

# What's the Deal With Downstate Casinos?

## Origin of State-Licensed Casinos in New York

In 2013, New York State voters approved 57% to 43% a ballot referendum to allow for up to seven State-licensed commercial casinos. The Cuomo administration supported the referendum, arguing that the casinos would create jobs, generate gambling revenue currently going to other states, and stimulate stagnant upstate economies.<sup>1</sup> Upstate casinos opened between 2016 and 2018 to give them a competitive head start on downstate casinos. A maximum of four upstate and three downstate casino licenses were enabled by the legislation. Downstate is defined as New York City's five boroughs, Long Island, and Westchester, Rockland, and Putnam Counties.

The Hochul administration kickstarted the licensing of three downstate casinos in the fiscal year 2023 State [Executive Budget](#). State Senator Addabbo Jr., Chair of the Senate's Committee on Racing, Gaming and Wagering, [supported the licensing](#), arguing that downstate casinos would create thousands of jobs, bring in immediate revenue through the licensing fees, and generate new tax revenue to support funding for education. The authorization of three downstate casino licenses was included in the Enacted State Budget of 2022, with licenses to be awarded by December 2025.

When Albany approved the issuance of the three downstate licenses, an additional layer of review was added to the process. A Community Advisory Committee (CAC)—a five-member committee for casinos outside of New York City and six for casinos within New York City—comprising local and State elected officials (or their appointees) must vote to approve each casino application before it can proceed to the final selection process. Once CAC voting is completed, the Gaming Facility Location Board will determine which proposals adhere best to legislation, issue gaming licenses, and issue the operating certificate. In this report, the New York City Independent Budget Office (IBO) describes the timing, requirements, and current process for the creation of downstate casinos. As the selection process for downstate casino licenses is ongoing, information in this report is current as of September 30, 2025.

## Plans for Casino Tax Revenue

Applicants granted licenses at the end of December 2025 will each pay a one-time license fee of \$500 million, which will go to the Metropolitan Transportation Authority (MTA). The MTA's 2026 Operating Budget has already planned for \$1.5 billion in one-time revenue from the three downstate licenses.

Additionally, tax revenue from each downstate casino will flow to the MTA as well as primary and secondary education, and real property tax relief. The allocation of funding across these policy areas, however, differs based on whether the casino is in New York City and whether it previously operated as a partial casino.<sup>2</sup> (Partial casinos have video lottery terminals and electronic gaming tables, but do not include the full range of slot machines and live table games of a “Vegas-style” full casino.) New York City-based casinos will direct the highest share of tax revenue to the MTA. In addition, downstate casinos will be required to pay the State a \$750 fee annually for each slot machine and table to fund programs aimed at tackling gambling addiction.

## Timeline of Licensing Process

Eight applications for three casino licenses were submitted to New York State by June 27, 2025. CACs were then appointed by July 3 and they reviewed the applications over the summer. With CACs gearing up to start voting on casino applications in September 2025, the Adams administration produced a [report](#) touting “billions of dollars of potential gaming revenue at stake” and providing recommendations on how tax revenues from a New York City-based casino would benefit the City. The Adams administration’s report estimates that over a 30-year timeline, casinos will generate between \$7.3 billion to \$11.5 billion in economic impact—a range that underscores the difficulty of predicting the long-term economic impact of downstate casinos.

