



On April 6, 2022, the River North Residents Association submitted a critique of the City’s assessment of the Bally’s Tribune Casino Proposal, which was contained in the March 22 Evaluation Report, to Mayor Lightfoot and the members of the City Council Special Committee on Casinos. Questions raised by RNRA’s critique are presented below in three sections, along with responses provided by City Officials after the April 6 community meeting.

Section 1 - Development Financing & Expertise

Context	RNRA Question(s)	City of Chicago Response
<p>The report makes clear there are potential challenges with the hedge-fund controlled company’s ability to secure financing as it attempts to take Bally’s from public to private status. In comparison to the other short-listed bids, the Bally’s financing information is vague and includes the caveat that its commitment letters “do not take into account the proposed going-private transaction” as well as the statement that taking Bally’s private will create a “more leveraged” company.</p>	<p><i>Please provide a more detailed explanation of the financing plan, that addresses how this project will be adequately and sustainably funded, regardless of whether the proposed buyout of Bally’s outstanding shares by Standard General is successful.</i></p>	<p>All of the bids included comments about their financing plans. The point of the evaluation report was to provide details around each financial proposal and comments from the city. We did note that the HCL didn’t comment on the going-private transaction, and we continue negotiating with Bally’s around that. There is also a general obligation of the Bally’s Corporation that they intend to use to help support the financing plan for this transaction. None of the other bidders provided the full faith and credit of their corporation. We’re also going to have discussions around the cash that they’ll provide up front to help support the transaction. That equity payment, and how that is structured, will be a point of conversation as we move forward. Each of these proposed financing plans had pluses and minuses and there is more to be negotiated.</p>
	<p><i>Bally’s only has about \$1.2 billion in debt financing for the project, so they must raise another half billion dollars. They committed to \$225 million in additional cash equity, with the remaining \$275 million coming from crowdfunding from minorities. Are there SEC requirements for this, and do you have examples of similar plans that have happened elsewhere?</i></p>	<p>If you have a certain percentage that is over the limit (from an IGB perspective) there will be reporting requirements. From an equity perspective, we see crowdfunding as a way to create wealth for everyday Chicagoans, by participating in the transaction, as opposed to it being just for well-off individuals. It is not a function of the bidder’s financial wherewithal to be able to fund the project, and the equity contribution proposed by Bally’s is very consistent with the other bids.</p> <p>We are not aware of other examples, but it’s something that we value because of the equity component, and it’s something that we’ll have to work through.</p>

	<p><i>Bally's stated, at the community meeting, that an individual investor could put in \$1,000 and get \$10,000 in equity. Is there any additional information about what that means?</i></p>	<p>What that means is that if someone put in \$1,000, Bally's is willing to offer lending to help leverage up that investment. For example, let's just say it is a 1 to 10 ratio. This would leverage that \$1,000 up to a \$10,000 investment, at which point the individual's equity in this project would be \$10,000 rather than the \$1,000 that they put in. They would have to pay back that \$9,000 loan over time, but they get a portion of the returns on the casino to help pay back that loan. Simply put, that means Bally's is willing to help leverage small investments so that individuals can ultimately be a bigger part of the project.</p>
<p>The average population in the 13 cities where Bally's presently operates its 15 casinos is approximately 110,000. Based on its current casino property portfolio, Bally's does not appear to have experience with developing and operating a multi-use project of this magnitude and complexity in a dense urban setting like the Tribune site.</p>	<p><i>What gives the approval authorities confidence that this firm will be able to successfully execute and manage a proposed \$1.74 billion development in the third largest city in the U.S.?</i></p> <p><i>They are probably going to need extra guidance/oversight as they have never built a casino.</i></p>	<p>As is the case with the Obama Presidential Center, which was also a very large endeavor, the key is going to be the broader team any of these bidders are bringing to the table. The city's entitlement process is robust in terms of getting all of the permits needed for construction, design review, etc. We have a solid track record and don't just let anybody build. The reason these three bidders are finalists is because we have confidence, they each have teams that are able to undertake developments of this magnitude, all of which are in that \$1.5 to \$2.0 billion dollar range. And if for some reason over the course of this process we identify gaps in the team, we will be negotiating to make sure those gaps are filled. To put it simply, they are not going to be able to get through the city process if they don't have the requisite team to make a development of this size be successful.</p> <p>They have built casinos in the past, although not large casinos. This is the largest casino in the largest urban city in the country. Regardless of the bidder, we're going to do our due diligence around this. We must ensure they have the capability to execute this project. As we understand it, folks on their team have built very large casinos in the past and it will be part of our process to kick the tires on that.</p>
	<p><i>Bally's is a hedge fund company without direct experience in large-scale urban redevelopment projects like some of the other bidders. Expertise comes with experience. Given the complexities of this site, there is concern that an inexperienced entity might struggle with such a large, multi-use development. A project like this takes more than a group of construction contractors. It requires years of large-scale development experience to ensure that</i></p>	<p>He himself is not a developer, but if they have a development team it is not about one person, it's about the team.</p> <p>This is great feedback. We'll make sure that is another lens that we are keenly attuned too as the city kicks the tires on all these proposals. We obviously share that prioritization. We need to make sure that the team is equipped to execute something of this magnitude.</p>

