

Buffalo helps guide city casino talks

Written by Administrator

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City officials are considering a casino for downtown Rochester. (Photo: AP file)

Expect strong opposition to a downtown casino, embrace the debate, negotiate for local hiring preferences and revenue, but don't discount the jobs and economic impact such a development can offer.

That is, in a nutshell, the advice Buffalo Mayor Byron Brown said he offered Rochester Mayor Lovely Warren and her administration as they investigate the potential of a Seneca Nation of Indians casino at Midtown.

If plans move forward, and the city plays its cards right, Rochester could get money for area traffic and pedestrian upgrades, for marketing, policing, and commitments to hire local residents, minorities and women. Buffalo got all that, Brown said, and more.

"I don't really see the location being a problem at all," he said in an interview. "All of that can be managed. It would be the same as any large-scale facility in a downtown area. ... All the issues have to be planned for. They have to be negotiated."

The idea in Rochester, being floated by developer Robert Morgan, is that the Senecas would build and operate a combined casino-performing arts center on East Main Street. There is yet no formal proposal for the project. The basics are these: A four- or five-story, \$70 million to \$100 million facility on Midtown's central parcel with a 3,000-seat theater on the upper floors, the casino (offering video gaming only, no table games) on the first two floors, parking underneath and the promise of 500 jobs.

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Warren sought Brown's input, given his experience with the Seneca Buffalo Creek Casino in his city's downtown area. Leaders of the two cities have spent "significant time" discussing the matter, Brown said. One significant difference in Buffalo is that Buffalo Creek is a full-fledged casino, operating under a state compact requiring that the city get a percentage of slot machine revenue. Brown said that translates to between \$4 million and \$7 million annually.

Just what process, laws and oversight come into play is among the questions local leaders are asking. Others include:

- How will the community be involved in any debate? If the project moves forward, the city would take the lead, and it appears there is no role for Monroe County, a county spokesman said.

- What is the process and what are the implications for public property becoming sovereign land? The land would not just be free of city regulation but also not subject to property taxes. So what leverage does the city have over scale and design, and how does the city recoup costs for services, be it people or street sweeping, that could be expected for such a heavily used facility?

- How real are those 500 jobs, and what preferences might there be for city residents to get hired?

"I think the key message is, it's very early days," said Heidi Zimmer-Meyer, president of Rochester Downtown Development Corp. "We don't know enough about the process and the relationships that can be developed ... we don't even know what we are dealing with completely yet."

Buffalo has been working with the Senecas for a decade. The city sold a street to the Seneca Nation for \$631,000. Part of the agreement, Brown said, was that the Senecas would, in turn, provide between \$5 million and \$7 million worth of infrastructure improvements in the area. To date, there has been about \$5 million in upgrades to the perimeter area, from paving to sidewalks, and improving the street entrance.

The plan was to build a \$125 million casino. The Senecas ended up spending \$130 million, opening the current casino six years ago. A \$40 million expansion is underway. The Senecas also committed to \$1.7 million annually to market the casino, in conjunction with the city and local tourism office, outside of Buffalo and Western New York. The total investment has been closer to \$3 million, Brown said. The three parties meet monthly to plan and coordinate efforts.

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On jobs, the Senecas promised 1,000 employees in Buffalo. The reality has been about 482 employees, and roughly half are city residents. But Brown said the expansion should bring total employment to 800, not including 440 construction jobs. The city negotiated that 50 percent of the jobs go to Buffalo residents. To date, city residents fill 46 percent of positions. Other staffing goals were to have 25 percent minority hires (they hit 46 percent, including Senecas) and 8 percent women (they hit 48 percent), Brown said.

"I'm very much concerned about employment, given the state of our economy and the levels of concern," said Rochester City Council President Loretta Scott.

She had opposed a 2004 casino proposal by mall magnate Thomas Wilmot, who wanted to put a downtown casino at the Sibley Building with the Seneca-Cayuga Tribe of Oklahoma. That proposal, and other urban casinos around the country at the time, were huge, she said, and had not delivered on economic promises. And now? "Frankly, I'm excited about the prospect of looking at this."

But while the casino helps with job growth, Erie County Executive Mark Poloncarz told [The Buffalo News](#)

, "Beyond that, I'm not exactly certain it's providing that much more of a benefit to our region." The county receives no tax revenue from the Senecas. And Sam Magavern, co-director of the Partnership for the Public Good, was critical of the casino's proximity to poor neighborhoods, claiming Buffalo Creek draws mainly local residents and telling

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: "Every dollar spent at a casino is a dollar that would otherwise have been spent at another business."

Brown's response: "People who are low income have every right to what they are going to do with their money as people of upper income have." He was a member of the New York state Senate when the casino debate began in Buffalo. But he said the debate — which "was a very important debate for all parties to hear" — helped guide negotiations. He points specifically to the marketing outside the area, aiming to bring people into the area to fill hotels, eat at restaurants, and shop.

The Seneca Nation and Seneca Gaming Corp. "have honored all of their commitments ... they communicate well," Brown said, reaching out not just to City Hall but to the surrounding business and residential community. The casino is well managed, he said, and has been

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"incident free" during his tenure as mayor. Much like Rochester is seeing strong residential growth in the center city, Buffalo aims to add 2,000 residential units downtown by 2018.

When it comes to the theater component, Arnold Rothschild, chairman and acting CEO of Rochester Broadway Theatre League, said an early version of the concept would have put the casino on the upper floors. But people usually want to walk into the gaming floor, he said, and moving sets via elevator is not a problem. The 3,000-seat size is appropriate, noting it also could be used by the convention center, the Xerox Rochester International Jazz Festival and other events, and the casino could book comedy acts and concerts.

Still, Rothschild said: "In the conversations that we've had (with the city and developers) nobody has drilled down on specifics" — echoing the mayor and Morgan that these talks remain preliminary in nature.

Possibly the last serious look the Senecas took at a downtown Rochester casino was in 2010, when Robert Duffy was mayor. The location then was a former Rochester Gas and Electric property on Andrews Street, adjacent the Genesee River.

A Seneca contingent met with Duffy, members of City Council and Assembly Majority Leader Joseph Morelle, D-Irondequoit, at City Hall and walked over to the site. The idea then was for a full-fledged casino, no performing arts center. But the site had environmental issues, and the idea never progressed, Duffy said.

"There are opportunities and there are obstacles, I'm sure," said Duffy, now president and CEO of the Greater Rochester Chamber of Commerce. "The people working on this will examine it from every angle. But I give the mayor great credit for her creativity and looking at this. It's a very creative way to look to create a performing arts center, look to create jobs."

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