



# Chicago Casino Report

Report delivered to the City Council Committee on  
Contracting Oversight and Equity

January 10<sup>th</sup>, 2025



## Chicago Casino Update

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Compliance and Reporting

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Design and Construction

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Operations

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Future Outlook



# Bally's Chicago Casino Highlights

*Key temporary casino metrics since opening Sept. 9<sup>th</sup>, 2023*

- **1.7M+ visitors** served to-date
  - Second highest casino admissions in the State
  - Critical driver of foot traffic post-pandemic
- **\$67M+ in new revenue** generated for the City of Chicago
  - \$19.2M gaming tax revenue
  - \$40M initial payment and \$8M in annual payments (\$4M per year)
- **600+ new permanent jobs** created
  - 71% Chicagoans, 82% minority, 47% women, and 23% SEDA
  - Project generated 500+ construction jobs

# ★ Casino Reporting Executive Summary

## Revenue Goals

## Construction Goals

## Operations Goals

Goals	Status
Create a new revenue generating asset for Chicago	✓
Receive Fixed Payments (\$40M upfront/\$4M annual)	✓
Projected \$34.4M revenues in 2024 (first full year of operations)	✗
Open a temporary casino in 2023	✓
Utilize 36% MBE spend for temporary casino buildout	✓
Utilize 10% WBE spend for temporary casino buildout	✓
Utilize 50% of labor hours for Chicago residents	✓
Utilize 15.5% of labor hours for SEDA residents	✓
Break ground on \$1.7B permanent casino in 2024	✓
Create over 550 new permanent operations jobs	✓
Hire 60% minorities for operations of the casino	✓
Hire 45% women for operations of the casino	✓
Hire 5% veterans for operations of the casino	✗
Hire 5% persons with a disability for operations of the casino	✓
Utilize 26% MBE firms for annual operations spend	✗
Utilize 10% WBE firms for annual operations spend	✗
Utilize 3% VBE firms for annual operations spend	✗
Utilize 2% BEPD Firms for annual operations spend	✗
25% minority ownership of the casino	⚡

→ City still received **\$16M in new revenue** in 2024

### Key:

- ✓ Meet or Exceed Goal
- ✓ Very Close to Goal
- ✗ Below Goal
- ⚡ In Progress
- ✗ Did not Meet Goal

→ Bally's onboarding VBE in Q4 2024

→ Bally's onboarding BEPD in Q4 2024

# Casino Revenues and Projections

The Casino has already generated over **\$67 million** of new revenue for Chicago

## Revenues Compared to Projections

	2023	2024	2025
Temporary Casino Gaming Revenues	<b>\$30.4M</b> (Projected \$102.5M)*	<b>\$124.9M</b> (Projected \$242.7M)	<b>TBD</b> (Updated projections per actuals)
Gaming Revenue Taxes to Chicago	<b>\$3.1M</b> (Projected \$12.8M)*	<b>\$16.1M</b> (Projected \$34.4M)	<b>TBD</b> (Updated projection of \$16.5M)
Fixed Payments to Chicago	<b>\$40M Upfront</b> (Paid in 2022)	<b>\$4M Annual</b> (Paid in 2023)	<b>\$4M Annual</b> (Paid in 2024)

\*Note: Temporary casino opened a few months later than anticipated and with operational constraints in 2023

