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2.9 Socioeconomics

This section addresses the potential socioeconomic impacts of the Project. Existing socioeconomic conditions are addressed in Section 2.9.1. The anticipated socioeconomic impacts of the Project are addressed in Section 2.9.2, and the proposed mitigation for significant impacts is addressed in Section 2.9.3.

2.9.1 Existing Conditions

2.9.1.1 Population and Housing

The estimated population of Chautauqua County in 2006 was 135,357. Between 1990 and 2000, the County's population decreased by 1.5 percent. The population continued to decrease between 2000 and 2006, falling by 3.1 percent. (New York State Data Center 2008; U.S. Census Bureau 2008).

In 2000, the towns of Arkwright and Pomfret had populations of 1,126 and 14,703, respectively, with a population of 10,706 in the Village of Fredonia within the Town of Pomfret. Although the countywide population has been decreasing, the populations of both towns increased from 1990 to 2000. According to the U.S. Census Bureau and New York State Data Center (2008) data, between 1990 and 2000, the towns experienced population increases of 8.3 percent and 3.4 percent, respectively.

Housing units in Chautauqua County and each municipality within the Project Area for 2000 are presented in Table 2.9-1. Of the municipalities listed, the Town of Pomfret had the highest number of housing units with 5,558 total units, of which 5,105 units (91.8 percent) were occupied and 453 units (8.2 percent) were vacant. Of the 10,385 vacant housing units countywide, 5,867 seasonal, recreational, and occasional use housing units were available in 2000 (U.S. Census Bureau 2000).

Table 2.9-1. County and Municipality Housing Units, 2000

| County and Town | Occupied Housing | | Vacant Housing | | Rental Vacancy Rate | Total Housing Units |
|---------------------|------------------|------------|----------------|------------|---------------------|---------------------|
| | Number | Percentage | Number | Percentage | | Number |
| Chautauqua County | 54,515 | 84 | 10,385 | 16 | 9.6 | 64,900 |
| Town of Arkwright | 421 | 82.7 | 88 | 17.3 | 4.5 | 509 |
| Town of Pomfret | 5,105 | 91.8 | 453 | 8.2 | 5.3 | 5,558 |
| Village of Fredonia | 3,641 | 95.1 | 188 | 4.9 | 4.4 | 3,829 |

Source: U.S. Census Bureau 2000

2.9.1.2 Property Values

Median housing values for the state, county, and each municipality within the Project Area for 2000 are presented in Table 2.9-2. In 2000, the median value of owner-occupied units in the

Town of Arkwright (\$65,000) was comparable to the median values in Chautauqua County (\$64,000). Median housing values for the Town of Pomfret (\$84,100) and the Village of Fredonia (\$85,100) were above Chautauqua County's median value (\$64,000). These median values are considerably lower than the median value for the State of New York as a whole, which was \$148,700 in 2000.

Table 2.9-2. State, County, and Municipality Median Housing Values, 2000

| State, County, and Town/Village | Median Housing Value |
|---------------------------------|----------------------|
| State of New York | \$148,700 |
| Chautauqua County | \$64,000 |
| Town of Arkwright | \$65,000 |
| Town of Pomfret | \$84,100 |
| Village of Fredonia | \$85,100 |

Source: U.S. Census Bureau 2000

2.9.1.3 Economy and Employment

According to the U.S. Census Bureau (2000), the largest industry in Chautauqua County in 2000 was educational, health, and social services, with 24.3 percent of all workers employed in this sector. The second largest industry was manufacturing (21.3 percent) and the third was retail trade (11.6 percent). The average unemployment rate for Chautauqua County ranged between 4.0 percent and 5.8 percent between 2000 and 2006, with the average unemployment rate at 4.5 percent in 2006 (New York State Department of Labor 2007).

