

Chicago casino odds just got better in Springfield session

Written by Administrator
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Lightfoot's office isn't tipping its hand, saying little except that it is "committed to this project and will maintain the creation of a Chicago casino as one of its top priorities in the coming year." In other words, Lightfoot and Samir Mayekar, her deputy mayor for economic development, have their hands full with COVID-19 and will get to this later.

Still, I have at least partial answers to three key questions: Is the Chicago facility now economically viable, who might build and operate it, and where will it go?

The answer to the first is easiest: Assuming the pandemic eases, the casino, envisioned for decades, is closer than ever to becoming real.

If you'll recall, a state consultant concluded that the original bill authorizing the Chicago casino got greedy, setting the tax rates on revenues so high as to likely drive away any prospective operator. The new bill reverses that, dropping the effective tax rate from 70 percent of adjusted gross revenues to 40 percent, [according to the Illinois Commission on Government Forecasting & Accountability](#), the Legislature's fiscal research unit.

That's still on the high side, says Dan Wasiolek, a senior analyst who covers the gambling industry at Morningstar here in town, but it's low enough to spur "a little more interest" from potential operators. Those operators will need to take a long-term view, he adds, but even at this point in the pandemic there are increasing signs that, just as after 9/11, Americans want to travel, be entertained and gamble. And, as my colleague Steve Strahler [pointed out in a piece](#) in August, the new high-end casino in Boston was doing spectacularly well even with more and more competition for the gambling dollar every year.

The question of "who" is a little murkier. Industry sources tell me Neil Bluhm, who operates the Rivers Casino in Des Plaines and quietly helped Lightfoot pass her bill, might be interested. Sources also point to MGM Entertainment, one of the few large casino companies not to have a property in the Illinois market, or one of the Native American tribes or Genting Casinos, which has considerable interests in Britain and Asia and has been expanding in America.

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"Where" remains the hardest question, as Lightfoot learned when aldermen last year loudly objected to examining proposed sites in their wards. That may explain why a city spokeswoman now says any final decision will occur only after discussions with "a broad group of elected officials, stakeholders, community and business leaders." There's also the related question of whether to locate in the central area to maximize tax revenues or in an outlying, probably minority neighborhood as a catalyst to spur entertainment and other related development.

Though Navy Pier still is mentioned as a possibility by some—local Ald. Brendan Reilly, 42nd, is vehemently opposed—I hear more talk about housing the casino in the aging, outmoded lakefront building on the east side of the McCormick Place complex. It's close enough to downtown to draw tourists, but also near job-short African American neighborhoods. And the east building has 2,000 underground parking places and the big floor plans casinos like. But the building is in such bad shape, I'm told it needs \$500 million in repairs—perhaps so much it would be cheaper to build a new structure elsewhere. Interestingly, the local alderman, Sophia King, 4th, is not closing the door. "I'd have to look at it in context," she says.

All that suggests Lightfoot is going to need a good hand to win this one, but she won't have to fill an inside straight. Casino politics could get really interesting here in months to come.

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