NYPIRG
NEW YORK
PUBLIC INTEREST
RESEARCH GROUP

VIA EMAIL & FAX

December 5, 2014

Ms. Aimee Vargas, Director
ESD Mid-Hudson Region
33 Airport Center Drive - #201
New Windsor, NY 12553

Re: Niagara Bottling funding proposal to MHREDC

Dear Ms. Vargas:

The New York Public Interest Research Group (NYPIRG) writes to express our reservations regarding the Mid-Hudson Regional Economic Development Council's (REDC's) endorsement of the Niagara Bottling proposal for Ulster County.

This project appears to run contrary to basic standards set forth by the REDC in several ways, and the project's likely significant negative environmental impacts in the region have yet to be fully explored through the State Environmental Quality Review (SEQR) process. Thus it would seem at the very least premature, and potentially completely inappropriate, for the REDC to recommend this project for funds.

This proposal is incongruent with the basic selection criteria laid out in the "2014 CFA Available Resources" guide. One basic criterion for funding this, or any project - implementation, or "project readiness" – is clearly in doubt. At this stage, it is uncertain whether this project is even approvable from an environmental perspective. The proposal has appropriately triggered a positive SEQR declaration requiring a full environmental review, with numerous questions yet to be answered. There are a number of environmental factors at play, including the adequacy of, and impact upon the proposed water supply. The proposal also raises serious questions about the impact of massive discharges into the Lower Esopus Creek, a designated inland waterway already suffering from high levels of turbidity.

Further, a water bottling plant also potentially poses a unique threat to the local water system that must be explored in the environmental review process. Unlike more traditional water uses, withdrawing, bottling and shipping out water from the local supply completely removes the water from the natural water cycle. The removal of over half-a-billion gallons of water annually from the natural local water cycle has the potential to compromise the replenishment of the water system, including potable sources. Also, Cooper Lake, where the withdrawn water would originate, was last fully

evaluated for capacity in 1961 – 53 years ago – and a new assessment may determine that sediment deposits and other factors have significantly reduced the capacity of the water supply. For these and numerous other reasons, it is premature for the State to invest in such a project before critical questions of feasibility have been answered through the SEQR process.

Aside from feasibility, other funding criteria are clearly in question. One such criterion is public/stakeholder support for the project. Public turnout and comments offered at various recent municipal meetings and other forums held in a number of local communities suggest not only a lack of support, but strong public opposition to this particular proposal.

Similarly, the performance measures criteria – specifically return on investment and sustainable development – are in question. This project has applied for tax-exempt status through Start-up NY, which means that it would return no property, income, or other taxes to the community or the State for the next decade.

In addition, no sustainable development component has been established, and in fact, by usurping the bulk of the water system's remaining daily water supply, could potentially inhibit the introduction of other businesses and further development in the region. Simply put, if there is no available water for future endeavors, there can be no growth. This is neither sustainable development nor smart growth, and clearly not a good return on investment.

In sum, this is a proposal that would create a significant threat to the local environment, pose a unique challenge to the water supply and imperil further growth of the region, and involves much uncertainty as to whether or not the project will even come to fruition. We urge the Regional Economic Development Council to consider these concerns and withhold a positive recommendation for State funding of this project.

Sincerely,

Russ Haven, Esq.
Senior Staff Attorney

Joseph Stelling
Environmental Campaigns Coordinator