

IDA accepts HoliMont application for sales tax breaks to get back on the grid

By RICK MILLER Olean Times Herald

ELLCOTTVILLE — HoliMont wants to get back on the grid.

After nearly two decades of operating its own powerhouse, providing electricity to operate North America's largest private ski resort, HoliMont operators are looking to again purchase power from National Grid.

Ed Youmans, general manager, presented a request to the Cattaraugus County Industrial Development Agency for sales tax exemption for \$948,000 in purchases, including about \$450,000 to get back on the grid. The sales tax breaks for the project are about \$76,000.

HoliMont comptroller Sue Quattrone said it is one of the larger projects the resort has proposed in recent years.

The resort has about 30 employees with an annual payroll of \$2.2 million. About \$770,000 of the upcoming project is machinery and equipment costs, \$90,000 for the building and \$80,000 for office equipment.

In addition, Youmans said snowmaking equipment and a new grooming machine were also part of the package, as was a new point-of-sale system, two shuttle buses, general slope work and the widening of ski runs.

Youmans said the natural gas-fueled generator limited the resort's snowmaking when the chairlifts were operating. Getting electricity delivered by National Grid will change that.

"I think we are going to be a pretty good customer for them," he said.

The generation plant has been a boon to the resort, Youmans said, although it is not easy to maintain.

"These machines are not new," he said. "We could still throw a switch any time we need the generator plant."

The new connection to the grid, once it is finished in November, will mean the most at the beginning of the season when the resort looks to use snowmaking on as many of the slopes as possible.

Youmans said the connection to the grid will involve construction of a 20-foot by 40-foot building.

After the IDA board accepted the HoliMont application, executive director Corey Wiktor said a public hearing would be held on the project before next month's IDA meeting.

The IDA also voted to spend up to \$5,000 to hire a consultant to review its payment in lieu of taxes (P.I.L.O.T.) policy regarding solar projects.

Last month the IDA voted for a six-month moratorium on applications for tax breaks for solar projects.

The county has operating three solar projects in the city of Olean. Two others in West Valley and Portville have been approved for construction, while five or six are waiting in the wings, including a large 160-acre site in Franklinville, two 75-acre sites in Great Valley and two 3- to 5-megawatt projects in Machias, Wiktor said.

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The solar power study is expected to recommend how the IDA should proceed with respect to how much per megawatt should be included in P.I.L.O.T. payments. And how long the P.I.L.O.T.s should be for solar. The terms are now 15 years. It's unlikely a solar farm operator would continue to run it if the solar panels were on the tax rolls.

"The developers say they can't afford more than \$5,000 a megawatt," said IDA chairman Thomas Buffamante. That is what the study hopes to find out, he added.

Wiktor said the length of the P.I.L.O.T.s might affect the amount of money available for the municipality, county and school district to share.

The New York State Energy Research and Development Authority will support longer P.I.L.O.T. terms, Wiktor said.

Two applications for projects are expected next month, Wiktor told the board: The \$4 million Phase 2 of Field of Dreams, the new assisted living facility in Allegany, and a \$450,000 Four Mile Brewing Co. project involving more equipment.

An adaptive reuse application for two North Union Street buildings in Olean are also possible, Wiktor said.

The IDA board also heard from Valessa Souter-Kline, project manager for the 340-megawatt Alle-Catt Wind Farm spanning five towns in three counties including Farmersville and Freedom in Cattaraugus County.

The 117-turbine Alle-Catt project would site 23 turbines in Farmersville and 34 in Freedom, Souter-Kline said. The developer, Invenergy, was looking at 400 prevailing wage local construction.

One IDA member, Vergilio "Dick" Giardini, who is a county legislator, asked if contractors wouldn't bring workers from other states to build the wind turbines.

"I want to see local people," he added.

The Cattaraugus County Legislature voted last year to recommend that the IDA not grant tax breaks to large wind projects. The turbines would be 600 feet tall from ground to blade tip.