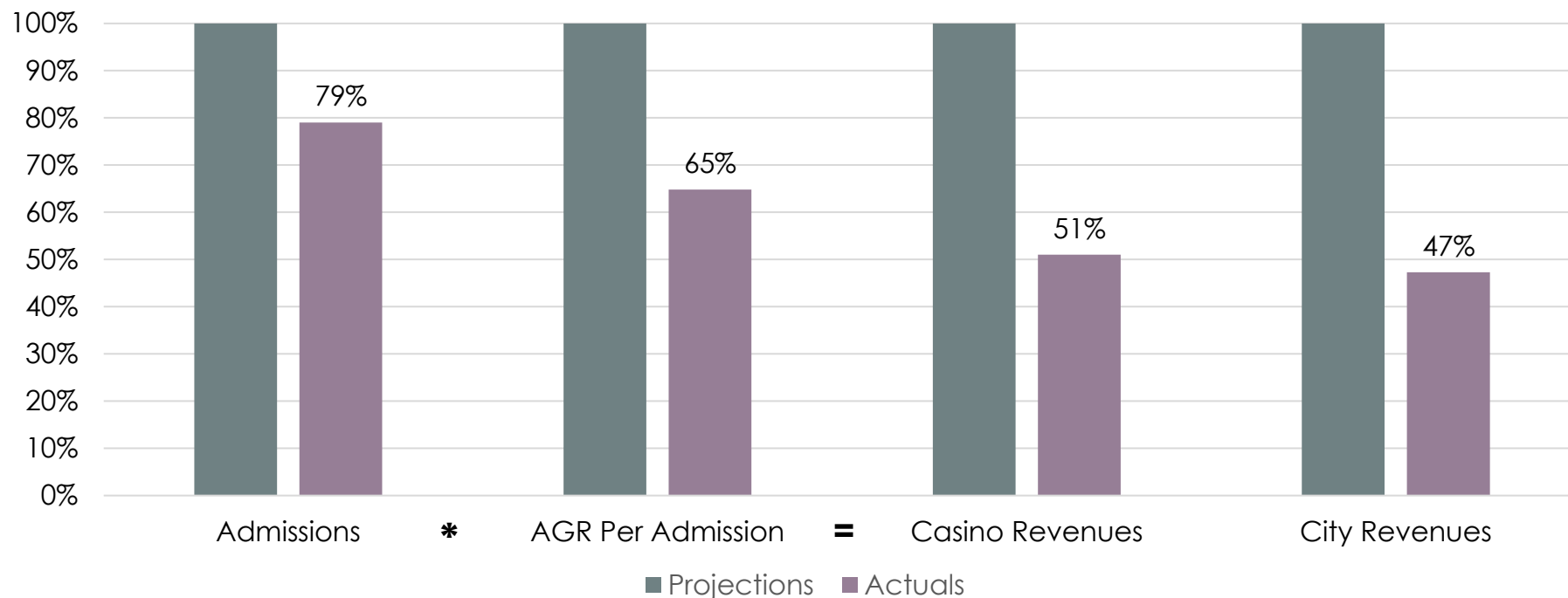
## Chicago Graduated Tax Structure

CHICAGO CASINO PRIVILEGE TAX STRUCTURE (P.A. 101-0648)						
	Electronic Gaming Device Tax			Table Game Tax		
	State Tax	Chicago Tax	Total Tax	State Tax	Chicago Tax	Total Tax
AGR Range						
< \$25 million	12.0%	10.5%	22.5%	8.1%	6.9%	15.0%
\$25M to \$50M	16.0%	14.0%	30.0%	10.7%	9.3%	20.0%
\$50M to \$75M	20.1%	17.4%	37.5%	10.7%	9.3%	20.0%
\$75M to \$100M	21.4%	18.6%	40.0%	11.2%	9.8%	21.0%
\$100M to \$150M	22.7%	19.8%	42.5%	11.2%	9.8%	21.0%
\$150M to \$175M	24.1%	20.9%	45.0%	11.2%	9.8%	21.0%
\$175M to \$225M	24.1%	20.9%	45.0%	13.5%	11.5%	25.0%
\$225M to \$275M	26.8%	23.2%	50.0%	15.1%	12.9%	28.0%
\$275M to \$375M	26.8%	23.2%	50.0%	16.2%	13.8%	30.0%
\$375M to \$1.0B	26.8%	23.2%	50.0%	18.9%	16.1%	35.0%
AGR > \$1.0B	40.0%	34.7%	74.7%	18.9%	16.1%	35.0%

Source: 2024 Update Wagering in Illinois Report by Commission on Government Forecasting and Accountability

# Casino Revenues and Projections

## Temporary Casino Performance (2024)



### Permanent Casino Improvements

- ~4,000 gaming positions
- 500-room hotel
- 3,300 parking spaces on site
- 3,000 seat entertainment venue
- Many F+B amenities
- Single gaming floor casino
- Accessible entertainment district
- Established brand in market

**Note: Casino Revenues = Admissions \* AGR (Adjusted Gross Receipts) per Admission**

- Temporary Casino admissions are closer to original expectations
- Spend per admission is lower than anticipated likely due to a greater than expected impact from lack of amenities
- City revenues percentage lower than casino revenue percentage due to graduated tax rate



# Future Permanent Chicago Casino

*Permanent casino expected to open in Q3 2026*

- **\$1.7B investment** into our City's downtown
  - \$1.34B minimum capital investment
  - Entertainment destination development of underutilized site
  - Strong multiplier effect across jobs and spend
- **Significant revenue generator** for pensions
  - Expected to generate hundreds of millions of dollars for the City
  - Gaming revenues go to support police and fire pensions
- **3,000+ permanent jobs** to be created
  - Expected to also generate 3,000 construction jobs

