

Chicago Casino Likely Can't Be Financed Under State's Current Structure – CBS Chicago

Written by Administrator
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CHICAGO (CBS/AP) — Mayor Lori Lightfoot on Tuesday agreed with a new feasibility study, saying the state statute that authorized casino gambling in Chicago would make it impossible for a casino operator to be successful.

“The way in which this tax structure was put together, it cannot be done,” Lightfoot said at a Tuesday afternoon news conference.

Lightfoot’s remarks came in response to an independent feasibility study commissioned by the Illinois Gaming Board. The report concluded, and Lightfoot agreed, that “gaming expansion legislation that allows for a casino in the City of Chicago is very onerous from a tax and fee perspective” and likely cannot be financed under the structure has in mind.

Under the law, a Chicago casino operator would have to pay a \$250,000 application fee upfront, a \$15 million “reconciliation” fee when the license is issued and up to \$120 million in gambling position fees.

Financial experts have said the upfront tax payments embedded into the casino statute wouldn’t allow for a casino operator to be successful.

Lightfoot said she was committed, along with Gov. J.B. Pritzker and legislative leaders, to agree upon a structure for financing a Chicago casino “that would actually work.”

Lightfoot also emphasized some positives in the feasibility study that would benefit the state as well as the city, including “the incredible upside potential of a casino in Chicago that will dwarf the revenues that have been generated by any other casino in the state by many magnitudes. So getting this right is in everybody’s interest – not just Chicago. This is something that is going to generate – if it’s done right – substantial revenues for the state.”

Lightfoot on Tuesday also announced the results of [an initial public survey](#), in which Chicagoans were asked to list their preferences for top priorities for the new casino. More than 10,000 residents participated in the survey – which weighed the ideal location of a casino, whether near or far from downtown, near Lake Michigan or the Indiana state line, near public transportation, or where a casino would be most profitable.

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The largest percentage, at 36 percent, said the ideal location is near downtown.

Survey participants were also asked the most important factors in selecting a site for a casino, and what amenities they would like to see built with a casino. Restaurants came in first at 58 percent, followed by theater/live entertainment at 51 percent, and a hotel at 41 percent. Relatively few expressed interest in an amusement park, golf course, or fitness center.

Meanwhile, a total of 73 percent of respondents said increased tax revenue is the most important benefit of opening a Chicago casino, followed by increased employment at 55 percent.

As to concerns about opening a casino in Chicago, increased traffic congestion came in first at 55 percent, followed by gambling addiction at 47 percent.

[Five potential casino sites](#) were shortlisted earlier by the Lightfoot administration – the former Michael Reese Hospital site at 31st Street and Cottage Grove Avenue; Pershing Road and State Street; Roosevelt Road and Kostner Avenue; Harborside at 111th Street and the Bishop Ford Freeway; and the former U.S. Steel site at 80th Street and the new Lake Shore Drive.

The feasibility study addressed the potential of a casino at each of those locations.

But Lightfoot said for now, fixing the tax issue is more important than anything to do with the site. She said all the sites now on the table have been bandied about as potential casino sites for years.

“There’s no location or combination of amenities that makes this deal one that can actually get financed,” the mayor said. “That’s exactly the point that we made to the legislative folks who were putting this together. And now, I think we’ve got a definitive, independent judgment that makes that clear.”

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