	<p><i>timelines and construction schedules will be met and that the financing of the project will be closely monitored.</i></p> <p><i>It isn't clear that Bally's has a qualified in-house development team. The head of the company stated clearly at the community meeting that he is not a developer.</i></p>	
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Section 2 - Transportation Impacts & Development Capacity of Area

<p>The report acknowledges the existing traffic congestion on Chicago, Grand and Halsted and references the City's ongoing capital improvement project to reconstruct the Chicago/Halsted viaduct and widen the Chicago Avenue bridge to address <i>existing infrastructure demands</i>. New mixed-use residential developments are presently approved or under construction fronting Chicago and Halsted, and the proposed Tribune site will add development intensity.</p>	<p><i>Has a traffic study been conducted that evaluates the combined area-wide impacts of these projects? If so, will this study be made public?</i></p>	<p>Traffic circulation and movement in the city are hugely important and have been evaluated carefully and continue to be through this process. Existing projects in the CDOT pipeline predate any casino selection process or redevelopment concept on the Tribune site. The department is always investing in maintenance and repair of assets in the city and alleviating major pinch points in the region, like the Chicago Avenue bridge. The Chicago/Halsted intersection has some improvements coming for all modes: bus, car, and pedestrian. Getting people to that intersection will be improved by the bridge. The analysis that the city requires through any traffic study looks at the context and the background so both existing volumes and future anticipated growth are considered for analyzing how things will operate.</p>
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	<p><i>Was the preliminary study based upon the impact of the casino on current traffic, or on estimates related to PD 1426?</i></p>	<p>Bally's, and all the other applicants submitted traffic studies for their sites. These were typical studies, including information on existing counts as well as counts related to the casino and other development and then ambient increases related to growth in the area. We provided comments and they responded. As we move forward with this and the other applicants, there will be more revisions and/or comments that will have to be incorporated. All the studies of existing counts were based on pre-covid data. The community meeting presentation compared Bally's plan to the traffic associated with the previously approved planned development.</p>
	<p><i>Halsted and Chicago Avenue bridge improvements will have a major impact on alleviating current congestion. Are designs already in place to implement these changes?</i></p>	<p>The department is finishing phase 2 design and construction documents for the viaduct and the bridge with anticipated start dates in late 2023. The Chicago Halsted bridge will be widened to 2 proper lanes in each direction. The underlying structure of the viaduct on Halsted and Chicago stays the same, but the surface will be improved with better sidewalks, protected bike lanes, bus priority lanes and jump lanes on Halstead to get CTA riders to other modes, such as the Grand Avenue blue line, faster. This is moving toward procurement and implementation.</p>
	<p><i>Are there plans to connect the river walk in this section to the greater trail network in the area so we can get people off the road and out of their cars?</i></p>	<p>One of the city's largest goals is make the river walk as long and as continuous as possible. Onni, and another company, also have developments with river walk components, which may involve above ground or under-bridge connections. The Bally's team will be developing all the way to PD 87 which is just south of here and has a river walk. We would ask them to provide a connection under the Grand Avenue bridge so we would have a very long continuous river walk. There is also the potential to cross the river and extend to Montgomery Ward Park to have as much continuous river front property as possible.</p>
	<p><i>Did this study consider surge traffic; drivers, ride-shares, taxis, and limos, that this will create?</i></p>	<p>A typical traffic study would look at a weekday morning and evening peak periods. These do as well, but they also look at Friday and Saturday casino peaks between 8:30 and 9:30 p.m., as opposed to the ambient evening peak between 4:00 and 6:00 p.m. We're not only looking at normal rush hour volume, but also at their own peak hour when ambient traffic volumes are lower. In terms of taxis and ride-shares, it is not just the traffic volumes, but we're also looking at the street network and connectivity, and the pick-up, drop-off, and valet locations in their site plan. On the Bally's site is a separate pick-up/drop-off area between Jefferson, their north/south spine street, and the river. To help extend the street grid and distribute their traffic, rather than relying on just Chicago Avenue as the main entrance and exit, there are multiple connections to Halsted, Chicago and Grand.</p>
	<p><i>From what other casino locations was data pulled to determine the peak hours?</i></p>	<p>Different consultants did the traffic studies for each proposal. We recommended ways to make the comparisons more "apples to apples". The initial assumptions had liberal estimates of walking, biking and transit use. We wanted more consistency and more auto-oriented assumptions. The Rivers application referenced data collected at the Rivers Des Plaines location, and the Bally's referenced other industry data from multiple sites, some local and some from casinos across the country. Comparisons of the number of trips per gaming position were very similar and we felt comfortable with their methodology, even though they arrived at their numbers from different directions.</p>