The educational, health, and social services sector was the top industry in both towns within the Project Area and in the Village of Fredonia, accounting for over 30 percent of the employment in each municipality. Different industries occupied the second and third spots for the towns and the village. The second largest employment sector in the Town of Arkwright (23.4 percent) was manufacturing, followed by construction (8.4 percent). Since Arkwright does not have any major manufacturing centers, employment in manufacturing and construction is most likely attributed to work in surrounding towns and villages. In the Town of Pomfret and the Village of Fredonia, the arts, entertainment, recreation, accommodation, and food services is the second largest sector and accounts for 12.9 and 14.9 percent of employment, respectively. The manufacturing and retail trade sectors each comprise approximately 10 to 12 percent of employment by industry.

The agriculture, forestry, fishing and hunting, and mining sectors accounted for 2.7 percent of the total employment by industry in Chautauqua County and for 3.9 and 1.2 percent in the Towns of Arkwright and Pomfret, respectively. According to the United States Census of Agriculture, there were a total of 1,734 farms that encompassed 255,896 acres, or 38 percent, of the land in Chautauqua County. In 2002, the estimated average market value of land and buildings per farm was \$192,994 in Chautauqua County and \$345,504 in New York (USDA

Census of Agriculture 2002). Although agriculture accounts for a small percentage of employment in Chautauqua County, the agricultural industry is a significant contributor to the county's overall economy. It is one of the state's major dairy-producing counties, ranked 8th in the state, with a market value of production exceeding \$54 million in 2002 (USDA 2003). Chautauqua County beef production ranks 7th in the state, with a market value of \$9 million in 2002. Chautauqua County, with its Lake Erie Viticultural Area, also produces over 60 percent of New York's annual grape harvest for grape juice and wine production (New York Wine and Grape Foundation 2008 and Chautauqua Visitor's Bureau 2008). Fruits and nuts comprise the second leading category of agricultural products, with a market value of production approaching \$25 million in 2002 (USDA 2003). The majority of the grape production areas are located outside of the Project Area in the western part of the county along the shore of Lake Erie. As discussed in Section 2.13, Land Use, land within the Project Site consists mainly of forests and pastures, with only a few active agricultural fields occurring within the Project Site.

2.9.1.4 Municipal Budgets and Taxes

Municipal and county governments provide certain services to those who live and work within their boundaries. In order to fund these services, municipalities and school districts collect revenues by levying taxes. Tax revenues in the Project Area accrue from both sales taxes and real property taxes. The local taxing jurisdictions in the Project Area include Chautauqua County, the Towns of Arkwright and Bellmont, the Village of Fredonia, and the Chautauqua Forestville, Pine Valley, and Fredonia School Districts.

The total 2006 property tax levy for Chautauqua County was \$54,923,908, with \$478,766 coming from the Town of Arkwright and \$5,516,305 coming from the Town of Pomfret and the Village of Fredonia. The real property tax levies for the Towns of Arkwright and Pomfret were \$331,508 and \$454,774, respectively. The real property tax levy for the Village of Fredonia was \$2,371,207. The real property tax levies for the Chautauqua Forestville, Pine Valley, and Fredonia School Districts were \$513,794, \$44,687, and \$170,411 for the portion of each district within Arkwright. A real property tax levy of \$10,437,465 was levied upon the Town of Pomfret for the Fredonia School District (NYSORPS 2007). This real property tax information is summarized in Table 2.9-3.

The current sales tax rate for Chautauqua County is 7.75 percent, which includes a 4 percent state share and a 3.75 percent local share (New York State Department of Taxation and Finance 2007). The total sales tax revenue for Chautauqua County in 2005 was \$36,774,408. The sales tax revenues for the towns of Arkwright and Pomfret were \$158,183 and \$692,243, respectively. The Village of Fredonia received \$1,317,117 in sales tax revenue (New York State Office of the State Comptroller 2005).

