

Video slot machines starting up at NYC's first 'racino'

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By [The Associated Press](#)

NEW YORK — After a decade of debate, delay and scandal, video slot machines will start whirring tomorrow in New York City as Aqueduct race track aims to lure some of the gamblers now headed to Atlantic City and Connecticut.

The so-called "racino" will have 4,525 video slot machines and 475 electronic games to start, and thousands more to come in an upstairs area, and other casino-like amenities. The Queens horse track is a short distance from John F. Kennedy International Airport and millions of local workers and residents.

More than 1,300 jobs were created to build the flashy facility that includes 18 food and beverage courts, including two restaurants, four VIP lounges, a bar and theater for music and comedy acts.

It's close to a renovated A Train subway station stop and a bus stop, and there's parking for 6,400 cars. Advocates say the subway stop provides easy access to a unique gambling opportunity, but anti-gambling forces warn the racino will addict millions of people to the detriment of their families.

The enterprise, like other racinos at tracks across the state, aims to provide millions of dollars a year in revenue to the cash-strapped state and its racing industry, which is competing against casinos and other forms of gambling.

The New York Racing Association runs racing at Aqueduct, Belmont and Saratoga thoroughbred tracks, and calls it a "new era."

"The opening of Genting's Resorts World New York Casino is a highly anticipated event that will benefit all of the stakeholders at Aqueduct, Belmont Park, and Saratoga Race Course," said NYRA President Charles Hayward. "Increased purses will help bring more top owners, trainers and horses to our tracks, create larger fields for our customers to wager on, and generate higher handle for our races."

Aqueduct is the first racino in New York City, with the next closest facility at Yonkers Raceway, north of the city. Others are at harness racing tracks in Central New York, Saratoga Springs and in Western New York and the Southern Tier. The racino is projected to bring in \$350 million a year in revenue.

NYRA predicts the racino will provide \$30 million more for racing purses (a 6.5 percent increase), \$20 million more for its capital improvements fund (4 percent more), and \$15 million more for operations (3 percent more).

"This project has created more than 1,350 jobs and together we've built a truly state-of-the-art entertainment facility for the borough of Queens and beyond," said Michael Speller, president of Resorts World.

Racinos were approved as a response to lost revenues after the Sept. 11, 2001, terrorist attacks. But the most promising revenue raiser — Aqueduct — has been plagued by political squabbles and delayed by a federal investigation into the way the contract was first awarded in Albany. A subsequent bidding contest followed.

IMPACT ON ATLANTIC CITY

Aqueduct's racino is sure to further eat into Atlantic City's revenue by offering a close-to-home alternative to New Yorkers and people from northern New Jersey, a significant part of the Atlantic City casino market.

Atlantic City is nearing the end of its fifth straight year of declining casino revenues brought on by new competition popping up in neighboring states, and worsened by the continued sluggish economy. Since 2006, when the first of Pennsylvania's 10 casinos opened, Atlantic City's casino revenues have fallen from \$5.2 billion to \$3.6 billion at the end of 2010.

However, a September report by the Nelson A. Rockefeller Institute of Government found racino revenues "softening," mostly due to the opening of new facilities in the 12 states that have racinos. They are Delaware, Florida, Indiana, Iowa, Louisiana, Maine, New Mexico, Oklahoma, Pennsylvania, Rhode Island, and West Virginia in addition to New York.

Six of 12 states reported declines in racino revenue in the 2009 fiscal year, with New York showing an 8 percent decline and Florida seeing a 15.5 percent decline, according to the report.

But there is pressure to increase government revenues and funding of the racing industry, which provides more than 40,000 jobs.

Nearby, the Shinnecock Indian tribe is considering seeking approvals to build a casino at Belmont Park, seven miles east of Aqueduct. Gov. Andrew Cuomo is also studying the possibility of allowing non-Indian casinos to operate in the state, with an eye toward a Catskills casino.

All hope to cash in on the massive New York City market.

Anti-gambling groups, such as the national Stop Predatory Gambling based in Washington, D.C., have long said state-sponsored gambling is a loser. They say social service costs increase, families disintegrate and wealth doesn't increase, but is simply transferred and often away from low and moderate income families.

"It's going to make tens of thousands of New Yorkers poorer and create an enormous amount of new gambling addicts," said Les Bernal of Stop Predatory Gambling, noting the New York City facility will touch far more gamblers than other racinos. "It's a business based on people losing money, pushing people deeper in debt."

He noted that in the Great Depression government encouraged people to save through investing in savings bonds. Now governments resort to gambling and lotteries.

"New York state is at the very top of the list of the biggest predatory gambling states in America," Bernal said.