



NEW YORK STATE SENATOR

Joseph A. Griffo

Griffo to Gaming Commission: Casino selection process does not honor intent of gaming expansion

JOSEPH A. GRIFFO November 23, 2015

| ISSUE: **UPSTATE CASINOS GAMING, ECONOMIC DEVELOPMENT JOBS**

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UTICA – State Senator Joseph Griffo on Monday sent a letter to the New York State Gaming Commission expressing his concerns that the current process of approving new casinos is not honoring the intent of the gaming expansion initiative that was approved in 2013.

As the Gaming Commission prepares to award new casino licenses by the end of this year, Sen. Griffo, R-Rome, urged the Commission to reexamine and reconsider its latest decisions

at a time when the economic outlook for the gaming industry is not promising.

In particular, Sen. Griffo expressed his belief that the Gaming Facility Location Board's current recommendations for new casinos will actually undermine the economic progress this initiative was supposed to promote. When voters approved this gaming expansion in 2013, the intent as stated by the Governor was for new casinos to bring more jobs, more tourism and more revenue to support schools and lower taxes – not for them to thrive by stealing jobs and patrons from other casinos.

Accordingly, Sen. Griffo has also sent letters to the New York State Department of Labor and the New York State Empire State Development Corporation asking to be provided statistical data concerning employment at all gaming facilities across the state – including any new facilities that are approved. As part of this economic impact analysis, Sen. Griffo wants to review current job numbers for this industry, as well as job numbers two years from now, to help determine whether the Gaming Commission had been mistaken in its actions.

NOTE: The text of Sen. Griffo's letters to the New York State Gaming Commission and to the New York State Department of Labor and Empire State Development are provided below, and PDFs of the actual letters have been attached.

SEN. GRIFFO'S LETTER TO NEW YORK STATE GAMING COMMISSION:

November 23, 2015

New York State Gaming Commission

P.O. Box 7500

Schenectady, New York 12301-7500

Dear Members of the Commission:

As the New York State Gaming Commission prepares to award new casino licenses by the end of this year, I am urging the Commission to reconsider some of the decisions made by the Gaming Facility Location Board that I believe will be economically detrimental to Upstate New York, considering the current economic outlook of the gaming industry.

In particular, the decision to license the Lago Casino & Resort in Tyre, Seneca County, could severely undermine any progress regions like the Finger Lakes and Southern Tier were supposed to experience through these new licenses. That is the exact opposite of what this gaming expansion initiative was meant to accomplish when it was passed by the Legislature and approved by voters in 2013.

Some parts of the state were initially reluctant to accept gaming expansion when it was first proposed. But the Governor's own words, as well as those printed on the voting ballot two years ago, seemed to paint a very pretty picture of the bright future that these new casinos would bring their regions.

Gov. Andrew Cuomo declared at the time:

"The passage of Proposal One is a big win for local governments, school districts, and taxpayers across New York State. This vote will keep hundreds of millions of dollars spent each year in neighboring states right here in New York, while increasing revenue for local schools, lowering property taxes, and bringing proper regulation to the industry."

On the eve of the referendum vote in 2013, voters also received a prerecorded robocall from Gov. Cuomo that urged their support: *"Proposal One will help the economy move forward ... This is Gov. Andrew Cuomo, thank you."*

And finally, the exact wording that appeared on the ballot – agreed upon by the State Board of Elections, and consistent with the Governor’s message – left no doubt about the promised goal of allowing casinos:

“The proposed amendment to section 9 of article 1 of the Constitution would allow the Legislature to authorize up to seven casinos in New York State for the legislative purposes of promoting job growth, increasing aid to schools, and permitting local governments to lower property taxes through revenues generated. Shall the amendment be approved?”

Clearly, that final wording on the ballot was meant to have a more influential impact than the more neutral wording initially suggested by the Attorney General’s Office.

All of the above statements speak for themselves concerning the intent of expanded gambling: More jobs, more tourists, more revenue to support schools and lower taxes. That was the promise the public voted on when they approved these new casinos, and that’s what we’re going to hold the state accountable for as these gaming facilities move forward.

The current trajectory recommended by the Gaming Facility Location Board, however, suggests that the intent of the gaming expansion legislation will not be honored. How can true economic development be achieved if one new casino thrives only by sucking jobs and patrons from another? This is not about healthy “competition” – instead, the issue is whether the Location Board’s decisions reflect the true intent of what people voted for.

In order to evaluate whether this expansion in gaming is serving its intended purpose, I am formally requesting that the Legislature be provided statistical data concerning employment numbers in the gaming industry for the designated regions and for the entire state – currently, and also two years from now. This data should include employment numbers at all facilities involved in gaming and wagering across the state, including gaming facilities on Native American lands.

In the end, the facts will show whether the Gaming Commission is right or wrong in its judgment. The decisions you make now will have a significant impact – for better or for worse – on the future of these regions, as well as the state.

Please do not hesitate to contact my office if you have any questions or would like to discuss this matter further.

Sincerely,

Joseph A. Griffo

State Senate, 47th District

CC: New York State Department of Labor; Economic State Development

SEN. GRIFFO'S LETTER TO NEW YORK STATE DEPARTMENT OF LABOR AND EMPIRE STATE DEVELOPMENT:

November 23, 2015

New York State Department of Labor

P.O. Box 15130

Albany, New York 12212-5130

Dear Acting Commissioner Musolino:

As the New York State Gaming Commission prepares to award new casino licenses by the end of this year in accordance with a constitutional amendment approved in 2013, I have recently made the Gaming Commission aware that I do not believe their recent actions

reflect the true intent of the gaming expansion initiative.

In writing the Gaming Commission, I expressed my concerns that some of the currently recommended new casinos – coupled with the troubling overall economic outlook for the gaming industry – threaten to undermine the stated intent of this initiative. Voters were encouraged to approve these casinos with the promise of new sustainable jobs, enhanced tourism and an influx of revenue to support schools and lower taxes, but I fear the Gaming Commission's decision-making process may collide with that intended goal.

I believe the number of jobs impacted by these developments in the gaming industry over time will speak for itself. That's why, in order to honestly evaluate the circumstances surrounding the placement of any new casinos in our state, I am hereby formally requesting that both the New York State Department of Labor and the New York State Empire State Development Corporation provide statistical data on employment numbers concerning the state's gaming industry – currently, and two years from now. This data should include employment numbers at all facilities involved in gaming and wagering across the state, including facilities on Native American lands.

I expect this information will be very useful in judging whether the Gaming Commission's actions are consistent with the intent of the state's gaming expansion initiative to fuel economic development.

I look forward to reviewing the requested statistics. If you have any questions or would like to discuss this matter further, please do not hesitate to contact my office.

Sincerely,

Joseph A. Griffo

State Senate, 47th District

CC: New York State Empire State Development Corporation

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