

Court Halts Construction Of New York Casino

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A court ruling freezing construction of the Lago Resort & Casino in Tyre could be just the first legal battle faced by New York regulators over their controversial choice for one of up to four casino licenses.

Grassroots group Casino Free Tyre successfully won a challenge Friday against Rochester-based developer Wilmorite, forcing a halt to preliminary construction of the Lago Resort & Casino project.

The Appellate Division of the New York Supreme Court **determined** that Wilmorite had violated the state's requirements for a thorough environmental impact study to be considered for a casino license.

"My clients are the neighbors of the proposed facility and they have lived in this quiet, rural agricultural town for generations," said Daniel Spitzer, an attorney with law firm Hodgson Russ who represented Casino Free Tyre in the case.

"They believe that placing this massive facility in this environmentally sensitive location was inappropriate especially because it was done without the proper consideration of the environmental impacts," Spitzer told GamblingCompliance.

Spitzer alleges that the \$425m Lago project would result in drainage to the Montezuma Swamp, a wildlife refuge set aside by the U.S. Fish and Wildlife Service.

Since last year's bidding process for casino licenses required a completed environmental review, as well as formal approval from the Tyre town board, Hodgson Russ attorney Robert McLaughlin said the New York State Gaming Commission should now nullify Lago's casino application.

The choice of Lago by a commission siting panel has already proven to be controversial, with Governor Cuomo in December calling for regulators to reconsider other applications located in the economically depressed Southern Tier region on New York State.

"The location board was supposed to identify a casino in the Southern Tier, but instead they selected a casino that was closer to Lake Ontario than the Southern Tier," McLaughlin said.

In its **review** of the Lago project, the New York Gaming Facility Location Board said it chose the proposal

because it was the only one of three applications in the Southern Tier/Finger Lakes region that could produce “significantly greater tax revenues.”

One of the overlooked bidders was the Tioga Downs racino. Last week, Tioga Downs was the **lone applicant** to step forward in the reopened bidding process for a fourth casino license.

Responding to Friday’s decision, Wilmorite said it was left with little choice but to halt construction on the Lago casino.

“As Tyre’s leaders determine their next steps to correct the technical deficiencies the court says exist, we will suspend continued construction on Lago at this time, and until such time as the site plan is approved once again by the Tyre Town Board,” said developer Thomas Wilmot.

“During the coming days our crew will ensure that the site is appropriately preserved to comply with state and local requirements and allow for immediate continued construction when that becomes appropriate.”

Neither the New York State Gaming Commission nor its Gaming Facility Location Board are parties in the lawsuit, but spokesman Lee Park said state regulators are currently reviewing the decision and it does not necessarily mean that the Lago project will be dismissed.

“The gaming commission’s licensing process is moving forward,” Park told GamblingCompliance.

State regulators are expecting to soon receive background investigation materials on recommended casino bidders from New York police, and they are looking formally to **award the casino licenses this fall**.

Still, other legal challenges could yet arise if a license is officially awarded to Lago.

The Oneida Indian Nation, owner of the nearby Turning Stone tribal casino, and the Finger Lakes Racing Association have both written to express their concerns to state regulators over the **past few months**.

“I’m comfortable that our governmental officials will at least try to take the right route and do the right thing with the Lago project,” said Spitzer.

“There is a real opportunity for job creation and revenue growth without the cannibalization that the casino in the swamp could create with Tioga Downs.”

Geography:

UNITED STATES

NEW YORK

Sectors:

CASINO

HORSE RACING/CASINO

TRIBAL GAMING

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