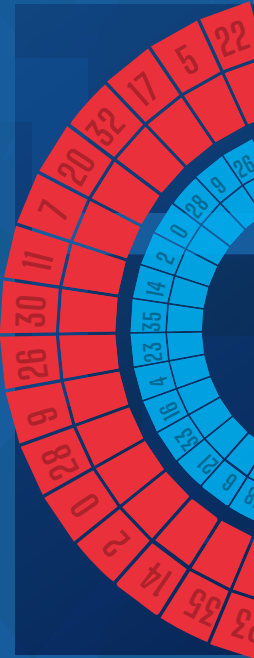




CASINO IN THE CITY OF CHICAGO

CASINO RECOMMENDATION REPORT - MAY 05, 2022



LORI E. LIGHTFOOT
MAYOR

01 WHY A CASINO?	04
02 PROCESS	08
03 ECONOMIC AND FINANCIAL BENEFITS TO THE CITY	10
04 JOB CREATION	16
05 EQUITY	18
06 DESIGN, PLANNING, AMENITIES AND TRANSPORTATION CONSIDERATIONS	22
07 TEMPORARY SITE	28

01

WHY A
CASINO?

WHY A CASINO?

INTRODUCTION

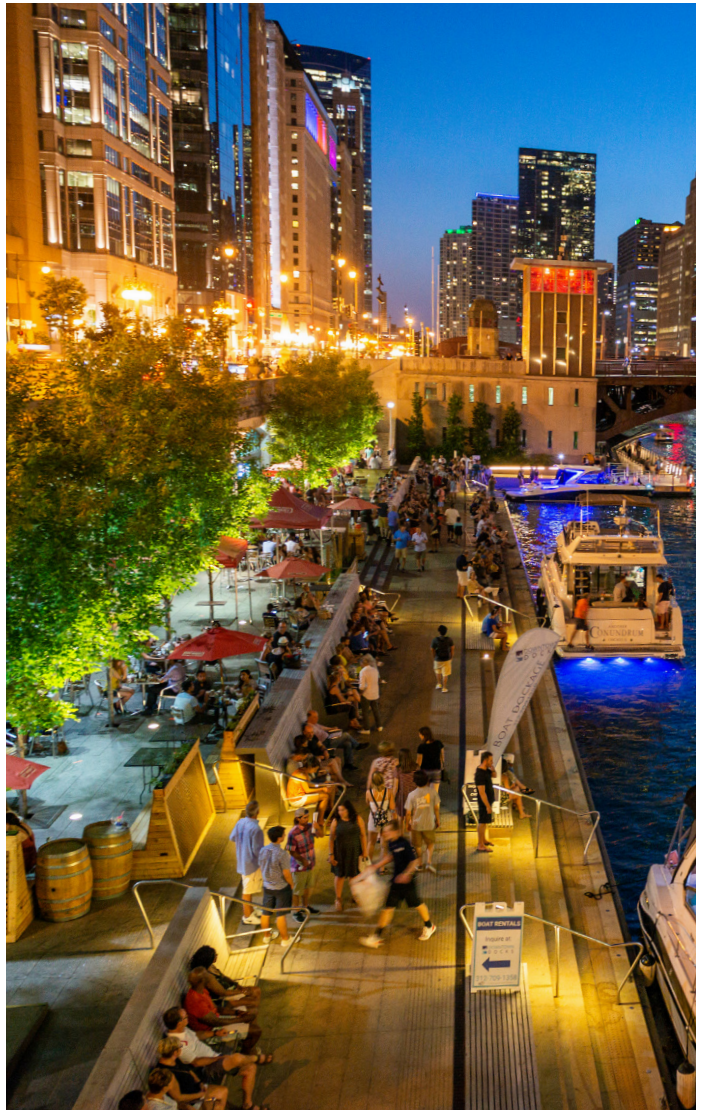
The City of Chicago (the “City”) has pursued a casino for over 30 years. During this time, many cities around the country and around the world have introduced gaming or expanded their gaming opportunities. Major metropolitan areas like Boston, Philadelphia, and Washington D.C. provide gaming. Global cities from London to Sydney – all of whom we compete with for business, residents, and tourists – all offer gaming. Other cities, like New York, have positioned themselves to add a casino in the near future.

This project comes at a time when the Chicago economic landscape has been severely disrupted by the COVID-19 pandemic. The nature of the way we work and do business has changed and major industries like arts and entertainment, tourism, and hospitality have been significantly impacted. A nearly \$1.7 billion entertainment destination anchored by gaming will be a catalyst for the City’s recovery and will bring investment and tourism to the City in its post pandemic future.

Additionally, the casino will provide a dedicated revenue stream to help fund the City’s police and fire pension funds. Revenues from the Chicago casino earmarked to ease these burdens are necessary to secure Chicago’s financial future and will mitigate the need to address these challenges through other means, including increasing property taxes on everyday Chicagoans.

The aggregate funding ratio for all four City pension funds is 23% and the aggregate unfunded liability is \$32 billion. Police and Fire have funded ratios of 23% and 19% and unfunded liabilities of \$11.3 billion and \$5.6 billion, respectively. The City’s total estimated 2022 pension contribution is \$2.3 billion, and property taxes are expected to cover \$1.35 billion, or 58% of the total contribution. The estimated 2023 pension contributions are \$1.2 billion for Police and Fire alone. The \$200 million a year in revenues are an essential component to funding these pension obligations and creating long-term financial stability for the City.

On April 22, 2021, the City released a Request for Proposals (“RFP”) for a Chicago casino. The City has evaluated the proposals according to the “Core Goals” laid out in the RFP and further described in the Evaluation Report dated March 22, 2022. These Core Goals include economic and financial benefits to the City, job creation, equity, and design, planning, amenities, and transportation.



