

Senecas did their homework in choosing casino site

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Associated Press The Seneca Nation plans to purchase a site near the airport to develop a casino and resort.

The Seneca Nation seems to be facing daily threats over our selection of a Cheektowaga site for our Erie County casino. While we have tried to take the high road and disregard these attacks, the recent flurry of distortions forces me to set the record straight.

Let me begin by stressing that the need for the nation to develop a successful facility has driven every decision we have made. The gaming market has become increasingly competitive, and we cannot afford to invest hundreds of millions of dollars without a clear understanding of the return.

After our gaming compact was approved in May 2002, the nation began reviewing potential sites. Guidance was provided by Gov. George Pataki's Task Force on Casino Gambling, which concluded that employment would result only if the facilities were developed as resorts. The report warned that stand-alone operations would lead to a net loss of jobs.

Our own research confirmed that the best way to attract visitors was to provide a product that could compete with venues such as Turning Stone, which offers lodging, entertainment and recreational amenities. A stand-alone operation in downtown Buffalo would primarily serve locals and simply reshuffle existing jobs within the economy.

The nation's site analysis indicated that the Outer Harbor offered the best chance for a successful facility in Buffalo, and we initially pursued this option. Unfortunately, the mayor's insistence on a downtown location, coupled with the NFTA's refusal to engage in negotiations, forced us to remove this site from consideration.

While we renewed the site selection process, the mayor sent a letter demanding that we enter into a separate development agreement with the city, emphasizing that the facility be located downtown. Also included were a number of requirements beyond those contained in our compact with the state, such as additional payments directly to the city, input on hiring practices, and approval over the design of the facility - widely known to be targeted for the crumbling Statler Towers.

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Despite these unwarranted demands, we continued to study the strengths and weaknesses of city sites. With the waterfront off the table, the nation hired a gaming consultant to assess our remaining options. After reviewing the compact, the consultant insisted on including revenue projections for locations outside the city, and the final report concluded that the eastern suburbs would be best positioned to compete for markets beyond Western New York.

Although downtown Buffalo was not recommended by the consultant, the nation made an effort to achieve a win-win for everyone. We felt if we could obtain the outdated and underutilized Convention Center for a nominal cost - as in Niagara Falls - we could get in quickly and inexpensively, and use those savings to offset the less desirable market conditions. But the county decided against turning over this facility, and we accepted and respected their decision.

With the rejection of our two preferred city sites, we shifted attention to the suburban location recommended by the consultant. Curiously, it was only after we expressed interest in Cheektowaga that both the city and county began offering alternatives - but by this point, it was too little, too late.

The mayor and county executive seemed to believe that we were either bluffing or using Cheektowaga as a negotiating tactic. In fact, our decision was based on market data outlined in two independent studies. The viable city sites had been rejected, and we decided to move forward with the location that made the most business sense. Since the largest underserved markets are to the east - in Rochester and Syracuse - a facility sited to draw these customers will provide the greatest benefits for the region.

Figures from market studies completed over the past five years clearly indicate the relative strengths of different locations. The most recent report indicates that a facility in eastern Erie County would generate \$37 million in revenue sharing for the state in its first year, and \$644 million over the 14-year term of the compact.

By comparison, a downtown Buffalo operation would provide \$23 million to the state in its first year, and approximately \$411 million over the course of the compact. The issue that needs to be considered is whether New York can afford to pass up over \$230 million, and Erie County nearly \$60 million, on the vague promise of spin-off developments that have never occurred anywhere else with stand-alone casinos downtown.

It confuses me why certain politicians and business interests can see this only as a case of one community winning and another losing. With the best location, everyone wins - the state, the region and the Seneca Nation. The much larger revenues generated by a facility in Cheektowaga should permit some form of sharing that includes the City of Buffalo. Yet the recent threats by the mayor and county executive to prevent us from locating in Cheektowaga clearly show a lack of respect for the time and effort we have invested in this process. The city and county have always attempted to dictate terms - where we would locate and what we would build - but this isn't how a partnership works.

Our compact is with New York State, and we have followed it to the letter, just as we do with all treaties and agreements. We have never gone back on our word, and to accuse us of doing so now is the worst insult imaginable, one that every Seneca - regardless of their position on this issue - finds personally reprehensible.

The current attempt to prevent us from making a sound investment in a stagnant economy shows just how out of touch local politicians remain. This is no way to do business, and we've always recognized that this has to be seen as a business decision if it's going to be successful for the Seneca Nation and Western New York.

Both our supporters and opponents should understand that any investment involving millions of dollars has to be conditioned on the market. The nation cannot be forced into a poor location that places our assets at risk, since our facility must ultimately serve the market rather than dictate to it. We have always respected the decisions

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made by others, and ask only to be extended the same courtesy.

Selecting an Erie County site has at times been frustrating, and we still have a way to go to bring our visions to reality. But we are eager to see our plans unfold, and to make sure that all of Western New York benefits from our efforts.

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