

# Fifty-six minutes in America

## Mass shootings take economic, human toll

by Richard Foster

On May 31, a disgruntled Virginia Beach public utilities engineer went on a shooting rampage through a city municipal building. Over 36 minutes, he killed 11 city workers and a contractor and wounded four others, including a police officer, before he was fatally wounded in a gunfight with police.

On Aug. 3, a white nationalist shot and killed 22 people and wounded 24 more at an El Paso, Texas, Walmart during a 20-minute massacre aimed against immigrants.

About 14 hours later, on Aug. 4, yet another armed and angry young man gunned down 10 people, including his own sister, and wounded 14 others outside a Dayton, Ohio, bar. That attack lasted 30 seconds.

It took 90 minutes — more time than all of these shootings combined — for the Republican-majority Virginia General Assembly to adjourn its July special legislative session on gun control without debating or voting on any legislation.

Instead, they referred all pending bills to the Virginia State Crime Commission for study. The legislature plans to reconvene on Nov. 18, after the upcoming election in which every Assembly seat will be on ballots.

Virginia Gov. Ralph Northam called the special session in the wake of the Virginia Beach workplace shooting. However, Republican House Speaker Kirk Cox decried the move as “an election-year stunt,” calling the session “premature” and saying lawmakers required more time to study gun violence before contemplating legislative actions.

The sale of guns and ammo is an \$11 billion industry in the United States. But the financial costs of gun violence far exceed that. Lost wages and economic contributions attributed to firearms violence alone total more than \$49 billion annually.



Last year, there were 340 mass shootings across the nation, leaving 373 people dead and 1,346 wounded, according to the nonprofit research group Gun Violence Archive. As of early August, there had been 255 mass shootings in the United States this year — more than one a day — killing 275 people and injuring 1,065.

And that's just mass shootings. In 2017, more than 39,700 Americans died from overall gun violence, including 1,028 Virginians, according to the Centers for Disease Control and Prevention.

That being said, Virginia is largely a gun-friendly state. About 29% of Virginians own at least one firearm, according to the results of a 2015 survey published in the medical journal Injury Prevention.

In its annual Gun Law Scorecard, the nonprofit, San Francisco-based Giffords Law Center to Prevent Gun Violence gave Virginia a “D” grade, citing factors such as its lack of universal background checks and not requiring gun owners to report lost or stolen firearms. Also, seven years ago, Virginia repealed its law limiting people to purchasing one handgun per month.

In decades past, it wasn't unusual for even Old Dominion Democrats to campaign as gun-toting hunters — take U.S. Sen. Mark Warner, for

example, who handed out blaze-orange “Sportsmen for Warner” bumper stickers depicting hunting rifles during his successful 2001 campaign for governor. However, Warner, who once received an “A” rating from the National Rifle Association, has walked back many of his pro-gun stances in recent years, renouncing past votes against banning assault rifles and high-capacity magazines.

Virginia politicians generally have adopted strong anti-gun stances at their peril, though, as evidenced by Democrat Dan Gecker. A popular, two-term Chesterfield County supervisor, Gecker lost his 2015 state Senate race to Republican Glen Sturtevant Jr. Gecker's campaign was mortally wounded, politicians say, by \$700,000 worth of gun-control ads funded by former New York Mayor Michael Bloomberg's Everytown for Gun Safety Action Fund.

Nevertheless, fatigued by the relentless tide of mass shootings, public opinion may be shifting.

A May Quinnipiac poll found that 94% of U.S. voters favor universal background checks, and 61% want stricter gun laws. About 84% of Virginia voters support stronger background checks, and 54% favor increased gun control, according to a 2018 poll by Christopher Newport University's Wason Center for Public Policy.

Following the August shootings, President Trump and Senate Majority Leader Mitch McConnell spoke about expanding background checks and instituting “red-flag” gun laws to restrict firearms access for people who are deemed a threat to themselves or others. (Both are initiatives Northam intended to introduce during Virginia's aborted special session.)

