

Tompkins County Industrial Development Agency

ADMINISTRATION PROVIDED BY 

Cargill – Community Benefits Overview

September 8, 2016

Project Overview

The Cayuga Mine in Lansing has been in continuous operation since 1918. The mine produces approximately two million tons of rock salt per year. The Cayuga Mine employs over 200 full-time employees in operations, maintenance, engineering, finance, management, and support positions.

Due to the age of the mine, the underground mine workings are currently over 7 miles from the elevator shafts. Because of the distance, providing fresh ventilation air and safe access to surface in the event of an emergency is becoming increasingly difficult. A new ventilation and access shaft is required, or the mine will be shut down and all 200+ jobs lost as the remaining salt reserves could not be safely and productively mined.

The #4 Shaft project will be constructed on a 55 acre plot of land owned by Cargill, approximately 5 miles north of the current Cayuga Mine Site. The key objective of the project will be to provide an escapeway 30 minutes closer for the underground miners and the infrastructure and fresh air for an additional 30 years of mining at the Cayuga Mine.

The #4 Shaft Project will include a 14' diameter mine shaft that is 2,500' deep with a heavy duty mine elevator. This shaft will allow miners to evacuate 30 minutes faster in an emergency and will provide fresh ventilation air to ensure a safe and healthy work environment. The project will also include change room facilities for the miners, an electrical upgrade for the mine, and a small maintenance shop for equipment.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs

The project will retain 200 and create 4 new jobs. Should the project not be undertaken, the mine will close in 8-10 years.

- Estimated value of tax exemption

Applicant is requesting a sales tax exemption of \$640,000.

- Estimate of private sector investment to be generated by the project - \$32,000,000

- Likelihood of completing project in a timely manner

Project is on a timeline to begin in 2017 and be completed in 2020. State permitting and environmental review is currently underway. This is a critical project that without being completed, the mine will close, so it is extremely likely the project will move forward in a timely manner.

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- Extent to which project would generate additional sources of revenue for local taxing jurisdictions

An independent study in 2015 estimated the following economic benefits to the community:

- Town of Lansing: \$4.6 Million
- Tompkins County: \$173 Million
- New York State: \$221 Million