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Des Plaines casino goes Vegas to corner upscale Chicago market

Rivers could be state's top moneymaker, observers say, at the expense of nearby rivals

By Jennifer Delgado and [Robert McCoppin](#), Tribune reporters

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Once a month, Stephanie Klinger drives an hour to Harrah's Joliet casino, sits in front of the slots with her husband, has a few laughs, and spends about \$300.

As a frequent customer, she occasionally gets a free meal or hotel room. For the 55-year-old school lunch supervisor, it's a fun little getaway from her home in Northlake.

But now that the Rivers Casino is opening in nearby Des Plaines, she's ready to change her loyalties.

"If I like this casino, I probably won't even go to Harrah's anymore," she says.

That is what the owners of Rivers Casino are betting on when it opens Monday, and what other casino operators are trying to head off.

Sitting on one of the more desirable gambling sites in the country outside Las Vegas and Atlantic City, Rivers Casino is positioned to draw not only customers from other casinos, observers say, but newcomers from [Chicago](#) and the suburbs, conventioneers, and travelers passing through nearby [O'Hare International Airport](#).

Industry consultants say the new casino is a sure bet to succeed, even in a soft economy that has squeezed gambling dollars across the state in recent years. Yet proposed legislation to add five new casinos in [Illinois](#), including Chicago, means the clock is ticking.

The newcomer has a window of opportunity — perhaps two years — to establish a sustainable base no matter what other venues come along, they add.

That explains why Midwest Gaming and Entertainment LLC, which owns the casino, is positioning it on the Vegas model. One telling ad slogan: "We are not a riverboat."

When state lawmakers first allowed casinos in 1990, lawmakers required that the facilities be on moving riverboats in an effort to limit access and help struggling river towns. To provide maximum gambling

space, operators put restaurants, bars and other amenities on land next to the boat, so gamblers had to leave the casino to eat, and re-enter to gamble.

Today, casinos no longer have to cruise in boats, but they still have to be over water. To comply with state law, Rivers Casino was built over a shallow pit filled with a few inches of water that's hidden to visitors.

Inside the building, though, the casino makes a bold statement. In contrast to riverboats confined by multiple smaller levels, the Rivers gaming floor spreads across 44,000 square feet on a single level, with nearly 20-foot ceilings. The gaming floor radiates with the glow of 1,050 slot machines and 48 table games, including blackjack, craps and roulette.

The high-limits area takes bets up to \$50,000 for blackjack and \$100,000 for mini baccarat. A separate room offers privacy for celebrities or high rollers willing to pay for their own table and dealer.

At the center of the action lies the Lotus cocktail lounge, with a jazz pianist and a 360-degree view. Surrounding the floor are a half-dozen restaurants, led by Hugo's Frog Bar & Chop House, operated by Gibson's, a prestigious outside dining brand.

Skylights — once unheard of at casinos — let in indirect sunlight and support green walls of plants. The builders aim to make it the first LEED-certified casino in the nation, denoting environmentally friendly construction.

Midwest Gaming has spent \$445 million to make the facility opulent and contemporary. But CEO Greg Carlin said customer service is as important as location and design. Translators provide services in Asian, Spanish and Eastern European languages. The parking deck has green and red lights to show which spaces are open.

Managers are seeking an upscale clientele, but welcome all gamblers. In particular, they're pushing casino membership, with special previews this weekend for VIPs and Des Plaines residents who were the first to join the club. Typically, marketing officer Suzanne Trout said, members make up 20 percent of casino clientele but generate 80 percent of the revenue.

With a broad base of potential customers, state analysts said, Rivers will likely become the highest revenue-generating casino in the state, exceeding the \$287 million at the Grand Victoria Casino Elgin last year, in part by stealing business from nearby competitors.

The Rivers Casino license had a tortuous journey to its final destination. It once belonged to an East Dubuque casino that went out of business in 1997. Three investor groups sought the license to build a casino in Rosemont, but the deals fell through. In 2008, the Illinois Gaming Board awarded the license to Midwest Gaming.

Midwest Gaming describes itself as a partnership between affiliates of Neil Bluhm, of real estate giant JMB Realty, and Clairvest Group Inc., a Toronto investment group; and Casino Investors LLC, minority

participants who make up at least 16 percent of total ownership, and female investors who make up 4 percent, including [Desiree Rogers](#), CEO of Johnson Publishing and former social planner for President [Barack Obama](#).

But the owners aren't the only ones waiting to rake in their chips. Suburban officials anticipate sharing millions of dollars in tax revenue to use for paving streets, flood control and other projects.

Official estimates of casino revenues have varied. Des Plaines recently estimated that the casino would generate annual revenues of \$325 million to \$400 million. The profits would be shared by the state, Des Plaines and 10 south suburban communities, with Des Plaines' share estimated at up to \$6 million per year.

Still, amid such expectations, Rivers Casino is opening at a difficult time.

Revenues for boats in Aurora, Elgin and Joliet have fallen 33 percent since the state implemented a smoking ban three years ago. In contrast, the renovated Horseshoe Casino in Hammond has taken off, becoming the biggest moneymaker in the area, raking in \$542 million last fiscal year.

Based on location, newness and likely dominance in the market, Rivers already has a rivalry with Horseshoe. The new casino hired several top floor managers from Horseshoe, and its Asian pit will compete with Horseshoe's Asian gaming area.

"If you look at their positioning, it appears they're taking a few plays from our playbook," said Dan Nita, senior vice president and general manager of Horseshoe Casino.

Horseshoe officials aren't too worried about Rivers, he said, because new casinos always get customers to check them out, but relationships built over time get patrons to come back.

To entice them, the casino recently rolled out new promotions, like an \$80,000 sweepstakes.

Other area casinos have also stepped up efforts to hang on to customers.

Potawatomi Bingo Casino in Milwaukee now offers exclusive rewards for Illinois residents to play there. Like Four Winds Casino Resort in New Buffalo, Mich., and Hollywood Casinos in Aurora and Joliet, it has been advertising recently on Chicago television, radio and billboards.

Ultimately, the players will have the final say.

Robert Dahlen, a retired collector for a finance company, takes a bus to either Horseshoe or Grand Victoria three times a week. He spends \$30 to \$50 each visit and has a good time socializing, but now, he says, he and his bus mates will head to Rivers Casino because it's only two miles from his neighborhood in Chicago.

"All the people that used to ride with me," he said, "they're going to come to the new casino."