WHY A CASINO?

ECONOMIC AND FINANCIAL BENEFITS TO THE CITY

Maximizing revenues for the City as it relates to the casino project is critical in this process. A Chicago-based casino is estimated to generate approximately \$400 million annually in tax revenues for the City and the State of Illinois (the "State") over time. The City's share is projected to be approximately \$200 million per year over time. These revenues include non-gaming revenues including sales, hotel, restaurant, income and property tax revenues for the City as well as property tax revenues for other taxing bodies, including \$11 million to \$19 million annually for Chicago Public Schools. The State's share of revenues will be allocated toward the Rebuild Illinois Capital Plan.

Additionally, it is important to understand the current context of gaming as it relates to Illinois. Due to casinos located just across the border in Indiana, many Chicago and Illinois residents go to Indiana to game. This results in Illinois shipping approximately \$331 million of gaming revenue every year to support Indiana essential services instead of services here in Illinois. The Chicago casino is expected to repatriate approximately \$190 million of the \$331 million of gaming revenues that are shipped to Indiana. This repatriation of revenues will bring tax dollars and economic activity back to Chicago where they belong. The City believes that money spent by Chicago and Illinois residents on gaming should be spent here, to support services for our own communities.

Lastly, the Chicago casino will provide additional economic benefits to the City through increased economic activity and development. This includes procurement of food, beverages, and other supplies that create economic activity, as well as other professional services. The casino will also be developed in a currently underdeveloped site providing an economic boost to the local community along with increased job and entertainment opportunities. The City anticipates that the casino will generate nearly \$1.3 billion of annual direct, indirect and induced revenues for the casino and supported businesses in Chicago in steady state.

JOB CREATION

The Chicago casino will create well-paying union jobs, along with new employment opportunities, apprenticeships, and/or training programs for City residents. The casino operators have all agreed to partner with The City Colleges of Chicago to create a workforce development program to support a pipeline of hospitality and casino operational careers. The City estimates the casino will generate approximately 6,000 new jobs.

This administration has focused specifically on investing in the south and west sides of Chicago. The Chicago casino will support this goal by providing employment opportunities to Chicagoans in these disadvantaged and underinvested communities. These jobs will provide opportunities for careers in the gaming and hospitality industries and can result in a multiplier effect when individuals bring increased incomes back to their communities.

EQUITY

The Chicago casino will be a source of wealth creation for thousands of Chicagoans through minority ownership and well-paying jobs. The casino operator will commit to utilizing the City's goals of 25% ownership representation by minority persons, 50% employment of Chicago residents and 26% of construction spend to be utilized with minority business enterprises. The City has also negotiated with the bidders regarding other equity goals including sourcing from minority and women vendors, hiring from disadvantaged communities, and providing opportunities for a number of minority investors to have a real ownership stake in this project.

This will be an enormous project for Chicago and will provide immense business, employment, and investment opportunities that would otherwise not be available without the casino. The City understands the importance of equity in major developments and has negotiated with the bidders to ensure that Chicagoans of all backgrounds will benefit from the opportunities of this \$1.7 billion project.

DESIGN, PLANNING, AMENITIES AND TRANSPORTATION CONSIDERATIONS

Chicago is a global gateway city. This City is known for its iconic architecture and position on the world stage. The City has encouraged the development of a casino that meets this reputation. As a world-class and one-of-a-kind destination, the casino will provide a broad range of amenities that include a hotel, park spaces, shops, restaurants, cultural venues, and other attractions.

The Chicago casino will be of superb quality and design excellence and layout that will add to the City's architecture and enhance its urban environment. The casino will integrate well with its surrounding communities, including supporting the transportation and accessibility needs of the surrounding area of the site. The casino will also support the City's sustainability goals including being certified as meeting the U.S. Green Building Council's Leadership in Energy and Environmental Design ("LEED") Gold standards.

This focus on design was purposeful to separate the Chicago casino from many other casinos around the country and around the world. The casino will be an entertainment and hospitality destination for all patrons whether they engage in gaming or not. The casino project will result in the transformation of a currently empty/underutilized site into an entertainment destination and economic driver worthy of the Chicago landscape.



RECOMMENDATION

A casino in Chicago is a significant undertaking. As described above, this project is 30 years in the making. The City understands that not all those in Chicago will be in favor of a casino. However, the City encourages all Chicagoans to recognize the importance of a casino and the plethora of benefits that it can provide. The casino will provide an iconic entertainment destination for casino and non-casino patrons alike, it will support equity goals of the City, it will create jobs, and it will provide much needed support for the City's financial obligations. Finally, the casino will be a new and exciting entertainment opportunity for Chicago residents and visitors.

The City will continue to work with the community and the many stakeholders of the casino project to maximize the benefits of this transformative development. Chicago is a one-of-a-kind city, a trail blazing city, and a casino in Chicago will enhance the City's future potential.

The City is grateful for all of the bids received and wants to sincerely thank each of the finalists: Bally's Corporation ("Bally's"), HR Chicago, LLC ("Hard Rock Chicago") and Rivers 78 Gaming, LLC (Rivers 78") for the fine efforts they have made and the quality of their proposals. Each of the proposed casinos could be a valuable addition to the City that would meaningfully support local tourism, City finances, job creation and economic development. In addition, all of the proposals could add to Chicago's architectural fabric and urban landscape.

Based on the RFP's core goals and the extensive evaluation of the proposals of each of the finalists, the Evaluation Committee recommends that Bally's be selected to develop the Chicago casino. The City looks forward to further discussions with City Council, the community, and other stakeholders about this proposal.

