



# CITY OF CHICAGO OVERVIEW SUMMARY OF RFI RESPONSES

NO.	TOPIC	RESPONSE	
	<b>NUMBER OF RESPONDENTS</b>	<b>11 TOTAL RESPONDENTS</b>	
	Type of Respondents	<ul style="list-style-type: none"> <li>• 4 significant casino operators including Hard Rock International, MGM Resorts International, Rush Street Gaming (an affiliate of Rivers Casino) and Related Midwest, and Wynn Resorts</li> <li>• 4 real estate developers including DL3 Realty, Development Management Associates (DMA), JDL and R2 Companies</li> <li>• 1 casino financier (REIT) – MGM Growth Properties</li> <li>• 1 casino feasibility consultant – Christiansen Capital Advisors</li> <li>• 1 neighborhood group – Chicago Neighborhood Initiative (CNI)</li> </ul>	
	<b>TOPIC: TEMPORARY CASINO</b>		
<b>A.</b>	<b>Desire to operate a temporary casino</b>	<ul style="list-style-type: none"> <li>• 6 yes (3 casino operators; 3 real estate developers)</li> </ul>	<p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Early generation of tax revenue</li> <li>• Job creation/training</li> <li>• Cash flow to assist in financing permanent facility</li> <li>• Ability to develop patron database</li> <li>• Provides insight into gaming market and characteristic</li> <li>• Early experimentation of programs and promotions</li> </ul>
		<ul style="list-style-type: none"> <li>• 3 no (1 casino operator; 1 neighborhood group; 1 real estate developer)</li> </ul>	<p><b>Downside:</b></p> <ul style="list-style-type: none"> <li>• Costs additional money to build</li> <li>• Detracts from permanent facility</li> <li>• Causes confusion in the marketplace</li> </ul>
		<ul style="list-style-type: none"> <li>• 2 respondents (1 casino financier and 1 casino feasibility consultant) did not answer this question.</li> </ul>	

NO.	TOPIC	RESPONSE
B.	Location of a temporary casino	<p><b>Of the respondents who preferred operation of a temporary casino:</b></p> <ul style="list-style-type: none"> <li>• All respondents prefer locating the temporary casino in downtown or near downtown location.</li> <li>• All respondents prefer locating the temporary casino at a location other than at the permanent casino site.</li> <li>• All respondents prefer re-purposing an existing structure for the temporary casino rather than new construction of the facility.</li> <li>• One respondent noted that the temporary casino should be located in close proximity to the permanent site.</li> </ul> <p>One respondent who does <u>not</u> support a temporary casino says if the City desires a temporary casino, it would operate a temporary casino but believes the temporary casino should be located at the same location as the permanent facility so that the temporary casino can be incorporated into the final permanent facility. One real estate developer respondent suggests locating the temporary casino at Navy Pier.</p>
	<b>TOPIC: PERMANENT LOCATION</b>	
A.	Location (generally)	<ul style="list-style-type: none"> <li>• 8 respondents believe the casino should be located downtown (or near downtown).</li> <li>• 1 respondent believes the casino should be located in the Southeast Side Lake Calumet Area (aka Harborside site).</li> <li>• 2 respondents did not answer this question (1 casino feasibility consultant; 1 casino financier).</li> </ul>
B.	Location factors	<p><b>In locating the casino facility, the respondents suggest consideration of the following factors:</b></p> <ul style="list-style-type: none"> <li>• Access by car, mass transit, foot, and bicycle and premier visibility</li> <li>• Adequate parking</li> <li>• Proximity to existing City amenities – hotels, convention centers, sports venues, cultural attractions, theaters, shops, etc.</li> <li>• Sufficient public infrastructure – water, sewer, electricity, mass transit, etc.</li> <li>• Mindful of location of competing casinos/gambling facilities</li> <li>• Compatibility with City’s planning goals</li> <li>• Integration with fabric of City</li> <li>• Economic development (but should not be key driver of location)</li> <li>• Site acquisition costs</li> <li>• Neighborhood acceptance of location</li> <li>• Ability to leverage the Chicago riverfront</li> </ul>
C.	Selection of Site	<p><b>Respondents seemed somewhat split on whether the City or casino operator should select the casino location. Of the casino operator respondents:</b></p> <ul style="list-style-type: none"> <li>• One respondent suggests that, given the urban nature of the facility and the limited availability of sizeable sites, the City should select the site or a few sites. This respondent noted the importance of site control before any announcement of any prospective sites to reduce land speculation and massive price increases.</li> <li>• Two respondents suggest that the City and operator should collaborate on site selection and perhaps the City could suggest some sites but allow for other sites as well.</li> <li>• One respondent suggests that casino operator select the site.</li> </ul>