	<p><i>The original traffic study for PD 1426 was done before COVID. Have they updated the results based on current conditions?</i></p>	<p>The study was pre-COVID, but PD 1426 had a mix of primarily office and residential that used most of the square footage. Those usages at those densities, during the morning and evening peak hours, would produce a certain amount of traffic. We compared this with the casino plan, which swaps out a lot of the office components for casino, residential, and another hotel. Each of those uses have different traffic profiles. We looked at what was included in the PD package vs. this development with the casino. When the study was done is less significant than the land uses, the number of units, and how many square feet are included in the development. It doesn't matter if it is pre-covid or post-covid. This plan doesn't include much office space where the PD included millions of square feet of office. When you swap office for casino during peak hours it is generating less traffic.</p>
	<p><i>Understanding how this study takes into account the 24/7 operation of a casino vs typical 9-5 office use is a key point. When will the actual study be made available?</i></p>	<p>Given that this is a procurement process, we are compiling all the document requests from the public meetings and need to ensure that we treat all the sites consistently. The goal is to release these documents in a consistent way for public review.</p>
	<p><i>Conditions have changed from 2017/2018 when the PD 1426 study was conducted. The evaluation report didn't address traffic on Halsted, which is often so backed-up it can take at least 15 minutes to get from Chicago to Grand. The Halsted Point project on Goose Island will direct additional traffic out to Halsted. What is the plan to address traffic on Halsted from Chicago to Grand in anticipation of planned Halsted Street development?</i></p>	<p>The differences between 2018 and current volume is being monitored through various data sources as we progress through the various stages of the pandemic. We can certainly discuss how to integrate, compare, and validate those pre -covid numbers though today. With the previous planned development and the current casino site plan, one of the goals is to create more north-south connectivity. Creating Jefferson Street through the Tribune site from Chicago Avenue through Grand and on to Kinzie provides a second north-south option from the central area and west loop to bypass Halsted. This, and the east-west connections across Halsted, creates more neighborhood networks and new ways for people to distribute.</p>