02 PROCESS

PROCESS

The City has been engaged in a thorough and transparent casino selection process. On July 26, 2019, nearly three years ago, the City conducted a public survey soliciting community feedback surrounding a casino. On August 27, 2020, the City released a Request for Information seeking input from potential operators as well as other stakeholders on critical considerations in the selection process. On April 22, 2021, approximately a year ago, the City released a detailed Request for Proposals (“RFP”) seeking bidders interested in operating the Chicago Casino and bids for that RFP were due October 29, 2021.

On December 16, 2021 the City held a community engagement meeting to solicit feedback from the community related to all the various potential casino operators. On March 22, 2022, the City narrowed the proposals to three finalists, and provided a 104-page report detailing the status of all the bids and how the bids stacked up to the core goals laid out in the RFP. From April 5-7, 2022, the City held another round of community engagement meetings to solicit site specific feedback on each of the finalist proposals. The City continued to engage in discussions with each of the three finalists, which has resulted in clarifications and improvements in their proposals.

In between all of these meetings, the City has held several aldermanic briefings, including a subject matter hearing, to discuss the terms of the proposals, the overall selection process, solicit feedback and answered questions. The City has also created a website to provide regular updates to the public and a platform for presenting the work that has been done by the Evaluation Committee and other City personnel on the casino project. Lastly, the City has provided a platform for public comments through the Chicago casino inbox, which is a direct way for constituents to reach out to the City’s Evaluation Committee.

The next step in this process is for the City to negotiate a host community agreement (“HCA”) with the selected finalist that will be submitted to City Council for approval. Following approval, the proposed development will go through both the City’s Planned Development and Illinois Gaming Board (“IGB”) approval processes. The City’s

Planned Development process will involve in-depth zoning and departmental reviews to ensure all relevant details of the development are addressed and the proposal sufficiently meets the standards of the City of Chicago. After City Council has approved the planned development and the IGB has approved the casino license, the applicant will begin building the temporary and permanent casinos.



03 ECONOMIC AND FINANCIAL BENEFITS TO THE CITY

ECONOMIC AND FINANCIAL BENEFITS TO THE CITY

FINANCIAL INCENTIVES TO THE CITY

The City received two forms of financial incentives on the proposed casino: 1) fixed financial incentives and 2) revenue based financial incentives. The chart below provides a summary of the terms proposed by each of the bidders.

	BALLY'S TRIBUNE	HARD ROCK CHICAGO	RIVERS 78
Fixed Payments	NPV: \$128M FY23-24 Budget Impact: \$42M	NPV: \$117M FY23-24 Budget Impact: \$32M	NPV: \$122M FY23-24 Budget Impact: \$40M
Budgetary Relief	\$40M on HCA signing \$2M/yr on Temporary Facility (" Temporary ") opening	\$40M on Temporary opening \$2M/yr on January 1 each year after Temporary opening	\$40M on HCA signing, refundable if IGB does not approve a license or City Council does not provide necessary approvals \$500K/yr paid 6 mo. after Temporary opening; \$2M/yr 6 mo. after Permanent Facility (" Permanent ") opening \$6.5M to City from reduced Related TIF reimbursement, realized in 2043 at earliest ²
Community Benefits	\$2M/yr on Temporary opening	\$2M/yr on Temporary opening	\$500K/yr paid 6 mo. after Temporary opening; \$2M/yr paid 6 mo. after Permanent opening
Development Costs	Paid by bidder with \$6M cap before signing of the HCA and \$100K/yr cap after gaming license issued	None	Paid by bidder, subject to to-be agreed upon cap
Projected Revenue Based Payments	NPV: \$2,556M	NPV: \$2,553M	NPV: \$2,540M
Ownership	\$806M of projected Aggregate Gross Revenue (" AGR ") ³	\$790M of projected AGR ³	\$782M of projected AGR ³ Additional financial incentive payment: - 3% \$650-750M AGR; - 4% \$750-850M AGR; - 5% >\$850M AGR; - Paid for 25-years upon Permanent opening - Estimated NPV of \$72M
TOTAL NPV	\$2,684M	\$2,670M	\$2,662M
Differential Over Best	N/A	(\$14M)	(\$22M)

Note:

¹ Net present value calculations are based on 50 years of cash flows at a 4% discount rate.

² The Roosevelt and Clark TIF revenues will largely be required to repay notes issued to pay for over \$500 million of remaining infrastructure improvements for The 78. The TIF notes are projected to be outstanding through 2043 based on SBFriedman estimates which is when the City would be able to benefit from the TIF surplus in the budget. Further the City's portion of the surplus would be approximately 24% of the total \$27M reduced TIF reimbursement for financial benefit to the City or \$6.5 million.

³ Union Gaming projections of AGR for steady state or year 3 of permanent operations.

Table 1

ECONOMIC AND FINANCIAL BENEFITS TO THE CITY

FIXED FINANCIAL INCENTIVES

Bally's provided the largest fixed financial incentive net present value of \$128 million. This is \$6 million more than Rivers 78 and \$11 million more than Hard Rock Chicago.

In the Rivers 78 proposal, approximately \$7 million of the above fixed financial incentives net present value to the City would not be realized until 2043 at the earliest when the Roosevelt Clark TIF has repaid over \$500 million of TIF notes issued to help support the infrastructure improvements committed to in the 78 Redevelopment Agreement. SB Friedman has projected that this payback would occur in 2043.

