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- ▼ National/World
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  - National
  - International
  - Behind the Headlines
- ▶ Opinion
- ▶ Deaths
- ▶ Life & Arts
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- ▶ NeXt (Wed.)
- ▶ Gusto (Fri.)
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- ▶ First Sunday

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FOCUS: CASINO GAMBLING

### Same idea, different country

**For Buffalo's Paul L. Snyder Sr., a casino dream that was born in the USA is about to be realized in Canada**

By TOM BUCKHAM  
News Staff Reporter  
5/28/2004

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Derek Gee/Buffalo News  
The lavish Niagara Fallsview Casino Resort, right, which is scheduled to open June 10, has 2&1/2; million square feet of floor space, 374 hotel rooms, a 200,000-square-foot gambling floor, upscale shops, restaurants, a theater and a convention hall.

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NIAGARA FALLS, Ont. - Twelve years after first campaigning for a casino and hotel in downtown Buffalo, Paul L. Snyder Sr. is close to seeing his dream come true - 25 miles away in Canada.

The Hyatt Regency Buffalo owner belongs to the consortium that developed Niagara Fallsview Casino Resort, the gargantuan complex overlooking the Horseshoe Falls in Niagara Falls, Ont., that will open June 10.

Snyder and others say the lavish facility and the construction boom it sparked are already giving Southern Ontario the kind of economic shot in the arm he envisioned for his hometown in 1992.

With 2 1/2 million square feet of floor space, the combination 374-room hotel tower, 200,000-square-foot gambling floor - said to be the world's largest - upscale shops and restaurants, theater and convention hall, Niagara Fallsview is unsurpassed in the casino industry, according to Falls Management Co., the development group in which Snyder is a partner.

And it may well turn out to be one of the most profitable gambling venues anywhere.

"We think attendance will be around 1 million people a month, and revenues will be approximately \$1 billion a year (Canadian),"

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Derek Gee/Buffalo News

**Trees line the retail corridor of the Niagara Fallsview Casino Resort.**

Snyder said. That would put Niagara Fallsview in a class with Connecticut's Foxwoods and Mohegan Sun casinos atop the gambling industry.

Not a single bet has been placed at the new facility's 150 gambling tables, nor have any tokens been inserted in its 3,000 slot machines.

Yet the 67-year-old Buffalo entrepreneur already considers the Fallsview project, which eventually will include a monorail serving the city of Niagara Falls and a new theme park at nearby Marineland, the capstone of his business career.

Snyder believes the same could be said for other members of the consortium - even Chicago's Nicholas J. Pritzker, the lead developer of Niagara Fallsview whose family owns the worldwide Hyatt hotel and resort chain. "Of the partners, I'm the only non-billionaire. But it's the most successful project any of us has done," Snyder said.

Under the contract between Falls Management and the Ontario government, casino profits are never divulged. But based on gross revenues, which are made public, the consortium figures to rake in an even bigger bundle from the new operation than it presumably has earned since it took over what was supposed to be the "temporary" Casino Niagara six years ago as part of the spoils from winning the right to build the permanent casino.

The Hyatt group quickly realized it had hit the jackpot with Casino Niagara, which opened in late 1997 on the Clifton Hill site previously occupied by Maple Leaf Village.

"In the first year we did \$800 million in revenues, twice what we had expected. There were 10 million customers, about three times as many as we projected," Snyder said.

In the intervening six years, Casino Niagara, which proved too successful to close and is being positioned by Falls Management to compete against Seneca Niagara Casino, just across the river in Niagara Falls, N.Y., has earned over \$1 billion for the province, he said.

While Casino Niagara's business dropped off somewhat last year due to the American dollar's decline against the Canadian dollar, the SARS breakout in Toronto, the regional power blackout that closed gambling operations for six days and security delays at border crossings, income has been remarkably steady from the outset, he said.

## A history of megadeals

Snyder may be a relative pauper in the Falls Management partnership, but he is no slouch when it comes to striking megadeals.

The onetime University of Buffalo wrestler burst onto the scene in the 1960s as founder of Freezer Queen Foods, the Buffalo-based packager of frozen meats. In 1970 he acquired the Buffalo Braves, the city's ill-fated National Basketball Association franchise.

Snyder, whose negotiating style has been described as "combative," followed those moves with his biggest projects until now: the \$100 million Darien Lake amusement park in Genesee County - since bought by the Six Flags chain - and the \$71 million Hyatt Regency, created in 1984, in partnership with Hyatt Hotels and the city by converting two office buildings at Main and Genesee streets.

