

Hawthorne Wins Preliminary Approval for Casino

Written by Administrator

Thursday, 30 July 2020 00:33 -

[Hawthorne Race Course](#) July 30 won preliminary approval for its long-awaited casino, an action Hawthorne President Tim Carey called "a truly monumental moment."

"The entire Illinois horse racing industry depends on Hawthorne becoming a casino," Carey told the Illinois Gaming Board. "Without casino revenue, the economic model of racing no longer works ... Simply put, without a casino at Hawthorne, there is no more Illinois horse racing."

The Gaming Board, which has been considering Hawthorne's application since August of 2019, voted unanimously to find the track "preliminarily suitable" for licensure. IGB Administrator Marcus Fruchter noted the finding is "not a guarantee" a license will be granted. But it is a significant step toward final approval and breaks a frustrating logjam.

In a separate action, the Board also gave final approval of Hawthorne's application for a master sports wagering license, opening the door for the first time for Illinois racing to participate in that new, high-volume and highly competitive business.

The racing industry had expected the IGB to rule on license applications by the end of 2019 but the complexity of the issues, the surge of new business as a result of the state's massive 2019 gaming expansion and the COVID-19 pandemic restrictions caused repeated delays.

Now, Carey said, Hawthorne is ready to go with sports wagering and proceed on casino construction as soon final approval is in place. He said internal reconstruction at the track already has freed up room for sports wagering facilities and permits have been granted for completion of gaming facilities.

Ultimately, he said, a reconfigured Hawthorne will be a sparkling facility featuring a multilevel parking ramp, "immersive" sports wagering and quality racing with attractive food and beverage facilities, creating some 2,200 new jobs "and save tens of thousands" of existing racing industry and agribusiness jobs.

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With 18% of adjusted gross gaming revenue going to purses, Carey said, "We estimate daily average purses will triple and the money will flow directly to working-class people spread out around the state at agribusinesses and farms."

"There are a lot of people counting on us to get this right," Carey said. "We are not going to let them down."

The board's action moves Illinois racing almost to the finish line of a race that began decades ago and has had more twists and turns than a soap opera.

Gaming expansion bills authorizing slot machines at tracks were approved twice by the Illinois General Assembly, only to be vetoed by then-Gov. Pat Quinn. The issue re-emerged in the final days of the 2019 spring legislative session, finally passing as a potentially substantial source of revenue for the cash-strapped state and local governments. Gov. J.B. Pritzker quickly signed that legislation, which allows table games as well as slots.

The racing industry's euphoria was short-lived, however, as [Arlington International Racecourse](#)'s corporate parent, Churchill Downs Inc., opted not to apply for a casino license despite having lobbied for that right for many years.

That decision sharply reduced the expected influx of new purse money and left Hawthorne and downstate [Fairmount Park](#) as viable "racino" applicants. The Gaming Board has not yet acted on Fairmount's application.

Without specifically mentioning Arlington or CDI, Carey said Hawthorne's "obligation is to the people of Illinois and to the people who will work in our casino and in the Illinois racing industry. We believe that our position as an independent business better suits us to live out these convictions than if we were controlled by an out-of-state or publicly controlled corporation."

"We know that our casino application is unique. We are the only multi-generational, family-owned business to ever apply for an Illinois casino license. We are the first casino applicant to have a majority female ownership. We are the only casino applicant that has ever

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been previously and concurrently licensed as a gambling business by another state agency.

"And our explicit inclusion in the very law allowing casino expansion was predicated on elected officials wanting to provide essential support to the horse racing and agribusiness of our state," Carey added.

Hawthorne and Arlington already have teed up a battle over which of them should have the bulk of "dark day" simulcast revenue in 2021 —an issue which will play out in the September dates hearing of the Illinois Racing Board.

Carey emphasized to the Gaming Board the value of family ownership.

"This has been a 15-year journey for our family and the Illinois horse racing industry ... I am now the fourth generation of my family to lead this business, which is owned entirely by the descendants of Thomas Carey, a majority of whom are women. My great-grandfather was a poor Irish immigrant before moving to Chicago in hopes of starting a new life," Carey said.

"Hawthorne is the longest-running, licensed gambling business in the history of Illinois. My family is very proud of this. And the integrity that this requires is, and will remain, a cornerstone of our business," Carey said.

Carey also lauded former state legislator and industry consultant Bob Molaro, a colorful, knowledgeable and influential voice for horse racing, who died in June.

Molaro, Carey said, "was part of the original crafting of the Illinois gaming bill back in the day and had his fingerprints on the most recent one as well. Bob left us last month but certainly he was instrumental in the racing industry and he was a very, very close friend of this family and I just want to recognize him."

Read more <https://www.bloodhorse.com/horse-racing/articles/242602/hawthorne-wins-prelimi>

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