

Local View: Wind energy for property tax relief



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An Open Letter to Gov. Ricketts:

Dear Governor,

Congratulations as you begin your new journey! As a third generation farmer/rancher in Holt County I was very happy to hear that your top priority will be property tax relief. The bad news is many before you have tried and failed. By and large we are already a pretty frugal state, so it may be difficult to find enough fat to trim to make a meaningful difference in the tax base. Without adding new sources of tax revenue to draw from, any efforts for real tax relief become tax shifts, and no one wins.

The good news is I believe we have found an answer right here in Holt County. I'm chairman of the Grand Prairie Landowners Group, and for the past seven years we have been working with our wind energy development company to bring a 400 megawatt wind farm to our area. It's been a long road traveled but we will be proceeding with construction this year. When completed the Grand Prairie Wind Energy Project will be the largest wind project in the state, and along with that it will bring some staggering economic numbers:

** \$2.5 million of annual property tax revenue.*

That number seems almost unbelievable, but it's true. To put that in perspective it's roughly the equivalent of adding 420 irrigated quarters (about 67,000 irrigated acres) to the tax base. Compared to pastureland, it's roughly the equivalent of adding 260,000 acres to the base. These are incredible numbers, and the best part is we are literally pulling imported tax revenue from the wind, which would continue to blow across our state whether we chose to develop it or not. Additional taxes will be generated by construction/operational spending, permanent Nebraska jobs created, and income on lease payments.

Imagine what the tax base for the state might look like if we would build several similar wind energy projects. We have the resources to make this a reality; what we need is leadership with the vision to realize the potential.

** \$600 million dollars.*

That's the estimated capital outlay for this single project. With lease payments, tax revenue, job creation and stimulated economic activity the overall impact of our project will be well over a billion dollars. Again, incredible but real numbers. What would our state's economy look like if there were dozens of these farms scattered across Nebraska?

** Thirty permanent jobs created.*

That's after construction, and these jobs will be well above Holt County's average wage. That's potentially 30 families brought in to our rural community helping us grow and prosper. During construction an estimated 400 workers will be here spending money. Our local business community is preparing for a banner year. Again, imagine this scenario played out across the state.

We're building this project in the heart of some of the most productive agricultural land in the state with very little disruption to our agricultural capacity. If we can do it here it can be done anywhere. I'm very proud of what we've accomplished and I would love to visit with you about the opportunities that wind energy can offer our state's economy and tax base.

There will be many challenges and opportunities ahead for you as you lead our great state. This is an opportunity I believe we must move swiftly on to solidify our competitive edge against other wind development minded states. Certainly there are challenges ahead of us for wind energy development, but they are surmountable. Ensuring that transmission upgrade costs are passed on to developers is obviously crucial. We must also find an acceptable mix of incentives to remain competitive while still reaping economic and taxation benefits for the state. Fortunately, both of these issues can be readily resolved with common sense solutions if we all work together. Frankly, the biggest challenge facing wind energy might just be getting everyone to sit down with one another to openly and earnestly discuss the issues.

Mark Twain once said "Everyone complains about the weather but nobody ever does anything about it." Similarly, throughout my thirty-some years of farming here in Nebraska everyone has complained about runaway property taxes and no one has found a solution. I truly believe this may be our answer, and I sincerely hope that eight years from now your gubernatorial legacy will be "The man who tamed property tax." I eagerly await hearing from you so we can roll up our sleeves and get to work to make this a reality.

Michael Zakrzewski is a farmer/rancher in Holt County, near O'Neill.

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