

The race is on to build a casino in New York City

Written by Administrator

Sunday, 06 February 2022 06:00 -

Some are even making the pitch that a new gaming hall could help the nation's most populous city repair its pandemic-scarred economy.

"I believe in New York City. I think we are going to come back. Gaming has a proven potential to be an anchor in that recovery," Soo Kim, chair of the Bally's Corp. who grew up in Queens, said in an interview.

The operators submitted preliminary details in December to the state Gaming Commission on their plans for New York City-area casinos.

They include the Resorts World New York City in Queens, owned by Malaysian conglomerate Genting Group, and the MGM-owned Empire City Casino in Yonkers, just north of the Bronx. Both are horse racetracks with video-lottery terminals and are already among the largest gaming operations in the nation; now they want to become full-scale casinos with table games and slot machines and win two of the three licenses.

"We are ready to deliver thousands of new jobs for Westchester and the Bronx while generating \$1 billion in new economic activity with a full gaming license," MGM said in a statement. "Empire City Casino by MGM Resorts is ready to roar."

A Manhattan casino? Maybe



In this Oct. 3, 2014, file photo, visitors to the Resorts World Casino at the Aqueduct racetrack play electronic baccarat games, in the Queens borough of New York. It is hoping to become a full-scale casino with live table games and slot machines. | Julie Jacobson/AP Photo

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A New York City casino is considered a crown jewel of the U.S. gambling sector — the largest untapped market in the largest metropolitan area in the nation, with a population of 20 million people and a steady stream of tourists.

For decades, New York has watched its residents travel to Atlantic City, N.J., or to Native American casinos in eastern Connecticut to gamble, losing out on the tax revenue that would come from gamblers staying closer to home.

But that may soon change — and labor unions, real-estate firms and casino giants are eager to go all-in on building out the city's gambling potential.

“With a responsible approach to pursuing new casino licenses downstate, we have a unique and timely opportunity to put unemployed hospitality workers back to work while also giving our economy a much needed boost,” said Rich Maroko, president of the New York Hotel and Gaming Trades Council, a politically influential labor union that's backing a proposal to turn Resorts World at Aqueduct Racetrack into a full-fledged casino.

In 2013, New York voters approved a referendum to allow seven private casino licenses, and a year later the state Legislature passed a law that ultimately allowed four upstate casinos in the Finger Lakes, Catskills, Albany area and the state's Southern Tier, along its border with Pennsylvania. Those casinos were given a five-year exclusivity in New York. The facilities have all struggled since opening, partially due to their limited draw and, now, due to the Covid-19 pandemic.

But state lawmakers seem receptive to opening up the bids for downstate casinos this year — rather than wait until 2023 — as a way to bolster the state's coffers. They would need to overturn the 2014 law.

Each new license would likely include a \$500 million initiation fee, plus the promise of major construction projects that would mean thousands of new jobs as the economy tries to recover from the pandemic.

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“It’s going to happen soon enough anyway. If we’re ready to do it and all the infrastructure is in place and the regulatory structure is in place, why not do it sooner?” said state Sen. Mike Gianaris, the chamber’s deputy leader and a Queens Democrat.

Where would a casino go?



Resorts World Catskills in Sullivan County is one of four upstate casinos in New York. Now the state is considering downstate casinos, including in New York City, about 90 miles away from Resorts World Catskills. | Seth Wenig/AP Photo

In addition to Resorts World in Queens, which is owned by the Malaysia-based Genting Group, and MGM in Yonkers, there are a number of other suitors.

UE Resorts International Inc.; Las Vegas Sands Corp.; Wynn Resorts; Rush Street Gaming; Hard Rock International; Bally’s Corporation and the Water Club in Manhattan also submitted proposals. All the details were redacted by the state Gaming Commission.

The companies are all surveying the city for potential locations for Las Vegas-style casino resorts.

Hard Rock Hotel New York is [set to open](#) in Times Square in April, and may be interested in a casino in the heart of the tourist district or another part of the city. The company did not respond to requests for comment.

And the new Hudson Yards development west of Penn Station — the largest private real estate project in American history — could also be a potential target for a posh new casino resort.

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While a casino in Manhattan would appear to be a top draw for developers, it would come with intense scrutiny, regulatory hurdles and likely community opposition, industry officials and lawmakers said.

“My concern, representing Manhattan and Times Square is the neighborhoods which would be adjacent to any proposed casino and the impact. Casinos can have negative externalities, to put it mildly,” said state Sen. Brad Hoylman, a Democrat.

“I oppose them strongly and generally have done so in the Legislature. When it is in my Senate district, it is even a greater concern.”

Kim, the Bally’s chair, also noted issues with a Manhattan casino, saying it would be hard to access for many visitors, despite the tourists that flock there.

And a Manhattan casino could expedite previously failed efforts to put a casino in northern New Jersey.

Hard Rock, for example, [has expressed interest](#) in a New York City casino and one at northern New Jersey’s Meadowlands Racetrack, near Metlife Stadium, home to the Giants and Jets NFL teams. New Jersey voters would need to approve such a move.

So some bidders are expected to look to the outer boroughs for a casino, where it would be more accessible by car and could face potentially fewer political obstacles than in heavily congested Manhattan.

Sands [has reportedly](#) been eyeing land near Citi Field in Queens, home to the New York Mets, in conjunction with the team owner, Steven Cohen, a billionaire hedge fund manager.

Adjacent Willets Point, an industrial neighborhood long sought for redevelopment, might also be

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a consideration for bidders, as well as state-owned land at Belmont Park on Long Island, just outside the city borders.

What happens next?



Property next to Citi Field in Queens, home to the New York Mets, is a potential location for a New York City casino. | Frank Franklin II/AP Photo

A decision to allow New York City-area casinos would likely would be part of state budget negotiations for the fiscal year that starts April 1.

If approved, the state Gaming Commission would then set up a bidding process for casino hopefuls to submit their proposals, and the selections would be made by a task force — similar to the process in 2014 when the upstate casinos were picked.

Empire City in Yonkers and Resorts World in Queens would appear to be frontrunners to win two of the contracts because of political support, their existing massive footprints and so-called speed to market, meaning they would easily be able to switch to full-scale casinos. A new casino could take as much as three years to build and open, some officials estimated.

The state could also decide to look elsewhere.

“The state is going to look to maximize net new revenues and net new job growth in making the decision on where to locate them,” said Clyde Barrow, a professor of political science at University of Texas, Rio Grande Valley who specializes in gaming policy.

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Barrow warned about the state and casino developers viewing New York City casinos as a sure bet with huge jackpots awaiting. Unlike many casinos that have limited competition for consumers' entertainment dollar, the city has more choices than anywhere in the country.

"When you put a casino in the middle of nowhere or in a small city, there are limited alternative entertainment venues competing against it," Barrow said.

"But when you put a casino in Manhattan or in Queens, you are competing against every other entertainment, amusement and recreation facility in that city, so it is a vastly more competitive market in which people have lots of other alternatives on how to spend their entertainment dollars."

And he cautioned: "It will generate hundreds of millions of dollars, but it won't be anywhere near the revenue generation forecasts."

Meghan Brink contributed to this report.

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