Table 2.9-3. Real Property Tax Levy per Taxing Jurisdiction, 2006

| Taxing Jurisdiction | Real Property Tax Levy |
|-----------------------------|-------------------------------|
| Chautauqua County | \$ 54,923,908 |
| Town of Arkwright | \$ 331,508 |
| Town of Pomfret | \$ 454,774 |
| Village of Fredonia | \$ 2,371,207 |
| Forestville School District | \$ 513,794 (Arkwright) |
| Pine Valley School District | \$ 44,687 (Arkwright) |
| Fredonia School District | \$ 170,411 (Arkwright) |
| | \$10,267,054 (Pomfret) |

Source: New York State Office of Real Property Services 2007

The county, towns, village, and school districts face the yearly challenge of bearing the costs associated with the services they provide through the collection of sales and/or real property taxes, as well as other sources of revenue, such as state and federal aid. As with most taxing jurisdictions in upstate New York, loss or lack of commercial and industrial tax base, in combination with rising labor and material costs, make it increasingly difficult for municipalities to meet their budgets without significantly raising taxes. Table 2.9-4 summarizes budgets for 2004 at the town, village, and county levels within the Project Area, including the Forestville, Pine Valley, and Fredonia School Districts. Budget values are given for the entire school district, which includes portions of the school districts in towns other than Arkwright and Pomfret, unlike the tax levy data in Table 2.9-3. According to the information from the New York State Office of the State Comptroller for 2005, Arkwright was not indebted in 2005, the most recent year for which data is available. However, Arkwright's total expenditures exceeded total revenue that same year.

Table 2.9-4. County and Municipal Budgets, 2005

| Taxing Jurisdiction | Total Revenue | Total Expenditure | Total Indebtedness |
|-----------------------------|----------------------|--------------------------|---------------------------|
| Chautauqua County | \$231,905,089 | \$219,823,872 | \$58,301,097 |
| Town of Arkwright | \$595,346 | \$628,720 | \$0 |
| Town of Pomfret | \$2,227,942 | \$2,400,249 | \$197,000 |
| Village of Fredonia | \$4,747,847 | \$8,082,850 | \$10,081,064 |
| Forestville School District | \$8,149,244 | \$8,145,604 | \$1,855,000 |
| Pine Valley School District | \$12,223,846 | \$11,977,152 | \$9,273,650 |
| Fredonia School District | \$25,961,118 | \$25,396,856 | \$30,291,000 |

Source: New York State Office of the State Comptroller 2005

2.9.2 Anticipated Impacts

The Project would have both direct and indirect positive economic effects on individual landowners participating in the Project and on the municipal entities within the Project Area. These effects would begin during construction and continue throughout the operating life of the Project. Short-term benefits would include additional employment and expenditures associated with construction of the Project. Long-term benefits from operating the Project would include significant additional revenue through fees to host communities, a payment in lieu of taxes (PILOT) agreement, purchases of goods and services, and lease payments to participating landowners.

The Project would temporarily result in approximately 250 construction jobs and also provide 10 to 15 full-time operational jobs over the life of the Project. The Project may result in economic benefits caused by increased visitation to the Project Area by tourists interested in wind power. All of these results would have a beneficial effect on local businesses. The overall socioeconomic impact of Project construction and operation is discussed in detail below.

2.9.2.1 Construction

2.9.2.1.1 Population and Housing

As noted in Section 2.9.1.1, Chautauqua County experienced a population decrease between 1990 and 2006, while the towns of Arkwright and Pomfret experienced population increases of 8.3 percent and 3.4 percent, respectively from 1990 to 2000. These trends would likely continue regardless of whether or not the proposed Project is built. The Project will not generate construction employment at a level that would significantly increase population in either the towns or the county. Even though employment during the construction period would be significant in relation to the current population (approximately 150 construction jobs), this employment is relatively short-term, and is not expected to result in construction workers permanently relocating to the area. For the duration of construction (approximately nine months), there could be a temporary increase in local population and demand for temporary housing by out-of-town workers. However, this demand would be relatively modest, and could easily be accommodated by available housing in the affected towns and surrounding communities. Beyond this relatively minor (and positive) short-term impact, Project construction would not have significant impact on population and housing.

2.9.2.1.2 Property Values

Property values would not be affected during construction of the proposed Project. Owners of available vacant housing would be expected to be able to rent out their property for six to nine months to generate additional income.