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D.	Amenities	<p><b>Generally, respondents agree that the casino facility must have the following amenities:</b></p> <ul style="list-style-type: none"> <li>• Casino</li> <li>• Hotel</li> <li>• Food and beverage outlets</li> <li>• Multipurpose space to be used for conventions, entertainment and events</li> <li>• Retail</li> <li>• Parking</li> </ul>
i.	Casino (gaming floor)	<p>All respondents cite a significant preference for the gaming floor and related amenities (food and beverage outlets) to be located on a single level. Respondents note that requiring vertical building of casino floor and amenities has a negative impact on gaming revenues and increases costs of construction. As for size of the casino floor, respondents cite ranges of between 100,000 sq. ft. to 200,000 sq. ft.</p>
ii.	Hotel	<p>All respondents (except 1 casino operator respondent) believe the permanent facility must include a hotel and agree the size of the hotel is dependent, in part, upon the number of hotel rooms located in close proximity to the facility. Of those respondents that proposed a number of hotel rooms, the number of rooms proposed ranges on the low end of 100 to 125 rooms and on a high end of 500 to 750 rooms (although respondents citing these high end numbers note a need for more time to study existing Chicago hotel supply).</p> <p>One casino operator respondent states that, initially, it would not construct a hotel and, instead, would utilize existing Chicago hotel supply, but would consider building a 250 room hotel in its second phase of development.</p>
iii.	Food and beverage outlet	<p>All respondents recognize the need for several food and beverage outlets at the casino facility. Generally, all respondents cite a need for fine dining establishments (steak/fish house), casual dining outlets and buffet dining options and a variety of bars (including a sports bar). Of those respondents that proposed a number of food and beverage outlets the number of outlets proposed ranges from 6 to 20 outlets, with a few citing a need for at least 1,000 total seats. All respondents note a desire to leverage local culinary talent.</p>
iv.	Multipurpose space	<p>All respondents recognize that Chicago's existing facilities offer a significant amount of conference/convention space. Therefore, rather than strict conference space, respondents cite the need for multipurpose space that can be used for conventions, concerts, and other special events. Respondents suggesting that the casino be located downtown suggest 25,000 to 30,000 sq. ft. of multipurpose space, and the respondent suggesting a location outside of downtown suggests 50,000 sq. ft. of such space.</p>
v.	Retail	<p>All respondents recognize the need for some retail offerings.</p>
vi.	Parking	<p>Sufficient parking is essential for the success of the casino facility. Most respondents cite preference for above-ground parking (as below ground is very expensive to construct). One respondent cites a need for a minimum of 1500 parking spots. Another cites a need for a direct connection from the parking facility to the casino complex.</p>
vii.	Other Amenities	<p>With respect to other amenities, most respondents state that they need to further assess Chicago's existing entertainment offerings to determine what amenities are needed/desired before proposing other amenities to be included at the casino complex.</p>

