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BEFORE THE STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL

In the Matter of Application No. 2004-01
WIND RIDGE POWER PARTNERS, LLC;
WILD HORSE WIND POWER PROJECT

EXHIBIT 35 R (PBD R)

APPLICANT’S PREFILED REBUTTAL TESTIMONY
WITNESS # 16: P. BARTON DELACY

Q What is the purpose of this testimony?

A I submit this testimony to respond to certain aspects of F. Stephen Lathrop’s testimony, which are relevant to the subject addressed in my initial prefiled testimony. Mr. Lathrop’s testimony appears to be based on his alleged experience as an attorney and real estate developer in Ellensburg, who lives on Robinson Canyon Road, several miles west of Ellensburg central business district, but in sight of the Whiskey Dick ridgeline, where the Wild Horse Wind Power Project (“Project”) is proposed. He has intervened with prefiled direct testimony and also testified at a Kittitas County public hearing regarding the land use consistency aspects of the project on January 25, 2005.

Q Have you reviewed Mr. Lathrop’s prefiled testimony?

1 A Yes, I have. I also attended the January 25 hearing in Ellensburg. At the hearing,
2 Lathrop raised the issue of “stigma” relating to his property, an indirect impact, while
3 his written testimony alleges direct adverse impacts of the Project on his property.
4

5 Q Have you inspected Mr. Lathrop’s property in preparation of your testimony?

6 A Yes. I inspected his property from the public road, on November 16, 2004 and again
7 on January 25, 2005.
8

9 Q Do you agree with Mr. Lathrop’s description of the setting and vicinity of his
10 property?

11 A His description of his property is accurate, except that he fails to mention that
12 between his view of the Whiskey Dick Ridge lies the interchange of Highway 97 with
13 I-90. At that interchange are lighted signs on freeway standards advertising a casino
14 and restaurant. Ambient light from Ellensburg would also be visible in the Lathrop
15 view shed to the east. Additionally, major electric transmission corridors are highly
16 visible from the Lathrop property. I would also refer the reader to my description of
17 the character of the surrounding property described in my initial prefiled testimony.
18
19 Lathrop acknowledges that communication towers are already “clearly visible” on
20 Whiskey Dick. This comment underscores the fact that the view, while sweeping, is
21 hardly pristine.
22

23 Q Please describe your response to Mr. Lathrop’s allegations regarding the “impacts” of
24 the Wild Horse Project to his property values.
25

26 A Lathrop alleges two impacts from construction of the Wild Horse project:

- 1 1. the “attractiveness [of his property] will be degraded in direct proportion to the
2 visibility of this project.” He contends that “heavily improved properties such as mine
3 depend upon the preservation of the aesthetics to make them so attractive.” (Lathrop,
4 Page 7).
- 5 2. “the undeniable precedent for the establishment and promise of more projects to
6 come.” Further, “the precedent that the Wild Horse project will set....a chill on land
7 values in this County equivalent to another ice age.” (Lathrop, Pages 6 – 7).

8 The two issues Mr. Lathrop raises seem to concern what types of externalities in fact
9 affect property values, and how wind projects may disrupt a “rural lifestyle.”

10 First, each parcel of real estate is unique and appraisers must employ certain conventions
11 and methodologies, such as the theory of substitution, to measure property value. Thus
12 every home is exceptional, yet in exchange or trade, its value will be dictated by available
13 market alternatives and typical market participants.

14 Second, the concept of “market value,” a term subject to legal definition, considers the
15 unique and exceptional, yet only in the broader context of that typical, or expected market
16 participant. Market value opinions are derived from observed transactions and then
17 applied to the subject at hand. Thus, personal preferences must be viewed in the
18 aggregate. City lights dazzle some, but may be disruptive to others. Architectural styles,
19 choice of landscaping, house colors and views are all subject to personal preference.

20 While any long-time resident may find neighborhood change objectionable, many such
21 changes have no effect, or may actually increase property values. For instance,
22 partitioning of rural acreage and construction of executive homes, while increasing
23 congestion and perhaps impinging on views of open space, typically increase adjacent
24 property values, although some adjacent owners could subjectively find such change to
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1 be objectionable. New construction can be seen as evidence of rising demand, population
2 growth and increased wealth - all trends which tend to positively impact residential
3 property value.

4
5 Mr. Lathrop has built, according to his own description, and confirmed by my own
6 research in the field and confirmed at the Kittitas County Assessor's office, one of the
7 largest and most expensive homes in the general vicinity of Ellensburg. An appraiser
8 might characterize his house, and that of his neighbor, Mr. Repp, as "executive homes."

