



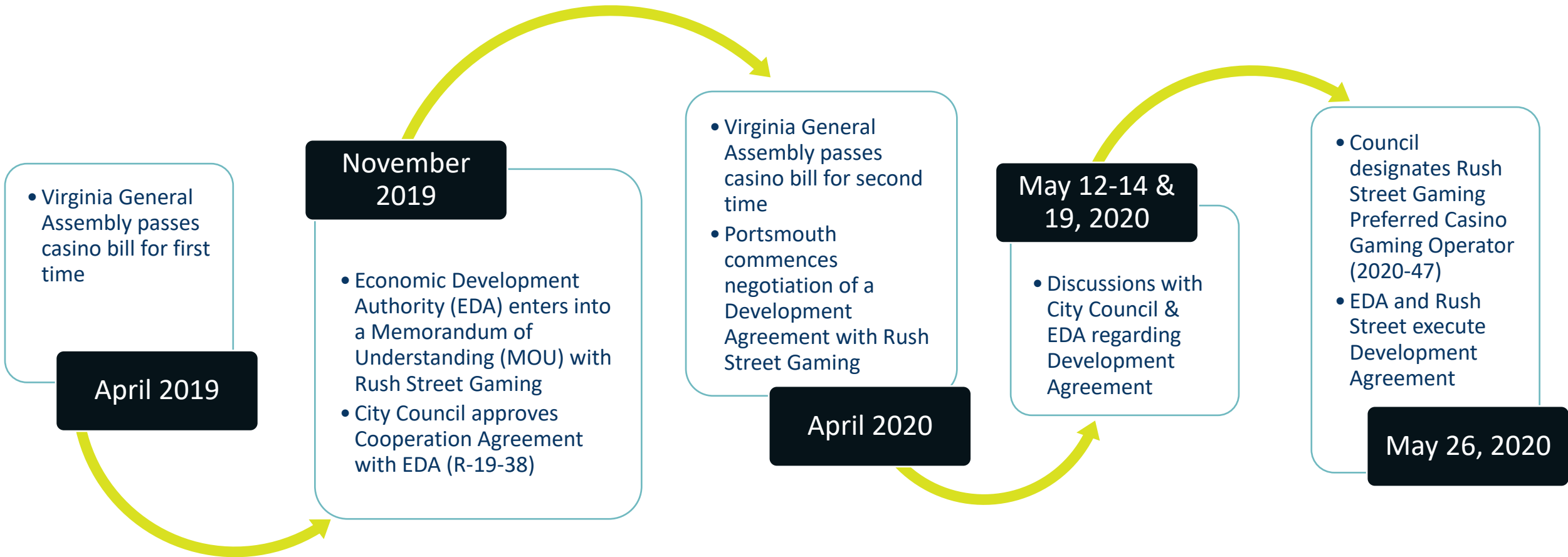
RUSH STREET

Rush Street Development Agreement Informational Presentation

*Presentation Last Updated:
March 2021*



Development Agreement Process



Development Agreement Terms



Rush Street Gaming (RSG) to submit proposal to City Council for approval	Complete
RSG to obtain City Council designation of “Preferred Casino Gaming Operator”	Complete
RSG to submit application for preliminary licensing approval to the Virginia Lottery Department	Complete
RSG to receive preliminary approval from the Lottery	Complete
City to hold referendum on whether voters want a casino gaming establishment at the Victory site	Complete
RSG to obtain City zoning approvals	<i>In Process</i>
RSG to submit application for final licensing approval to Lottery	<i>Pending</i>
RSG to close on acquisition of property	<i>Pending</i>

Development Agreement Terms



- Purchase Price: \$400,000 per acre
- Required Investment by RSG: not less than \$300 million
- Infrastructure
 - RSG solely responsible for all road improvements, flood mitigation and other infrastructure costs directly necessary for Casino, Hotel, Convention Center, Structured Parking.
- Initial Phase
 - Casino gaming establishment including slot machines and table gaming, together with multiple restaurant venues.
- Other Elements of Development:
 - Hotel
 - Conference Center
 - Structured Parking
 - Outparcels

Development Agreement Terms



- Developer authorized to commence hotel at any time after initial closing.
- Development must commence Hotel within one year of the following:
 - Net Gaming Revenue exceeds \$175 million over a 12-month period while a casino located within 15 miles is open to the public; OR
 - Net Gaming Revenue exceeds \$250 million over two consecutive 12-month periods.
- If Hotel has not been developed after casino open for four years:
 - EDA has the right to ground lease property from RSG at a rent of \$1.00 a year and bring in another developer to construct hotel.

