



# City of Danville

## Office of Economic Development

### Request for Proposals

RFP 19-20-046

### “Casino Development and Operation”

#### **Introduction**

##### **Overview**

The City of Danville, Virginia is seeking proposals from enterprises with whom the City can negotiate potential agreements for the development and operations of a destination casino. Pursuant to SB1126 as passed by the Virginia General Assembly and signed into law by Governor Ralph Northam (see Appendix), the City of Danville could become the host to a casino gaming facility should its citizens approve a referendum, expected to be held in November 2020.

Responses to this RFP will be used by the City to select a potential developer/operator for a casino in the City of Danville should its voters elect to permit casino gaming within its borders. The RFP responses will be used by the City to evaluate the comparative merits of bidders' visions for a Danville casino and the socioeconomic benefits that they may bring to the City, its business community and its residents.

The City of Danville has already made a significant investment in assessing the potential for casino gaming in the City. The City is open to multiple potential development sites, including two City-owned sites: White Mill and Schoolfield. The locations and details on these two sites are included in the Appendix to this RFP. While Respondents are not required to include proposals for one of the City-owned sites, they are encouraged to demonstrate whether they will consider development on one (specifying which), along with an alternative, non-City owned development site, if that is their development preference. Proposals will not be disqualified for not having a City-owned site as a development option, but if City officials collectively determine that development is most appropriate on a City-owned site, this will be the opportunity to demonstrate willingness to do so.

The City is committed to reducing barriers and providing clarity and certainty throughout the development process for the selected development partner that supports the City's economic and community development objectives. Those submitting a response to the RFP should, at a minimum, address the general requirements outlined. The City expects that Respondents will consider the potential development and business model of a Project that will meet the following City Objectives:

- Induce capital and ongoing investment in the City of Danville to create good-paying jobs and to enhance the City's economic and community development objectives;
- Contribute to the City's efforts to attract sustainable economic benefits from tourism;
- Support utilization of local business suppliers and vendors, including minority business enterprises, women business enterprises and veteran business enterprises;
- Add to and support the existing Danville entertainment community;
- Support/provide revenues to area non-profit entities in Danville;
- Provide a high-quality development that the City of Danville can be proud of;

- Mitigate any adverse impacts on the City and its residents; and
- Provide resources and revenues to the City incremental to the taxes and fees established in the Commonwealth of Virginia's gaming statutes.

### **City of Danville Background**

Virginia's General Assembly established a tobacco inspection station at Wynne's Falls early in 1793. Later that same year, the Legislature renamed the village south of the river Danville. Nearly 100 years later in 1890, Danville became an independent city of the Commonwealth of Virginia, which status it holds until today.

A profile of the City of Danville by the Virginia Economic Development Partnership can be accessed online at: <https://www.vedp.org/community-profiles>

Additional resources and information about the City of Danville are listed below:

West Piedmont Planning District Commission's 2019 Comprehensive Economic Development Strategy:

[http://www.wppdc.org/content/wppdc/uploads/PDF/docs\\_publications/economic\\_dev/2019\\_ceds.pdf](http://www.wppdc.org/content/wppdc/uploads/PDF/docs_publications/economic_dev/2019_ceds.pdf)

City of Danville River District Design Guidelines

<https://www.danville-va.gov/DocumentCenter/View/9175/Revised-DanvilleDesignGuidelines---May-2013?bidId=>

City of Danville 2030 Comprehensive Land Use Plan:

<https://www.danville-va.gov/485/Comprehensive-Plan>

### **Response Requirements**

Each response to the RFP must address, in detail, each of the items listed below. To the extent that an applicant is a newly-formed or to-be-formed entity, the responses should reflect that of the main entity and its interests.

1. Name and all contact info (representative/email address/business mailing address/phone/fax) for the applicant
2. Description of the Respondent entity, including company organizational structure, all officers, directors, members, partners, beneficiaries, key personnel and key point of contact for the RFP, including
  - Details on any partner entities, project developer, or management company the Respondent intends to manage the Project.
  - Identification of every person or entity having a greater than 1% direct or indirect pecuniary interest in the Project or casino operation. If a Respondent has a pending registration statement filed with the Securities and Exchange Commission, only the names of those persons or entities holding interest of 5% or more must be provided.
  - Indicate whether each person disclosed is a minority, disabled person, female, or veteran and their percentage ownership.



