



# CHICAGO

## Gaming Development Opportunity

August 2020





Photo: Chicago's Frozen Shadows by Mike Lavoie

# ECONOMIC LANDSCAPE

*Expansion and reinvention are a core part of Chicago's identity and helped establish the city as a global economic powerhouse.*



# PLATFORM FOR GROWTH

Chicago is a once-in-a-generation opportunity for gaming and entertainment development in the heart of a top-tier metro area

The City's scale and connectivity provide an immense market to serve, and the stock of entertainment and cultural assets provide a wealth of opportunities to craft a one-of-a-kind destination for locals and visitors alike



# #1

## BEING NUMBER ONE COMES EASIER TO SOME



**Number #1** most-diversified economy among the largest U.S. metros based on employment



**Number #1** most-connected airport in the country and second in the world



**Number #1** top U.S. city for corporate relocations and expansions for the past seven years



**Number #1** top U.S. neighborhoods that "have it all": good schools, affordable, safe, accessible



**Number #1** top city in North America for foreign direct investment for the past seven years

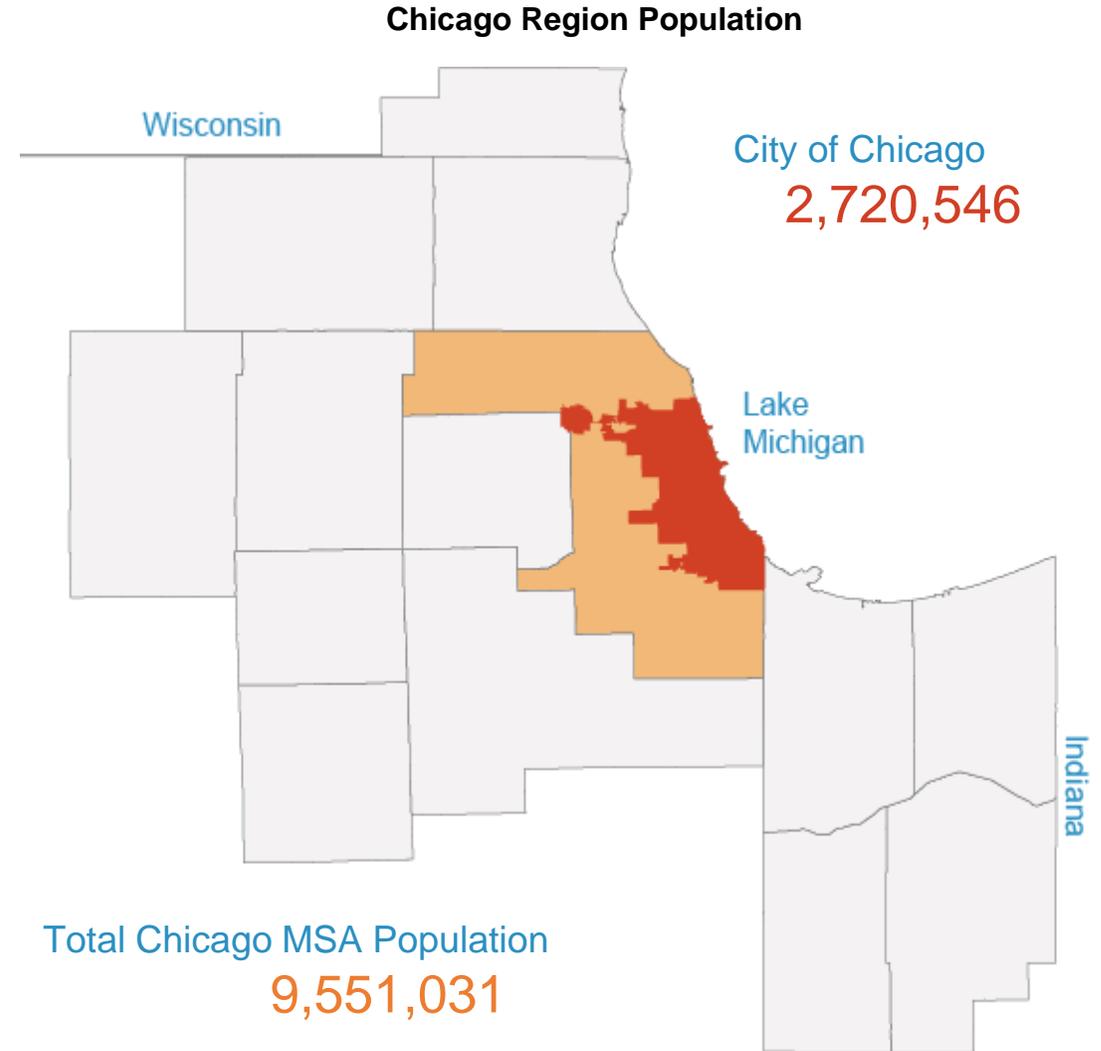


**Number #1** top destination for Midwest talent in engineering, business, and computer science

# A VAST MARKET TO TAP

With a population of over 9.5 million, the Chicago MSA ranks 3<sup>rd</sup> in the nation, behind only NY and LA