# ★ Permanent Casino Financing



- Bally's entered financing transaction with **Gaming and Leisure Properties (GLPI)**
- **GLPI will provide \$940M in construction financing** as part of a \$2B overall commitment to Bally's
- Bally's will now build the **entire 500-room hotel on the south end** of the casino site
- Bally's is still providing **public amenities** and adhering to **prior commitments** (riverwalk, riverfront park, Bally's landing space, bird glass design, etc.)
- City held a **Community Advisory Council (CAC)** meeting on **October 24, 2024**, to discuss the updates
- Bally's to receive **site plan approval** for the changes



# ★ Permanent Casino Construction Status

*Permanent Casino currently under demolition. Demolition expected to be complete by February 2025.  
Opening expected by Q3 2026*

## Demo Completion Tracking Structure

12/08/2024  
Percent Complete - Overall 65%  
Warehouse - 87%





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# Casino Compliance Reporting Overview

## Section 15 - Ordinance Establishing the Chicago Casino

- (b) The Chief Financial Officer, the Commissioners of Planning and Development, Transportation, and Housing, and the Chief Procurement Officer shall appear annually during the construction of a casino in the City of Chicago at a public hearing before the City Council Committee on Contracting Oversight and Equity ...

## A Casino Built and Operated by Chicago

Built by Chicagoans

- Design and Construction Goals
  - Utilization of Chicago certified MBE/WBE firms
  - Utilization of Chicago residents for construction

Operated by Chicagoans

- Operations Jobs and Operations Spend Goals
  - A diverse workforce representative of Chicago
  - Utilization of Chicago businesses for operational spend



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# ★ Temporary Casino Construction Outreach

- **Chicago Community Builders Collective (CCBC)**
  - CCBC is a consortium of minority owned firms that has taken the lead on outreach for construction. The CCBC includes:
    - Brown & Momen, Inc., d'Escoto, Inc., LiveWire Construction, Milhouse Inc., Powers & Sons, Riteway-Huggins Construction, UJAMAA Construction, Inc. – all minority owned firms and
    - SQN Associates, LLC, a W/MBE certified firm,
    - and Gilbane Building Company.

## By the Numbers

	Engagements/ Sponsorships	Outreach Sessions Held	MBE Firms Contracted	WBE Firms Contracted	New Hires into Workforce
Q1 2023	35	12	26	13	4
Q2 2023	18	23	0	0	9
Q3 2023	7	1	3	1	0
<b>Total</b>	<b>60</b>	<b>36</b>	<b>29</b>	<b>14</b>	<b>13</b>

# ★ Temporary Casino Construction Reporting

**Total Project: ~\$40M**

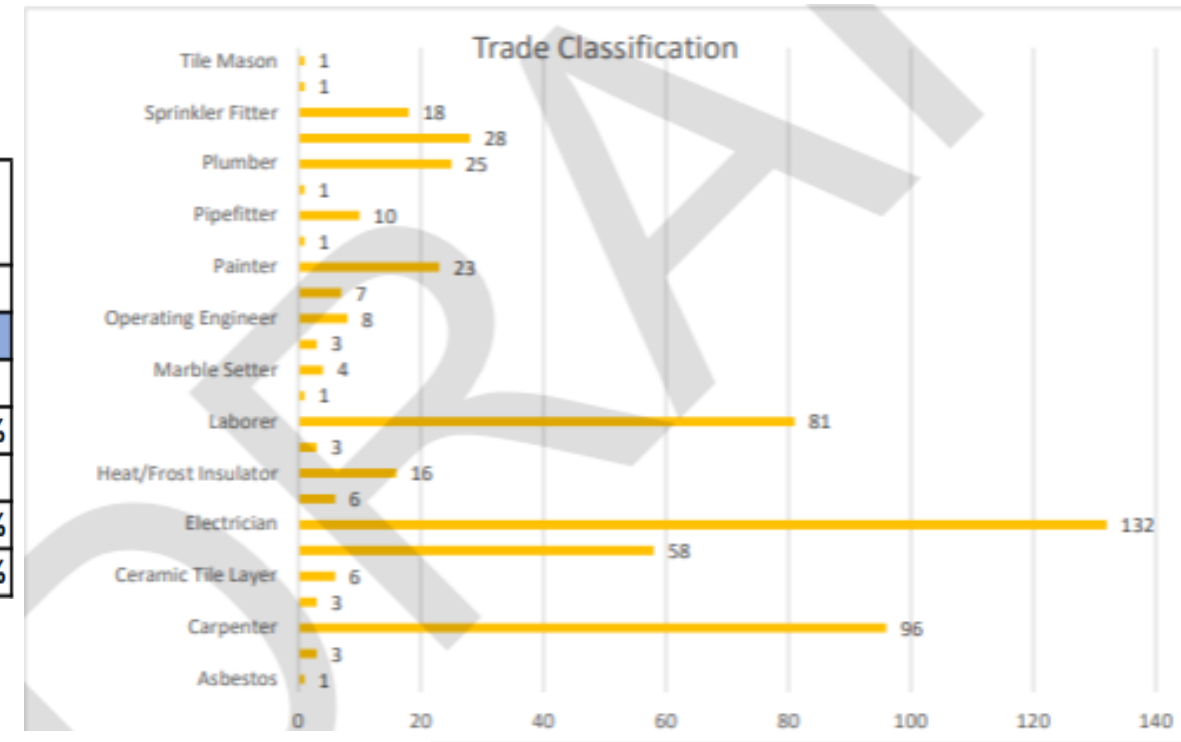
- **MBE – 37.54%**
- **WBE – 9.74%**
- **Total Diverse Spend – 47.28%**
- **Non-Diverse Spend – 52.72%**