BUDGETARY RELIEF

The Bally's proposal also provides the most upfront budgetary relief of \$40 million available for the FY2023 budget. Additionally, Bally's \$2 million / year payment starts a year earlier than Hard Rock Chicago and 1.5-years earlier than Rivers 78 and would be \$1.5 million higher during the Temporary facility operations than Rivers 78. Hard Rock Chicago's upfront payment would not be available until the opening of the Temporary, which is currently slated for Q2 2023 – the earliest this could support the City's budget would be FY2024. Additionally, this budgetary benefit would be net of development costs since those are not additionally covered by Hard Rock Chicago. The Rivers 78 proposal upfront payment includes a provision that the \$40 million paid upfront to the City would be refundable to Rivers 78 if (i) the IGB does not issue a license to operate a casino in the City of Chicago to the Applicant or (ii) the City or City Council does not provide all entitlements, permits or other approvals necessary to commence construction of the Permanent Project. Assuming the IGB and City Council provide all approvals according to the schedule laid out by the bidder, it is expected that this payment will be confirmed in time for the FY2024 budget.

COMMUNITY BENEFITS

Bally's and Hard Rock Chicago proposed the same community benefits of \$2 million per year upon the opening of the Temporary. The community benefits were lower in the Rivers 78 proposal by \$1.5 million per year during the operation of the Temporary from FY2023-2025.

DEVELOPMENT COSTS

Bally's and Rivers 78 would cover all or substantially all of the projected development costs on the project. Hard Rock Chicago proposed that any payment for development costs would be credited against the upfront payment to the City thereby, in effect, not bearing these costs.



REVENUE-BASED FINANCIAL INCENTIVES

In the last round of term sheet negotiations, Rivers 78 proposed a revenue-based financial incentive to the City (detailed in the table above) where Rivers would pay Chicago when the casino revenues are over \$650 million. Rivers 78 would pay this increased incentive for 25-years of operation of the Permanent casino.

Based on the Union Gaming projections of \$782 million of steady-state AGR, Rivers 78 would pay the City approximately \$5.9 million of annual revenue or \$72 million of net present value. However, as noted in the Evaluation Report, the Rivers 78 proposal also is projected to generate less revenues than the other two bidders. Bally's generates \$88 million of increased net present value through improved future revenues; Hard Rock Chicago is projected to generate \$85 million of increased net present value of future revenues compared to Rivers 78. The financial incentive has the estimated effect of making up some of the revenue projection differential as compared to Hard Rock Chicago and Bally's, but not completely.

The City acknowledges that revenue projections are based on assumptions and that actual performance will invariably differ from projections. However, if the City is to evaluate revenue-based incentives at all, none of which is certain, then it should apply a uniform revenue methodology across all three bids. Further, revenue-based incentives are by nature not guaranteed and are subject to substantial volatility. To the extent that gaming demand significantly changes over time, the City bears this risk of declining revenues in a revenue-based incentive versus a fixed incentive. For example, Rivers 78's original projections in the RFP submission in October 2021 were \$653 million and in their updated RFP submission were \$871 million. Under these two varying projections, the revenue-based financial incentive would be valued at a range of \$1 million to \$122 million of net present value to the City.



ECONOMIC AND FINANCIAL BENEFITS TO THE CITY



INDEPENDENCE OF OPERATIONS

Bally's remains the only operator that does not have other competing casinos in the Chicagoland region. This is relevant in the context of evaluating the revenue-based financial incentives noted above. Although any of the bidders could be expected to seek to operate its casino profitably, Bally's is best positioned to market aggressively to all segments of the relevant market and maximize revenues for the City. Further, the increased tax rate imposed by a 3-5% revenue-based incentive to the City has the effect of creating a greater tax burden for the Chicago casino versus regional competitors. The selection of a casino operator is not just about the projected dollars, but is also decision to enter into a long-term contract with an operator whose incentives are most aligned with the City in a gaming market that already has substantial competition. This consideration is not included in the above revenue calculations but presents a further advantage to the Bally's proposal.

TIME TO EXECUTION

As noted throughout this process, time to execution is a critical factor for the City. The City has asked for written confirmation demonstrating site control from all three bidders, as noted in the Planning section of this report.

Through the City's due diligence and conversations with Bally's, Bally's has agreed to commence building out its tower to complete the remaining 400 hotel rooms at the earlier of 1) reaching an annual trailing 12 months \$170 million of EBITDAM or 2) 5-years after the opening of the Permanent Facility. Based on the Union Gaming projections, Bally's is projected to substantially exceed \$170 million of EBITDAM by year 1 of the Permanent Facility. Bally's will also commit to provide the City with payments for lost revenues should the permanent casino not open as of Q1 2026.

Hard Rock Chicago has not provided critical threshold confirmations needed from outside stakeholders such as MPEA, IDOT and Metra, as requested in the Evaluation Report (released March 2022) as well as in subsequent conversations. This request includes letters of support from each of these outside agencies confirming their intent to provide necessary approvals as well as projected timeline for such approvals. We note that ONE Central continues to make progress with each of these entities in securing these approvals. However, without these letters in hand at the time of the selection, the City did not have the assurance that the project will meet the schedule as noted.

Rivers 78 has proposed a 300-room hotel by Q42025 and has agreed to build the remaining 200 hotel rooms when EBITDAM on the casino is at least \$208 million and in the same calendar year the hotel generates EBITDAM of at least \$18 million. Based on the Union Gaming projections, the City expects that Rivers 78 will reach \$208 million of EBITDAM by year 1 of the Permanent Facility. However, assuming a 28% EBITDAM range for the hotel, which is an industry average as well as consistent with the margins provided in all three proposals, an \$18 million EBITDAM translates to \$64 million of hotel revenue, which translates to an average daily room (“ADR”) rate of \$652 per night for a 300-room hotel. The average pre-pandemic ADR for the 12 months ended December 31, 2019 in Chicago was about \$282 per night for luxury class hotels and \$202 per night for upper scale hotels. The City believes that this level of EBITDAM and ADR is 2-3 times similar class of hotel rooms and is unlikely to occur anytime soon.

