

## STATEMENT OF POSITION

The New Millennium Group of Western New York (NMG) opposes the compact between the Seneca Nation of Indians (the Seneca Nation) and the State of New York (the State) that will authorize the creation of a casino within the City of Buffalo, New York (the City). NMG opposes the compact for the following reasons:

1. The compact was negotiated in private between the Seneca Nation and representatives of State Governor George Pataki without any input from local municipalities or their citizens. Further, there was no public review of the compact prior to presenting the agreement to the State Senate and General Assembly. Therefore, the compact was drafted and finalized without any participation from the persons it will most affect.

2. The compact will permanently remove property from the jurisdiction of the City and designates the property as sovereign Seneca Nation land. This removes the property from all local taxing, zoning and planning regulations. Therefore, it is likely that the City of Buffalo and its citizens will have little, if any, authority to govern the placement and design of a casino.

3. The Seneca Nation can choose any parcel(s) within the City as a location for a casino. Further, the compact requires the State to use all powers within its authority to acquire the parcel(s). Although no specific properties for a casino are listed in the compact, it is widely believed that such properties will be located in downtown Buffalo. This is a problem for two main reasons as follows:

a. The presence of a casino downtown is inconsistent with the City's stated revitalization goals for downtown, chief among them the development of downtown housing. It is well settled that establishment of housing is the most effective ways to revitalize downtown Buffalo. It is likely that the current progress on, and demand for, downtown housing will be significantly hampered by the presence of a casino.

b. The placement of a casino in downtown Buffalo would represent the first time land has been ceded to a native nation within a major urban center. Therefore, there is no real world evidence to suggest that the placement of a casino in downtown Buffalo would have a beneficial impact on the City and surrounding municipalities.

4. Although the State is guaranteed a percentage of the slot machine revenue, the local municipalities, namely, the City and Erie County, are not guaranteed any portion of the casino revenue. However, these municipalities will have to absorb the ancillary costs associated with items such as lost tax revenue, increased security and traffic control. This represents a poor cost-benefit relationship for the City and Erie County. Further, these are costs the City

cannot afford to absorb. Additionally, if the Seneca Nation chooses to use video lottery terminals instead of slot machines, no revenue is guaranteed to any US government jurisdiction.

5. The compact will allow the Seneca Nation to acquire land adjacent to the casino land for residential use by members of the nation. This will remove yet additional properties from the City's tax rolls, and deprive the City of further tax revenues.

6. Following completion of the terms of the 14 year compact, there is no requirement for the Nation to use the parcel as a casino. Therefore, the Seneca Nation will have unfettered discretion to use the parcel as they so choose, again, with no input from the City or its citizens.