Design and Construction Spend Breakdown for Temporary Casino (100% Complete)		
	Temporary Project	
	Dollar Value	Percentage
<b>Total Design and Construction Spend to Date</b>	<b>\$ 39,971,616.00</b>	<b>100.00%</b>
<b>Total MBE Participation (Target - 36%)</b>	<b>\$ 15,003,553.66</b>	<b>37.54%</b>
MBE African American Participation	\$ 5,553,428.32	13.89%
MBE Hispanic Participation	\$ 8,429,244.34	21.09%
MBE Asian Participation	\$ 1,020,881.00	2.55%
<b>Total WBE Participation (Target - 10%)</b>	<b>\$ 3,893,871.64</b>	<b>9.74%</b>
WBE Caucasian Participation	\$ 1,783,889.62	4.46%
WBE African American Participation	\$ 1,500,820.52	3.75%
WBE Hispanic Participation	\$ 553,870.50	1.39%
WBE Asian Participation	\$ 55,291.00	0.14%
<b>Total Minority Participation (Sum of MBE &amp; WBE)</b>	<b>\$ 18,897,425.30</b>	<b>47.28%</b>
Total African American Participation	\$ 7,054,248.84	17.65%
Total Hispanic Participation	\$ 8,983,114.84	22.47%
Total Asian Participation	\$ 1,076,172.00	2.69%
Total Caucasian Women Participation	\$ 1,783,889.62	4.46%

# ★ Temporary Casino Construction Reporting

Temporary Casino Construction Jobs Breakdown

Temporary Casino Construction Jobs Breakdown		
Total Construction Jobs (Headcount)	536	
	Temporary Project	
	Labor Hours	Percentage
Total Construction Workforce	104,199.43	100%
City of Chicago Residents (Target - 50%)	56,744.94	54.46%
SEDA Residents (Target - 15.5%)	15,792.50	15.16%



Some employees may have worked in more than one trade category.