MINIMUM CAPITAL INVESTMENT

Bally’s has the highest commitment to a minimum capital investment at \$1.34 billion versus \$1 billion by Hard Rock Chicago and Rivers 78. This commitment helps protect the total size and scope of the project committed to the City against inflation and labor shortages. The size of the project translates into jobs that are created as a result of the project.

MINIMUM PROPERTY TAXES

Bally’s and Rivers 78 committed to a minimum equalized assessed value (“EAV”) on the property of \$125 million in perpetuity. Hard Rock did not provide a minimum EAV. A minimum EAV translates to a minimum amount of property taxes paid to the City.

FINANCIAL WHEREWITHAL

On March 22, 2022 and March 30, 2022 Related provided an updated highly confident letter (“HCL”) from Wells Fargo and Bank of America, respectively, communicating the confidence by both banks that it can finance the hotel and observation tower. In the Rivers 78 and Hard Rock Chicago proposals, the legal entity serving as the Applicant currently

has no substantial assets. Rivers 78 has agreed to a commitment that \$370 million of net worth will be placed with the Applicant upon commencement of vertical construction of the Permanent casino but that would not necessarily protect the City if vertical construction does not ever begin.

As noted in the Evaluation Report, the City has received the full faith and credit of the Bally’s Corporation, the legal entity serving as the applicant to the Chicago casino project. Bally’s has more than sufficient liquidity to cover the \$300 million equity contribution to the Chicago project with over \$1.7 billion in balance sheet cash, revolving credit facility and cash from operations.



04

JOB
CREATION

JOB CREATION

The applicants have agreed to target the respective minimum new job numbers shown below within the Host Community Agreement. The City required that all applicants commit to have contracts with organized labor during construction and operation of the casino facilities as referenced in Section 1 H(2)(a)(xiv) of the RFP. This recommendation is subject to that requirement being met.

	BALLY'S TRIBUNE	HARD ROCK CHICAGO	RIVERS 78
Total Jobs	6,250	5,892	6,835 – 7,800
Operating Jobs	3,000	3,140	3,425
Construction Jobs	Phase 1: 3,250 Phase 2: 2,500	2,752	3,410 – 4,375

Table 3



05 EQUITY

EQUITY

The following chart provides a summary of the differences in various equity considerations for which the City asked the bidders to provide terms.

	BALLY'S TRIBUNE	HARD ROCK CHICAGO	RIVERS 78
Equity			
Equity Ownership	<p>25% of project equity owned by minority investors</p> <p>Agreed to maximum small denomination investors, through a crowdfunding company, as allowed by the SEC and IGB</p>	<p>Proposal includes general partnership by Loop Entertainment at 50% of Hard Rock Chicago, which is 51% controlled by Loop Capital</p> <p>Hard Rock (50% of Hard Rock Chicago) is 100% owned by the Seminole Tribe</p> <p>Loop Entertainment is establishing a program for Chicagoan and small denomination minority investment</p>	<p>25% project equity owned by minority investors</p> <p>Minority participation to include sourced, small-denomination investments of less than \$1,000 per investor</p> <p>Currently 5 investors with investments less than or equal to \$10,000</p>
Equity Construction and Hiring	<p>36% MBE</p> <p>10% WBE</p> <p>50% construction performed by City residents</p> <p>15.5% construction work performed by residents of SEDAs</p>	<p>36% MBE</p> <p>10% WBE</p> <p>Prioritize City resident hiring, but no commitment to % of Chicagoans hired</p> <p>15.5% construction work performed by residents of SEDAs</p>	<p>36% MBE</p> <p>10% WBE</p> <p>50% construction performed by City residents</p> <p>15.5% construction work performed by residents of SEDAs</p>
Equity Vendor Spend	<p>26% MBE</p> <p>10% WBE</p> <p>2% BEPD</p> <p>3% VBE</p>	<p>26% MBE</p> <p>10% WBE</p> <p>2% BEPD</p> <p>3% VBE</p>	<p>26% MBE</p> <p>10% WBE</p> <p>2% BEPD</p> <p>3% VBE</p>
Workforce	60% minority hiring	60% minority hiring	60% minority hiring
Board Members	2 out of 5 minority	2 out of 5 minority	3 out of 7 minority (An African American, Asian American, and Latin American representative)

Table 4

EQUITY

WEALTH CREATION

Bally's provided the most sophisticated and greatest opportunity for minority wealth creation. It has proposed a crowdsourcing option for bidders to purchase into casino project, which helps with encouraging smaller investment participation but creates a more equitable opportunity to participate rather than recruiting minority owners through existing relationships.

Further, Bally's is willing to provide lending to leverage up any given investment to varying extents based on the individual equity investment with the greatest leverage being given at the lowest levels. For example, a \$1,000 cash investment by a minority owner would represent a \$100,000 total equity through a non-recourse \$99,000 loan that Bally's would offer the minority owner. The owner would then repay the loan over time, whether through a repurchase of their equity shares or other cash, at that minority owner's discretion. For investors at higher levels the non-recourse loan amounts would be smaller on a relative basis.



COMMUNITY BENEFITS

Bally's contemplates providing an outlet for gambling addiction onsite, whereas Hard Rock Chicago and Rivers 78 would contemplate providing these services at off-site locations.