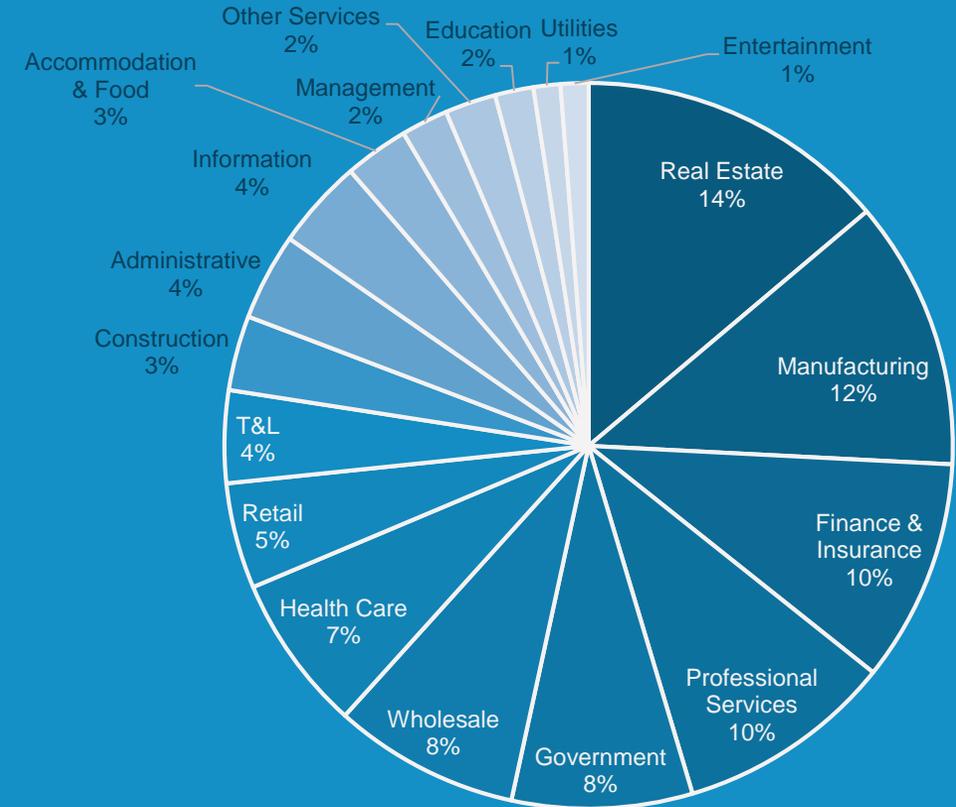
- Approximately 11 million people live within a 60-minute drive of the City center
- 3+ million working-age adults are within a 50-minute commute of downtown Chicago, and more than 1.2 million are ages 18-34
- 38.5% of the population over 24 have a bachelor's degree or higher—more than the national average (31.3%) and the highest of the five largest U.S. cities



# A LARGE AND RESILIENT ECONOMY

- Chicago has a GDP of \$670B+, exceeding that of Sweden, Poland, and Argentina
- The local economy is also extremely diversified, with no single industry making up >14% percent of GDP
- This diversification has contributed to a high degree of resiliency during economic downturns, particularly in comparison to peer cities more concentrated in cyclical industries

## Chicago's Industries by GDP (2018)



Source: Moody's, JLL

# BUSINESS-FRIENDLY CLIMATE

- Chicago is recognized as offering a highly competitive cost of doing business vs. peers
- In March 2020, Chicago was ranked the #1 “Top Metro” for corporate investment by *Site Selection Magazine* for the 7<sup>th</sup> year in a row
- Chicago was also named #1 in the nation for foreign direct investment according to the 2019 IBM Global Locations Trend Report