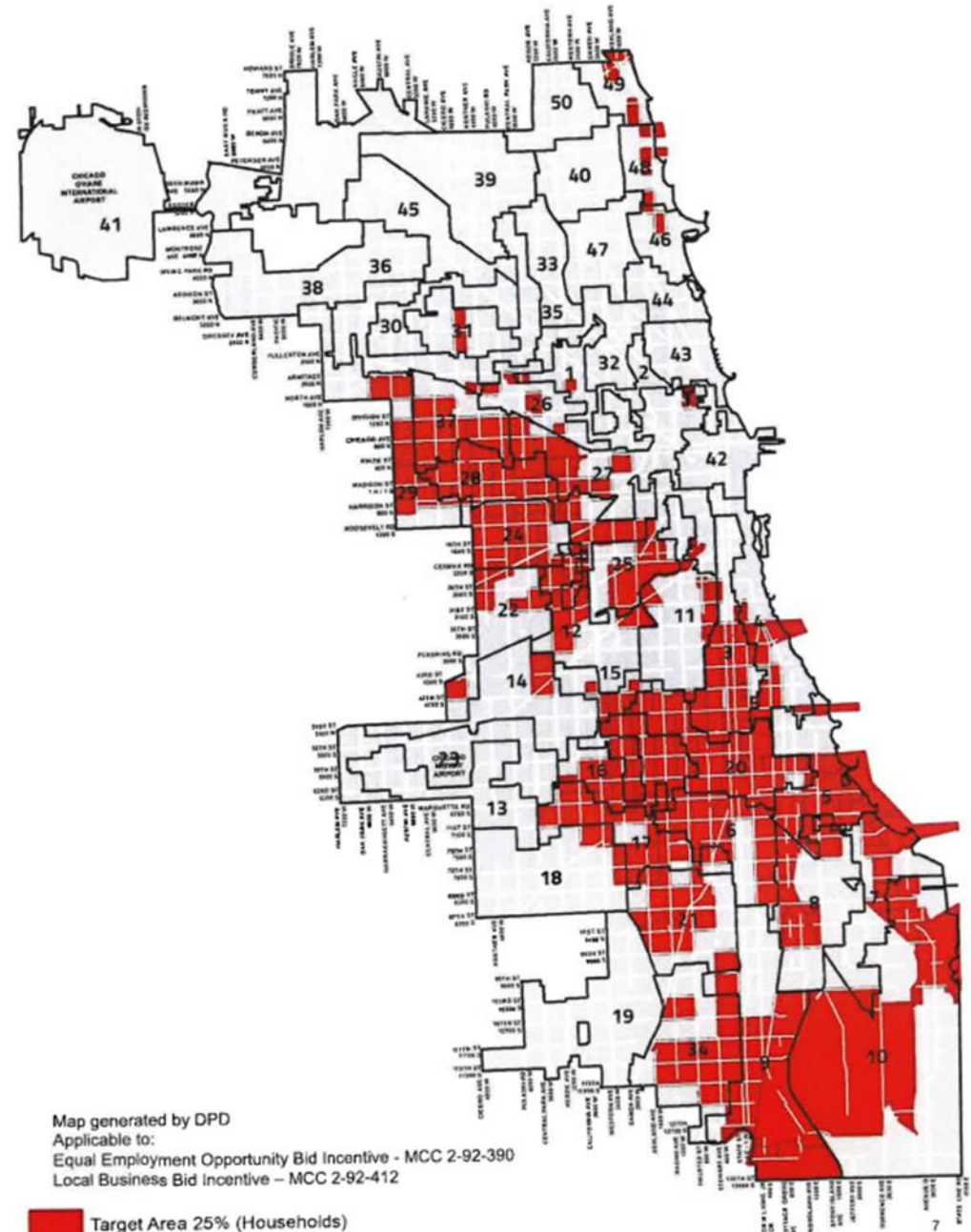
# ★ SEDA Map (2023)

Areas of Chicago, based on census tracts, that are the most socio-economically disadvantaged, for the purposes of promoting equitable hiring within areas of economic need

Qualifying areas were identified using three criteria, based on data from the 2014 American Community Survey:

- Median household income (lowest to highest)
- Poverty rate (highest to lowest)
- Unemployment rate (highest to lowest)

All census tracts are ranked according to the three criteria and census tracts representing the lowest ranking 25% of households in the City are selected as target areas





# Permanent Casino Construction Outreach

- **Chicago Community Builders Collective (CCBC)**
  - CCBC is a consortium of minority owned firms that has taken the lead on outreach for construction. The CCBC includes:
    - Brown & Momen, Inc., d'Escoto, Inc., Milhouse Inc., Powers & Sons, Riteway-Huggins Construction, UJAMAA Construction, Inc. – all minority owned firms and
    - SQN Associates, LLC, a W/MBE certified firm,
    - and Gilbane Building Company.

## By the Numbers

	Engagements/ Sponsorships	Outreach Sessions Held
Q1 2024	17	7
Q2 2024	17	5
Q3 2024	10	1
<b>Total</b>	<b>44</b>	<b>13</b>

# ★ Permanent Casino Construction Reporting

- Demolition currently underway
- City working with Bally's to deliver reporting information in the next quarterly report
- **Preliminary Demolition Breakdown:**
  - Demolition Contract – Brandenburg Industrial Company (Prime)
    - 3 MBE Firms
    - 4 WBE Firms
    - Current Workforce Total – 57 individuals
  - Excavation Contract – Brandenburg Industrial Company (Prime)
    - 4 MBE Firms
    - 4 WBE Firms
    - Current Workforce Total – 4 individuals to-date for preliminary work



