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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PUBLIC HEARING FOR
SOMERSET OPERATING COMPANY, LLC

July 30, 2018

3:30 P.M.

Taken at: SOMERSET TOWN HALL
8700 Haight Road
Barker, New York 14012

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PRESENT: SUSAN LANGDON,
Executive Director,
Niagara County Industrial
Development Agency.
Appearing as Hearing Officer.

REPORTED BY: DAWN M. SITERS,
Court Reporter.

ATTENDANCE NOTED ON ATTACHED SIGN-IN SHEET

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1 MS. LANGDON: Welcome. This
2 public hearing is now open. It's 3:30 p.m. My name
3 is Susan Langdon. I'm the Executive Director of
4 the Niagara County Industrial Development Agency.
5 I have been designated by the Agency to be the
6 hearing officer to conduct this public hearing.

7 We are here to hold the public
8 hearing on Somerset Operating Company, LLC and/or
9 individuals or affiliates, subsidiaries or entities
10 formed, or to be formed, on its behalf. The
11 transcript of this hearing will be reviewed and
12 considered by the Agency in determination of this
13 project. Notice of this hearing appeared in the
14 Niagara Gazette on June 15, 2018.

15 Somerset Operating Company, LLC,
16 for itself or on behalf of an entity formed, or to
17 be formed, has requested the Agency's assistance
18 with respect to a certain project consisting of:
19 (A) the acquisition or retention by the Agency of
20 fee title to, or a leasehold interest in, an
21 approximately 1,800-acre parcel of land located at
22 7725 Lake Road in the Town of Somerset, Niagara
23 County, New York, together with the existing nine

1 buildings thereon. The Agency has previously
2 provided financial assistance to the Company for
3 qualifying portions of the Project consisting of
4 partial real property tax abatement in the form of a
5 certain payment-in-lieu-of-tax agreement.

6 Pursuant to the Company's request
7 to extend the term of the existing PILOT, the Agency
8 will consider acquiring or retaining title to, or a
9 leasehold interest in, the Facility and lease the
10 Facility back to the Company. The Company will
11 operate the Facility during the term of the lease.
12 At the end of the lease term, the Company will
13 purchase the Facility from the Agency, or if the
14 Agency holds a leasehold interest, the leasehold
15 interest will be terminated. The Agency
16 contemplates that it will provide financial
17 assistance to the Company for qualifying portions of
18 the Project consisting of an extension of the
19 existing PILOT between the Company and the Agency.

20 The total PILOT Agreement payment
21 to be paid by the Company for the County of Niagara
22 and the Town of Somerset for the tax year 2019, and
23 the Barker Central School District for the tax year

1 2018-2019, shall be three million dollars.

2 The total PILOT Agreement payment
3 to be paid by the Company for the County of Niagara
4 and the Town of Somerset for the tax year 2020, and
5 the Barker Central School District for the tax year
6 2019-2020, shall be three million dollars.

7 Niagara County shall continue to
8 receive 31.5 percent of the PILOT payment, the Town
9 of Somerset shall continue to receive 9.25 percent,
10 and the Barker Central School District shall
11 continue to receive 59.25 percent.

12 Niagara County shall continue to
13 pay for its Special Districts from its portion of
14 the PILOT payment, and the Town of Somerset shall
15 continue to pay for its Special Districts from its
16 portion of the PILOT payment.

17 All those in attendance are
18 required to register by signing the sign-in sheet at
19 the front of the room. You will not be permitted to
20 speak unless you have registered.

21 If you have a written comment to
22 submit for the record, you may do so. Written
23 comments may be delivered to the Agency at 6311

1 Inducon Corporate Drive, Suite One, Sanborn until
2 the comment period closes on August 3rd, 2018.

3 There are no limitations to written comments.

4 If anyone is interested in making
5 a comment, please raise your hand, state your name
6 and address. If you are representing a company,
7 please identify the company.

8 Does anybody wish to speak? Sir.

9 JOSEPH FOX: I believe I
10 signed that I wish to speak. Okay.

11 MS. LANGDON: Could you, for
12 the record, state your name and address?

13 JOSEPH FOX: Joseph J. Fox,
14 9125 Somerset Drive, Barker, New York 14012.

15 Since the last PILOT for this
16 facility, employment at the facility has decreased
17 from ninety-nine to seventy-eight employees, a loss
18 of twenty-one jobs. The PILOT will increase from
19 four point one two million to three million, a loss
20 of one point one two million dollars.