### Upstate Casinos

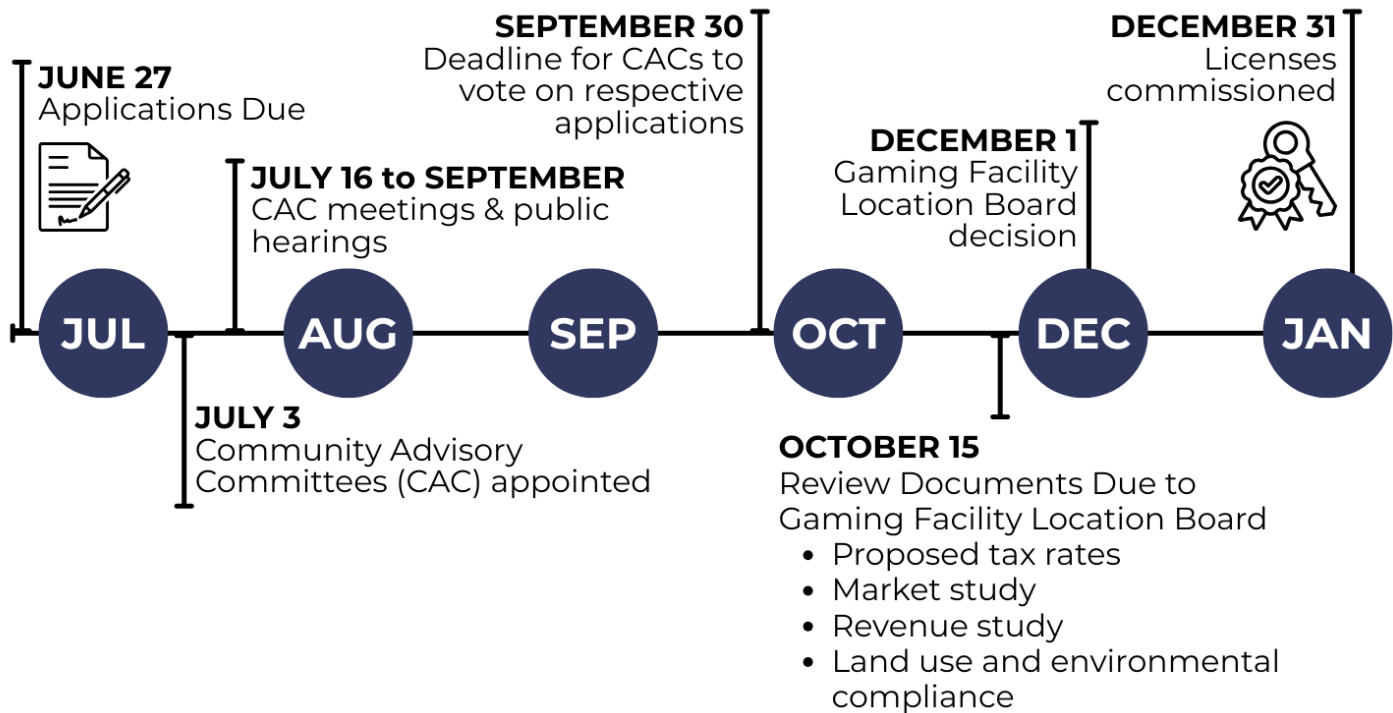
The upstate casinos had a head start compared to the downstate casinos, with four State-licensed casinos opening from 2016 through 2018. (Separately, there are seven casinos operated on Native American tribal land located within New York State that operate under federal agreements. Native American casinos have been in full operation since before the 2013 referendum.) For upstate casino revenue, 80% goes to the State and 20% to local governments where the casino is located.

A [2020 report](#) from the Office of the New York State Comptroller reported that all four State-licensed upstate casinos fell short of projected gross revenues. A follow up [2023 report](#) found a similar trend, with three of the four upstate casinos reaching only 50 to 60% of their initial gross gaming revenue projections. The State Comptroller’s report also showed limited revenue benefits for cities and counties outside of a few small towns adjacent to casino facilities.

While downstate casinos are likely to benefit from a larger local population and a stronger tourism base, they will also face greater competition from a wider array of entertainment options. As such, it is difficult to determine the extent to which the performance of upstate casinos can reliably translate to downstate sites. However, the fact that actual gross gaming revenues upstate have fallen short of projections raises legitimate concerns about the reliability of revenue forecasts for New York’s casinos.

FIGURE 1

## 2025 Timeline for the Downstate Casino Bidding Process



CAC voting concluded in September, and now—with four casino proposals still in the running—the stakes are higher than ever in the competition for downstate casino licenses. The Gaming Facility Location Board has until December 1, 2025 to announce the winning locations. Figure 1 shows a timeline of the licensing process.

## Gaming Facility Location Board and Community Advisory Committees

New York’s [Gaming Facility Location Board](#) (hereafter “the Board”) is a five-member board appointed by the State Gaming Commission. Board members were selected for their experience in economics, finance, or real estate, and it is chaired by Vicki Been, who served as Deputy Mayor for Housing and Economic Development under the de Blasio administration. The Board will ultimately decide the three winners of the downstate casino licenses.

