

BARON WINDS LLC PROJECT

Compiled Testimony

Public Hearing held by:
Steuben County Industrial Development Agency
on
June 19, 2019
Fremont Town Hall
8217 Cream Hill Road
Arkport, New York 14807



- I. Transcript of Public Hearing held at 2:00 pm

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PROCEEDINGS HELD AT FREMONT TOWN HALL, 8217
CREAM HILL ROAD, ARKPORT, NEW YORK 14807 ON JUNE 19,
2019 AT 2 P.M.

Fremont Town Hall
8217 Cream Hill Road
Arkport, New York 14807
June 19, 2019

Steuben County Industrial Development Agency
7234 Route 54 North.
PO Box 393.
Bath, New York 14810.
By: James C. Johnson, Executive Director.

Harris Beach, PLLC.
99 Garnsey Road.
Pittsford, New York 14534.
By: Russell Gaenzle, Esq.

REPORTED BY:
Brandi A. Wilkins
Court Reporter
FORBES COURT REPORTING SERVICES, LLC
21 Woodcrest Drive, Batavia, NY 14020
Main (585)323-8612 Fax (716)580-3052
Email: Kelly@forbescourtreporting.com

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

(Whereupon, the proceedings commenced at
1:59 p.m.)

MR. JOHNSON: Good afternoon, everyone.
We're going to go ahead and get the public hearing
started. I appreciate everybody coming out this
afternoon. My name is Jamie Johnson. I'm the
Executive Director of the Steuben County Industrial
Development Agency, and I want to thank all of you for
coming today. I'm going to just make a few brief
remarks and open up the hearing and then I'm going to
turn it over to our legal counsel, Russ Gaenzle, from
Harris Beach to actually run the hearing, and we've
got a stenographer who is going to be taking comments
and putting it into an actual recorded record for the
board.

On April 23rd, our board received an
application from Baron Wind, and at that time, they
accepted that application and authorized us to move
forward with a public hearing. That does not mean
that they have approved the application. We just
accepted it and started the process to review.

In addition to the application which was for
a \$304 million project in the towns of Cohocton,
Fremont, Dansville and Wayland, we also received a

1 copy of the entire record that was submitted with the
2 Article 10 process which is currently being reviewed
3 by our professional teams as well.

4 Having said that, today is the first of what
5 will be two public hearings today where we'll be
6 taking comments regarding the project and our
7 involvement in it which is at this point limited to
8 providing the economic incentives that this project
9 has applied for. Those incentives include a sales tax
10 exemption on construction materials, mortgage tax
11 exemption on potential financing that may go towards
12 the project, and in addition to that, there is going
13 to be a property tax abatement, a payment of tax
14 schedule that is a 20-year pilot. Total incentives
15 over the course of the 20-year period are estimated at
16 \$11.6 million made up of those three property tax --
17 those three incentives which are again the sales tax,
18 mortgage recording tax and property tax exemption.

19 Our board is taking this very seriously. We
20 are looking to make a final decision on this
21 application sometime late -- I would say late third
22 quarter early fourth quarter of this year and, you
23 know, make a final decision at that point in time.

24 We do have some ground rules that we've
25 established to make sure everybody gets a fair chance

1 to be heard today. Those ground rules again were set
2 to make sure everybody has enough time to speak and to
3 be heard. We have set a two-minute time limit. I've
4 heard a few people bring that up and are concerned
5 about that. This is just, you know, a limit that we
6 have set to make sure again that everybody can be
7 heard. We aren't going to stop you at two minutes if
8 you still are making comments, but we also don't want
9 you to ramble on and on and on and on. And you know,
10 we will be asking you to keep comments limited to a
11 reasonable amount of time.

12 So with that -- oh, the one final thing that
13 I will say. We do have a complete copy of the
14 application materials posted on our website which is
15 www.steubencountyida.com. You can go to the agency
16 information page and you will be able to find the
17 application as well as the initial resolution that was
18 passed accepting the application, and any other
19 documents that our board will review and act on over
20 the next several months will also be posted after the
21 meetings.

22 So with that, I'm going to turn it over to
23 Mr. Gaenzle, and he's going to read the public hearing
24 notice and then call individuals up to speak based on
25 your filling out of the forms.

1 MR. GAENZLE: Yeah. Thanks, Jamie. I'll
2 read the notice before we get going. We have a
3 stenographer here. I would ask that if you would like
4 to speak and you haven't filled out the form, Jill has
5 them there and she can bring it over to me. These are
6 not being picked in any particular order. We would
7 ask that you spell your name for the stenographer in
8 case I don't pronounce it correctly. I apologize in
9 advance if I butcher anybody's name.

10 So I'll read the hearing and then I'll start
11 bringing people up, and as Jamie mentioned, we had
12 established a two-minute time limit to allow what is a
13 rather large crowd ample opportunity to present their
14 comments, and that's not a hard and fast time. So
15 I'll read the hearing and then we'll get going.

16 Notice is hereby given that a public hearing
17 pursuant to Article 18-A of the New York General
18 Municipal Law will be held by the Steuben County
19 Industrial Development Agency on Wednesday, June 19 at
20 the Fremont Town Hall at 2 p.m. and 6 p.m. local time
21 in connection with the following matter: Baron Winds
22 LLC for itself or on behalf of an entity to be formed
23 by it or a different entity to collectively the
24 company has submitted an application. A copy of which
25 is on file with the agency requesting the agency's

1 assistance with respect to a certain project
2 consisting of the acquisition by the agency of a
3 leasehold easement or other interest in multiple
4 parcels or portions thereof of land in the towns of
5 Cohocton, Dansville, Fremont, Avoca and Wayland,
6 Steuben County, New York. The construction,
7 installation and operation on the land of between 63
8 to 67 wind turbines with a generating capacity of 219
9 megawatts and 235 megawatts. Together with the
10 associated collection lines below grade and overhead,
11 access roads, towers, substation and operation of
12 maintenance buildings and related improvements. The
13 accusation and installation by the company in and
14 around the improvements of certain items of equipment,
15 other tangible personal property to under take the
16 project. The agency will acquire a leasehold or other
17 interest in the facility and lease the facility back
18 to the company. The company will operate the facility
19 during the term of the lease. At the end of the lease
20 term, the leasehold interest will be terminated. The
21 agency contemplates that it will provide financial
22 assistance to the company in the form of sales and use
23 tax exemption for purchases and rentals related to the
24 acquisition, construction and equipping of the
25 facility, (inaudible) property tax abasement

1 structured within a payment with the tax agreement and
2 a mortgage recording tax exemption for financing or
3 refinancing related to the project. A representative
4 of the agency will be at the above stated time and
5 place to present a copy of the company's application
6 and hear and accept written and oral comments from all
7 persons with views in favor of, opposed to, or
8 otherwise relevant to the proposed financial
9 assistance dated June 8, 2019, Steuben County
10 Industrial Development Agency.

