

Susan Taylor Hansen
300 North Street
Portsmouth, Va 23704
May 10, 2019

Hal E. Greer, Director
Joint Legislative Audit and Review Commission
919 East Main Street, suite 2101
Richmond, Virginia 23219

Re: JLARC Study of Casino Gambling in other states

Dear Mr. Greer:

You may recall that we spoke some time ago about the scope of review undertaken by JLARC pursuant to SB1126, and my particular concern, about the effects of a casino gambling facility on a historic, residential, community. As I mentioned, I live in a historic neighborhood in Portsmouth. I am a member of a committee organized by the Olde Town Civic League to study the potential effects of a gambling casino on our neighborhood and City.

Portsmouth is one of the cities eligible to pursue a casino gambling business and has designated a site for the casino which is within the residential historic district. The site is also proximate to a number of other historic sites, and near three major military facilities. I understand that the scope of the JLARC review is limited to a review of casino gambling in other states. However, the site selected by the City of Portsmouth for a gambling casino provides an excellent case study to identify the challenges presented to citizens of Virginia and other states if they are to successfully co-exist with casino gambling. I intend that my description of the issues described in this letter will provide JLARC with questions that might be posed when examining the experience of other states under similar circumstances.

The Olde Town Historic District is said to be the largest collection of antebellum architecture between Charleston and Alexandria. The entire neighborhood, the adjacent downtown, and many individual structures within are listed on the National Register of Historic Sites, maintained by the US Department of the Interior. The district is primarily residential and is home to a number of families with children. Ownership of a structure within an historic district has certain burdens and limitations, in that buyers must be willing to undertake significantly more expense in preserving an historic home, and in our case be willing to live in more dense housing, near commercial areas. Residents of historic districts in many cases must be willing to forgo such amenities as reserved parking. In our area and in other historic districts, historic properties have not appreciated significantly in value.

One of our primary concerns, which I believe merits attention by JLARC, is that studies have shown reduction in value of residential property near a gambling casino, and thus a decrease in property taxes paid to the State. A reduction in value of residential historic

properties is a threat to the preservation of such properties. In addition to the detrimental economic impact of a gambling casino on an adjacent historic district, the viability of the historic area may also be affected by the proximate location of casino gambling in other ways. As an example, a residential area adjacent to a gambling casino will experience additional traffic, vehicular and pedestrian. In a community of urban historic structures built prior to automobiles, parking is typically on the street, as available. A number of larger historic structures are multifamily, adding to the parking burden. We expect that some gambling casino patrons within walking distance of a residential area, even if a parking garage is planned for the casino, will avail themselves of the already scarce, but free, parking in the historic district. This has been our experience in our neighborhood, with events attracting large numbers of patrons.

The three significant federal facilities are located within walking distance of the historic district are: the Portsmouth Naval Medical Center, the US Coast Guard Atlantic Area and Fifth District Headquarters, and the Norfolk Naval Shipyard. These facilities are important to the State and federal government in their own right, but are also important to the economy of the City. Specific issues of concern to the military by a nearby gambling casino are best known to these facilities, but certain problems are obvious. For example, all three military facilities have particularized requirements which include security for ingress and egress and for operational purposes. Military employees could be negatively impacted by a significant increase in density and/or traffic. The limited existing avenues of available access to the casino gambling site proposed for Portsmouth are also used as access to the military facilities and are not designed for the anticipated increase in traffic associated with such an enterprise. The Department of Defense may well have concerns about the socio/economic effects of nearby casino gambling.

I attach an article identifying encroachment of residential and commercial development on military facilities as a growing issue for state legislatures. According to this article, Virginia is among the states with statutes requiring local governments to communicate with military leadership about land use changes.

Members of our Civic League Committee are endeavoring to identify communities in states where casino gambling co-exists with challenges similar to those in Portsmouth, and thus far no real precedent has been identified. If there are any existing measures adopted in other states which are protective of historic areas and compatible with military activities, surely these measures merit close evaluation. If not, we encourage JLARC to identify this information gap and the uncertainty and risk which it may present.

Our City has significant crime, and the qualifying criteria for cities to pursue casino gambling established by the legislature is a virtual profile of cities plagued by crimes related to income and educational inequality, and who have inadequate resources to address such crime. It is my understanding that Portsmouth currently has staffing vacancies of 20% in its law enforcement department, and a backlog of outstanding warrants. I hope that your study will examine the effect on crime in cities with casino gambling, and will look closely at cities where the casino is located in populous areas. I hope that you will attempt to look at cities with problems similar to those faced by Portsmouth. While the financing scheme is likely to be different in every case, I also hope that an important part of your study will include the actual net revenues received by cities and/or localities from casino gambling. The effect of an increase in crime without an increase in resources to address the crime is a dire prospect for any distressed city.

Whether or not an expanded evaluation of these issues under the National Environmental Policy Act ("NEPA"), or otherwise, will eventually be required, surely the issues I have identified in this letter merit close evaluation by JLARC. We will continue to try to locate

relevant information to these issues and others, and forward it to JLARC for consideration. Thank you in advance for your attention to these issues.

Very truly yours,

Susan Taylor Hansen

Attachments:

1. Map of Portsmouth, identifying the proposed site for a gambling casino, Portsmouth Naval Medical Center, US Coastguard Atlantic Area and Fifth District Headquarters, Norfolk Naval Shipyard, Olde Towne Historic District, Historic Olde Town Portsmouth, and other proximate residential neighborhoods.
2. List of sites in Portsmouth on the National Register of Historic Places
3. Handbook for integrating NEPA and Section 106 of the National Historic Preservation Act
4. National Conference of State Legislatures article "Minimizing Encroachment and Incompatible Land Use Near Military Installations"

Cc: Governor Ralph Northam
Mayor John L. Rowe, Jr.