	<p><i>Kingsbury already gets diverted traffic from Halsted and other places; Chicago and Halsted are designated truck routes; several large developments are coming online soon; and now, a 24/7 entertainment complex on Chicago Avenue will be added to all of the existing traffic. Has a saturation analysis been done to determine capacity with all of these uses in mind?</i></p>	<p>Traffic studies look at intersection levels of service during normal peak hours and casino peak hours. For Chicago and Halsted, Halsted and Erie, or Grand and Halsted, each analysis layers the existing counts, projections for proposed development, and other potential growth. The goal is to manage access and conditions along these streets, not to make Halsted a free-flowing, congestion-free street. That will not happen. We're looking at the level of congestion and service at each of those intersections, which is a description of capacity. When you add all the factors, what is the volume and what can be done to mitigate those impacts? Those could be signal timing adjustments, signal modifications, additional turn lanes, or other modifications.</p>
	<p><i>We understand that the traffic study considered capacity analysis at all proximate intersections and that more detailed information will be made available. Is this correct?</i></p>	<p>The traffic study that is released will include analysis of those intersections and their capacities.</p>
<p>The report includes a rendering, at the top of page 31, showing three additional large residential towers between the south end of the casino complex and the Grand Avenue bridge. These are labeled "L" (480,000 GSF), "A-1" (668,000 GSF), and "A-2" (448,000 GSF). At present, RNRA has received no detailed information about these developments, which, if constructed, would add considerably to the density, and further exacerbate congestion.</p>	<p><i>Has research been conducted that demonstrates that the planned improvements to existing infrastructure will be sufficient to alleviate current congestion, plus the impacts of all approved, proposed, and potential development? If so, will it be made public?</i></p>	<p>The blue area is the casino and hotel, but the rest of the site is part of what was in the original River District PD. Bally's proposes taking the northern portion, which was Phase 3 of the River District PD, and replacing most of the commercial office with their casino, entertainment, and hotel components. Ultimately, that reduction in office space and residential units is what leads to the lower overall trip generation comparison in this new casino PD vs the River District PD.</p>

	<p><i>Casinos create transient traffic, such ride-shares, taxis, and people entering and exiting a 500-room hotel. It is different than a 9 to 5 office or high-end residential tower where people are accustomed to transit-oriented living. It seems disingenuous to suggest that traffic will decline because of infrastructure that is yet to be built, and a comparison to former developments that may never be built.</i></p>	<p>It is true that casinos generate traffic at different rates, times, and scales than an office or residential building, but the study also assumes busier days. On Monday or Tuesday, casinos are a dead zone with very little traffic. It will ramp up on Thursday and peak on Friday and Saturday. A residential or office building is probably going to generate just as much or more traffic, depending on the size, when you look at the typical weekday morning and evening peak periods. Those trip generation characteristics are included the traffic study.</p>
	<p><i>Is there any way to tie the approval of this current proposed casino usage to less subsequent residential development in the area?</i></p>	<p>Any of these sites will involve some planned development. In this site, we understand this to be part of that transaction. If this site is the winner, our understanding is that Nextstar Media must sell the whole parcel. We have heard from Bally's that they are open to community engagement regarding what gets developed on the outer parcels, which of course, would go through the DPD process and be subject to the planned development. And, while there is a total allowable FAR on the site, it sounds as though the Bally's team would be open to amending that to accommodate an interest in more open space, less residential, or whatever the case may be.</p> <p>This would be handled as cautiously as with any other development. The PD, as it sits today, had between 25 and 30 improvements lined up to control volume, divert traffic from Halsted to Jefferson, offer a river taxi stop, encourage other types of ride-share, and improve bike access. All those things would be re-evaluated with the amendment. With the casino footprint, there will be a natural reduction of space that will reduce some of the unit count. We will revisit and reevaluate as those numbers come in and adjust accordingly. We don't expect to lose any of the traffic improvements in the existing PD and the Bally's team is aware of that. They have been proactive and said they are committed to addressing infrastructure stress.</p>
	<p><i>Is the intent to use the railroad right-of-way south of Grand Avenue to connect to Jefferson to Kinzie? Otherwise, Jefferson dead-ends at Grand.</i></p>	<p>We have to confirm the specifics, but it is our intent to try to get that railroad. There are some commitments to Blommer's that would need to be addressed, but if that is successful, we would love to use it and make it a part of trail and roadway access.</p> <p>Blommer's now has a campus that needs broader infrastructure enhancements, and they may rethink their footprint. That would involve their truck activities, their storage tanks, rail usage, etc. There are many detailed issues to be resolved, including the impact on Des Plaines truck traffic. It is not anything near-term, but if this site were to be selected, and if Bally's were to strike a deal with Blommer's, that could potentially change the rail access and create a transit way.</p>

