



City Council Organizational Development Committee Meeting
July 6, 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**



\$.01 = \$2.51 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

$$\mathbf{\$210.8M = \$.01}$$

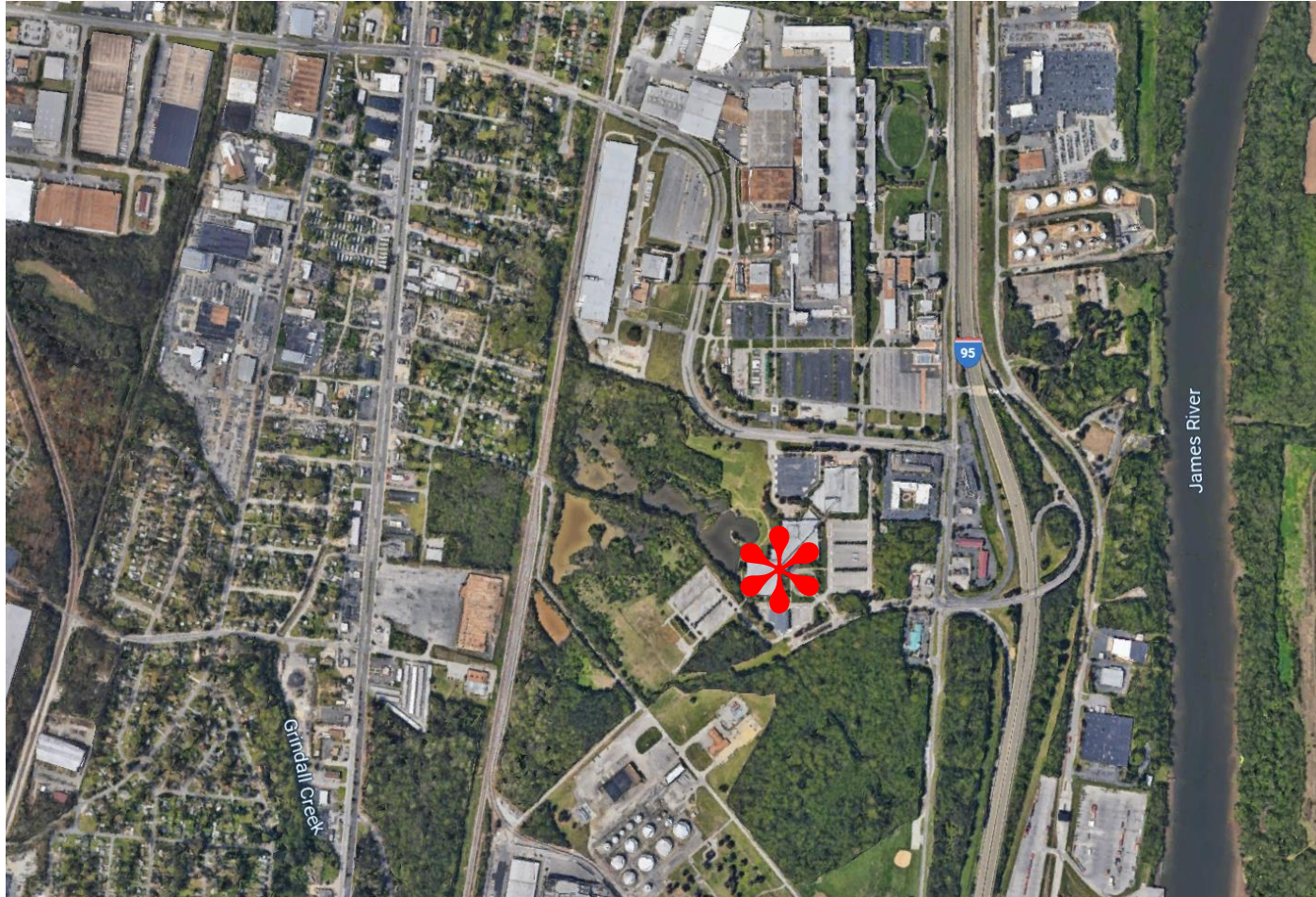
**Assessed New
Real Estate Value**

**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?”**



- **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	\$26,500,000.00
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	\$172,825,820.00

Notes:

1 – Does not include all revenue sources

2 – Additional \$1.5M upfront payment included; \$25.5M payable to the City within 30 days of the passage and certification of the results of the voter referendum; \$1M payable to the City within 5 business days following closing of Financing for construction of the project

