

David Flaum Quietly Buys Orange County Land for Casino

Written by Administrator

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Photo



Among the four casino proposals by David and Asher Flaum is Project E23 in Albany.

Credit

DeWolff Partnership Architects

In 1999, David Flaum, a developer, bought a 345-acre parcel on a hilltop in Sullivan County, N.Y., where he hoped to build an Indian casino that would resemble the Catskill resorts of his youth.

He flirted for years with the Seneca Cayuga tribe and the Seneca Nation before the project fizzled.

This time, Mr. Flaum is leaving nothing to chance. He and his son Asher have lined up four sites, from Albany to Orange County, to compete for the four state casino licenses that are to be granted for upstate New York.

The [State Gaming Commission is expected to begin formally soliciting proposals on Monday](#) , with the winners to be announced in the fall.

The most valuable, and potentially the most controversial, of Mr. Flaum's sites is a 120-acre parcel next to the Harriman station on the Metro-North Railroad and just over three miles from [the Woodbury Common Premium Outlets](#), a mall in Orange County that attracts 11 million visitors a year.

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More important, of the 16 or so rival proposals for a casino license, the Harriman site would be the closest — 50 miles — to New York City and its vast reservoir of potential customers, which would include tourists as well as residents.

“We could certainly create a true destination resort there,” said Asher Flaum, who discussed the proposal on Tuesday for the first time. “It would generate the most revenue for us and the most tax revenue for the state.”

If their Harriman proposal won a license, Mr. Flaum said, the project would exceed \$750 million and would be “largest capital investment of any casino in the state.”

The Flaums outmaneuvered a competing developer — a [partnership of the Cordish Companies and Hard Rock](#) — three weeks ago when they quickly and quietly signed an option to buy the Harriman land. Although the parcel includes wetlands, the developer said the property already had many of the public approvals necessary for development.

But the politics may be difficult. A full-scale casino-resort in Orange County would almost certainly sink any chances of establishing one farther north in Sullivan or Ulster County; those counties are also home to potential sites but are about 90 miles from Manhattan. Rival casino developers ask, Why would anyone drive farther? (Cordish and Hard Rock are still seeking a site in Orange County closer to the Woodbury mall.)

State Senator John J. Bonacic, a Republican who represents the Catskills and was instrumental in writing the legislation legalizing casinos, is sympathetic to those arguments. “It was our intent to help upstate counties that had high unemployment and low median income,” Mr. Bonacic said. “I don’t think Orange County fits into that category.”

But Maureen Hallihan, who oversees economic development for Orange County, countered that a casino there was permissible under state legislation. “If the state is interested in generating the most amount of revenue,” Ms. Hallihan said, “Orange County has a leg up.”

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Asher Flaum also pleaded that Orange County had its own budget problems. "They could use the revenue, just like Sullivan County," he said.

The Flaums, who are based in Rochester, are active developers upstate and own [Bristol Harbour](#), a golf resort in the Finger Lakes region. David Flaum, who is a Republican, has been an avid political donor to both major parties, according to state and federal campaign finance records. He has given \$50,000 to the re-election campaign of Gov. Andrew M. Cuomo, a Democrat, including \$10,000 in December. His wife, Ilene, contributed \$45,000 to Mr. Cuomo in 2013.

In the past, Mr. Flaum also made smaller donations to Mr. Cuomo's prospective Republican opponent, Rob Astorino, for his successful re-election campaign in 2013 for Westchester County executive, as well as to Senator Bonacic, who is chairman of the Senate Committee on Racing, Gaming and Wagering.

Last Friday, the Flaums unveiled a proposed 60-acre site for a \$300 million casino-resort just off the Thruway in Albany. Known as Project E23, the resort would include a 275-room hotel and an indoor water park, but not an entertainment venue.

The Flaums and their partner, the Capital District Regional Off-Track Betting Corporation, do not want to compete with a planned convention center or with various Albany cultural institutions.

The Flaums are also working with the Seneca Nation of Indians on a proposed casino in Henrietta, south of Rochester. But that project is hobbled by local opposition. And there is the site in Mamakating, in Sullivan County, where David Flaum's quest for a casino resort began 15 years ago.

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