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E.	Acreage of Site	<p><b>According to the 4 casino operator respondents, the minimum acreage for an urban casino is:</b></p> <ul style="list-style-type: none"> <li>• 10 acres but such a small site would cause bifurcation of casino floor and amenities (multiple levels); to avoid bifurcation of the casino floor and amenities, need for 20-30 acres;</li> <li>• 15 acres (to accommodate 350,000 sq. ft. footprint);</li> <li>• 14-20 acres; or</li> <li>• 12-25 acres.</li> </ul> <p>One real estate developer suggests minimum acreage of 5-10 acres.</p> <p>Another real estate developer suggests the minimum acreage could be as low as 5-6 acres (allowing 40,000 to 50,000 sq. ft. baseline) and build vertically (7-9 stories). This respondent notes, however, that development costs will increase as the site size is smaller. This respondent assumes parking will be on land adjacent to the casino site.</p> <p>The respondent proposing a location outside of downtown Chicago offers a site of 100 acres.</p>
	Topic: Utilization of Existing Chicago Facilities	<ul style="list-style-type: none"> <li>• All respondents expect to leverage existing Chicago facilities such as existing hotels, convention centers, theaters, sports venues, and cultural and other attractions.</li> <li>• Many respondents suggest co-marketing and promotion of the casino and Chicago tourist attractions.</li> <li>• One respondent suggests running a shuttle service between the casino and existing Chicago convention facilities and Chicago cultural attractions.</li> <li>• One casino operator respondent expects to leverage existing Chicago hotels and forego construction of a hotel until the second phase of casino development.</li> </ul>
	Topic: Covid-19 Impact	<ul style="list-style-type: none"> <li>• All respondents believe (hope) that the current Covid-19 pandemic will have no or a minimal impact on the casino facility given the timing for selection and licensing of the casino operator and construction of the casino complex (respondents estimate construction timeline of 24 to 36 months).</li> <li>• All casino operator respondents suggest that they would incorporate into their design plans Covid-19 – learned technologies such as:             <ul style="list-style-type: none"> <li>○ Automatic entry</li> <li>○ Contactless check in</li> <li>○ State of the art HEPA filtration systems</li> <li>○ Thermal imaging technologies</li> <li>○ Increased multipurpose space</li> <li>○ Increased outdoor space</li> <li>○ Changes to furniture and fixture coatings for ease of cleaning</li> </ul> </li> <li>• One casino operator respondent suggests that some benefits of the Covid-19 pandemic could include:             <ul style="list-style-type: none"> <li>○ Labor availability</li> <li>○ Competitive construction supplies and materials</li> </ul> </li> <li>• A few respondents believe that given the continuing Covid-19 pandemic, depending upon the City’s timing of its RFP process, the number of RFP respondents could be limited as casino operators are continuing to adapt and capital markets remain stringent for new development transactions.</li> </ul>

NO.	TOPIC	RESPONSE
	Topic: City Assistance	<p><b>Respondents suggest:</b></p> <ul style="list-style-type: none"> <li>• City to host an open, transparent and fair RFP process</li> <li>• RFP should clearly describe casino operator expectations</li> <li>• All RFP criteria should be equally available to all participants (not “skewed” to a particular developer)</li> <li>• RFP evaluation process should be clear and transparent (and require support for casino projections from independent third parties)</li> <li>• City should expect a casino facility that is “realistic” (proportionate to demand; realistic given maturity of casino market; and ability to survive on local and regional patronage)</li> </ul>
	Topic: Community Engagement	<p><b>All respondents understand that community engagement and community support of the casino is integral to its success. Respondents suggest:</b></p> <ul style="list-style-type: none"> <li>• Engaging support from community organizations and neighbors</li> <li>• RFP should require operator to provide evidence of its community engagement/support</li> <li>• Building community support through commitments to hire local residents and procurement of goods/ supplies through local businesses</li> <li>• City to host community town halls and forums</li> </ul>
	Topic: Other Feedback	<p><b>As for additional feedback, respondents suggest:</b></p> <ul style="list-style-type: none"> <li>• Conducting a clear and concise RFP process</li> <li>• Need City and State assurances of a consistent landscape (no significant ordinances or legislation affecting casinos)</li> <li>• Given Covid-19 pandemic, flexibility in RFP deadlines</li> <li>• City should conduct a study to identify missing elements of non-gaming and tourist amenities in Chicago (and share results of the study with prospective casino operators to assist them in their project plans)</li> <li>• Estimated construction time for temporary facility is 12 months.</li> <li>• Estimated construction time for permanent facility 24 to 36 months.</li> </ul>