Written by Administrator Saturday, 30 November 2019 09:16 -

CHICAGO — After years of pushing a Las Vegas-style casino to boost tourism and much-needed revenue, Chicago's leaders seemingly hit the jackpot when Illinois lawmakers approved one as part of a massive gambling expansion.

But obstacles remain before anyone can place any bets. The city must convince state lawmakers to vote on a plan that officials say makes the casino more profitable as well as choose a location, which already has sparked disputes.

Here's a look at the issues ahead:

THE PLAN

Chicago is on track to become the largest American city with a casino, and it's likely to be gigantic. Lawmakers approved up to 4,000 gambling positions, slots or table seats. Though Chicago could use some positions for airport slots, a Chicago casino could rival those on the Las Vegas Strip. Caesars Palace and Aria have roughly 1,500 slots apiece.

The details — including location and design— are unknown. A required feasibility study in August evaluated five sites outside downtown, including a former U.S. Steel plant site, but recommended one closer to the city's core.

Mayor Lori Lightfoot says downtown is still in play. Sites often discussed include the state-owned James R. Thompson Center and an aging McCormick Place building.

Legislators also approved five other casinos, sports betting and more slots at horse tracks and Illinois' existing 10 casinos.

First-year Gov. J.B. Pritzker signed the package into law during the summer as a critical funding

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source for a \$45 billion capital plan. Chicago would use profits to pay down pension debt.

PAYOUT PROBLEMS

Revenue estimates vary. State experts agree the Chicago casino will easily outperform Illinois' highest-grossing casino, Rivers Casinos in the suburb of Des Plaines, which generated \$440 million last year with its 1,200 gambling positions. The feasibility study said one site at a former hospital could gross over \$950 million by year five.

But there's a big hitch.

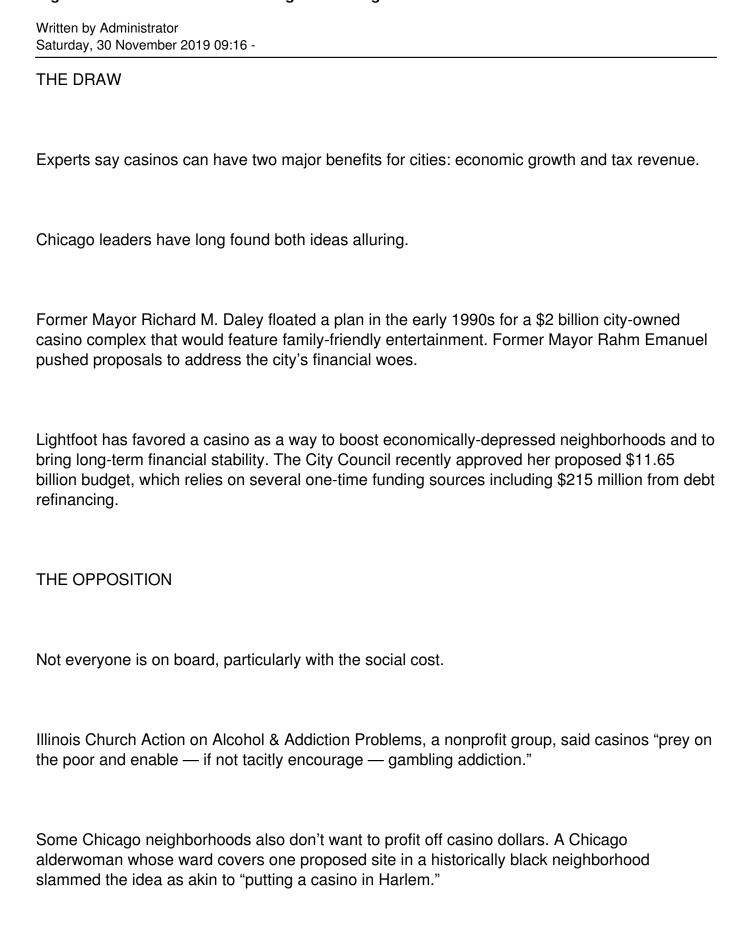
The same feasibility study said the "onerous" tax and fee structure in the gambling law — the highest nationwide — would make a Chicago casino "not financially feasible." The effective tax rate could be up to 72%, including a 33% tax on gross casino receipts that Chicago would use for police and fire pensions. The one-third rate, which applies to Chicago and not the other casinos, was written into the plan after lawmakers rejected the idea of a city-owned casino.