2.9.2.1.3 Economy and Employment

Based on construction employment figures at other wind power projects in New York, it is anticipated that a total construction workforce of approximately 150 workers would be needed to

construct the Project. It is anticipated that about two-thirds of this anticipated workforce would be from the western New York labor market. Local employment would primarily benefit those in the construction trades, including equipment operators, truck drivers, laborers, road construction workers, and electricians. Project construction would also require workers with specialized skills, such as crane operators, turbine assemblers, specialized excavators, and high voltage electrical workers. It is anticipated that the majority of these specialized workers would come from outside of the Project Area and would remain only for the duration of construction.

In addition to the direct jobs created during construction, this Project is expected to have an indirect impact on the local economy through the purchases of goods and services, which would support local businesses and perhaps result in the creation of some additional new jobs.

2.9.2.1.4 Municipal Budgets and Taxes

During construction, the Project would not adversely impact municipal budgets and taxes. Temporary construction workers would not create significant demand for municipal or school district services or facilities. These workers would not generate significant revenue through payment of property taxes. Although, as discussed in Section 2.8, the Project could result in impacts to the local road system. Such impacts will not affect municipal highway budgets because the Applicant will pay for the cost of construction-related road repairs and/or improvements.

During construction, the 150 Project personnel would patronize local gas stations, hotels, restaurants, grocery stores, and other establishments, boosting the local economy and creating more sales and service-related tax revenue for the local municipalities.

2.9.2.2 Operation

2.9.2.2.1 Population and Housing

Approximately 10 to 15 full-time jobs would be created once the Project is fully operational. These employees would be expected to reside locally, if they do not already, which could translate into purchase of a few homes and addition of a few families to the surrounding communities. Based on vacancy rates in both towns, there would be an adequate number of housing units available for purchase or rent. Although this represents a positive economic impact, long-term employment associated with the Project is not large enough to have a significant impact on local population or housing characteristics.

2.9.2.2.2 Property Values

Because large wind farms are relatively recent developments, local residents often express concern over the potential for local property values to depreciate because of operating wind power projects. This issue has come up during the siting and review of other wind power projects in New York and throughout the United States. Several variables are involved in determining property values, ranging from market conditions to land and structure conditions.

Hence, it is difficult to isolate the potential impact of a single variable such as the presence of a local wind farm.

To objectively assess this concern, the Renewable Energy Policy Project (REPP) conducted a quantitative study in 2003. REPP assembled a database of real estate transactions adjacent to every wind power project (10 MW or greater) in the nation that became operational between 1998 and 2001, for a total of ten projects, which included two projects in Madison County, New York, and one in southern Vermont. For this study, data was gathered within 5 miles of the wind projects, as this was determined to be the potential area of visual impact (viewshed). For each of the ten projects, similar data was gathered for a comparable community that was located outside of the project viewshed (comparable communities were based on interviews with local assessors and analysis of U.S. Census Bureau demographic data). The goal of the data collection effort was to obtain real estate transaction records for a time period covering roughly six years (three years pre-construction and three years post-construction). The data was then analyzed in three different ways: Case 1 examined the real estate price changes in the viewshed and the comparable community for the entire period of the study; Case 2 examined how property values changed in the viewshed before and after the project became operational; and Case 3 examined how property values changed in the viewshed and the comparable community after the project became operational (Sterzinger et al. 2003).

The results of these analyses showed no negative impact on property value from existing wind farms. Of the ten projects examined in the Case 1 analysis, property value actually increased faster in the project viewshed in eight of the ten projects. The Case 2 analysis revealed that the property values increased faster after the wind facilities became operational in nine of the ten projects examined. In the Case 3 analysis, property values increased faster in the wind power project viewshed than in the comparable community in nine of the ten projects. More specifically, these positive results applied to the two wind power projects in Madison County, New York. In five of the six case studies (Case 1, 2, and 3 analyses for both projects), the monthly average sales price grew faster or declined slower in the viewshed communities than in the comparable communities outside the project viewshed. The REPP study concluded that there is no evidence that the presence of the two wind farms in Madison County had a significant negative effect on residential property values (Sterzinger et al. 2003).

