

Texas Brine Project

PUBLIC HEARING MINUTES

WCIDA Public Hearing for the Texas Brine request for a Deviated PILOT Agreement with IDA was held on January 3, 2019 at 10 a.m. at the Middlebury Town Highway Office, 51 Sherman Avenue, Wyoming, N.Y.

Attendees: Joelle Stroud, Treasurer, Wyoming Central School; Kathleen Schuessler, Superintendent, Wyoming Central School; Earl Wells, C3 Communications; Craig Harkins, Gordy Ewell and Tom Jaroszek, Town Board Members; Dan Leuer, Supervisor, Town of Middlebury; Henry Zomesfeid, Attorney, Hodgson Russ LLP; Robin Marschilok, Director of Operations and James Pierce Executive Director for Wyoming County Industrial Development Agency.

1. James Pierce opened the hearing at 10:00 a.m. and had available the published hearing notice and summary of the project.

Pierce informed the attendees that this public hearing was being held for two reasons. First, because the proposed project incentives will be more than \$100,000 the IDA is required by law to hold a public hearing and second, the project owners have asked for a deviation from the IDA's standard PILOT schedule.

Pierce then read from the project summary provided stating that Texas Brine has been in business since 1946 and is a brine extracting operation. Texas Brine currently employs 10 people who will be at risk of losing their jobs if the project were to cease. The project will include \$21,005,275 in capital investment over the next 10 years with plans to build 3 new wells this year, 3 new wells next year and a total of 39 over the 10 years. Pierce noted that the schedule for the proposed PILOT is attached to the packet provided showing the PILOT base amount at \$7 million and incremental increases over the 10 years.

Pierce stated that the IDA Board will be considering this project this afternoon at its Board of Directors Meeting and minutes from this public hearing will be presented to the Board for their information and use.

Pierce then opened the floor to comments

2. The school Treasurer, Joelle Stroud, presented a copy of a letter from the school superintendent objecting the PILOT schedule as proposed. J. Pierce read the letter and made it a part of the minutes, (Schedule "A", attached).

3. Supervisor Dan Leuer then directed his comments toward the School Superintendent, Kathleen Schuessler, asking if the President of the School Board is aware of the letter. Schuessler indicated that the Board was fully aware of the letter presented to the IDA and they are not trying to make waves.
4. Discussion then ensued between Dan Leuer and the School representatives:

Dan Leuer: The School tax issue was a subject of the Town Board meeting in regards to the notice included in the 2018 School Tax Levy's indicating that taxes will be going up and there are assessment changes.

Joelle Stroud: Yes, Texas Brine is not the only reason for the increases.

DL: We have made a settlement with Occidental at another figure as well. Texas Brine was previously assessed in 2015 at \$3.5M and in 2017 the assessment had jumped to \$21M. Understanding that this was being disputed, the Town held funds in reserve to utilize for relief, did the school do the same?

JS: The School has put funds in reserve and has used some of those funds to keep the tax increase within the 2% tax cap.

DL: The School's budget is 2x the Towns Budget so I questioned where did all that money go.

JS: We have been very careful, some has been allocated for capital relief and can not be touched, some used for tax relief in 2018.

DL: Texas Brine's assessment jumped from \$3.5M to \$21M over two years, with agreement of \$7M as a base for the PILOT it is still 2 times the assessment of 3 years ago and Texas Brine has agreed to 2.5% increases each year so at the end of 10 years the amount being taxed will be over \$8M.

DL: Wyoming School is one of 5 districts in Middlebury and on the State website for school tax rates, Wyoming is low in comparison at \$17.25/\$1,000 of assessment. If the concerns from the residents were because the taxes went up it was because of assessment changes. People in the Pavilion School District pay more than Wyoming residents.

JS: The brochure sent out from the school explains that and I had residents calling and screaming at me, some said they just cannot afford to pay more taxes.

Dan Leuer provided a handout showing the average tax rate per school in the Town and would like it presented to the IDA Board. Please see Schedule "B" attached.

DL: The school was invited to participate in discussions about the PILOT Agreement over the past 6 months and has not.

JS: I was not aware of that.

DL: I will check with Town Attorney, David DiMatteo to confirm that the school was invited to the discussions through Phil Spalline.

JS: This was brand new to us and I went to our attorney to help me understand how this works.

DL: We forwarded the numbers on to the attorneys preparing the PILOT Agreement. I understand and appreciate where the School is on this, the School vote on going above the 2% tax cap goes to all the residents, the Town goes to the Town Board for vote.

JS: With the tax cap issue, we can only raise taxes about \$45,000 in a year which may cover raises. We have to be careful, we just recently learned of a high cost student moving into the district which will increase our expenses by \$100,000.

DL: The State-aide the becomes a question. At the \$12.5M assessed value it was unlikely that we would have an agreement with Texas Brine. Judge Mohan had ordered that we have a PILOT in place by the end of the year and we are almost there.

JS: My understanding is that in 2015 the Texas Brine assessment went to \$3.5 but it hadn't been raised since the '70's.

DL: Olin pays the expenses and this is the number that they can afford. It's more than they pay for their Niagara Falls Facility. At risk besides the 10 local jobs are the 200 jobs up there and approximately 60,000 ancillary jobs involved.

DL: With the Host Agreement the Town residents should see a stabilization in their Town taxes and that will help to alleviate the School tax amount.

Pierce asked for any other comments.

No other questions or comments were made. Pierce closed the hearing at 10:32 a.m.

Minutes prepared by R. Marschilok