- Indicate whether any individual listed has been indicted, convicted, pleaded guilty or nolo contendere or forfeited bail concerning any criminal offense under the laws of any jurisdiction either felony or misdemeanor (except for traffic violations), including the date, name and location of the court, arresting agency and prosecuting agency, the case number, the offense, the disposition and the location and length of incarceration.
  - Indicate whether any individual listed has previously been licensed by a gaming authority or commission or is currently licensed by a gaming authority or commission.
  - Indicate whether any individual listed has previously been denied a license by any gaming authority or commission, as well as details of the application and denial.
  - Indicate whether any individual listed has previously had a license by any gaming authority or commission suspended, revoked or not renewed and a statement describing the action, including the licensing authority, date each such action was taken, and the reason for such action.
  - Indicate whether any individual or entity listed herein has ever filed or had filed against it a proceeding in bankruptcy or has ever been involved in any formal process to adjust, defer, suspend or otherwise work out the payment of any debt including the date of filing, the name and location of the court, the case and number of the disposition.
  - Indicate whether any individual or entity listed herein filed, or been served with a complaint or other notice filed with any public body, regarding the delinquency in the payment of, or a dispute over the filings concerning the payment of, any tax required under federal, State or local law, including the amount, type of tax, the taxing agency and time periods involved.
  - Indicate whether any individual or entity listed herein has made, directly or indirectly, any political contribution, or any loans, donations or other payments, to any candidate or office holder in Virginia, within 5 years from the date of filing the application, including the amount and the method of payment.
  - List the names and titles of all Virginia public officials or officers of any unit of government and relatives of said public officials or officers who, directly or indirectly, own any financial interest in, have any beneficial interest in, are the creditors of or hold any debt instrument issued by, or hold or have any interest in any contractual or service relationship with, the Respondent, partner entities, project developer, or management company.
3. A description of Respondent's experience during the last 5 years in designing, developing and/or operating destination casino resort projects. For each project, include:
- Name and location
  - Total development cost
  - Gaming mix (# of slots, tables, other)
  - Number of hotel rooms
  - List and size of non-gaming amenities
  - Total gaming revenues for each of last 3 years
  - Total non-gaming revenues for each of last 3 years
  - Total employment (FTE)
  - Evidence of community involvement in other jurisdictions, including public-private partnerships, local philanthropic involvement, MOU's with local governments for the provision of public services and infrastructure improvements.

4. Identification of parcels or potential qualities of a parcel that the Respondent would develop the destination casino on in Danville
  - One City-owned site should optimally be included in Respondent's proposal; one alternate site may also be proposed. There is no obligation to propose for a City site, but if the City decides to move forward only with a project on City property, only Respondents that state they may do so will receive further consideration.
  - Respondents should also indicate whether any parcels are under control (by contract, option, or some other means), whether there is a timeline under which they expect to get the site under control, and/or whether it will require City assistance to get the proposed development site under its control.
5. A description of Respondent's proposed destination casino for Danville, to include:
  - A description of destination casino conceptual plan, including preliminary renderings, proposed branding, amenity mix and overall scale
  - Total development cost
    - Expected investment in consideration of the market, sites, and provisions SB1126 which require a minimum investment of \$200 million. Provide preliminary estimation of the development cost of the destination casino, including land cost, hard construction costs, and soft costs
  - Gaming mix (# of slots, tables, other)
  - Number of hotel rooms
  - List and size of non-gaming amenities
  - Identification of casino brand or theme that the Respondent would develop in Danville, and details on how that brand or theme would promote visitation to Danville
  - Projected gross gaming revenues for the first 5 years of operation (and copies of market assessments, if completed)
  - Total non-gaming revenues for the first 5 years of operation (and copies of market assessments, if completed)
  - Total employment (FTE)
  - Detailed projected balance sheets, income statements (detailed on a departmental basis) and cash-flow statements for the first five (5) years of operating the Project using generally accepted accounting principles (to the extent applicable) reflecting a best, worst and most likely case outcome
    - Please note that the Commonwealth of Virginia has not determined a tax rate for gaming; however, the report issued by the Joint Legislative Audit and Review Committee (JLARC) has suggested a possible 27% gaming tax. Also, note that a 10% gaming tax was assumed in Convergence Strategy Group's study. Convergence was engaged by the City of Danville to conduct a series of analyses of the potential for casino gaming at four locations in the city. Link to both reports are below:
      - JLARC Study: <http://jlarc.virginia.gov/landing-2019-gaming.asp>
      - Convergence Study: <http://danvilleva.gov/2147/Casino-Information>
  - Economic Impact Assessment, including estimates of direct and indirect job creation, taxes to be generated, impacts on local wages.
  - Estimates of the number of visitors to the proposed casino on an annual basis, as well as peak days or periods.
6. Provide a proposed fee structure for payments to the City of Danville to mitigate or compensate for the likely infrastructure and service costs that the casino will incur due to construction and/or facility operations.