11 So we'll start, and again, I would ask that
12 you spell your name when you come up. Thank you. The
13 first person is Don Baschmann, and then following will
14 be Mona Meagher.

15 MR. JOHNSON: Don, before you start, I also
16 want to say that if there's any written record you
17 want to submit as part of your testimony, please leave
18 it up here and it will be included as part of the
19 public record.

20 UNIDENTIFIED SPEAKER: One more thing. Does
21 this pilot program include the projects happening in
22 Southern Steuben County, Troupsburg, Jasper, West
23 Union and that area?

24 MR. JOHNSON: The hearing here today is only
25 for the Baron Wind project. It does not cover any of

1 the other projects. We have not received any
2 applications for public assistance for those, so this
3 is only for the project that is Baron Wind related.

4 MR. GAENZLE: If you want to speak, you can
5 fill out a card, but we've got to start the process of
6 people speaking.

7 MS. SAUDERS: I have a question on the
8 process.

9 MR. GAENZLE: Okay.

10 MS. SAUDERS: My name is Laura Sauders. I'm
11 from Steuben County. I just want to know, this is a
12 public hearing. Is there any representation from the
13 Baron company here today?

14 MR. GAENZLE: I believe so.

15 MR. JOHNSON: Justin is.

16 MS. SAUDERS: And what is your position?

17 JUSTIN: Project manager.

18 MS. SAUDERS: Is there anyone from the
19 company or the manager.

20 JUSTIN: I'm a manager with the company,
21 yes.

22 MS. SAUDERS: Will there be an opportunity
23 for questions and answers today?

24 MR. JOHNSON: Not during the hearing. If
25 Justin is willing to talk to you afterwards, then

1 that's his decision, but this is not a question and
2 answer period. We're here to take public comment.

3 MS. SAUDERS: But it's a public hearing;
4 right?

5 MR. JOHNSON: Correct. We're here to take
6 public comments.

7 MS. SAUDERS: My recollection of public
8 hearings or my idea of one is usually questions and
9 answers first and then the people get a chance to make
10 statements, more educated statements really, when they
11 find out from the professionals what the answers are,
12 and a lot of the concerns and questions that they have
13 can be answered during that time.

14 MR. JOHNSON: Ma'am, I understand that, and
15 there's been ample opportunity for that input through
16 our process. So we're here to take public comments.

17 MR. GAENZLE: Right. We've got to start.

18 MS. SAUDERS: When will they be answered and
19 when will we be allowed to --

20 MR. GAENZLE: You're free to speak with the
21 developers as you see fit, but we're here to take
22 comment on the project and the proposed financial
23 assistance.

24 MS. SAUDERS: I agree.

25 MR. GAENZLE: And if you would like to fill

1 out a card and address it.

2 MS. SAUDERS: Thank you. I'm just saying
3 that if we want to talk to the professionals
4 individually fine, but then the public doesn't hear it
5 so it's not much of a public hearing.

6 MR. GAENZLE: You're certainly willing to if
7 you speak with the developer and have a conversation
8 with him or her and would like to submit your comments
9 that would be part of the public record.

10 MS. SAUDERS: I agree with that too. The
11 comments are important, but sometimes the questions
12 and answers can alleviate some of the statements being
13 made. Thank you.

14 MR. GAENZLE: Thank you. Okay, I'm sorry.

15 MR. BASCHMANN: Okay. The name is Dan
16 Baschmann, and I'm a Fremont resident here to speak in
17 favor of the financial assistance for the project. I
18 think it's good, clean development, benefits our town
19 and the whole county. That's all.

20 MR. GAENZLE: Thank you. Mona -- I'm sorry.

21 MS. MEAGHER: It's Meagher, M-E-A-G-H-E-R.

22 MR. GAENZLE: Okay, and next would be Laura
23 Sauders.

24 MS. MEAGHER: My name is Mona Meagher, and
25 I'm a property owner in Steuben County. First of all,

1 I'd like to say I think it's shameful that this is the
2 only opportunity that we get to speak and there's only
3 one member of the IDA board here. Are these comments
4 going to be passed onto the rest of the board?

5 MR. GAENZLE: Yes. We have a stenographer.

6 MS. MEAGHER: Are they going to read them
7 before the next vote?

8 MR. GAENZLE: I would presume so, yes.

9 MS. MEAGHER: Let's hope so. I think we
10 would like to be afforded the opportunity to address
11 our public comments to the entire IDA board, not just
12 one. Are you aware that in Chautauqua County that
13 there were people that went and spoke to the
14 legislators there and Chautauqua County is no longer
15 authorizing pilots in that county. The tax break you
16 are willing to give these companies in comparison to
17 the jobs produced is ludicrous. The most recent
18 update from 2019 shows eight jobs not even well paying
19 jobs. One secretarial position at \$10.85 an hour.
20 That is not even minimum wage in New York State. A
21 technical job at \$16.96 per hour. One management job.
22 In the application for the exemptions, only one, two
23 three jobs are in the labor market area. That
24 encompasses six counties, so it was likely that not
25 even one job will stay here in Steuben County.

1 So you want to give millions of tax breaks
2 to the wind company for one to three jobs that may not
3 even benefit this company. These wind companies are
4 multi million dollar companies and they all tell how
5 productive they are and how they will produce electric
6 for thousands and thousands of homes. At that rate,
7 they have to be raking in millions of dollars. We are
8 already being heavily subsidized to build these
9 facilities. If they are as lucrative as they say,
10 they can afford to pay full tax. If they say they
11 can't build without a pilot, then you have a flawed
12 business design and they do not belong here.

13 With the way the pilot is structured, taxes
14 can never go down. The only way to reduce property
15 taxes is to make big wind pay full tax on a full
16 assessed value. As it stands now, that \$1.2 million
17 per year is split between nine different agencies
18 including the IDA. Full taxation is the only way to
19 get some meaningful money pumped into these
20 communities to reduce the tax burden.

21 We are being forced to have industrial wind
22 facilities here in Steuben County destroying our
23 pristine county. Not participating property owners
24 are being forced to sequester themselves and become
25 prisoners in their own home to avoid the debilitating

1 impact of the turbine noise and shadow flicker for
2 what? A return of a few pennies on the dollar.

3 Have you considered the economic impact of
4 these turbines on property values. When property
5 devalues, who picks up the deficit, the wind company?
6 No, the remaining property owners. Have you
7 considered the impact to tourism? On birds and bats?
8 Have you considered the cost? Of the population's
9 health and safety. We do not want these here, and if
10 we are to be forced to have to live with them
11 destroying our lives and community, then they need to
12 pay the full taxes. No more welfare to the rich wind
13 companies who produce no significant jobs. Deny this
14 pilot. Thank you.

15 [APPLAUSE]

16 MR. GAENZLE: Next was Laura Sauders
17 followed by Larry Newhart.

18 MS. SAUDERS: My concern is with the
19 property taxes. There are many articles out there
20 that say how property values -- your property is
21 devalued with the windmills. So if that's the case,
22 how do they make up the revenue that's not there?
23 Taxes have to go up. So that is mainly my comment.
24 So there's too many unknowns on here.

