

State returned \$7.8M to losing casino bidders

Written by Administrator
Tuesday, 31 March 2015 21:05 -

Jon Harris, jharris@pressconnects.com | [@PSBJonHarris](#) 11:32 p.m. EDT March 31, 2015



Tioga Downs, in Nichols, got back \$601,967 of its \$1 million application fee submitted in April 2014. (Photo: FILE PHOTO)

Developers behind the 13 losing casino projects last year paid the state a total of \$13 million in application fees.

Of that total, the state returned 60 percent — about \$7.8 million — to the bidders, according to state documents.

Each applicant who submitted a bid for a commercial casino license last year was required to pay a \$1 million application fee to finance the costs of processing the application and to fund the state's investigation into the developer's background.

According to expense summaries, those fees were used, among other purposes, to run fingerprints, buy supplies for casino applicant presentations, and to offset the cost of gaming advisory services from the [Taft, Stettinius & Hollister LLP](#). The services and consequent costs incurred varied with each casino bidder.

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.

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The Gaming Commission has yet to issue the final licenses. The state said the Gaming Commission retains the application fee for the three selected bidders.

Ten of the 13 losing casino bidders each paid the state a \$1 million application fee. That included the Eastern Southern Tier's two losing bidders: Tioga Downs, in Nichols; and Traditions Resort & Casino, a Town of Union proposal.

While Tioga Downs received a refund of about \$602,000, Traditions got back more than \$607,000.

Tioga Downs plans to submit a new casino application by July 6 in the new bidding process for the Southern Tier that officially opened March 23. Identical to last year's process, each applicant is required to pay the Gaming Commission a \$1 million application fee.

Tioga Downs is the only entity that has publicly expressed interest in submitting a new bid.

But Hudson Valley Casino & Resort, a failed casino bid for Newburgh, Orange County, put together by Rush Street Gaming and Saratoga Casino and Raceway, paid a \$2 million application fee to the state.

Because the Saratoga Casino-Rush Street partnership wasn't finalized by the April 23, 2014, application fee deadline, each entity submitted a \$1 million application fee for the casino project "to be safe," said Rita Cox, senior vice president of marketing and external affairs for Saratoga Casino and Raceway.

Of that \$2 million, nearly \$1.6 million was returned, with 50 percent each going to Saratoga Harness Racing Inc. and LAMB Partners, a private investment firm led by Rush Street Gaming Chairman Neil Bluhm, according to state documents.

However, Genting Group, a Malaysian conglomerate, paid a \$500,000 application fee for each

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of its Orange County proposals: Sterling Forest Resort and Resorts World Hudson Valley.

Since the two proposals were submitted by the same entity — RW Orange County LLC, a Genting subsidiary — the \$1 million application fee requirement was met.

While the Resorts World Hudson Valley bid was refunded more than \$112,000, Sterling Forest got back more than \$70,000, according to state documents.

While 16 casino proposals were in play in December 2014, the state received application fees from 22 different entities by the April 23, 2014, deadline.

Rolling Hills Entertainment LLC; PNK Development 33 LLC; Trading Cove New York LLC; CRCR Enterprises LLC; and Grossinger Development Corp. received full refunds, upon their request, by June 24, 2014.

In August 2014, the location board disqualified the Florida Acquisition Corp. proposal in the Capital Region. On Aug. 28, \$991,216 was refunded to the group, according to state records.

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Return Policy

Ten of the 13 losing casino bidders each paid the state a \$1 million application fee. Hudson Valley Casino & Resort paid \$2 million, while Genting paid \$500,000 each on its two bids: Sterling Forest and Resorts World Hudson Valley.

Here's how much each bidder got back:

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Eastern Southern Tier

Tioga Downs: \$601,967

Traditions Resort & Casino: \$607,172

Capital Region

Howe Caverns: \$692,016

Hard Rock: \$652,202

Capital View: \$650,322

Catskills/Hudson Valley

Caesars: \$492,230

Mohegan Sun: \$602,454

Grand Hudson: \$577,907

Nevele: \$594,437

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The Live!: \$529,610

Hudson Valley Casino & Resort: \$1,599,794

Sterling Forest: \$70,379

Resorts World Hudson Valley: \$112,487

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