HOST COMMUNITY AGREEMENT



Host Community Agreement	ONE Casino + Resort
Capital Investment	\$562.5M
Project Size	1.061M sf. Under roof
# of Hotel Rooms / Resort Features	250 rooms / pool, spa, and fitness center
Entertainment Venue	3,000 person capacity entertainment venue
Green Space & Park	55-acre green space & public park developed and maintained by the property owner
Sustainable Development	Design and built to LEED Silver standards
Production Studio	15,000 sf for television and film production <i>(operational for a minimum of 6 years)</i>

Host Community Agreement	ONE Casino + Resort
Point & Reward Program	Allows customers to redeem points for food, beverage, merchandise and admission to businesses and organizations in Richmond; no cost for businesses and organizations to participate
Food & Beverage Plan	15; including at least 4 non food hall options <i>(minimum of 15 food & beverage options are operational for a minimum of 4 years)</i>
Local Richmond Restaurants	50% of non-"sit down" options will be local Richmond restaurants; right of first refusal for 3 of the "sit down" restaurants; casino owner pays for the tenant build out; tenant gets 4 months free rent <i>(local Richmond restaurants get right of first refusal to reopen a closed restaurant if local Richmond restaurants comprise less than 50% of the "sit down" or non-"sit down" establishments)</i>
Richmond Region Tourism Desk	Desk/kiosk space for Richmond Region Tourism

HOST COMMUNITY AGREEMENT



Host Community Agreement	ONE Casino + Resort
Art	\$500K in art (35% of the total spend will be to Richmond artists); rotating art walls will act as exhibit space for local artists
Public Safety	Access to a security room provided to RPD to respond to incidents, process arrestees and conduct investigations as they occur; real-time access to exterior cameras

Host Community Agreement	ONE Casino + Resort
Public & Private Infrastructure	Owner is solely responsible for costs to construct and maintain onsite and offsite public and private infrastructure required for the project; TIA submitted to the City no later than December 1, 2021
Area Beautification	City and the Owner shall mutually agree on physical improvements and equal cost sharing to enhance the appearance in the public right of way of Walmsley Boulevard adjacent to the project and within .25 miles of the intersection of Walmsley Boulevard and Commerce Road

HOST COMMUNITY AGREEMENT



Host Community Agreement	ONE Casino + Resort
Open Date	Target open date is December 31, 2023; provision that allows for the forced sale of the project if not opened by December 31, 2024 <i>(Target date for substantial completion and opening is on or before October 1, 2024 and Final completion date is on or before October 1, 2025; provision that allows for the forced sale of the project if final completion is not reached on or before October 1, 2025)</i>
City Funding for the Project	None
Mitigation Payment <i>(Community Support Agreement)</i>	City will receive a mitigation payment by formula if a Class III gaming facility opens in Dumfries, VA or Prince William County, VA that is operated by the Owner or Manager of the project
Historic Horse Racing Support for Richmond Public Schools <i>(Community Support Agreement)</i>	Owner's Manager shall donate \$150K over five years to the RPS Schools Education Foundation

Host Community Agreement	ONE Casino + Resort
One-Time Payment to the City	\$25M upon passage and certification of the referendum; funds will be deposited into an escrow account upon Council's approval of the Host Community Agreement <i>(\$25.5M upon passage and certification of the referendum; additional \$1M upon closing on financing for the construction of the project)</i>
Ongoing Annual Payments to the City (in addition to the statutory gaming tax payments required by law)	3% of the Resort Casino Gaming Revenue (minimum of \$5M annually) starting January 1, 2025 <i>(3% of the Resort Casino Gaming Revenue (minimum of \$5M annually starting October 1, 2025))</i> City will receive a % of the Owner's revenue share of on site sports wagering Note: Based on the opening date and only for CY 2024, the additional payment to the City may be less than 3% and may not be a minimum of \$5M for CY 2024 <i>(The additional payment to the City may be less than 3% and may not be a minimum of \$5M (or proration for a calendar year) prior to October 1, 2025)</i>

