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How the Seneca Gaming Corporation has Violated its Contract and Broken Its Promises to the City of Buffalo

Abstract

The Seneca Gaming Corporation promised the City of Buffalo, in a legally binding contract, that it would construct a tourist destination casino in a park-like setting, market it to out-of-town visitors, and employ large numbers of Buffalonians. However, the idea of a tourist casino in downtown Buffalo was never realistic. The SGC has violated nearly every term in its contract, showing blatant disregard for the City, and its current plans reveal the casino for what it was always destined to be: an urban “convenience” casino located in one of the poorest sections of one of the poorest cities in the nation, drawing almost entirely from local residents, and destroying far more jobs at local businesses than it creates. The costs to the City from this broken contract dramatically outweigh the benefits.

Keywords

Buffalo, Poverty/Low Wage Work/Income Inequality, Exploitative Businesses, Report, Other, PDF

How the Seneca Gaming Corporation has Violated its Contract and Broken Its Promises to the City of Buffalo

A Presentation by City of Buffalo Common Council Member Michael LoCurto

January 31, 2013

Summary

The Seneca Gaming Corporation promised the City of Buffalo, in a legally binding contract, that it would construct a tourist destination casino in a park-like setting, market it to out-of-town visitors, and employ large numbers of Buffalonians. However, the idea of a tourist casino in downtown Buffalo was never realistic. The SGC has violated nearly every term in its contract, showing blatant disregard for the City, and its current plans reveal the casino for what it was always destined to be: an urban “convenience” casino located in one of the poorest sections of one of the poorest cities in the nation, drawing almost entirely from local residents, and destroying far more jobs at local businesses than it creates. The costs to the City from this broken contract dramatically outweigh the benefits.

| DESIGN & PROGRAMMING PROMISES | | |
|--|---|---|
| What the SGC Promised | What the SGC Has Delivered | What We Can Expect in the Future |
| Design in accordance with the 220,000 square-foot casino and urban park design that was publicly unveiled on or about June 1, 2006. | Operating temporary, highly-profitable casino on the property in a large metal shed since 2007. | In 2012, SGC unveiled a completely different, much smaller design for the permanent casino set to open in 2013. SGC never consulted the City or asked permission for this new plan. |
| Multi-level parking garage with space for 2,500 vehicles. | No parking garage. Large surface lots. | Current design's parking garage is smaller and has only 700-vehicle capacity. Instead, it has expansive surface lots that surround much of the casino. |
| Approximately one-third of the site devoted to green space, including extensive plantings of trees and vegetation, a pond, a creek, and no surface lots. | No such landscaping or green space has been provided. | Current design has minimal landscaping, no pond or creek, and huge parking lots. |
| 1,900-2,200 slot machines, 20-50 table games. | 455 slot machines. | Current design plans include 800 slot machines and a “small number” of table games. |
| A specialty restaurant, a 24-hour casual dining restaurant, a multipurpose room, & retail stores. | Snack bar and alcoholic beverages. | Current design includes one “simple, grill-type” restaurant and a café; no shops or multipurpose room. |
| INFRASTRUCTURE PROMISES | | |
| What the SGC Promised | What the SGC Has Delivered | What We Can Expect in the Future |
| 11 infrastructure improvements totaling between \$5 to \$7 million to City-owned lands around the casino within 6 months of opening. | | SGC's 2012 report to the City shows that its planned improvements total only \$3,904,650 |

| ECONOMIC PROMISES | | |
|--|---|---|
| What the SGC Promised | What the SGC Has Delivered | What We Can Expect in the Future |
| Hire approximately 1,000 people at the Seneca Buffalo Creek Casino (this was not a legally binding part of the agreement, but was included in it as an "intention"). | SGC reports that 66 people are currently employed at the temporary Seneca Buffalo Creek Casino. | The SGC promises 500 permanent jobs, and even that figure is likely exaggerated. Professor Steve Siegel estimates that 160 jobs will be created at the casino, while 267 jobs will be lost each year at other local establishments as a result of the casino. |
| Give preference to City of Buffalo residents for 50% of the jobs. | SGC's 2012 report to the City states that it has met this hiring goal (for the small number of workers hired). | |
| Continue with their policy to reach the goal of having a workforce composed of at least 25% minorities and 8% women. | SGC's 2012 report states that it has met these hiring goals (for the small number of workers hired). | |
| Work with 12 agencies to increase economic & employment opportunities for minorities and women, including giving agencies advanced written notice of job fairs and conducting job fairs in areas identified by the City as economically disadvantaged. | No evidence that such collaboration has taken place. | |
| Annual reports on its hiring, including amount of people hired and numbers of minorities and women. | No reports made for 2006, 2007, 2008, 2009, 2010, or 2011. | |
| MARKETING PROMISES | | |
| What the SGC Promised | What the SGC Has Delivered | What We Can Expect in the Future |
| Spend over \$1.7 million annually to market the Seneca Buffalo Creek Casino outside <i>Western New York</i> as a package with other city attractions. | Minimal web and billboard advertising, such as adding "Things to Do" tab on website; putting up a large banner on current casino; billboard advertising on Route 190. | |
| Cooperate with Convention and Visitors Bureau to market Buffalo as a tourist destination in its own right. | No evidence that any such marketing has taken place. | |
| Provide City with a Certificate of Compliance each year confirming its compliance with its marketing promises. | Certificates not provided for 2006, 2007, 2008, 2009, 2010, 2011, or 2012. | |
| Annual presentations by an SGC marketing executive to the Common Council to report on marketing activities. | No presentations made in 2006, 2007, 2008, 2009, 2010, 2011 or 2012. | |