

# The decimation of Niagara Falls by its crude master: Albany

**BY FRANK  
PARLATO  
JR.**

*Managing Member,  
One Niagara, LLC*



Almost the whole world has heard of Niagara Falls. From afar it is thought of as a place of wonder, a marvel, a beautiful tourist town. Until people get here.

Then they discover that somehow the city, itself, has been sunk, decimated, almost obliterated. Millions of people come here and ask, what happened?

It is, presently, one of those dirty little secrets: Charged with the responsibility to help us — Albany destroyed us.

Consider: Niagara Falls developed both tourism and hydro-power. Great assets: the most visited state park in the USA; the most lucrative hydro-power on earth. Albany took them both.

Our hydro-power was taken 51 years ago, when Robert Moses promised great prosperity through state management of our hydro-power. Then, over decades, Albany (through the N.Y. Power Authority) diverted the power to New York City and other states.

As our inexpensive, local power crosses the state to enrich New York City, and Albany, only two places pay more for electricity than Niagara Falls: New Hampshire and Hawaii. Twenty-five percent of the nation pays less than half.

A people who have the greatest hydro-electric power in the world — who neither get use of their locally produced power, nor get inexpensive electricity — is an irony.

Consider another: Niagara residents get their power from burning coal and other inefficient methods, purchased from National Grid, a company owned by investors in England. We buy expensive electricity from the British. Albany takes our inexpensive hydro-power and sells it to New York City and elsewhere at low rates.

Instead of providing low-cost electricity for this region — which would create thousands of good-paying jobs — the profits from our hydro-power pays for thousands of patronage jobs at the Power Authority headquarters in White Plains, a suburb of New York City, and in Albany.

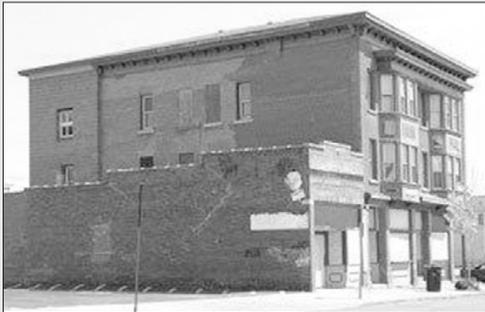
Not content to possess merely our hydro-power, Albany usurped our tourism. Following Olmsted's plan, Albany helped create the Niagara Falls State Park in 1886.

It was converted, however, from an "Olmsted" to an "Albany" park — depriving the city of economic "spin-off" other areas enjoy from tourist-drawing natural landscapes. The most visited state park in the nation is adjacent to, practically speaking, a ghost town.

Nevertheless, Albany advertises the park as an "Olmsted park" while, simultaneously, violating Olmsted's ideal to keep the park 100 percent green and 100 percent commercial-free. (Olmsted forbade even horse and buggy from parking in the pristine park.)

Before and after leaving the park, Olmsted planned, tourists would spend money in the city. Obviously, when millions convene in a 100 days of summer on less than 100 acres, they will eat and buy souvenirs. Should they leave the park and go into the city? According to Olmsted's plan, yes. According to Albany: Stores and restaurants should be in the park — for Albany's profit.

## ALBANY'S IDEA OF FAIR PLAY — AN ALMOST INSURMOUNTABLY UNLEVEL PLAYING FIELD



*A sign of the times: (Left) The tax-free Seneca has had a devastating impact on neighboring properties in Niagara Falls. In order to gain extra revenue, Albany created a tax-free nation (Seneca) in the heart of Niagara Falls to compete directly against tax-paying Americans. Is it a coincidence? (Right) This giant new Seneca hotel pays no property, income, sales or bed taxes. Meanwhile, four heavily-taxed American hotels, within its shadow, have closed since it opened.*



*Albany calls it an Olmsted Park, yet almost half of the Niagara Falls State Park has been either paved over into parking lots and/or commercial enterprises — in direct opposition to Olmsted's plan for an all-green, commercial-free park.*

The biggest incursion is giant parking lots that paved over Olmsted's "green." Albany's plan is to route people along the Robert Moses State Parkway so they never see the city. Into the state park they go and pay \$10 to park; \$10 for the Cave of the Winds; \$12 for the Maid of the Mist; buy souvenirs and gifts in the park; eat a meal or two in the park; then, after an average four-hour stay, without seeing a single advertisement for any activity outside the park (except for the Seneca Casino), millions leave, believing there's nothing to do in Niagara Falls on the American side. On state-owned roads they leave town or cross the bridge to Canada. Every dollar spent in the park alone.

