

## WIND: YET ANOTHER SOURCE OF WEALTH FOR THE LANDED



*by Ed Dodson, from Philadelphia*

The United States shares with many other nations the physical attribute of vast, thinly-populated regions where the wind blows almost constantly. In the state of Texas, marginal, windswept land was acquired by cattle ranchers. Then, in parts of the region, oil was found below the surface. Land values skyrocketed and landowners – at least those who owned the mineral rights -- became very wealthy.

The oil is now nearly gone, and for the last few decades land values returned to levels supported by what ranchers were willing to pay to graze their cattle.

Today, the story is rapidly changing because of the wind.

Landowners in the windy parts of Texas are leasing their land to wind power companies as fast as they can sign the papers. A recent newspaper article reported that one landowner is receiving a fee of \$500 per month for each wind turbine constructed on his land. When fully operational, there will be 150 such wind turbines generating electricity for Texas communities, delivering a monthly income to this one landowner of \$75,000.

I wonder whether the public officials in Texas have thought about adjusting assessed values of this land to reflect current market values. One county official reports that the total value of property in his county has doubled since the arrival of the wind turbines. And, although property taxes are said to be coming down on individual home owners, the county is bringing in enough new revenue to make long-needed improvements in public buildings and roads.

For the moment, everyone seems to be pleased with the change in fortunes. Fewer young people are leaving the small towns to find employment. There are now able to complete technical programs at area colleges and find work with the wind farm companies. One significant difference between the oil boom years and this new boom is that the wind is not a finite natural resource. Climate change could alter wind patterns, but that is a much longer-term worry.

Even the state is getting into the picture, leasing state lands for wind energy development. Hopefully, the state is getting the same leasing fees as are private landowners.

So, while land values are falling in many cities as a result of a decade of intense land speculation, investors have alternatives in places where marginal lands are finding a new highest and best use.