

Tompkins County Industrial Development Agency

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MINUTES OF PUBLIC HEARING
Cayuga Power Plant PILOT Amendment
April 6, 2015
5:30 PM
Town Hall of Lansing
29 Auburn Road, Lansing NY

Present: Michael Stamm, Ina Arthur, Will Burbank, Mariette Geldenhuys (for Tompkins County Industrial Development Agency), Jerry Goodenough (CPP), Joe Mareane, Jay Franklin (Tompkins County), Dooley Kiefer, Carol Chock, Michael Sigler (TC Legislators), Kathy Miller, Paul Southard, Ed LeVigne, Mary June King, John Marabella, Al Diambin, Margaret McCasland, Rom Robinson, Karen Edelstein, Joseph Wetmore, Gay Nicholson (Town of Lansing), Irene Weiser, Mary Alice Colber (Town of Caroline), Krys Cail, Sara Hess, Elmer Ewing (Ithaca), Brian Eden (V of Cayuga Heights), Joe Wilson, Deborah Cipolla-Dennis, Joanne Cipolla-Dennis (Town of Dryden)

(Prior to the public hearing, an information session was held to review the history and current amendment to the PILOT Agreement.)

1. Michael Stamm called the public hearing to order at 6:35 PM
2. Call for comments.

Michael Sigler (Town of Lansing) – Mr. Sigler thanked all for coming to the public hearing and voicing their concerns.

Ed LeVigne (Town of Lansing) – Mr. LeVigne echoed Mr. Sigler's comments and thanked all for coming to express their views.

Irene Weiser (Town of Caroline) – Ms. Weiser commented on the terms of the RSS agreement set up by the Public Service Commission (PSC). She stated that the agreement allows the power plant to keep \$5M of profit and then 50% of profit above that amount is also kept. She would like the money collected from the “pop up” provision of the amendment to the PILOT to go back to the taxpayers. She asked that the PILOT amendment be rejected and renegotiated. She feels the power plant will eventually close and plans should be made to deal with that eventuality.

Tompkins County

Industrial Development Agency

Krys Cail – (3110 DuBois Road, Ithaca NY) – Ms. Ceril spoke about the capitalization rate used in the valuation formula for the power plant. The rate is high due to the high risk of the power plant as compared to residential real estate. She spoke to the need to look to the future and asked that a surety bond requirement be put into the PILOT agreement to deal with the water pollution being caused by the power plant.

Sarah Hess (124 Westfield Drive, City of Ithaca)

I understand that a PILOT is negotiated based on the idea of compromise and that both the taxing municipalities and Cayuga Operating Company LLC need to benefit when the plant stays open and sells energy. I'm glad to learn tonight that the formula for the PILOT has been improved from last year, so that now when more power is sold by the plant, it will pay more taxes on the profits.

However, there are two kinds of costs of the plant that only impact the local area and not the plant owners. First are the environmental costs of burning fossil fuels, which are never included in a PILOT agreement. Those costs land only on those of us who live in this region because of the air and water pollution coming from the plant.

Furthermore, there are community costs when millions of dollars in profits flow out of the pockets of ratepayers here and in the 17 county NYSEG area. All the profits made from this plant leave the community. Owners of CPP are major investment institutions, including JP Morgan, Marathon Oil, California Public Employees Retirement System, Standard General (an investment company).

A PILOT formula that keeps some of the profits in an escrow account to pay for community costs makes good sense to me, for the inevitable day when the plant closes, or when clean up of the coal ash piles requires public funds. For example, why not divide the 50% pop-up in profits for CPP in half, and put 25% in escrow. The remaining 25% profit for CPP is still a very healthy profit rate, enough to encourage them to sell as much energy as possible.

This agreement points out how much better our community would be if local energy generation were from clean, renewable sources, and owned locally. Profits would then circulate within our own economy, and ratepayers would benefit from low costs while school and municipalities would benefit from tax payments. The Black Oak Wind Farm in Enfield is an excellent example.

Thank you for your attention.

Paul Southard (Town of Lansing President) – Mr. Southard stated that he is a former plant manager for the Cayuga Power Plant. The power plant produces energy for 1 Million people, day and night, and whether the wind is blowing or not. It is a very efficient and clean plant. The Board should consider keeping the company in the County. They provide good, well paying jobs. If the plant closes, power will be coming from fossil burning plants in the Ohio Valley and all the jobs will be exported to that region.

Brian Eden (Village of Cayuga Heights) – Please see comments attached to these minutes.

Tompkins County

Industrial Development Agency

Joe Wilson (Town of Dryden) – Mr. Wilson thanked all who worked on the agreement as it is a good way to recapture some of the profits. He also thanked Mr. Burbank as a member of the IDA Board for attending this hearing. He stated his disappointment that other board members were not present. Mr. Wilson stated that he feels that the PILOT agreement could do better. He feels that all the profits the company earns is going to Wall Street financiers. He feels that the plant will eventually fail and that profits should be put into an escrow account to deal with the blow to the taxing jurisdictions.

Elmer Ewing (1520 Slaterville Road, Ithaca NY) – Mr. Ewing stated that he supports the statements of Irene Weiser.

Deborah Cipolla-Dennis (Town of Dryden) – Ms. Cipolla-Dennis stated that she feels the power plant should not be exempt. The IDA should modify the PILOT so the profits go to an escrow account.

Joanne Cipolla-Dennis (Town of Dryden) – Ms. Cipolla-Dennis stated that she feels the power plant is in violation of the Federal Clean Air Act. She agrees that the profits from the company should be taken and put into an escrow account. She spoke to environmental and health care costs that are very real due to the power plant.

John Mirabella (Town of Lansing) – Mr. Mirabella stated that he is a resident of the Town of Lansing and his children are part of the Lansing School District. He is concerned about the fate of the power plant. If the plant fails, the Town of Lansing will bear the brunt of that impact in terms of lost jobs, lost taxes and an impact to the education system.

Karen Edelstein (Town of Lansing) – Mr. Edelstein commented that she supports the comments of Irene Weiser.

Joe Wetmore – Mr. Wetmore stated that he agrees with the residents of the Town of Dryden. He is concerned with the public information session. He feels that getting input from the power plant is foolish in that they will manipulate the data and will not give good numbers. He feels there should be an independent audit to verify the information. He also stated that he feels that the vacant land parcel the plant owns should be separated out of the PILOT agreement.

Gay Nicholson (Town of Lansing) – Ms. Nicholson spoke to the larger issues of environmental impact. She stated that the Town of Lansing should diversify its economic base.

Carol Chock (TC Legislator) – Ms. Chock stated that we can only control community response. She is concerned with declining taxes that are coming from the power plant. She stated that we need to adapt with the changing technologies and need to move forward and adapt.

Dooley Kiefer (TC Legislator) – Ms. Kiefer comments on the lack of IDA Board members at the public hearing. She spoke to a report from the assessment department with information on the various municipalities. She feels Lansing is doing well with new lumber companies – this is making up the lost taxes from the power plant. She suggested postponing the vote at the IDA Board meeting as not all the IDA Board members would be present at that time.

Tompkins County

Industrial Development Agency

Mary Alice Colber (Town of Caroline) – Ms. Colber stated that she was appalled by the lack of IDA Board members in attendance. She pays taxes, cares about schools and is concerned about possible future brown field costs. She feels that something should be built into the PILOT agreement to address the brown field costs.

3. The hearing was adjourned at 7:20 PM