25 UNIDENTIFIED SPEAKER: Excuse me. We can't

1 hear back here.

2 MS. SAUDERS: Oh, I'm sorry. My main
3 concern is with the taxes. There are many articles
4 out there explaining how the property values are
5 devalued once the wind turbines go in, and I'd like to
6 know how it gets made up. It has to be made up by the
7 other taxpayers. Your taxes are definitely going to
8 go up. That's one of the concerns.

9 There's too many unknowns also. I'm hearing
10 and I have articles that I've been reading and saving
11 to pass out to other people regarding the history of
12 what happens with the turbines. After ten years, they
13 say they start to deteriorate. Oil is coming out of
14 the turbines. And who repairs them? Who owns them?
15 Do you own them after the company goes away or goes
16 belly up? And also, since this is government funded,
17 what happens when the funds dry up? And it's only a
18 matter of time when that will happen. So these leases
19 that are 20 and 30 years old sound great, but as they
20 deteriorate who is going to pay?

21 Also, there's a history of the projects
22 being sold to other companies. Does your lease go
23 along with it or is it void and you're stuck with the
24 wind? There's just too many unknowns. I think you
25 get the idea of what I'm saying. Thank you for your

1 time.

2 MR. GAENZLE: Thank you.

3 [APPLAUSE]

4 MR. GAENZLE: Larry Newhart and then Bart
5 (inaudible).

6 MR. NEWHART: I have a question for Mr.
7 Johnson, actually. I own a small turbine, enough to
8 power lights and run a television, and I have a solar
9 panel. And so when the IDA offers a pilot for the
10 corporate wind, I'm thinking, well, what is there for
11 the local taxpayer? I went green. Well, the answer
12 is the Steuben County opted out. No breaks for
13 anybody that has a wind turbine if you are a taxpayer.
14 No breaks for anyone that has a solar panel. Mr.
15 Johnson, how come?

16 MR. JOHNSON: That's a discussion that the
17 county legislature has been having and trying to
18 understand that. I believe the reason they did was so
19 large commercial projects could not receive the 487
20 break. Unfortunately, the law does not differentiate
21 between small and large projects, and that's all I
22 know. That's a question you have to talk to the
23 county legislature about.

24 MR. NEWHART: Well, it seems to me that
25 Steuben County is fairly local. They should represent

1 taxpayers here, and to opt out of that along with the
2 Canisteo Greenwood School District is just a cheap
3 shot, I think. And also, I don't know how many people
4 recall that -- talking about western Steuben County
5 now. I'll be brief on this one. Remember the nuclear
6 dump back in West Almond? That didn't work out, did
7 it? I'm an over the road driver. Every three minutes
8 we've got semi truck loads of garbage coming from New
9 York City and New Jersey. Every three minutes semi
10 trucks coming here and dumping in Western Steuben
11 County. So be it. It just -- this is a dumping
12 ground. You go east of here, you've got the Finger
13 Lakes. You've got tourist dollars. Wineries, all
14 that stuff. Here, it seems we're zeroed in on by, I
15 guess, down state and here's another example of being
16 taken advantage of, I think. I agree with all of this
17 stuff about the turbines, property value, all of that.
18 I don't know. Where is this expensive green energy
19 going? Our rates is going to go up. Is it going down
20 to New York City? Is it from New York City? There's
21 another example of being dumped on. Thank you.

22 [APPLAUSE]

23 MR. GAENZLE: Okay. Bart and then Donald
24 Sauders.

25 MR. CANDEE: My name is Bert, B-E-R-T,

1 Candee, C-A-N-D-E-E. I think this whole pilot thing
2 is unfair because in order to get the full amount of
3 money for each township we have to raise our taxes 2%
4 each year. Now, this doesn't benefit those that
5 aren't leasees or in the good neighbor agreement, yet
6 we're still living with these wind towers around our
7 neighborhood, and it's an industrial not a wind farm
8 as they like to call it.

9 This whole construction project is basically
10 funded by the federal and state governments to the
11 tune of millions of dollars. Now, to continue our
12 carrying this load tax-wise is unfair to the local
13 communities and it's unfair to the whole county,
14 Steuben County, because you're giving them breaks on
15 the purchase, the sales tax, the mortgage tax, all of
16 these things.

17 Now, I don't think it's fair. I think it
18 should be taxed fully like everybody else is in this
19 community instead of being subsidized to the tune of
20 millions of dollars that are federal and state tax
21 dollars already, and then this money is going over to
22 a foreign company that's headquartered in Germany.
23 Now, they're making a good profit at this so why
24 should we carry that load? They should be taxed fully
25 like everybody else is in this community.

1 Now, the people that speak for this, it's
2 well and good if they want the project, but we should
3 not be carrying the burden of this project. We should
4 all be taxed equally. Thank you.

5 [APPLAUSE]

6 MR. GAENZLE: Donald Sauders and then Jerry
7 is the next one.

8 MR. SAUDERS: Hi. My name is Don Sauders,
9 and I live in Steuben County, and I think that most of
10 us come here with the idea of getting some answers
11 because I think 90% of the people here have questions
12 not statements, so maybe I could make a statement and
13 the company representative might be able to help us so
14 everybody could hear instead of talking to him in
15 private who that does no good.

16 So one of my statements can be I'd like to
17 know whether one of these projects can start before
18 100% of all of the leases are signed, and if they can
19 or they can't, what about the transmission lines? Do
20 all of these leases have to be signed before you can
21 start a turbine?

22 MR. GAENZLE: Feel free to answer.

23 JUSTIN: It's a long response. It depends
24 what lease you're talking about.

25 MR. SAUDERS: That's not an answer. There's

1 so much unknown here and you bring in --

2 MR. GAENZLE: Can I interject for one
3 second? If you are asking questions about the Article
4 10 process, remember the state not the local took the
5 environmental review process out of the local
6 municipality's hands. Those documents are voluminous
7 and public record. If you -- we could send the link
8 out on our website, whatever you would like us to do,
9 but those documents are publicly available relative to
10 the environmental review process.

11 MR. SAUDERS: Do you actually think that
12 these people here are going to sit down and read these
13 documents?

14 MR. GAENZLE: I can't speak to that. What
15 do you want me to say?

16 MR. SAUDERS: Is anybody in here willing to
17 sit down and read an inch thick document?

18 MR. GAENZLE: Well, that kind of goes
19 against your argument. My point is --

20 MR. SAUDERS: You'd have to be an attorney
21 to even get through it, and you probably wouldn't even
22 know what you were reading unless you are an expert in
23 this field which that's another one of my points.
24 Very few experts in this field. There's very few
25 legal advice lawyers that any of us could go and get

1 that isn't in the tank for the wind company including
2 the government. The state's in the tank for the wind
3 companies. It's a poor person here that a handful of
4 people get a benefit, maybe they get a benefit from a
5 wind turbine on their property and the taxes have to
6 be made up by the other community residents. If
7 there's ten people in the community getting a benefit
8 from this, what about the other people whose taxes are
9 going to go up? And values of property definitely
10 will go down because aesthetically to blight the
11 countryside with these wind turbines, it's pristine.
12 You come across the road here and everybody sitting
13 here will probably tell you the same thing the
14 monetary gain is not worth what you are going to do to
15 your community.

