

For Immediate Release: Clarifications About AES Cayuga's PILOT Agreement and Its Declaration of Bankruptcy

Lansing, NY When AES Cayuga's parent company declared bankruptcy on December 30, many questions about what this means for our local plant, the Town of Lansing, Tompkins County, and the Payment In Lieu Of Taxes (PILOT) agreement have surfaced.

First a bit of history, The PILOT process was started in 2007 as a way to create a negotiated process to stabilize the unpredictable fluctuating valuations that made it difficult for AES as well as Lansing Central School District (LCSD), the Town of Lansing, and the County to create their budgets. The goal of all the parties was to create a PILOT that recognized the value of the Plant would change over time as conditions changed, but allowed the impact of those changes to be phased-in over a reasonable period of years (up to five years). This allows AES and local taxing authorities to plan.

Regarding the recent declaration of bankruptcy, the same conditions that have led to bankruptcy have been the factors the PILOT negotiating teams have had to contend with in negotiations regarding value. The team believes they've been able to incorporate the current situation into the current round of negotiations that are almost at the finish line.

According to Tompkins County Administrator Joe Mareane, "We have been in discussions with AES that will reduce the value of the plant, in phases according to the PILOT process we've been using since 2007 --and that we believe the values will not be impacted by the bankruptcy. We are hopeful the plant will remain a viable business in the long run."

According to Martha Robertson, Chair of the IDA, who helped lead the Pilot negotiations, "The IDA has been briefed on the negotiations and the attorneys are finalizing the language of the amended agreement. As we have done in the past, I will request a public information meeting in the Town of Lansing, so taxpayers can have their questions answered. We expect that at its next meeting, on January 18, the IDA will consider whether to send the new agreement to a public hearing before final consideration by the board."

The negotiating team includes representatives of the Lansing Central School District, the Lansing Town Board, the County Legislature, the IDA, and County Assessment and Administration. "Our team has been aware of the possibility of a bankruptcy for some time and it's been a factor in the negotiations," added Robertson.

According to Michael Stamm, President of Tompkins County Area Development, "TCAD is hopeful that after the restructuring of the parent company and improved economic conditions, AES Cayuga will come back on line and continue to have a positive impact on our community far into the future. The quality of the workforce there will be important to the future owner/operator."

###