

Churchill Downs heading toward finish line for Rivers Casino deal

Written by Administrator

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An Illinois agency as soon as this week may consider approval of Churchill Downs Inc.'s proposed deal for majority ownership in Rivers Casino in Des Plaines, with sports betting cited as a reason the Louisville-based company wants to expand its Chicago-area presence beyond Arlington Park Racecourse.

Churchill Downs intends to acquire about 50.1 percent of Rivers Casino's parent company, Midwest Gaming Holdings. Churchill Downs expects to pay at least \$326 million cash to investment groups for the majority stake, according to the company's December presentation at a Bank of America Merrill Lynch leveraged finance conference.

"We are thrilled to have Churchill Downs become our partner in Des Plaines, because they share our vision for the future of Rivers Casino and our commitment to our team members, community and guests," said Greg Carlin, CEO of Midwest Gaming and its corporate parent, Rush Street Gaming, in a statement to the Daily Herald.

"They have a tremendous record of success and innovation. With their representation on our Board of Managers, we're confident Rivers will remain one of the most successful casino destinations in North America and one of the best places to work in Illinois."

Midwest Gaming attorney Edward Winkofsky said it's hoped the Illinois Gaming Board votes on the tentative agreement at a meeting Friday, March 1. Officials from Churchill Downs and Midwest Gaming expect the deal to close in the first half of this year if the state agency grants approval.

"We're all working hard and hope to be back before you for final consideration of that (acquisition) matter at the next board meeting," Winkofsky told gaming board officials at a recent public session.

As with any casino sale, the state must complete an investigation, including Churchill Downs' finances and criminal background checks of company officials, Illinois Gaming Board spokesman Gene O'Shea said. He said it was not immediately known if the work will be finished in time to get the proposed acquisition on Friday's meeting agenda.

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Churchill Downs' presentation to Bank of America Merrill Lynch says the company would be "favorably positioned" at the Des Plaines casino if sports betting gains approval from Illinois lawmakers. Gov. J.B. Pritzker said last week he supports legal sports betting.

Des Plaines is required to share its annual gaming tax receipts, typically about \$25 million, as part of an agreement for the city's casino license, which led to [Rivers](#) opening in 2011. Getting a cut are the state and 10 economically disadvantaged communities, including Harvey, Ford Heights, Dixmoor and Robbins.

City Manager Mike Bartholomew said Des Plaines generally receives about \$8.9 million annually that's directed toward infrastructure expenses, with \$10 million going to the state. The 10 South suburbs split roughly \$6 million.

Bartholomew said Des Plaines doesn't have an official position on sports betting, but would welcome the additional revenue it's expected to produce if it starts at Rivers. He said it's not by accident that Churchill Downs wants to own a majority of Rivers, the state's top-performing casino.

"Churchill Downs, obviously a well-respected organization," Bartholomew said. "Happy to see them be part of it. In terms of confidence, we've always had confidence in our partnership with Rivers and what they've done for the city, the amount of money it's helped us with our infrastructure, our roads, our water, our sewer."

For years, Churchill Downs has argued its inability to get state permission for slots and other gambling options at Arlington Park in Arlington Heights hurts the racecourse's competitiveness. Churchill Downs CEO Bill Carstanjen has said Rivers could allow the company to get into sports betting and other gambling offerings in the Chicago market.

Suburban sports bettors can get an idea of what Churchill Downs potentially could launch at Rivers by looking at its [Harlow's Casino Resort & Spa](#) and [Riverwalk Casino Hotel](#), both in Mississippi. Churchill Downs bought Riverwalk from Rush Street Gaming in 2012.

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BetAmerica Sportsbook has self-service terminals and enough big-screen televisions to show at least 100 different channels of games at the company's casinos in Greenville and Vicksburg. Churchill Downs launched both BetAmerica operations in Mississippi in August.

Rivers Casino has a 44,000-square-foot, single-level gambling floor with 983 slot machines and 58 table games. Rivers also has seven dining and entertainment options and a multifunctional event center.

Neil Bluhm, who with Carlin co-founded Rush Street and affiliates that include Midwest Gaming, will remain as Rivers Casino's chairman. Carlin will continue as CEO of Midwest Gaming and Rush Street, which won't veer from its role of managing the casino's daily operations.

Churchill Downs spokesman Nick Zangari did not return messages seeking comment.

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