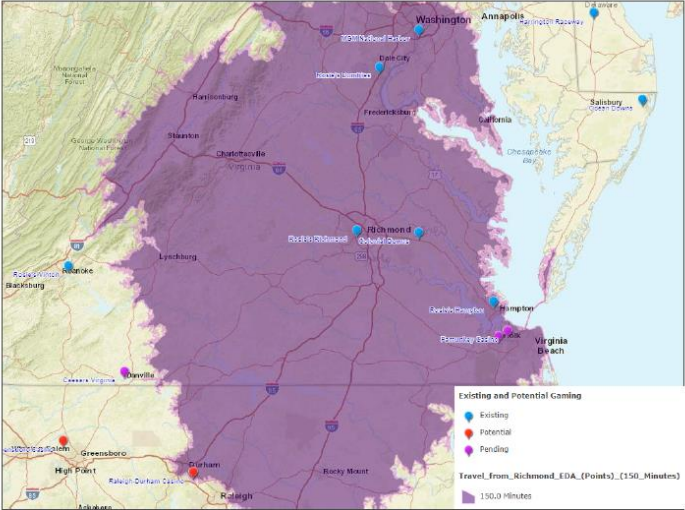
The City of Richmond will not, nor does it have any obligations to, provide any funding for the development or operation of the resort casino project:

- Virginia prohibits state or local funding for infrastructure required for the project
 - *§ 58.1-4110.B.5. – “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.”*
- Host Community Agreement prohibits other forms of City funding for the project
 - Section 4.01(b) – “The City shall not provide any abatements, exemptions, subsidies, incentives, rebates, financing, financial waivers, or any other type of funding or tax relief for the Project during the life of the Project.”

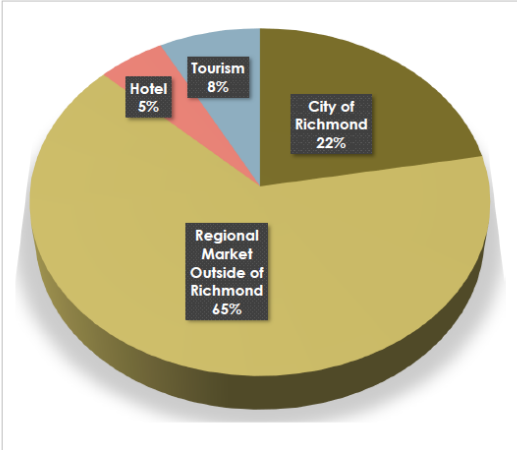
Note: Discretionary improvements to enhance the appearance of the public right of way, that are separate and apart from the public and private infrastructure improvements needed for the project, may mutually be agreed upon by the City and the Owner in which case the Owner agrees to pay 50% of the cost 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).

2021 Market Analysis

2.5 HOUR REGIONAL MARKET



SOURCES OF GAMING REVENUES



Gaming Revenue Potential by Source, Downtown Richmond Site

SOURCE	GGR	SHARE OF GGR
City of Richmond Residents	\$72,696,641	22.2%
Regional Market Outside of Richmond	\$212,954,691	64.9%
Hotel	\$16,859,702	5.1%
Tourism	\$25,472,569	7.8%
TOTAL	\$327,983,603	100.0%

