

State Rep. Robert Rita, D-Blue Island, is trying to enlist the help of the Illinois Gaming Board to stop the development of "casino malls," but the first two video gambling malls in the state are rapidly moving forward in Crestwood and Hometown.

The concept, first revealed in this column, is to place five or six independently owned businesses adjacent to each other in a strip mall to maximize their customer base, suburban residents who like to play slot machines.

Under Illinois law, no business can have more than five video gambling machines. But there's nothing in the law that prohibits opening several such businesses in the same strip mall to create what's been termed a casino mall.

There are already more video gambling machines (about 21,200) in restaurants, bars, truck stops and veterans halls than in all of Illinois' casinos. In August, gamblers wagered nearly \$75 million on video machines, bringing the total to \$590 million for the first eight months of this year, according to the Gaming Board.

"The Illinois General Assembly did not allow these types of (casino) malls in legalizing video gaming originally and is not interested in seeing this type of activity authorized in Illinois," Rita states in a resolution that he plans to file this week. "While proponents argue these 'casino malls' could generate more economic activity and revenue, there are legitimate concerns about these malls shifting video gaming away from its intended purpose of main street community entertainment for bars, restaurants and other local businesses." Oak Lawn Mayor Sandra Bury has been one of the most vocal critics of the unrestricted expansion of casino gambling in Illinois. "I'm pleased to hear Rep. Rita is taking an active interest in this, but what municipalities need is legislation that would give them some control over the spread of these businesses, which are proliferating throughout this state," Bury said. "Once a municipality authorizes video gambling, it really has no control over how many businesses can apply for video gambling or where they are located." This state has gone from 13,000 video gambling machines in restaurants, bars and other businesses in 2013 to more than 21,000 today, and many more businesses are applying for video gambling licenses. "The intent of the law originally was to benefit existing businesses, small restaurants and bars in communities that were struggling to recover after the recession. But what we've seen happen is something no one anticipated, the creation of casino cafes and other businesses that didn't exist before the video gambling law was passed that are specifically catering to gamblers." I am not opposed to video gambling. I would like to use the licenses to attract businesses to areas that are commercially struggling. I just don't want to see every other business in town with video gambling machines. It's not healthy, and it's not what anyone intended when the law was passed." Bury earlier had voiced

concerns about the "casino mall" planned in neighboring Hometown, in a strip mall just south of 87th Street on Southwest Highway. Hometown Mayor Kevin Casey said he hoped a developer's plans to open as many as nine gambling cafes in the Home Town Plaza strip mall would succeed and was excited about the potential revenue it would generate for his tiny suburb. Crestwood Mayor Lou Presta is supporting a planned casino mall just south of the Cal Sag Road and west of Cicero Avenue, across from an off-track betting parlor. As many as seven video gambling shops, each owned by a different person or business, could open at that site. "The first one was actually approved by the Illinois Gaming Board last month," Presta told me. A check of the board's website indicates that Grand Avenue Entertainment Inc. received approval in August to operate slot machines at 13125 Rivercrest Drive in Crestwood. License applications are pending for Gigi's Crestwood LLC, at 13113 Rivercrest Drive, and T.C. Pub 4 Inc, at 13123 Rivercrest Drive. Gigi's Hometown LLC has applied for a license at 4126 Southwest Highway in Hometown and TC Pub 5 Inc. seeks a license for 4104 Southwest Highway in the city. Asked what he thought of Rita's idea to change state law to address casino malls, Presta said, "I have no problem with that. But right now the law allows these places to open. There's nothing in the law that prohibits them from operating. So I have no problem with it (casino mall). As long as it's done legally, it's fine with me." Eventually, all of these places will wear out their welcome, sort of the way it's been going with the riverboat casinos. They're hot for a while, then interest begins to fade. "Rita, who represents a portion of Crestwood and is responsible for directing all gambling issues for the Illinois House, said he was surprised to learn the speed with which the casino mall initiatives were moving forward at the Gaming Board. "My understanding is there are several licenses up for approval at the Gaming Board's meeting next week related to the casino malls in Crestwood and Hometown," he said. "So I wanted to get something going here in Springfield this week to send a message to the Gaming Board that the General Assembly is not in favor of this sort of thing. I want the Gaming Board to take note of that before it votes, and I want the Gaming Board to conduct a study that might help us frame legislation to limit the expansion of this sort of thing. There's no way we could get a bill passed in time to do anything to stop this, so the resolution, even if it isn't passed by the time the Gaming Board meets, will at least put them on notice that we have taken a position opposed to this." Rita, like Bury, noted that when the legislature passed the video gambling law in 2009, it's intent was to help existing businesses in the aftermath of the Great Recession. "It was supposed to be a spur for economic development for small businesses that were struggling, help municipalities recover and provide some additional tax revenue for the state and local governments," he said. "It wasn't intended to generate an entirely new type of business, like casino malls or casino cafes, but that's what is going on." Rita said he has heard of a plan to develop a casino mall on the outskirts of Springfield but isn't aware of any sites other than Hometown and Crestwood at this time. "But this is likely to start happening across the state now that someone has stumbled onto the idea, and we have to address the issue," he said. "We don't want to create an entirely new type of casino industry in this state."

Bury believes the legislature deliberately crafted the initial video gambling bill to place few limits on the growth of the industry, other than approval from the Illinois Gaming Board.

Kadner: Rita tries to stop casino malls in Southland

Written by Administrator

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"Municipalities only had the right to approve or disapprove of allowing video gambling," she said. "There's no doubt that the revenue helps communities. But we have no control over the growth of this thing, and that's what we need from the state. Municipalities ought to have more control over the growth and locations of these businesses."

I attempted to contact Gaming Board officials for comment without success. But the law says what the law says, and I don't see how they could reject the applications of any legitimate business without generating a lawsuit that would likely be successful.

Casino malls seem like a legitimate product of the free enterprise system.

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