06

DESIGN,
PLANNING,
AMENITIES AND
TRANSPORTATION
CONSIDERATIONS

DESIGN, PLANNING, AMENITIES AND TRANSPORTATION CONSIDERATIONS

The City expects that the casino will be not only a source of revenues, but also a first-class entertainment venue that will add to the City's iconic architectural legacy. The casino should achieve a level of design excellence that provides a welcoming, accessible, and entertaining atmosphere for all its visitors. As a world-class and one-of-a-kind destination, it is expected to provide a broad range of amenities that include a hotel, green spaces, shops, restaurants, cultural venues, and other attractions that enhance its neighborhood and local property values.

The three finalists identified in the Evaluation Report were reviewed and analyzed on the following Design criteria:

- Master Plan Concept
- Public Realm Creation
- Accessibility
- Amenities
- Transportation Impacts

In addition to satisfying the above criteria, the finalists' submissions are of superb quality and design excellence and layout that will add to the City's iconic architecture and enhance its urban environment. All the respondents have provided thoughtful and exciting proposals. As a result of a thorough analysis, the City has determined that the Bally's proposal at the Tribune site has provided the best response to the above listed criteria.



BALLY'S SITE, DESIGN, AND PLANNING

The Bally's riverfront site at the current Tribune printing facility is well located as it is highly visible from the Kennedy Expressway's on and off ramps, and fronts Chicago Avenue and Halsted Street which are primary thoroughfares for vehicles, buses, bicycles, and pedestrians. This former industrial site also sits within an important land use transition zone, with several large-scale existing industrial and commercial uses nearby that will continue to provide critical services to the City. The site is within the North Branch Industrial Corridor. As provided in the 2017 North Branch Framework Plan, it is recommended that the site be redeveloped into a mix of uses that is consistent with scale and character of the downtown district and to ensure this corridor continues to be an economic engine and a vital job center for the City.

The Bally's site has an existing Planned Development No. 1426 which was approved by City Council in 2018 and allows for up to 8.47 million sq. ft in mixed-use floor area, with up to 4,099 dwelling units, and up to 250 hotel keys (total of 7.6 Floor Area Ratio). Bally's is proposing that their casino and hotel will utilize 1 million sq. ft., which represents only 11.8% of the total amount of square feet allowed per the approved PD. Bally's plan incorporates new streets to provide improved

DESIGN, PLANNING, AMENITIES AND TRANSPORTATION CONSIDERATIONS

access and a mix of building uses, bulk, and heights consistent with the originally approved PD. Bally's has also indicated its flexibility in determining how the other parcels within this PD can be redeveloped and has indicated its willingness to take the input from the community into their redevelopment.

The redevelopment of the Tribune site with a casino and hotel anchor use will be an economic catalyst for the City and will build upon several other nearby important riverfront projects, most notably R2's rehabilitation of the Salt District into a new entertainment and dining venue, and Onni Group's Halsted Point with five new high-rise buildings approved by City Council in 2021. This collection of projects, including the Bally's casino proposal, incorporate a new riverwalk, large publicly accessible open spaces, best practices in stormwater management, and will provide native landscaping to improve the ecological habitats along this stretch of former riverfront industrial sites.

Bally's hotel and casino design have been sited and sculpted to form an iconic memorable gateway and skyline along the Chicago River. The main entry sequence includes a landscaped plaza with a vehicular drop-off area a winter garden connecting the hotel, casino and riverfront. Restaurants, cafes, and bars have been placed facing the new riverwalk, and retail spaces are located at the ground-floors of important street intersections, such as at the northwest corner of the site to screen a portion of the parking garage.

DEVELOPMENT EXPERIENCE

Bally's leadership team has participated in extensive large-scale casino green field developments including the Aria Casino Hotel at CityCenter (Las Vegas, NV), MGM National Harbor (Oxon Hill, MD), The Royal Towers Expansion at Atlantis (Bahamas), Beau Rivage (Biloxi, MS), Hollywood Casino Charles Town, Hollywood Casino Columbus (Columbus, OH), Hollywood Casino Jamul (now Jamul Casino) (Jamul, CA), Hollywood Gaming at Dayton Raceway (Dayton, CA), Park Theater (now Dolby Theater) (Las Vegas, NV), The Park Vegas (Las Vegas, NV), and Mohegan Sun (Uncasville, CT).

HARD ROCK CHICAGO SITE, DESIGN, AND PLANNING COMPARISON

Although the Hard Rock Chicago casino and hotel portion has been separated from the larger ONE Central proposal, questions remain about the necessary entitlement process which would require amendments to three existing PDs. In addition, the outstanding feasibility questions about the state funding, the traffic impacts and transportation improvements, and the density concerns for the larger ONE Central project are important to resolve in the City's consideration of a casino at this site.

In contrast to the Bally's proposal, the Hard Rock Chicago casino and hotel proposal has limited pedestrian access points, no at-grade public open space, and little interaction between indoor and outdoor amenities given its location over existing train tracks. The conceptual designs for the Hard Rock Chicago casino show a podium that is mostly clad with bright lighting, graphics, and signage that is not consistent with the character of the adjacent residential area or with Chicago's Museum Campus and lakefront.

DEVELOPMENT EXPERIENCE

The development team has a strong track record of successfully completing projects, operating casinos and the Seminole Tribe provides a strong minority ownership structure. The development team is comprised of a separate management and developer team of Hard Rock and Loop Entertainment, which would be operated by Hard Rock



RIVERS 78 SITE, DESIGN, AND PLANNING COMPARISON

The Rivers 78 site also is well located. It would take up part of an existing Planned Development No. 1434, which was approved by City Council in 2019 and amended in 2020 and allows for up to 13 million sq. ft in mixed-use floor area, with up to 10,000 dwelling units (total of 5.65 Floor Area Ratio). Rivers 78 is proposing that their casino, observation tower, and hotel will utilize 1,740,000 million sq. ft., which represents only 13.4% of the total amount of square feet allowed per the approved PD. The Rivers 78 plan would incorporate new streets to provide pedestrian and vehicular access and the mix of building uses, bulk, and heights consistent with the originally approved PD.

