Written by Administrator Wednesday, 05 October 2022 09:34 -

"The project that we stand poised to break ground on today is a message to our ancestors, that we are continuing the good work that they began so long ago, and was made possible by their sacrifice," said Principal Chief Richard Sneed. "It is a message to our people today that our economic development as a tribal nation is ever evolving. We have risen from the ashes of oppression and poverty to become the economic driver of the entire region of western North Carolina."

Expansion details

Expected to be complete in early 2024, the \$275 million expansion will double the size of the existing hotel, add 25,000 square feet to the gaming floor, and expand the casino's list of amenities.

The project includes a 1,700-stall parking garage — the property's first — which will connect via sky bridge to a hotel featuring a new 296-room tower in addition to the existing 300 rooms, as well as an indoor pool and fitness center. A 12,000-square-foot rooftop restaurant with a 25-seat bar and wine cellar will sit atop the new hotel tower, offering three meals a day through a partnership with a celebrity chef, one of only three restaurants in the nation to use that model.

"There's nothing like it in the market, certainly nothing in our region," Lumpy Lambert, the casino's general manager, told attendees.

The expansion will also feature a spa and salon, with 9,600 square feet including six treatment tables, a sauna, a steam room, plunge pools and a relaxation lounge. A new retail shop along the hotel corridor will vastly expand the casino's current retail space, which consists of hangers wedged into the food market.

On the gaming floor, 25,000 square feet of extra space will allow for 400 new slot machines, 12 new gaming tables, a World Series of Poker room with its own cashier cage and a 22-seat casino bar to replace the "temporary" bar erected at the casino entrance seven years ago. The new bar will feature 14 tabletop gaming units, eight beer taps, bartop seating, lounge seating and TV monitors for watching sports. An expanded 30-seat motorcoach lobby will be available for bus patrons.

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It will be the first major expansion for the seven-year-old casino, whose \$110 million initial phase Lambert described as "pretty bare-bones." The facility did undergo a \$13 million, 38,000-square-foot expansion in 2017, which included a bowling center, restaurant and small gaming floor bar that is now being used as a sports betting lounge.

Lambert said he looks forward to the project's completion, and to the impact it will have on guest experience, employee experience and the community as a whole.

"We're looking forward to continuing to be that horsepower for this region," he said.

Influx of jobs []

The casino currently employs 1,000 people, and the expansion is expected to provide more than 2,500 construction jobs and 100 operational positions upon opening. In a county with about 15,300 residents between the ages of 18 and 65, that's a lot of jobs.

While the casino had struggled with labor shortages during the pandemic, carrying 140 open positions in summer 2021, vacancies are now back to 2019 levels of 60-70 vacancies, Lambert said.

"The <u>employment factor</u> alone of the casino has been huge for the area," said Cherokee County Manager Randy Wiggins.

In the first two months of 2013 — the last winter before casino construction began that October — <u>unemployment</u> in Cherokee County was north of 11%, but since then winter unemployment peaks have mostly stayed below 7%. Valley River Casino and Hotel opened to the public in September 2015, and unemployment trended steadily downward until the pandemic disruption in spring 2020, marking a record low of 3.9% in December 2019.

The casino also brought an influx of visitors traveling to Cherokee County from Atlanta or Chattanooga to play their favorite game.

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"When the casino first came to town, it definitely brought a lot more tourism to the area," said Cabrina Horton, marketing director for the Cherokee County Tourism Development Authority. "However, I think in the past three years, we're getting a lot more tourism to the area. I wouldn't say it's specifically tied to casino."

Since the pandemic Murphy, like many other mountain towns, has seen a rush of people coming to experience natural beauty and rural community.

"They come here year after year after year, and they didn't even know we had the casino," Horton said. "So I think it (the casino) definitely draws people, but it's maybe kind of its own category."

Because the casino is located on federal trust land, it does not pay occupancy tax or property tax to the county. However, Horton said, its presence has had a "pretty significant impact" on occupancy tax collections due to partnerships with other hotels in the county. When there's not enough room at the casino's hotel tower, guests use these other, non-tribal, lodging facilities, and those businesses do remit occupancy taxes to the TDA.



Just 4 miles away from the casino, Murphy is a town of fewer than 2,000 people. Holly Kays photo **A challenge for housing**

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While the casino has expanded employment opportunities, it's also exacerbated existing challenges — especially housing.