	<i>Our understanding is that the Bally's project wouldn't be completed for 3 to 4 years. Is the rest of the plan solidified or could it change? For example, could the residential towers south of the casino be replaced by more hotels or other things?</i>	For any of these casino developments there are terms established in a Host Community Agreement that represent a significant financial obligation by all of them. The terms of the planned development agreement would control what changes to the overall site would be allowed. We would go through this in the PD process, but the likelihood of any of these operators proposing additional hotels is very low. A very robust deal has been negotiated for the city and the financial capacity of all the bidders is already stretched.
The report does not address the amount, source and availability of public funding needed to complete these improvements.	<i>Is this information available to the public?</i>	Essentially, there will be no public funding of any infrastructure associated with any of the sites. We have asked the bidders to pay for all casino-related infrastructure improvements. These will not be TIF funded, and they will not be funded by the city. They will be funded entirely by the operator of this site.
The report is also silent about whether Bally's will offset all or part of the cost of the taxpayer-funded infrastructure enhancements that will substantially benefit their project.	<i>Will Bally's be required to share in this expense and if so, to what extent?</i>	Deficiencies in our street grid, which have been in the works before the casino project was planned and which would be executed whether the casino was built or not, will continue to be publicly funded. Since it is part of the site development, Jefferson Street falls under the first category, which is to say that Bally's will be paying for it.

Section 3 – Local Financial Impacts

The report states that 78% of Bally's projected gaming revenue is estimated to come from local customers, but the revenue analysis does not include any information about the impact on the city if the majority of discretionary spending by Bally's casino customer base will be diverted from	<i>Are estimates of the net economic impact of this development available?</i>	This report covers the direct impact from the casino project itself, but we are also conducting an indirect and induced economic impact analysis, which adds to the analysis in terms of economic impact as well as impacts to the city's revenues. At a very high level, this is not a zero-sum game and most importantly, we are expecting to be able to repatriate approximately \$331 million in gaming revenue from Indiana back to the state of Illinois. About \$190 million of that will result from the Chicago casino. Those revenues will be a net growth to the total pie, which doesn't even count the induced and direct revenues that come with those gaming revenues, such as additional restaurant taxes, etc. Ultimately, we expect for there to be a growth of the pie which ultimately would improve economic impact. We'll be providing more detailed information on the induced and direct economic impact for all these sites, which will help to support other local businesses.
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<p>existing Chicago area businesses and recreation/entertainment venues.</p>		
<p>Bally's proposal commits to the interior buildout of just 100 hotel rooms in phase I, with the future buildout of an additional 400 rooms on a "best efforts" basis. According to the proposal, the difference in annual tax revenue between 100 and 500 hotel rooms is projected to be \$15 million by year six. Given this caveat, and the Tribune site's close proximity to many existing hotels, the report's revenue assumptions need further clarification.</p>	<p><i>What is likelihood that the additional 400 hotel rooms will ever be built out, and when?</i></p> <p><i>It is worth noting that the hierarchy in the evaluation report, listing Bally's as the number one revenue producer for the city at \$191.7 million dollars (by year 6), was based on 500 hotel rooms. The 100-room estimate of \$177 million dollars is less than Hard Rock and about the same as Rivers.</i></p>	<p>Based on the projections, we think the likelihood is very high, but because of this notation of "best effort" for the additional 400 rooms, we provided the revenue differentiation of 100 vs. 400 rooms. For clarity, similar notations were made on the other bids by way of various phasing requirements or other components. This is something we're going to negotiate, discuss, and kick the tires around as we continue to move forward in this process. We do believe that hotel rooms, or alternative uses of the additional tower space, do provide for additional gaming revenues, which helps the city and its revenue base. The magnitude of revenues from this project really does help with overall financial stability and reduces the likelihood that future property tax increases will be needed to cover increasing pension costs. We are very much incentivized to ensure development of the full project, not just components of the project.</p>
<p>The evaluation report does not address the fact that the Tribune publishing site is located in Enterprise Zone Four (EZ-4), and the temporary gaming facility is located in the Chicago/Kingsbury Tax Incremental Finance District (C/K TIF).</p>	<p><i>Will Bally's be seeking any TIF and/or EZ benefits in the course of this development?</i></p>	<p>No, Bally's will not seek or receive TIF or EZ benefits,</p>

