
AES ready to unveil plans to place \$25 million shipping port on lake

By THOMAS J. PROHASKA
NEWS NIAGARA BUREAU

SOMERSET — AES Corp. is set to unveil plans for a \$25 million shipping port on Lake Ontario.

The port would be built on the company's property along Lake Road, near its coal-burning power plant.

AES Somerset President Kevin R. Pierce could not be reached to comment on the project Tuesday. But Niagara County Legislature Chairman Clyde L. Burmaster, one of several political figures invited to the event, confirmed the announcement is expected to be made at a news conference Tuesday. Pierce had listed the lake port project among upcoming improvements at AES during a Jan. 16 news conference in the County Courthouse.

At the time, the cost of the port was estimated at \$20 million. Pierce said then that the port would be made available to other companies as well as offering another way for coal to be brought to the power plant. At present, it all arrives by rail.

AES Project Manager Jon Reimann wouldn't confirm the port project is a go. "We'll announce everything on Tuesday," he said. AES' corporate communications office in Virginia said it had no information on the project.

The invitation for county legislators to the news conference said the announcement "begins to fulfill our promise of additional platform expansions and investment following the tax stabilization of our operations in Somerset."

Last week, State Supreme Court Justice Richard C. Kloch Sr. dismissed lawsuits that attempted to block a 12-year property tax break the Niagara County Industrial Development agency granted to the AES plant 11 months ago.

That payment-in-lieu-of-taxes agreement, or PILOT, reduces AES' tax burden by at least \$43.4 million during the 12 years, assuming there is no change in tax rates. However, AES, the largest property taxpayer in Niagara County, will still be paying \$192.6 million in combined school, town, county

and special district taxes during the 12 years.

According to the invitation, "This investment will create up to 100 union construction jobs over a two-year construction period as well as retain over 150 union and management jobs at the facility. Finally, this investment will provide regional energy security benefits and new tax revenues for Niagara County, the Town of Somerset and the Barker School District."

The PILOT agreement specifies that if there are any "future additions" at AES, the IDA is to increase the payments the company must make, and if AES disagrees with the amount the IDA sets, the dispute is to be settled "by a court of competent jurisdiction."

"I think the proposal in the invitation presents exciting news for Niagara County and economic development," said Samuel M. Ferraro, IDA executive director.

e-mail:
tprohaska@buffnews.com