Albany developer Jeffrey Hyman spoke to the Press & Sun-Bulletin on Thursday about his decision to not pursue a private casino license bid in Binghamton.(Photo: ANDREW THAYER / Staff Photo)

The Albany-area developer who announced and then canceled plans to bid for a casino license in the City of Binghamton says the events earlier this month have left him down but not out.

“I’m not going away,” Jeffrey Hyman told the Press & Sun-Bulletin’s editorial board during an hourlong meeting Thursday. “I’ve intended to for a couple of months now — and still have designs — on bringing some considerable new investment into this community.”

Hyman revealed several details of the proposal that Hyman Hemispherics LLC and its associates were planning to submit to the state gaming commission in support of its application for a fourth upstate casino license. Three licenses were given preliminary approval in December, and earlier this year the gaming commission agreed to accept new Southern Tier applications.

The day before the deadline, Hyman sent a letter to the gaming commission in which he said uncertainty surrounding a tax credit led his investors to pull their support . That came less than a week after Hyman
successfully solicited support
from the Binghamton City Council, a required step for an application to be accepted. The withdrawal
left Tioga Downs
, in Nichols, as the sole applicant.

Hyman’s proposal, which would have carried the name Southern Tier Star, was focused around

the former Stow Manufacturing site at Montgomery and Frederick streets on the city's North Side. On Thursday, Hyman emphasized that his group remains committed to redeveloping the brownfield site.

Key location

Groundwork for the casino bid, he said, convinced him that the site holds potential that is just waiting for the right push toward what he and Ryan Moses, managing director of Park Strategies and consultant to Hyman Hemispheric LLC, repeatedly called "a higher and better use."

Location is key to real estate, and Hyman's team started out with a general area in mind. They wanted a site in the city, and after months of research into the potential gaming market, the Stow Manufacturing site and its adjacent properties stood out. Where Interstate 81 and Route 17 come together is, as he put it, "the crossroads of civilization here for a long distance in any direction."

No matter where the team turned, Hyman said, they kept turning back there.

"As we talked to people about different possibilities in different sites, they kept coming back to us and saying, go there, go there, go there," he said, repeatedly tapping a finger on a map of the North Side location.

Hyman and Moses are convinced that an ideal location for a gaming complex could translate into an ideal location for a different but related use. They suggested a couple of general areas: something in the ballpark of an entertainment or destination venue, or possibly retail or lodging.

Hyman said he has had suggestions for potential partnerships and refused to rule out anything.

"It would be nice to have something with jobs and a lot of tax revenue," he said. "That's kind of

my mantra, and it fulfills the purpose of the brownfield program."

The state's Brownfield Cleanup Program and associated tax credits, Hyman and Moses said, were the lynchpin to both the casino plan and redevelopment potential at Stow.

Site questions

That program of the state Department of Environmental Conservation is intended "to encourage private-sector cleanups of brownfields and to promote their redevelopment as a means to revitalize economically blighted communities," according to the DEC. Tax credits are part of the program: a base of 10 to 12 percent, plus additional amounts depending on the site and proposed use, designed as an incentive in the face of potentially costly surprises that can come with environmental cleanup.

In the case of the Stow site, Hyman's group had expected an additional 8 percent as part of a so-called "EN-zone," or census tract of high poverty and unemployment. Hyman and Moses said late-hour uncertainty over that classification worried investors and finally collapsed the proposal.

It was a matter of numbers, they said. The project had a capital investment of about $120 million, about $50 million of which was equity and the rest leveraged debt. The group expected EN-zone tax credits would protect in the neighborhood of $8 to $10 million.

Three days before the casino application was due, new preliminary maps of EN-zone-eligible tracts were published that appeared to exclude part of the Stow parcel, which crosses census tracts. One side of Frederick counts; the other does not.

Such news the Friday before Independence Day brought a scramble.

"Jeff had a responsibility as head of the project to go to our investors and say, 'We're going to

try to figure out why this changed from July first to July second,'" Moses said. "Ultimately we couldn't retrieve that answer [in a way that] made our investors comfortable."

A spokesman for the DEC has disputed their interpretation of the EN-zone boundaries. Yet Hyman and Moses said they were not naive about the process and declined to assign any blame. They maintained that their project site was eligible for up to $10 million in tax credits one day and appeared to be ineligible the next. That makes for nervous investors.

"When you're asking somebody to put $50 million in hard equity down and there could be a 20 percent hole in that — and that's only going to come from one place, more equity — it changes the dynamics," Hyman said.

Friday ran into Saturday, Hyman recalled, without the magic words that would reassure the investors. A conversation late Saturday with an attorney sealed the proposal's fate.

"It didn't take me long at that point: In good faith and full disclosure, I had to call [the investors]," Hyman said. "I guess this was well into the night of July 4 because we could hear the fireworks at the Capitol mall — we were in Downtown Albany — exploding out there as our project was exploding."

Now what?

What remains are both a sense that the North Side parcel is ripe for revitalization, and that the local climate is welcoming.

Mayor Richard David, County Executive Debbie Preston and The Agency Executive Director Kevin McLaughlin "welcomed us into this community in a way that made it easy to want to do business here," Moses said.

Hyman's group remains in talks with the DEC, seeking clarity on the parcel's brownfield and

EN-Zone status. He remains confident that credits will be secured — that everyone will realize that redevelopment of the site fits the DEC's goals under the program, and that tax credits are necessary to protect the investment risk.

"I think the whole prospect of taking property into a higher and better use is by far the thing I'm proudest of when I look back on my career, and the thing I'm most enthused about doing as I go forward," he said.

Follow John R. Roby on Twitter @PSBJRoby.

Read or Share this story: http://press.sn/1J7UDqf

Read more http://news.google.com/news/url?sa=t&fd=R&ct2=us&usg=AFQjCNFwTe1oOoDOX4M5brAnY7D-sEtjmw&clid=c3a7d30bb8a4878e06b80cf16b898331&cid=52778903730557&ei=wiCrVeC-NNW93gH2woDgBw&url=http://www.presscONNects.com/story/news/local/2015/07/18/hyman-casino-development/30327205/