"The great thing about the casinos is that they have brought a lot of jobs to this area. The problem is that we don't have anywhere to put anyone, especially because a lot of people who work at the casino are younger, like myself, and there's not many places to rent around here," said Horton. "And the places that there are for rent are charging like \$1,200, \$1,500 a month."

Horton said that most of the casino workers she knows travel a "considerable distance" between home and work due to the lack of local housing options. Horton herself does not reside in Cherokee County due to the difficulty of finding housing.

The county is aware of the issue and working to attack it from multiple angles, Wiggins said. A Cherokee County-focused housing study is currently underway that will include an asset inventory analysis looking not just at housing but also at utilities such as water, sewer and broadband. The results will inform a capital improvement plan to assist the county's two towns, Murphy and Andrews, with projects to improve their water and sewer facilities.

Cherokee County is also working on a housing project with Dogwood Health Trust and other partners. The idea is to collaborate with vocational programs at Tri-County Community College and possibly even at the county's two high schools to build homes on a piece of donated property. The project would help train the local workforce while producing housing that could be sold for less than market rate due to reduced labor costs.

On the more immediate horizon is a federal tax credit <u>project</u> to build a 56-unit apartment complex behind the Murphy Walmart. The effort, led by Western N.C. Housing Partnership, is set to break ground in the spring, with construction to be completed 12 months afterward. The county continues to work with individuals who are interested in housing projects in Cherokee County, Wiggins said.

These efforts are not solely a response to the casino's workforce needs. More and more people are choosing to retire in Cherokee County or buy second homes there, Horton said. And the casino is not the only large employer in need of a local workforce.

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"Regardless of where they want to work, whether it's the casino, whether Snap-On, Moog, IOI, Team Industries, the hospital itself and trying to recruit doctors and nurses, Cherokee County Schools and recruiting teachers, Cherokee County government recruiting EMS personnel or law enforcement personnel, social workers — where do these people find housing that's affordable?" Wiggins said. "They may want to come here and work. But can they afford to live here and work based on the cost of housing or the availability of housing?"



A rendering depicts the bar planned for inclusion in the 25,000-square-foot gaming floor expansion. Harrah's Cherokee image **Facing competition**

The casino expansion comes at a critical time for the EBCI. For two decades, the tribe has enjoyed a monopoly on the regional gaming market, causing its casinos to become some of the most profitable in the entire country. But the new Catawba Two Kings Casino in Kings Mountain and the newly opened

Hard Rock Casino and Hotel

in Bristol, Virginia, represent the first true competition for Harrah's Cherokee.

"We are very aware that there's competition on the horizon for us. We have a couple of properties that we're watching very close outside of Charlotte and also outside of Bristol," Harrah's Cherokee Regional Senior Vice President and General Manager Brooks Robinson said at the groundbreaking. "But I'm just very proud of what our teams have done to help us prepare for that."

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The casino's leadership team is "very well prepared" to lead the business forward to face that competition, Robinson said. To be successful, the casino must "continue to provide to most phenomenal guest service that we can provide," and work to keep Harrah's Cherokee properties ahead of the competition.

"We're fully committed to doing that," he said.

While the casinos in Murphy and Cherokee are still far-and-away the tribe's largest <u>revenue</u> source

its biggest impact on the local economy, in recent years tribal leadership has been aggressive in its pursuit of additional revenue streams, anticipating that regional competition will ultimately damage casino profits.

, Virginia; \$39 million for a new hotel

at the Sequoyah National Golf Club; and \$125 million for business arm Kituwah LLC.

Of the \$125 million, \$110 million is for development efforts at a 200-acre property off Interstate 40 in Sevier County, Tennessee, which will include a "themed spectacle" in partnership with French amusement park company Puy du Fou. Kituwah LLC has many other business interests as well, owning Cardinal Homes, Kituwah Builders, Ela Campground and Cherokee Cinemas, with placed investments in a diverse set of geographically scattered companies. Its fiscal year 2021 profit of \$1.2 million is expected to grow 250% by the close of fiscal year 2022.

"Today, the Eastern Band stands as a dramatic testimony to the strength, courage, perseverance and tenacity of our people," Sneed said. "We are not nor have we ever been victims. We have always been and always will be Ani-Yun-Wiya, the Principal People."

Read more https://smokymountainnews.com/news/item/34422-tribe-begins-275-million-expansion-at-murphy-casino