

TAXES AT WORK: Arts venues form pacts with casinos

John W. Barry, Poughkeepsie Journal 6:30 a.m. EDT July 25, 2014

The Bardavon 1869 Opera House in Poughkeepsie, along with Bethel Woods in Sullivan County, is working with a coalition of performing arts venues to hold off competition from casinos.



Initially threatened by looming competition from entertainment at casinos, a coalition of performing arts venues that includes the Bardavon 1869 Opera House in Poughkeepsie is now in line to share gambling revenue and hopes to have a say in which applicants land gaming deals.

Agreements that the statewide Upstate Theater Coalition for a Fair Game have struck with 10 of 16 casino applicants require the gaming hopefuls, if approved to open a casino, to distribute gambling revenue to the coalition and work with the arts venues on booking entertainers. Negotiations on the state-mandated agreements are continuing.

Chris Silva, executive director of the Bardavon, which owns the Broadway Theater at Ulster Performing Arts Center in Kingston, said without agreements, competing with casinos for entertainers and audiences could prove fatal. He said Shea's Performing Arts Center in Buffalo, also a member of the coalition, attributes a 25 percent drop in business to competition from nearby casinos.

(Photo: Gannett News Service, Todd Plitt/USA TODAY/File)



The New York Philharmonic performs at Bethel Woods Center for the Arts, on the Woodstock site in Sullivan County, on June 28, 2008. (Photo: courtesy photo/Chris Lee)

"If you don't have a relationship with them, they're not going to pay any attention to you," Silva said.

The deals are set to pump cash into a regional arts community that helps drive the local economy and boost not-for-profit organizations that generate tax revenue, provide jobs and attract audiences that spend money before and after events at restaurants, hotels and tourist attractions. The agreements also establish parameters on the size and scope of casino entertainment plans and include joint booking agreements that guarantee access to touring performers for the casinos and coalition members.

Voters in November authorized up to seven private casinos in New York, with the first four to be built in the Southern Tier, the Albany area and the Catskills/Hudson Valley region. Gov. Andrew Cuomo touted the proposal as a way to boost the upstate economy. The most sought-after area for the casinos is in the Catskills/Hudson Valley area. Eight of the 16 bidders are from the region, which is the favorite to land two of the licenses.

Casino applicants, said Anthony Garitta of the City of Poughkeepsie, "should pay attention to the Bardavon and places like the Bardavon. They shouldn't have their own way with everything."

According to a new study from the Center for Research, Regional Education and Outreach at SUNY New Paltz, arts organizations in Dutchess, Orange,

Putnam, Rockland, Sullivan, Ulster and Westchester counties generate nearly a half-billion dollars in economic activity and are linked to nearly 5,000 jobs.

Under the agreements, casinos will share gambling revenue with the coalition. Amounts will vary by casino and region. Of the distributed gambling revenue, 85 percent will remain in the region where the casino is located, with 15 percent going to the Fair Game coalition. Of the 85 percent that remains in our region, 70 percent will be split by the Bardavon and coalition member Bethel Woods Center for the Arts, on the Woodstock site in Sullivan County. Bethel Woods and the Bardavon will distribute the remaining 15 percent to local arts organizations.

"We can all coexist together," said Michael Smith, vice-president of community relations for the Nevele Casino and Resort in Wawarsing, a former resort that is vying to open a casino and has signed an agreement with the coalition. "We don't want to drive out the wonderful work of Bethel Woods and the Bardavon and UPAC up in Kingston."

Silva said the coalition plans to alert the state to those applicants who fail to reach agreements with the performing arts centers, with hopes of weighing in on who receives approval to open a casino. **Silva said Connecticut-based Mohegan Sun refuses to come to any financial agreement. When told of Silva's assessment of Mohegan Sun's stance in negotiations, Mitchell Etes, chief executive officer of Mohegan Tribal Gaming Authority, said, "You could look at things one way or the other. It could be us or them."**

Etes said Mohegan Sun has a solid track record of working with outside entertainment venues and cited a financial agreement the casino has finalized with the Mid-Hudson Civic Center in Poughkeepsie, which operates the Sugar Loaf Performing Arts Center in Orange County. Mohegan Sun hopes to open a casino in Sullivan County.

"I like to think we always seem to have a way of working these issues out as a company," Etes said. "I hope over time we can do that."

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BY THE NUMBERS

\$500 million: Economic impact of the arts in Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester counties.

\$20 million-\$70 million: The license fee to open one of four upstate casinos.

\$1 million: The fee submitted by casino bidders to the state Gaming Commission.

5,000: Number of jobs created by the arts in Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester counties.

Visit www.poughkeepsiejournal.com to watch a video report on casinos.

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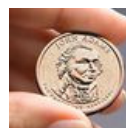
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