The redevelopment of the Rivers 78 site with a casino, hotel and observation tower would be a catalyst in the development of the extensive 78 site. In contrast to the proposed Bally's casino site which has large-scale commercial and industrial uses adjacent to their site, the proposed Rivers 78 site is adjacent to low-scale residential uses on the east side of Clark Street. Rivers 78 has indicated that the other parcels within this PD would be redeveloped consistent with the approved PD, likely requiring more density to be added within those remaining subareas to balance the lower density proposed for the casino, tower, and hotel facilities.

The casino and observation tower design has been sited and sculpted to form an iconic and memorable gateway to this development. The observation tower would make a positive addition to the City's skyline. In addition, the proposed Rivers 78 site plan incorporates a new and spacious riverwalk with multiple outdoor public amenities and the creation of a large new park. However, the proposed riverwalk amenity may be compromised to some extent by the existing land use conditions across the river on the west side of the site. In addition, the casino floor is proposed to span over the newly constructed Wells Street, which would negatively impact views and the pedestrian experience along this important corridor which will connect Chinatown to Downtown.

DEVELOPMENT EXPERIENCE

The development team has a strong track record of successfully completing projects. From 2008 to 2011, Rush Street Gaming opened four casinos, going into and out of the great recession. Rush Street Gaming ownership has 50 years' worth of non-casino real estate experience, having developed, owned or operated over \$60 billion of real estate properties across most asset classes, including high-end, luxury hotels and retail.

Related Midwest, the Chicago office of Related Companies, is a developer of luxury condominium and rental homes, affordable housing communities, and mixed-use properties in Chicago and the Midwest. Related Midwest has developed in the last 10 years or is under construction on over \$2 billion worth of development in 16 neighborhoods of Chicago. In addition to luxury development, Related Midwest has developed, acquired, and preserved more than 6,500 affordable residences and currently has an additional 3,600 units in development.

Related Companies is one of the largest private real estate companies in the United States with over \$60 billion worth of development and acquisition activity. Formed over 45 years ago, Related has experience financing some of the largest and most complicated real estate developments in the United States spanning a wide range of asset classes including the 28-acre Hudson Yards neighborhood on Manhattan's West Side (over \$10 billion worth of the development delivered to date).

SITE CONTROL

The City's Evaluation Report previously covered site ownership and control considerations, including legal and governmental issues or challenges regarding the proposed project sites and their acquisition by the applicants. These considerations as they relate to the three finalists are summarized below.

The City confirmed that Bally's has site control of its proposed project site through a purchase option agreement with the current owner. The lease between the current owner and the Tribune printing plant gives the current owner the right to relocate the tenant. The lease also allows the landlord to require relocation after a 2-year notice period if certain requirements are met, although Bally's has indicated that it expects to be able to resolve the relocation sooner.

DESIGN, PLANNING, AMENITIES AND TRANSPORTATION CONSIDERATIONS



Given the uncertainty of the timing of the relocation which may fall before or after the 2-year timeframe, Bally's has verbally agreed that the City would be paid liquidated damages should any delay negatively impact the City's receipt of revenues or payments. The terms of such agreement will be set forth in the HCA.

The City has reviewed a letter of intent between Rivers 78 and the owner of its proposed project site for the purchase of such site. The existing planned development is currently under single designated control by one entity per the most recently approved planned development ordinance. It is contemplated this applicant would be able to move forward on site acquisition to meet its proposed casino construction timeline.

The development parcel for the Hard Rock Chicago project requires several approvals necessary for the applicant to establish site control. The development of the site would require the applicant to exercise an agreement on air rights to develop in this location, including approval from MPEA. Hard Rock Chicago would presumably negotiate payments to the City and MPEA with respect to the use of such air rights. Additionally, an enforceable agreement with Metra is required to commence construction of the casino entertainment portion of One Central. Although an extensive letter of intent has been drafted between the parties, some negotiation is still required before such letter of intent can be executed. Thereafter, a

binding agreement would have to be executed. The need to negotiate and enter into these arrangements appears to present significant execution risks. Hard Rock Chicago has stated that the casino proposal can proceed on its own without government funding. Lastly, the final proposed project site still falls within the current boundaries of two separate planned developments that would need to be amended to change their individual boundaries to allow for the creation of a new planned development to allow for the casino construction.

TRANSPORTATION

BALLY'S

The proposed site is located near the intersection of two arterial streets: Chicago Avenue and Halsted Street, both of which are on elevated viaducts. Due to the site's adjacency to the Chicago River and legacy of industrial uses, there is currently a limited internal roadway network on the site. The proposed casino development would address this condition.

The proposed access and street network plan is generally consistent with that in The River District Planned Development (PD) that was approved for the site in 2019, which provides the principles to re-establish an internal roadway network and connect the site into the city's arterial street network. The proposed development plan includes a new north-west spine road through the site to provide parallel traffic relief to Halsted Street and direct connectivity to the West Loop, and new east-west connections to Halsted Street. The mixed-use components of the proposed development plan are expected to generate traffic during peak hours at levels that are generally consistent with the PD previously approved for the site. The City's planned reconstruction of the Chicago Avenue and Halsted Street viaduct and Chicago Avenue bridge would further improve the vehicle, transit and bicycle access to the site.

