

NIAGARA FALLS — It sounded to some like Gov. David Paterson was ready to come to Niagara Falls and shut down the city's tribally owned casino last week.

Not a chance.

Paterson's lawyer did tell leaders of the Seneca Nation of Indians that the governor's office considers the nation in violation of the Class III compact covering gaming operations in Western New York

and, yes, the attorney's letter did say the state planned to terminate the deal.

Let's be clear, compact or no compact, it would take an army to close down the casino in Niagara Falls.

Perhaps an army of state troopers would be more appropriate in this case.

Don't expect the Senecas to give up on their downtown casino and move on to some other venture anytime soon.

It's just not a practical thought.

The state pushed the federal government to clear the way for the nation to obtain the property it needed for Seneca Niagara Casino. The move rendered a portion of downtown Niagara Falls as sovereign property similar to the land owned by the nation in its Cattaraugus and Allegany territories. It is their land to keep.

There were those who predicted this whole relationship between the state and the nation who questioned the wisdom of the land transaction that made the casino arrangement possible.

The apprehension had a good deal to do with the not-so-cozy history the two parties have enjoyed over the years.

Remember the Grand Island land claims controversy?

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Continued from page 1A

Tempers flared over cigarette taxation, simmered down and have now flared again.

There are numerous not so pretty examples of what can happen when the state and the nation find it difficult to find common ground.

What's sad about the casino mess is that this one relationship that seemed to be working out pretty well for both parties.

Until recently, there were only a few hiccups, nothing so glaring as to stop the flow of casino cash for long periods of time. For the most part, the process worked. The nation collected the money. The nation distributed the money to the state. The state gave the appropriate portions to the host communities like Niagara Falls. Those communities used the money for various public improvement projects and functions. The cash didn't always arrive on time, but overall it got where it needed to go and was used as it was intended.

That all started to change in January when the nation stopped making payments believing that the state had violated the nation's exclusivity agreement by allowing gaming devices to be installed at state-run racetrack casinos in Western New York. Paterson maintains that withholding the payments violates the terms of the compact.

The clash appears headed for arbitration.

Knowing what we know about past disputes between the state and the nation, additional court action wouldn't come as a surprise. With a sovereign nation involved, there is potential for unique rights and privileges to be invoked here.

Best-case scenario: Cooler heads prevail, a deal gets done and Niagara Falls keeps getting money to pave roads and sponsor concerts and support other projects that lead to improvements in the city.

If you think Niagara Falls has it bad today, think back to the time before the advent of casino-revenue sharing.

I was there. It didn't make for a pretty financial picture.

There's one thing of which I'm fairly certain: Odds are Seneca Niagara Casino isn't going anywhere anytime soon.

Fire chief update

The search for the city's next fire chief continues.

Mayor Paul Dyster said following last week's meeting of the city council that the administration has narrowed down the search for former chief William MackKay's replacement to one individual who was in the process of undergoing the health examinations needed to be considered for the job.

Dyster said he expects the process to be completed soon and hopes to be able to present the

candidate to the council and the public later this month.

### Budget hearings

The city council will start its work on the mayor's proposed 2011 municipal budget this week. The council's first budget meeting with department heads is scheduled to begin at 4 p.m. Thursday inside council chambers. The first round of budget talks will involve the police, human resources, planning, economic development and management information systems departments.

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