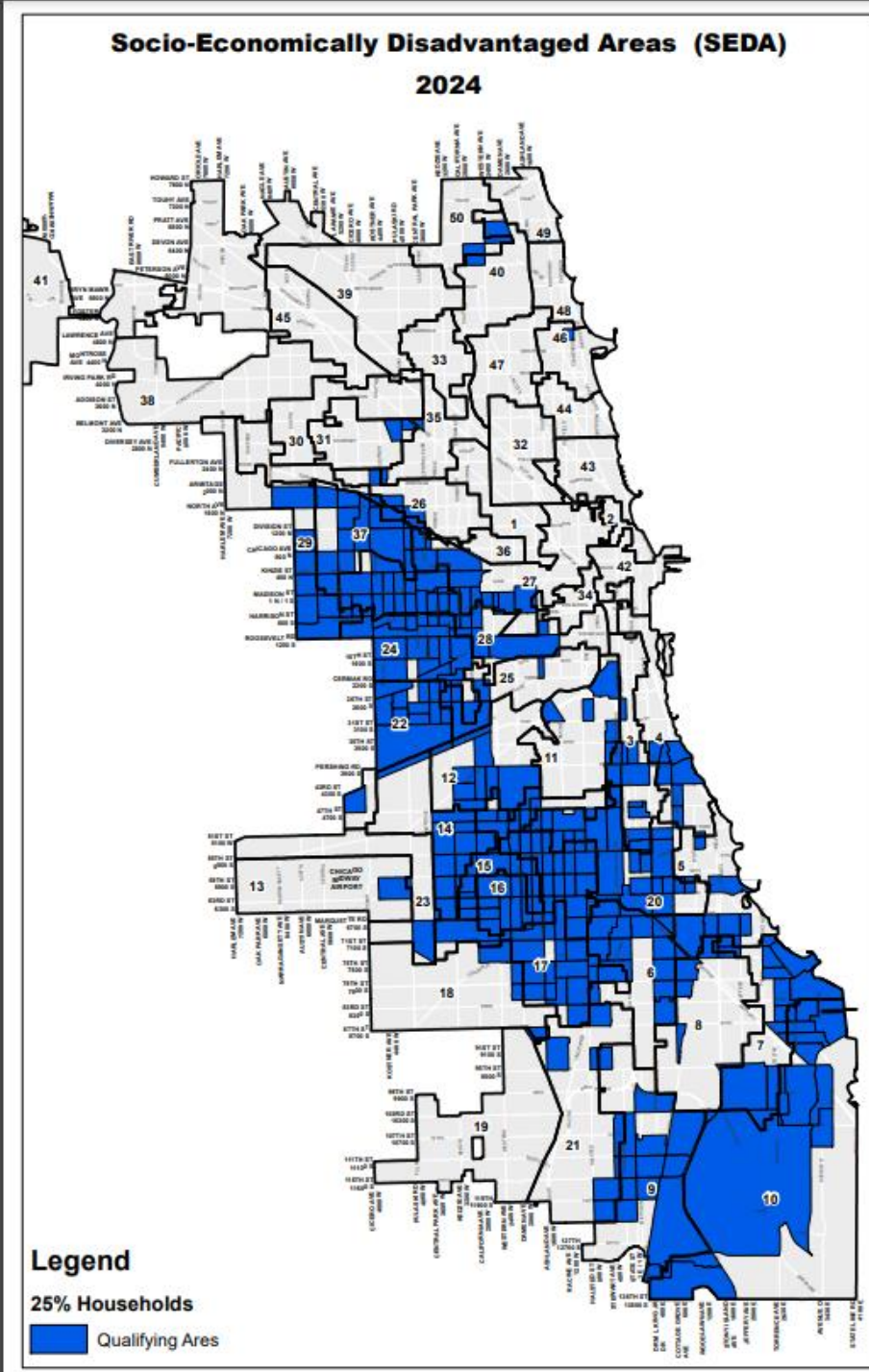
# ★ SEDA Map (2024)

Areas of Chicago, based on census tracts, that are the most socio-economically disadvantaged, for the purposes of promoting equitable hiring within areas of economic need

Qualifying areas were identified using four criteria, based on data from the 2020 American Community Survey:

- Median household income (lowest to highest)
- Poverty rate (highest to lowest)
- Unemployment rate (highest to lowest)
- **High school graduation rate (lowest to highest)**

All census tracts are ranked according to the **four** criteria and census tracts representing the lowest ranking 25% of households in the City are selected as target areas