Source: CBRE, Site Selection Magazine



## Cost of Doing Business Index



Source: World Business Chicago, 2020

HQ HQ  
**400+**  
 MAJOR CORPORATE HQS,  
 OFFICES, AND FACILITIES

35

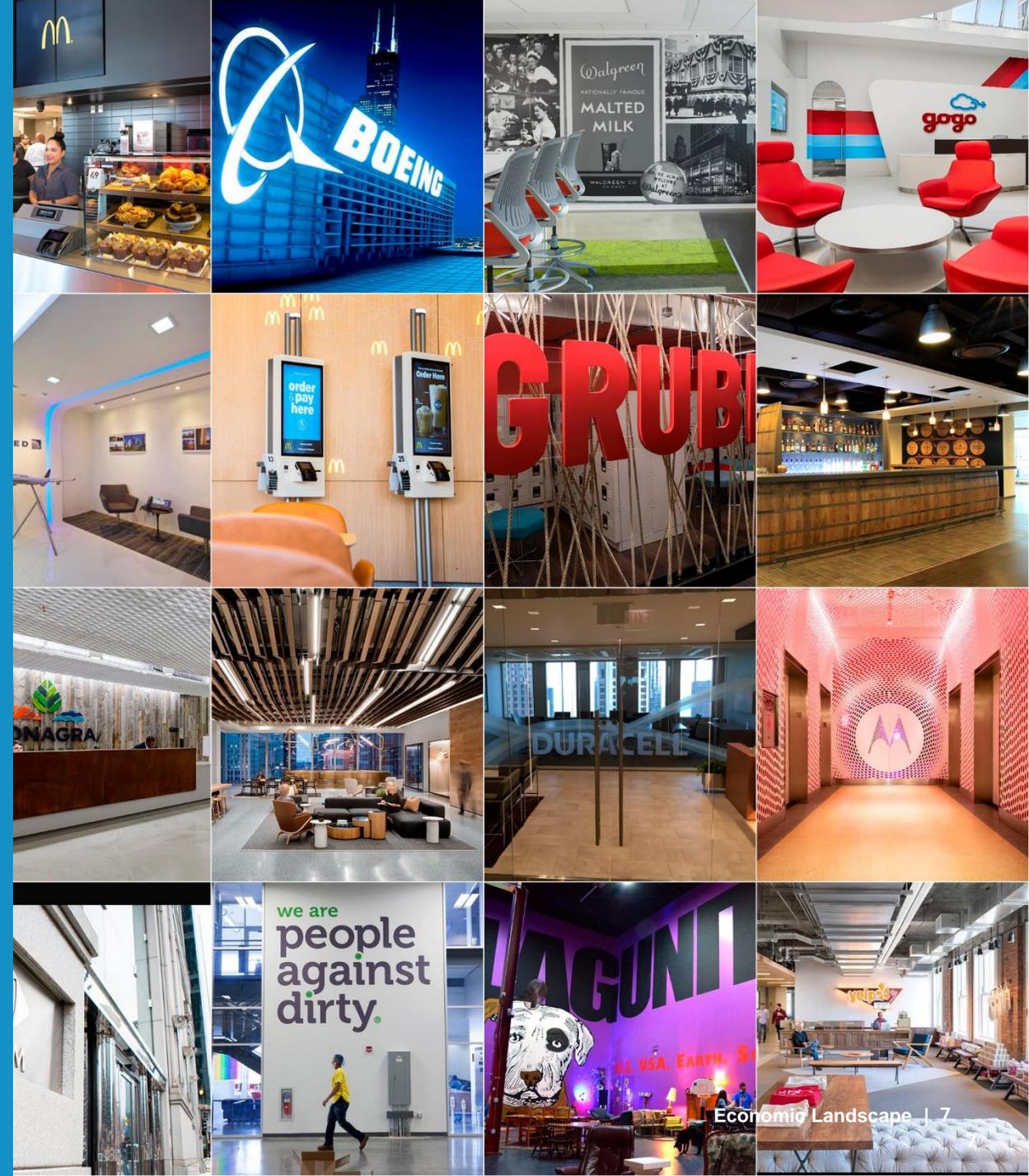
FORTUNE 500 HQS

32

S&P 500 COMPANIES

- MeadJohnson Nutrition
- yelp
- CONAGRA
- GRUBHUB
- LAGUNITAS BREWING COMPANY
- MEDLINE
- connected|health
- motorola a Lenovo company
- NOKIA
- GE Healthcare GE Transportation
- method.
- ADM
- Beam SUNTORY
- McDonald's
- glassdoor
- KraftHeinz
- gogo
- GRAINGER.
- belly
- HYATT
- Cleversafe
- DURACELL
- Johnson PROFESSIONAL
- DISCOVER
- salesforce
- Google
- UNITED

Source: World Business Chicago, 2020

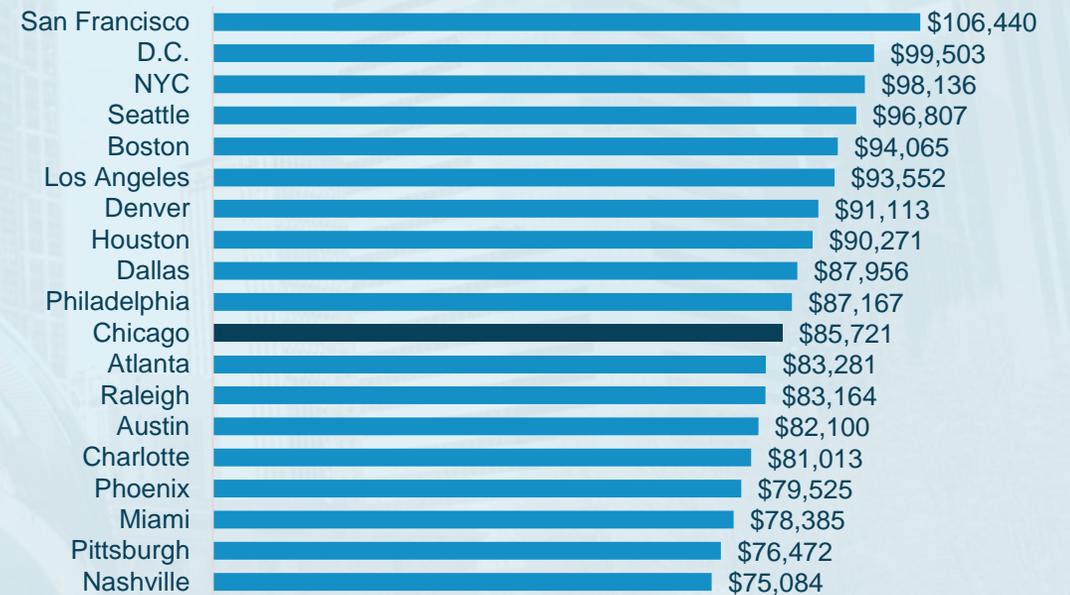


# CHICAGO HAS AN ABUNDANT LABOR SUPPLY AT COMPETITIVE COSTS...

TOTAL EMPLOYMENT KEY OCCUPATIONS (MSA)



