

Newcomers in Bidding Fight for Catskills Casino Weigh Site Closer to New York City

Written by Administrator

Tuesday, 25 February 2014 21:48 -

The battle to build a potentially lucrative \$500 million casino resort amid the wooded hills and craggy economy of the Catskills has been a gentlemanly affair, with a half-dozen rivals gently competing for one, if not two state licenses for the region.

But the comity is cracking under the threat of interlopers.

In a surprising move, three newcomers to the competition are now considering building casinos on the Catskills' southern flank, at a location that is far closer to what all the operators believe would be their lifeblood: densely packed New York City, with its 8.3 million residents and 52 million tourists a year.

Indeed, one newcomer, a partnership of Cordish Companies, Hard Rock and Simon Property Group, is looking at a site near Woodbury Common Premium Outlets, a sprawling mall in Orange County. It attracts over 11 million visitors a year, making it one of the state's biggest tourist attractions. A casino there would be a mere 49 miles from Times Square, compared with the 90-mile trek to possible casino sites in Sullivan and Ulster Counties.

Developers and gambling companies with proposals for casino-resorts in Ellenville, Liberty and Monticello are attacking the prospect of a casino in Orange County, saying it would severely hurt their ability to finance construction of major resorts in less economically prosperous areas.

"It would dramatically affect, if not eliminate, the Nevele project," said Michael R. Treanor, who has proposed building a \$500 million casino resort at the former Nevele hotel in Ulster County. "Why would anyone feel the need to go further? It would take southern Ulster County and Sullivan County out of contention."

At the same time, the developers said, a casino would undermine Gov. Andrew M. Cuomo's stated goal of using gambling to bring economic development and tourism to upstate counties with high unemployment and few job prospects, like Sullivan County.

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“It would be a devastating blow to everyone who’s been trying to revive Sullivan County for the past 40 years,” said Louis Cappelli, a developer who is seeking to build a \$550 million casino resort in Monticello, at the former site of a borscht belt hotel, the Concord. “It would cut us off from the supply of patrons.”

Developers, gambling companies and elected officials have sought to lure a commercial or Indian casino to Sullivan County since the 1970s. The area, where 500 hotels and bungalow colonies once served visitors from New York City, had fallen on hard times after vacation habits changed.

Next month, the State Gaming Commission is expected to officially begin soliciting proposals for up to four full-scale casinos north of Westchester, Rockland and Putnam Counties. The casinos would be for three regions: the Catskills and the Hudson Valley; the Saratoga region; and a narrow strip in western New York running from Binghamton north to the Canadian border.

Mr. Cuomo has promised that the gambling resorts would attract tourists to upstate New York, generating economic activity and jobs “where we need it most.”

Asked whether Orange County needed the economic activity, Lee Park, a spokesman for the Gaming Commission, said only that the process of selecting sites for casinos would be competitive.

The Catskills area, which is expected to get two of the four licenses, has attracted the greatest attention from developers and gambling companies because of the region’s proximity to New York City. And with the review process about to begin, the competition and tension are mounting.

“As it moves forward, there’ll be no shortage of bad blood, sniping and hired guns,” said John D. Sabini, a gambling consultant and former chairman of the State Racing and Wagering Board. “It’ll get ugly because the stakes are so high. People have already spent millions of their own money.”

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Rumors have circulated for weeks that developers were scouring Orange County for a casino site. But the issue came to the fore on Friday when Steven M. Neuhaus, the Orange County executive, [told The Times Herald-Record](#) that he had met with three different companies, including Cordish, looking at separate sites in the county.

Cordish and Hard Rock built the Maryland Live Casino at Simon Property's Arundel Mills Mall in Hanover, Md., and are proposing a similar project in New York.

Mr. Neuhaus did not dispute that his county was in far better economic condition than Sullivan, where the unemployment rate is almost 8 percent, and that his northern neighbor should get a casino. But, he added, Orange remains a better location.

"At the end of the day, the government isn't doing this to make an Indian tribe happy or anything else," Mr. Neuhaus said. "It's about maximizing economic development."

Eric Schippers, a spokesman for Penn National Gaming, which operates more than 20 casinos nationally, confirmed on Monday that his company was looking at sites in Orange County, as well as in other regions.

But elected officials and gambling executives to the north are irate. "I understand why developers want it," said Scott B. Samuelson, the Sullivan County executive. "But I think it goes against the legislation and the governor's intent."

They suggest that Orange County is not really part of the Catskills. Several developers insist that they have the necessary public approvals that would allow them to meet the state's desire to have the casinos up and running within two years. Orange County projects, they say, would have to wend their way through the review process and contend with opposition from religious groups and environmentalists.

"The goal is not to build an economic dam between downstate and upstate, which is basically what a casino in Orange County would do," said Charles Degliomini, a spokesman for Empire Resorts, which is proposing to build a \$600 million complex on 1,700 acres near Monticello.

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“We are the only resort and casino property that already cleared most of the permit requirements, has secured community support and promises to bring economic development to what is widely recognized as upstate New York.”

Correction: February 25, 2014

An earlier version of this article misspelled the surname of a man who proposed building a casino resort in Ulster County. He is Michael R. Treanor, not Trainor.

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