7. Evidence of community involvement in other jurisdictions, including public-private partnerships, local philanthropic involvement, MOU's with local governments for the provision of public services and infrastructure improvements.
8. A description of the proposer's currently available sources of financing for all or a portion of the total cost of the destination casino, the amount of such currently available financing and the extent to which such funds may be committed to other projects over the next 24 months.
9. Validation/Certification of suitability and ability to pass background checks and be licensed by the Commonwealth of Virginia.
10. Public participation plan to address concerns and ensure engagement of the citizens of Danville in the planning, development, and future employment opportunities of the proposed casino.
11. Demonstrated and expected commitments to problem gaming initiatives. As applicable, demonstrate how the entity currently deals with problem gaming issues, and how it intends to deal with such issues in Danville. To include, but not limited to, the following concepts:
  - Provide a system for customers to self-exclude from game play and direct marketing on a voluntary basis, own the "self-exclusion database," and provide vendors with information required to support Customer requests to be excluded
  - Require the implementation of key technology systems, including, but not limited to, a facial recognition system, in support of self-exclusion, and self-directed voluntary player supports offered through the gaming management and customer management systems
  - Require all staff to be trained on responsible gambling principles and build supports into customer care as a basic element.
12. Pledge to support the right of the citizens of the City of Danville to vote on whether or not they want a casino in our community, and to not actively campaign against the introduction of casino gaming to Danville in the event that the entity is not selected as the City's casino developer-operator.
13. Awareness Plan
  - The City of Danville aims for its residents to be given the opportunity to vote on whether or not they want a casino in our community. To that end, it will be essential that the City of Danville continue to be included in State-level legislation moving forward. Respondents should include a brief strategy or plan for assisting the City of Danville in this effort.
14. Provide a proposed draft development agreement for execution by the City of Danville.

### **Submission Instructions**

The Respondents must submit:

1. Ten (10) hard copies of complete response to the RFP, addressing all of the Response Requirements stated herein.
2. One (1) electronic copy, provided by thumb drive.

## **Timetable**

**Timetable: City of Danville RFP for Casino Project**

RFP Issued		Monday, December 2, 2019
Written questions due to the City of Danville	4:00pm	Monday, December 16, 2019
Responses to questions distributed		Friday, December 20, 2019
RFP responses due	4:00pm	Monday, January 13, 2020
Review committee meeting		Monday, January 27, 2020

All developers are urged to visit the City of Danville prior to submittal. **Questions regarding this request should be directed to Telly Tucker, Director of Economic Development at [telly.tucker@danvilleva.gov](mailto:telly.tucker@danvilleva.gov), no later than 4:00 pm on Monday, December 16, 2019. All responses to this RFP should be delivered Telly Tucker, Director of Economic Development, at 427 Patton Street, Room 203; Danville, Virginia 24541 no later than 4:00 pm on Monday, January 13, 2020.**

## **Confidentiality**

The City of Danville will keep confidential portions of responses or responses in their entirety as requested by the responding firms. In any event, pursuant to Virginia Code Section 2.2-3705(6), the City will keep all responses confidential until an operator/developer partner is selected and a development agreement is signed. Respondents should be aware that any information obtained through this RFP that is not marked as confidential may be utilized at the City of Danville's discretion in a fair and transparent manner.

## **Appendices**

### **Summary of SB1126 as Passed and Signed into Law**

SB 1126 Lottery Board; regulation of casino gaming, penalties, report.