The site features public transit access by being directly served by two CTA bus routes with two others in walking distance. The site is within walking distance to either the Grand or Chicago CTA Blue Line rail stations with service to downtown and O'Hare airport and is just over ½ mile to the Chicago Avenue CTA Brown and Purple Line station. The site is just over a mile from Metra service at Union Station and Ogilvie Transportation Center. The River District PD and casino development plan also accommodates a future multi-modal transitway linking the West Loop with the Lincoln Yards area through the site. The site will also support water taxi access.

The existing transportation network and network improvements included in the casino plan are expected to help distribute traffic loads through the local street system, provide various ways of accessing the casino, and help to mitigate the traffic impacts of the casino.

HARD ROCK CHICAGO

The proposed site is located adjacent to South DuSable Lake Shore Drive ("DLSD"), a limited access parkway, and the Metra Electric line. Due to the site's adjacency to these regional transportation facilities, there is currently no internal roadway network into or within the site. The Hard Rock Chicago proposal at ONE Central is part of a larger contemplated mixed-used development proposal that has not been approved and requires submittal of appropriate plans/studies for review. For the initial casino phase, all vehicular access would be provided via the DLSD and the 18th Drive interchange.

The site features public transit access by being directly served by the 18th Street Metra Electric Station, and it is within walking distance of seven CTA bus routes. The Cermak-McCormick Place CTA Green Line rail station is just under a mile walk away. The casino proposal suggests that a bus stop could also be added to the existing MPEA busway adjacent to the casino site, serving convention-related bus services.

All vehicular site access is proposed to occur via the DLSD/18th Drive interchange, so that only limited secondary access would be available. It is uncertain that the existing transportation network and network improvements included in the casino plan would be able to adequately distribute traffic loads through the system, provide adequate ingress/egress for emergency and service vehicles, or provide various ways of accessing the casino.

RIVERS 78

The proposed site is located at the intersection of two arterial streets: Roosevelt Road and Clark Street, both of which are on elevated viaducts. Due to the site's adjacency to the Chicago River and legacy of industrial uses, there is currently no internal roadway network on the site, except the Wells-Wentworth connector street currently under construction by the City. The proposed casino development would address this condition.

The proposed access and street network plan is generally consistent with the previously approved PD for the site, which provides which provides the principles to re-establish an internal road network and connect the site into the City's arterial street network. The proposed development plan includes new north-south spine roads through the site (Wells-Wentworth and LaSalle Street) to provide parallel traffic relief to Clark Street and direct connectivity to the existing South Loop local street network, and new east-west connections to Clark Street. The mixed-use components of the development plan are expected to generate traffic during peak hours at levels that are generally consistent with the PD previously approved for the site.

The site features public transit access by being directly served by three CTA bus routes with seven others within walking distance. The site also is within walking distance to the Roosevelt CTA Red, Green and Orange Lines rail stations with service to downtown and Midway Airport. The site is 2/3rd mile from Metra service at LaSalle Street Rock Island station and 11th Street/Museum Campus Metra Electric station, and just over a mile from Union Station and Ogilvie Transportation Center. The 78 Master Plan also accommodates a future CTA rail station at 15th Street/Clark Street. The site will also support water taxi access.

The existing transportation network and network improvements included in the casino plan are expected to help distribute traffic loads through the local street system, provide various ways of accessing the casino, and help to mitigate the traffic impacts of the casino.

07 TEMPORARY SITE

TEMPORARY SITE

BALLY'S

An alternate site at 600 N. Wabash Avenue (commonly known as Medinah Temple) located in River North in PD768 is anticipated to be the site of the temporary facility. The proposed temporary facility is approximately 129,100 sq. ft. split between 5 existing floors and is a historic building that was recently vacated by a major retailer. The site is ideal to support post COVID downtown economic recovery and is located near a high concentration of transit options and retail, restaurant, and hotel amenities. The building is a designated Chicago Landmark, but the status will not prevent redevelopment as a temporary site to hold up to 800 gaming positions. Portions of the exterior and interior that are protected by the landmark status shall be retained and not adversely impacted and redevelopment plans, including any new signage, shall be reviewed by the Permit Review Committee of the Commission on Chicago Landmarks.

CDOT and the City's traffic consultants have taken a high-level overview of the Medinah Temple site and have determined that it the site is well-positioned to serve visitors and employees via car, transit, or on foot. Active management of curbside drop-off/pick-up zones will be needed to avoid spillover and negative impacts to Ohio Street, Wabash Avenue, and Ontario Street. Further, pricing strategies to incentivize self-park options should be incorporated to reduce valet and curbside demands. These conclusions are based on a preliminary high-level review of transportation infrastructure and conditions in the area and at the site. A more detailed plan should be developed based on details for the temporary casino operations.

HARD ROCK CHICAGO

The original proposed temporary site was located in MPEA's North Building. Given MPEA concerns around contiguous connections between convention and casino space, Hard Rock Chicago expressed its willingness to explore the potential for locating a temporary casino facility within a hotel or an alternate location.

RIVERS 78

Rivers 78 has proposed a temporary facility using a riverboat at its site. Rivers 78 proposed a temporary facility using a riverboat at its site. The proposed temporary site would include 700 slots and 30 tables.





**THIS CASINO SELECTION REPORT IS
DISTRIBUTED BY THE CITY OF CHICAGO**

**OFFICE OF THE MAYOR
CITY OF CHICAGO
ROOM 500, CITY HALL
121 N. LASALLE ST.
CHICAGO, IL 60602**

**LORI E. LIGHTFOOT
MAYOR**