

New York Casino Bidding Shuts Out Much Of Upstate Region

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New York lawmakers applauded the gaming facility location board's decision Tuesday to reopen casino bidding in the state's Southern Tier, but bidders in other regions are disappointed they will not get a second chance at bagging the last of four available licenses.

The New York Gaming Facility Location Board **effectively shut out** all other regions of the state in its decision Tuesday to reopen casino bidding exclusively for a final license in the Southern Tier region.

The move followed pressure from Governor Andrew Cuomo in a December 26 letter to the siting board, calling for regulators to reconsider their original decision to recommend awarding just three of four available licenses.

State Assemblywoman Donna Lupardo, whose district is in the Southern Tier, applauded the siting board's move.

"Our area certainly fits the criteria put forth by the original **casino referendum**," Lupardo told GamblingCompliance.

"A license for Tioga Downs is a logical extension of an already established racino and would build on our growing regional economy," she said. "A full-scale casino may not be the solution to all our economic woes, but it does add an important piece to the puzzle."

State Senator Tom Libous, who also represents the Binghamton area, echoed Lupardo's sentiments.

"Reopening the application process for a casino in the true Southern Tier is the right call," Libous told GamblingCompliance. "We need jobs and business development — and a casino in our region would be a start."

According to Governor Cuomo's December letter to the siting board, the Binghamton area close to the Pennsylvania border has one of the highest rates of unemployment in all upstate New York and would "benefit greatly from new jobs and economic development" promised by a casino.

In 2013, lawmakers in Albany passed the Upstate New York Gaming Economic Development Act, calling for a minimum of three, and maximum of four, casino-resort licenses across three different upstate regions.

"The Lago proposal did not fit the bill in terms of what we were looking for and the locations that we were trying to be beneficial to," Assemblyman Gary Pretlow, who co-sponsored the 2013 expanded gambling act, told GamblingCompliance.

The location board's choice for a license in the region that includes the Southern Tier was the \$425m Lago Resort & Casino project in a narrow strip of land falling between the tribal exclusivity regions of the Oneida and Seneca Nations.

"I would expect to see some litigation from the Native American community since the [selected casino] is just 30 miles from [the Oneida Nation's] Turning Stone casino, right outside of the Seneca Nation's exclusivity area," he said.

The intent of the 2013 legislation was for the location board to choose a casino in the Southern Tier rather than the Finger Lakes, according to Pretlow.

"We were hoping that the casino might be near the Binghamton area," said Pretlow. "The governor understands that's what we were trying to do."

Unsuccessful bidders in other regions of the state criticized the location board's decision to consider a fourth license only in the

Southern Tier.

As well as the Southern Tier, there are other upstate communities like Newburgh in Orange County that are also economically distressed, said Robert McLaughlin, head of the gaming practice at law firm Hodgson Russ in Albany and legal counsel to the Grand Hudson Resort & Casino project in New Windsor.

“We don’t believe there is any area in the state that is more distressed than Newburgh,” McLaughlin told GamblingCompliance. “It has the higher unemployment and crime rates than the Southern Tier.”

In a statement, Orange County Executive Steve Neuhaus said he accepted the location board’s decision not to reconsider a casino in his jurisdiction.

“New commercial gaming will provide the Hudson Valley and other regions with critical property tax relief and millions of dollars in education aid,” Neuhaus said.

“My focus remains on adding to the job and economic development gains we realized in 2014 and working with state and regional partners to reduce current and future local traffic impacts.”

Although siting board members hope to see competition for New York’s last casino license, only the Tioga Downs racetrack has stated that it plans to submit a new application.

At least one unsuccessful bidder in the initial process is skeptical that casino developers would now switch gears to focus on the Southern Tier.

“It would seem like the idea is just for it to go to Tioga Downs,” Mitchell Etes, CEO of Connecticut’s Mohegan Sun, told a local newspaper. “So I’m not really sure how many people are going to be jumping in to waste a lot of time and effort when it looks like that’s where it’s intended to go.”

Despite the siting board’s decision to reopen bidding on a fourth license, state Senator John Bonacic said he hopes that will not affect the rollout of the three casino projects that have already been recommended by the location board.

“The consideration of a fourth potential license should not slow down the process of awarding of the first three licenses,” Bonacic, chairman of the Senate’s wagering and gaming committee, told GamblingCompliance.

The gaming facility location board is expected to release its final report on the three selected applicants within the next two or three weeks.

It will be up to the state’s gaming commission to vet and award final approvals to developers.

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