16 [APPLAUSE]

17 MR. SAUDERS: So I could go on. I'll give
18 somebody else a chance to speak, but it's not really a
19 fair public hearing when the representative, "Read the
20 document online." That's not right. It goes to show
21 you right from the get go how lack of transparency
22 there is. The man that represents the company won't
23 even speak. We didn't come here to make a statement.
24 What statements could people make? They're here to
25 find out what's going to go on with the countryside

1 here and it's just ridiculous. So I think we need
2 answers. We don't need to make statements.

3 [APPLAUSE]

4 MR. GAENZLE: Jerry was next, no last name,
5 sorry. And then Frank Owens to follow.

6 MR. HEDMAN: My name is Jerry Hedman. I
7 live in Howard. I spent my life savings on a piece of
8 property, and they put wind turbines next to it. The
9 cabin that I had for leisure or for hunting, after
10 they put the turbines in my friends were in it for
11 three hours, they left and went to a motel because
12 they couldn't take the loud noises. I haven't touched
13 the cabin since they put the turbines up. The weeds
14 are growing. It's on (inaudible) Road.

15 This is just one example to me of a negative
16 power. I'd say, gee, if it's for our country, but the
17 wind doesn't blow, they don't go. It's just -- it
18 doesn't make any sense, but I've got an article from
19 the New York Post. This was the 2016. It says the
20 average cost for a megawatts was \$34. Federal
21 subsidies was \$23, state was \$24 which was \$47 which
22 is \$12 over what the regular cost of the a per
23 megawatt. In other words, I feel that these people
24 are coming here their to subsidize in mining looking
25 to make a buck and get out of here and they could care

1 less about you or me. And if you think you have to
2 give up -- I can't sell my property because I went to
3 two realtors and they said we don't do residential
4 near wind turbines. So the property value goes down.
5 So just saying I don't understand why they need all of
6 these subsidies. Thank you.

7 [APPLAUSE]

8 MR. GAENZLE: Frank Owens followed by James
9 Koegel.

10 MR. OWENS: I'll make it nice and short.
11 I'm in support of the wind mills, and the pilot
12 agreement is real simple. Walmart and Wegmans did it
13 and nobody complained about it then, so why are you
14 complaining about it now? And as far as if we don't
15 take it and get this going, this town right here
16 stands to lose about \$225,000 a year out of the deal
17 to the pilot agreement. That's a lot of money.

18 UNIDENTIFIED SPEAKER: What if you taxed
19 them what would you get?

20 UNIDENTIFIED SPEAKER: A lot more.

21 UNIDENTIFIED SPEAKER: 75% more if you taxed
22 them.

23 UNIDENTIFIED SPEAKER: That's right.

24 MR. OWENS: Yeah, but then okay, then they
25 won't be doing it when it's about something that you

1 want.

2 UNIDENTIFIED SPEAKER: And Frank, what about
3 Walmart (inaudible)?

4 MR. GAENZLE: Let him speak.

5 MR. OWENS: Wait a minute. So I'm in
6 support of this whole thing to start with, and that's
7 about all I've got to say.

8 MR. GAENZLE: I want to be clear. People
9 are here to speak. I have no opinion on the project.
10 I'm the lawyer. I'm not in opposition to or for the
11 project, but we would ask that if people are speaking
12 for or against let them have their time. Thank you.

13 MR. OWENS: Thank you.

14 MR. GAENZLE: Next would be James and then
15 Karl Schneider.

16 MR. KOEGEL: With your permission I'm also
17 going to borrow my wife's two minute period.

18 MR. GAENZLE: Okay, that's fine.

19 Mr. KOEGEL: Okay. I have to say that
20 walking in here this is a surprise, and it's a
21 disappointing surprise. I came here expecting to hear
22 and interview and discuss a matter this serious with
23 the entire board of the IDA. I expected to see seven
24 or perhaps nine people here not two who are taking a
25 neutral stance. To defer direct questions to a

1 representative of the developer to me is an insult.
2 The developers have a long, long history of avoiding
3 and evading questions, not providing information, and
4 I'll give you one glowing example of that. At the
5 Canisteo hearings two months ago, Mr. Hedman stood up
6 and he asked a question of the head of the Invenergy
7 project. His question was "What subsidies can you
8 expect to operate under with this program?" Mr.
9 Miller stated we have a production tax credit to our
10 advantage. Mr. Hedman then said, "What other
11 subsidies?" With a straight face, Mr. Miller looked
12 at him and said, "That's the only one that I know of."
13 Next question.

14 Why is it then that we're here today talking
15 about a pilot from our county IDA and Mr. Miller
16 claims that there are no other subsidies involved with
17 this. Somebody is lying. We're not mushrooms. And I
18 won't describe the rest of that term.

19 MR. JOHNSON: I do want to clarify this is
20 the Baron Wind project.

21 MR. KOEGEL: I am very well aware of that,
22 and if anybody thinks that the Baron Wind project has
23 no effect on Invenergy points, they're wrong. As
24 falls one domino so will fall the rest. They'll
25 either stay up or down.

1 Having said that, I'm going to impose some
2 questions anyway in a redundant form. I will see to
3 it that these questions go back to the board. Number
4 one, what criteria does the IDA use in determining a
5 pilot amount? Did this \$11 million come out of thin
6 air? Where did it come from? Why \$11 million?
7 Number two, what part of any do the townships involved
8 in this play in determining a pilot payment? Who is
9 representing the townships in this process to disperse
10 this money to a developer? Number three --

11 UNIDENTIFIED SPEAKER: Talk to your buddy
12 Andy in Albany.

13 MR. KOEGEL: You know what? If I could, I
14 would, but I doubt I would get any more of a straight
15 answer out of him than I would out of the developers
16 since they're all in bed together.

17 How do you plan to offset the loss of this
18 tax income? There can only be one way that I can
19 imagine and that's the taxpayers. Other than a
20 two-minute session what, if any, recourse do the
21 people in this room, do the residents of the county
22 have to address this issue? You know, without being
23 well acquainted with the IDA's process for dispersing
24 these pilot payments, it sure as heck looks to me like
25 taxation without representation.

1 [APPLAUSE]

2 MR. KOEGEL: Folks, I haven't even scratched
3 the surface. I've spent hours going through this.
4 What I have here is only the tip of the ice burg and
5 only as it applies to the economic impacts. We all
6 know there are others. I'm not going to drop this
7 with you today, but I am going to see to it personally
8 that each of the IDA board members gets a copy of
9 this, and I hope and I trust and I pray that they will
10 review it with great thoroughness only as a starting
11 point to research this project and whether it makes
12 sense to provide a pilot payment or not. Thank you.

