



NEW YORK STATE SENATOR

Joseph A. Griffo

Griffo to Gaming Commission: Adding Four Casinos in NY is a Bad Bet

JOSEPH A. GRIFFO January 14, 2015

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UTICA – With the Gaming Facility Location Board deciding Tuesday to re-open the bidding process for a fourth casino, Senator Joseph A. Griffo is asking the state Gaming Commission to put a moratorium on granting licenses.

“New Yorkers were lured into voting for this process with promises of more jobs, increased school aid and lower property taxes,” said Griffo, R-Rome. “This was supposed to be a process where the recommendation was based on economic data, not on the feelings of board members toward individual developers. The incredulous and inconsistent statements of Chairman Kevin Law suggest the latter.”

Griffo noted that economic conditions have changed so rapidly that four casinos in Atlantic City, N.J. have closed within a year, resulting in the loss of 8,000 jobs. Media reports say the city has lost \$2.3 billion in gambling revenue since 2006.

“Atlantic City, a tourist destination known for its gaming, is now focusing on non-gaming events and businesses to boost its sagging economy,” said Griffo. “It’s imperative our state understands what went wrong there before we commit to new sites here. I’m asking the state Gaming Commission to do their homework on what befell New Jersey and to collect more data to better project what each of the three recommended sites will have on the local and the New York state economy.”

Griffo said the Location Board’s biggest mistake was recommending a license to build in Seneca County. The lawmaker believes putting the Lago Resort amid Finger Lakes Gaming and Raceway, Turning Stone Resort Casino, Vernon Downs, Batavia Downs and the Seneca Nation casinos will hurt business at all these sites. The Lago application even acknowledged that 50 percent of its business will come from other casinos, while independent groups have estimated as much as 70 percent “cannibalization.”

“Every dollar is not the same,” added Griffo. “Video lottery terminal facilities return up to 79 percent of their revenue to the state, much of which goes to fund education. Lago would only be required to pay 37 percent. Every dollar Lago takes from Finger Lakes and Batavia Downs, that’s less we can collect in local and state taxes.”

Griffo also said an independent study suggests Lago could create about 1,227 jobs – which sounds great until one considers it will directly lead to an estimated 1,105 people losing their jobs at existing facilities.

“The goal of everyone – the board, the Gaming Commission, the Legislature and the governor – should be to stimulate economic activity,” said Griffo. “Proposals like the ones for the Southern Tier and Catskills at least make more sense when viewed in that context. But, instead, the board recommends Seneca County. There’s no solid economic reasons why, but plenty of political ones.”

Griffo said if the state Gaming Commission is unwilling to place a moratorium on granting permits, he believes they should reduce the number of permits to two or fewer and give them to locations with the greatest demonstrated economic need, such as the Catskills and the Southern Tier.