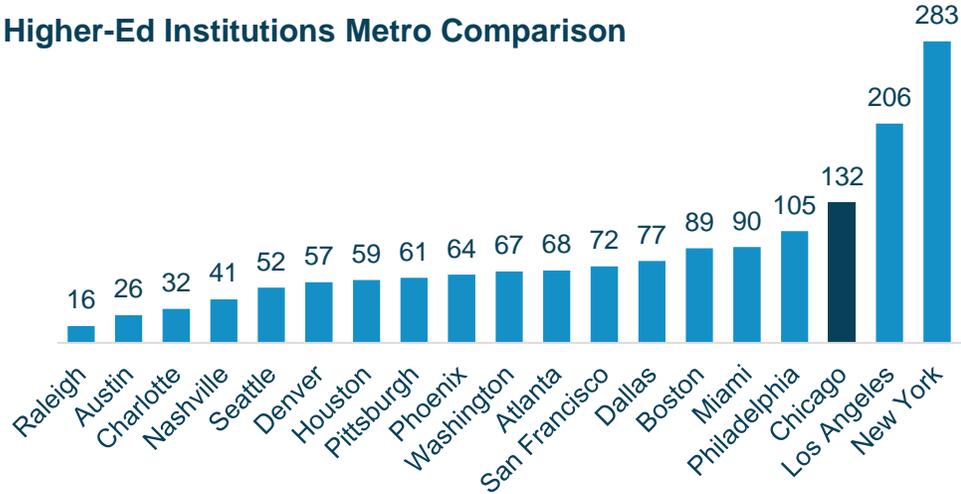
AVERAGE WAGE KEY OCCUPATIONS (MSA)



Source: BLS Occupational Employment Statistics, 2018

# ...INCLUDING HIGH-SKILLED LEADERS IN MANAGEMENT

Higher-Ed Institutions Metro Comparison



**132 higher-education institutions**  
graduate 123,500 students every year

Source: IPEDS 2017



## CHICAGO HAS:

2 OF THE TOP 10 LAW SCHOOLS:



2 OF THE TOP 6 BUSINESS SCHOOLS:



## WITHIN A 2 - 4 HOUR DRIVE CHICAGO ALSO HAS:

3 OF THE NATIONS TOP 10 COMPUTER ENGINEERING PROGRAMS



3 OF THE TOP 10 ENGINEERING SCHOOLS:



# CONNECTIVITY

*Chicago is a global “gateway city”, and a leading hub for domestic and international travel. At the same time, the City offers a combination of robust public transit infrastructure and regional connectivity that is unmatched in the broader Midwest region.*



# CONNECTIVITY BY AIR

## Chicago is the #1 Most Connected Airport for Domestic Flights — OAG

- A combined 134 daily nonstop flights to New York City, San Francisco, and D.C.— #1 in the world
- Chicago's location keeps West Coast flights to ~4.5 hours, and trips to New York or D.C. to ~1.5
- Chicago O'Hare is also recognized as the #3 Most Connected Airport in the World, with 139 daily departures to 80 international destinations
- Chicago is investing in the future; by 2028, upgrades will increase ORD's capacity by an amount equivalent to building a new Midway Airport

