

The Town of Lincoln is poised to provide a massive, unnecessary subsidy to First Wind for its "Rollins" project by the proposed Tax Increment Financing (TIF). TIF is a useful economic development tool when used in a proper way. Right here in Lincoln are two of the finest examples of TIF used properly. The expansion of LP & T for its new tissue machine assisted the mill to be more competitive and provided a good number of new union-scale jobs. The proposed development of the downtown area where the great fire was addresses blight and expands needed low-income housing. These were worthy TIFs.

The TIF for First Wind is another matter. Unlike LP & T, which is an expansion of an existing business that is the economic mainstay of the region, and unlike Lincoln competing for a desirable business to locate here instead of another community, TIF should not be used to help First Wind. There are no communities in Maine actively seeking a sprawling industrial wind site, so Lincoln need not compete to lure First Wind to locate here instead of elsewhere. There are many reasons why a large number of Lincoln residents believe First Wind should not locate in Lincoln Lakes Region at all. If you read the Lincoln News every week or you visit www.friendsofcolnlakes.org, you should be familiar with all the problems associated with an industrial wind site.

First Wind is a company whose business model depends on subsidies and market manipulations to make money. They already have tremendous advantages from double declining balance 5-year depreciation for writing off infrastructure and equipment costs. They can write off windmills quicker than the mill can write off a tissue machine! They have 2.1 cents per kilowatt-hour production tax credit, which will reap them more than \$4 million dollars per year from this project. They have the ability to sell the same kilowatts as "green tax credits" to polluting industries.

Through Renewable Portfolio Standards, they have guaranteed access to the New England electricity market whether the electricity is needed or not. These investors are laughing all the way to the bank at taxpayers and ratepayers expense! This is a financial scam of major magnitude!

Now they come to the Town of Lincoln and "negotiate" (by paying Lincoln's portion of the bill from Eaton Peabody) a TIF that further subsidizes them on the local level.

What kind of "negotiation" occurs when First Wind pays for two attorneys from the same company to create a TIF? It is collusion and conflict of interest, not an adversarial negotiation whereby the Town looks out for getting the best deal possible. The terms of the TIF are ludicrous and I encourage everyone to go to the Town of Lincoln website and study it. The term of the TIF is 30 years, yet GE, the manufacturer of the turbines, estimates the useful lifetime of the turbine to be 20 years. The split of the taxes is 60% subsidy for First Wind and only 40% for Town of Lincoln; we should be at least 50-50 to be fair! The number of new jobs created is 5-10; come on, which is it? First Wind kept saying over and over at public meetings it was at least 10. These are just some examples of the problems with the TIF. By letting First Wind dictate the terms, your elected and appointed town officials have not represented the best interests of the residents of the Town.

Actually, the Town officials have things completely backwards as they deal with First Wind and it is a result of the desire for development at any price. The price

Lincoln residents pay by allowing First Wind to develop its industrial wind site is a great one. It is one that is difficult to put a price on. Blasting away the ridges of Rocky Dundee and Rollins Mt., fragmenting wildlife habitat, ruining people's lives with the well known noise and vibro-acoustic health effects, the visual blight of 389 foot steel towers and composite blades, the loss of property value all lead the litany of negative impacts of this project. The damage far exceeds the pittance of TIF money First Wind will generate to the town.

What the town should do is no TIF for First Wind. Tell First Wind to pay its full share of taxes just like every other business in town. Furthermore, a hefty "impact fee" should be levied every year to offset the loss of state subsidies due to higher municipal valuation and to provide real property tax relief for the residents of Lincoln. A good source of that impact fee would be a percentage of the Production Tax Credit earned by the 18 turbines located in Lincoln. After all, the electricity and the profits all go to Massachusetts and we get stuck with ugly turbines. First Wind should pay for the damage done to the natural resources of the Lincoln Lakes Region and for being allowed to change the area in such a dramatic and pervasive way.