

City Hall releases details of casino proposals

Written by Administrator

Friday, 19 November 2021 12:01 -

City Hall on Friday lifted the veil on five competing proposals for the downtown casino that has eluded Chicago mayors for generations and established a rigid timetable to get the projected \$200 million in annual revenue rolling in.

Broad outlines of the proposals to build a casino at McCormick Place Lakeside Center, the truck marshaling yards adjacent to McCormick Place, the vacant South Loop site known as “The 78” and the Chicago Tribune’s Near North Side publishing plant have been known for weeks.

But Friday’s unveiling of the five summary proposals by Bally’s, Hard Rock, and casino magnate Neil Bluhm’s Rivers Casino put more meat on the bones. Bally’s and Rivers both hedged their bets with two proposals apiece.



A view of the Rivers Casino proposal to reuse Lakeside Center at McCormick Place.
Provided

The proposals differ in their locations, dollar commitments and in how quickly they could be up and running. Another major difference is the number of additional hotel rooms planned.

The Rivers Chicago McCormick, for example, highlights its plan to use the 2,900 existing Chicago hotel rooms close to the Lakeside Center and build 250 additional ones if necessary.

During a virtual briefing Friday, Chief Financial Officer Jennie Huang Bennett and Samir Mayekar, deputy mayor for economic and neighborhood development, said they are confident that all five proposals will generate “in the ballpark” of \$200 million annually,

Maximizing revenue is critical because the money is earmarked for police and fire pension funds on the brink of bankruptcy. So is minimizing the need for a city subsidy. Both mayoral

City Hall releases details of casino proposals

Written by Administrator

Friday, 19 November 2021 12:01 -

aides stressed that the casino proposals are “self-contained” but did not rule out a tax increment financing subsidy.

The summary proposals:

Rivers Chicago McCormick: This proposed rebirth of the underutilized Lakeside Center could be the least expensive and the quickest to market in an estimated 12 months. The estimated cost for 2,600 gaming positions is \$1.3 billion — \$700 million less than the most expensive proposal. It calls for an updated Arie Crown Theater and would provide direct access to the existing, more modern and better-utilized McCormick Place convention halls. That is not necessarily a positive. Some in the convention business don’t want a casino so close to the existing complex for fear it would distract conventioners off the exhibition floor.

Rivers touts its proposal as bankrolling “much-needed restoration and deferred maintenance” of Lakeside Center that McCormick Place officials would otherwise have difficulty funding. Developers further claim there is “ample parking” and that the 2,900 existing hotel rooms are already connected by a covered walkway.

Rivers 78: This proposal for the long-vacant, 62-acre South Loop site once owned by convicted political player Tony Rezko carries a \$1.6 billion price tag. It also has a potential political problem. It could conflict with Gov. J.B. Pritzker’s plan to use part of the property for a University of Illinois tech research center.

“My understanding is that, if this is selected, the developers have a vision where these two would co-exist,” Mayekar said.

The South Loop development includes a 450,000-square-foot casino with 3,300 gaming positions, a “world-class sportsbook” and an entertainment complex that includes what the partners call a “reborn Mister Kelly’s nightclub.” It also has a design quirk that includes a “1,000-foot-tall Observation Tower, featuring breathtaking, purpose-built viewing and event space drawing inspiration from Chicago’s historic bridges.” The site is described as “shovel-ready” and the “most accessible” of the five sites, with the potential to draw 7 million annual visitors. But it could draw major opposition from South Loop residents, especially in neighboring Dearborn Park to the east.

City Hall releases details of casino proposals

Written by Administrator

Friday, 19 November 2021 12:01 -

The observation tower could also be a flashpoint because it would be almost as tall as 875 N. Michigan Ave., formerly known as the John Hancock Center.



A rendering of a Hard Rock casino on the One Central development site near Soldier Field. Provided

Hard Rock: This \$1.7 billion casino and entertainment complex would be located at the proposed One Central project that developer Bob Dunn wants on a platform over Metra tracks near Soldier Field. The problem is the One Central project relies on a \$6.5 billion publicly subsidized transit center at its core. And both Pritzker and Mayor Lori Lightfoot have been cool to that idea.