HOST COMMUNITY AGREEMENT



Host Community Agreement	ONE Casino + Resort
Jobs	1,300 direct jobs hired by the resort casino (953 FT / 347 PT); 200 jobs created by 3 rd party companies operating a business at the resort casino
Jobs for Richmonders	Goal of 60%
Resort Casino Wages	\$55K average annual compensation package (inclusive of wages, tips, bonuses, benefits, payroll and related expenses); \$15 per hour minimum pay for tipped and non-tipped positions for direct hires of the resort casino
MBE Participation (Construction & Operation)	Goal of 40% for Minority Business Enterprises and Emerging Small Businesses

Host Community Agreement	ONE Casino + Resort
Construction Jobs for Richmonders	Goal of 100% of all new construction laborers hired to work on the project; 60% of contractors/sub-contractors construction laborers already employed; 50% of all new skilled construction trades workers hired to work on the project; 15% of contractors/sub-contractors skilled construction trades workers already employed
Construction Wages	Prevailing wage rate for Richmond according the Davis-Bacon Act and no less than \$15 per hour
Union Labor Man Hours	Goal of 40% for non-skilled and skilled union personnel

HOST COMMUNITY AGREEMENT



Host Community Agreement	ONE Casino + Resort
Support for Local Community Organizations	\$16M over the first 10 years of the Project (includes \$6M for the Office of Community Wealth Building, Richmond Public Schools, and research initiatives)
Problem Gambling	Up to \$200K annually to fund mental health professionals and resources to prevent and treat problem gambling in the City of Richmond (funding is in addition to what the Owner is required to pay to the Commonwealth of Virginia) <i>(\$100K minimum)</i>
Transit Mobility Solutions	\$325K annually to support transit mobility solutions to support travel of employees to/from work

Host Community Agreement	ONE Casino + Resort
Reimbursement of City Expenses	Up to \$500K
Richmond Advertising Spend	Owner's affiliates shall provide the City of Richmond with \$25M over 10 years in advertising for public service announcements, education, tourism promotion, and etc.)
Production Spend	Owner's affiliates shall spend \$50M over 10 years to produce television, movie, and audio/visual content in the City of Richmond
Reporting	Quarterly progress reports submitted beginning July 1, 2022

