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THE SENATE
STATE OF NEW YORK



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December 4, 2015

Honorable Andrew M. Cuomo
New York State Governor
Executive Chamber
Second Floor Capital

Dear Governor Cuomo,

With the 2015 year coming to a close, the opportunities and challenges of 2016 await us. I hope to segue our shared priority of economic development into one of the most pressing concerns for my community - the lack of jobs and development in the City of Niagara Falls. We have a unique chance to make a significant, positive impact as we negotiate amendments to the 99-h law, which outlines the casino funding formula determining the amount of revenue to local government. I believe that we need a two-pronged plan to keep casino funds here in our community and increase accountability to ensure the funds are used transparently, effectively, and efficiently.

As you know, the Falls has faced decades of decline due to a combination of factors - economic, environmental, and governmental. The dramatic downsizing of American manufacturing saw jobs vanish or shift overseas. Love Canal gave our city the unfortunate moniker as the home of a national public health disaster. And decades of government mismanagement - and in many cases, theft - betrayed the trust of taxpayers. Such a decline is even more dramatic when compared to the impressive development we share with our neighbors across the river in Ontario.

Officials at the local and state level have all tried various policies, yet all have failed for one reason or another. I believe that we need to candidly examine what's failed in the past, target the Falls' exceptional potential, and develop a comprehensive plan to revitalize Niagara Falls. Let's bring Niagara Falls back!

The current funding formula sends 25 percent of Seneca slot revenue to the state, which in turn keeps 75 percent and returns 25 percent to the city. These funds have been a lifeblood for Niagara Falls Memorial Medical Center, the Niagara Tourism and Convention Corporation, the Niagara Falls City School District, the Niagara Frontier Transportation Authority, and other key community stakeholders. Yet the formula has failed to develop downtown or create jobs. We've also seen a drop in revenues amid the recession, competition across the border in Canada and Pennsylvania, and with government-approved gambling across the state and in our backyard.

The current formula means there will be a smaller pie for everyone - the Senecas, the City, the hospital, the schools, the NFTA, and the NTCC. We need to be proactive and aggressive to create a new plan - a new tomorrow - for our region. That's why I'm calling on the state to flip the shares so that the Falls gets 75 percent, while introducing strict accountability measures to ensure funds are dedicated to economic development.

We've seen the success of the Buffalo Billion and redevelopment of Canalside. Based on this model, I envision an administering agency facilitating public-private partnerships concentrated on a neglected downtown. This way, we can harness the resources and ingenuity of the public and private sectors, build upon the initial success and investment of the Senecas, and expand outward with block by block development along property adjacent to Seneca Casino. I believe this approach is fair to taxpayers and long overdue. For a city that sends billions in power proceeds across the state; for a city that has sends hundreds of millions in casino revenue to the state; decline and neglect can no longer be tolerated. Resources and revenues generated in Western New York should be used to develop Western New York.

In addition to our commitment to economic development, I also share your concern for strict accountability. This cannot simply be a another good program or a blank check to the city. The original intent of the funding formula was to create local jobs, but that clearly didn't happen - much to my frustration. The city diverted tens of millions from economic development to cover operating expenses and other projects unrelated to creating jobs. The population's decreased while taxes and poverty have increased. That's why we must incorporate strict accountability and transparency into the new funding formula.

The current funding formula - the status quo - is indisputably not working for the city. And with the state facing an estimated billion dollar surplus heading into next year, it's imperative that we act now. I hope you will join me do what's best for Western New York, the Senecas, and the City of Niagara Falls. As we chart a new path forward - focused on economic development and fiscal accountability - I'm optimistic for the City of Niagara Falls, if we as stakeholders can work collaboratively. Niagara Falls is unique and shares a bright future based not upon a natural wonder, but upon strong and industrious people. It's up to us to help deliver that future for them.

I look forward to working with you in the New Year and wish you and your family a blessed holiday season.

Faithfully yours,

A handwritten signature in black ink that reads "Robert G. Ort". The signature is written in a cursive style with a large, stylized "R" and "O".

Robert G. Ort
State Senator, 62nd District