### **SUMMARY AS PASSED:**

**Lottery Board; regulation of casino gaming; penalties.** Authorizes casino gaming in the Commonwealth to be regulated by the Virginia Lottery Board (the Board). Casino gaming shall be limited to certain cities that meet the criteria that is outlined in the bill, and a referendum must be passed in the city on the question of allowing casino gaming in the city. The bill requires the Joint Legislative Audit and Review Commission (JLARC) to conduct a review of casino gaming laws in other states and report its findings to the Chairmen of the Senate Committee on General Laws and Technology and the House Committee on General Laws on or before December 1, 2019. The bill contains enactment clauses that prohibit (i) any referendum from being held prior to the publication of the JLARC findings and recommendations regarding casino gaming or after January 1, 2021, and (ii) the Board from issuing a license to operate a gaming operation before July 1, 2020. The bill also provides that amendments to the Code of Virginia that are made in the bill will not become effective unless reenacted by the 2020 Session of the General Assembly.

CHAPTER 41.  
CASINO GAMING.

§ [58.1-4100](#). Conduct of casino gaming; limitation.

A. The conduct of casino gaming shall be limited to:

1. Any city (i) in which at least 40 percent of the assessed value of all real estate in such locality is exempt from local property taxation, according to the Virginia Department of Taxation Annual Report for Fiscal Year 2017, and (ii) that experienced a population decrease of at least seven percent from 1990 to 2016, according to data provided by the U.S. Census Bureau;

2. Any city that had (i) an unemployment rate of at least five percent in November 2017, according to data provided by the U.S. Bureau of Labor Statistics; (ii) a poverty rate of at least 20 percent in 2016, according to data provided by the U.S. Census Bureau; and (iii) a population decrease of at least 20 percent from 1990 to 2016, according to data provided by the U.S. Census Bureau;

3. Any city that (i) had an unemployment rate of at least four percent in November 2017, according to data provided by the U.S. Bureau of Labor Statistics; (ii) had a poverty rate of at least 20 percent in 2016, according to data provided by the U.S. Census Bureau; (iii) experienced a population decrease of at least four percent from 1990 to 2016, according to data provided by the U.S. Census Bureau; and (iv) is located adjacent to a state that has adopted a Border Region Retail Tourism Development District Act; and

4. Any city (i) with a population greater than 200,000 according to the 2017 population estimates from the Weldon Cooper Center for Public Service of the University of Virginia and (ii) in which at least 24 percent of the assessed value of all real estate in such locality is exempt from local property taxation, according to the Virginia Department of Taxation Annual Report for Fiscal Year 2017, provided that such casino gaming is conducted by a Virginia Indian tribe recognized in House Joint Resolution No. 54 (1983) and acknowledged by the United States Assistant Secretary-Indian Affairs as an Indian tribe within the meaning of federal law that has the authority to conduct gaming activities as a matter of claimed inherent authority or under the authority of the Indian Gaming Regulatory Act (25 U.S.C. § 2701 et seq.).

B. The Board shall be limited to the issuance of a single operator's license for each city described in subsection A.

C. An operator's license shall only be issued pursuant to this chapter for a casino gaming project that involves a minimum capital investment of \$200 million, which may include investments in land, facilities, infrastructure, equipment, or furnishings.

§ [58.1-4101](#). Local referendum required.

A. The Department shall not grant any initial license to operate a gaming operation until a referendum approving the question is held in each city in which such casino gaming operation is to be located.

B. The governing body of any city meeting the requirements of § [58.1-4100](#) shall petition the court, by resolution, asking that a referendum be held on the question of whether casino gaming be permitted within the city. The court, by order entered of record in accordance with Article 5 (§ [24.2-681](#) et seq.) of Chapter 6 of Title 24.2, shall require the regular election officials of the county to open the polls and take the sense of the voters on the question as herein provided.

*C. The clerk of such court of record of such city shall publish notice of such election in a newspaper of general circulation in such city once a week for three consecutive weeks prior to such election.*

*D. The regular election officers of such city shall open the polls at the various voting places in such city on the date specified in such order and conduct such election in the manner provided by law. The election shall be by ballot, which shall be prepared by the electoral board of the city and on which shall be printed the following question:*

*"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?*

*[ ] Yes*

*[ ] No"*

*In the blank shall be inserted the name of the city in which such election is held and the proposed location of the casino gaming establishment. Any voter desiring to vote "Yes" shall mark in the square provided for such purpose immediately preceding the word "Yes," leaving the square immediately preceding the word "No" unmarked. Any voter desiring to vote "No" shall mark in the square provided for such purpose immediately preceding the word "No," leaving the square immediately preceding the word "Yes" unmarked.*

*E. The ballots shall be counted, the returns made and canvassed as in other elections, and the results certified by the electoral board to the court ordering such election. Thereupon, such court shall enter an order proclaiming the results of such election and a duly certified copy of such order shall be transmitted to the Board and to the governing body of such city.*

*F. A subsequent local referendum shall be required if a license has not been granted by the Board within five years of the court order proclaiming the results of the election.*

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### **Codes and Standards:**

Minority and/or female-owned businesses are encouraged to apply. The City of Danville is an equal opportunity employer and does not discriminate on the basis of race, color, creed, national origin or against faith-based organizations.