The study concluded any casino operator's revenue would "likely equate to a few pennies on the dollar."

Legislators and city officials were negotiating fixes, but lawmakers adjourned their fall veto session without taking addressing the issue. State Rep. Bob Rita, a Blue Island Democrat who sponsored the expansion, introduced a city-backed plan to lower some taxes and fees, but said lawmakers ran out of time for a vote.

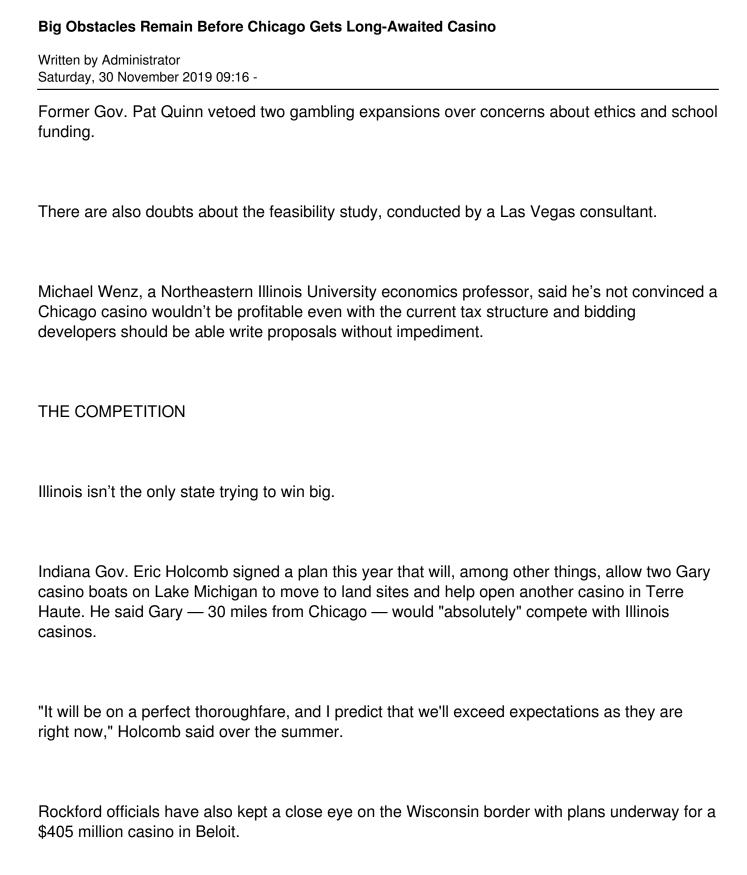
Lightfoot said they'll pursue the issue in January.

"With so much potential on the line, our city and state deserve to get this done and get this done right," she said.



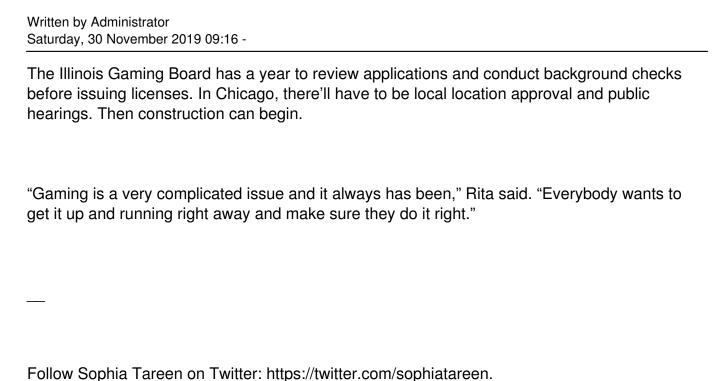
The Illinois Gaming Association worries about oversaturation with the expansion. The new

casinos will be in Chicago's south suburbs, Waukegan, Danville, Rockford and southern Illinois.



WHAT'S AHEAD

Even without the legislative delays, a ribbon cutting will take a while.



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