(This autumn, however, Albany plans to tear down the former Wintergarden and eliminate the pedestrian walkway next to the park to make a road that leads directly and solely to Seneca.)

But that's not all. Thanks in large part to Albany mandates, we pay among the highest water rates. Surprising, when you consider we are surrounded by water. Arid Phoenix, Tucson, Houston, Dallas and Austin all pay less than we who have the greatest supply of fresh water in the world. But there is more: Only 14 states require municipalities to pay for state programs that, in turn, drive up property taxes. New York is, of course, chief among them.

According to the U.S. Census, nowhere in America are property-tax rates higher than upstate New York. But, then, almost every tax in New York is higher than other states, which, in turn, of course, further cripples Niagara Falls. Consider: New York is:



*The long-established and excellent Como restaurant pays an estimated \$300,000 in combined property and sales taxes annually, while the new Seneca-Italian restaurant pays zero. How many bowls of spaghetti does the Como have to sell before achieving the same profit, or to say it bluntly, get equality with Seneca?*

- First (among all 50 states) in state and local government taxes.
- Second in state and local taxes per \$1,000 of personal income.
- Second in state income taxes per capita.
- Second in state and local spending per capita.
- Fourth in property taxes per capita.

In spite of being nearly taxed to extinction, and having our assets diverted, as further proof of Albany's hopelessly shameful governance, in 2002, Albany removed some of downtown Niagara Falls from the United States and gave it to foreigners. The "Sovereign" Seneca Nation was granted tax-free status for any business they open in Niagara Falls, plus a monopoly on casino gambling.

The plan illustrates Albany almost perfectly: Albany gets 25 percent of slot machine revenue from Seneca and nothing on anything else. Every other kind of gambling or any other kind of business is tax-free for Seneca.

While it makes billions for Seneca and millions for Albany, it is adversely impacting our community. Claimed, initially, that it would spur "spin-off" development and invigorate tourism, it proved otherwise. That Niagara Falls gets 25 percent of what Albany gets is not enough to pay for the cost. Seneca has 2,200 slot machines, so 25 percent of Albany's 25 percent share is the equivalent of a 138 slot machines for Niagara Falls.

It was poor governance indeed to create a mammoth tax-free nation in the midst of over-regulated, highly-taxed, struggling businesses in a devastated community, in return for the profit of a mere 138 slot machines.

And, of course, contrary to what was promised, it was not tourists, but, locals, mainly, who bet and lost at Seneca. It's Economics 101: The transfer of wealth — While Seneca is gleaming, Niagara Falls is more depressed than ever. An estimated



*The Albany-controlled New York Power Authority provides free admission for a tour of its power vista, fooling many locals and tourists alike into believing that we, locally, derive the benefits from our local hydro-power.*

\$1 billion of regional monies lost to Seneca. Crime rising. Bankruptcy rising. Population dropping. Businesses closing. Closed to date: 11 restaurants, 26 taverns, 14 retail stores and four hotels.

Meanwhile Seneca opens restaurants, taverns, retail stores and a giant hotel — tax-free. And the Seneca/Albany compact provides for acquiring additional, adjacent land — to remove from the USA — for more tax-free businesses.

And many more are coming.

Lost, also, in this compact, was important convention business. Albany gifted Seneca our only convention center, which generated millions for hoteliers and restaurateurs. A tourist destination like Niagara Falls, stripped of its convention center, is a crime in and of itself. (Ironically, Seneca plans to open its own convention center.)

Thus, in order for Albany to usurp some short-term revenue, they created an almost insurmountably unlevel playing field for American businesses. Consider, moreover, the deterrent effect: What new business would, in a highly taxed, over-regulated and declining city, want to invest and compete against a tax-free nation next to it?

This, then, is the tremendous fact of our decline: Albany took our hydro-power; usurped our tourism; inflated the cost of our drinking water; taxed us higher than anywhere in the USA; and then created a tax-free nation to compete against us.

It is unprecedented in the history of the world: The unique and singular destruction by a state government of a world famous city. It will be written undoubtedly in future history books of the world and studied in political science classes: the plundering of Niagara by Albany, both by innate corruption and to favor the mighty New York City.

*Frank Parlato Jr. can be reached at frank@frankreport.com.*