<p>Casinos often negatively impact nearby residential property values. There are numerous residential buildings, and thousands of units, along the river, Chicago, Superior, Huron and Erie, all within the C/K TIF.</p>	<p><i>Has any research been conducted on the impact of the proposed casino on real estate values in the surrounding residential communities? If so, please share the results publicly.</i></p>	<p>There has been research, although this is a unique casino. There are very few nearly \$2 billion dollar projects in urban settings as large as this. Mega casinos have very different statistics than the commercial or regional casinos often seen in suburbs. A Harvard summary of other studies suggests that, on average, there has been relatively little impact on property tax values. In fact, some have cited instances of casinos increasing property values meaningfully. In one instance they noted an approximately 13% increase in property tax values because of a casino development. In another Rush Street Gaming case study from Philadelphia, a casino was built in the Fishtown neighborhood, and the property tax values have grown exponentially. A Forbes article has an in-depth discussion about the improvement of values in that neighborhood. At the end of the day, what really impacts values are the details of the project and how it integrates with the community. That's why it's so important for people to understand, not just how the project integrates casino use, but how its design creates amenities, mixed-use development, and ultimately, more vibrancy to the area. This is the case for all the sites we are evaluating. The Department of Planning has worked to make sure this is not just a casino in a box that could go anywhere, but that it has design excellence, and provides offerings for other potential uses and public amenities. If we didn't get it exactly right, we'd like to understand that better. For example, one of the community meeting take-aways was the conversation around the pedestrian bridge. This process is meant for us to really understand better so we can craft a project that works for folks. We received a letter of support from Onni, one of the surrounding large property owners that does a lot of development in the River North area. Their support was tied to ancillary development amenities and property values, which is noteworthy given the fact that they are making investments on adjacent parcels near the site.</p>
	<p><i>In these case studies, was the existing residential density and proximity to the casino development comparable to the Tribune site?</i></p>	<p>There is no comparable for anything in Chicago. Because we are talking about the third largest city in the country and we're big and wherever the casino goes it is going to be something new. Even though Fishtown itself is not as dense and more industrial, there is a lot of residential there and very importantly, it's in an area that does have its own traffic considerations. We're still working through this process so we're going to have to figure out what the right plan is for all the various considerations and how i we can adjust for the transportation issues and some of the other issues.</p> <p>One case study we have been studying closely is the Star Harbor site in Sidney because it is a dense area in Sydney that has mixed use, residential, and some other amenities around it and it is very much urban. We have certainly been looking at that project as well and have been speaking with people in Sydney about it.</p> <p>While we don't have as much familiarity with the Philadelphia zoning code as with Chicago, the underlying zoning for the casino is what Philly calls a CMX3 and they can go to 500% of their FAR which is equivalent to our 5.0 FAR. They could actually do another 300% with bonuses, so they could have gotten to the same FAR as this site, so it may not be comparable to where they ended up, but it's very comparable from an allowances perspective.</p>

