

November 22, 2016

Mr. Rodney Votra
Town Supervisor
Town Council
Town of Parishville
P.O. Box 155
Parishville, NY 13672

Dear Mr. Votra and Members of the Parishville Town Council:

On behalf of our growing group of Concerned Citizens for Rural Preservation, we would like to express our sincere appreciation to the Town Council for allowing us to continue to present pertinent information to you regarding the proposed North Ridge Wind Project.

As you know, Iberdrola, aka Avangrid, aka Atlantic Wind (all Limited Liability Corporations) has offered a PILOT agreement that would bring in \$750,000 per year for the duration of the North Ridge Wind Project, should their application be approved for development. However, what they have neglected to point out is that this amount of money would be divided between the Town of Hopkinton, the Town of Parishville, the Parishville-Hopkinton Central School District, the Brasher Falls Central School District*, and St. Lawrence County. What they also deny is that we would stand to lose a substantial amount of that "windfall" if many of our properties experience a decrease in value due to their proximity to industrial wind turbines. Once it is proven that the value of homes that are located most closely to industrial wind turbines are reduced, then other property owners who do not experience a decrease in property value will, in fact, have to make up the difference in lost tax revenue. In essence, the \$750,000 would be off-set by property devaluations, making the actual amount of "new money" much less than stated.

To give you an idea of the amount of money that COULD be realized if turbines were taxed instead of receiving a PILOT, when the Town of Parishville taxes were collected this past January, 2016, Erie Boulevard Hydro paid over ONE MILLION DOLLARS (\$1,213,848). Of this amount, St. Lawrence County received \$719,231. **In addition, the Parishville-Hopkinton Central School received nearly THREE-QUARTERS OF A MILLION DOLLARS (\$725,947) from Erie Boulevard Hydro this past September in school tax revenue. (Please note that because boundary lines differ between school districts and towns, there were more parcels located within the town than within the school district.) To recap, Erie Boulevard Hydro paid a combined total of nearly TWO MILLION DOLLARS (\$1,940,326) in taxes to the Town of Parishville, St. Lawrence County, and the Parishville-Hopkinton Central School District in 2016 alone. This amount was paid on a total of five (5) dams and some property located within the Town of Parishville. *(Please refer to Erie Boulevard Hydropower Tax Information For 2016 attached.)* [Also of significant note is that the assessments on four parcels were reduced between the collection of land taxes and the collection of school taxes.]**

These five [aging] dams have the capacity to produce 76.5 megawatts of power, broken down as follows: Rainbow Dam: **24.9** megawatts (MW), Mill Street (aka Parishville Dam): **2.5** MW, Browns Bridge (aka Colton Dam): **30** MW, Allens Falls Dam: **4.2** MW, and Blake Falls

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Dam: **14.9 MW**. (Information verified by Mike Laramay, Potsdam Engineer for Brookfield). The proposed North Ridge Wind Project is "supposed" to consist of **forty (40)** brand new nearly 500' tall **industrial wind turbines** that are projected to produce **3.5 megawatts of power each**, for a **total of 140 megawatts of power**. This is 1.83 times the megawatt capacity of the five dams which generated \$1,940,326. in tax revenues in 2016. In theory then, **the new industrial wind turbines should generate taxes of a minimum of \$3,550,797**, and this does not even take into account that the dams are aging and the industrial wind turbines would be brand new.

Also of extreme importance is the fact that Iberdrola (a Spanish corporation) is the number one recipient of government subsidies, having received more than TWO BILLION DOLLARS (\$2.2 Billion) since 2000 (*Please refer to "Which Companies Get the Most Federal Subsidies?" article attached.*) In addition, according to Forbes, Iberdrola placed #139 of the top-ranked Global Companies, coming in at a whopping \$44.1 Billion Dollar net worth (*Please refer to "Iberdrola on the Forbes Global 2000 List" article attached.*)

This does not even take into account Iberdrola's expected profit margin on the 40 industrial wind turbines they are proposing. While they appear to be reluctant to discuss their profit margins, Billionaire Texas oil man T. Boone Pickens told Business News they typically expect to make $\pm 25\%$ annually. (*Please refer to Billionaire Texas oil man makes big bets on wind article attached.*) Therefore, **a low estimate of the North Ridge Project's annual profit would be 40 [turbines] x ± 4 Million Dollars [each] x $\pm 25\%$ profit = ± 40 Million Dollars in annual profit.** (*Please refer to Windustry Q & A "How much do wind turbines cost?"*) And yet we are supposed to be happy with \$750,000 to be divided between five entities?

