

Written by Administrator
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ALBANY, N.Y. (AP) — A handful of existing gambling operations in New York are bidding for new upstate casinos amid fears of a crowding market.

New York officials could soon begin granting up to four upstate New York casino licenses in a state that is already home to five tribal casinos and nine “racino” horse tracks with video lottery terminals. The 16 applications for new casinos include an Indian tribe and several racinos looking to expand their New York footprint.

Bidders already in the state said they are in a good position to grow the market. But a casino license could also protect them from new competitors poaching their customers.

“It’s not rocket science,” said Jeffrey Gural, chairman of the company that owns the Tioga Downs and Vernon Downs racinos. “There’s only so many customers. Not everybody wants to go to a casino.”

Gural applied to expand Tioga Downs in the Southern Tier into a full casino with table games.

Elsewhere, the owners of Saratoga Casino and Raceway in Saratoga Springs are involved with two casino proposals: the Capital View near Albany and another north of New York City in Orange County. The operators of the Monticello racino want to build a casino at the site of an old Borscht Belt hotel. And Seneca Gaming Corp., which runs three western New York Indian casinos, would be a management partner with a developer for the Binghamton-area Traditions casino.

Genting Americas, operator of the successful Resorts World Casino in Queens, has two separate applications to build casinos north of New York City in Orange County, the larger, preferred one is a \$1.5 billion casino in Tuxedo.

Genting spokesman Stefan Friedman said they are not concerned about losing existing customers since the large majority of them come from Queens, Brooklyn and Long Island, while Tuxedo would be a “destination” resort.

The story could be different for some upstate racinos if they begin competing with full casinos

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within a two-hour drive.

Gural said he doesn't think Tioga could survive if a casino is allowed some 25 miles away at Traditions.

Gross gambling revenues for Saratoga could drop by about half if its owners are granted a license to build the Capital View casino 35 miles to the south, according to Capital View's application.

But Saratoga's James Featherstonhaugh said their bid makes business sense because the overall revenue in the region would almost double, after several years, to \$317 million with their new casino. He argues the bid is in no way defensive, but that the two gambling facilities working together to draw customers would grow the regional market more effectively than if one of Capital View's several competitors were chosen for a license.

"We think we are the best group to get it," he said.

New York's five Indian casinos were supposed to be insulated from close-by competition through deals that keep new casinos out of their exclusive regions. For instance, no casino would be built within a three-hour drive of the Mohawk casino near the Canadian border.

But the Oneida Indians are unhappy with the prospect of their Turning Stone casino in central New York competing with the proposed Lago casino a bit more than an hour west along the Thruway. If Lago is chosen, the two casinos would flank the lucrative Syracuse-region market.

"Any expansion of gaming shouldn't interfere with successful gaming development that communities in this state are already realizing," said tribal spokesman Joel Barkin.

Under a deal struck with Gov. Andrew Cuomo last year, the Oneidas agreed to send a quarter of their net slot machine revenue, about \$50 million annually, to the state and local

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governments. Some officials in areas receiving the Oneida money echo the tribe's concern.

Lago's backers focus on the increased revenues projected to flow into the state if their casino is built. While about half of the projected \$263 million in first-year revenue would be drawn from existing in-state gambling operations, half would be new revenue to the state, according to Lago's application.

JNB Gaming co-owner Brent Stevens said not only would the state gain overall, but existing operations would likely improve their facilities to make them attractive in the increasingly competitive marketplace.

"We believe based on all the studies that we have done on the competition within our area that all of those competitors should be viable going forward," Stevens said.

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