



JOEL GIAMBRA: "WE'RE GOING TO COURT"

On Wednesday morning, April 12, Erie County Executive Joel Giambra held a press conference to pronounce his own position on a downtown Buffalo casino. He also outlined the course of action he expected the county to take in opposition to such a casino.

Here is the text of his remarks:

Good morning. I want to welcome my fellow plaintiffs.

[Also] Scot Fisher from the Righteous Babe Foundation and the Preservation Coalition, Legislator Maria Whyte and Joseph Finnerty, who is the lead attorney for the plaintiffs.

I also want to recognize Bob Kresse, representing Citizens for a Better Buffalo, which has been helping to organize the opposition to the casino.

Ladies and gentlemen: We are going to court. We are going to court to fight on behalf of our citizens, our children, our businesses and for the rule of law.

I have instructed the Erie County attorney to prepare documents by which Erie County will become a plaintiff in two lawsuits.

Erie County will join both the federal and the state lawsuits.

The legal issue at stake is the lack of an environmental impact statement. We will contend that it is a violation of local, state and federal law for the City of Buffalo, the State of New York and the federal government to ignore established law. The law requires that they perform an environmental impact study—including an economic impact study—of a tax-exempt casino complex.

The crux of the matter is the economic health of this community.

Over the past six years, my administration has invested unprecedented work and taxpayer dollars in revitalizing the Buffalo area as a tourism destination and a hospitality venue. Cultural sites, amateur athletic events and venues, Pilot Field, Ralph Wilson Stadium, our Erie Canal Harbor, new public access to the Buffalo River and the bike paths of the Outer Harbor—add this to our support of downtown development. These are the very hallmarks of our administration.

But all our investment, and the investments of many more people in the private sector, are put at risk by a tax-exempt casino-restaurant-retail complex.

Tax-paying businesses will face an impossible disadvantage if this tax-exempt casino-restaurant-retail complex ever starts operation.

Stealing restaurant and retail business from existing businesses makes no sense. It's bad for business.

The federal lawsuit gets at the heart of this issue. It questions whether land in the middle of the City of Buffalo should ever have been made into tax-exempt Indian land and whether tax-exempt casino gaming should have been allowed on it. We objected in November to these events. That objection fell on deaf ears, so we have no recourse but to go to court.

But it's more than that.

I am concerned about the economic impact on our poorest citizens. I am concerned about the message to our young people. Tom Golisano has warned that upstate New York is turning into a region of gamblers. We need to be a region of entrepreneurs. The promise of easy money is a false promise.

As our attorneys finish our documents, we will make them available to the public.

Giambra's remarks came on the heels of Buffalo Mayor Byron Brown's press release on Tuesday night, which itself came on the heels of Tom Golisano's press conference on Tuesday afternoon. It's worth noting, however, that Giambra officials alerted the media that the county executive would be making some such statement as far back as Friday, April 7. Brown's statement came apparently out of the blue.

—geoff kelly

In this case the expense vehicle was the land lease. They were paying \$1.25 million a month to lease the land. Not the buildings, just the land, in each one of the locations. It is taxable income to the recipient—if they pay taxes, but they don't pay taxes. So it's a way of getting profits out of the organization into the hands of the owners without financial penalty. It a way to make themselves not look so profitable. I would assume, I don't know for sure, but I would assume there's also some other real things hidden in the general administrative expense beyond the land lease.

Why a government would become a sponsor of gambling is way beyond me. I don't understand it. It's not the type of thing I think government should be encouraging. They're obviously doing it in two ways—by the New York State Lottery and the proliferation of these casinos.

Then when I started digging into the financial statements of the Seneca Gaming Corporation, I got really interested and involved in this issue. The last fiscal year, for the Seneca Gaming with the two casinos, after some nonrecurring expenses, their net profit and distribution to the Nation was \$135 million. That is a tremendous amount of money. They've also had the capability of building a 600-unit hotel in Niagara Falls, and I know they have other land that's been made available to them and that they own in Niagara Falls.

And then you walk down the streets of Niagara Falls and you talk to the people of Niagara Falls and you ask them, "Well, this casino was meant to be a real great economic tool. How's it helping you?" They go, "It's not helping us. It's hurting us. The convenience of the restaurants and the retail establishments, particularly when they don't have to charge sales tax, gives them a direct competitive advantage that's hard to compete with."

So somebody had to stand up and say, "This train should stop here."

I don't see why this casino has to be built in downtown Buffalo. If the governor has made a pact, I think it would be reasonable for him to consider some other locations. But for us to have so many gambling establishments so close just amazes me, and I don't think it should happen.

BJ: *The way you talk about it, this makes no economic sense for Buffalo whatsoever. Buffalo is a city on the economic margins, and to have a lot of money go away without coming back into the cycle is lousy business. Do you have any idea why you are the only major businessperson to stand up and say, "This is wrong"?*

TG: I have an idea, Bruce. I'm not sure you're going to be happy with this, but the fact is that this is a pretty divisive issue. And businessmen have a tendency to stay away from divisive issues. Particularly if they have some sort of government involvement, either as a manufacturer or supplier of goods and services to government. Or something that's regulated by government.

But I feel very strongly about this issue and nobody's ever called me shy before when it comes to get out in front of some of these things.

I just think it's that important to the community. If this casino gets built in downtown Buffalo you're going to see at least \$100 to \$150 million going out

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of this community, out of the pockets of the people that live here, either going to New York State or to the Seneca Gaming Corporation, which I don't think will be investing much of it back here.

BJ: *You've talked to the mayor about this.*

TG: I had a brief meeting with the mayor.

BJ: *And you must have brought these concerns of yours to his attention. What did he say?*

TG: The meeting with the mayor was only 15 or 20 minutes. We talked about a number of issues. We didn't talk about this. He knew I was going to come out in public against the casino. I had the feeling that, especially after something I read in the last day or two, that maybe the mayor's not so sure that we should have a casino built in downtown Buffalo.

I had a five-minute conversation with the county executive and it sounds like he feels very strongly that it shouldn't be built. I think today, if there is anything we can accomplish, it is to let our government officials know that there are some people out here who care about this issue and don't see it as just a one-sided issue.

BJ: *As you know, there are lawsuits going forward. What you're doing now is something very different.*

TG: Yes. I've talked to the people about the litigation and told them that I might possibly help them if it was appropriate, but my approach is much different. My goal here is to enlighten the community as to the financial aspects of it and to some of the downsides involved with a casino from a gambling perspective.

I think people should know that for every dollar they put into a slot machine, they're going to lose eight cents of it. Barry Snyder, the head of the Seneca Gaming Corporation, told me right here in this chair that the take on slot machines is eight percent. If you sat in front of a slot machine for an hour you'd probably have about 300 cycles. You'd be betting \$300 in a dollar slot machine. You'd lose \$24. The law of averages is so against you.

The other thing that bugs me about that is, I don't know why we don't have little signs atop of the slot machine that say, "The odds are 92 to 100. You're only going to win 92 cents to a dollar that you bet." I think that would enlighten people.