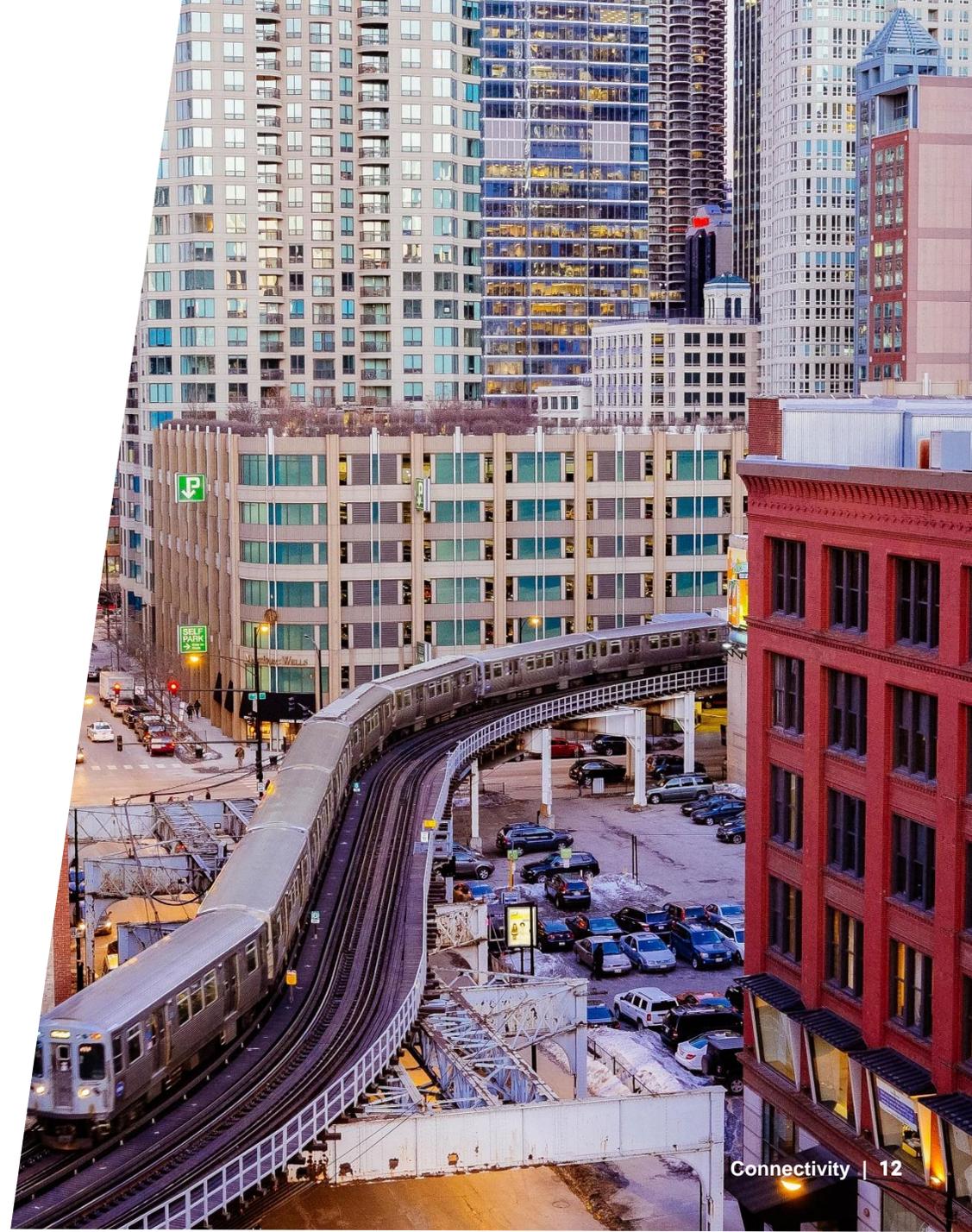


Source: Ricondo Associates, Chicago Department of Aviation

# CONNECTIVITY BY PUBLIC TRANSIT

The Chicago Transit Authority (CTA), Metra commuter rail and Pace suburban bus system serve passengers on more than 2 million trips each weekday

- Chicago Transit Authority system operates trains and buses across the City, plus 35 suburban locations
- The Metra runs 11 routes to and from downtown, covering nearly 500 route miles and servicing 300,000 weekday passenger trips
- Since 2011, the City has invested \$8.5 billion in transit improvements, including the reconstruction of one-third of the system's track – 70 miles



# CONNECTIVITY BY LAND

Chicago is the largest intermodal system in the western hemisphere and the 3<sup>rd</sup> largest globally.

- 9 major interstate highways
- 6 of the 7 Class I railroads
- 20 active rail-truck intermodal facilities
- 25 percent of all freight trains, and 50 percent of all intermodal trains in the nation, pass through Chicago as the main interchange between western and eastern railroads