To obtain a clearer understanding of the actual effects of existing wind farms on property values, a Master of Science thesis was prepared by Ben Hoen (2006). The purpose of this study was to analyze whether the transaction value of homes within 5 miles of the existing Fenner Wind Farm in Madison County was significantly affected by views of the wind farm. "View" is defined using a continuous variable from 0 (no view) to 60 (a full view of all 20 turbines). The study additionally investigated how this effect varies with distance (spatially), time (temporally), and house value. Lastly, the effect and degree of the PILOT payment to Fenner Township was investigated. The study utilized the hedonic pricing model, which, given enough data, is

sensitive enough to allow sales to be grouped temporally (by year), spatially (by distance), and economically (by the value of the home).

The data concerning transaction values and assessor information was collected from the Madison County Real Property Tax Office. From January 1, 1996 through June 1, 2005, 452 sales took place that were coded "arms-length" transactions (agreements between independent buyers and sellers) by county assessors, and were within 5 miles of Fenner Wind Farm. Of these, 167 were removed as land-only sales (i.e., sale of parcel that did not contain a house), and five were removed as non arms-length sales (e.g., divorce, sales between family members, estate sales, etc.), resulting in a total of 280 sales. Of these, 140 occurred after construction began at the Fenner Wind Farm in 2001. A field analysis was conducted on October 30 and 31, 2005, to ensure complete accuracy of the "view" variables used in the model. Visits were made to those homes sold after January 1, 2001 (138 homes visited) to assess the degree to which the home could see the wind farm. By standing at or near the house, a rating of 1 to 60 was established for each home. This rating was based on the degree to which viewers could see each of the 20 windmills in the Fenner Wind Farm. A total of three points per turbine was possible (one point if only the blade above the nacelle was visible, two points if the nacelle was also visible, and three points if the tower below the rotor swept area was also visible), for a cumulative maximum of 60 points (Hoen 2006).

The analysis of 280 home sales within 5 miles of the Fenner Wind Farm did not reveal a statistically significant relationship between either proximity to or visibility of the wind farm and the sale price of homes. Additionally, the analysis failed to uncover a relationship even when concentrating on homes within 1.0 mile of the wind farm that sold immediately following the announcement and construction of the project. This study therefore concluded that in Fenner, a view of the wind farm does not produce either a universal or localized effect, adverse or not. To the degree that other communities resemble the Fenner rural farming community, similar conclusions are anticipated (Hoen 2006).

Given the results of Sterzinger (2003) and Hoen (2006), and the similarity of the Madison County sites to the Project, it is reasonable to conclude that the proposed Project should not have an adverse impact on local property value.

Additionally, a study was conducted by Cushman and Wakefield (2008; Appendix K) on the number of sales and average sale prices in Chatauqua County for various categories uniformly accounted for by the Project Area town and county assessors. These values were tracked for seven years, from 2000 through 2007, and percentages were calculated for each year. The report looked at U.S. Census data, as well as Claritas data, which provides enhanced U.S. Census data. The county assessor observations support the Claritas-U.S. Census projections relating to average home prices in the Chautauqua area, versus the county as a whole. The statistics show that Chautauqua County has a stable real estate market for farmland, where average prices of farmland properties that have sold vary within a wide range,

but is not consistently appreciating. The results of the study also show that home prices went up and down over the seven-year period included in the analysis and that average sale price exceeds the overall county average. A complete copy of Cushman and Wakefield's report is contained in Appendix K. The major conclusions of the report were:

- Given the relatively low median incomes, slow growth and limited base economy within and near the towns of Pomfret and Arkwright, the proposed New Grange Wind Farm may yield net economic benefits, which could in turn, spur demand for housing and increase property values over time.
- Having reviewed the inventory of affected parcels, the report found that the affected parcels include a mix of rural residential tracts interspersed with commercial dairies and small farming operations. Our studies show that the most sensitive of these properties will be the rural residential homesites.
- Vineyards, hay fields, and vacant land are unlikely to be negatively affected since value of such lies in the relative productivity of the soil and the age and functional utility of farm and dairy or vineyard related structures. Residences are accessory to the business. People at these residences live where they work, as opposed to choosing a homesite strictly for its view amenity.
- The study reviewed the age, quality, and values of housing stock in the area and extensively surveyed property sale records going back to 2000. The study did not find any new development and little premium-priced or executive housing near the revised Project Area where view considerations would be significant.
- The general characteristics of the area around the proposed New Grange Wind Project suggest that adverse property value impacts would be negligible, if measurable at all. This observation is based on studies of comparable wind projects in New York that are also discussed in the Cushman and Wakefield report. In fact, there is yet to be demonstrable evidence that wind power projects have any adverse impact on property values anywhere. Further, there is anecdotal evidence that the presence of a wind farm may even have improved values of some types of recreation or seasonal properties.