From their Olympic Management offices on the hotel's lower level, he and his son, Paul III, also run SunPark International, one of the nation's largest operators of airport off-site parking facilities.

Snyder's career has hit a few lows, too. The Braves, which Snyder bought from a New York investment firm when no other local investors would, left town less than two years after he sold his interest in the team.

In 1988 he withdrew from a deal to build a Hyatt in Rochester because of disputes with the project's lenders and main contractor.

And his highly public negotiations to refinance the Hyatt debt and sell the former Westinghouse plant near Buffalo Niagara International Airport to the Niagara Frontier Transportation Authority drew unwanted attention.

There is irony aplenty in the story of how Niagara Falls, Ont., ended up with Buffalo's casino.

The opening chapter had Snyder, in partnership with Pritzker and Hyatt Hotels, assembling a local investment group to pitch a downtown hotel and casino to city and county officials. Snyder's team included prominent businessmen Sal H. Alfiero, Gerald S. Lippes and Victor Rice - the same group that later became involved in the Niagara Fallsview project.

## Timing was everything

Local leaders supported the initiative, which would have used the so-called Mohawk site opposite the Hyatt for the casino. But an attempt to overcome New York's strict anti-gambling laws failed in the State Legislature, as did a subsequent attempt to establish a casino partnership with the Seneca Nation of Indians.

As luck would have it, the Ontario government was simultaneously weighing whether to go into the gambling business, whether to locate a casino in the Falls "and how to put together an RFP" - a request for proposals from potential developers - Snyder said.

"We had met with provincial officials before, and within a week (after losing the Seneca gambit) we were invited to enter into the competition for the Niagara Falls project," he said.

The Buffalo group and Hyatt were joined as full partners by Neil G. Bluhm of Chicago, who heads one of North America's largest real estate development firms, and Toronto's Latner family, whose holdings include Canada's largest real estate development and property management firms.

The team delivered a 1,200-page presentation, backed by an extensive feasibility study, featuring a swank hotel and casino on 26 acres atop Murray Hill, directly opposite the American and Canadian falls; River Country, a 120-acre theme park next to Marineland; and a public monorail loop connecting Casino Niagara, Niagara Fallsview and Marineland.

But they were pitted against several formidable gambling heavyweights, including syndicates headed by London-based Players Club and Atlantic City casino operator Donald Trump.

The Hyatt consortium was named preferred developer in 1998 largely on the strength of its proposal to locate its resort on an undeveloped 26-acre site atop Murray Hill and its pledge to build the monorail.

Six years later, workmen are scurrying to clean plaster dust off the Italian marble and granite floors under the glass dome above the main entrance.

## A binational asset

Though events across the border will capture the limelight in the coming weeks, Snyder believes the economic ripple effect will extend to Buffalo. And he hasn't given up on the dream of a downtown casino.

At his behest, Falls Management executives and Canadian tourism officials came to the Hyatt Regency last month to tout Niagara Fallsview as a binational asset that will benefit the Buffalo Niagara region as well as Southern Ontario.

While half of the new casino-hotel's business will come from the United States, particularly Western New York, they predict that the flow of people and dollars spilling over the border will grow as the number of tourists visiting Niagara Falls, Ont., swells to as many as 30 million over the coming decade.

Never one to stand on the sidelines, Snyder has been active in recent efforts to corral the Seneca Nation of Indians' third Western New York casino for Buffalo - and put it in the same location he proposed in 1992.

"I don't believe the Senecas can legally locate or even consider a casino in Cheektowaga," he said.

Though some people may believe that the region is becoming oversaturated with gambling venues, Snyder said research shows there is ample room for more.

The region's casinos draw customers from within a 300-mile radius - a heavily populated area that includes Cleveland, Pittsburgh, Toronto, Rochester and Central New York - and constitutes "the third- or fourth-biggest gaming market in North America," he said.

"It's an enormous market - a \$3 billion market - and an underserved market."

In a May 19 letter urging the Buffalo Niagara Partnership to get behind a downtown casino, Snyder said such a facility would attract more than 6 million customers annually, employ more than 2,000 people and generate annual revenues of "at least \$300 million."

He called it a unique opportunity "to participate in the tremendous growth of the hospitality industry in the Buffalo Niagara region."

"Casino gambling is here," he added. "The majority of our city residents want a casino in Buffalo, and I believe a majority of (Partnership) members want a casino in Buffalo."

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