13 [APPLAUSE]

14 MR. GAENZLE: Next is Karl Schneider
15 followed by Phillip Jones.

16 MR. SCHNEIDER: I'm Karl Schneider. I live
17 here in Steuben County over in West Union. This pilot
18 hearing today seems like it has some ramifications for
19 other pilot programs and other towns. We're looking
20 at Eight Point Wind where I am and Invenergy and
21 Canisteo Wind over there besides what's going on here.

22 Back a couple years ago at a Canisteo open
23 house I talked to some representatives from the Eight
24 Point Wind which they said that the money from the
25 pilot programs could be used to lower property taxes

1 among other things. So I talked to friends in Jasper,
2 and everyone in Jasper said their taxes have not been
3 lowered at all. So I went to a town board meeting in
4 Jasper and was informed the pilot money cannot be used
5 to lower taxes but goes into the general fund.

6 I next went to the West Union town board.
7 They believe the pilot money can be used to lower our
8 property taxes. If the turbine companies pay their
9 fair share of assessed taxes like the rest of us, I
10 believe that -- let's see, oh, yeah -- that property
11 taxes should be paid by the assessed value of the
12 turbines just like we have to of our property. I do
13 believe that if they don't pay their fair share of
14 taxes, the pilot should be denied.

15 [APPLAUSE]

16 MR. SCHNEIDER: As for the amount of jobs,
17 they said at the beginning they would have four jobs
18 and it went up to seven or eight, but now they're
19 saying some of them might only be part-time. We're
20 only looking at a few jobs here and a lot of other
21 people are going to move out. I've lived here for
22 40 years. I own land. I have a business. I pay
23 sales tax, property tax, income tax to New York State.
24 These things come in, there's going to be a lot of
25 people like myself that are going to get some place

1 else where we get a fair share and people will listen
2 to what we have to say. Thank you very much.

3 [APPLAUSE]

4 MR. GAENZLE: Next was Phil Jones followed
5 by John Sharkey.

6 MR. JONES: My name is Phil Jones. I'm a
7 life long resident of the Town of Fremont. My farm,
8 it will be 100 years in my family this year and I'm
9 proud to be that. And I'm proud to have been here.
10 It's a great place to be.

11 I do not see a detrimental affect to the
12 extent of what's been advertised here today with many
13 of our speeches. I see this as a rare opportunity for
14 a rural community to get involved with the energy
15 business which is consuming all of us. We have an
16 insatiable appetite for energy, and for wind, it is
17 something that is not carbon dependent. We are not
18 going to have a carbon footprint from running
19 windmills. Wind is there all the time. You're up on
20 top of my hill. It's always windy. And it's a
21 renewable resource. It is not something that we use
22 up and it is gone. And I encourage the IDA to take
23 whatever steps they need to take to make this
24 development happen in our township. Thank you.

25 [APPLAUSE]

1 MR. GAENZLE: John Sharkey then Guy Bennett.

2 MR. SHARKEY: Hi, my name is John Sharkey.
3 I'm a land owner and taxpayer in Steuben County. I
4 speak today because I'm concerned about the impact of
5 large scale industrial wind projects such as Baron
6 Winds on the health, the environment, the wildlife and
7 the beauty of rural Steuben County.

8 And like other wind developers --
9 unfortunately, like other wind developers in New York,
10 energy has adopted what I'm calling a greedy model of
11 agreeing to pay relatively small amounts in lease and
12 host community agreements, pilot and fire district
13 payments in exchange for avoiding payment of normal
14 town and county taxes while at the same time
15 exploiting massive federal, state and grants and
16 subsidies. Let me be clear. Developers like energy
17 argue and claim that their wind power is cost
18 competitive and as economical as other options. If
19 this is true, shouldn't they -- why do they need a sub
20 subsidization? Yet we find ourselves here. As the
21 board evaluates Baron Wind as a request for financial
22 assistance, I think you need to avoid falling into a
23 trap that the wind developers have deployed in making
24 a case for their projects. The models and the
25 supporting arguments that energy endlessly referenced

1 rely upon claim justification that's built on a very
2 fatal flaw. They would rather be precisely wrong
3 rather than vaguely correct. Let me say that again.
4 They would rather be precisely wrong rather than
5 vaguely correct.

6 Let me give you three examples. Steuben
7 County is like no other area of the state. Going to
8 the website, tourists spend \$120 million a year here.
9 We're a nationally known destination. The direct and
10 indirect benefits associated with Steuben tourism and
11 visitors in a single year dwarfs the 20-year
12 cumulative streamed energy presents in support of
13 their application. Studies show visitors don't return
14 to rural areas when faced with wind turbines, yet they
15 make no reference to this.

16 Again, the website Steuben is home to 6,600
17 farms ranked first in the state in terms of acreage,
18 in terms of hay, grass silage, green oats and grain.
19 Data shows that industrial wind turbines cause massive
20 (inaudible) losses. Bats account for almost \$75 an
21 acre in pesticide suppression. Are those costs being
22 built into the models?

23 And finally, they say they have no impact on
24 property valuations and they point to research reports
25 to back up this claim. You know, many of these

1 observations are true. They have these reports.
2 They're paid for by wind energy and trade associations
3 and they want to push a no property valuation impact
4 narrative.

5 I would just ask you a simple question. Is
6 there a scenario where you would be willing to pay the
7 same amount of money to buy or rent property within
8 sight but distance of a 500 to 600 wind turbine
9 generating noise and light pollution 24 hours a day
10 365 days a year for 20 years in close proximity to
11 that property as compared to a baseline which has no
12 wind towers? Of course you wouldn't buy that. This
13 is ridiculous. They think we're fools.

14 (Inaudible) is chartered with responsibility
15 for advancing general prosperity and economic welfare
16 of the people of Steuben County. Projects like Baron
17 Wind represent net losers. Once these projects are
18 put in place there's no going back. If they decide to
19 build in the area, we're stuck with the cost that
20 didn't fit into their precisely wrong model.

21 So basically what I'm saying is if it
22 presents such a compelling value proposition, they
23 should not require additional financial assistance
24 beyond what they currently have. I said let them pay
25 their full tax obligations and the school districts

1 and county will all reap significantly more benefit in
2 exchange for the economic damage it brings them. The
3 long lasting impacts of granting of financial
4 assistance to Baron Wind demands full, thorough and
5 unbiased investigation. Better to be vaguely correct
6 than precisely wrong when dealing with our future, and
7 I have a written testimony that I'd like to put on the
8 record.