Regardless of the solutions proffered, one thing is clear: Ignoring or sidestepping the problem may not be an option for much longer. **VB**

# The racehorse has left the barn

by Richard Foster

Viewed from Midlothian Turnpike, Rosie's Gaming Emporium in Richmond would resemble a busy movie cineplex — if it weren't for the mobile police watchtower stationed in the packed parking lot.

The three Rosie's locations that opened this year in Virginia — in Richmond, New Kent and Vinton — offer a casino-like atmosphere populated with glowing, chirping "historic horse racing" machines that, to the casual observer, are virtually indistinguishable from slot machines. Players make wagers on anonymous past horse races based on blind statistics. However, the machines also offer gamblers a more slots-like "auto handicap" button that will automatically choose the horse with the best odds.

While honest-to-gosh slot machines still remain officially *verboten* in the Old Dominion, the General Assembly legalized these historic horse-racing machines in 2018.

Since then, however, a tidal wave of "games of skill" machines that live in a more debatable legal gray space have popped up in restaurants, bars and convenience stores across the commonwealth. And the General Assembly is expected to discuss these machines during its 2020 session, when it will also take up whether to allow casinos in Portsmouth, Norfolk, Danville, Bristol and Richmond.

In a September presentation to the House Appropriations Committee, Virginia Lottery Director Kevin Hall estimated that the lottery would lose \$140 million in annual sales to the machines, which he described in an August report to Gov. Ralph Northam as "untaxed, unlicensed and unregulated." He also stated that Rosie's hasn't had significant impact on lottery sales.

With annual sales of \$2.29 billion, the Virginia Lottery last fiscal year generated \$650 million in profits, which went to the commonwealth's K-12 public schools.

As of mid-September, the lottery estimated that more than 4,700 games-of-skill machines had been installed in Virginia Lottery-licensed retail locations.



Queen of Virginia's machines were popular at the Lucky 7 convenience store in Charlottesville before the city prosecutor banned the games this summer.

The largest single provider of these machines is Queen of Virginia Skill and Entertainment, a subsidiary of Georgia-based gaming software manufacturer Pace-O-Matic Inc. As of September, it had leased out more than 4,600 of the machines statewide — up from about 2,400 in December 2018, according to the company's compliance officer, Kevin Anderson.

Over the last two years Queen of Virginia has donated more than \$224,000 to state political organizations and General Assembly candidates, according to the nonprofit Virginia Public Access Project. The company maintains that, unlike illegal slot machines, which are games of chance, its machines are skill-based. Wagering 8 cents to \$4 per play level, players win money from Queen of Virginia games by matching patterns from memory or engaging in tic-tac-toe-like games.

The company takes a 30% share of revenues from the machines, which it leases to Virginia-based amusement vendors, who also take 30%, Anderson says. The remaining 40% goes to the business owner where the machine is based.

While Queen of Virginia and retailers must pay state and federal income taxes from the machines' earnings, Anderson acknowledges that there is no specific tax on the machines themselves.

"We are 100% for common-sense regulation. We want to be regulated in Virginia and we want that extra tax that comes with regulation," says Anderson, a former special agent with the Virginia Alcoholic Beverage

Control Authority. Queen of Virginia is a good corporate citizen, he adds, noting that in the last year it's donated more than \$700,000 to Virginia nonprofits, including the United Way and Virginia food banks. And, he says, there are roughly 5,000 gaming machines operated by other companies in Virginia that may or may not be legal.

Before rolling out its machines in Virginia in October 2017, Queen of Virginia sought an opinion from state ABC authorities as to whether its games could be installed in ABC-licensed locations. Virginia ABC responded in writing that it didn't consider the games to be illegal gaming machines. However, the ABC and Attorney General Mark Herring revised that position this year, saying it was up to local prosecutors to make that determination. As of late summer, only Charlottesville Commonwealth's Attorney Joe Platania had declared the machines illegal, ordering them removed from city locations within 30 days. Queen of Virginia has filed suit against Platania, protesting the action.

Meanwhile, the Joint Legislative Audit and Review Commission (JLARC) is expected to deliver a gaming study in November that will present legislators with recommendations on whether to allow casinos and other new gambling avenues in Virginia.

