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Chicago's proposed casino: Tourist gem or drain on locals' paychecks?

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Backers of a Chicago casino envision a city-owned betting house as a bustling downtown gem, drawing out-of-towners to gamble in a space surrounded by upscale shopping and fine restaurants.

Mayor Rahm Emanuel has hailed the proposal, still pending in Springfield, as a boon to Chicago schools, with "100 percent" of the revenue heading their way.

Detractors have a dimmer view, saying they fear casino patrons would be predominantly locals. They point to casinos in downtown New Orleans and Detroit that have struggled, and also to existing casinos in Illinois that draw revenue heavily from not high-rollers but from penny and dime slot machines.

"There's a real question here about if Chicago gets it, who wins, who loses? Who pays and who's gonna play? Anyone who thinks you're going to plunk a casino in Chicago and it's going to be some kind of upscale Mecca for people arriving and tourists saying 'let's go to Chicago' is mistaken," said Tom Grey, senior adviser for the Stop Predatory Gambling Foundation.

Grey argues that casinos get their customers within a 50-mile radius. "What happened is that model hasn't worked any place in the United States. The one in New Orleans, they stuck it in the middle of prime real estate. It went bankrupt."

Grey points to past failed promises that gambling would fund education, such as with the lottery.

he Illinois Church Action on Alcohol and Addiction Problems, or ICAAP, already questions the revenue projections, saying there are so many goodies set aside in the bill to entice others to sign on, it's eroding the schools' potential windfall.

If there's one aspect where all sides agree, it's this: If Chicago gets its own casino, it would be unprecedented. No other city in the United States owns its own casino.

It would leave Chicago with the singular ability to control its revenue, but it also leaves the city without a solid model as it delves into an industry that's often wrought with corruption and mob influence.

Gov. Pat Quinn has vetoed two other gaming bills in previous years.

This time — perhaps as leverage to get pension reform passed — the governor appears to be warming to the bill.

“I think it's definitely going to happen this time,” said the Senate bill's sponsor, Terry Link (D-Waukegan). “There may be some small amendments put onto it. I don't think there will be any major changes.”

As for the governor's office? “I feel more optimistic now than I've ever felt,” Link said.

The Illinois Gaming Board is raising red flags with the language in the bill as it pertains to the creation of the Chicago Casino Authority — the members of which would be appointed by the Chicago mayor.

State Gaming Board Chairman Aaron Jaffe says the city board would trump his commission's oversight, particularly when it comes to construction. The bill allows for construction of both a temporary and then a permanent casino in the city, meaning a potential windfall for contractors. While Link has said there is a ban on political contributions from contractors, an analysis of the bill done by the Illinois Church Action on Alcohol and Addiction Problems says the language is murky.

Overall, the proposed legislation would call for a major expansion in gambling, including a Chicago casino as well as four new casinos elsewhere in the state, plus slot machines at racetracks and Chicago's two airports.

“The bill says the Illinois Gaming Board shall control the gambling, OK. However, the Chicago Casino Authority would control the building of the casino,” Jaffe said. “In Illinois, when you get into building and construction and stuff like that, you have to be very leery about what's going where. The largest fine ever imposed by the Illinois Gaming has to do with a type of building contract.”

Advocates, though, say an authority is not atypical in government, and the structure under the bill would allow the city to manage an operator that would be brought in to run the casino. The Chicago Authority takes the decision-making out of City Hall, advocates argue, and having a private vendor who is an expert in gaming would put a wall on patronage.

The bill easily passed out of the Illinois Senate and awaits discussion in the House.

State Rep. Lou Lang (D-Skokie), who is spearheading the legislation in the House, said his goal isn't to find a veto-proof majority vote but to pass the legislation while working with the governor's office.

“The bill is clear as it can be that the Illinois Gaming Board is superior to the Chicago Casino Authority,” Lang said. “It’s not that big a deal, given that every other community that has gaming, the local elected officials decide where it’s going.”

Ultimately, Lang said, he will amend the bill to Quinn’s liking.

“If the governor’s office isn’t satisfied, they’re going to veto a third bill,” Lang said. “So my goal is to do everything I can do to get the governor to sign the bill. We’ve got three weeks to accomplish that.”

Quinn’s office says it is working closely with lawmakers, but first things first.

“He’s not going to approve a gaming expansion until lawmakers send him a comprehensive pension reform bill,” Quinn spokeswoman Brooke Anderson said.

Anderson said the governor’s office would make certain that the Illinois Gaming Board’s oversight isn’t eroded. One provision of the bill includes language that cedes power to the Chicago board should there be a conflict between it and the Gaming Board.

“The Gaming Board needs to be the ultimate authority,” Anderson said. “They have the experience. They have an excellent track record of keeping corruption out of an industry that’s susceptible to it.

“We want to make sure the Chicago casino is regulated in the same way that every other casino is regulated in the state.”