9 MR. GAENZLE: Thank you.

10 [APPLAUSE]

11 MR. GAENZLE: Next is Guy Bennett followed
12 by Ronald Towner.

13 MR. BENNETT: Well, I didn't really plan on
14 speaking today. My name is Guy Bennett from
15 Livingston County. I didn't really plan on speaking
16 today, but controversy and whatever, I support the
17 windmills. I agree with the farmer gentleman. It's a
18 renewal resource. I don't mind the looks of them. I
19 actually think they're majestic. We watched them
20 build them in Cohocton, and I paid extra on my
21 electric bill for some time just to have the renewable
22 resource. I think it's great. No carbon footprint.
23 I think it's a benefit to the community. We have some
24 property in Cohocton that we hunt in. We go there to
25 hunt with a couple friends and you sit up in the

1 woods, what do you hear? 390. 390, trucks and
2 whatever. And I've heard the windmills. To me, no
3 worse than 390. I don't know. I didn't really plan
4 to speak but --

5 MR. GAENZLE: That's okay.

6 MR. BENNETT: I support the windmills.

7 MR. GAENZLE: Thank you.

8 [APPLAUSE]

9 MR. GAENZLE: Ronald Towner followed by Mike
10 Ainsworth.

11 MR. TOWNER: I hadn't really planned on
12 talking either. I'm from Cohocton. I'm on the town
13 board. We've got windmills over there. The economic
14 value, I've been in support of it.

15 My main reason that I'm here is I wanted to
16 see who was here. I think that your meetings you need
17 to have them tell where they're from. I've been
18 watching the people in here. All over Steuben County.
19 No, this ain't Steuben County. This is Fremont.
20 Fremont residents should stand up. They're the ones
21 that need to make the decision, not somebody from
22 Canisteo, not somebody down the valley. It needs to
23 be -- this is their town. And I go along with them
24 too. I've been going to all of the meetings. I got
25 invested into it because we're going to get it in

1 Cohocton. That's why I'm here, and I do think that
2 these meetings ought to be the people that live here.
3 Not Joe Blow that comes out. The same people come out
4 of the city, buy an acre of land, hunt the neighbors
5 and I don't go with that. And they should be --

6 UNIDENTIFIED SPEAKER: We all pay taxes in
7 this county. Bologna.

8 MR. TOWNER: You're not going to get Fremont
9 no matter if they get tax free. You're still going to
10 pay taxes. If you don't think you're going to, you're
11 a dreamer.

12 MR. GAENZLE: Real quick. We did ask, just
13 so you know, for the town of residents, the
14 municipality of residents. We can't make people --

15 MR. TOWNER: No, no, no. It is a
16 municipality residence, but you're got them here
17 from --

18 MR. GAENZLE: Understand. It's a public
19 hearing.

20 MR. TOWNER: They're from all over. I
21 understand where you're coming from, but I still think
22 it needs to be --

23 MR. GAENZLE: We can't limit it.

24 MR. TOWNER: I understand where you're
25 coming from, but I still think it needs to be --

1 (Inaudible)

2 MR. GAENZLE: Mike ains -- unless you have
3 the floor, please be respectful. Mike Ainsworth
4 followed by Madeline (inaudible).

5 MR. AINSWORTH: I'm assuming that if you
6 grant the pilot for this project here, that it will
7 also be granted for the projects south of here.

8 MR. GAENZLE: You shouldn't assume anything.

9 MR. AINSWORTH: I shouldn't, huh?

10 MR. GAENZLE: No.

11 MR. AINSWORTH: So if you don't approve it
12 here, you're likely to approve it down there, or if
13 you do approve it here, then you're likely not to
14 approve it down there. What's the difference?

15 MR. GAENZLE: You lost me there.

16 MR. AINSWORTH: Everybody in this room knows
17 damn good and well that if it's approved here it will
18 be approved everywhere; right?

19 MR. GAENZLE: I can't speak for other
20 projects that are not --

21 MR. AINSWORTH: No, you can't. I think it's
22 somewhat arrogant for the ADA -- or the IDA not to be
23 here so we can address the whole group and get
24 feedback from them. And I haven't had experience with
25 the IDA in this county, but I have had experience with

1 them in Wyoming County, and correct me if I'm wrong,
2 but their duty as a county body is to help the economy
3 and the people within the county; is that correct?

4 MR. JOHNSON: That's the mission.

5 MR. AINSWORTH: And if you are applying to
6 the IDA for money or tax breaks or whatever, you put
7 forth all of your information and they do their due
8 diligence to find out whether you've got a good
9 business plan or a poor business plan; is that true?

10 MR. GAENZLE: Uh-huh.

11 MR. AINSWORTH: So I assume you guys have
12 done all of your due diligence on the wind power
13 business. All I know, I'm not either for or against
14 it, but I know that the people on Long Island,
15 Connecticut, Rhode Island, Martha's Vineyard and
16 Hyannisport don't want the high energy. I'm just
17 amazed at that.

18 And if you are going to approve it based on
19 the wellbeing of Steuben County, one thing you'd have
20 to consider is jobs, which are not so much, and
21 economic benefit, not so much. Especially when you
22 figure that you're running the tourism and other
23 businesses out of the county, and when you do your due
24 diligence, you ought to check out on that reduction
25 and land values and home values because it's real.

1 You can check that all out yourself and I'm sure you
2 will. You haven't done any of that yet probably, have
3 you?

4 MR. JOHNSON: We're in a process of
5 reviewing all of that.

6 MR. AINSWORTH: And you're going to review
7 all of those things I just mentioned plus a whole lot
8 more?

9 MR. JOHNSON: We've got a team working on
10 it.

11 MR. AINSWORTH: If you didn't, it would be a
12 remarkable lack of curiosity I would think. But the
13 pilot program, I just don't understand why we would
14 give a tax break to big money people and not give it
15 to these people in this room. The people are happy
16 with the windmills are going to be the people that are
17 probably going to contract or some incentive from a
18 neighbor. They get some incentive too as I understand
19 it. But really deep down, I bet you every one of
20 those people think that we all ought to pull our
21 weight and be paid the same tax as everyone else.

22 The utility costs go up. I think you folks
23 all know that. But the real question, this is about
24 the pilot. This isn't about whether you like
25 windmills or don't like windmills. It's about should

1 we be giving a break to these big money boys from the
2 outside. These things are going to be sold before
3 they're built, and Warren Buffet says the only reason
4 to be involved in windmills is the tax incentives.
5 We've got laws when they renewed this wind energy
6 stuff, I don't know if you --

7 (Alarm goes off.)

8 MR. AINSWORTH: Are you ready now?

9 MR. GAENZLE: That was three minutes.

10 MR. AINSWORTH: When they renewed this deal,
11 they renewed the law to where the utilities had to buy
12 this power whether they need it or not. So it looked
13 like a big government fix. It's a giant slush fund,
14 and I understand your position. You're carrying out
15 the wishes of the professional politicians in Albany,
16 and you can only hope that you rise to that level some
17 day, but I've gave this advice to other town boards.
18 You've got to quit listening to professional
19 politicians. You've got to do the right thing for the
20 people in this township. Let the windmills come if
21 they want to come, but let them pay their fair share
22 just like the rest of us. And when we get done with
23 all of this, you need to convince all of these people
24 why you made the right decision. Thank you.

