



News Release

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Mayor and City Staff Recommend Hard Rock for Casino Development

ROCKFORD, III. – Tonight at the City Council meeting, City of Rockford staff will recommend that aldermen certify the Hard Rock proposal to the Illinois Gaming Board (IGB). Three groups - Forest City, Gorman and Hard Rock – are all vying for one license for Rockford. City Council must certify one or more proposals to send to the IGB for approval by October 25.

“I want to thank all three groups for their commitment to this process and to Rockford. They believe in our city, they want to invest here and they see vast potential in a community that is turning a corner,” says Mayor Tom McNamara. “All three groups devoted significant time, money, creativity and resources to their proposals.”

Staff has reviewed each of the proposals for the Rockford casino license in conjunction with its industry consultants and RFP review team. They have looked at financial viability, revenue projections, revenue sharing, job creation, transportation, diversity hiring, speed to market, and overall impact to the City.

Below is a summary of the staff’s evaluation:

- **FOREST CITY:** The Forest City proposals also has several attractive features. The plans include a hotel/casino, but also additional non-casino developments such as a water park, golf complex, entertainment venue, additional hotel and campgrounds. However, the proposal also has some very important weaknesses. Forest City has not provided evidence to confirm commitments for its equity financing.

Its proposal also does not contemplate approximately \$46 million of expenses associated with the casino. Given the lack of details regarding sources of debt and equity funding and incomplete data, there is a significant risk that financing for the casino/hotel project may be unavailable or insufficient at this time.

Although Forest City's proposal is attractive and ambitious, Staff cannot recommend certification due to uncertainty related to a number of items, including commitments for the non-casino developments.

- **GORMAN AND COMPANY:** The proposal submitted by Gorman & Company is the only proposal that includes a downtown development. Although it has attractive features, Staff cannot recommend the Gorman proposal at this time for a variety of reasons. Gorman has not secured a casino operator, has not provided a complete financing package; it has made no application for zoning; it must relocate an existing manufacturing business; and it has no experience developing a casino property.

In addition, on September 27, Gorman submitted a nonbinding letter of intent by which an entity not affiliated with Gorman would consider assuming the role of applicant and operator. There is no sufficient basis for assessing the viability of this latest proposal and its financing, and therefore, we have been unable to engage in good faith negotiations. Unfortunately, the downtown proposal is not developed to the point where we feel confident the Illinois Gaming Board would issue a license at this location.

- **HARD ROCK:** After review and consideration of all of the responses and weighing the totality of the strengths and weaknesses against the City's objectives, City Staff recommends that City Council certify the Hard Rock proposal to the **IGB**. Hard Rock has the strongest and most complete proposal. Its financing structure is credible. The Hard Rock proposal includes realistic and sustainable minimum gambling tax guarantees, along with additional revenue sharing payments to offset impacts to the City. Hard Rock has agreed to a minimum payment of \$7 million annually of gaming taxes to the City.

Hard Rock also agreed to additional revenue sharing payments, a portion of which will be used to offset impacts to Police, Fire, and Mayor's Office on Domestic Violence, and will also be applied toward economic development in disadvantaged areas of town, establishment of a philanthropic entity controlled by City Council, or other purposes as determined by the City. The Hard Rock proposal has the greatest guarantee for long-term benefits to the City of Rockford.

"We know that a casino will bring hundreds of construction and permanent jobs, along with added revenue to help us continue the work of stabilizing our City's finances both in the short term and long term. My responsibility as mayor, and that of our team and the City Council, was to select the proposal or proposals that had the BEST opportunity to provide the MOST benefits to Rockford," explains Mayor McNamara.

As with any staff recommendation, City Council will consider the opinion rendered by City staff and then make a final decision. Per the gaming expansion legislation, aldermen must certify one or more proposals and applicants must file with the IGB no later than October 25.

“This is an exciting time for our city as we continue writing a new and more prosperous chapter in Rockford’s history,” says Mayor McNamara. “The potential benefits of a casino development fit with my commitments to improve public safety, strengthen our neighborhoods and grow our economy. In the long run, we will ALL benefit when this casino is fully operational.”

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