21 Also, it must be noted that the
22 overall assessment for this facility has decreased
23 from four hundred and sixty-six million to one

1 hundred and thirty point seven million. Most likely
2 what the facility was paid for. This is a decrease
3 of three hundred and thirty-five point three million
4 dollars of assessed valuation. My source is the
5 Town Assessor of Somerset.

6 Having said this, I oppose this
7 PILOT, and the plant should be put on the tax rolls
8 because of the major decrease in assessment. No
9 other business or resident ever received a
10 seventy-two percent decrease, unless their
11 facilities burned down or whatever.

12 However, if the owners would
13 implement a total re-use of this facility with a
14 solid proposal in hand, and implement a site plan
15 and action plan, then the PILOT might be warranted.
16 Otherwise, you're trying to beat a dead horse.

17 In the end, only the free market
18 and the owners will close the coal-fired plant.
19 That's it.

20 MS. LANGDON: Thank you.
21 Does anybody else wish to speak? Sir.

22 JIM HOFFMAN: I have a
23 handout. Jim Hoffman, 8737 Lake Road, Barker.

1 I support the proposed
2 payment-in-lieu-of-taxes. I have long advocated
3 against these devices as unnecessary tax breaks.
4 However, under the existing circumstances, the
5 proposed PILOT seems the only practical option
6 available to preserve the seventy-eight jobs and
7 the attendant economic benefit of the area.

8 The plant is virtually worthless
9 on the market, as coal plants are. So addressing
10 assessed valuation is kind of academic, and I think
11 the Town Board has been through that exercise as
12 recently as a few months ago.

13 Unfortunately, the proposed PILOT
14 has a length of only two years, as our senseless
15 State energy policies are intent on closing the
16 Somerset Operating Company and throwing away these
17 seventy-eight jobs. This leaves Somerset and
18 Niagara County with abandoned buildings, a pile of
19 rusting steel, and a secured toxic landfill that
20 must be monitored and maintained forever.

21 This begs the question to plant
22 management, the IDA, and local leaders and
23 politicians; what is next for this plant and the

1 community. Some say Lighthouse Wind proposed by
2 Apex Clean Energy, who plan to put maybe seven
3 hundred -- or seventy-six hundred foot high wind
4 turbines on Lake Ontario's shores is the answer.
5 Nothing could be farther from the truth. Our local
6 residents, with much support on all levels, have
7 soundly rejected this proposal as a physical,
8 environmental and economic disaster for our
9 community.

10 So what's next for the facility?
11 I, and many others, would like to know. I believe
12 we need some answers from the Somerset Operating
13 Company, from Niagara County IDA, and from local
14 politicians. We deserve to hear from them more than
15 when it's just tax time. Thank you.

16 MS. LANGDON: Thank you.
17 Does anybody else wish to speak?

18 Sir, your name?

19 PAUL OLIVEIRA: Paul Oliveira,
20 8661 Huntington Beach, Barker, New York 14012.

21 You said something about a lease
22 of land that's right next to the plant, is that
23 correct?

1 MS. LANGDON: No. That's
2 just the legal term for the leaseback, where the
3 property goes off the tax rolls through a lease
4 agreement with the IDA. It's not really a lease of
5 the land, it's a conduit to get the tax benefits for
6 the company.

7 PAUL OLIVEIRA: Okay. That's
8 all I wanted to know.

9 MS. LANGDON: Thank you.
10 Anybody else wish to speak? Ma'am.

11 BETTY WOLANYK: Betty Wolanyk,
12 7792 Haight Road.

13 First, I have a question. On
14 Section Five where it says special district, what
15 is that funding for? Special district, what is
16 special district?

17 MS. LANGDON: Well, those
18 are assessments that exist for -- I don't know the
19 specific -- but water districts or sewer districts.
20 I would defer to the Town. But those are never
21 abated, so they're included in the three million
22 dollars.

