

# THE BUFFALO NEWS

## City&Region

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#### First of 8 giant turbines completed at old Bethlehem site

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One windmill up - seven more to go.

The first of eight massive wind turbines that will make up the "Steel Winds" wind farm at the old Bethlehem Steel site in Lackawanna was completed Monday afternoon as workers attached the three 153-foot-long blades to a tower.

The developers of the wind project had hoped to have all eight turbines erected by last Thanksgiving.

However, the very heavy winds they aim to harness to make electricity made construction of the windmills - particularly lifting the blades into the air - far too dangerous.

Wind gusts as high as 75 mph have been clocked at the site along Lake Erie since the developers broke ground in September.

Derek Gee/Buffalo News  
First of eight wind turbines gets finishing touches at former Bethlehem Steel site in Lackawanna, where the project has been slowed, ironically, by heavy winds.

Now, with winds calming down, the construction crew has seized the opportunity to get the first 410-foot-tall wind turbine completed.

"The weather was cooperating," Steel Winds project manager Mark B. Mitskovski beamed Tuesday as efforts continued to complete a second turbine and put the finishing touches on several towers. "We're hoping to do more today."

The first turbine, which stands taller than Buffalo City Hall when a blade reaches the highest point, can be seen from the Skyway and other waterfront vantage points.

Lackawanna Mayor Norman L. Polanski Jr., a champion of the Steel Winds project, said he eyed the windmill for the first time Monday.

"I was coming out of Buffalo on the Skyway," he said. "I looked up and said, 'There's something different out there.' I think it looks great. Everybody has been waiting for this. . . . I can't wait to see all eight of them up."

Polanski thinks that the small wind farm, among the first in the country to be built on a brownfield site, could mark a turning point for Lackawanna and the region.

"It's generated interest, and people know where the City of Lackawanna is," he said, remarking that a delegation from Cleveland recently came to check out Steel Winds. "It projects our city in a positive light. Considering everything we have run into, we need the positive light."

But Steel Winds has not been without controversy.

School officials are concerned, and some even upset, that the district is not getting any tax money from the project.

The developers, BQ Energy and UPC Wind, do not have to pay taxes on Steel Winds because wind and solar energy projects are exempt from paying taxes, according to New York property tax laws.

In fact, the project is eligible for many millions of dollars in federal, state and local breaks because it is creating a renewable source of energy.

In December 2005, the city brokered a deal to receive \$100,000 a year for the next 15 years from the wind farm developers as long as the property tax exemption holds. Polanski said the developers agreed to the \$1.5 million payout as a "goodwill gesture," not as a formal payment in lieu of taxes.

Lackawanna School Superintendent Paul G. Hashem pointed out that the city acts as a taxing entity for its school district. The tax agreement "excluded us and probably shouldn't have," Hashem said.

The school district's attorney has put the city on notice over the issue, and all parties are now awaiting an assessment on the project to determine how to go forward.

Hashem, who supports the wind farm and even has a photo mock-up of the completed Steel Winds in his office, said he believes that the laws surrounding the tax exemptions were so complicated that the schools were inadvertently left out.

Polanski thinks that the developers' payments are adequate and appropriate. "I got the best deal I could for the City of Lackawanna," he said.

Paul F. Curran, managing director of BQ Energy, said his company has not had any direct dealings with the school district. Hashem hopes that "when all is said and done, everybody will sit down and shake hands and say, "This is fair. "

The Steel Winds project is now expected to be fully operational by early April, the developers said Tuesday.

Over the next few days, blades of the completed turbine may turn every now and then. However, that is being done manually, Curran said, and it will take a few more weeks for it to go into service.

There also has been discussion of adding as many as 24 more wind turbines to the site, according to Polanski.

The Lackawanna City Council imposed a moratorium on more windmills, which Polanski says will be temporary.

Polanski said he believes that the city and developers will be able to figure out a way to put more windmills on the least desirable parts of the old Bethlehem Steel property. "I am in favor of them on the most polluted parts," he said, "not on some of the best where we can bring business to."

Curran wants to wait until the original eight wind turbines are up and running before beginning any serious talk about expanding the project, he said.

"We're still thinking about [adding more]," Curran said. "The plan is to keep our engineers on the very important job they're doing now."

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