



City casino idea gaining weight

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Staff Writer

(February 1, 2004) — Is a casino in downtown Rochester's future?

After years of gossip, serious talks are under way about the possibility of East Main Street, particularly the Sibley Building or Midtown Plaza, blossoming with a sea of one-armed bandits.

The discussions come as governments increasingly look to gambling for new revenue and as a Rochester mall magnate continues to work with Indian tribes to build a casino in New York.

It also comes as local leaders make the rejuvenation of downtown a top priority and prepare for daily ferry service between Rochester and Toronto starting May 1. A downtown casino, some leaders say, could fuel the projects' long-term success.

But a downtown casino would face years of bureaucratic hurdles, loads of opposition — including from the mayor — and major questions about its economic and social impact.

"That particular solution comes with a lot of baggage," said Heidi Zimmer-Meyer, president of the Rochester Downtown Development Corp. "We should go into it with our eyes wide open."

Yet for supporters, there might never be a better time to pursue it.

A once-wary state now seems to embrace the popularity and moneymaking ability of gambling, spurred by Gov. George Pataki's call last month for an expansion of gambling for the second time in less than three years.

The local economy needs an infusion of cash and jobs. Rochester schools face a \$50 million to \$65 million deficit; city government has a \$38.1 million budget gap.

Rochester will soon be sandwiched by gambling. To the east, slot machinelike video lottery terminals will open this month at Finger Lakes Gaming and Racetrack in Ontario County. The Turning Stone Casino near Syracuse continues to expand, reportedly raking in a \$180 million profit in 2002.

To the west, Batavia Downs Race Track plans to have video lottery

terminals by July, and the Seneca Niagara Casino in Niagara Falls made \$4 billion in 2003, its first year of operation. The state got a \$38 million cut, including \$9.5 million for Niagara County.

Between Seneca Niagara and the Turning Stone, about 9 to 13 percent of its customers come from the Rochester area — nearly 500,000 people a year, the two casinos estimate.

If Rochester stays on the sidelines, it will continue to watch residents gamble their money away elsewhere, some business leaders warn.

“This community recognizes lotteries and that the interest in gaming is an economic generator. And if we don’t try to aggressively stake out positions related to that field, we will lose a lot of income,” Thomas Mooney, chief executive of the Rochester Business Alliance, said in a recent interview.

What needs to happen

The big question is whether a Rochester casino is any more realistic than trying to draw Lucky 777s on a slot machine.

The state outlaws casino-type gambling — except for six full-fledged casinos on Native American land or eight racetracks approved to have VLTs.

The Native American casinos are designated for the Buffalo area and the Catskills. Of those, the Seneca Niagara casino is the only one to open.

Pataki proposes up to eight more venues exclusively for VLTs, five of which would be in New York City.

But the real push in Rochester seems to be for a traditional casino with slots and table games.

To do that, a casino would need a state compact and a state law for a Native American tribe to own and operate a downtown casino.

Enter Thomas C. Wilmot, chairman of the Rochester-based mall development company Wilmorite Inc.

Two Wilmorite subsidiaries own the partly vacant Sibley Building on East Main Street, and Wilmot has talked for years about putting a casino there.

But Wilmot’s push appears to be more vigorous as the mood toward gambling has softened. Additionally, the city in July sued to recover \$11.5 million in delinquent taxes, loans and late fees owed on the 1.1 million-square-foot building.

Wilmot has bankrolled Native American tribes around the country in hopes of scoring a casino deal. In recent years, he's spent millions for exclusive economic development rights in New York with the Oklahoma-based Seneca-Cayuga Tribe.

The tribe is embroiled in legal fights involving land claims and plans to build a \$25 million high-stakes bingo hall in the Finger Lakes town of Aurelius.

If the land claim is successful, Wilmot could try to leverage a settlement for Native American land in downtown Rochester, according to interviews with more than a dozen political and community leaders.

A casino would be eyed for the Sibley Building or the half-empty Midtown Plaza across the street, political leaders said. Wilmot has also been pushing for a casino in the Catskills.

Wilmot, a Democrat, has political clout and money. He's contributed hundreds of thousands of dollars to election campaigns in both parties. Wilmorite, for example, gave at least \$11,000 to Maggie Brooks' successful run for Monroe County executive last year.

Wilmorite, which is also fighting a megamall project in Syracuse, a year ago hired a lobbying firm — that includes former state Attorney General Dennis Vacco — for \$10,000 a month.

Wilmot and Seneca-Cayuga Chief LeRoy Howard declined comment last week.

Midtown developer Lawrence Cohen said it's not now part of their strategy to revitalize the property. "We're focusing on retaining existing tenants and on attracting new office and retail tenants," he said. "If, in fact, a casino becomes a reality, it could be considered at that point in time."

Doability considered

Brooks said Wilmot outlined his plans to her soon after she was elected in November. Brooks is leading the push for the newly minted Renaissance Square, a more than \$150 million project on East Main Street that would link construction of a bus terminal, performing arts center and a Monroe Community College downtown campus.

Sibley's and Midtown Plaza are adjacent to the project. The Sibley Building houses MCC's downtown campus, meaning an even bigger hole in that building if the college moves. Also, the performing arts center was originally planned for Midtown.

So with those buildings apparently losing out to Renaissance Square,

this might open the door for a casino to slide in, some believe.

“In a perfect world, I could see a reasonably sized casino fitting in with everything that we’ve done,” said state Sen. James Alesi, R-Perinton.

Sen. Joseph Robach, R-Greece, added that a casino could create hundreds of jobs, something desperately needed in the Rochester area. The Seneca Niagara casino has a \$50 million payroll and 2,000 workers.

“If there is something that is deemed doable in terms of further development, I feel obligated to take a further look at it,” he said.

Brooks, a Republican, said she has yet to form an opinion on the casino idea. Yet she asked people to keep an open mind.

“I think people are very willing to discuss things that we might not have ever talked about before,” she said.

But Rochester Mayor William A. Johnson Jr. and neighborhood leaders are set against it.

Johnson said little proof exists that casinos bring economic windfalls. The Seneca Niagara Casino, for instance, hasn’t yet sparked major community benefits.

“We’ve been watching this very carefully, and we have not seen where they produce any substantial benefit to the place where they are located,” Johnson said.

A casino would lead to increased gambling largely by people least able to afford it, producing an overall decline in the community, Johnson said. And lastly, he said, “I’m not interested in having a sovereign nation in the heart of downtown.”

When the Democratic mayor was in Albany last week lobbying for state aid, he said Senate Republican Majority Leader Joseph Bruno casually asked him if he’d be interested in a casino.

Johnson said no.

Others agree with him, saying Rochester has so many wonderful attractions that it doesn’t need a casino.

“I just think it brings and attracts an element of downtown that is not conducive to an arts center, to the Eastman Theatre and the Eastman School and the Strong Museum,” said John Lovenheim, co-chairman of Sector 5, a neighborhood-based planning group.

“If they want to do something with Sibley’s, why don’t they turn it into an aquarium?”

Without Johnson’s backing, a casino may not get far. The two top members of Rochester’s state delegation — Assemblyman David Gantt, D-Rochester, and state Sen. Michael Nozzolio, R-Fayette, Seneca County — said last week that if local leaders and the community don’t want it, they won’t pursue it.

“It has to be locally driven,” Nozzolio said.

But Johnson warns he won’t be mayor forever. His term ends at the end of 2005, and he has said that he won’t seek re-election.

So the next mayor could lead a push for it. Yet Johnson said one good thing may come from all the recent casino talk.

“The potential upside is that people are focused on solutions for downtown,” Johnson said. “It’s not all bad.”

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