

STATE OF POLITICS

Cuomo's Casino Embrace

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Five years ago, Gov. Andrew Cuomo declared in his second State of the State address that he wanted to “[do gaming right](#)” in New York.

His proposal: Pass a constitutional amendment that would allow commercial, non-Indian casinos in New York. His ideal location: Queens, in a project that would link the Aqueduct Race Track with the construction of a convention center.

Five years later, a lot has changed: Cuomo is presiding over casino openings in upstate communities, touting their construction as a part of a turnaround for a struggling region of the state.

Cuomo was in Schenectady on Wednesday to tout the opening of the Rivers Casino and Resort. He was in the Finger Lakes community of Tyre last month to celebrate the opening of the Lago Resort and Casino. He's likely to appear at a third opening for the Hudson Valley casino as well.

Speaking at the grand opening of the “beautiful establishment” in Schenectady, Cuomo framed its construction as a boost for the upstate economy.

“It's been a long slog in upstate New York,” Cuomo said. “For many, many years the story in upstate New York was a negative one and negative begets negative. It was a story of businesses leaving upstate New York.”

But the project to bring commercial gambling with table-top games like craps and poker to New York started very much off as a downstate project.

The \$4 billion Queens proposal, which was backed by Malaysian-based casino giant Genting LLC that contributed funds to the Cuomo-supporting [Committee to Save New York](#), ultimately [fell apart](#) less than six months after the governor announced it in his address, dealing him what was then a rare setback (Cuomo dropped that news in a friendly Friday afternoon radio interview with former Gov. David Paterson).

Attention quickly turned to second passage of the constitutional amendment and with it the so-called “enabling” legislation for casino expansion. The amendment provides for up to seven casinos in New York. The enabling legislation would spell out where those casinos can be built and over what time period.

The bill backed by the Legislature and signed by Cuomo turned the casino construction to upstate New York, setting up exclusivity zones for the Indian-run gambling halls and placing an emphasis on building north of the metropolitan area.

In 2013, after the deals were reached with tribal casinos and the legislative end was put to bed, attention turned to the voter referendum for the constitutional amendment.

While Cuomo himself stayed for the most part silent on the amendment's passage, the effort to promote the referendum was led by NY Jobs Now, a coalition of labor unions and gaming operators that stood to benefit from casino approval. The committee [spent \\$4 million](#) in on-dyne mailers and TV ads that promoted benefits like employment and tax revenue and barely mentioned “casinos” or “gambling.”

The opposition was not nearly as well funded, largely composed of those concerned with gambling addiction and crime as well as religious groups.

In the end, the amendment was adopted. Four casinos will ultimately be built in the first phase. That includes one in the Southern Tier that initially a siting board said would not be financially viable, but relented after a new process was opened following the ban on hydrofracking by the Cuomo administration.

While there's a lot of fanfare about the opening of the casinos — jobs with good incomes and benefits, revenue for cash-strapped communities and school districts — a number of questions remain.

Cuomo on Wednesday even went as far as to suggest New York needed to play catch up because of its lack of casinos.

"States all around us were doing casinos," he said. "Only New York was left out. Down-

state New York figured out how to do it — racinos. But upstate New York was a void."

But the northeast has a casino glut and some experts say the addition of more could further cannibalize the industry. And upstate New York does have racinos near the already struggling Thoroughbred racetracks.

The injection of cash for local governments comes fast, but also levels off, with some fiscal experts comparing the early flow of money to a sugar high.

And questions remain over what happens when the New York City region is eligible for a casino within seven years.

"Gambling expansion is understandably appealing to officials wishing to raise revenue without raising taxes," a [Rockefeller Institute](#) report found, "but the long-term revenue is uncertain and potential economic and social costs require careful consideration."