

McCormick Place raises the ante in casino stakes

Written by Administrator
Monday, 28 February 2022 05:30 -

Will Chicago's convention business bounce back coming out of the pandemic — if we can ever confidently get there? The question might take a long time to answer, but it has asserted itself in an issue more proximate in the civic mind: where to put a downtown casino?

Three of the five casino bids Mayor Lori Lightfoot's administration has gotten cast a longing eye on McCormick Place property. They foresee a role for either the McCormick Place North hall, the truck marshaling yards south of the convention buildings or Lakeside Center, the oldest campus building and one with a Rodney Dangerfield aura. It's usually described as outmoded and little used, at least in comparison with the other halls.

So those three bids rather boldly wanted to take a bite out of Chicago's convention capacity to bring on the blackjack tables. That doesn't necessarily sit well with those involved in the meetings business. A casino is a big prize, but conventions have been a big deal here for decades.

A University of Illinois Chicago study done for McCormick Place said in pre-pandemic times it accounted for \$1.9 billion in annual economic impact and direct employment of more than 14,000 people.

Larita Clark, CEO of the agency that runs McCormick Place, told [her board Feb. 15](#) that a customer survey found exhibitors to show managers were neutral to supportive about a casino near McCormick Place, especially one that's "high-end done right," but dubious to highly critical of putting it on-site. If you're a business or entrepreneur spending good money for a booth at a convention, you don't want customers peeled off by roulette wheels.

Clark also threw wrenches into the casino gears. She said if McCormick Place will lose capacity, it needs to replace it, and that could mean a new \$1 billion structure — hello, hotel tax — that could take six years to finish. McCormick Place North, she said, ran near capacity before the pandemic, and the marshaling yards are a dandy feature that give Chicago a competitive edge over convention rivals.

The CEO defended the honor of Lakeside Center. The agency expects the building will get 253

McCormick Place raises the ante in casino stakes

Written by Administrator

Monday, 28 February 2022 05:30 -

events through 2035, even if its usage trails the other exhibit halls. “The reality is if we lost Lakeside Center, we’d need to replace 600,000 square feet and all the critical infrastructure [serving McCormick Place],” she said.

Underpinning all this is cautious optimism that, barring a COVID resurgence, demand for conventions and trade shows — and business travel in general — will rebound over the next couple of years.

McCormick Place’s calendar shows much activity for the balance of the year. Experts said some events may be smaller than usual because of remote attendance or difficulty with foreign visitors getting into the U.S. because negative COVID-19 tests are required. But they said there’s also an impulse to end the doldrums of virtual meetings.

“People I talk to say the feeling is the same: We need to feel and touch the product. We need to be back in person with our customers. There’s a strong desire to hit the road again,” said Michael Jacobson, CEO of the Illinois Hotel & Lodging Association.

He said cities that rely more on leisure travel, such as Miami, already see lodging volumes near pre-pandemic levels. Business travel is king in Chicago, so hotels here probably won’t be back to normal until 2024, Jacobson said.

Sherrif Karamat, CEO of the 5,800-member Professional Convention Management Association, sees a gradual but steady recovery but with near-term challenges. The pandemic has made it hard for some event organizers to afford insurance, he said. But overall, “I see the need for face-to-face business has not dissipated,” he said.

Clark made one last point to the McCormick Place board. She said staff advised her that a legal principle called public trust doctrine, dating from a 19th century lawsuit over the Illinois Central Railroad’s use of lakefront property, could rule out use of the Lakeside Center by a private venture. It sounds like knotty litigation that could tie up a casino proposal for years.

Perhaps the cards favor the bid that doesn’t involve McCormick Place and seems relatively

McCormick Place raises the ante in casino stakes

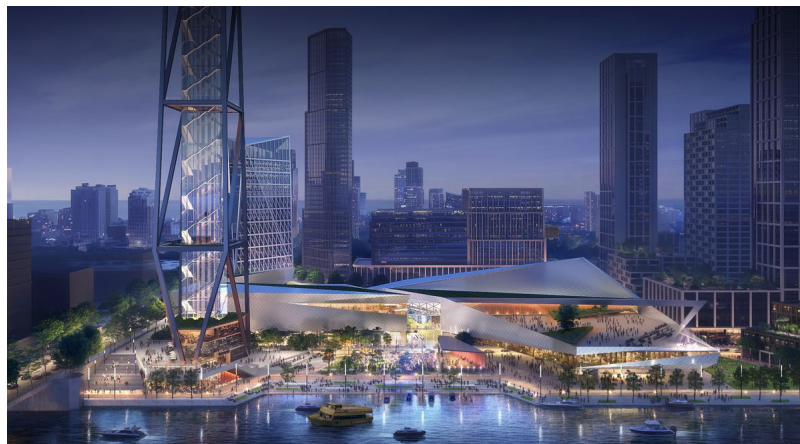
Written by Administrator
Monday, 28 February 2022 05:30 -

simple to execute.

It's the plan from Neil Bluhm, head of Chicago-based Rush Street Gaming, in partnership with Related Midwest that can put the whole gambling and entertainment hotbed on 62 vacant acres running southwest from Roosevelt Road and Clark Street, the development site known as The 78.

Bluhm has submitted a separate bid for Lakeside Center, but building at The 78 could be so much easier. Conventions are undisturbed. Roosevelt gets cars to Lake Shore Drive and Interstate 94, and there's room for everything a casino needs.

Getting buy-in from residents in adjacent Dearborn Park accustomed to peace and quiet might be a problem. But this is a high-stakes game, after all.



A rendering of what a casino and other development might look like at The 78, a plan backed by Neil Bluhm and Related Midwest. The high-rise in the foreground is a 1,000-foot observation tower. Rivers 78 Gaming LLC

Read more <https://chicago.suntimes.com/2022/2/28/22949982/chicago-casino-mccormick-place-debate-convention-business>