

- A complete estimate of the benefits and costs of the Norfolk Resort Casino is difficult to develop at this time given the significant variables that are yet to be determined.
- The initial analysis by City staff provides *potential impacts* for a range of project sizes, from a project with 750 slots, 25 table and 150 hotel rooms, to a project with 4,500 slots, 180 tables and 500 hotel rooms.
- Among the various project sizes evaluated, a project with *1,500 slots, 36 tables and 225 hotel rooms* (or “project size 2”) was the closest to the JLARC findings for Norfolk. The overview below assumes a project of this size in Norfolk.

Economic, Fiscal and Employment Impact Summary

- Every project size evaluated would generate significant tax revenue to Norfolk.
- Tax revenue projections are particularly impressive given project acreage (12.16 acres of developable land).
- Project size 2* is estimated to generate **\$8.9 million** as tribal casino (*4% of net gaming revenue per agreement with Tribe*)
- Project size 2* is estimated to generate **\$3 million** as a commercial casino (*assumes Norfolk would receive 5% of a 27% state tax on net gaming revenue; could also include real estate, sales and personal property taxes*)
- Capital investment levels identified by City staff closely align with estimate in the JLARC report (*approximately \$300M*).
- A commercially operated facility would provide additional tax revenue beyond those collected if the facility operates as a tribal casino, but the magnitude of that difference will be influenced by the tax rate on net gaming determined by state legislation.
- Project size 2* is estimated to add 1,224 direct jobs (**1,724 total jobs**) with median compensation of \$48,706.

Ultimate size, scale and composition of the resort will depend on:

- Market dynamics (industry changes, regional/state/national economic changes)
- Action taken by the Virginia General Assembly:
Per JLARC, initial capital investment is highly sensitive

OVERVIEW

- Staff revenue estimates for gaming in Norfolk are nearly identical to those projections from JLARC.
- JLARC’s prediction for Norfolk resort size and capital investment (~\$300M) is in line with staff analysis.
- Legislation and market dynamics will ultimately determine scale and scope of the Norfolk resort project.
- All possible project sizes yield positive fiscal impact to the city.
- Overall fiscal impact will continue to be evaluated as conditions evolve.

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Commonwealth’s gaming tax rate (*an increase in the state tax rate on gaming from 12% to 27% results in an estimated \$53M reduction in the initial capital investment*)

Social Impact Summary

Problem gaming

- No real consensus exists based on previous academic work
- Prevalence of problem gaming has remained surprisingly constant over the last 30 years, despite a massive proliferation of gaming opportunities across the country
- Pathological gambling often occurs with other disorders making it difficult to determine true social cost
- State legislation to provide mechanism for contributions to state “problem gaming” fund that includes all types of gaming (casino gaming, lottery, grey machines, sports betting, etc.)

* Project size 2 includes 1,500 slots, 36 tables and 225 hotel rooms .

Public Safety

- Project size 2* is estimated to produce daily visits comparable to new visits generated by the opening of the Main and the new Waterside.
- No net new officers were added to Green Sector when Waterside opened.
- Currently, the Norfolk Police Department staffs between 8 and 10 additional FTEs for major downtown events such as Harborfest and the Grand Illumination (*major events attract 150,000 to 250,000 visitors*).

* Project size 2 includes 1,500 slots, 36 tables and 225 hotel rooms .