

A RESOLUTION DESIGNATING RUSH STREET GAMING LLC AND ITS AFFILIATE PORTSMOUTH GAMING HOLDINGS, LLC AS THE PREFERRED CASINO GAMING OPERATOR FOR THE CITY OF PORTSMOUTH.

WHEREAS, the Economic Development Authority owns an approximately 50 acre site with direct interstate access and highway visibility (the “Victory Site”); and

WHEREAS, by Resolution adopted on July 16, 2019, EDA authorized staff to market the Victory Site for development of an entertainment district to include casino gaming (the “EDA Resolution”); and

WHEREAS, by Resolution R-19-25 adopted by City Council on July 23, 2019, the City endorsed the EDA Resolution; and

WHEREAS, the Victory Site was successfully marketed by EDA and on November 18, 2019 EDA entered into a Memorandum of Understanding with Rush Street Gaming LLC for development of the Victory Site as an entertainment district to include casino gaming, and City Council authorized execution of a Cooperation Agreement between the City and EDA for the purpose of endorsing the MOU and supporting EDA’s obligations thereunder; and

WHEREAS, during its 2020 session the Virginia General Assembly adopted final legislation designating Portsmouth as one of five cities in the Commonwealth authorized to host a casino (the “Act”); and

WHEREAS, a Development Agreement (the “Development Agreement”) has been negotiated between EDA and Portsmouth Gaming Holdings, LLC (an affiliate of Rush Street Gaming LLC); and

WHEREAS, Rush Street Gaming LLC and Portsmouth Gaming Holdings, LLC are collectively referred to herein as “Developer”; and

WHEREAS, the Development Agreement has been reviewed by City Council and was approved by the EDA Board of Commissioners on May 19, 2020; and

WHEREAS, the Act requires that each host city submit its preferred casino gaming operator to the Virginia Lottery Department for pre-approval; and

WHEREAS, as required by the Act, the Developer has submitted a proposal (“Proposal”) to the City of Portsmouth stating its qualifications to serve as Portsmouth’s preferred casino gaming operator in accordance with the Development Agreement, and within the meaning of Sections 58.1-4100, et seq. of the Act; and

WHEREAS, City Council has reviewed the Proposal and given substantial weight to the following factors:

1. The potential benefit and prospective revenues of the proposed casino gaming establishment;
2. The total value of the proposed casino gaming establishment;
3. The proposed capital investment and the financial health of the proposer and any proposed development partners;
4. The experience of the proposer and any development partners in the operation of a casino gaming establishment;
5. Security plans for the proposed casino gaming establishment;
6. The economic development value of the proposed casino gaming establishment and the potential for community reinvestment and redevelopment in an area in need of such;
7. Availability of city-owned assets and privately owned assets, such as real property, including where there is only one location practically available or land under a potential operator and the city, incorporated in the proposal;
8. The best financial interest of the city; and
9. The proposer's status as a minority-owned business as defined in § 2.2-1604 of the Virginia Code or the proposer's commitment to solicit equity investment in the proposed casino gaming establishment from one or more minority-owned businesses and the proposer's commitment to solicit contracts with minority-owned businesses for the purchase of goods and services; and

WHEREAS, based on the above factors, the MOU, the Development Agreement, and such other factors as deemed appropriate, City Council has determined to accept and approve the Proposal and to formally designate Developer as the preferred casino gaming operator for the Portsmouth.

NOW THEREFORE BE IT RESOLVED by the Council of the City of Portsmouth, Virginia that it hereby accepts and approves the Proposal; and

BE IT FURTHER RESOLVED that it confirms and designates Rush Street Gaming LLC and Portsmouth Gaming Holdings, LLC as the City of Portsmouth's preferred casino gaming operator within the meaning of Section 58.1-4100, et seq. of the Act; and

BE IT FURTHER RESOLVED that the City Manager and her designees are authorized and directed to submit this designation to the Virginia Lottery Department and to take such further actions as are necessary or desirable in furtherance of the purpose of this Resolution.

ADOPTED by the Council of the City of Portsmouth, Virginia at a meeting held on May 26, 2020.

Teste:


City Clerk