

<http://dailygazette.com/eedition/>

## **Mayor: Schenectady casino deal better than Seneca host package**

Guest Column (Friday, June 19, 2015, p. C8)

**BY GARY MCCARTHY**

**For *The Daily Gazette***

**Gary McCarthy is the mayor of the city of Schenectady.**

I appreciate The Daily Gazette providing me the chance to respond to recent submissions related to a host benefit agreement for the Rivers Casino and Resort at Mohawk Harbor.

It is ironic to see some of the biggest critics of the casino project now calling for Schenectady to get even more benefits from this exciting \$480 million riverfront project.

These are the same critics who wanted Schenectady to fail in its efforts to land the new casino, resulting in no new revenue at all for the city to spend on tax relief. Now these same critics want more revenue. It's funny how things change. Maybe these critics are coming around now that they are calling for more benefits, not less.

In any case, the anti-casino crusaders have taken up a new cause, namely that Schenectady should have a host benefits agreement similar to an agreement signed by another community in New York state that was also awarded a casino. This project is located in the town of Tyre in Seneca County.

The critics of the Schenectady casino are pointing to the Tyre agreement as one that Schenectady should follow. They need to do their homework before making this claim.

The big difference between the Tyre and Schenectady projects is that in Tyre, the Seneca County IDA awarded the project generous incentives. These included a \$16 million exemption from sales taxes, an exemption from mortgage recording tax worth another \$3.35 million, and property tax savings worth about \$10 million for a total of almost \$30 million.

Some critics of the Schenectady casino are pointing to Seneca County as a model for Schenectady. Sorry, but the numbers in Seneca don't stack up to Schenectady.

The host benefit agreement in the town of Tyre provides for payments to buy land and to equip and train an ambulance and fire company that add up to about \$200,000 per year. The land purchase deal lasts six years. The new fire and ambulance equipment get purchased, and that is it.

At most, these benefits add up to a few million dollars.

The balance of the host benefit agreement paid to the town of Tyre will be paid from the existing host benefit fee paid to the town and county under the state casino law. This is not new money, merely a redirection of the funding that the town and county are already entitled to.

Let's compare this to our deal here.

The new casino in Schenectady does not include any IDA benefits. The Rivers Casino and Resort in Schenectady is paying 100 percent of sales tax, 100 percent of mortgage recording tax and 100 percent of property tax. The direct payment to the host community is expected to generate over \$8.2 million each year, with \$4.1 million going to the city of Schenectady and \$4.1 million going to Schenectady County, according to the formula established by state law.

In addition, Schenectady stands to benefit from approximately \$6.7 million in taxes each year from property tax, hotel tax (also known as bed tax) and sales tax.

The annual estimated total tax payment to the city of Schenectady/Schenectady County is \$14,900,000. This figure does not include tax payments from the adjacent Mohawk Harbor development.

The new casino in Seneca County is expected to pay \$2.265 million in taxes each year under the PILOT and \$3.9 million to the town of Tyre and Seneca County, for a total of \$10,065,000.

Don't let the critics fool you. The same critics who wanted us to get \$0

because they stood firmly against this project are now saying we need a host benefit agreement like the one in Seneca County.

The Schenectady deal is a much better deal. Don't let a few payments toward ambulances and fire trucks fool you. In Schenectady, we have a fully staffed and equipped fire department. We need the money, thank you — not token payments for new fire trucks and ambulances.

The Schenectady deal is a much better deal for the community than the deal in Tyre/Seneca County.

*Ed. Note:* For a more objective and thorough discussion of the Tyre-Lago Agreement and IDA Accord, see <http://stoptheschenectadycasino.com/lago-info/>