25 [APPLAUSE]

1 MR. GAENZLE: Next was Madeline Parini
2 followed by Angela Dunham.

3 MS. PARINI: I'd like to thank the IDA for
4 having this, and my name is Madeline Parini, and I
5 have input regarding the pilot request. First of all,
6 I would like to know if any of the IDA has a contract
7 with any wind company or if any member of their family
8 has a contract. If so, have they stated this, recused
9 themself from making any decision on the pilot
10 agreement at all?

11 The wind company is already getting
12 subsidies from the federal and the state government
13 that comes from the taxpayers. Our electric bills
14 already have a tax on them to support the wind energy
15 company. Why should the IDA even think of granting a
16 pilot to these multi million dollar companies. The
17 governor has signed into law the property tax cap, and
18 that's not to go over 2%. But here you want to give
19 the biggest breaks to the companies that are not
20 employing a large amount of full-time employees that
21 will be left after the start up of the wind farms.

22 I received my assessment from the town, and
23 it's for 100% of the property value. You do not offer
24 me a pilot. My husband and I are full-time employees
25 of our property with occasionally we hire outside help

1 to do some of the work for us. If the IDA must grant
2 a pilot, then at least make the schools use their
3 portion to reduce the school taxes for the townspeople
4 that are hosting the wind farms, not to use it as
5 money towards the state aid and get reduction in state
6 aid.

7 If you are putting the pilot agreement
8 through, then all property owners should have a
9 guaranty on the pilot that their property value will
10 not decline. If it does, will the wind company and
11 leaseholders be responsible to make up the difference
12 if the owner sells your property? This is the
13 property owner's investment and should be maintained.
14 A pilot is not in the best interest of the majority of
15 the taxpayers. We demand that you deny the tax break
16 pilot to the big wind companies.

17 [APPLAUSE]

18 MR. GAENZLE: I just want to address one of
19 your questions about board members having any
20 contracts with the wind farms or any other relations
21 to the IDA. Statutorily, they would not even be able
22 to recuse themselves. They would have to resign from
23 the board in the event they want to continue with the
24 contract. So the answer to your question is no.

25 MS. PARINI: How about legislators that are

1 voting on this?

2 MR. GAENZLE: The legislature doesn't vote.

3 MR. JOHNSON: They don't vote on this.

4 MR. AINSWORTH: Well, the IDA does get
5 money; is that correct? Don't you guys get a piece of
6 the slush fund?

7 MR. GAENZLE: I don't know what the slush
8 fund you're referring to is.

9 MR. AINSWORTH: The slush fund money that
10 they -- the payment in lieu of taxes.

11 MR. JOHNSON: No. We charge an
12 administrative fee at the beginning.

13 MR. AINSWORTH: So the answer is yes and no.

14 MR. GAENZLE: We do not get a piece of the
15 pilot.

16 MR. JOHNSON: We do not get a piece of the
17 pilot. There is an administrative fee that is charged
18 to cover the cost of doing --

19 (Inaudible)

20 UNIDENTIFIED SPEAKER: The legislators give
21 you the approval to go ahead and -- with the optional
22 pilot, correct? Because there's at least one
23 legislator that has a conflict of interest.

24 MR. GAENZLE: You can take that up with
25 whoever that might be, but as far as the county

1 legislature being involved with the decision process
2 of this board, there is none.

3 UNIDENTIFIED SPEAKER: I understand that.

4 MR. KOEGEL: What is the fee the agency
5 takes?

6 MR. GAENZLE: What is the fee?

7 MR. KOEGEL: Yes.

8 MR. GAENZLE: Based on a percentage of the
9 total project cost like any other project that --

10 MR. KOEGEL: So in this case, it would be 5%
11 of \$11 million.

12 MR. GAENZLE: No, no.

13 MR. JOHNSON: No, it's a 1% fee.

14 MR. KOEGEL: I'm sorry?

15 MR. JOHNSON: It's a 1% fee.

16 MR. KOEGEL: 1% fee, of in this case how
17 much?

18 MR. JOHNSON: The project cost.

19 MR. AINSWORTH: Well, that's a pretty good
20 piece of change.

21 MR. JOHNSON: It's a \$304 million project.

22 MR. KOEGEL: Okay. So it would be 1% of
23 that \$304 million.

24 MR. JOHNSON: Correct.

25 MR. GAENZLE: Next was Angela Dunham.

1 MS. DUNHAM: Hi there. I am from Canisteo.
2 However, we are neighbors and we can help each other.
3 And so --

4 [APPLAUSE]

5 MS. DUNHAM: And so in Canisteo we are
6 looking at the Canisteo Wind Energy project, and in
7 formulating an opinion for the project or against the
8 project I went around to some of the different houses
9 that were affected in Howard, and what I found was
10 that there were a few people that were very pro
11 windmill. Primarily, they were the ones that were
12 participants in the program. There were -- most of
13 the people actually didn't really care one way or the
14 other which I was surprised about. And then there
15 were a fair number but not a huge number of people
16 that were adamantly opposed to it. Predominantly, the
17 people that when you walk out their front door or
18 their back door what they have in their yard is a
19 windmill and they get no compensation for it
20 whatsoever.

21 I was standing next to a guy. I was asking
22 him what he thought about it, and as I was standing
23 there, there was a jet going over head, but it was not
24 a jet. It was a -- looking out his back door you
25 could see five wind turbines lined up and you could --

1 and what it sounded like was a jet going over head.
2 And he was telling me that since he was a youth he
3 owned the land up on the side hill. He was not a
4 participant. And they always hunted it and they could
5 no longer hunt it.

6 And then I went up the road and there was
7 another lady and looking out her front door there was
8 four windmills, and they were just too close. And
9 these people, they were severely damaged. Their
10 properties were severely damaged and they received no
11 compensation. In my opinion, that's ethically wrong
12 and it's -- we don't need to be barbarians like that.
13 We can figure out a better way of approaching this
14 problem or this opportunity, whichever way you want to
15 look at it. We can do better than that.

16 And there are some people that it saved
17 their farms. So it's worth considering. But until we
18 figure out a way to more evenly distribute the benefit
19 versus the pain, I think that it should be put on
20 hold.

21 [APPLAUSE]

22 MR. GAENZLE: Thank you very much.

23 MR. JOHNSON: That was everybody that signed
24 up. If there was anyone who didn't speak who
25 would like to speak.

1 MR. AINSWORTH: I have one more comment to
2 make. If a dairy farmer built a new facility or a new
3 building or something and the tax townships give him I
4 think it's a five-year tax free deal on that property
5 then they have begun to tax it. And I'm wondering why
6 wouldn't that be appropriate for this project. If we
7 really want these guys in, why don't you give them a
8 five-year exemption just like you do a dairy farmer
9 and then they can start paying their taxes.

10 And one other thing that you forget to talk
11 about. I was born and raised in Steuben County and
12 agriculture all my life. These big dairy farms you
13 talk about employ between 25 and 40 people on some of
14 these farms. That's a lot of jobs and they're pretty
15 well paying jobs by the way. You just can't hire
16 people cheap. Even the Mexicans that they import,
17 they have to pay them very well.