The Cushman and Wakefield (2008) study concluded that the Project should not have an impact on property values for undeveloped properties or existing wind farms. There appear to be no premium-priced or executive homes located in the Project Area or viewshed, which would derive such a premium from their views. The value of the existing stock of rural residential housing is fundamentally based on its use in terms of access to employment and services. The data shows that the existing stock of rural residential housing in the study area does not trade at a premium versus other comparable communities in Chautauqua County and is significantly lower valued when compared with otherwise comparable communities in greater New York.

The report also concluded that property values will be much more susceptible to the local economy than to changes in the viewshed created by the Project. To the extent that the Project brings in jobs, reduces local property taxes, and its PILOT contributions benefit local schools and infrastructure, the Project may increase demand for housing and increase property values over time. The report found that the Project should not have an impact upon the future sales or values of developed properties given these prevailing conditions.

2.9.2.2.3 Economy and Employment

Total wages for the Project's 10 to 15 full-time employees are estimated to be approximately \$500,000 annually. It is anticipated that these jobs would result in multiple indirect impacts on the local economy. For example, it is reasonable to anticipate local expenditures for goods and services associated with Project operation and maintenance. Additionally, expected annual lease payments collectively total over \$500,000 to local landowners participating in the Project. This direct financial benefit to all landowners participating in the Project would enhance the ability of those in the agricultural industry to continue farming. Local lease payments would also enhance the ability of participating landowners to purchase additional goods and services. To the extent that these purchases are made locally, they would have a broader positive effect on the local economy.

The Project may also result in increased tourism, based on other wind power projects in New York and New England that have created an increase in visitation from tourists interested in the projects. The growth in tourism has resulted in increased local expenditures for goods and services. Values of expenditures and revenues have not been quantified and are probably fairly modest. The attraction of wind projects as tourist areas may diminish as wind power projects become more common in the state and their novelty decreases.

Since this Project is near the Canadaway Creek Wildlife Management Area, the potential for the Project to have a negative impact on existing tourist areas was evaluated based on studies from other projects. Current research suggests that there is no evidence to indicate that the presence of wind turbines would have a negative impact on tourism. A 2002 study conducted in the Argyll Region of Scotland, involving interviews with 307 tourists, found that 91 percent said the presence of wind farms in the area would not influence their decision about whether to return to the area. Almost half (48 percent) of the tourists interviewed were visiting the area because of the "beautiful scenery and views." Of those who had actually seen wind farms, 55 percent indicated that their effect was "generally or completely positive," 32 percent were ambivalent, and 8 percent felt that the wind farms had a negative effect (MORI Scotland 2002). Similar positive effects have been reported from various wind farm locations in Australia. According to the Australian Wind Energy Association, initial concerns that wind turbines would negatively impact tourism in that country have proven to be unfounded (Australian Wind Energy Association 2003). Similarly, a survey conducted by the Institute for Integrated Rural Tourism in Vermont concluded that out of 102 visitors of Vermont's Northeast Kingdom surveyed,

95 percent would not be deterred from further visits due to the addition of a wind energy facility to the area (Renewable Energy Vermont 2003).

Generally, wind energy is considered to be a promising renewable energy technology for farmers. Some of the land proposed for wind energy development in this Project is agricultural. As illustrated by the operational Fenner, Madison, and Maple Ridge wind farms in central New York, wind turbines have been integrated into the New York agricultural setting with little or no disruption to ongoing activities. Wind turbines provide an important revenue stream for farmers. According to Tim Bigham, Senior Field Advisor for the New York State Farm Bureau, a “carefully devised and well constructed wind farm can be a boon for agriculture in whatever area it is placed” (Bigham 2007). The Project would provide a part of that economic gain, while increasing the long-term prospects of keeping agricultural land in viable production.

