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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
PUBLIC HEARING FOR SOMERSET OPERATING COMPANY, LLC.

January 12, 2016

4:00 P.M.

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

1 PRESENT: SUSAN LANGDON,
2 As Hearing Officer.
3 Niagara County Industrial
4 Development Agency,
5 Director of Project Development.

6 REPORTED BY: DAWN M. SITERS,
7 Court Reporter.

8 ATTENDANCE NOTED ON ATTACHED SIGN-IN SHEET

9 INDEX TO SPEAKERS

<u>NAME</u>	<u>PAGE</u>
James Hoffman.....	6

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15 MS. LANGDON: Good

16 afternoon, everyone. My name is Susan Langdon,

17 Director of Project Development for the Niagara

18 County Industrial Development Agency. I will be

19 serving as hearing officer for this public hearing.

20 It is now 4:02 p.m.

21 The purpose of this hearing is to

22 solicit comments, both written and oral, on the

23 Somerset Operating Company, LLC project in the Town

1 of Somerset. The company is seeking extension of
2 the existing PILOT, Payment in Lieu of Tax
3 Agreement, by two years. If approved, the PILOT
4 payment for the first year will be four million six
5 hundred and twenty thousand, which will be split
6 between the Town of Somerset, Niagara County and the
7 Barker Central School District, and the PILOT
8 payment of four million one hundred twenty thousand
9 would be split between these municipalities in the
10 second year. Please note that these three taxing
11 jurisdictions have each passed a resolution
12 supporting this application and the extension of
13 the PILOT.

14 I have copies available of the
15 project's cost/benefit analysis, project summary and
16 application on the table up here.

17 Comments may be in support of, or
18 in opposition to, or on the location or nature of
19 the project. All comments are to be limited to this
20 project only.

21 Please limit your comments to no
22 more than three minutes. And if you have comments
23 that are more lengthy, you may submit them in

1 writing to be attached to the transcript.

2 I will now read the Notice of
3 Public Hearing. Notice is hereby given that a
4 public hearing pursuant to Article 18-A of the New
5 York General Municipal Law will be held by the
6 Niagara County Industrial Development Agency (the
7 "Agency") on the 12th day of January, 2016 at 4:00
8 p.m. local time at the Somerset Town Hall, 8700
9 Haight Road, Barker, New York 14012 in connection
10 with the following matter.

11 Somerset Operating Company, LLC,
12 for itself, or on behalf of an entity formed, or to
13 be formed (the "Company"), has requested the
14 Agency's assistance with respect to a certain
15 project (the "Project"), consisting of: (A) the
16 acquisition or retention by the Agency of fee title
17 to, or a leasehold interest in, an approximately
18 1,800-acre parcel of land located at 7725 Lake Road
19 in the Town of Somerset, Niagara County, New York
20 (the "Land"), together with the existing nine
21 buildings thereon (the "Existing Improvements" and
22 together with the Land, the "Facility"). The Agency
23 has previously provided financial assistance (the

1 "Financial Assistance") to the Company for
2 qualifying portions of the Project, consisting of a
3 partial real property tax abatement in the form
4 of a certain Payment-in-Lieu-of-Tax Agreement
5 (the "Existing PILOT").

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. That Agency
16 contemplates that it will provide financial
17 assistance (the "Financial Assistance") to the
18 Company for qualifying portions of the Project,
19 consisting of an extension of the Existing PILOT
20 between the Agency and the Company.

21 A representative of the Agency
22 will be at the above-stated time and place to
23 present a copy of the Company's application, and

1 hear and accept written and oral comments from all
2 persons with views in favor of, or opposed to, or
3 otherwise relevant to the proposed changes to the
4 Existing PILOT Agreement.

5 This public hearing is being
6 conducted in accordance with Subdivision 2 of
7 Section 859-a of the New York General Municipal Law.
8 Dated: December 9, 2015, Niagara County Industrial
9 Development Agency.

10 I will now open the hearing for
11 comments. Please remember to give your name,
12 address and the organization you may represent.
13 Direct all comments to the Chair, and your comments
14 should be made on this project only.

15 Does anyone wish to speak? Mr.
16 Hoffman.

17 JAMES HOFFMAN: I've spoken at
18 every one so far, so. I view this PILOT as a
19 necessary evil. I'm not a big proponent of PILOTs.
20 I think it's poor business in the long haul. I
21 think IDAs and -- one IDA after another fighting
22 over jobs, things like that.

23 I'm going to ad-lib around this

1 handout, so you can have that.

2 So I reluctantly support the PILOT
3 because of the prior circumstances facing Somerset
4 Station; it's gone bankrupt and they're trying to
5 save a hundred jobs. And so I would reluctantly
6 support that.

7 But I feel that the public is owed
8 some information as we jockey these tax issues
9 around. What's being done to ensure the survival of
10 the company over and above just cutting taxes?

11 I know some things have been going
12 on. And in my opinion, the future of this company
13 revolves around converting it to natural gas. And
14 is anything going on there?

15 It seems to me there should be
16 some future planning we should know about, other
17 than just continue to just give tax breaks, tax
18 breaks, and cross our legs and hope that things work
19 out.

20 And of course, there's another
21 factor that comes in here, and that is the
22 Lighthouse Wind project, which is in competition,
23 essentially driving Somerset Station out of business

1 with power that we don't need. That's a whole other
2 issue.

3 Reluctantly, I would support this
4 project, but I'm looking for more information to
5 keep the plant alive going forward for two, three,
6 four, five, six -- ten years here.