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# ★ Temporary Casino Jobs Outreach

## Prior to Opening:

- Bally's Chicago hosted **two job fairs**
- Bally's, in **coordination with City Colleges**, offered free of charge **Table Games Dealer School Training**
- The Bally's Chicago team **reached out to over 40 organizations** regarding workforce outreach

## 2024 Outreach:

- **Job Fair – 9/27/2024**
- **Job Fair – 11/2/2024**
- Chicago Casino **Dealer School** Classes
- Targeted **Job Recruitment**

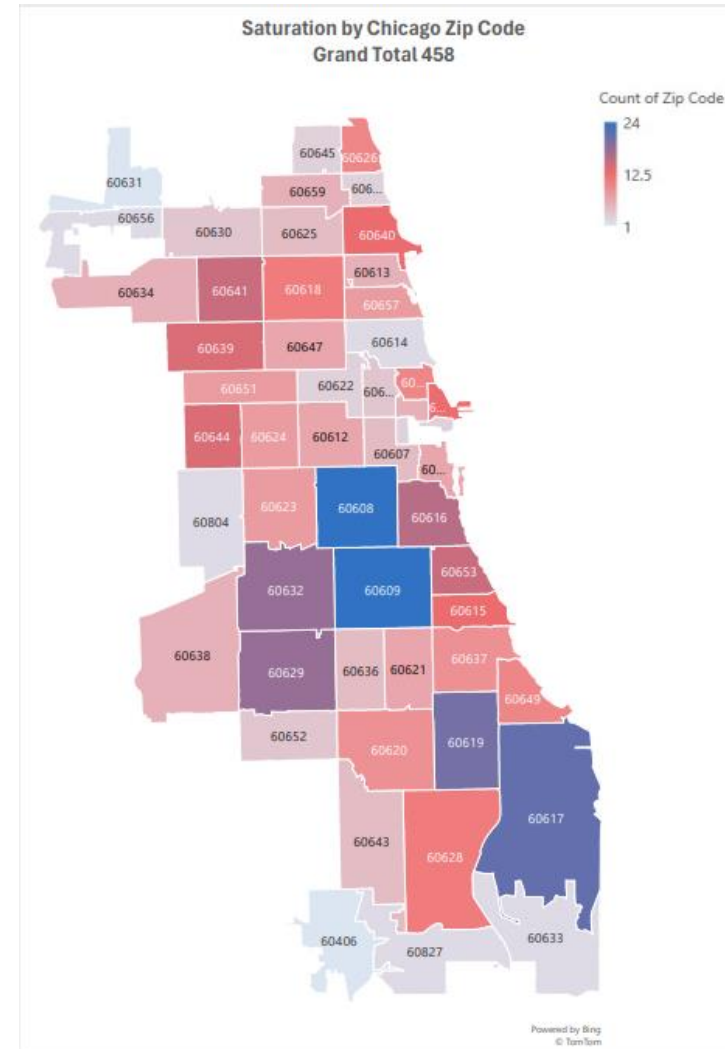




# ★ Temporary Casino Jobs Reporting

## Total Operations Workforce – 646 (91% Full Time)

- **82% Minority**
  - 36% African American
  - 25% Hispanic
  - 12% Asian
- **18% Non-Minority**
- **47% Women**
- **9% Persons with a Disability**
- **2% Veterans**
- **71% Chicagoans**
- **23% SEDA Residents**



# Temporary Casino Management Jobs

## **Total Management Positions - 123**

- **43% of Management Positions are Female**
- **68% of Management Positions are Minority**
  - American Indian/Alaskan Native: 2%
  - Asian: 13%
  - Black or African American: 27%
  - Hispanic or Latino: 22%
  - Two or More Races: 2%
  - Not Specified: 2%
- **32% of Management Positions are Non-Minority**

\*Note – Numbers above are provided as of November 17<sup>th</sup>, 2024, compared to October 18<sup>th</sup>, 2024, for the Q3 report. As of November 17<sup>th</sup>, 2024, there was 659 employees compared to 646 referenced in the Q3 report

# Temporary Casino Spend Outreach

Operational spend consists of the **sourcing of goods and services** during operations of the casino

## Bally's Outreach

	# of Outreach Efforts
Q1	95
Q2	88
Q3	105
<b>Total</b>	<b>288</b>

- 2024 Diversity Supplier Vendor Fair – June 11<sup>th</sup>, 2024
- Educate, direct, and support suppliers in the certification process for City of Chicago
- Coordinate with following agencies: City of Chicago, WBDC, CMSDC
- Attend relevant vendor fairs throughout the City and County as available
- Work with consultant to identify opportunities for certification and education
- Utilize City of Chicago Database to locate City Certified Vendors