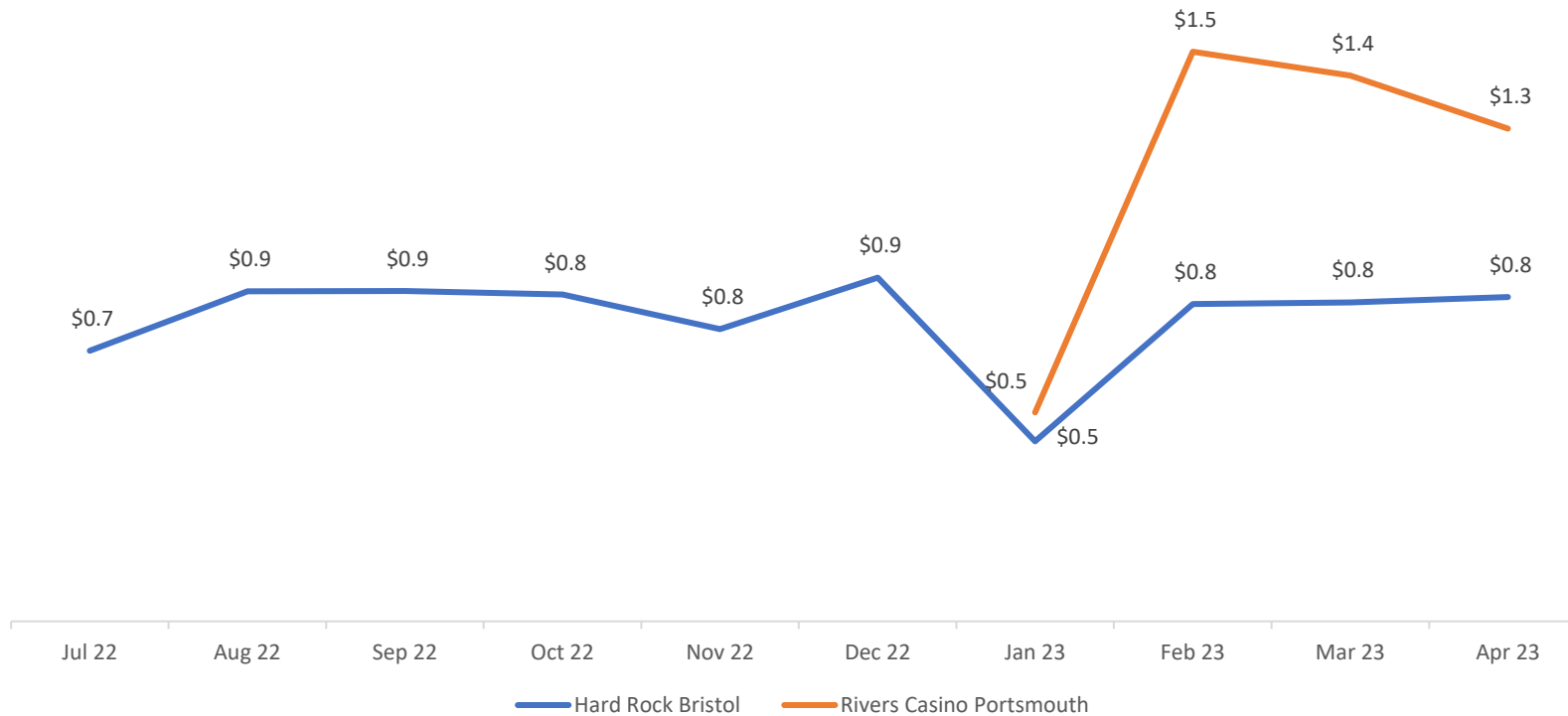
Source: CSG projections

New General Fund Revenue

- **\$25.5M one-time upfront payment 30 days after the passage and certification of the voter referendum**
- **\$1M one-time upfront payment within 5 business days following closing on the financing for the Gaming Facility**
- **\$30M projected annual tax revenue (Statutory Gaming Tax; Negotiated Additional Payments; Real Estate Tax, Business Property Tax, Admissions Tax, Lodging Tax, Meals Tax, Local Sales Tax)**

Actual Local Gaming Taxes Paid to Host Cities

Local Gaming-Related Taxes (millions)



Source: Virginia Lottery, Casino Activity Report

- Since opening in July 2022, the Hard Rock Casino in Bristol has paid a total of \$7.9M in gaming-related taxes to the locality (\$800K each month)
*
- Since opening in January 2023, the Rivers Casino in Portsmouth has paid a total of \$4.7M gaming-related taxes to the locality (\$1.2M each month)

Community Benefits

- **\$55K average annual compensation package (inclusive of wages, tips, bonuses, payroll and related expenses)...\$15/hour minimum pay for tipped and non-tipped positions for direct hires of the resort casino**
- **60% goal for hiring Richmonders to work at the Project after construction**
- **Local hiring goals for construction jobs...higher of \$15/hour or the prevailing wage rate for construction jobs**
- **40% MBE participation goal for the construction and operation of the project**
- **40% goal for non-skilled and skilled union personnel during construction**

Community Benefits

- **\$200K annually to fund mental health professionals and resources to prevent and treat problem gaming in the City of Richmond (funding is in addition to what the Owner is required to pay to the Commonwealth of Virginia)**
- **\$325K annually to support transit mobility solutions to support travel of employees to/from work**
- **\$25M over 10 years in advertising for the City of Richmond for public service announcements, education, tourism promotion, etc**
- **\$50M spend by the Owner's affiliates over 10 years to produce television, movie and audio/visual content in the City of Richmond**
- **Project designed and constructed to LEED silver standards**

Key Dates

- **June 5, 2023 – Organization Development Standing Committee**
- **June 12, 2023 – City Council Meeting**
- **November 7, 2023 – Voter Referendum**
- **May 2026 – Gaming Facility Opens**
- **May 2029 – All construction complete**

Advantages for Richmond

- **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**
- **Creates a significant new economic engine in South Richmond**
- **Does not require public funding**

Thank You



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