9
10 Residential property values are most influenced by the immediate neighborhood. The
11 presence of high valued estate-type development will typically have a positive influence
12 on the surrounding homes (typically more modest rural homes), tending to increase their
13 value. This is true whether the surrounding homes are site-built or modular. However, so
14 long as the predominant character of the neighborhood remains agricultural, with much
15 smaller and less expensive homes populating the landscape, their presence will tend to
16 depress the value of the luxury estates; at least until such time as executive homes
17 encroach on working farms. Meanwhile, the proximate landscape exhibits plowed fields
18 with large white irrigation pipes and farm implements, not to mention bright blue and
19 white striped tents over hay stacks. In my experience, immediate and surrounding land
20 uses will have a much greater impact on property values than remote changes within the
21 view shed.

22
23
24 Q Please respond to Mr. Lathrop's accusation that you did not conduct studies specific to
25 the Kittitas Valley.

26

1 A Mr. Lathrop objects to the use of outside studies, alleging that I failed to establish any
2 correlation between the areas studied and Kittitas Valley, and that no empirical data from
3 the County has been referenced. In fact, we did study land sales in Kittitas Valley,
4 particularly within the view sheds of both the planned Kittitas Valley Wind Power
5 Project (KV), as well as the subject Wild Horse Project. In his oral testimony before the
6 Kittitas County Planning Commission and Board of Commissioners, Mr. Lathrop also
7 expressed concern about long-term stigma which the wind turbines would create.
8

9 First, responding to Mr. Lathrop’s allegation that my testimony is not sufficiently based
10 on objective evidence and data, the studies are helpful because they define a continuum
11 where demonstrable impacts from undesirable land uses (like a lead smelter) have been
12 measured and where stigma can occur. Simply put, stigma is about fear of the unknown,
13 while measurable adverse impacts require fairly dense urban settings and close proximity
14 to a perceived “hazard.”
15

16 No one is arguing that wind turbines create hazardous emissions. Due to the remote
17 location of the Wild Horse Project and the nature of surrounding land areas, the project is
18 not proposed in an area where noise can be considered obtrusive. What remains of
19 concern is the potential visual impact of these tall structures – in Mr. Lathrop’s case, the
20 potential impact of these structures on a property nearly 20 miles away.
21

22 While it is true that definitive evidence of local property impacts cannot be discerned
23 until the project is up and running, evidence of stigma could occur once news or even
24 rumor of the proposed project has been made public. Here, a couple anecdotes from
25 around the KV Project are particularly telling. The KV Project is located west of the Wild
26

1 Horse site, in the general vicinity of Bettas Road and Highway 97. In my initial prefiled
2 testimony I cite paired sales from the Kittitas Valley, including transactions within the
3 view shed of the publicly announced KV Project, that show no diminution in value nor
4 lower rates of appreciation than would otherwise be expected. For the record, I am
5 attaching to this testimony my prefiled testimony submitted in the KV proceedings.
6

7 Secondly, Charles Bugni, the broker for Town and Country Properties in Cle Elum,
8 reports that 9 of 12 parcels near the junction of Highway 97 and Bettas Road, ranging in
9 size from 3 to 20 acres have sold out within a year of subdivision at asking prices with
10 full disclosure of the pending placement of turbines in the immediate view shed. He
11 describes the rolling hills as windswept treeless and full of sage brush. Lot prices have
12 ranged from \$20,000 up to \$47,000. He anticipates modest site-built or modular homes
13 to be located here. As broker, he simply did not think the turbine project would affect
14 values one way or the other. The applicable sales data that I have reviewed appears to
15 support this opinion. Clearly, no stigma exists in this area, where turbines will be located
16 within one mile of homesites.
17

18
19 Development around Wild Horse is so sparse we were able to view all potentially
20 affected parcels surrounding the Project area. While Mr. Lathrop criticizes our
21 evaluation of 56 properties on approximately 4,000 acres” as a “very questionable
22 sample,” (Lathrop, p. 11) due to the sparse population, these were *all* of the sales in the
23 study period we analyzed. We found that where homes had been built, they were sited in
24 draws, without substantial views. Other locations for homesites in the vicinity of Wild
25 Horse appear to be undesirable because they are too windy.
26

1 Further, at least one development of more expensive executive style homes, Tahoma
2 Farms, is being developed on the north side of the Vantage Highway, about five miles
3 from Whiskey Dick, but much closer than Mr. Lathrop’s home. Four lots have been sold
4 and homes constructed, all since the Wild Horse Wind Project was proposed. This type
5 of market activity further belies Lathrop’s concerns that wind energy projects foster
6 “stigma.”
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