

Start of Bidding OK'd for Three NYC Casino Licenses

Written by Administrator

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A New York regulatory panel on Jan. 3 officially launched the start of a bidding process to award three lucrative casino franchises in New York City or nearby suburbs. It's an effort with long-term implications for racetracks, existing track-based racinos, the state's own lottery system and potentially some upstate casinos that opened after New York most recently expanded casino gambling in 2013.

The Gaming Facility Location Board, a three-member panel of volunteers, okayed the release of a request for application. It set off the formal commencement of a downstate casino bidding war that in practical, financial, and political ways began more than a year ago between a who's who of gambling interests from around the world desirous of a legal entry into the New York City gambling marketplace.

The board said applicants must agree to invest at least \$500 million in their projects, and also pay at least a \$500 million licensing fee to the state if they are successful with their bids.

Various interests have already been jockeying with ideas for casinos at everywhere from Midtown Manhattan to Coney Island to an expanded, full-scale casino at [Aqueduct Racetrack](#).

The winning bidders will have a timetable for their initial license period: 10 years, which, if history is a guide in the Empire State, will be extended for many subsequent years.

Bidders must also provide a description of the "competitive environment" they anticipate over the coming 10 years after opening a casino and the potential impact on existing commercial casinos, VLT gaming facilities, racetracks, tribal casinos, "or other New York businesses."

"The applicant should describe how it intends to expand the relevant market by bringing in new visitors, as opposed to merely shifting visitors from existing gaming venues in the region," the new request for application states.

Officials a decade ago had similar lofty expectations, unproven as it largely turned out, publicly

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anticipating that four upstate casino licenses awarded after the 2013 constitutional language change would create "destination" gambling and entertainment facilities to alter the fate of economically depressed regions of the state.

The panel now considering future applications must take into account an array of factors, from the financial wherewithal of bidders, number of "quality" jobs to be created, employment arrangement deals with unions to their past experience, and an ability to adhere to a "reasonable and feasible construction schedule" for future casino developments.

Casino operators must also agree to turn over 25 percent of slot machine revenues, and 10 percent of other gambling proceeds, to the state of New York. Those levels, as seen with track-based racinos and upstate commercial casinos, could always be changed by state officials in future years to levels that are more favorable to casino owners.

State officials, in the New York 2022 budget, okayed the process to award another three casino licenses in the downstate area.

Licenses are not expected to be awarded until, at the earliest, sometime later this year. The only significant deadline the sitting panel agreed to today in its s brief session held in a Manhattan office: Feb. 3. That's when potential bidders must submit to the state their first round of questions about the award process.

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