

Money may drive wind project decision

BY ANNE ADAMS • STAFF WRITER

MONTEREY — Whether Highland County will be the first place in Virginia to alter its land use regulations to allow industrial scale wind energy to operate within its borders may be decided here within the next eight weeks, and the three men charged with that decision have been keeping their cards close to their vests as to how they might vote.

Asked recently by The Recorder if they had staked out a position yet, none of the county's supervisors appeared ready to say. But it was clear from statements by Jerry Rexrode and Robin Sullenberger that the possibility of substantially increasing revenue for this county is playing a large role in their thinking so far. Lee Blagg declined to comment in much detail due to his belief his comments will not be published accurately.

Rexrode and Sullenberger reiterated their conversations with The Recorder at Tuesday night's regular board meeting, assuring those attending about where they stood so far. Rexrode added at that meeting that he felt The Recorder's questions were "prudent," but "I don't often talk to the paper," he said. "I don't read it. I like to see both sides printed, and let people make a choice."

Sullenberger says while he knows Rexrode seriously considers the financial potential of a utility project in Highland, "Our perspective is very different on things. He does consider himself a champion of economic development in the county, but while I respect and admire him for that, I don't always agree with him."

The facility planned here by Highland New Wind Development LLC consists of about 20 commercial wind turbines some 400 feet high, generating a total of 39 megawatts of power. About four months ago, the company requested a conditional use permit to construct and operate the facility, and a zoning amendment to address height limits in Highland's ordinance.

Tuesday, supervisors set a Jan. 26 public hearing date for a decision on the permit, and they will have 60 days from that date to vote on the request. They could, however, vote on the matter directly following the public comments.

Blagg said Wednesday he will not reveal his opinions about the project at this time. "I will make a statement at the time of the vote," he said. "What you print in the paper, I have

no control over."

While some localities in other states have secured agreements with wind energy developers for money beyond what a state requires, Rexrode and Sullenberger say no deals between Highland County and HNWD have been discussed despite rumors among some here that HNWD has offered sums of cash to the county. "I can tell you point blank there is no truth to that," Sullenberger said this week. Other than exchanging pleasantries with HNWD's owners, the McBride family of Harrisonburg, he says there has been no discussion with them about their proposal, and all communications have been handled professionally, through their attorney. "There are no sweetheart deals here," Sullenberger says, "and any implication to that effect is ludicrous."

Rexrode, too, says he has not spoken with the McBrides, and there is no financial offer from HNWD on the table. Tax revenue from the project, however "would be sizeable," Rexrode said. "And (Mac McBride) is aware of that ... but we have no commitment to McBride in no way, shape or form."

Blagg, who owns property in the McDowell area about one mile from where U.S. Wind Force plans a West Virginia wind facility, says no one from that company or HNWD has been in contact with him, either.

Over the course of the last several months, officials have determined how much tax revenue the utility might generate for the county based on utility regulations set by the State Corporation Commission, but because Virginia has yet to value a wind facility, the answers have been unclear. In general, officials estimate the plant could generate as much as \$250,000 annually, on the high end, in property taxes from the site flowing to the county. At the moment, Sullenberger says, supervisors are trying to find out whether that revenue would be a consistent stream, especially if Virginia were to enact legislation exempting industrial wind plants from paying property taxes at all, or at a lower rate, as many states have done. "We're asking about all this. We're concerned about sustainability of future revenue if there is tax abatement. If you use revenue for the county as one reason to look positively at this (project), then it would have to be sustainable."

Once that determination is made, he says, officials will consult with the State Corpora-

tion Commission to see what Highland's options are. At their meeting this week, supervisors agreed the county should contact the Attorney General's office for a written opinion on the issue, even if that response wasn't specific enough to be helpful.

Rexrode said supervisors have spoken to state legislators about the revenue picture. Adding tax revenue will be a big part of his decision, he says. "I think you have to take a look at it. You have to be objective. You have to ask, can it benefit the entire county?" Rexrode says the county faces a 16 percent increase in property taxes next year. "We've seen the school budget figures, but it's everything in general, it's not all the schools. We pulled money from savings (\$106,000) to balance the budget this year."

