

Competitors emerge for upstate casino licenses

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File photo.(Photo: Creatas)

ALBANY – More potential competitors for upstate New York casino licenses are emerging despite an increasingly crowded Northeast market.

New York officials will begin awarding casino licenses next year after voters passed a state constitutional amendment to allow Las Vegas-style casinos beyond Indian land. There will be four upstate licenses available, and more than twice that number of groups have expressed interest in operating a casino in the Catskills region, the Southern Tier or the Albany-Saratoga area.

"The field is getting more crowded by the day, which was expected," said Michael Treanor of Nevele Investors, a group that will bid to open a casino at the site of an old, closed Catskills hotel in Ellenville.

The new law initially sets aside the populous New York City-area market, leaving the nearby Catskills region attracting the most interest. There could be five or more applicants there, including separate groups that involve the operators of Foxwoods Resort Casino and the Mohegan Sun casinos.

Mohegan already offers gambling in Connecticut, Pennsylvania and Atlantic City, N.J., and is interested in a Massachusetts casino. But Mohegan Tribal Gaming Authority CEO Mitchell Grossinger Etes explained that the Catskills are close to the city and have a unique history of

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drawing tourists for golf, skiing and fishing.

"There's going to be gaming someplace, and it's going to affect your business. You might as well be part of it," Etes said.

Mohegan is partnered with developer Louis Cappelli, who owns land at the site of the old Concord and Grossinger's resorts. Etes knows the Grossinger's site well, as his family used to run the hotel.

In the Albany area, the Saratoga Casino & Raceway has been considered a contender for getting a license in that region, though a majority of local residents voted against the amendment. Some 35 miles down the Hudson River in Rensselaer, U.W. Marx construction is hearing from casino developers interested in purchasing or leasing its waterfront property across from Albany, said company Vice President Jeff West.

Multiple groups have expressed interest in the Southern Tier, including the owner of Tioga Downs in Nichols, 25 miles west of Binghamton, and the Traditions at the Glen resort, which wants to build a \$150 million casino resort near Binghamton.

The picture will become clearer early next year when a siting board begins seeking proposals.

Groups that pay \$1 million to apply will be required to prove they are solvent and have solid plans. They must name the architect and engineers and give details on building designs, the number of hotel rooms, the number of employees and how much they will be paid. They must describe the entertainment, detail the economic benefits and estimate the state tax revenue.

Groups that are selected will pay a heftier licensing fee that has yet to be specified. Nearby states charge licensing fees of \$50 million or more, and Resorts World Casino New York City paid the state a \$380 million license fee in 2010.

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It adds up to a large wager for developers, especially at a time when neighboring Pennsylvania, New Jersey and Connecticut already have casinos. Also, Massachusetts gaming officials could award two regional casino licenses and a slots parlor license in 2014.

Keith Foley, an analyst at Moody's Investor Service, said casino development in the more crowded Northeast is a "market-share game," with new Catskills operations likely to take business from elsewhere. Foley said casino developers have to be more careful now than in past boom years while they figure out the right amount of money to invest with the right amenities to attract people.

"It starts to get tricky in markets that don't have a casino presence," he said, "because you really don't know."

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