	<p><i>Can you add some clarification about the decision-making process from this point forward? What materials and briefings will the decision makers be given? Do they intend to visit each of the sites? What is the timeline?</i></p>	<p>Ultimately, the timeline is the next couple of months for us to move forward with the project finalist. We're negotiating terms, doing due diligence on some of the open questions, and ensuring this will be a successful project on all levels. Once the terms have been negotiated, we will ensure that the special committee on the casino can ask questions, review the terms being offered, propose a finalist, conduct some further communication around that, and then seek City Council approval for what is called a host community agreement as well as a gaming ordinance. After that happens, we continue with the planning and development process, which involves a whole set of engagement and discussions. Ultimately, the City Council would have to approve any amendments needed for the PD. Outside of the city process, there is also an IGB process where the finalist would apply to the Illinois Gaming Board. They would need approval for suitability and then approval for a license.</p>
	<p><i>Net revenue to the city, and local economic impact, will be a combination of revenues from wherever the casino is located, plus revenues generated by the development that eventually takes place on the other two sites. Based on the already-approved PD 1426, there is a lot of potential for residential and commercial development on the Tribune site. According to the report, the variance between Bally's Tribune revenue and the next contender is just \$6.5 million at stabilization, assuming the buildout of 500 hotel rooms. At only 100 rooms, the annual estimate is just \$177 million, less than Hardrock and about the same as Rivers 78. Has enough consideration been given to the opportunity cost? I.E., has the city considered whether more than \$6.5 million might be lost by choosing the Tribune site?</i></p>	<p>This question is really about a highest and best use of the real estate. As it relates to revenue, it depends on which project you are evaluating. It's true that \$6 million is a small differential, but money isn't the only consideration. There are other considerations as well, including opening time, ease of execution, execution risk, the design of the project, community engagement, transportation, and the ability to get a casino done, which the city has been in pursuit of for over three decades. As it relates to the highest and best use, it ends up becoming about the overall pie of development in the city of Chicago. It's not as much about this site vs. that site. We know that there is going to be continued development in and around the River North area, the 78 and the Hard Rock area. As we look at the magnitude of the overall pie of development and growth, it's really about what the market can sustain as it relates to further economic development in Chicago.</p> <p>Covid has given us opportunities and Covid has given us challenges. I wouldn't assume, on any of these three sites, that without something like gaming, development as conceived in the PD would advance. Most of these sites were counting on some type of office or anchor tenant, and those don't exist right now unless maybe you are in Fulton Market where we're seeing a lot of activity. This is a question that has been asked in Lincoln Yards. The 78 has been looking for an anchor tenant. as has One Central, and this site as well. Opportunity cost is an important consideration, but the world has changed quite a bit since COVID and I don't know how long it will take for development to ensue on any of these sites absent of one of these anchor entertainment districts with gaming.</p>

	<p><i>As a matter of public policy why don't PDs time out?</i></p>	<p>They do. A PD lasts for six years on its ordinance. And there's a sunset. It's typically the last statement in all PDs, but they can ask for a one-year extension. If there are amendments, they extend that. No developer in their right mind is going to get financing without having some ability to vest their interest, so typically PDs vest after they have built one substantial building or some substantial development or investment in the PDs that then keeps them alive essentially forever until they are changed. But if no action on the PD happens in six years that can be reset to the original neighborhood zoning and the next team has to work from scratch.</p>
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RNRA appreciates the efforts of the members of its Development and Land Use Committee, who performed the initial review of the evaluation report assessment and drafted the association's critique.

We also appreciate the efforts of Deputy Mayor, Samir Mayekar, who worked to provide access to the necessary resources so that the city's responses to the questions raised in our critique could be made available to our members and other interested parties.

All casino-related statements and materials may be accessed via our website at RNRChicago.org/Chicago-casino-proposals.

On behalf of the RNRA Board of Directors,

Brian Israel

Brian Israel, President
River North Residents Association