While we understand that assessing wind turbines is an uncharted territory at the present time, there was a time when assessing hydroelectric dams was uncharted territory as well. We are confident that there are experts throughout the state who could offer our local assessors advice in this area. As stated in the Windustry Q & A, turbines cost approximately \$1.3 million to \$2.2 million per MW of nameplate capacity installed. This information, combined with the data regarding MW output per unit, should be important considerations when determining the assessed value of each unit.

Requests for PILOT agreements are normally only given careful consideration in a situation where, through the granting of a PILOT, a municipality is able to entice new business ventures to become established in their community. In turn, the new business will generate permanent employment opportunities for local residents, thereby bringing lasting economic growth and prosperity to the area. In the case of our hydro dams, Brookfield (Erie Boulevard Hydro) employs 46 people (including management) at their Potsdam Branch, some of whom reside within our community. On the other hand, Iberdrola stated that perhaps 5 or 6 full time positions would be created to maintain the turbines during their useful life.

What would prevent Brookfield (Erie Boulevard Hydro) from coming back on the Town of Parishville and demanding that their assessments be lowered to a much greater degree, if Iberdrola is allowed to pay only a small fraction of what their wind turbines should be assessed for? This would

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have an enormous and lasting negative impact on the Town of Parishville, St. Lawrence County, and the Parishville-Hopkinton Central School District.

The reservoirs created by the hydro dams do much to enhance our community. In addition to the tax revenues we benefit from, the dams create beautiful waterfront vistas that property owners and residents enjoy and they provide recreational/tourism opportunities. What do industrial wind turbines do to enhance our community? We know that they would negatively impact our rural community, ruin our scenic view sheds, decrease our property values, create health issues, kill birds, bats, and raptors, lower crop yields, and have harmful effects on wild and domestic animals. And, when all is said and done, they will have a lasting negative impact on our county landfills and our most precious resource, our land. Millions of tons of cement will be left in the ground and simply covered by three feet of soil. The future growth of our area may be severely compromised by the inability to build additional homes due to all of these "hidden" obstructions.

When factoring all of this information, we have to ask ourselves, why would the Town of Hopkinton, the Town of Parishville, the Parishville-Hopkinton Central School District, the Brasher Falls Central School District*, or St. Lawrence County ever even remotely consider granting a PILOT agreement to this huge conglomerate?

As town officials, you are finding yourselves thrust into a situation, not of your own making, whereby the critical decisions you make will have a lasting and possibly irreversible impact on this community, our environment, and future generations. We realize you are being bombarded by information coming from a variety of sources that you need to sift through and digest, in an effort to make the correct decisions, while protecting the health, safety, and well-being of your constituents. These decisions should not be taken lightly and will have to take into account a wide range of opinions. To make matters worse, not everyone is going to agree with the decisions that are made. For these reasons and more, please carefully consider each decision you make and ask yourselves, is this the best decision for the majority of all involved, or is this truly a decision that is only going to benefit a small number of the population. Again, we would like to thank you for your continued efforts on behalf of the entire community as you continue to address this complex issue.

Respectfully Submitted,

Gary Snell, Sr.
Chair, Concerned Citizens for Rural Preservation

Attachments: 5

*According to Iberdrola, the Brasher Falls Central School District would not be included in the entities entitled to "share" \$750,000 annually; however, the wind overlay map clearly denotes sections of Fort Jackson as being within the area designated for wind turbines, and Fort Jackson is situated in the Brasher Falls Central School District.