Before the Board considers any applications, they must first be reviewed and voted on by CACs. For New York City-based casino proposals, the CAC consists of six appointees from the Governor, Mayor, and relevant State Senator, State Assemblymember, Borough President, and City Council Member. Downstate casino applicants outside the City have CACs consisting of five appointees from the Governor, Mayor, and the relevant County Executive, State Senator, and State Assemblymember. Each CAC was required to hold at least two public hearings and vote on the applications on or before September 30, 2025. Only applicants with two-thirds support from the CAC will be considered by the Board.

## Eight Casinos Submitted Applications

New York State received eight casino applications for the three licenses in June. Each applicant was required to submit a \$1 million non-refundable application fee to the New York Gaming Commission and propose a capital investment plan of at least \$500 million. Figure 2 shows proposed development costs for each application, which are well into the billions. Although development costs are high, some of the applicants project revenues that would make them some of the most lucrative gaming resorts in the world. IBO is unable to verify the estimated costs and revenues from the applications.

## Casino Applications Reviewed by Community Advisory Committees

In this section, IBO describes the eight casino proposals. Applications had different levels of information and detail in terms of facilities planned, revenue projections, and community-based pledges. Figure 3 summarizes estimates of square footage, job creation, and revenue projections as presented by the developers in their casino applications. Below IBO discusses each application in further detail.

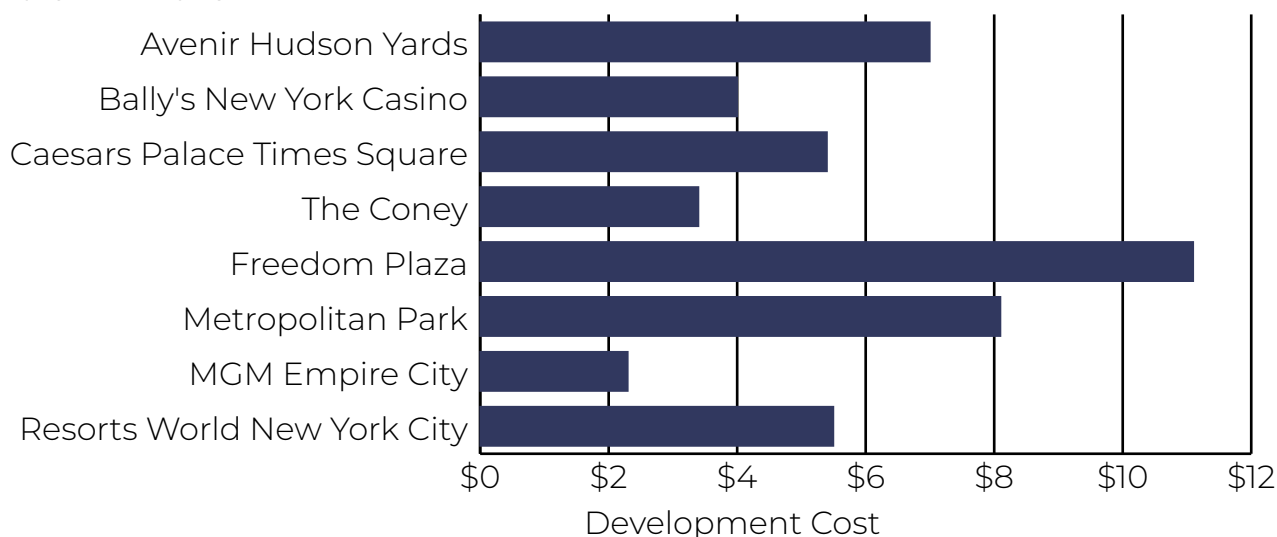
### The Avenir Hudson Yards (Rejected by CAC)

Silverstein Properties, Rush Street Gaming, and Greenwood Gaming & Entertainment together proposed [The Avenir](#) in Manhattan's Midtown West. The project would include housing, a hotel, restaurants and bars, a spa, an outdoor skyline pool, an entertainment venue, and a public art complex.

FIGURE 2

### Development Costs Presented in Downstate Casino Proposals

*Dollars in Billions*



SOURCE: Application materials submitted to New York State Gaming Facility Location Board

NOTES: Development costs reflect capital investments in proposal for components such as hotel space, entertainment venues, and retail. These components vary by application.

