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## Two Vastly Different Plans For Buffalo And Niagara Falls Casinos

ATLANTIC CITY, N.J. - The developers of the most profitable Indian casino in the country have two distinctly different plans for Seneca Indian casinos in Buffalo and Niagara Falls.

And they claim they have both the financial resources and the kind of worldwide experience that would allow them to be open for business in the Buffalo Niagara region in less than a year.

Under their plan, Niagara Falls would see an ambitious family entertainment complex surrounding the present Niagara Falls Convention Center. Buffalo's more traditional gambling facility, housed in the Statler Towers and perhaps Buffalo Convention Center, would be designed not to be isolated from downtown but instead would draw on buildings around it for restaurants, shopping and other amenities.

Attorney G. Michael Brown of Atlantic City and Malaysian billionaire Dato K.T. Lim, who developed the booming Foxwoods Resorts Casino on Indian land in Connecticut, have teamed with Gerald A. Buchheit Jr., owner of the Statler, in Northstar Development Corp., a partnership widely believed to



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have the inside track with the Senecas to develop two casinos in Western New York.

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"We have the experience, capability and the financial strength," Brown said in an interview in his office here, "and we could have casinos open in about nine months."

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If the Seneca leaders' agreement with Gov. George E. Pataki wins approval in Albany, Washington and on the local reservations, Northstar still would have to beat out five other developers who are courting the Indians.

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"In Niagara Falls," Brown said, "it would be a casino (and) hotels, family entertainment complex - a self-contained resort." He estimated it would take about three years to build.

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"But to begin, we can go in immediately. The convention center is a free span area of 150,000 square feet."

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In Buffalo, the developers say they are seizing an opportunity to rescue a once-grand building and create a casino that would fit in well with downtown and help spur other development.

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Here are their plans for the Buffalo casino:

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- The casino would take over the first three floors of the Statler's 16 floors, with 1,700 slot machines and 75 table games, along with a buffet restaurant.

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- The 600 remaining empty hotel rooms in the Statler, which is now primarily office space along with a few businesses and about 50 percent unused space, would be converted back to hotel rooms in stages of 200 at a time.

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- If, in the future, more hotel rooms are needed, the building on its southeast side has footings in place to build another tower.

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- The casino would need 2,400 to 2,500 employees and its projected start-up budget would be \$100 million.

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- If the Senecas choose the Statler and follow through with an idea to acquire the Buffalo Convention Center for another 1,500 slot machines, a covered bridge would connect the two buildings.

- Northstar has options on seven parcels of land, contiguous to the proposed casino, where a 2,500-car parking ramp would be built.

Meanwhile, in Niagara Falls:

- The casino would start in the Niagara Falls Convention Center with 3,000 slot machines, 150 tables, poker room, race room, bingo hall, two fine restaurants, show room and a hotel.

- Initially, the Niagara Falls casino would employ about 1,500 and have a projected budget over three years of \$225 million to \$250 million.

- Once in operation, the future envisioned by Northstar for the Indian casino complex would be acquisition of additional contiguous parcels for a second 400-room casino hotel, 3,000-car parking ramp, separate bingo hall, new 1,800-seat showroom and returning the convention center to its prior life as a convention center.

Brown said necessary refitting of the building's air conditioning and heating systems could be done immediately, as well as installation of 3,000 slot machines, 144 table games and 20 poker tables.

Seneca President Cyrus M. Schindler has said the Senecas will not decide which of six developers will become their partners until his nation has a signed casino compact with New York State.

Final negotiations between the Indian nation and the state are stalemated by the Assembly's refusal to let Pataki negotiate a gaming compact with the Senecas. The State Senate has approved the needed legislation.

Worldwide experience

The Senecas will not have to reinvent the roulette wheel if they choose to cast their future with Brown and Lim. The pair lent the tiny Mashantucket Pequods in Connecticut \$60 million when the banks shunned them in 1992

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and teamed up to develop Foxwoods.

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Brown, who spent five years as president and chief executive of Foxwoods, has been a consultant for numerous casinos in recent years. He has come a long way from his days as an assistant New Jersey attorney general when gambling was first legalized here.

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He served with the state's Gambling Enforcement for five years as its director and supervised the opening of seven casinos in Atlantic City.

As Indian gaming got started, Brown decided to get involved.

His biggest success came when the few remaining Pequods wanted to get started in Connecticut. Brown hooked them up with his friend, Lim, whose family has developed casinos around the globe.

After Foxwoods, Brown's firm - Brown, Previti & Carroll - branched out as counsel and consultants to several Indian casinos across the country as well as casinos in Australia, Malaysia, the Bahamas and Jamaica. He added the Hilton and Marriott hotels and the Louisiana Downs Racetrack to its client list.

The Lim family owns the Genting Group of Companies, whose flagship is Genting's Highlands, said to be Malaysia's premier resort and the largest casino in the Eastern Hemisphere. The Genting Group also owns casino resorts in Australia and the Bahamas, and has interests in several hospitality and property developments and cruise ship companies.

