

Chicago casino: Who has the hot hand?

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

Mayor Lori Lightfoot pulled off a card trick last week in Chicago's casino deliberations. Or maybe she dealt a new hand. Pick your metaphor.

In her administration's announcement that it has [winnowed the casino bids to three](#), she jostled the order of things and left at least one player at the table feeling pretty good, a player not Neil Bluhm.

It's Bluhm who many insiders believed had the inside track on this. He still might. The chairman of Rush Street Gaming, which owns the Rivers Casino in Des Plaines that's the most lucrative such operation in Illinois, Bluhm combines real estate development skills with knowledge of gambling, and his political and business contacts here are peerless.

Bluhm was behind two of the five initial bids for a casino site. He formed a strong local partnership to boldly propose taking over Lakeside Center, the oldest and least used convention hall at McCormick Place and the one needing the greatest amount of fixing up. Another bidder, Bally's also turned in a plan to use other parts of McCormick Place property.

But under the city's process, nobody was allowed to communicate with the Metropolitan Pier and Exposition Authority, which runs McCormick Place. That was a problem. Last month, Larita Clark, CEO of the authority, delivered [a blistering critique of the proposals involving convention center property](#). Saying that all she knew about the casino was what she saw in the public proposals, Clark warned that the authority would need to spend maybe \$1 billion to replace space if the meetings industry continues to recover from the pandemic. There was talk of bureaucratic hurdles, including a need to change state law, before any deal could be struck.

Clark conjured an image of delays and cost escalations for the city's casino ambitions, stymied for most of the last 30 years. It took the Lightfoot team just over a month to respond.

It discarded the two bids involving McCormick Place. "MPEA and convention center business drives \$1.9 billion of economic impact for the City based on 2019 events. Losing even one convention due to a casino could have significant adverse impacts on City and State revenues

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and jobs,” City Hall’s evaluation said.

So it buried the notion that table games would butt up against trade shows. Most in the meetings industry don’t want the distractions. “They don’t want gambling to compete with their trade shows. They want it to be like another city amenity, like a great steak dinner,” said Laurence Msall, president of the nonpartisan Civic Federation, which has no position on a casino site.

The three bids still standing include the Bluhm pairing with Related Midwest for the vacant Near South Side piece known as The 78, another Bally’s proposal at the Chicago Tribune printing plant at Chicago Avenue and Halsted Street, and a Hard Rock pitch to build over the Metra tracks west of Soldier Field on part of a proposed development called One Central. Hard Rock has said its casino can proceed without the broader project, which requires state funding for a transit hub.

From the looks of it, Bally’s is gaining on Bluhm, if it hasn’t pulled ahead, and the complex Hard Rock air rights deal, touching many public agencies, is hanging by a thread. Three main points the city made in its report invite that conclusion. The factors listed in picking a winner: 1.) How much money the casino will make? Remember, this is supposed to bail out the police and fire pension funds. 2.) How quickly can it get started? 3.) Does the company have any conflict with other casinos?

Bluhm is in Des Plaines and Hard Rock operates in Gary, Indiana. One reason for Chicago to do this is to get a cut of the estimated \$331 million in annual gaming revenue that goes from Illinois to Indiana. “Bally’s is the only bidder that does not already have a property in the Chicagoland market and, therefore, is more likely to operate with independence in maximizing revenues for the Chicago casino,” the city said.

The report said the Bally’s site could be up quickly with a temporary casino because it can retrofit a building north of the Tribune printing site. It suggested that could happen in mid-2023, but that seems a stretch. Lightfoot has delayed her selection until this summer, after community hearings. The River North Residents Association has raised alarms about the Bally’s site and an advisory group for The 78 released a poll showing most people near it oppose a casino. The [City Council has to weigh in](#)

. Lightfoot’s pick has to go through the Illinois Gaming Board, which can take months for a review that includes background scrutiny of casino investors.

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The mayoral election is a year off. This deck still has some wild cards.

Read more <https://chicago.suntimes.com/2022/3/28/22995618/chicago-casino-proposals-mccormick-place>