Written by Administrator Thursday, 22 September 2022 04:09 -

TOWN OF NEWBURGH – Hundreds of black slot machines and table games are in place and waiting to be fed cash, spread across a couple acres of blue and orange carpeting where the Bon Ton department store used to be.

Within the next three months, New York's newest casino is expected to open its doors, a playground of electronic gambling devices inside the Newburgh Mall that will operate 20 hours a day. Resorts World Hudson Valley will feature 1,200 machines in all, most of them slots, but also 82 unmanned imitations of typical casino offerings like craps, roulette and blackjack.

The site promises to be both an entertainment outlet and economic booster that revives a struggling mall, employs 250 people and pumps big funding into the town of Newburgh's coffers. It is also expected to generate a heap of revenue to bolster the \$1 billion Resorts World Catskills casino that opened in Sullivan County four years ago and has yet to reap as much as its operators and state officials had hoped.

Host benefits: Casino operator offers town of Newburgh \$3 million a year to host mall casino

New site: Plans for Orange County casino shift from Woodbury to Newburgh Mall

New casino: <u>Budget OKs Orange County slots parlor with former chemical plant site as an</u> <u>option</u>

No opening date has been set yet. All but 100 of the gambling machines are ready to go, with 60 miles of cables running beneath the raised floor, two company officials said while giving a tour of the site on Tuesday. But construction is continuing and faces some supply-chain delays. The finishing touches are expected to be done before the end of the year.

At the center of the 90,000-square-foot casino is an octagonal bar that will show sporting events on a ring of eight overhead TVs and encourage patrons to place bets on their phones by using the company's sports wagering app, Resorts WorldBET. But gambling aside, the goal is for the

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bar to become a neighborhood watering hole, set in a sea of slots.

"What we're really trying to go for here is more of a locals hangout, almost like a Cheers vibe," explained Meghan Taylor, vice president of government affairs and public relations for Genting Americas. "It's a convenience play for those that are interested in gaming, but also a really cool and inviting environment for folks to just come and have a drink, relax, catch up with friends."

The casino on Route 300 will be the third Resorts World site in New York operated by Genting, the company that owns the upscale casino resort in Sullivan County and runs New York City's only casino at Aqueduct Racetrack in Queens. It got permission to open an Orange County casino through a provision in the 2019 state budget that allowed the transfer of slot machines previously used at Monticello Raceway.

\$50 million project

The renovations began about nine months ago after the gutting of the former Bon Ton – last occupied by a Jennifer Furniture store – and several adjacent stores. The project has employed about 200 construction workers and is expected to cost more than \$50 million, up from the original estimate of \$32 million. All work has taken place inside the existing mall building except for the addition of a covered bay for armored cars to collect cash.

Resorts World Hudson Valley so far has about 30 employees and expects to hire the rest closer to the opening. Much of the staff will consist of security and bar workers, but also will include cashiers, accountants, slot technicians and more, said Anthony Bruno, vice president of operations for Resorts World Hudson Valley. The average pay is \$42,000 to \$45,000, with total compensation of \$72,000 when benefits are included, Taylor said.

The casino is giving Newburgh-area residents a hiring preference and has held three job fairs so far to recruit employees, two at the Newburgh Mall and one at the Galleria at Crystal Run mall in the town of Wallkill. It plans to hold another job fair from 12-4 p.m. on Oct. 1 near the casino entrance inside the mall.

Windfall for Newburgh

The Newburgh casino will be a boon for local taxpayers. Genting has agreed to pay the town \$3

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million a year for hosting the casino, including a \$500,000 payment it already made to enhance police, fire and ambulance services. The town plans to use some of those funds to add two officers to its police force, which now consists of 46 full-time and 13 part-time officers, town Supervisor Gil Piaquadio said.

Newburgh also is set to collect <u>an estimated \$780,000</u> a year in state aid once the casino has been open for a year. Plus, Genting is paying the town, Newburgh School District and Orange County \$1 million to make up for property taxes they lost after the mall owner got its tax assessment slashed in a court settlement due to store vacancies.

The 40-year-old mall will lose another anchor next month when its Sears closes. Having a gambling hall occupy nearly a quarter of its space is expected to boost its fortunes. Taylor said Genting included no restaurants in its casino to help draw new restaurants into the mall instead. (The mall now has a Mexican restaurant and pizzeria.) The presence of a lucrative casino also will raise the mall's value and resulting tax payments to the town, county and school district.

NYC casinos coming

The opening nears as potential competition looms. State officials are preparing to field applications for up to three casino licenses in the New York City area, with reports of possible bids for casinos <u>near Citi Field</u> in Queens and <u>at Hudson Yards</u> in Manhattan. Likely rivals include two existing casinos that need those same licenses to add live table games to their electronic-only fare: the Resorts World site in Queens and the Empire City Casino at Yonkers Raceway.

State lawmakers allowed Genting an Orange County casino in 2019 partly to support its venture in Sullivan County, which had been hailed as an economic revival for the former Borscht Belt resort region but had so far fallen short. Those struggles worsened the following year when the Catskills casino was hobbled by the COVID pandemic, which forced that and other venues to close for months.

Business has since rebounded. Resorts World Catskills collected \$227 million in gross gaming revenue in the last 12 months, higher than pre-pandemic levels, according to figures from the state Gaming Commission.

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By comparison, the Newburgh casino, which is much smaller but located in a more populated area and easily accessible near the intersection of the Thruway and Interstate 84, is expected to generate about \$140 million in gross revenue.

Fitch Ratings, the financial agency, <u>projected last year</u> that the Newburgh casino may siphon 25% of the Sullivan County casino's business. Taylor disputed that estimate, saying Genting's projections of "cannibalization" – one casino drawing customers from another – were much lower.

"We believe that we're actually going to pull additional market share here in Newburgh from Connecticut, Pennsylvania and kind of along that 84 corridor, and not cannibalize greatly the revenue going to Resorts World Catskills," she said.

She also discounted the threat from new casino licenses in the New York City area, saying those sites would draw from different markets than the Sullivan County and Newburgh casinos.

One condition of the 2019 bill that enabled the Newburgh casino was that Resorts World Catskills retain at least 1,473 jobs after its satellite opened in neighboring Orange. The Sullivan County casino now has around 1,200 workers. But the nearby Katrite Resort and Indoor Water Park, built as part of the same casino resort plan, has more than 250 full-time and 50 part-time workers, which raises the total job count and satisfies the state requirement, said Brad Maione, a spokesman for the Gaming Commission.

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