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What's it take to apply for a NY casino gambling license: money and an appetite for red tape



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Companies that want to open a casino upstate need more than a fat wallet.

They need a stomach for New York-style regulations.

The state is imposing a tough, thorough and, officials say, transparent vetting process for awarding up to four licenses upstate, including at least one in the Albany/Saratoga region.

The rules are understandable considering the lucrative nature of the gambling business and the desire to prevent any questionable behavior.

But are they excessive?

Here are some examples of what the state requires in the 81-page "Request for Applications" released last week:

- 165 different pieces of information, or "exhibits," including a business plan; market analysis; capital and financing structure; marketing plans; infrastructure requirements; internal controls and security systems; player database and loyalty program; construction timeline, affirmative action plan; and experience hiring the unemployed
- A \$1 million application fee must be paid by April 23, even though the application itself isn't due until June 30

If the costs of processing the application exceed \$1 million, the applicant must pay more.

If the fee is paid, but an application isn't finished or submitted by June 30, the state will return the fee minus any costs incurred.

- A minimum \$50 million licensing fee in the Albany/Saratoga region, which must be paid within 30 days of getting the license (applicants can pay more if they want).

One industry consultant says the state is going overboard.

"New York is indeed setting a high and costly bar in the application process for new gaming operations in the upstate region, including Albany," said John [Boyd](#) Jr., principal at New Jersey-based [Boyd](#) Company Inc. "Unfortunately, for the casino operators--fortunately for the lawyers and regulators--this process will be longer in duration and much more expensive than it should be."

[Boyd](#), whose firm has advised the Nevada Development Authority and Howard Hughes Corp. on ways to attract new gambling revenue and corporate investment, isn't representing prospective applicants in New York.

A spokesman for the New York Gaming Commission disagreed with [Boyd](#).

"New York's turnaround time--soup to nuts--will be under a year," spokesman Lee Park said. "Only an auction would be quicker, which is not allowed under statute."

Park also points to the licensing fees in smaller states. Legislation in New Hampshire that would authorize two casinos require licensing fees of \$40 million or \$85 million, depending on the size.

In Maine, a bill that passed the House but died in the state Senate would require a \$50 million licensing fee.

New York's first deadline is coming up fast.

Applicants have until Friday, April 11 at 4 p.m to submit questions to the state Gaming Commission. They will get their answers by April 23, the date when the \$1 million application fee is due.

DeMasi covers real estate, construction, retail and hospitality.