

Ex-governor joins Sands to lead push for New York City casino

By Bailey Schulz Las Vegas Review-Journal
July 15, 2019 - 6:16 pm

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Las Vegas Sands Corp. has hired former New York Gov. David Paterson to help lead its push for a casino in New York City.

The NYC metropolitan market is one of the most sought-after sites in the Northeast, according to Brendan Bussmann, a partner in Global Market Advisors.

Sands “has long sought after a piece of the pie in New York City and today’s action show they are assembling a team for this marathon,” Bussmann said via email.

Paterson, a Democrat who served as governor from 2008-2010, began consulting for Las Vegas-based Sands earlier this year.

Voters have already authorized up to three casinos in the nation’s largest city, but under state law they can’t be approved until 2023 at the earliest.

In the meantime, Paterson will be coordinating outreach and strategy to educate New Yorkers on the benefits of downstate gaming expansion, according to Sands.

Company spokesman Ron Reese told the Review-Journal Monday that the New York Legislature could change the state law to approve the casinos sooner.

“We are advocating for an acceleration of that process so that the state can more quickly realize the thousands of jobs and revenue this opportunity can create,” he said via email.

Paterson said there’s no reason to wait.

“Is it going to happen in 2023 or 2020? Why not start three years earlier?” he said.

Competition

Competition for the New York City market is expected to be fierce.

MGM Resorts International already owns the Empire City slot casino in Yonkers, while Genting Group owns Resorts World New York City, part of the Aqueduct racetrack.

Both companies have already proposed turning those facilities into full casinos.

“Accelerating the conversion of Empire City to a fully licensed casino would immediately create new, well-paying jobs and billions in economic impact that could fund schools in Westchester and across New York State,” Uri Clinton, president and chief operating officer of Empire City Casino, said in a statement to the Review-Journal Monday.

Genting did not respond to messages seeking comment Monday.

Voters approved up to seven casino licenses in 2013 — four for upstate, the part of New York outside the New York City area, and three for downstate, consisting of the city and its suburbs, including Long Island. Lawmakers agreed to delay the three downstate licenses to give a head start to the upstate facilities, all now open.

In addition to taxes, downstate casino operators will pay a license fee estimated at \$500 million per casino. If allowed to enter the market before 2023, casinos in the city would also have to pay an early entry fee to the upstate casinos.

Sand's vision

According to Bussmann, New York is taking a forward-looking stance to understand the gaming market and the opportunities it could bring by expanding brick and mortar casinos, sports betting and online gaming.

According to a Monday statement from Sands, a downstate casino program could bring in \$1.5 billion in dedicated revenue for areas like the Metropolitan Transportation Authority or public education, and create 15,000 permanent union jobs and 15,000 union construction jobs.

“New York City is one of the few remaining good markets in the United States where you could see billions of dollars of investment in gaming facilities provided that the tax rate and regulatory framework are set up properly,” Bussmann said. “Every major gaming company will take a look at the market because opportunities like this are few and far between at this point.”

Sands also said it's committed to developing plans for community outreach programs, professional development opportunities, educational programs modeling those in Las Vegas and more.

But those incentives may not be enough for lawmakers to speed up the process for licensing casinos in the city; lawmakers adjourned their 2019 session last month without voting on proposals that would shorten the 2023 approval timeline.

The Review-Journal is owned by the family of Las Vegas Sands Corp. Chairman and CEO Sheldon Adelson.

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