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HOT

City official: Casino proposal on hold; Publix still a go

By BRIAN BREHM The Winchester Star
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Winchester's bid to seek construction of a convention and entertainment venue with a small casino has been set aside for now due to the Virginia General Assembly's failure to create a state gaming commission during this year's legislative session.

Meanwhile, the city's plans to welcome a Publix grocery store as part of the redevelopment of the former Ward Plaza property on Valley Avenue is moving forward despite a lawsuit challenging which business entities will be allowed to profit from the venture.

Winchester Director of Economic Development Jeff Buettner, who provided updates on those projects this week, said the concept of allowing a 50,000-square-foot casino within a larger facility that could host conventions, restaurants and entertainment events came to a standstill because the General Assembly adjourned its 2026 legislative session on March 14 without voting on the proposed creation of a Virginia gaming commission. That means it will be at least another year before legislators resume discussions about forming a commission, which is the entity that would issue a casino license to Winchester, should such a project move forward.

"The door is not closed on a casino, but part of the resolution passed by the EDA (Economic Development Authority) and City Council [over the winter] was that it would only happen after the establishment of a gaming commission," Buettner said on Tuesday. "So until that's established, the EDA doesn't feel that we can move forward."

City officials have been exploring the casino proposal as a means of generating tax revenues to support Winchester's ongoing operations and provide additional money for public safety and infrastructure improvements.

According to information posted earlier this year on the EDA's website (developwinchesterva.com), a convention and entertainment center with a small casino could generate \$27,566,000 in taxes per year, with approximately \$19 million of that amount coming from a state-mandated gaming tax. That means the additional annual revenues would be equal to nearly 22% of the city's recently approved operating budget of \$126,250,000 for fiscal year 2027, which takes effect on July 1.

Calculations on the EDA website indicate that the annual tax revenues would be more than enough to cover expenses related to the construction of a new convention and entertainment center, such as traffic improvements and stormwater drainage. There would also be up to \$3.8 million per year to allocate to the Winchester Police and Fire and Rescue departments, plus millions more to improve the city's quality of life, pay off existing debt for capital improvements and market the area to bring in more businesses and less-expensive housing — all while contributing up to \$1.9 million more per year to the city's general fund for future needs.

"There's still interest in pursuing a casino, but we can't move forward with it until Richmond figures out what that looks like," Buettner said. "Based on everything that I've heard out of Richmond, it will be two to three years before they realistically could come forward with a casino bill. I don't think it is in the city of Winchester's best interest for us to sit and wait on something."

With the casino proposal on an indefinite hold, Buettner said the EDA is now exploring other ways to generate additional tax revenues for a city that is 9.3 square miles in size and, due to a General Assembly moratorium on municipal expansions, cannot grow any further.

One possibility is that Winchester could allow construction of a convention and entertainment center without a casino.

"We've got multiple options throughout the city that would work for this other thing," Buettner said. "But I can say emphatically that there is not an option viable within the city of Winchester that would generate anywhere near the dollars that a casino does. So, from a revenue-generation standpoint, you won't touch what a live gaming establishment will bring. However, you also have to read the societal concerns."

If Winchester does get to the point where it wants to move forward with a casino, a voter referendum would need to be held and, if city residents opposed the casino at the ballot box, that would be the end of the matter. Based on current public sentiments voiced at government meetings and in letters to the editor in The Winchester Star, if a voter referendum was held today, it might struggle to win approval.

'Publix is still committed'

Addressing another development topic, Buettner said construction of a new Publix grocery store in Winchester is still moving forward despite a lawsuit in Fairfax County that some people contend could shut down the project.

"The lawsuit is a disagreement between people on who will be the final participants in the LLC (limited liability corporation) that owns the Publix land [in the 2200 block of Valley Avenue]," Buettner said. "It has not affected construction. If you drive by there, and I do every day, you see everything moving forward."

The proposed Publix would be part of Cedar Valley Square, located on the former Ward Plaza property and within Winchester's recently created Cedar Valley Neighborhood Design District.

As proposed by property owners Winchester Acquisition Partners LLC, the 22-acre mixed-use Cedar Valley Square is projected to include 453 apartments, condominiums and townhouses that will be rented or sold at market rates, plus numerous retail stores, offices, parking lots and a four-story, 376-stall parking garage that will be open to the public. Publix would be located in a 50,000-square-foot building to be constructed on an approximately 5-acre parcel within the 22-acre development.

According to the lawsuit filed by Winchester Acquisition Partners on Nov. 24 in Fairfax County Circuit Court, the development group plans to sell off those 5 acres and has received a \$5 million offer from NS Reston LLC. However, the sale is being held up by an investor in the Cedar Valley Square project, Richard Andrew Whealen of Fairfax, who claims his \$350,000 investment in the development gave him first right of refusal on any offers to buy the Publix property.

Whealen took issue with the way Winchester Acquisition Partners handled NS Reston's offer, stating it was not done in accordance with his investment agreement. Winchester Acquisition Partners countered that Whealen was properly consulted in regard to the NS Reston proposal and asked the court to dismiss a lawsuit he filed against the LLC so the sale could proceed.

Despite public speculation that the lawsuit could kill any chance of Publix building a grocery store at Cedar Valley Square, Buettner said he is confident the project will continue to move forward.

"When this first came to our attention, we met with our attorney and determined there was no breach of the contract with the EDA," Buettner said, referring to a City Council-approved agreement that provided \$29 million to support development of Cedar Valley Square and its associated Neighborhood Design District. " There was nothing that would have caused us to stop funding so we've continued. The work has continued."

Buettner said he has no concerns about the lawsuit holding up the development of Cedar Valley Square and, more specifically, the new Publix grocery store.

"Publix is still committed to this project," he added. "My understanding is that this will be resolved imminently, probably this week."

The only construction-related hiccup with the Publix construction so far, Buettner said, came in the form of an extension granted to the developers by the EDA. Because of that extension, Publix is not expected to open this year.

"But early next year, you will see a grand opening of Publix," Buettner said. "There are no certainties in this world but I feel very good about this project and where it stands right now."

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