*Source: World Business Chicago, 2020*

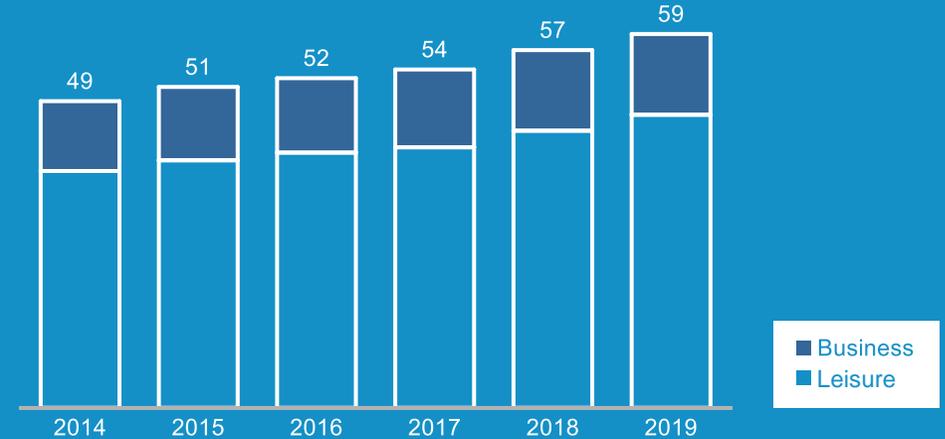


# A PREMIER DESTINATION FOR BUSINESS AND LEISURE

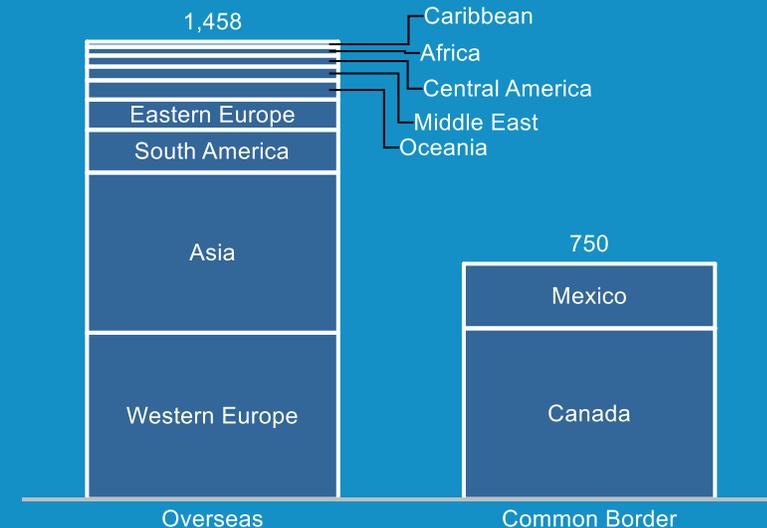
- In 2019 Chicago drew nearly 60 million domestic visitors, representing a 5% increase from 2018, with ~80% of them leisure travelers
- At ~2.6M square feet, McCormick Place is the single largest convention center in the US, and welcomed 2.7M event attendees in 2019
- Chicago welcomed an estimated 1.5M overseas visitors in 2019, and another 750K from Mexico and Canada



## Domestic Travelers (M)



## International Travelers (K)



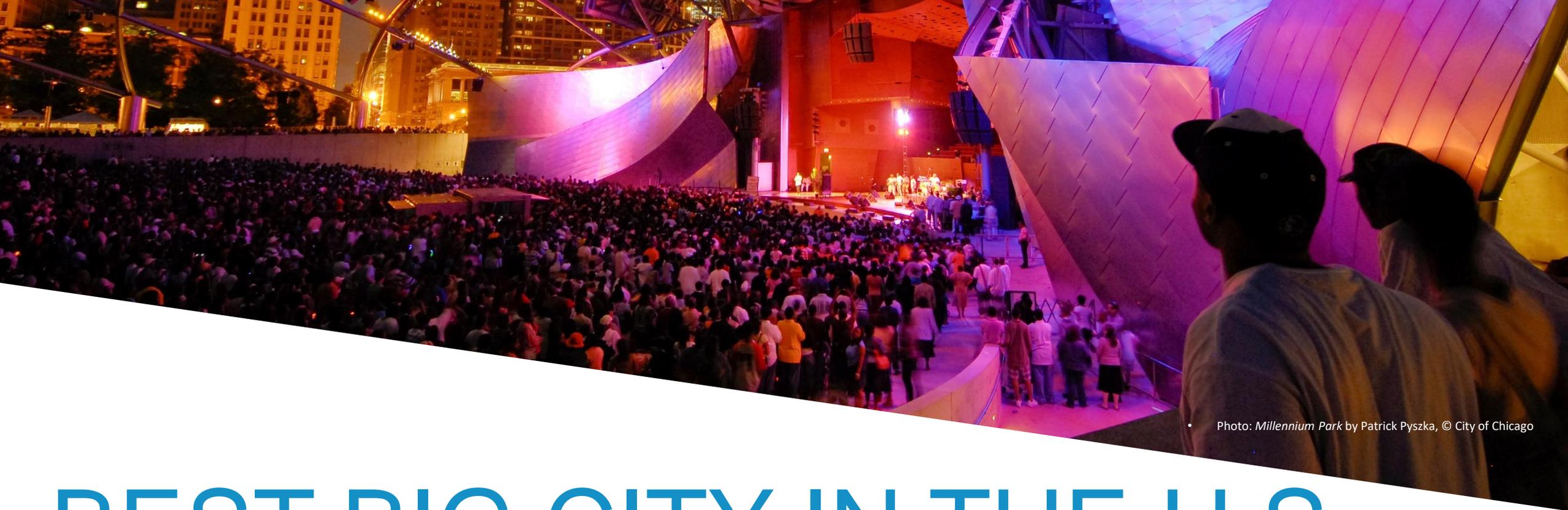


Photo: Millennium Park by Patrick Pyszka, © City of Chicago

# BEST BIG CITY IN THE U.S.

*Chicago offers a high quality of life for employees and a wealth of cultural assets to build upon in entertainment development.*



2017, 2018 & 2019:  
**BEST BIG CITY IN THE U.S.**  
*- Condé Nast Traveler Magazine*

Chicago offers recreational and cultural offerings for every interest. And... we're home to the most passionate, and loyal, sports fans around.



26 miles of open lakefront with separate bike and running paths



200+ miles of bike lanes



29 beaches



500 playgrounds



600 parks



7 public golf courses



80 swimming pools



62 museums



A free 35-acre zoo



700 works of public art



40 annual film festivals



40 James Beard Award Winning Restaurants



250 Live Music Venues  
 74 music festivals



15 neighborhood cultural centers

# QUALITY OF LIFE

With a vibrant tapestry of affordable and beautiful neighborhoods, a diversity of housing, schools, restaurants, shopping, a gorgeous lakefront and miles of bike paths, Chicago attracts and retains some of the best talent *and urban* development in the world.

