



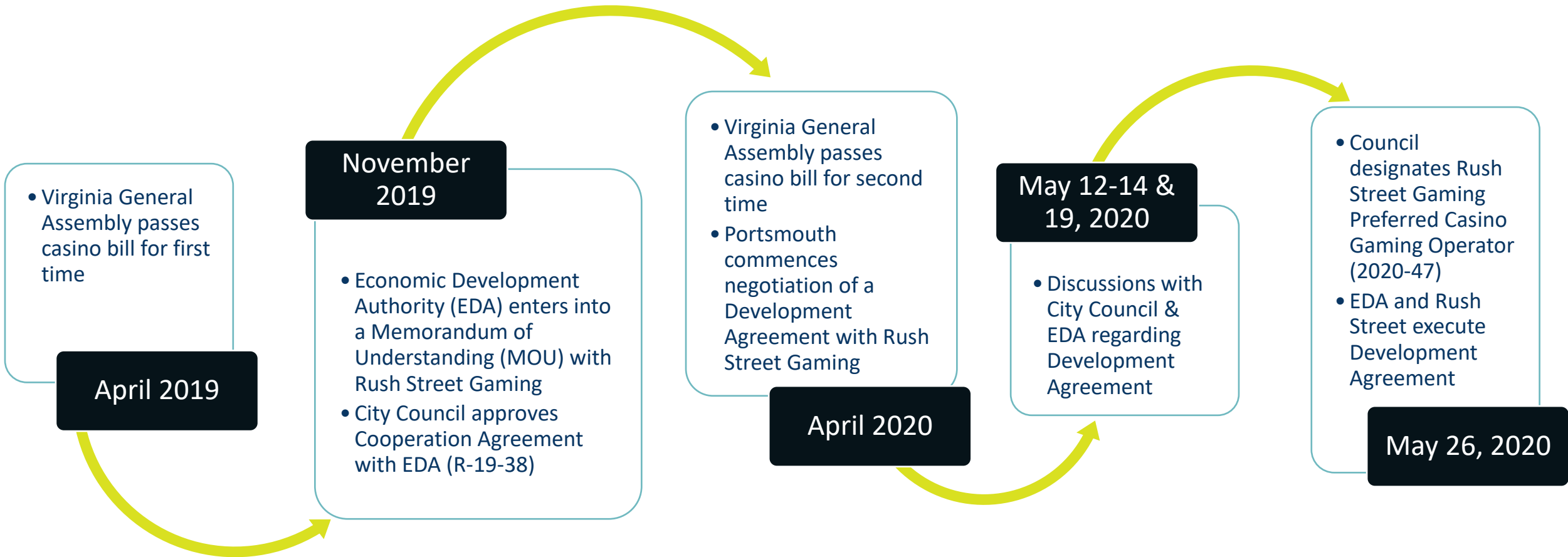
# RUSH STREET

## Rush Street Development Agreement Informational Presentation

*Presentation Last Updated:  
March 2021*



# Development Agreement Process



# Development Agreement Terms

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

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- 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

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- 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*

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- 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



## *Minority Participation Plan*

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# Development Agreement Terms

## *Minority Participation Plan*

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- 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*

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- 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*

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- 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*

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- 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*

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- 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*

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- 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

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Rivers Casino Portsmouth Website

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

General Information Email

[port.info@rushst.com](mailto:port.info@rushst.com)

Email to inquire about becoming a Minority Investor

[portsmouth.minorityinvestors@rushst.com](mailto:portsmouth.minorityinvestors@rushst.com)

Email to inquire about Casino Jobs

[port.jobs@rushst.com](mailto:port.jobs@rushst.com)

Email to inquire about Vendor Opportunities

[port.vendors@rushst.com](mailto: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/>