New York City Independent Budget Office

Avenir's application included a pledge of \$400 million in community investments over 20 years. Including:

- Free gallery space for local artists
- Investments in public safety through partnership with NYPD
- Bulk purchase of Broadway and other local entertainment tickets
- Partnerships with local non-profits
- 1,500 market rate units of housing
- 500 affordable housing units

One drawback noted by the CAC is the limited transit access and local foot traffic at the proposed site. Silverstein Properties already owns the land, and the company has publicly stated that the property will remain empty if not awarded a casino license.<sup>3</sup> All four neighborhood elected officials on the CAC voted against the proposal; the only votes of support were from the Governor and Mayor.

### Bally's New York Casino (Approved by CAC)

Bally's Corporation proposes to build [Bally's New York Casino](#) next to a golf course Bally's currently owns and operates in the Ferry Point area of the Bronx. The proposed development includes a gaming facility, convention center, hotel, restaurants, entertainment venues, and retail. Bally's application predicts \$1.0 billion of gross gaming revenue.

Bally's application pledges:

- \$625 million to community benefits
- \$100 million for parkland improvements
- At least \$75 million for transportation
- \$10 million upfront investment in new NYPD substations and ongoing support for increased police presence in area of the project
- Creating an equity ownership initiative that offers local residents up to 9% of the equity in the project

Over the summer, Bally's New York Casino overcame a land use hurdle, as its proposed development would [alienate parkland](#). Bronx Community Board 10 voted against the land use change in March and the New York City Council voted against it in July. The Adams administration then vetoed the Council's land use decision, allowing the Bally's application to proceed with the proper land use approvals in place. Notable in the discussions around Bally's proposal is its financial link to the Trump Organization. Bally's purchased the golf course from the Trump Organization in 2023, and as part of the sale terms, Bally's agreed to provide the Trump Organization an additional \$115 million if it were to win a casino license.<sup>4</sup> On September

29, 2025 the CAC voted to approve the application 5 to 1. City Council Member Marmorato was the sole vote against.

### Caesars Palace Times Square (Rejected by CAC)

Caesars, SL Green, Roc Nation, and Live Nation together proposed building [Caesars Palace Times Square](#) which would convert an existing office building and Minskoff Theater

**FIGURE 3**

### Summary of Casino Application Details

	Estimates Presented in Casino Applications				
	Location	Development Cost	Gross Square Feet	Job Creation	
				Construction	Permanent
Avenir Hudson Yards	Manhattan: Midtown West	\$7.0 billion	1.6 million	4,000	4,525
Bally's New York Casino	Bronx: Ferry Point	\$4.0 billion	3.0 million	15,000	4,000
Caesars Palace Times Square	Manhattan: Times Square	\$5.4 billion	1.8 million	3,000	3,800
The Coney	Brooklyn: Coney Island	\$3.4 billion	1.5 million	4,000	4,500
Freedom Plaza	Manhattan: Midtown East	\$11.1 billion	4.1 million	26,000	13,000
Metropolitan Park	Queens: Flushing Meadows Corona Park	\$8.1 billion	5.0 million	at least 17,100	At least 6,000 (4,000 full time/2,000 part time)
MGM Empire City	Westchester County: Yonkers	\$2.3 billion	860,000	6,500	At least 1,600 (1,400 full time/200 part time)
Resorts World New York City	Queens: South Ozone Park	\$5.5 billion	5.6 million	5,000	5,000

SOURCE: Application materials submitted to New York State Gaming Facility Location Board

NOTES: MGM Empire City and Resorts World New York City both currently operate as partial casinos. Development costs reflect capital investments in proposal for components such as hotel space, entertainment venues, and retail. These components vary by application.

New York City Independent Budget Office

into a complex including a hotel, restaurants, a wellness retreat, nightclubs, and other entertainment. The applicants predicted Caesars Palace Times Square would generate \$23.2 billion in gross gaming revenue over the first 10 years of operation.

Caesars Palace Time Square's application pledged \$250 million in community support, including:

- \$82 million to Times Square public safety and security
- \$20 million to Broadway tickets for economically disadvantaged families
- \$15 million to fund a new civil rights museum spearheaded by Reverend Al Sharpton and the Civil Rights Foundation
- \$5 million to public health through funding a new Callen-Lorde Center for Excellence in Sexual Health, a health center that provides care for LGBTQ+ people

The Caesars Palace Times Square casino faced significant local opposition, including the [No Times Square Casino](#) coalition which includes 35 organizations like restaurants and unions. The coalition argued the casino would undermine the theater industry's post-pandemic recovery and draw customers away from local businesses. All neighborhood elected officials on the CAC voted against the proposal.