7 I have another handout that I want
8 to give you, and it's just a little background
9 information and an opinion on the competition that
10 Somerset Station has with the Lighthouse Wind
11 project. Thank you.

12 MS. LANGDON: Thank you very
13 much. Does anyone else wish to speak?

14 Okay. I know a couple people came
15 in after we started, so if you wouldn't mind, sign
16 the sign-in sheet before we leave.

17 There being no other comments,
18 I'll close the hearing. It's 4:08 p.m. Thank you
19 very much for coming.

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PUBLIC HEARING SIGN IN SHEET

Somerset Operating Company

January 12, 2016 - 4:00 pm.

Somerset Town Hall

Name	Address	Affiliation	Do you wish to speak?
Joseph J. Fox	9125 Somerset DR.	ME	
John Syracuse	6091 Gordon Rd Newtown NY 14108	ME	N
Dale Howard	8663 Huntington Beach Blvd. Baker, N.Y.	ME	
James Hoffman	8737 LAZIE BARKER 14012	SELF	Yes
SON KOTALING	1365 QUATER AD BARKER	PB	N
Michael Fogel	108 Madison St Syracuse, New York		N
Dan Touchette	8100 Hancock Rd BARKER NY	SUPERVISOR	N
Brad Pritchard	1628 Quaker Rd Barker, NY	Principal - H.S.	N
Roger Klatt	1628 Quaker Rd Barker, NY 14012	Superintendent	N

PUBLIC HEARING SIGN IN SHEET

Somerset Operating Company

January 12, 2016 - 4:00 pm.

Somerset Town Hall

Name	Address	Affiliation	Do you wish to speak?
Richard D. Pety Jr	7406 LAKE ROAD SOMERSET NJ		
Taylor Quast	8691 Main Street		
Rachel Feunshackel	Union Sun & Journal		

January 11, 2016

Re: Apex "Clean Energy" Project Lighthouse Wind, More Collateral Damage
PSC Case No.14-F-0485

The recent developments regarding the impact the Apex "Clean Energy" Lighthouse Wind project will have on the Niagara Falls Air Reserve Station (NFARS) adds to the lengthy list of collateral damages that this project will have, not only on the Towns of Yates and Somerset, but also on the whole Western New York Community.

I refer specifically to the letter recently written to Gov. Andrew Cuomo, and released to the public on January 7th, by three previous Base Commanders expressing their concern over the encroachment the proposed construction of 70, 620 foot tall wind turbines along the Lake Ontario Shore, will have on the Military Operating Area (MOA) of the Niagara Falls Air Reserve Station.

This project places the approximately 3200 jobs at the Station in jeopardy, as the United States Government periodically reviews for closure, military bases throughout the country. In all likelihood the Government will be calling for another round of Base Realignment and Closure Recommendations (BRAC) in 2017, and the stigma of Apex "Clean Energy" project Lighthouse Wind in the area will weigh on any decision to place NFARS on the recommended base closure list. It is therefor imperative that Apex "Clean Energy" immediately halt this project.

There is a long list of other collateral damages Appex "Clean Energy" Lighthouse Wind project will bring to the community in the attempt to "Harvest the Wind. The 200 megawatts of power being proposed is not needed, as evidenced by the fact that the 650 megawatt Somerset Power Station is operating at less than 30% capacity. This unneeded power will further the uncertain future of this plant, and place the jobs of the 100 employees working there in jeopardy.

Additional collateral damage to our community brought on by Apex "Clean Energy" Lighthouse Wind project in the attempt to "Harvest the Wind." includes but is not limited to, visual pollution, noise, vibration, shadow flicker, ultrasound, killing of birds and bats, loss of forestland and wildlife habitat, destruction of property values, disruption of normal farming operations, increase in electrical rates, controversy among neighbors, groundwater pollution, construction noise and dust, damage to roads and infrastructure, electromatic interference with communications, threats to public health and safety, violation of local planning and zoning regulations, predatory leasing arrangements, suspension of home rule, and erosion of property rights.

The Apex "Clean Energy" Lighthouse Wind project power is neither clean, necessary, nor desirable in our community. Three independent studies have shown that our community opposes Lighthouse Wind by a overwhelming majority of 2:1. Apex "Clean Energy" should cancel this project. It is the wrong project in the wrong place.

James C. Hoffman
Resident, Town of Somerset

January 12, 2016

Statement Regarding Extension of PILOT Agreement for Somerset Operating Company LLC

It is difficult to comment on a document yet to be seen, however under the circumstances, I feel an extension should be granted as The Somerset Operating Company is struggling financially, after going through bankruptcy, and is facing a difficult energy market, as the result of poor energy policies at the State and Federal level.

As the renewal of the PILOT is considered, I feel the public is owed information and action from both the Niagara County Industrial Agency and the Somerset Operating Company as to what is being done to insure the survival of the Company and what the future plans might be. In my opinion the long term survival of the plant is tied to the conversion to natural gas, a cleaner and most reliable source of energy. What is being done in this regard and related matters?

Further a threat exists to the long term operation of The Somerset Operating Company in the form of the Lighthouse Wind Project being proposed by Apex Clean Energy Corporation. This project will supply 200 megawatts of power while Somerset Operating Company, capable of generating at short notice 650 megawatts of power, stands idle the majority of the time. This project cannot be allowed to happen!! Hopefully the Niagara County Industrial Development Agency is aware of this and will take action when the time is appropriate.

James C. Hoffman
Resident, Town of Somerset