# Temporary Casino Spend Reporting

## 2024 Operations Spend

	MBE	MBE %	WBE	WBE %	VBE	VBE %	BEPD	BEPD %	Total Diverse Spend	Total Operational Spend	Diverse % of Total
Q1	943,509	16.9%	49,883	0.9%	-	0.0%	-	0.0%	993,392	5,573,013	17.8%
Q2	1,406,862	20.1%	87,010	1.2%	-	0.0%	-	0.0%	1,493,871	7,007,870	21.3%
Q3	518,723	8.7%	119,542	2.0%	-	0.0%	-	0.0%	638,266	5,953,537	10.7%
YTD	2,869,094	15.5%	256,435	1.4%	-	0.0%	-	0.0%	3,125,529	18,534,419	16.9%

Note: VBE and BEPD vendors have been on-boarded with spend occurring in Q4 2024

## Q3 2024 Breakdown

July 2024 - September 2024 - Operations Spend Breakdown		
	Temporary Project	
	Dollar Value	Percentage
Total Applicable Operational Spend	\$ 5,953,536.75	100%
Total Applicable MBE Spend (Target - 26%)	\$ 518,723.44	8.71%
MBE African American Participation	\$ 280,228.23	4.71%
MBE Hispanic Participation	\$ 238,495.21	4.01%
MBE Asian Participation	\$ -	0.00%
Total Applicable WBE Spend (Target - 10%)	\$ 119,542.13	2.01%
WBE Caucasian Participation	\$ 119,452.13	2.01%
WBE African American Participation	\$ -	0.00%
WBE Hispanic Participation	\$ 90.00	0.00%
WBE Asian Participation	\$ -	0.00%
Total Applicable BEPD Spend (Target - 2%)	\$ -	0.00%
Total Applicable VBE Spend (Target - 3%)	\$ -	0.00%

\*Note – Operations spend does not include the provision of gaming equipment or related services or spend related to adjacent garage operations

# ★ Temporary Casino Spend 2025 Strategy

## Bally's has indicated:

- As goods and services are needed, they continue to turn to the City database for suppliers
- As they find potential suppliers that are not certified by City of Chicago, they continue to request they work to achieve their certification
- As initial contracts and agreements that were executed prior to opening expire, their goal is to replace as many of them as possible with suppliers who are either currently certified or have completed their application



### PROGRAM SCHEDULE

**9:30AM: LOBBY**  
Registration

**10:00AM-10:30AM: EXHIBITION HALL**  
Welcome

**10:30AM-2:30PM: EXHIBITION HALL**  
Bally's & Business Exhibitors

**10:30AM-11:30AM: ROOM 1A/1B**  
CCBC Outreach

**11:30AM-2:30PM: ROOM 1B**  
CCBC Matchmaking

**11:30AM-12:30PM: ROOM 2**  
Cook County Certification

**12:30PM-1:30PM: ROOM 3**  
City of Chicago Certification

**1:30PM-2:30PM: ROOM 1A**  
Zero Barriers to Business Pillars

**2:30PM-3:00PM: EXHIBITION HALL**  
Closing Remarks/Q&A

### EXHIBITION HALL

<b>BALLY'S CASINO OPERATIONS</b> Procurement Human Resources Marketing Gaming Operations Table Games Slots Food & Beverage Facilities Building Services Security Transportation Finance Player Services Information Technology	<b>SMALL BUSINESS DEVELOPMENT RESOURCES</b> Chicago Minority Supplier Development Council Women's Business Development Center State of Illinois Business Enterprise Program BMO Bank Special Lending Zero Barriers to Business Division
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## 2024

**DIVERSITY SUPPLIER**  
VENDOR FAIR



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**Future Outlook**

# Future Outlook

- Ensure continued good faith efforts on Chicago Casino goals
- Work to address industry/certification barriers
- Take lessons learned from the Temporary Casino and apply them to the Permanent Casino





# Ways To Get Involved

- Help further amplify opportunities at the Chicago Casino to your residents and stakeholders
  - Add job information or outreach sessions to your newsletters
  - Encourage local businesses to get certified as diverse vendors
  - We will continue to pass along information as it is made available
- Provide your expertise on outreach methods or ways we can address industry barriers



# Questions?