### The Coney (Rejected by CAC)

Thor Equities, Global Gaming Solutions (the commercial operating company of the Chickasaw Nation), and Saratoga Casino Development together proposed [The Coney](#), a casino to be located near the Coney Island boardwalk in Brooklyn. Their plan would have built 1.5 million gross square feet of facilities including a hotel, convention center, public park space, restaurants, and retail. Proponents of the casino argued it would stabilize the Coney Island economy by making it a year-round rather than summer seasonal destination.<sup>5</sup>

The Coney's application pledged:

- \$200 million investment in the Coney Island Trust created by the developers
- \$15 million annual fund for the first five years of casino to enhance police, fire, and EMS services
- 1 acre of public rooftop space
- Upgrades to local infrastructure (electrical grid, boardwalk, pier, and parks)
- Additional \$100 million added to community trust ahead of the vote in attempt to sway the CAC

The Coney also required zoning changes to proceed with the planned development of three towers and two pedestrian bridges. Brooklyn Community Board 13 voted against the rezoning, but in June, the New York City Council voted in favor of the rezoning. On September 29<sup>th</sup>, 2025, all neighborhood elected officials on the CAC voted against The Coney proposal.



## Freedom Plaza (Rejected by CAC)

Soloviev Group and the Mohegan Tribe proposed building [Freedom Plaza](#), which would include housing units, a public space, restaurants, a museum celebrating democracy, a public art gallery, recreational trails, an amphitheater, retail, and other community amenities. Freedom Plaza's proposal was the largest proposed investment of the eight casino applications. The proposed site has been empty vacant for 15 years and is the largest undeveloped site in Manhattan.

Freedom Plaza's application pledged:

- 2% of all gaming profits and \$5 million annually to a community-run fund
- Museum for Democracy
- Free gallery space for artists
- Urgent care facility
- Public park space
- Daycare facility
- Recreational trails
- Community Center
- 1,080 units of permanently affordable housing

In 2023, Manhattan Community Board 6 wrote a letter to the Mayor and the Governor stating that the land is an ideal location for affordable housing rather than a casino. The casino proposal included 1,049 housing units, of which 513 units would be permanently affordable units. This was the largest affordable housing pledge of any applicant. Leading up to the CAC vote, the developers increased their housing proposal to 1,080 units, removing the market rate component and making all the proposed units planned to be permanently affordable.<sup>6</sup>

All neighborhood elected officials on the CAC rejected the Freedom Plaza proposal. Prior to the CAC vote, the developers had publicly discussed housing as an alternative use of the site—2,000 housing units (400 affordable) alongside retail and parking.

## Metropolitan Park (Approved by CAC)

New York Mets owner Steve Cohen and Hard Rock International propose to build the [Metropolitan Park](#) casino on parking lots of Citi Field in the Flushing Meadows Corona Park area of Queens. The plan includes a gaming facility, hotel, entertainment venue, restaurants, convention center, and retail. Metropolitan Park's application predicts at least \$2.3 billion in gross gaming revenue.



Metropolitan Park’s application pledges:

- Over \$1 billion to fund a 25-acre public park space and a community impact trust to fund immigrant legal aid, mental health and addiction services, food insecurity programs, youth initiatives, anti-displacement support, and park improvements
- \$480 million for a revamped Mets-Willets Point 7 train station entrance to the park, making the station ADA-accessible
- Year-round food hall for Queens-based vendors
- \$25 million for community healthcare, youth and senior needs, and addiction services

The Metropolitan Park casino proposal also had to overcome a parkland alienation land use review process. Unlike Bally’s, however, its rezoning received positive support from Community Boards and the City Council. On September 30, 2025, CAC members voted unanimously in favor of the project.

### [MGM Empire City \(Approved by CAC\)](#)

MGM Resorts International proposes to build [MGM Empire City](#) casino in the City of Yonkers. This would be an expansion of the existing Empire City Casino, which is currently a partial casino and horse racetrack (also called a “racino”). The plan includes an entertainment venue, restaurants, a late-night lounge, and cocktail bars. MGM Empire City’s application predicts at least \$1 billion in gross gaming revenue by year four (approximately doubling the current partial casino’s gross gaming revenue).