The Firm, its officers, agents, employees, and any subcontractors, in the performance of this Agreement shall comply with all applicable statutes and laws of the United States and the Commonwealth of Virginia, the Charter and ordinances of the City of Danville, and the applicable rules and regulations of the agencies of each. The Firm does not, and shall not during the performance of the contract for goods and services knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

During the performance of this contract, the Firm agrees as follows:

- The Firm will not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the Firm. The Firm agrees to post in conspicuous places, available to employees or applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- The Firm also shall not discriminate against any handicapped person in violation of any state or federal law or regulation and shall also post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this additional nondiscrimination clause.
- The Firm, in all solicitations or advertisements for employees placed by or on behalf of the Firm, will state that such Firm is an equal opportunity employer.
- Notices, advertisements and solicitations placed in accordance with federal law, rules or regulations shall be deemed sufficient for the purpose of meeting the requirements of this article.
- The Firm will otherwise comply with all other applicable provisions of local, State, and Federal law.

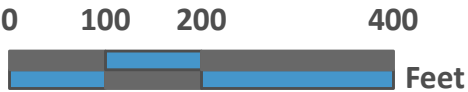
**Drug Free Work Place:** During the performance of this contract, the Firm agrees to:

- Provide a drug-free workplace for the Firm's employees
- Post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Firm's workplace and specifying the actions that will be taken against employees for violations of such prohibition.

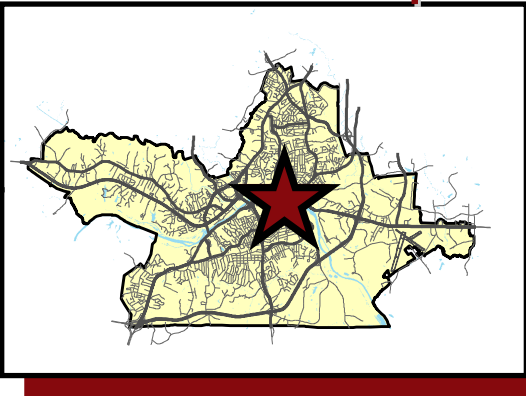




White Mill  
Complex



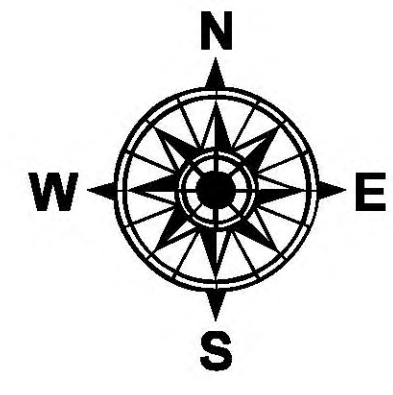
Location Map



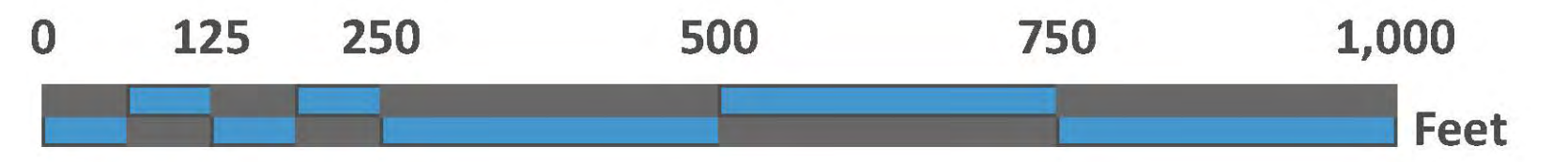




# Schoolfield Site



2015 Orthophotography



Map Prepared by the Office of the City Engineer - Jan. 5, 2016

