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EXCLUSIVE REPORTS

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Stakes remain high for second casino

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Business First

Rickey Armstrong, president of the Seneca Nation of Indians, says his tribe is holding an aces-high, full house in the high-stakes poker game that will determine where a casino will open in Erie County.

Local leaders, however, are willing to call his bluff.

And so it goes as the controversy continues over where the Seneca Nation will open its Erie County casino, one that is allowed by a compact they negotiated with New York state last year.

"You've certainly got a quagmire up there," said William Thompson, a University of Nevada - Las Vegas public administration professor and gaming industry expert. "It sounds to me like some creativity just might be in order."

A new chapter in the controversy opened on July 24 when the Seneca Nation's tribal council, acting on a recommendation from its own gaming committee, voted to open its second casino in Cheektowaga. The Senecas opened their first casino on New's Year eve in the former Niagara Falls Convention Center.

A compact with the state mandates that a second will open in Buffalo, unless a suitable site in the city can't be found and then suburban Erie County options can be considered.

"We're in direct control of what we're doing," Armstrong said.

In June, the Senecas proposed opening a casino the Buffalo Convention Center. That plan was quickly taken off the table when officials said taking over the convention center would kill the local convention business.

The Senecas reviewed other options before selecting Cheektowaga as their newly preferred site. Details of the Cheektowaga proposal, including an

exact location, were on the agenda of July 31 meeting.

The July 24 decision set off another firestorm of controversy, with Erie County Executive Joel Giambra and Buffalo Mayor Anthony Masiello urging the Senecas to reconsider other downtown or Lake Erie waterfront parcels. Masiello and Giambra went to Albany on July 29 to take with Pataki about the casino issue and their desire to see the venue in Buffalo.

The federal Bureau of Indian Affairs must approve any Seneca proposal, but they will be looking to Pataki and local leaders before they make their ruling.

For Buffalo the stakes are high. The cash-starved city is looking at the casino as a way to help fill its empty coffers and add to its critical mass of entertainment options.

Niagara Falls is expected to receive about \$9 million in casino-related payments, based on its 6.25 percent share of the venue's take.

Masiello said in Buffalo that figure could be as much as \$15 million.

Masiello, on July 30, said he was attempting to reach Armstrong to set up a new meeting.

"I still believe a casino in Buffalo has a lot of merit," Masiello said. "A casino that attracts 3 million or 4 million people into downtown is going to give us some immediate impact."

While Armstrong said he'd like to get started on the casino process as quickly as possible, political pressure from the likes of Giambra and Masiello are likely to delay - and possibly kill off any suburban location.

That would put everyone back at square one.

Thompson, for one, thinks given the controversy that might not be such a bad thing.

"Maybe it's good in this case that things aren't happening so quickly," he said. "Maybe all this will allow people to think things through."

Giambra has concerns.

The county executive hasn't entirely backed away from his notion that a second Seneca casino might serve everyone better if it were in Niagara Falls as a companion to the already successful Seneca Niagara Casino.

Giambra feels for a local casino to be considered a success, it must draw new dollars into the community and not reshuffle already existing entertainment-related expenditures.

"If we're talking about a casino that would only cater to local customers, then, I think that's a disaster," Giambra said. "If we can do something that will

benefit the region and bring in more dollars, then it's an option we have to consider."

Armstrong says that's not the case.

The Seneca Nation president said the casino, which would have about 100,000 square feet of gaming space plus an adjoining hotel, would create thousands of jobs.

Seneca Niagara Casino, for instance, employs more than 2,000 people and will finish its first year with a projected \$60 million payroll. The casino also spends about \$14.3 million on related goods and services in the community.

Armstrong said an Erie County casino will have the same impact.

An economic impact study, released on July 29 by the Senecas, shows that a casino in eastern portion of Erie County would generate \$304 million in estimated annual gaming dollars while one on Buffalo's waterfront would generate \$226 million in annual revenues.

"We have a lot to offer and yet, we're being treated like outsiders," Armstrong said. "We wanted to help the economic climate of the city."

The decision goes beyond that, Masiello said.

Putting a casino in the suburbs, he believes, would be yet another urban planning mistake - right up there with building Ralph Wilson Stadium in Orchard Park instead of downtown Buffalo or putting the University at Buffalo campus in Amherst rather than in Buffalo.

"We keep diluting the impact of these huge investments by putting them in the wrong place," Masiello said. "We've got to stop that."

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