
Center for an Urban Future

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A BAD BET FOR NEW YORK

OFF THE CUF

By Hugh O'Neill

State officials are persisting with their problem-plagued effort to turn Aqueduct into a racino, but video slot machines won't be enough to save this dying racetrack; it's time to consider a better use for 192 acres of public land next to one of the nation's busiest airports

IN THE LATEST STRANGE TWIST IN NEW YORK STATE'S LONG-RUNNING attempt to bring video slot machines to Aqueduct, the State Lottery Division last week disqualified two of the three companies that had been competing for the right to develop and operate 4,500 "video lottery terminals" (VLTs) at the Queens racetrack. With S.L. Green Realty Corporation and Penn National Gaming now out of the running, the only bidder left standing is Genting, a Malaysian gaming company. Between now and August 3, the Lottery Division will either recommend that the Governor and the Legislature accept Genting's proposal, or (once again) re-open the bidding process.

For Albany, any further delay in the selection of an operator for the Aqueduct "racino" would be painful. It could blow yet another hole in the state's 2010-2011 budget; the governor, the Assembly and the Senate have all been counting on the winning bidder's payment of an up-front licensing fee of at least $300 million to help close a $9 billion budget gap.

The New York Racing Association (NYRA) may need this deal even more than the state does. It desperately needs increased VLT revenues to subsidize its own money-losing operations. In May, NYRA needed a $25 million emergency loan from the state to avoid canceling this year's summer racing season.

But as the governor and the Legislature consider whether to approve Genting's proposal or re-open the bidding, it seems reasonable to ask whether a declining racetrack and a few thousand slot machines are the best we can do with 192 acres of publicly-owned land located next to one of the nation's busiest airports. The question seems particularly apt considering how other cities in the U.S and elsewhere are using their airports—and the land around their airports—as focal points for a new wave of development.

Commentary/Op-Ed - July 2010

A Bad Bet for New York

In this Off the CUF commentary, Hugh O'Neill argues that video slot machines won't be enough to save Aqueduct Race Track. Instead, he says it's time for state officials to consider a better use for 192 acres of public land next to one of the nation's busiest airports.

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