

Grand Island urges federal government to keep new Seneca Nation land on tax roll

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Grand Island officials want a 200-acre parcel of land that was donated to the Seneca Nation of Indians to stay on the tax rolls. The town recently sent a letter to Interior Secretary Douglas Burgum asking the federal government to reject the Nation's request to place the property in restricted fee status. The office of Gov. Kathy Hochul sent a similar message to the Interior Department.

Town officials say they look forward to working with the Senecas on their plans for the property. But, they argue, it's essential that they retain a say over what happens with the land and that the parcel continue generating revenue for the town, Erie County and Grand Island schools once it's developed.

"We're trying to protect the residents, be good stewards to the taxpayers and, also, welcome the Senecas as good partners of land development," Town Board Member Dan Kilmer said in an interview. "There's no reason we can't be good partners and have this 200 acres become something prosperous for them and for us."

The dispute centers on one of the largest island properties available for commercial development. The Huntress family's Acquest Development had owned the land for more than 30 years. The property previously was eyed for a massive Amazon distribution center. That project ran into considerable backlash, as did the Huntress' plans to build a different warehouse after Amazon pulled out.

In response, the Huntresses in December announced they had donated the property to the Seneca Nation. The Nation has not revealed details about its plans, and President J.C. Seneca declined to comment for this article. Whatever happens, it will have major implications for an island whose residents and leaders have struggled to figure out how much development is too much, observers said. "This comes to a very ugly head all these years of the struggle of Grand Island to define itself," said Eric Fiebelkorn, a longtime leader of the Grand Island Chamber of Commerce and member of the town's Comprehensive Plan Review Board.

Vexed developers donate

The contested land status involves two parcels, totaling 207 acres, at Long and Bedell roads near a Niagara Thruway interchange. Acquest Development, led by William Huntress and his son, Michael, had owned the land for about 35 years.

The developer, at the request of the town, installed a sanitary sewer district to serve this and neighboring sites. But Acquest's efforts to bring Amazon to the site failed amid staunch local opposition. Acquest came back with plans for a single-story, 1.1 million-square-foot warehouse on the Long Road property – a facility that fit the parcel's light-industrial and research, or M-1, zoning.

With neighbors again balking, the Town Board in August passed a local law limiting what can be built in M-1 districts. "This law was directly targeted at us, affected us and us alone and unconstitutionally violated our rights," Michael Huntress said in an email to The Buffalo News announcing the donation.

The Huntresses agreed to sell the parcels, assessed at a combined \$924,500, to the Senecas for \$1. The Seneca Nation Council approved the transaction late last year. "We don't have any definite plans for the land yet, but a site of this size and in this location creates a number of potential economic development opportunities," Seneca, the Nation's president, said in a December statement.

Fiscal 'disaster' eyed

The Nation has, however, submitted a request to the Interior Department's Bureau of Indian Affairs for restricted fee status for the property under the Seneca Nation Settlement Act, a change that would limit local jurisdiction over the property and make the parcel tax exempt.

The Grand Island Town Board voted on Jan. 20 to send a letter to the Interior Department objecting to the request. The Island Dispatch newspaper was first to report on the town's submission. Grand Island Supervisor Peter Marston did not respond to messages seeking comment. However, the town in its letter offered several reasons for its opposition.

First, the two parcels generate just over \$25,000 annually in town, county and school district property taxes, records show. Exempting the property would wipe out this income as well as significant additional revenue when the vacant land is redeveloped, the town argued. The town said the 200 acres represent about 40% of the available, undeveloped commercial land on the island. "Placement of this property in restricted fee status leaves the town with no meaningful way to expand its tax base, attract new businesses or generate the revenue necessary to maintain and improve municipal services," the letter reads.

The town also warned of an "unmitigated financial disaster" for the school district, with ripple effects for town taxpayers, if the Nation constructs a large subdivision without generating property-tax revenue to offset the costs of serving the homeowners' children. The town further pointed out drainage limitations on and around the property.

And town officials say the land isn't eligible for restricted fee status because it violates the Nation's gaming compact with the state. The agreement restricts land purchases made using Seneca Nation Settlement Act funds to parcels contiguous to an existing Nation reservation, or the new casino properties, and only for the purposes of building new housing, according to the town's letter.

Hochul backs town

The Nation argues the property is in "near proximity" to its former Buffalo Creek reservation and its current casino in Buffalo, the town reported. But Grand Island officials say this land is too far from the Seneca casinos in Niagara Falls, Buffalo and Salamanca, not to mention Seneca reservation land, to qualify for restricted fee status.

The town had 30 days to respond to the Nation's request, said Kilmer, the Town Board member. The Governor's Office also sent a letter urging Burgum to reject restricted fee status. The office declined further comment. Rep. Tim Kennedy, D-Buffalo, whose district includes Grand Island, did not respond to a request for comment on the Nation's request. The Interior Department also did not respond to a request for additional information on how and when it will decide on the Senecas' filing.

The Senecas throughout the 1990s and early 2000s waged a legal fight to claim ownership of the island. Michael Huntress, in his email, called the Nation the "rightful owners of Grand Island." However, a federal court judge, in a ruling upheld on appeal, rejected the Nation's claim to more than 40 islands in the Niagara River, including Grand Island, finding New York obtained lawful ownership at the time of the American Revolution.

Cooperation sought

Kilmer emphasized the town is not opposed to the Senecas' ownership of the property. "I understand and respect their position to make it sovereign. And then they have to understand and respect our position to protect the taxpayers," Kilmer said. "It's just one of those things that we're all going to end up coming together, I hope, at the end and working something out."

Fiebelkorn, the Chamber's executive director and CEO, wryly said he never knew so many tax attorneys lived on the island until news of the Huntress donation came out. He said residents have discussed at length the gift to the Senecas and the Nation's so-far-unknown plans for the property. Fiebelkorn said the unwillingness of the town and residents to allow the Huntresses to develop the land spurred the property donation.

He said he agrees the land should remain on the tax rolls. And he said he's optimistic all involved can find a way to develop the site that fits the town's master plan and the property's zoning – with a multisport recreation center at the top of his personal wish list.

"Something like that would be best case. Do I think I'm going to get what I want for Christmas? I don't think so, but it'd be great," Fiebelkorn said. "A guy can ask Santa, can't he?"