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Schools sue over wind farm payments

By Mary Perham

Bath, N.Y. - Two local school districts claim they aren't getting their fair share of tax payments from a wind farm development in the Prattsburgh area.

Charging deliberate attempts to prevent them from receiving proper payments, two local school districts filed lawsuits recently against the Town of Prattsburgh and Steuben County Industrial Development Agency, and other agencies.

The lawsuits filed by both the Prattsburgh and Naples school districts allege the payment-in-lieu-of-taxes agreement for the 36-turbine wind farm project creates a significant loss in anticipated revenues for the schools.

Both districts want the tax agreement thrown out for the wind turbines that stretch along hillsides in Prattsburgh and Naples.

According to separate complaints filed in Steuben County Supreme Court, Prattsburgh schools will lose \$1.3 million in anticipated revenues, and the Naples school district as much as \$560,000 in expected revenues.

The annual losses are based on the number of wind turbines located in each district.

Payments-in-lieu-of-taxes typically allow an industry to operate for up to 20 years without paying the full value of its property tax. Instead, the businesses pay a set fee each year, which gradually increases to full taxation.

By state law, the county and towns generally split 52-53 percent of the annual payments, with the school districts taking in 47-48 percent of the money.

But the tax agreement wind farm developer UPC signed with the Town of Prattsburgh did not provide any funds for the school districts. The town agreement was then used to sharply reduce the tax payments, according to lawyers for the both districts.

Edward Primo, attorney for the Naples school district, said SCIDA failed to work on behalf of all the groups affected by the tax payment package.

"It's supposed to benefit not just one of them, but all of them," Primo said Thursday.

Prattsburgh Central School Superintendent Joseph Rumsey said the action is designed to give the board of education more time to study its options.

“The board feels that it has the fiscal responsibility to all the six towns in the district to look further into this,” Rumsey said. “They have great relations with the town board and they want that to remain in the future.”

Rumsey, the school superintendent since January, said the board only recently learned the terms of the tax agreement and feels it is “not proportionate.”

The district is in a more difficult position than Naples, since taking action could affect its taxpayers, according to Rumsey.

Prattsburgh town and SCIDA officials worked “largely behind the scenes” to prevent the school districts from participating in the agreements, according to the Naples’ complaint.

Other allegations include:

- A deliberate intention by SCIDA to get around general municipal law.
- Lack of consultation with the school districts.
- Action designed to benefit the town to the district’s detriment.
- Incomplete information provided to districts on the developers, project scope or number of turbines in the districts.
- Improper public notice by the Town of Prattsburgh of public meetings and the hosting agreement.
- Districts have either received incomplete documents or no documents on the final tax agreement after formal requests.

Other agencies named in the lawsuit are Steuben County as a recipient of the PILOT payments, and Windfarm Prattsburgh, the local UPC agent.

UPC declined to comment on the pending litigation, but John Lamontagne, UPC spokesman, issued a statement saying, “We remain excited about the Prattsburgh project and appreciate the community support we've had to date.”

Prattsburgh Town Attorney John Leyden and SCIDA Executive Director James Sherron were unavailable for comment. Prattsburgh Town Supervisor Harold McConnell and SCIDA Attorney Russ Gaenzle did not return The Leader’s calls.