The Malaysian tycoon's father, Goh Tong Lim, who has handed the reins of the family's empire to his son, is ranked No. 159 among the world's richest people by Forbes magazine.

Statler offers needed space

Brown's involvement with Statler owner Buchheit in pitching the Senecas is not his first involvement with the Indian nation and its plans for gambling.

Buffalo's Delaware North Cos. hired Brown as a consultant three years ago when the company made an unsuccessful bid to be a developer and management partner with the Senecas.

In Buchheit, Brown and Lim have found a partner who has what the Senecas seem to want most: a building in the heart of downtown with the space to make a casino work. Buchheit first bought the Statler at a disclosure sale when the former grand old hotel's future looked bleak.

"I thought it was a charming old building that had potential despite all the financial problems it was having," he said.

The 1,100-room hotel had been shut down in 1982 and the long changeover to an office building, begun in the late 1960s, was still struggling to succeed.

"Less than 40 percent of the building was being used, but I was still optimistic that in the long term, it would be a good investment," Buchheit said.

Buchheit is the sole owner, president and chief executive officer of the Northstar Development Corp., which owns and operates the Statler Towers.

He is also the sole stockholder and CEO of Quaker Crossings LLC, which owns the Orchard Park plaza, where the tenants include an 18-screen Regal Cinema, a Target store, Kelsey's Restaurant and First Niagara Bank.

And he is CEO and sole stockholder of WRSB Development Corp., which built Target and Wegmans stores in Amherst; a majority stockholder of the Sheridan Center in Amherst; owner of Accent Stripe in Orchard Park - a pavement marking business with sales exceeding \$200 million; and the owner of ACA Reflective Glass Products in Dunkirk, which employs more than 300 people.

Buchheit is hoping the time has come for the Statler. He hopes within a year or so, it will be one of the most vibrant and busiest buildings downtown as the Seneca Nation of Indians Casino.

Building in stages

If plans for the Niagara Falls casino go forward, the Senecas' permanent casino and related development could fill as much as 50 acres of downtown land, centered around the convention center, said Seneca President Schindler.

A permanent casino, he said, would be built on adjacent land occupied by a closed splash park. The nation also intends to build a luxury hotel nearby, and related development such as parking structures large enough to handle the crowds of gamblers, employees and others. A casino with 3,000 slot machines would need at least 3,000 parking spaces, and the estimated 3,000 to 4,000 employees would need spaces too, Schindler said.

The Seneca Nation's plans, built in stages over several years, could eventually encompass nearly the entire area bounded by Third Street, Niagara Street, John Daly Boulevard and Rainbow Boulevard, Schindler said. "We want to make a world-class casino there," he said.

Pataki spokesman Michael McKeon said that the state's agreement with the Senecas included a promise to help the Nation acquire the former splash park parcel by eminent domain, if necessary.

But the state did not promise in its compact with the Nation to use its powers to obtain land for the Nation's other development plans, McKeon said. "The Senecas would have to buy those properties at fair market value from willing sellers," he said.

Like any other developer interested in building in the city's 192-acre downtown development zone, the Senecas could still apply to the state's Niagara Falls development office, USA Niagara Development Corp., with plans for the area. The downtown area identified in prospective Seneca Nation plans lies entirely within the boundary of the district, and USA Niagara Development has invited expressions of interest from developers for its use.

Brown pointed out that only property used for casino purposes would be purchased by the Senecas and become reservation land.

"We will buy adjacent, non-gaming property," Brown said. "We are not asking the tribe to spend their money for this adjacent property."

"It is possible that, down the line, there could be some type of joint venture between the Senecas and our firm.

"Initially, in Buffalo, it is our intention to buy lots for the construction of the parking ramp. We would also pay for construction of the ramp at the rate of \$12,000 for each parking space."

#### Fitting in downtown

The six parcels of land, between Delaware Avenue and Franklin Street, that would be purchased for the parking ramp are owned by Harold Schechtman, Carl Paladino, Shane Khanjani and Alright Parking.

With the exception of the parking lot and a small restaurant on the Paladino parcel, the area is vacant land.

Both Brown and Buchheit dismissed claims that a downtown casino would create a traffic nightmare, saying there are four entrances in downtown Buffalo to the Statler.

"A casino would bring a whole new dimension to the downtown area between 10 p.m. and 6 a.m.," Brown said. "Now the City of Buffalo is busy 10 hours a day. I know because I have stayed there many times.

"A casino will make it busy 20 hours a day, since the busiest times for a casino is when the downtown has little, if any activity, and that is between 10 p.m. and 6 a.m.

"At the same time, it will be a real draw for conventioners who go to conventions not only for business but also for pleasure."

And he had one last observation from his more than 20 years in the business.

"Casinos are a fun industry," he said. "A lot of people want to work in a casino just for the experience of it."

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