2.9.2.2.4 Municipal Budgets and Taxes

Given that the Project’s current configuration would require negotiating with a number of different taxing jurisdictions, the Applicant intends to pursue a PILOT agreement with the Chautauqua County Industrial Development Agency (CCIDA).

The Project will not require, or create a demand for, significant municipal or school district services. Therefore, the Project should not negatively affect the municipal budgets of the jurisdictions within the Project Area.

The Project would, however, have a beneficial impact on municipal budgets since the taxing jurisdictions would receive additional revenue from the Project in the form of PILOT revenues and, in the case of the towns, in the form of host/mitigation payments. Preliminary information with respect to the PILOT agreement is discussed in Section 2.9.3.2.4 below.

2.9.3 Mitigation Measures

Since the Applicant has carefully planned and sited the Project facilities, and has minimized or avoided socioeconomic impacts to the extent practicable, there is little need for additional mitigation.

2.9.3.1 Construction

2.9.3.1.1 Population and Housing

As described in Section 2.9.2, construction of the proposed Project would not have a significant impact on local population and housing. Consequently, no mitigation is necessary to address these impacts.

2.9.3.1.2 Property Values

As described in Section 2.9.2, construction of the proposed Project would not have a significant adverse impact on property values. Consequently, no mitigation is necessary to address these impacts.

2.9.3.1.3 Economy and Employment

The construction of the Project would result in a short-term beneficial impact on the local economy and employment. Consequently, no mitigation is necessary.

2.9.3.1.4 Municipal Budgets and Taxes

The only potential adverse impact to municipal budgets and taxes would be the impact of Project construction on local roads, and the need to repair or upgrade these roads to accommodate construction vehicles and increased activity. To mitigate this impact, construction-related damage or improvements to county or town roads would be the responsibility of the Applicant, and would be undertaken at no expense to either the affected towns or county.

2.9.3.2 Operation

2.9.3.2.1 Population and Housing

As previously discussed, the operating Project is not anticipated to adversely affect population or housing availability in the local towns or surrounding area. Consequently, mitigation measures to address population and housing impacts are not necessary.

2.9.3.2.2 Property Values

Since there are no anticipated negative impacts to long-term property values, no additional mitigation is required.

2.9.3.2.3 Economy and Employment

As described previously, the operating Project's potential impacts on the local economy and employment would be positive. Additional long-term permanent jobs would be created and additional local expenditures would be made (e.g., lease payments to participating landowners, local purchase of goods and services). The number of permanent jobs created would not be large enough to create a financial burden on the towns, county, or school districts by requiring the provision of additional services and/or facilities. Thus, mitigation measures to address either loss of jobs or increased demand for municipal services would not be necessary.

2.9.3.2.4 Municipal Budgets and Taxes

Because operation of the proposed Project would not create a significant demand for municipal or school district services and facilities, it would not have adverse impact on municipal or school budgets. The Project Sponsor proposes to negotiate a PILOT agreement with the CCIDA through which affected taxing jurisdictions would receive revenues. The exact terms of the PILOT agreement have not been finalized, but other wind projects in the northeastern United States have previously agreed to pay up to \$5,000 per MW in annual PILOT payments. If one were to include host community/mitigation/licensing payments to the towns, the Project would be expected to pay on the order of \$8,000 per MW. PILOT payments have typically lasted for

10 to 20 years for wind and other energy generation facilities, while the host/mitigation payments generally last for the life of the Project.

After the PILOT agreement expires, the facilities would be taxed at their assessed values. These payments would more than offset any minor increases in community service costs that may be associated with long-term operation and maintenance of the Project (e.g., slightly increased road maintenance costs). Because the wind facility would generate a predictable source of additional revenue for all of the affected municipalities and school districts over the next 20 plus years, the Project would positively impact municipal and school district revenues. This would enhance the type and level of services these jurisdictions are able to provide to local residents for the duration of the Project's operational life.