



News Release

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City announces negotiations with Caesars Entertainment

Today, the City of Danville announced that it is in negotiations with Caesars Entertainment to be its preferred casino gaming operator.

“We received several outstanding bids from a variety of companies competing to be Danville’s choice for a resort casino,” Mayor Alonzo Jones said. “The Caesars bid stood out as the best for our community.”

The resort is proposed to be located at the former Dan River Mills industrial complex in Schoolfield with an anticipated capital investment of more than \$400 million and the creation of 1,300 jobs with competitive benefit packages and average wages between \$35,000 and \$47,000 annually. It includes plans for up to 500 hotel rooms, a 35,000 square-foot conference center, a 2,500-seat live entertainment venue, multiple restaurants and bars, and 2,000 slot machines, 75 table games (blackjack, etc.), 16 poker tables, and a sportsbook.

Caesars boasts more than 55 million members of its Caesars Rewards loyalty program, including several million spread throughout Virginia and North Carolina. The project should be completed in 2023 and, in the interim, is expected to generate 900 construction jobs.

“Caesars is pleased to emerge from a highly competitive process as the unanimous choice by the Danville City Council to build and operate a first-class casino resort in the city,” said Tony Rodio, CEO of Caesars Entertainment. “We look forward to working with city officials, as well as the people of Danville, on the next steps to advance a project that will benefit the city for many decades to come. We are excited to bring quality jobs and unforgettable guest experiences to Danville, as we do at our 37 properties across the United States.”

This project is estimated to generate more than \$30 million in annual revenue from gaming taxes and supplemental payments to the City, based on gaming revenue. It is also projected to generate approximately \$4 million in direct additional annual taxes



from real estate, meals, sales, and hotel taxes. The proposal also includes at least \$20 million in upfront payments to the City to pay for land acquisition and other public investments.

“Unlike most economic development projects, this one does not involve any incentives from the city or state,” City Manager Ken Larking said. “It is our intention to use a portion of these upfront funds to begin construction of a new Police Headquarters and to spur private investment in the White Mill.”

“Ideally, both the Schoolfield and White Mill sites will be redeveloped as a result of this project,” Interim Director of Economic Development Corrie Bobe said. “As a Danville native, I know how important the redevelopment of the White Mill is to our collective sense of pride. This is an iconic structure within our community, and we are as determined as ever to ensure that it will be brought back to life as we continue to transform our riverfront. ”

Earlier this year, the City began the development of a comprehensive plan to redevelop the Schoolfield site and surrounding historical area. “Between the White Mill and Schoolfield sites, Schoolfield is the more challenging redevelopment project,” Bobe said. “It makes sense to let the private sector take on the total cost of that site while using some of the additional revenue to encourage private redevelopment of the White Mill.”

The City of Danville is one of a few host localities given permission by the State to hold a referendum on casino gaming in November during the general election.

Early last year, Danville hired Convergence Strategy Group, experts in casino gaming throughout the world, to guide it through the process of understanding the impact of gaming and to develop a request for proposal (RFP) process that would be used to select the operator.

Convergence Strategy Group Managing Partner, Suzanne Leckert said, “Over these last 10 months, we have worked with a very engaged City Administration and elected officials toward one goal: to ensure Danville is offered the best possible development. Today the citizens of Danville should be proud. Several highly qualified and respected companies vied for the opportunity to bring their ambitious, exciting, and job-creating developments to the city. Through the competitive RFP process, each company put forth strong and highly detailed proposals, with the Council diligently evaluating and scrutinizing each on its merits and adhering to the selection criteria outlined by the State.”

“While the City of Danville is not taking a position on how people should vote on a referendum, we felt it was important that should the voters decide to approve casinos,



that the City do everything it could to make sure it is done well," Larking said. "This involved examining the type of development, the qualifications of the operator, and the potential for new revenue, among other factors."

"The RFP process forced all bidders to put their best proposal forward in order to be selected," Bobe said. "The results speak for themselves."

Earlier this month, the Virginia Lottery provided the City with a list of factors to be used when evaluating potential casino operators. "Our consultants used these criteria when presenting the information contained in each of the proposals," Larking said. "The City Council evaluated each of the proposals by the criteria presented, and Caesars Entertainment came out on top. We are pleased to move forward to the next stage of this process with them as our partner."

The City intends to use the nearly \$35 million in new annual revenues from the resort, if allowed and when operational, in a variety of ways to make strategic investments in every part of the city to encourage new investment and new opportunities for every resident in Danville.

"The City Council has three focus areas: reduce crime, improve education, and increase economic development," Jones said. "This project provides us with an opportunity to significantly improve each of these areas for years to come."

"The City plans to provide Danville residents a number of opportunities to share with City Council their thoughts on how to best use these new revenue sources to make investments in our community," Larking said. "Our goal is to lift all parts of Danville."

About Caesars Entertainment

Caesars Entertainment is one of the world's most diversified casino-entertainment providers and the most geographically diverse U.S. casino-entertainment company. Since its beginning in Reno, Nevada, in 1937, Caesars Entertainment has grown through development of new resorts, expansions and acquisitions. Caesars Entertainment's resorts operate primarily under the Caesars®, Harrah's® and Horseshoe® brand names. Caesars Entertainment's portfolio also includes the Caesars Entertainment UK family of casinos. Caesars Entertainment is focused on building loyalty and value with its guests through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership. Caesars Entertainment is committed to its employees, suppliers, communities and the environment through its PEOPLE PLANET PLAY framework. For more information, please visit www.caesars.com/corporate.

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