

Inside The Battle to Operate A Casino In New York City

Written by Administrator

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Helluva Town: MGM, which operates the New York New York casino in Las Vegas, is expected to receive one of the licenses for the actual city.

Carol M. Highsmith/Buyenlarge/Getty Images

Meet the billionaires and real estate developers vying for one of New York's three new gaming licenses.

New York has begun the formal process to license up to three casinos in and around the city's five boroughs. And the billionaire-backed gambling companies and real estate developers are going all in to bring one to Manhattan.

Building Las Vegas-style casinos in New York City is a seismic shift in the gaming industry. The state already has four casinos, but those are all a few hours away upstate. The two closest places to gamble near Manhattan are racinos: Resorts World in Jamaica, Queens, and Empire City in Yonkers, both of which have horse racetracks and video slot machines, but no table games such as blackjack or roulette.

With a minimum licensing fee of \$500 million and a competitive licensing process with only three spots available, lobbyists and gaming companies are expecting an all-out brawl for what's thought of as [the crown jewel of the U.S. gambling industry](#). "Manhattan is the biggest prize," says Nick Antenucci, a lawyer and lobbyist at Davidoff Hutcher & Citron who has worked in New York's gaming industry for years.

On Monday, the New York State Gaming Commission unanimously approved the appointment of three members to the New York Gaming Facility Location Board. The board will analyze casino applications and recommend up to three facilities to be licensed commercial casinos. With three out of the five board positions filled, the group now has 90 days to issue a request for applications.

A casino in the city is expected to generate more than a billion dollars in annual revenue. Resorts World New York, which is accessible from the subway and owned by [billionaire Lim](#)

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[Kok Thay's Resorts World Genting](#)

, generated \$628 million in revenue last year, making it one of the best-performing casinos in the country. These numbers have attracted the likes of Las Vegas Sands, which was founded by the late billionaire Sheldon Adelson, and Wynn Resorts, controlled by billionaire Elaine Wynn.

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Las Vegas Sands, which is sitting on [\\$6.25 billion from the recent sale](#) of its Las Vegas properties, has been eyeing New York for years. With no properties in the U.S.—the gaming giant currently has casinos in Macau and Singapore—winning a license in Manhattan would be big homecoming. Robert Goldstein, who replaced Adelson as CEO of Las Vegas Sands in 2021, said during the company's second quarter earnings call that they “remain a believer” in the New York market.

“The access in New York makes it very appealing and lack of capacity still remains a premier market in my mind,” Goldstein said. “We're one of many in the hunt there...we have a plan in place we're executing.”

“Everybody is talking about a casino in Times Square. The problem is the adversaries.”

MGM—which owns the Empire City racino in Yonkers and several properties in Las Vegas, including Bellagio, Aria and, yes, New York New York—will also bid for a license. Bill Hornbuckle, the CEO and president of MGM Resorts International said during the company's second quarter earnings call that he is “eager” to expand “our existing property in Empire City,” which is about 15 miles from Manhattan, into a full casino with tables games.

Hard Rock, which is owned by the [Seminole Tribe in Hollywood, Florida](#), is also [pursuing the Big Apple](#)

Steven Cohen, the billionaire hedge fund founder and the owner of the New York Mets, has been discussing the possibility to develop a casino with Hard Rock near CitiField in Queens, according to the

[New York Times](#)

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Wanna Bet: Hudson Yards, home to the Vessel, is one of the Manhattan locations being proposed by billionaire developer Stephen Ross.

Gary Hershorn/Getty Images

Related Companies, the developer behind Hudson Yards in Manhattan and chaired by Stephen Ross, the billionaire owner of the Miami Dolphins, [announced a plan](#) with Wynn to put a casino near the Javits Center along Manhattan's West Side.

Analysts, lobbyists and various insiders say MGM's Empire City in Yonkers and Resorts World in Queens are the front runners for two of the three new licenses. Bill Pascrell III, a partner at Princeton Public Affairs Group, a New Jersey-based lobbying firm focused on gaming, says that the two racinos could swap out their video lottery machines for table games and transform into a full casino quickly and they've both been proven operators, have local support, and have been supporting the state with tax revenue for years. Besides, Pasrcell adds, if they don't get a license, the two facilities would suffer a dramatic decline in business. "I think that all the decision makers understand the importance of not hurting existing operators like Aqueduct and Yonkers," says Pascrell.

But New York State Gaming Commission chairman Brian O'Dwyer says no operator is a shoo-in for a license. During a commission meeting on Monday, O'Dwyer said no company is going into the process "either the favorite or not the favorite." He said the siting board will be making "an independent decision."

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As for New York Mayor Eric Adams, building a casino in the city is part of his plan to revive its economy after the pandemic. A casino would bring jobs, tax revenue and billions in economic activity. "New York City's economic recovery cannot be about going back to the way things were," Fabien Levy, Adams' press secretary, said via email earlier this year. "We are going to rebuild, renew, and reinvent our city, and accelerating and expanding gaming options within the five boroughs is the quickest way to make that happen."

But the big question is where a new casino will be located. The state has created a rigorous, locally-controlled process. Every proposal will be scrutinized by a unique community advisory committee—its six members will be appointed by the governor, the mayor, a state senator, and an applicable assemblymember, borough president and city councilmember—to determine if there's enough local support, or too much opposition for a particular project. This means the all-powerful NIMBYism could kill a proposal.

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As for the idea of a casino in the middle of Times Square itself, many stakeholders believe there will be too much opposition to make it a reality. “Everybody is talking about a casino in Times Square,” says Pascrell. “The problem is the adversaries.”

Antenucci also believes putting anything besides a smaller, niche, high-roller-only casino in Manhattan is unlikely, thanks to local dissent. “Anything is possible,” says Antenucci, “but the fiercest opposition will be against creating a Las Vegas Strip-style atmosphere in Manhattan.”

But, until winners are selected, all bets are off.

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