In Chicago, it's easy to experience the cultural and recreational treasures of the world.

Source: World Business Chicago, 2020



## WHATEVER HOME MEANS TO YOU, YOU CAN FIND IT IN CHICAGO



Chicago ranks third nationally in job accessibility by transit



**Number #1** hottest affordable neighborhood in the country.



Chicago has the top 7 of 10 "Have It All" neighborhoods in the U.S.

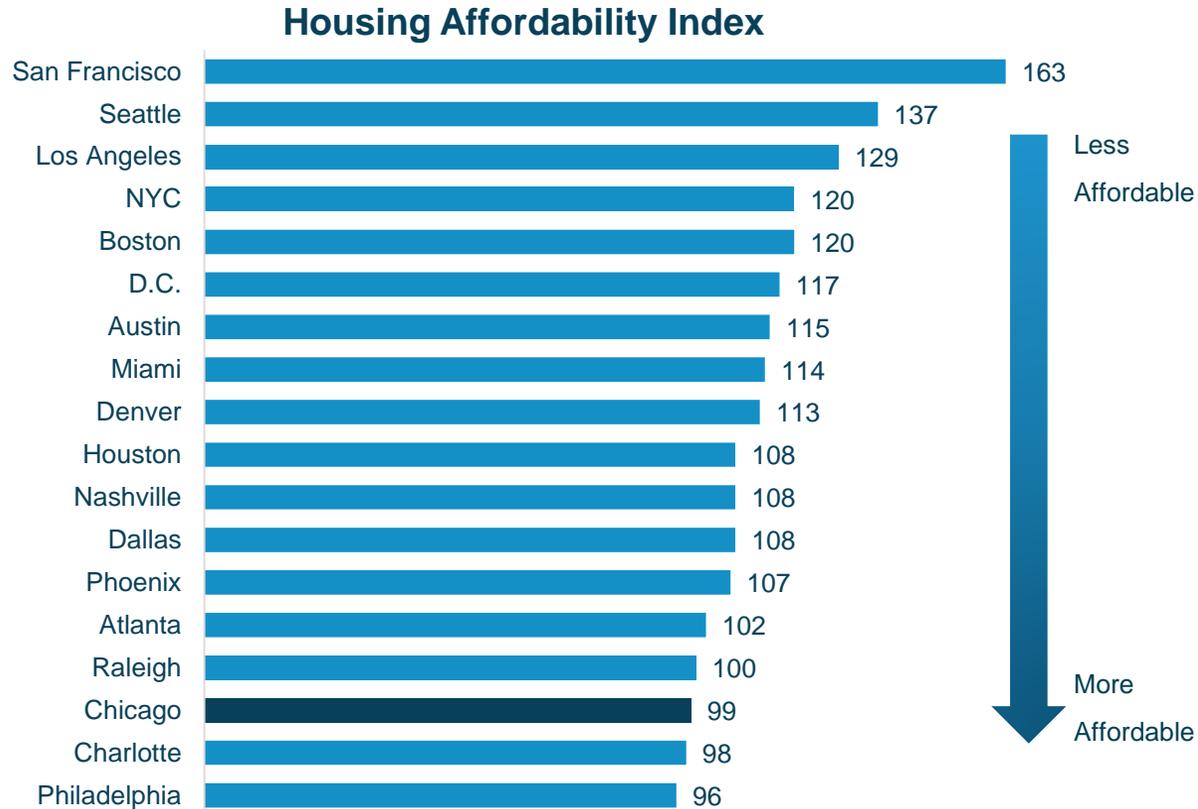


99.6% of residents living within a 10-min. walk of a local park



**Over 77** distinct neighborhoods

# DIVERSE, PLENTIFUL, AFFORDABLE HOUSING



Source: CBRE, 2019



**Chicago has a much higher affordability index than New York City, Seattle, Denver, Boston, D.C., and Dallas.**

**Among 53 global cities, Chicago has the 3<sup>rd</sup> highest disposable income for 2-income renters (Deutsche Bank, 2019)**

# GAMING OPPORTUNITY

*Chicago is already a vibrant entertainment and cultural city, yet offers immense room for dynamic development and top-line growth in gaming*



