



10.13.05

The letter below was sent to Governor Pataki and the WNY State Delegation yesterday, advocating for specific state legislation regarding revenue sharing from a Buffalo casino.

Our members' opinions about the value of a casino in Buffalo (or anywhere else) are varied. That said, the Partnership does have a duty to fight for appropriate local revenue distribution from a Buffalo casino, if, in fact, there is going to be one. Disputes and delays occurring in Niagara Falls about the distribution of the local share of the state's revenue from the Seneca Niagara Casino, must be avoided in Buffalo/Erie County (and should have been avoided in Niagara Falls/Niagara County) – and we believe the elements proposed below will assist with that significantly.

Please feel free to contact me with your questions and comments.

Sincerely,

Andrew J. Rudnick  
President & CEO

October 12, 2005

Governor George Pataki  
Executive Chamber  
State Capital  
Albany, NY 14224

Dear Governor Pataki,

As the reality of a Seneca casino in the City of Buffalo comes closer – and while there is no consensus in the business community or in the community at large as to whether such a casino will be a good or bad thing – there is widespread agreement that the disputes and delays occurring in Niagara Falls/Niagara County, regarding the distribution of the local share of the state's revenue from the Seneca Niagara Casino, must be avoided by responsible state level action taken as quickly as possible.

In this context, the Partnership specifically proposes that there be state legislation – enacted no later than during the 2006 session – which explicitly addresses the following five points regarding the local revenue distribution from a Buffalo casino:

1. Precisely define “host locality” – if the casino is, in fact, located in the City of Buffalo, the city should be the host locality.
2. Provide “off the top” funding to the host locality for the extended public services it will be providing to (e.g. water, sewer, public safety) and because of (gambling addiction) the casino – it is our understanding that there are cost formulas in existence to determine what that amount annually should be.
3. Provide all remaining revenue for prescribed categories of economic and/or community development projects (e.g. brownfields, waterfront, cultural arts, neighborhood revitalization) – the key is for the funds to be limited to projects and not to be used for general operating support for governments or organizations.
4. Specify the entity which will receive and allocate the economic and community development project revenue (#3 above) – an existing entity (e.g. Buffalo Urban Development Corporation) is preferred, although a new one – specifically created for this function – is possible.
5. Maintain the four conditions above over the full remaining life of the NYS Seneca Nation gaming compact – annual determinations must be avoided at all cost.

To maximize the positive impact of Buffalo’s pending Seneca casino, we strongly urge you to codify the above in state legislation as quickly as possible once the new casino’s location is final. Indeed, we also suggest you consider doing so for the Seneca Niagara Casino in Niagara Falls, as important development opportunities already have been lost there, in the absence of such legislation.

We look forward to your leadership on this important matter and are prepared to provide whatever support we can to help you.

Sincerely yours,

Andrew J. Rudnick

/jev

cc: WNY State Delegation  
Anthony Masiello, Mayor of Buffalo  
Buffalo Common Council