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WHISTLING RIDGE ENERGY  
JOHN MCSHERRY.  
PREFILED TESTIMONY  
EXHIBIT NO. 44.00

BEFORE THE STATE OF WASHINGTON  
ENERGY FACILITY SITE EVALUATION COUNCIL

<p>In the Matter of Application 2009-01: WHISTLING RIDGE ENERGY, LLC; WHISTLING RIDGE ENERGY PROJECT</p>	<p>EXHIBIT NO. 44.00</p>
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**INTERVENOR PORT OF SKAMANIA COUNTY  
PRE-FILED DIRECT TESTIMONY  
WITNESS #44: JOHN MCSHERRY.**

Q Please state your name and business address.

A My name is John McSherry and my business address is PO Box 1099, Stevenson WA 98648.

Q Please describe your present occupation, including your job duties and responsibilities.

A I am the Manager of the Port of Skamania County. The port is a quasi-municipal body authorized by Washington law that exists to undertake activities that becoming self-

1 supporting vehicles for promotion of economic development. As its manager, I report  
2 to the elected port commissioners, and am responsible for the daily operations and  
3 planning for the Port. In that role, I oversee the administration of tax revenues, grant  
4 funds, and loan proceeds received by the Port for economic develop actions. I am  
5 also responsible for the management of the Port's facilities. I represent the Port in its  
6 dealings with regulatory and administrative agencies, local regional and state  
7 government representatives, and the private business sector. I also represent that  
8 Port in its economic development activities, including negotiations with contractors  
9 and service providers with whom the Port has interactions, and also maintain  
10 relationships with the Port's tenants and prospective tenants.  
11

12 Q Please briefly describe the sources of revenues and funds that are available to the  
13 Port of Skamania County.  
14

15 A Ports receive a percentage of all the sales and use tax that comes into the county  
16 pursuant to RCW 82.14.370. Presently, the Port receives approximately \$200,000 per  
17 year in sales tax and use revenues as granted to us by the Skamania County Board of  
18 Commissioners. This sales and use tax revenue is used by the Port as matching funds  
19 for grants and loans obtained by the Port to develop publicly owned facilities that are  
20 leased to businesses. The lease amounts received by the Port at the present time are  
21 approximately \$600,000 per year, another source of matching funds for grants and  
22 loans to further develop business infrastructure. The Port's ability to borrow money  
23 is limited by its bonding capacity. This amount is a function of the assessed valuation  
24 of the property within the Port's district boundaries.  
25

26 Q Please briefly describe how development of the Whistling Ridge Energy Project could

1 affect these sources of revenue.

2

3 A The Port's infrastructure and development opportunities would be greatly supported  
4 by the development of the Whistling Ridge project through sales and use tax and  
5 valuation increases.

6

7 A percentage of all sales and use tax revenues associated with the Whistling Ridge  
8 project in Skamania County will come to the Port. In addition, the Port's bonding  
9 capacity is a function of the assessed valuation of the property within the Port's  
10 district boundaries. The Whistling Ridge Energy Project, although outside of the Port  
11 district, will have an area-wide impact and will lifting up assessed valuations across  
12 the county and in the Port district. As jobs are created, housing prices generally rise,  
13 and assessed values tend to go up. As the Whistling Ridge project builds out and  
14 operates, its contributions to the economic health of Skamania County will likely  
15 drive up area-wide valuations, including the assessed valuation within the Port's  
16 boundaries. With increased valuation, the Port's bonding capacity also increases,  
17 making it possible for the Port to undertake further infrastructure investment, which  
18 generates more lease revenues that will be invested back into new infrastructure  
19 perpetuating economic development and self-sufficiency.

20

21 Q Does the Port of Skamania County have any infrastructure development projects  
22 currently underway?

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24 A Yes. The Port is currently extending municipal sewer and water, electrical power,  
25 telecommunications and natural gas utilities into 32 acres of industrial zoned land

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known as the Cascades Business Park located in the City of North Bonneville, WA. The work at the project site includes grading and access road construction in anticipation of leasing the site to tenants for further business development. The new site is being developed by the Port through the use of sales tax revenues, Port lease revenues, and grant funds.

Q Is this new site located within the boundaries of the Columbia River Gorge National Scenic Area?

A The site is within the municipality of North Bonneville, which lies within the NSA but which is also one of the thirteen urban areas that were exempted from the application of the NSA’s restrictions of development and land use.

Q Is the new site visible from within the boundaries of the NSA?

A Yes.

Q Please describe the effect on the new Port development at North Bonneville that would occur if the application of the NSA boundaries were expanded to all points within the NSA that are currently exempt, or to all areas outside the NSA boundary that can be seen from inside the NSA.

A It is uncertain whether this project could be built if the NSA’s provisions restricting development were to apply. The project has not been subject to either the Special Management or General Management land use and development permit provisions

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prior to receiving authorization for the current development. As tenants begin to occupy the site, they will undergo permit and land use review as an area exempt from the provisions of the NSA, as it lies within an exempt urban area. If the NSA were now to apply, any new development would be subjected to additional NSA-related development review. It is entirely unclear what those new standards would be. This would create great uncertainty to the Port regarding how it would market the site, including disclosures about NSA limitations.

To date, the Port has not been put on notice that the expansion of the effects and application of federal NSA legislation is being considered in order to extend NSA regulations to areas that have historically been exempt therefrom under current legislation. Similarly, the Port has not been notified of any framework for compensation to the Port if it loses its currently vested development rights through expansion of the application of the NSA to currently exempt areas within which the Port has property interests.

Expansion of the NSA's restrictions to other areas within Skamania County that are outside the current boundaries, but which can be seen from within the NSA, would also have an adverse future effect on the Port insofar as development would be further constrained, resulting in fewer development opportunities that could generate sales tax revenues, jobs, and other economic activity, which directly and indirectly generates benefits to the Port as described above.