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Howard Zemsky
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RE: **Cargill, Inc.'s Application for an \$8 Million Southern Tier ESDC Grant
for Cayuga Salt Mine Shaft 4 Project**

Dear Mr. Zemsky,

As a resident of Tompkins County, I oppose Cargill, Inc's ESDC grant application. I appreciate your consideration of my concerns in your evaluation of Cargill's grant proposal.

The dollars don't make sense.

My initial opposition to Cargill's proposal was based on dollars and good business sense. The "carrot" that Cargill offers is that the Shaft 4 project will extend the useful life of the Cayuga Salt Mine, and jobs in that mine, from ten years to thirty years. The "stick" is that Cargill won't build the shaft without public funding subsidies. The stick sounds like nonsense to me.

Cargill's website reports that its **gross revenues in fiscal 2016 were \$107 billion**. Cayuga Deicing Technology (CDT), the Cargill operating division that operates the Cayuga Salt Mine, came to Tompkins County seeking a \$640,000 sales tax abatement in connection with its Cayuga Salt Mine Shaft 4 project. This was presented to the Tompkins County Industrial Development Agency (IDA) as a \$45 million project, **\$37 million of which Cargill will be paying from its own capital**. Despite Cargill's massive financial resources, which are many times the size of Tompkins County's, the CDT representative who presented the abatement application to the IDA cried poor: he asserted that Cargill only received net profits of 1.5% of its gross revenues (only \$1.6 million), and that it would not fund more than \$37 million of the Shaft 4 project costs. Implicit in CDT's argument – and a point explicitly stated by certain IDA board members – was the concern that Tompkins County's failure to grant the rebate would prejudice ESDC's consideration of Cargill's ESDC grant application. Accordingly, the IDA granted the abatement.

Now this matter is before ESDC, and the financial stakes are a bit higher – Cargill seeks \$8 million in public funds to subsidize a shaft project that will extend the useful life of the Cayuga Salt Mine by 20 years. According to CDT, that mine produces approximately 2 million tons of rock salt per year, so we are looking at 40 million additional tons of salt that Cargill can sell for \$25-\$30 a ton. Even at \$20 a ton, that's an \$800 million incentive to extend the life of the Cayuga Salt Mine by building Shaft 4. Nevertheless, we have Cargill suggesting that, without a \$640,000 county sales tax abatement and an \$8 million state grant, it simply won't make the necessary investment. I seriously doubt that Cargill achieved its enduring corporate success by making bone-headed financial decisions of the sort it's threatening to make here.

From the perspective of a resident, citizen, and taxpayer, I see a corporation with fiscal 2016 gross revenues of \$107 billion (compare that to New York State's 2016 combined tax revenues of \$70.6 billion) trying to game the system by extracting public financing for a capital investment that is likely to pay it handsome returns for years to come. And I see a state agency willing to pay \$8 million to extend 180 jobs ten to thirty years down the road. That's \$44,444 per job – with no guarantee that those jobs are still going to be here in ten or twenty or thirty years.

There has been no evaluation of the environmental risks of the mine expansion that would be facilitated by Cargill's construction of Shaft 4.

In the course of attending hearings and IDA meetings dealing with Cargill's Shaft 4 project, I was alarmed to learn that: (1) no state or federal regulatory agency has ever done a thorough evaluation of the environmental risks of the Cayuga Salt Mine's operations; and (2) no Environmental Impact Statement (EIS) has been required in connection with the northward expansion of mining operations that would be facilitated by construction of Shaft 4. Cargill does not acknowledge that our state Department of Environmental Conservation (DEC) has jurisdiction over underground mining operations, and, apparently, DEC has agreed to limit its oversight of the Cayuga Salt Mine to an annual visit and acceptance of an annual report submitted by Cargill. More significantly, DEC's State Environmental Quality Reviews of the mine expansion and the Shaft 4 project – conducted separately and over a year apart – have concluded that neither project requires an EIS. I need not remind you that the NYSDEC is the same agency that neg dec'ed expansions at the then largest salt mine in North America, the Retsof Mine in Livingston County, until it failed and flooded in 1994-5. Now, 20-some years later the freshwater aquifer closest to the mine is becoming salinized, perhaps permanently.

I also learned that the geological conditions of the mine area become more treacherous as mining operations move north into the area that would be served by Shaft 4. Apparently, the salt deposits become less stable and the bedrock layer between the salt deposits and the bottom of Cayuga Lake become considerably thinner as one moves north from the southernmost areas that have already been mined. As I understand it, these conditions make mining in the area of proposed

mine expansion problematic, and indicate that Cargill's mining techniques should be re-examined and adapted to the changing geology of the northern area of operations. Moreover, the unique geology of the northern mine areas, and the need to re-examine mining techniques to accommodate that geology, were reported to DEC in 2002. *See* John T. Boyd Co 2002, Review of the Mined Land Use Plan, Cayuga Mine, Cargill Inc, Seneca and Tompkins Counties, New York, prepared for the NYS Dept of Environmental Conservation, Report No. 2499.4. Despite this warning, DEC has approved northward expansion of the Cayuga Salt Mine operations with no change in mining techniques – and no EIS required.

Mr. Zemsky, I am not a geologist, nor have I been deeply involved in environmental causes, but this makes no sense to me. As I understand the environmental dangers of a mine collapse under Cayuga Lake, the consequences could be disastrous. Unlike the IDA and the DEC, I am not willing to take Cargill's word for the safety of continuing mining business as usual in the expanded mine area – and neither should you be. Imagine what salinization of Cayuga Lake would do to our area. My drinking water comes from Cayuga Lake. The lake supports our homes, our farms, our vineyards, our recreation, and our tourist economy. Without it, our world would collapse. Until you're sure that's not going to happen, I don't see how the ESDC – an agency whose mission is “to promote a vigorous and growing state economy . . . and support diverse, prosperous local economies across New York State” – can even consider subsidizing Cargill's construction of Shaft 4. So I implore you: before you commit public funds to this project, please require Cargill to prepare an EIS and a design justification for its expanded mining operation under Cayuga Lake.

Thank you for your consideration of these issues.

Sincerely,

Deborah Dawson