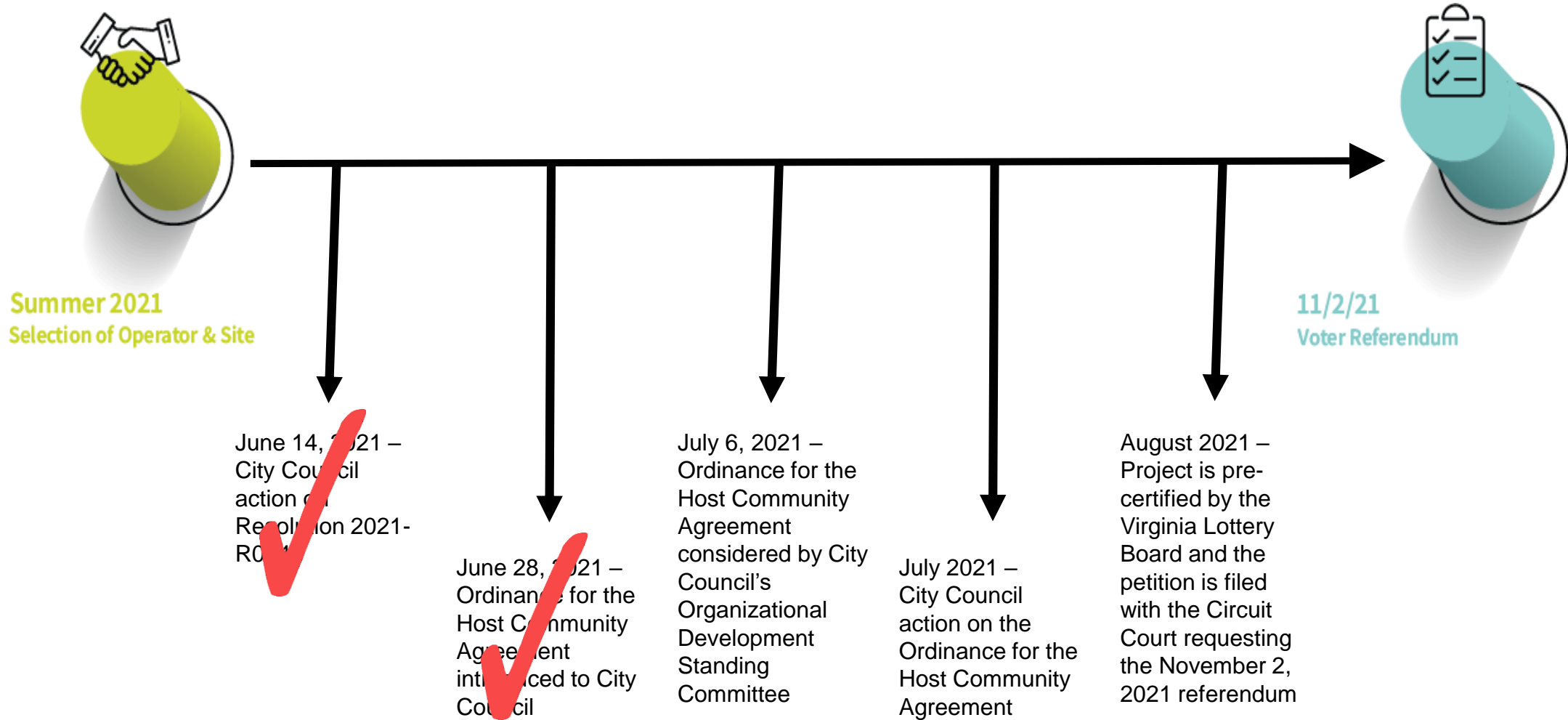


Exhibit C Milestone Schedule

Subject to Force Majeure, the Owner shall exercise its commercially reasonable best efforts to achieve the following development milestones:

1. On or before December 1, 2021, Owner shall submit to the City a complete TIA per the agreed upon scope of work (see section relative to Public & Private Infrastructure).
2. On or before December 15, 2021, Owner shall file with the Virginia Lottery Board and any other applicable governmental authorities all applications necessary to obtain a casino license and provide to the City satisfactory evidence thereof.
3. On or before thirty (30) days following the passage and certification of the results of the November 2, 2021 voter Referendum (the "Referendum"), Owner shall complete and submit all required applications for zoning and land use approvals.
4. On or before ninety (90) days following the passage and certification of the results of the Referendum, Owner shall complete and submit a plan of development for all components of the Project (Casino, Hotel, Food and Beverage Establishments, Resort Features, Structured Parking Garage, Park/Greenspace, Conference Center and Event Space, Soundstage, Radio Broadcast Booth, and Entertainment Venue, collectively the "Project").
5. On or before February 1, 2022, Owner shall apply for permits for demolition with respect to the Property.
6. On or before April 1, 2022, Owner shall close on the purchase of the Property.
7. On or before April 1, 2022, Owner shall commence construction, including demolition work, drainage work, dredging, excavation, grading, and all other site work, and installation of utilities and continue thereafter to diligently pursue the construction of the Project subject to receipt of Permits.
8. On or before October 1, 2022, Owner shall submit construction plans for the Project and apply for building permits.
9. On or before January 18, 2023, Owner shall close on the Financing necessary to complete the Project and continue construction of the Project; the closing date of such Financing (the "Financing Date")
10. On or before the date that is twenty-one months after the Financing Date or October 1, 2024, whichever is earlier, Owner shall achieve Substantial Completion of the Project.

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.

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

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

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

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?

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

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.

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.

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 on www.rva.gov/economic-development/resort-casino

The screenshot shows the City of Richmond website's 'Resort Casino Development' page. At the top, there is a navigation bar with 'VIRTUAL CITY HALL', 'SOCIALS PAGE', and 'CITY NEWS'. A search bar is on the right. Below the navigation bar, there are several menu items: 'Economic Development', 'COVID-19 Help', 'About Us', 'RVA Advantages', 'Site Selection', 'Financial Tools', 'New Initiatives', 'Transportation', and 'RVA Tourism'. The main content area is divided into several sections: 'Contact Us' (with phone, email, and address), 'Virtual Meetings' (with a note that links will be posted as available), 'Virtual Meetings Archive' (with a sub-section for 'Education' and a link to a meeting recording from Tuesday, May 25th, 6 P.M.), and 'Richmond Resort Casino Development'. This section includes the text: 'In 2021, Richmond voters will have the opportunity to bring a resort casino to the city.' It also mentions that legislation was adopted by the Virginia General Assembly and signed into law by Governor Northam. A link is provided for the 'Term Sheet' (ONE Casino + Resort), which is highlighted in a purple box with the text 'Term Sheet'.

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