While Highland doesn't actually carry money in a "savings" account, it does try to retain a recommended 15 percent of its \$5.7 million budget to run the county (\$855,000). While some of that is earmarked for specific projects, the balance after this year's deduction of \$106,000 is \$862,800.

A 16 percent tax hike amounts to 11 cents per every \$100 value of property, which would add \$275 a year to the tax burden of a \$250,000 property.

Rexrode says there are positives and negatives to everything, and for this decision, "revenue is very big. And this is one of the cleanest industries there are. The county has no extra money to do anything with. We can't build a swimming pool, which people want here, recreation, we can't maintain the buildings ... I know how bad the county needs tax money. (The decision) is ultimately going to boil down to financial, and land use," he says. Even if the project provides additional revenue, Rexrode says it won't mean the county will lower taxes, but that it may mean taxes won't have to go up as much. "We're asking our politicians would you support legislation leaving (tax revenue negotiations) up to localities, if it comes up (at the state level). Right now, it's still up to the SCC to say exactly what we'll get."

Blagg says only that potential revenue from the project will play a part in his decision, but not the only part.

A group of "green energy" industry leaders and other utility officials have begun initial discussions at the state level about renewable portfolio standards, which in some East

Coast states force utilities to purchase a certain percentage of their power from renewable sources like solar, wind and biomass. Rexrode says he's aware of those talks, and hopes Virginia will leave such decisions in the hands of local governments.

Sullenberger declined to say which way he's leaning on this decision. "I'm not in to playing my hand just yet," he said, adding he's been asked repeatedly by Highland landowners how he might vote. "You study the issue, and study the issue, and study the issue. And you weigh the pros and cons," he said.

Learning how Highlanders feel about the possibility of their first wind utility has been a sticking point throughout discussions of the project. While no official referendum could be taken due to state laws, the county declined offers from the community for a county-sanctioned poll. "I think we're smart enough to make a decision on fact," Rexrode explained. Nevertheless, a group of citizens opposed to the project is gathering signatures on a petition, and mailing letters and post cards to others to add to the list. To date, more than 1,000 residents and landowners have signed to register their opposition.

Sullenberger says how comments have been received has been "interesting," and says those supporting the project have taken "a cautionary pro approach." In his observations, no one seems gung-ho about welcoming the plant, but those being supportive are telling supervisors, "I think we should consider this, for a very specific reason," Sullenberger said.

Rexrode says he is taking the petition seriously and giving it due weight, but he is not convinced a majority of residents are opposed. He intends to go through the signatures; "I'll see who they are," he said. He expressed concern about the brochure that accompanied post cards. "It says there are a lot of pros and cons to this, but I've never seen any pros in (the) letter."

Rexrode is keeping a list of those he speaks with about the proposed utility, and says he'll share that list with The Recorder at a later date.

"When I'm done with it I'll give you a copy," he said. His list includes 160 people he's talked to, he says, and of those, 30 are opposed and 130 are in favor. "I've heard good and bad," he says, "and I'm going to keep talking to people. Who are the 1,000 (opposed) and who are the (100) in favor? How many of those brochures were sent out?" he asked. "There are 1,900 registered voters in this county. Is 600 opposed a majority?" Rexrode said he wants to make sure those who signed were told the truth.

Blagg said he is currently reviewing the list of signatures on the petition. "There will be some weight given to it," he said. "I'll be objective." He has said previously he doesn't put too much stock in petitions because Highland

residents will sign anything without really realizing what they're signing. "They will," he said this week. "I'm convinced of that." He said the list he's reviewed so far contains some duplicate signatures and he's noticed some where the husband has signed but not the wife. "And there are at least three deceased people on there," he said.

