

STORY TOOLS

- » [E-MAIL STORY TO A FRIEND](#)
- » [PRINT-FRIENDLY VERSION](#)

OTHER STORIES

- » [SUNY proposes graduate tuition hike](#)
- » [Hevesi eyes shift after trip overseas](#)
- » [Convention center plan backed](#)
- » [A break in the inaction](#)

Deal likely on two casinos

Albany -- Governor, tribe set to propose Rochester, Cayuga Lake sites

By **JAMES M. ODATO**, Capitol bureau
First published: Saturday, June 19, 2004

The Pataki administration and an Oklahoma tribe are on the verge of a deal for a tribal casino in downtown Rochester and a smaller gambling house on Cayuga Lake, according to two sources close to the negotiations.

A bill from Gov. George Pataki is expected as soon as next week outlining the deal with the Seneca-Cayuga Tribe, the sources said.

The proposal would ask the Legislature to expand gambling even more than it authorized in 2001, when it allowed the governor to enter into deals for six tribal casinos -- three in the Buffalo/Niagara Falls area and three in the Catskills counties of Ulster or Sullivan. That legislation has been challenged in court.

The agreement with the Seneca-Cayuga follows a deal struck two weeks ago between the state and another tribe, the Cayuga. The earlier deal would allow a Cayuga casino in the Catskills, at Monticello Raceway in Sullivan County.

The two deals also tie up a major loose end by getting both tribes to settle a joint \$247.9 million land claim judgment.

Both deals come at a time when the state needs new revenue to help pay perhaps billions of dollars more in education aid to satisfy a court order to fix the school funding formula. The state would get a share of revenues from both the Rochester and Catskill casinos.

Bills on the deals will likely be laid before the Assembly and Senate next week before the Legislature's scheduled end of session, according to two sources.

Seneca-Cayuga Chief Leroy Howard acknowledged Friday that a deal is "close." He said he could not discuss terms at this time.

"I'm only hearing rumblings of things happening. I haven't seen a bill. If this thing happens, the governor could send us a bill Tuesday," said Assemblyman David Koon, D-Fairport.

A spokesman for Pataki said the state won't discuss negotiations with the Seneca-Cayuga. He did say the agreement with the Cayuga is being drafted into bill form.

The Monticello casino -- relatively close to New York City -- is expected to be a major revenue producer for the state, the Cayuga and its partner Empire Resorts,

FEATURED ADVERTISER

2001 TOYOTA AVALON XL



Stk#10305A. Certified, Auto, Air, Cruise, Full Power, ABS, CD/Cass, Remote starter, 44,200 mi.
518-793-5611
Tax, title, reg extra

[- Learn more -](#)

Click
below
for
June

L
O
V
E
D

Ke
Ho

Blue bar

Ke

CA
OL

» A
» A

which owns the track. The state would get a cut of slot machine revenues from the casino. It would cost about \$500 million to \$700 million and take 18 months to build, according to company officials.

The state would also get a percentage of the slot machines installed in the Rochester casino, planned at the former Sibley Department Store. The site is owned by Tom Wilmot Sr., a mall developer and partner of Seneca-Cayuga on economic development projects in New York.

Two sources close to the deal said it assures the Oklahoma tribe some of a \$247.9 million land claim judgment awarded by a federal judge and under appeal by the state. Under the judgment, the state would pay the sum to the Cayuga over 14 years. The tribe would also be allowed to acquire up to 10,000 acres in Seneca and Cayuga counties along the northern tip of Cayuga Lake.

The deal is not without potential complications. Among them:

Besides legislative approval, the federal government must approve the plan.

The Cayuga don't want the Seneca-Cayuga in the claim territory, and will pay the tribe no more than 5 percent of the judgment, said Martin Gold, lawyer for the New York tribe. The Seneca-Cayuga, however, has suggested 37 percent, one source said. The deal with the Seneca-Cayuga would set up a mediation process if the Cayuga fails to give the Oklahoma tribe what it believes is a fair share.

While the Cayuga would be able to obtain land on Cayuga lake, the Seneca-Cayuga plans to use a site it previously acquired along the lake to build a gambling hall with electronic bingo and keno machines. Cayuga County had sued to block construction of the facility, a Class 2 casino, which, unlike a full-fledged Class 3 casino, doesn't require a gaming compact with the state. Both deals offers the county in-lieu-of-tax payments.

The Seneca Indian Nation, which already has two casinos up and running in western New York and is proposing a third in Erie County, objects to a Rochester casino because it would infringe on its exclusive operation of slot machines within a region covering most of western New York. A state deal with the Seneca requires the tribe to share slot machine revenues with the state -- good for \$30 million to \$50 million a year -- as long as the tribe retains that exclusivity.

"The city of Rochester is clearly in the middle of the zone of exclusivity," said Donald Pongrace, a lawyer for Akin Gump, the Senecas' firm.

The Seneca-Cayuga, however, is proposing machines similar to the one-armed bandits, but not bona fide slot machines.

■ OTHER STORIES

- » [SUNY proposes graduate tuition hike](#)
- » [Hevesi eyes shift after trip overseas](#)
- » [Convention center plan backed](#)
- » [A break in the inaction](#)

[back to top](#) | [e-mail story to friend](#) | [print-friendly version](#)

Save 50% on home delivery

Get an introductory rate of 50% off home delivery when you subscribe to the Times Union newspaper using our Easy Pay plan.

All Times Union materials copyright 1996-2004, Capital Newspapers Division of The Hearst Corporation, Albany, N.Y.

[CONTACT US](#) | [HOW TO ADVERTISE](#) | [PRIVACY](#) | [FULL COPYRIGHT](#) | [CLASSROOM ENRICHMENT](#)