MGM Empire City community pledges nearly all relate to local infrastructure such as:

- Improving traffic flow into the casino
- Mitigating stormwater runoff and improving water lines
- Installing landscaping to buffer residential areas from light and noise

There are no pledges that impact New York City. Additionally, tax revenue generated by MGM Empire City will largely be directed to the City of Yonkers and Westchester County, with much less direct impact for the City than New York City-based casino proposals.

On September 25, 2025, all five CAC members voted unanimously in support of this casino. (Casino applications outside of New York City have five CAC reviewers.) MGM Empire City has received less local opposition than some other casinos because it currently operates as a partial casino, as evidenced by its unanimous CAC vote in support.

### [Resorts World New York City \(Approved by CAC\)](#)

Genting Group proposes to build [Resorts World New York City](#) as an expansion of the existing partial casino Aqueduct Raceway in South Ozone Park, Queens. The plan includes gaming space, a hotel, live entertainment arena, conference center, restaurants, bars, and a spa.

Resorts World’s application predicts \$1.2 billion in gross gaming revenue when fully expanded.

The Resorts World proposal pledges:

- \$50 million in start-up funding for the new Resorts World Innovation Campus, a community center with health and wellness, educational, sports, and media
- Investments into the surrounding infrastructure, such as roadways and parks

The current Resorts World Gives program has invested more than \$10 million into local arts, civic, educational, environmental, and economic development. The development of this partial casino into a full casino with table games had little opposition, with unanimous approval from the six-member CAC on September 25, 2025.

## Four Casinos Advance Through CAC to Board Review

With CAC voting completed, four casino applications are eligible for consideration by the Gaming Facility Location Board, having at least two-thirds support of the CAC; four casino proposals were rejected by their respective CAC. Notably, Governor Hochul voted in favor for all eight casino applications and Mayor Adams voted in favor for all seven applications located in New York City. Yonkers Mayor Spano voted in favor of the casino proposal located in Yonkers. Figure 5 presents the CAC vote results for the eight casino proposals.

## Evaluation Criteria for Consideration

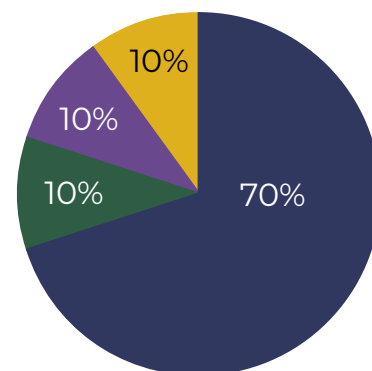
By October 15, 2025, applicants with CAC approval need to submit the following documents to the Board for review:

- Proposed tax rates—The Board states that the tax rate offered by the applicant must be at least 25% for slot machines and 10% from all other gaming programs
- Independent market study
- Independent revenue study
- Description of the competitive environment in which the applicant anticipates the proposed gaming facility will operate
- Compliance with land use and environmental review processes

**FIGURE 4**

### New York Gaming Facility Location Board Selection Criteria

- Economic Activity & Business Development
- Local Impact
- Workforce Enhancement
- Diversity Framework



SOURCE: New York State Gaming Facility Location Board  
Evaluation and Selection Criteria

New York City Independent Budget Office

In selecting the winning bids, the Board will assess four categories. Figure 4 shows the relative weight of each category for consideration.

1. **Economic Activity & Business Development** (70%): includes proposed capital investments, maximizing government revenue, quality gaming facility and amenities, and experience in gaming facility development and operations.
2. **Local Impact Siting** (10%): includes mitigating possible impacts on other nearby local governments and partnering with local businesses to bolster a full tourism and entertainment industry.
3. **Workforce Enhancement** (10%): includes the number of construction and permanent jobs created, union labor agreements, job-training programs, and environmental construction practices.
4. **Diversity Framework** (10%): includes diversity commitments in employment, leadership, and ownership.<sup>7</sup>

Empire City Casino and Resorts World New York City already exist as partial casinos, which put them at an advantage when it comes to land use, construction timeframes, and operation considerations.

