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A ROLLER COASTER WEEK POINTS UP CASINO PACT FLAWS

By Mike Hudson

Jeeze, that was some week.

It all started out on Monday, when the online edition of the *Reporter* was posted. The calls and e-mails came pouring in. It seems that a lot of people had been laboring under the misapprehension that -- because we supported Mayor Vince Anello in the election -- we were going to give him a pass once he took office.

Oh ye of little faith.

A good number of those who contacted us had information they wanted to share about the new administration, the backgrounds of some of its members and the out-of-town addresses of others. On a lighter note, longtime reader Marc Slater e-mailed to point out the fact that Irene Elia is still depicted as the mayor on the city's official Web site.

Then Gov. George Pataki delivered his State of the State address, in which he proudly unveiled a plan to give \$32 million to the city of Buffalo to help the bankrupt municipality attract a Bass Pro Shop to its downtown.

The announcement raised a number of interesting questions, such as, where the money was going to come from. Could it be, some wondered, that the \$32 million -- almost the exact sum the state will collect on slot machine revenue from the Seneca Niagara Casino -- would in fact, be coming from gaming in Niagara Falls?

That would constitute a redistribution of wealth on a level not seen since the Bolsheviks stormed the gates of St. Petersburg back in 1917. And Pataki's supposed to be a Republican.

Even if it isn't the exact same money, why is the state pumping millions into development in Buffalo while attempting to control the paltry cut it agreed to let Niagara Falls have as part of the casino compact with the Senecas?

State Sen. George Maziarz has said repeatedly he doesn't trust Falls officials to spend the money wisely. Considering that Buffalo is in receivership, you've got to wonder what makes the state trust the officials there any more.

Both Maziarz and Anello were in Albany for Pataki's speechifying, and sources report their meeting to have been chilly, at best.

Anello has been at odds with Maziarz over the way the casino revenue should be spent, and it's tough not to agree with Anello, who contends that every penny should be spent within the city limits of Niagara Falls.

Especially when the state is throwing \$30 million bouquets to Buffalo.

The two were poised to do battle over the issue later this week when -- surprise! -- a Seneca Court of Appeals threw a monkey wrench into the whole thing. Ruling that the state's recent attempt to impose taxes on gasoline and tobacco sales on Indian reservations may have constituted a violation of the casino compact, the court ordered that none of the \$38 million state share be transferred to Albany until the matter gets sorted out.

The ruling pointed up sharply the utter powerlessness of Anello, Maziarz and other officials in dealing with what is, after all, a sovereign nation.

The state's record in all this is dismal. To begin with, compacts granted for Indian casinos like Foxwoods in Connecticut and Turning Stone near Syracuse contained what is known as a "service agreement," covering things like police and fire protection, infrastructure problems and other costs borne by the host municipality because of the casino's existence.

The Seneca compact contained no such agreement, leaving Niagara Falls to bear the burden of 100 percent of the costs.

The city also got raped on the cut, with Albany receiving 75 percent of the revenues and the city just 25 percent.

If that wasn't bad enough, the state then imposed the so-called casino commission - heavily weighted with state officials -- to determine how the local share should be spent.

And, in a final moronic display of incompetence, the state decided to play hardball with the

Senecas over gas and cigarette sales, nearly touching off a shooting war and throwing into doubt whether any money at all will be forthcoming.

With friends like Pataki, Niagara Falls doesn't need any enemies. If he helps us much more, it may kill us.