Sullenberger says he remains objective regarding HNWD's proposal. In his professional role as executive director of the Shenandoah Valley Partnership, he works to bring development opportunities to 10 localities in this region of Virginia, and in the last couple of years, he has become the point man on wind energy in Virginia. But, he says, "My role (at SVP) ended when I presented the concept of wind power here," he said. While he is responsible for bringing opportunities, he says, he does not do anything further in terms of promoting certain industries in any locality, including Highland. "Wind energy would have come to Highland County ultimately anyway," he said. "And knowing this is coming, we ask, do we have these conversations? There was some enthusiasm about it in the initial stages, but later in the process it got much more complicated. I don't feel any additional anxiety or concerns because of my job. The main thing I stay aware of is to keep my objectivity. Presenting communities with opportunities is my responsibility, but it doesn't come with a recommendation."

As for his personal feelings about the prospect of industrial wind energy, Sullenberger said that as landowner, it is difficult not to be frustrated by the "lack of opportunities," and the cost of owning property. "You can't prosper in the agricultural arena the way people once did." Those opposed to HNWD's utility cite Highland's natural resources and view sheds as in need of protection. "A lot of people have said how Highland County is the last, best place on earth," Sullenberger says. "I don't disagree with that. But it won't be 25 or 50 years from now unless we can find a way to make agriculture here sustainable." Scenic beauty here was created in part by farmers and select timberers, he says, "but farmers are really being pressured into selling their land now."

Rexrode says he's compiling a great deal of research on wind energy. "You have to ask, what is a legitimate reason to turn something down?" he said. "Just because you don't want to see something isn't a reason. I don't know the answer." As for the turbines, he said, "I don't like them. I don't like to see them. But that's not the point. We're elected to represent the best interests of the county and we have to weigh the odds." The visual effect of the 400-foot structures on county ridge lines is one drawback, he says. "But does it devalue property? I'm not sure. Some say yes, some say

no. Does it kill birds? Some say yes, some say no." Rexrode says it's a tough decision, with much conflicting information. "I told Mr. McBride if I owned that piece of land I'd never put a wind mill on it. That's my personal opinion. But the county needs revenue and I can't make a decision on being selfish just because I don't like to see them. I'm not going to make a decision that way."

Blagg, for his part, will continue to ask residents how they feel about the project. "I'm saying very little to the public about my personal opinion," he said, citing a scripture verse that says be quick to listen, slow to speak, and slow to anger. "And I'm listening," he said. Asked what issues might constitute his decision-making process, Blagg said, "I'll be the judge of what the factors are. The Recorder prints a slanted side and you people need to correct that. (Former publisher) Joe Pritchard would be turning over in his grave. He would never voice his opinion on issues like you do." Blagg says while he doesn't believe The Recorder is "biased totally," he doesn't think its editorials are good for the community. "I understand you want to know how I feel, but I want to know what the public thinks ... It's a hot issue, I understand that. But everybody needs to understand and respect the process." Blagg says speaking to the press "gets us in trouble. All you've got to do is look back at the history. Ron Malcolm spoke to you and the county ended up in court." Blagg stresses he does not fear being sued over the wind plant decision, but that discussing his stance in the press does more harm than good. "The other supervisors don't read the paper because they just get upset. They've told you that. I'm not going to make any comment to you because it'll just be more controversy and we don't need it. People will know how I feel when the time comes. We all love the county and we'll do what's right for the county."

In the end, Rexrode says, the county must move forward in this process. "I don't know which way to go," he said. "I'm still up in the air. But we have to deal with this sooner or later. We won't have any more facts down the road than we do 90 days from now. Either way we go, we'll be sued."

Rexrode says HNWD has never indicated it would sue the county if its project were not approved, but he believes the county must have "good justification" for turning down the company's application. "It's not an issue either way," he added, and his decision will not be affected "whatsoever" by the possibility of legal action from either side of the issue. "I wouldn't ever base any decision on being sued," he said. "We have to make this decision based on having the best interests of the county in mind. That's all you can do."

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