## Conclusion

The downstate casino race has accelerated since CAC votes were completed as this marked a pivotal phase in the State's competitive licensing process. At stake are up to three coveted licenses, offering selected developers the chance to operate highly lucrative entertainment properties while promising substantial new tax revenues for local governments and the MTA. For many, including Mayor Adams, casinos represent economic opportunity and revitalization. CAC votes in support of casino proposals recognize the opportunity for major private capital investments in New York City and recurring new tax revenue.

Yet, the process has also revealed deep concerns about the risks that casinos pose to neighborhood culture, other entertainment and hospitality businesses (that are still recovering from the pandemic), and vulnerable populations. CAC votes against casino proposals reflect caution around gambling addictions and other human consequences, as well as potential traffic congestion, public safety concerns, and strain on infrastructure. Furthermore, upstate casinos have struggled to meet their initial revenue projections, although it is hard to know how their performance would translate to a casino located in the New York City metro area.

FIGURE 5

## CAC Vote Outcomes

\*Indicates an appointee chosen by the elected official cast the vote.

(Y) indicates a vote in support; (N) indicates a vote in opposition

Proposed Casino	Governor	State Senator	State Assembly Member	President/County Executive	Mayor	City Council Member
The Avenir-No	Hochul* (Y)	Holyman-Sigal (N)	Simone* (N)	Levine* (N)	Adams* (Y)	Bottcher* (N)
Bally's New York Casino-Yes	Hochul* (Y)	Fernandez* (Y)	Benedetto* (Y)	Gibson* (Y)	Adams* (Y)	Marmorato* (N)
Caesars Palace Times Square-No	Hochul* (Y)	Krueger* (N)	Simone* (N)	Levine* (N)	Adams* (Y)	Bottcher* (N)
The Coney-No	Hochul* (Y)	Scarcella-Spanton (N)	Brook-Krasny* (N)	Reynoso (N)	Adams* (Y)	Brannan (N)
Freedom Plaza-No	Hochul* (Y)	Gonzalez* (N)	Epstein* (N)	Levine* (N)	Adams* (Y)	Powers* (N)
Metropolitan Park-Yes	Hochul* (Y)	Ramos* (Y)	Hooks (Y)	Richards (Y)	Adams* (Y)	Moya (Y)
MGM Empire City-Yes	Hochul* (Y)	Stewart-Cousins* (Y)	Sayegh* (Y)	Jenkins* (Y)	Spano* (Y)	N/A
Resorts World New York City-Yes	Hochul* (Y)	Sanders Jr. (Y)	Pheffer-Amato (Y)	Richards, Jr. (Y)	Adams* (Y)	Adams* (Y)

SOURCE: New York Casinos New York Gaming Facility and Location Board Community Advisory Committees

NOTE: New York City-based casinos have six-member CACs while casino proposals outside of New York City have five members.

New York City Independent Budget Office

## Endnotes

- 1 Kaplan, Thomas (2013, November 5). [Expansion of Gambling in New York Is Approved](#). *New York Times*. A lawsuit tried to block the referendum vote, contesting that the wording in the referendum was biased in favor of casinos, but the lawsuit was dismissed. McKinley, Jesse (2013, October 16). [Judge Rejects a Suit to Block Vote on Casinos](#). *New York Times*.
- 2 Small, Eddie (2025, September 26). [Failed Casino Dreams Force Three Manhattan Developers to Rethink Valuable Site](#). *Crain's New York Business*.
- 3 Shanahan, Ed (2025, July 16). [Bally's Bronx Casino Plan Appears Dead After Council Rejects Rezoning](#). *New York Times*
- 4 Short, Aaron (2025, February 10). [Breaking down every 2025 New York casino license bid](#). *City & State New York*.
- 5 [Freedom Plaza, CAC Amendment](#) (2025, September 18)
- 6 For full details, see "[Evaluation and Selection](#)" on New York State Gaming Facility Location Board website.
- 7 For further details, see the [commercial gaming revenue fund](#) section of the Racing, Pari-Mutuel Wagering and Breeding Law §1352.

Prepared By:  
**Mina Farahmand\*, Mikaylah Du\*,  
Sophia Fiducia\*, and Alaina Turnquist**

\*IBO Intern



**Follow IBO**  
@nycibo



info@ibo.nyc.gov



www.ibo.nyc.gov