18 MR. JOHNSON: Thank you.

19 MR. AINSWORTH: So there's a whole lot more
20 being done by the dairy farmers than there will ever
21 be done by one dairy farmer than all of these wind
22 mills.

23 [APPLAUSE]

24 MR. JOHNSON: Is there anyone that hasn't
25 spoken that would like to make a comment? Okay, sir.

1 If you could state your name and where you're from.

2 MR. MARSH: David Marsh. I am the business
3 manager of labors Local 75 covering eight and a half
4 counties including all of Steuben County, and we have
5 not talked about all of the construction jobs that
6 these projects create. So for my members that I
7 represent that is well paying jobs that have pensions
8 and healthcare and they do live in Steuben County, and
9 hopefully, as you have in other windmill projects you
10 will stipulate that Steuben County residents get first
11 priority in hiring and that has been the case on the
12 other windmill farms. Thank you.

13 MR. GAENZLE: Do you mind filling this out
14 so we have it?

15 MR. MARSH: Okay, sure.

16 MR. JOHNSON: Any other comments from
17 individuals that haven't spoke? Thank you, everybody.
18 Q. Would you explain for these people here some of
19 them maybe don't know how that pilot agreement works,
20 how the money gets divvied up and actually the school
21 districts have to squirrel them when they wait or they
22 lose because you can't raise your taxes later because
23 of the tax rate. You get the tax rate down, now you
24 can't go back up again.

25 MR. JOHNSON: I'll give a brief description,

1 and I apologize. I should have explained that when I
2 introduced the project on how the pilot is calculated.
3 So the Steuben County IDA has a policy regarding wind
4 development and that is a research based policy. We
5 actually hired the firm to go out two years ago and
6 assess other wind pilots across the state, northeast
7 and there was even some national data that was brought
8 into that. That's how we've determined what our rate
9 is which is \$5,300 per megawatt is what we charge with
10 a 2% increment. So that's how the pilot is calculated
11 is based on a rate of \$5,300 per megawatt. There are
12 quite a few in the state that are much higher, but
13 that wraps the host community agreement into the pilot
14 which then has to be distributed amongst all of the
15 taxing entities and doesn't just go to the town. So
16 it was the decision of our board several years ago to
17 not charge what would be the higher end of the pilot
18 to allow for the wind developers in the communities
19 that they are going to be locating in to negotiate
20 their own separate host community agreement which I
21 believe this project has done and will be a
22 requirement of any decision that the IDA makes that
23 all of those host community agreements are in place
24 before the IDA will make a decision. On that \$5,300
25 per megawatt, that is calculated based on the rated

1 megawatts of the project, not based on how much they
2 actually produce, but how much they are rated to
3 produce. So it doesn't matter if they don't produce
4 anything. They will still pay the \$5,300 per
5 megawatt.

6 The distribution of that then is determined
7 based on what percentage of the total tax rate the
8 individual taxing entity makes up. So for Fremont,
9 it's about 20%. Their portion of the tax rate is
10 about 20% of the total rate which includes the school,
11 the county and the town. That's pretty typical.
12 Sometimes it's a little bit more. Sometimes it's a
13 little bit less depending on what school district
14 you're in and what town you're in. So as those rates
15 adjust up and down throughout the 20 year pilot, if it
16 gets approved, we then adjust the distribution of that
17 formula. So each year we take a look at the total tax
18 rates, we look at what percentage those tax rates make
19 up and then we distribute the money accordingly based
20 on that distribution methodology.

21 So that is a requirement of New York State
22 law. There can be deviations from that, but the board
23 has chosen for the past several projects to not
24 deviate from that because then you get into difficult
25 negotiations with a number -- you have to have all of

1 the tax entities agree to it, so that includes all of
2 the school districts, all the towns and the county.
3 So it has been -- it was decided to get away from that
4 negotiation to drop that pilot rate to allow for the
5 towns to benefit through a host community agreement.
6 So that's how the pilot is calculated. That's how the
7 number was determined, and that's how the distribution
8 works.

9 UNIDENTIFIED SPEAKER: Can you give us some
10 insight into the consensus to the IDA as to what
11 they're thinking about people that are very concerned
12 about what we talked about today? Is there -- are
13 they all on board and yahoo or is there a few people
14 that are concerned about the taxpayers?

15 MR. JOHNSON: I can't speak for the board.

16 UNIDENTIFIED SPEAKER: When did they decide
17 on the \$5,300 for the pilot?

18 MR. JOHNSON: That was two years ago.

19 UNIDENTIFIED SPEAKER: And before that, how
20 much was it?

21 MR. JOHNSON: Before that, if you look at --
22 it ranged. Cohocton was at 53. Howard went up. The
23 Howard expansion went back down to 53 because what the
24 IDA at the time, and I wasn't there, decided to do was
25 build the host community agreement into the pilot

1 calculation. So it went up to \$8,000 and then after
2 the property tax cap and some of the struggles that
3 were being discussed with the property tax cap, the
4 IDA chose to drop it back down to 53 to allow for some
5 flexibility in the host community agreement
6 negotiations.

7 UNIDENTIFIED SPEAKER: But why is it still
8 like at 53 even for the two years? Everybody's
9 property taxes probably went up, and we have no choice
10 when they say, "Well, it's not 95 -- it's only 95%
11 now, not 100." I didn't do anything in my property
12 and it still went up.

13 MR. JOHNSON: We build a 2% instrumental
14 increase each year into the pilot.

15 UNIDENTIFIED SPEAKER: But the start up is
16 still the same. It's two years later. My property
17 taxes have gone up for two years.

18 MR. JOHNSON: All I can say is that we did
19 the research two years ago to take a look at it and we
20 stand by that research.

21 UNIDENTIFIED SPEAKER: I think you better
22 research some more.

23 MR. JOHNSON: Thank you all for coming. I
24 know Justin will be here for a little bit afterwards,
25 and so will some of us.

1 UNIDENTIFIED SPEAKER: If I could for a
2 minute I would kind of request or at least hope that
3 there would be a legitimate public hearing where the
4 board members are also.

5 UNIDENTIFIED SPEAKER: We want a meeting
6 with the entire IDA board, please.

7 (Whereupon, the proceedings concluded at
8 3:02 p.m.)

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Reporter Certification.

I, Brandi A. Wilkins, do hereby certify that I reported in stenotype machine shorthand, Case Catalyst software the proceedings held in the above entitled matter;

On June 19, 2019, I reported in machine shorthand the proceeding had in the Fremont Town Hall;

Further, that the foregoing transcript numbered 1 through 52 is a true and accurate transcription of my said stenographic notes taken at the time and place hereinbefore set forth.

Brandi A. Wilkins-----

Brandi A. Wilkins

Court Reporter

Forbes Court Reporting Service, Inc.

Dated at: Batavia, New York

This 4th Day of July, 2019