Photo: Summer Evenings by Christopher

# Chicago is the largest untapped and legal gaming growth opportunity in the country

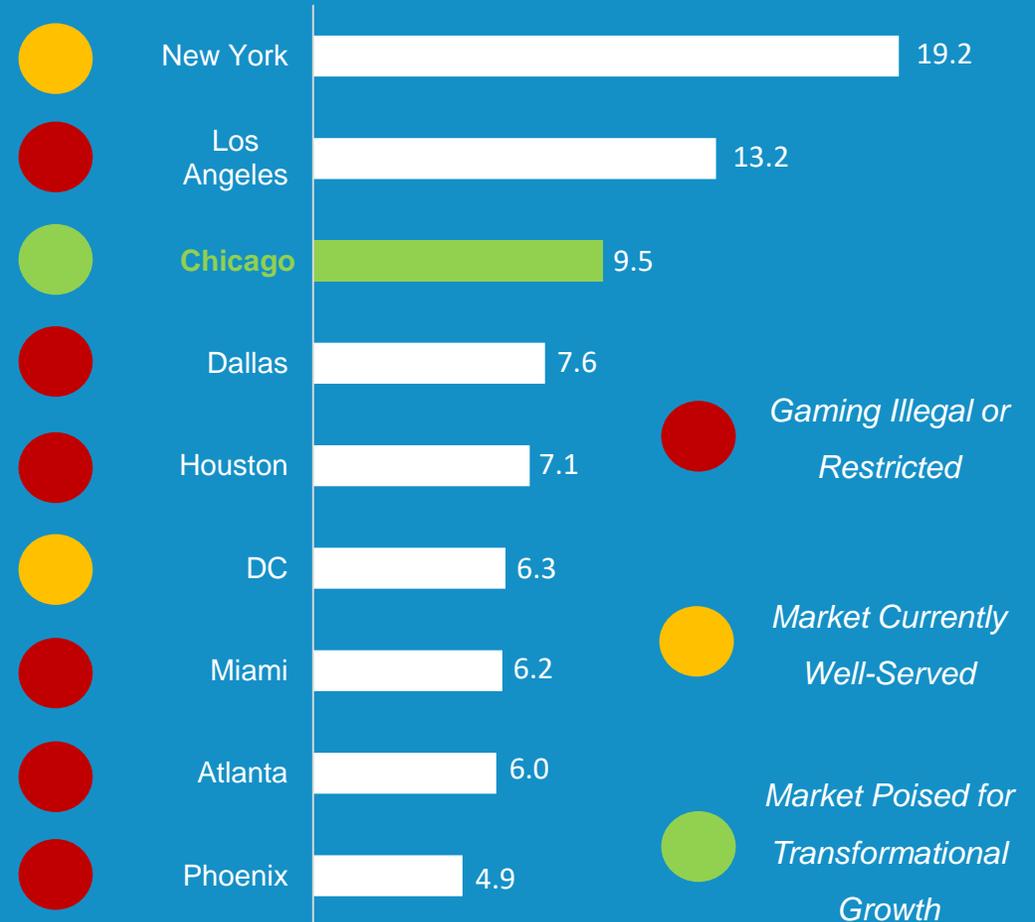
The City is a unique opportunity to invest in a large gaming-friendly market *not* currently well-addressed by existing gaming stock:

- Many of the top metro areas in the US maintain highly restrictive gaming regulations e.g., LA, Dallas, Houston, Atlanta
- Other large markets are already well-served by urban gaming properties e.g., DC, Philadelphia, Boston

Source: US Census Bureau



## Top 10 MSAs by Population



# Chicago's untapped gaming spend is currently half of the spend in other cities

While currently a large gaming market in absolute terms, Chicagoland remains underpenetrated.

- A 2019 study by Union Gaming showed that the share of per-capita income spent on gaming in Chicago is *only half* what other metro areas are spending on gaming entertainment (*see chart*)
- The addition of a major downtown development could drive significant growth in overall market size, with new development capturing much of it

Source: Union Gaming Analytics



## Benchmark gaming jurisdictions and income allocations within 60-minute drive

City	Detroit	St. Louis	Chicago
Annual Gross Receipts (\$M)	\$1,444	\$1,034	\$1,788
Population (M)	4.6	2.7	8.2
Per Capita Income (\$K)	\$30	\$34	\$37
<b>% of Per Capita Income Spent on Gaming</b>	<b>1.1%</b>	<b>1.1%</b>	<b>0.6%</b>

# STATE AND LOCAL GOVERNMENT COMMITTED TO YOUR SUCCESS

The initial Illinois gaming bill passed in 2019 featured a tax structure for a Chicago development with an approximately 72% effective tax rate.

Mayor Lightfoot worked with the state legislature to revise the legislation, culminating in the May 2020 updates paving the way for an effective tax rate near 40%, according to Union Gaming.

Source: Union Gaming Analytics



## POLITICS

# Chicago Hits the Jackpot in Special Legislative Session

Amanda Vinicky | May 24, 2020 8:48 am





**Lori Lightfoot**  
*Mayor*

You will have direct access  
to relevant City and  
departmental leadership



**Samir Mayekar**  
*Deputy Mayor,  
Economic and  
Neighborhood  
Development*



**Jennie Bennett**  
*Chief Financial  
Officer*



**Maurice D. Cox**  
*Commissioner,  
Planning and  
Development*



**Gia Biagi**  
*Commissioner,  
Department of  
Transportation*



**Matthew Beaudet**  
*Commissioner,  
Buildings  
Department*



**Rosa Escareno**  
*Commissioner,  
Department of  
Business Affairs  
and Consumer  
Protection*

# DEVELOPMENT IN PARTNERSHIP WITH THE CITY OF CHICAGO

The City will be a partner in regulatory matters and community engagement, and will provide...

- Transparency around the competitive process for the license
- Expediency and flexibility with regards to zoning, licensing, etc.
- A high degree of certainty around the regulatory framework
- Facilitation of dialogue with local leadership and community members, addressing concerns and cultivating goodwill
- Promotional support in marketing to various audiences
- Meaningful investment in development of a broader entertainment district, including ensuring adequate public transit