Regardless of whatever decision legislators make, it appears that the commonwealth already has casinos and slot machines in all but name and they're likely here to stay. **VB**

# A tale of two economies

by Richard Foster

On a September trolley tour of Danville's revitalizing downtown, the city's economic development director, Telly Tucker, recounted to me a memory of his first day on the job, back in 2014. Stopping into a local bakery to grab a cup of coffee and a pastry, he introduced himself to the young lady behind the counter, prompting her to respond, "Why'd you move to Danville?"

Tucker, needless to say, was taken aback.

"With all of the assets I see and our potential for future growth, if we as residents and stakeholders don't speak well of ourselves, how can we expect others to?" Tucker asks. "We all know we have challenges, but overwhelmingly, the good outweighs the bad, and the good doesn't get enough attention."

This anecdote came to mind a week later when I was in Harrisonburg covering the Federal Reserve Bank of Richmond's inaugural Investing in Rural America conference, held Oct. 2 at the Hotel Madison & Shenandoah Convention Center.

Speaking on the importance of rural communities and small towns changing their narratives, Richmond Fed President Thomas Barkin said that's necessary not only to promote themselves to outsiders, but to retain the people who already live there.

"Changing the prospects of a town, it seems to me, starts with aligning the mindsets of the people in that town," Barkin said. "And a great metric is whether the kids who grow up and go to school there choose to come back."

In this month's cover story, we're examining how the American workforce is about to undergo a seismic shift in the next decade, as millennials and Generation Z become the dominant working population. Attracting and retaining these younger workers is top of mind in economic development circles, but nowhere are they more desperately needed than in small town America.

Rural population growth has been stagnant or shrinking for decades while



urban growth has been skyrocketing. However, rural people account for about 60 million people in the United States, or one in five Americans, a not-at-all insignificant percentage.

And rural workforces are dwindling and aging, as localities grapple with how to grow — and harvest — a crop of young workers with 21st-century skill sets.

In his first 18 months as Richmond Fed president, Barkin has learned that there are two economies in the Fed's Fifth District, which includes Virginia, West Virginia, Maryland and the Carolinas — "one in bigger cities and one in smaller towns."

While larger metro regions are thriving in Virginia's Golden Crescent, which stretches from Northern Virginia through Richmond to Hampton Roads, the commonwealth's rural areas are struggling — with everything from graduation rates to access to medical care and broadband.

In some areas of Southside and Southwest Virginia and the Shenandoah Valley, as many as 60% of households have no internet subscription. But increasing its usage and availability is critically important: "Like rural electrification 80 years ago," Barkin said, "the benefits — in terms of opportunity identification, skill-building, telemedicine and the like — are too big to pass up."

Also contributing to the rural economic gap and social isolation are the closures of local banks, hospitals and colleges, Barkin said, not to mention the ravaging impact on small-town workforces of opioid addiction.

Faced with all that, "I've encountered arguments that the challenges of distressed rural communities are too difficult to solve," Barkin said. "They're not."

Fixing these challenges, he said, will require focus, persistence, regional cooperation and a concerted effort from residents and local leaders to improve educational offerings and seek out and take advantage of funding opportunities.

I saw those traits in abundance among the four dozen or so community and business leaders who participated in Virginia Business' Sept. 24 Meet the Editors luncheon at Danville's high-tech Institute for Advanced Learning and Research, where they're focused on solutions such as innovative workforce development programs that begin as early as middle school.

Millennials can find a lot to like in Danville, with its attractive turn-of-the-century buildings, affordable cost of living, breweries, Minor League Baseball team, high-speed internet, stunning riverfront YMCA and 11.5-mile Riverwalk Trail — not to mention outdoor activities like kayaking, paddleboarding and ziplines.

But for Danville — and other small towns like it — a major challenge of the next decade will be convincing these in-demand young adults that they have a future there.

For Tucker, that effort started with the cashier at the bakery. Now, whenever he sees her, it's a running joke for him to ask her to say three things she likes about Danville.

She always comes up with answers. **VB**