Development Agreement Terms



Minority Participation Plan

- Minority Participation Plan required as part of RSG's proposal to City Council and submitted to Lottery as part of RSG's preliminary application.
- Closing on any portion of the property is conditioned on RSG demonstrating compliance with the Plan.
- RSG required to provide regular updates on implementation of the Plan.

Development Agreement Terms



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Development Agreement Terms

Minority Participation Plan



- Goal of 30% of Casino and Hotel costs of construction paid to either minority-owned or SWaM/DBE certified contractors
- Procedural requirements to attempt to meet minimum goal:
 - To be awarded project, General Contractor (GC) must:
 - present strategy for achieving goal
 - demonstrate historical MBE/WBE utilization
 - RSG and GC to hold informational forums working with diverse community-based business associations
 - GC to leverage professional affiliations for outreach
 - GC to emphasize contracting goal at pre-bid meeting of potential subcontractors and suppliers
 - Minority/SWaM/DBE participation to be a factor in GC award of bids
 - When insufficient capacity exists, RSG and GC to consider encouraging large subs to enter joint ventures

Development Agreement Terms



Minority Participation Plan

- If a contract awarded by GC does not include minority/SWaM/DBE participation, GC must document why.
- GC to host one or more community outreach hiring conferences to build database of qualified skilled tradesmen from Portsmouth and the region who can be referred to contractors.
- GC to collect and track utilization, provide monthly reports, and provide summary report at end of project.

Development Agreement Terms



Minority Participation Plan

- RSG to solicit not less than \$5 million in equity investment from minority-owned businesses and investors who are accredited.
- Primary emphasis for solicitation of investors is Portsmouth residents.

Development Agreement Terms

Wage & Other Construction Requirements



- Davis-Bacon wages required.
- Participation in certified Department of Labor (DOL) apprenticeship programs.
- Preferences for hiring of residents of Portsmouth and adjacent localities, veterans, women, and minorities.
- Provide health insurance and retirement benefits for full-time employees.
- Provisions binding on GC and all subcontractors.

Development Agreement Terms

Casino & Hotel Operation – Hiring/Wages/Vendor



- Full-time employees to be paid not less than 125% of federal minimum wage.
- Hiring preferences for residents of Portsmouth and adjacent localities, veterans, women, and minorities.
- All full-time employees to have access to health insurance and retirement savings benefit opportunities.
- Requirements also apply to employees of third-party providers of services on site where projected contractual fees exceed \$500,000.
- RSG to adopt “Local First” policy for purchases from vendors.

Development Agreement Terms

Casino & Hotel Operation – Hiring/Wages/Vendor



- Taxes and other revenues received by the City from the casino estimated to be approximately \$15 million annually.
- In addition, RSG to provide City with annual payment equal to 1.5% of net gaming revenue generated the previous year between \$150 million and \$200 million and 2% of net gaming revenue generated the previous year over \$200 million.
- Net gaming revenue includes revenues from the casino itself plus 20% of online sports betting revenues from RSG's Virginia sports betting license.

Important Contact Information



Rivers Casino Portsmouth Website

<https://www.riverscasinoportsmouth.com/>

General Information Email

port.info@rushst.com

Email to inquire about becoming a Minority Investor

portsmouth.minorityinvestors@rushst.com

Email to inquire about Casino Jobs

port.jobs@rushst.com

Email to inquire about Vendor Opportunities

port.vendors@rushst.com

Sign up to become a Construction Subcontractor with the local General Contractor, S.B. Ballard

<https://www.sballard.com/bid-with-us/>