

Developer a winner in casino deal

Senate action would give him a bigger stake in Catskills resort's revenue than current law allows

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ALBANY -- The Paterson administration and the Legislature have worked out a three-way deal for a Catskills developer to build a \$1 billion resort with 2,000 employees, a racetrack, video slots and hotel, according to Senate Majority Leader Joseph L. Bruno.

The deal was approved Monday by the Senate and is expected to be approved by the Assembly before it adjourns this week.

It will allow Louis Cappelli, famous for his projects in Westchester County, to move Monticello Raceway and the video lottery terminal facility at the track to his Concord property about 2.5 miles away in the town of Thompson.

The deal amends current VLT law to benefit Cappelli greatly. The Monticello operation, which is run by Empire Resorts, in which Cappelli owns a substantial stake, now receives 42 percent of the VLT revenues after payouts for prizes. If Cappelli meets certain conditions, the take for his new operation would grow to 75 percent. The state would receive either 25 percent or \$38 million, whichever is greater, for the first eight years, and more after that.

Other VLT operators now get specific percentages of net revenues from the machines as fees from the Division of Lottery.

The deal would run for 40 years. Cappelli wouldn't get anything unless he proves, based on audited financial statements provided to the state, that he has invested \$1 billion in resort improvements such as a new golf course, hotel, convention center, track and betting parlor.

Also, if he fails to achieve 2,000 jobs, his deal will be cut back based on the actual number of people on the payroll.

Senate and Assembly leaders from the Catskills hail the deal as a major economic development achievement for Sullivan County, where Native American casinos projects have been proposed but have been derailed because of federal policies on off-reservation gambling halls.

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