23 BETTY WOLANYK: Thank you.

1 Every time the Somerset Power Plant fires up, I feel
2 like cheering. It's a reliable, on-demand
3 electricity producer, quite unlike the proposed
4 industrial wind turbines that have been proposed, or
5 will be proposed for this town.

6 Even with this minimal operation
7 of the plant, the PILOT is almost twice what is
8 proposed for Lighthouse Winds, which will be split
9 between two towns, two school districts and two
10 counties.

11 I'm in favor of continuing this
12 PILOT, as I am in favor of this plant continuing
13 operation and being a backup to all of the
14 intermittent wind turbines that are being planted
15 around New York State.

16 I am against Lighthouse Winds. I
17 don't feel as though it's a reliable source of
18 electricity. And I think that New York is
19 jeopardizing its future, and will be raising its
20 electricity rates to levels that will really see our
21 economy fail in this state.

22 I, too, am concerned about the
23 closing of the plant and whether we will be left

1 with a rusting hulk on the shore of Lake Ontario.
2 When we moved here in 1971 we could access the lake
3 right there, and we used to go swimming after we
4 would make hay on the farm. I realize it will never
5 be returned to what it once was.

6 But it concerns me that it's going
7 to be just left there abandoned because our governor
8 chooses to enforce regulations that make the power
9 plant inoperable, and instead, will force industrial
10 wind turbines down our throats.

11 I, too, believe we need some
12 answers, and we need a state that will be more
13 concerned about its citizens than whether its
14 governor is going to run for president or not.

15 MS. LANGDON: Thank you.
16 Does anybody else wish to speak?

17 PAUL OLIVEIRA: Is it possible
18 to find out -- I'd like to know how much that power
19 plant makes. Is there any way I can find that out
20 from the IDA?

21 MS. LANGDON: Not through
22 the IDA, no. I don't know if you can find it online
23 or not.

1 PAUL OLIVEIRA: Do you know
2 what they make?

3 MS. LANGDON: No.

4 PAUL OLIVEIRA: You have no
5 idea what they make?

6 MS. LANGDON: I do not.
7 Sir, this is not really the forum --

8 PAUL OLIVEIRA: All I'm asking
9 is, does the IDA know how much this plant makes, the
10 revenue a year?

11 MS. LANGDON: No, I do not
12 personally know at this time.

13 PAUL OLIVEIRA: Wow.

14 MS. LANGDON: Thank you.
15 Mr. Hoffman, did you have a comment?

16 JIM HOFFMAN: No. I just
17 think what's significant is the payroll, which you
18 have that.

19 MS. LANGDON: Right.

20 (Discussion off the record.)

21 MS. LANGDON: Sir, it won't
22 be on the record if you're talking to somebody else.

23 PAUL OLIVEIRA: I would like

1 to know how much they make. That's what I'm asking.

2 MS. LANGDON: Okay. Thank
3 you.

4 PAUL OLIVEIRA: You're welcome.

5 MS. LANGDON: Does anybody
6 else wish to speak?

7 Okay. There being no more
8 speakers, I will close the hearing. It is now 3:43.

9 Thank you, all, for coming.

10

11 (The proceeding was concluded at 3:43 p.m.)

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**SIGN IN SHEET
PUBLIC HEARING**

July 30, 2018
at Somerset Town Hall

regarding:

Somerset Operating Company, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies)

formed or to be formed on its behalf

Project Location: 7725 Lake Road

Name	Company and/or Address	X box to speak/ comment
JAN STEEMER	NCRPTS	
Betty Wolanyk	7792 Haight Rd	X
Alice Wolanyk	" " "	
Joseph J. Fox	9125 Somerset DR BARKER, NY 14012	X
Robin Jansen	1872 Johnson CR Barker NY 14012	
Jim Hoffman	8737 LAKE RD BARKER 14012	
Christine Bronson	9533 Somerset Dr Barker, NY 14012	
COORDINATOR JON NOTALING	1365 QUAD	

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Project Location: 7725 Lake Road

Name	Company and/or Address	X box to speak/ comment
NORM TAUSEN	TOWN PLANNING BOARD SOMERSET NY	
Dale & Kathy Howard	8662 Huntington Beach Rd Barker NY 14012	
Carel Kligenthal	Barker CSD	
Jake Reiner	Barker CSD	
Paul Olivera	8661 Huntington Beach Somerset NY	