

Board to discuss Southern Tier casino tonight

Written by Administrator

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Spencer resident Jon Brown wins while playing a video gaming machine at Tioga Downs on Tuesday. (Photo: KRISTOPHER RADDER / Staff Photo)

Story Highlights

- If a new RFA is issued, it remains unclear whether there will be new interest in the Southern Tier.
- Tioga Downs would include an \$11 million third phase in its new expansion proposal.
- Traditions at the Glen is supporting Tioga Downs and working on ways to improve the racino's bid.

MANHATTAN – Should the Southern Tier get another shot at a casino license?

That's the question the five-member New York Gaming Facility Location Board will consider at its meeting tonight in Manhattan.

The board's meeting is scheduled for 7 p.m. on the 37th floor conference room of 633 3rd Avenue. The discussion surrounding a Southern Tier casino is the fourth item on the board's seven-item agenda.

The meeting will be streamed on the state Gaming Commission's website: <http://www.gaming.ny.gov/>

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On Dec. 17, the Gaming Facility Location Board recommended three projects — Lago Resort & Casino in the Finger Lakes, Montreign Resort Casino in the Catskills and Rivers Casino & Resort at Mohawk Harbor in the Capital region — for commercial casino licenses.

The board chose not to pick a fourth project and passed over Tioga Downs and Traditions Resort & Casino in the Southern Tier in favor of Lago, a selection that immediately outraged local politicians.

Lago was chosen, the board said, because the project's capital investment is \$425 million, substantially exceeding the figures submitted by Tioga Downs and Traditions. The board also pointed to the strong financing in place for Lago.

In a Dec. 26 letter, Gov. Andrew Cuomo urged the state Gaming Commission and the location board to reopen bidding for a casino in the "true Southern Tier."

On Friday, Gaming Facility Location Board Chairman Kevin Law said the board is "willing to entertain" Cuomo's request to issue a new Request for Application in the Southern Tier.

As of now, Tioga Downs, in Nichols, is the only known entity that would pursue a casino license in the Southern Tier.

If a new RFA is issued, it remains unclear whether there will be new interest in the Southern Tier.

Many believe it's too small of a market to grab the attention of national gambling companies. According to Las Vegas-based Union Gaming Analytics, there are only 542,000 people living within 60 minutes of Tioga Downs, a racino with 802 video-lottery terminals roughly halfway between Elmira and Binghamton.

Of those 542,000, there are nearly 133,000 adult gamblers, according to Union Gaming

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Analytics.

And Tioga Downs, which opened in summer 2006, has had prior experience with a gambling operator.

In 2007, Nevada Gold & Casinos Inc. relinquished its ownership interest in American Racing and Entertainment. As part of the transaction, Nevada Gold terminated its management agreements with Tioga Downs and Vernon Downs Casino & Hotel.

Others, such as Mohegan Sun CEO Mitchell Grossinger Etes, said he doesn't expect Mohegan Sun, which runs a casino in Wilkes-Barre, Pa., to be interested in the Southern Tier, contending that Gural appears to be line for the bid.

"We certainly don't have any sites up there," Etes told Gannett's Albany Bureau. "We haven't done any research up there, and it would seem like the idea is just for it to go to Tioga Downs. So I'm not really sure how many people are going to be jumping in to waste a lot of time and effort when it looks like that's where it's intended to go."

Related: [Will new Southern Tier proposals join casino mix?](#)

But Law has warned Jeff Gural, owner of Tioga Downs, to not submit the same expansion proposal as the first time around.

"He can't just put lipstick on his current proposal and expect us to approve it," Law said. "That isn't going to happen."

Gural has said he would like a meeting with the board to find out what his project is missing. Gural said late Monday night that he plans to attend the board's meeting Tuesday.

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Gural has consistently claimed that the board has failed to take into account the nearly \$87 million he has invested in American Racing and Entertainment, which owns Tioga Downs and Vernon Downs Casino & Hotel, in Oneida County. Gural serves as American Racing's managing member and holds the titles of chairman and CEO.

Regardless of whether other developers join the race — if a new RFA is issued — Gural maintains his expansion could be completed long before any other project could be built. He said Tioga Downs could be converted to a casino in 90 days.

The racino is planning a \$34 million casino expansion, a \$22 million hotel, a \$22 million amenities building, \$10 million in site development and \$3 million for improvements to Tioga Country Club.

If a new RFA is issued, Gural said he would include an \$11 million third phase, which was originally tentative based on demand, in his expansion plan. The third phase includes a Virgil's Real Barbeque, miniature golf, rock climbing, batting cages and other site improvements.

The Southern Tier's other losing bidder — Traditions Resort & Casino, in the Town of Union — on Dec. 23 said it would support a proposed expansion at Tioga Downs as a way to help the chances of getting a local casino. The Walsh family, owners of Traditions at the Glen, recently said they are working on ideas to strengthen Tioga Downs' proposal.

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