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**GOVERNOR, SENECA REACH PACT ON BUFFALO, NIAGARA FALLS CASINOS
Facilities to Provide Major Boost to Western New York Economy**

As part of his continuing effort to create jobs and opportunities in Western New York, Governor George E. Pataki today announced an agreement with the Seneca Nation for the opening of two Class III casinos, one in Buffalo and a second at the Niagara Falls Convention Center.

The casinos would boost economic activity in Western New York by providing real competition with similar facilities in Niagara Falls, Ontario, which has seen tremendous redevelopment spurred by the construction of casinos.

"These casinos will provide a major boost to the economy of Western New York by allowing us to compete with our Canadian neighbors, bringing thousands of new jobs to the region while encouraging private-sector investment from around the world," Governor Pataki said.

"These facilities—coupled with our tax cuts to promote economic growth and our smart investments to attract high-tech jobs—represent a major step forward in our continuing effort to renew Western New York's economy," the Governor said. "I look forward to working in partnership with our local governments, and to continuing to build a relationship based on mutual respect with the Seneca Nation, as we implement this historic agreement."

The Niagara Falls casino is expected to be opened by April 2002, pending approval of authorizing legislation by the State Legislature and the signing of a compact agreement between the State and the Nation. The Buffalo casino, at a location to be determined by the Nation, is expected to open by the end of 2002.

In addition to action by the State Legislature, the Nation must complete a three-step approval process culminating with a national referendum that is expected to be completed by the end of July. The Nation today took the first step in that process by giving preliminary approval to the agreement. The second step, authorizing the referendum, is expected to be completed within a week.

Cyrus Schindler, President of the Seneca Nation, said, "It's been a long and difficult process. We're thrilled to finally achieve success on a project that will have great economic benefits for the Nation and for the region. Although difficult, I greatly appreciate the cooperative spirit that the State demonstrated throughout these negotiations. I particularly appreciate the respect shown by Governor Pataki for the Nation's sovereignty in all aspects. We look forward to participating in a cooperative economic partnership that will provide great jobs for generations to come."

Under the terms of the 14-year agreement, with a seven-year renewal, the State would receive a portion of the proceeds from electronic gaming devices, including slot machines, based on the net

drop of such machines. The net drop is the money dropped into the machines after payout but before expenses. The State would receive a portion of the proceeds on a sliding scale of 18 percent for the first four years, 22 percent for years 5 to 7, and 25 percent for the remainder of the agreement.

To implement the agreement, the Governor will propose legislation to the State Legislature authorizing him to enter into the compact, as well as legislation allowing the use of slot machines in the casinos. The casinos would also be authorized to use those games already authorized in compacts with the Mohawk and Oneida nations.

Following passage of the legislation, the Governor would enter into a compact agreement with the Nation, which then must receive approval from the federal Department of Interior. In addition, the Nation must receive approval from the Interior Secretary to take the land where the casinos are located into trust, making them Indian lands.

Immediately upon signing that compact, the Nation for \$1 a year would take control of the Niagara Falls Convention Center and begin renovating the facility for transformation into a casino. Once a permanent casino, which would include adjacent lands the Nation purchases, is operational, the Nation will pay off the balance of the convention center debt that was outstanding as of April 1, 2002.

The Nation also expect to select a site in Buffalo in the near future for location of a facility in the City. The agreement also would allow the Nation to open a third casino in the future on existing reservation lands, subject to terms of the compact.

Senator George Maziarz said, "This is great news for Niagara Falls. This long-awaited casino will provide new jobs, new tourist opportunities and put is on level playing field with Niagara Falls, Ontario."

Assemblywoman Francine DelMonte said, "I am encouraged by what this agreement will mean for the people of Niagara Falls and throughout Western New York. The casino we are announcing today means more tourism for our city and region, more jobs and a stronger economy."

The agreement also provides that the State will share a portion of its revenue with host municipal governments to offset any costs associated with the casinos and the economic activity they are expected to trigger.

The agreement also calls for creation of a screening process that will include criminal background checks of prospective employees to protect the integrity of the casinos.

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