If they can be persuaded to come around, developers plan to build a new Hard Rock Hotel with up to 500 rooms. Playing to its strength, Hard Rock touts its “entertainment-focused strategy with nearly 35,000 live acts booked annually.” They call the development a “holistic, destination development to attract locals, the existing tourist base [including conventioners] and induce new tourism.”

They even claim the site would generate an additional \$70 million in gaming revenue for the city and \$81 million more for the state “compared to any other location in Chicago.” Hard Rock developers also plan to put up a temporary casino — within six to nine months — at Lakeside Center and use existing parking at the convention complex. This plan also faces a potential buzz saw of opposition from South Loop residents. They have already mobilized in opposition to Dunn’s proposed wall of new high-rises to be built on the “transit tabletop.”



The Bally’s proposal for a casino at the Chicago Tribune’s Freedom Center printing site, 777 W. Chicago Ave. Provided

City Hall releases details of casino proposals

Written by Administrator

Friday, 19 November 2021 12:01 -

Bally's at the Chicago Tribune's Freedom Center: This development would be on a site at 777 W. Chicago Ave. where the Tribune and Sun-Times are now printed. Developers propose using adjacent property north of Chicago Avenue as a temporary casino site. The permanent casino would include 2,700 slots and 95 table games. The price tag is \$1 billion for Phase 1 with the potential for \$600 million more in a "follow-up phase, subject to achieving a sustainable, 20% on initial investment." The entertainment component would include a River West outpost for the legendary comedy club "Second City." The Bally Sports Bar would feature "constant celebrity athlete events" and a "truly immersive sports experience" that includes a museum highlighting Chicago's sports history. Bally's primary selling point is a global brand that it claims will draw additional visitors to Chicago. Without mentioning Rivers and its existing Des Plaines casino, the company claims that it is "conflict-free" with no other interest in the Chicago market. "We don't operate, own or partially own casino property located elsewhere within the Chicagoland market," it said. Bally's further claims that its proposal would "accelerate revenue" to the city through an "upfront incentive payment of \$25 million" if it is awarded a gaming license.



How a Bally's casino might look if built at a truck marshaling yard near McCormick Place.
Provided

Bally's McCormick Place: This version of the Bally's casino would be at the truck marshaling yards for McCormick Place at 31st Street and DuSable Lake Shore Drive. Local Ald. Sophia King (4th), chairman of the City's Council's Progressive Caucus, is adamantly opposed to this site because of its proximity to her development baby: the residential and medical research complex on the site of the Michael Reese Hospital, which the city bought for an Olympic Village that was never built. Neighbors have embraced the development but don't want a casino anywhere near it. Neither does King. Mayekar and Bennett said a "partnership" with City Council members who must approve the final casino site is important. But they are not ruling out the marshaling yards. This Bally's proposal promises a \$50 million "upfront incentive payment" to the city, double its Freedom Center pledge. Like the other Bally's proposal, Phase 1 promises a \$1 billion investment with the potential for \$600 million more. The plan includes 2,700 slot machines and 95 table games; a 100 all-suite luxury hotel; an outdoor music venue with 500 to 1,000 seats; and "green space for relaxation and recreation." Phase 2 would add a 400-room hotel, "up to 4,000 total gaming positions" and a 3,000-seat "flexible indoor entertainment venue that can accommodate large performances, smaller meetings and private events." Bally's McCormick is unique in its proposal to use "a portion of the available 4,000 gaming positions allocated to the project" for O'Hare and Midway airports.

City Hall releases details of casino proposals

Written by Administrator

Friday, 19 November 2021 12:01 -

Lightfoot wants to make a final recommendation to the Illinois Gaming Board during the first quarter of next year.

Toward that end, City Hall is prepared to launch the public engagement process with a Dec. 16 public hearing where developers will make presentations and answer questions.

That will be followed in early 2022 by negotiations with a developer recommended by a city review committee and chosen by the mayor and approval by the City Council and the Chicago Plan Commission.

Read more <https://chicago.suntimes.com/2021/11/19/22791407/chicago-casino-proposals-details>