

Wintergreen says pipeline proposal could slow resort's revitalization

By MICHAEL MARTZ Richmond Times-Dispatch | Posted: Saturday, February 6, 2016 10:30 pm

WINTERGREEN — A year ago this week, the Wintergreen Resort got a new lease on life — a new owner and operator after a near brush with bankruptcy, and an opportunity to revitalize the Blue Ridge Mountain resort community some four decades after its founding.

About two weeks later, it awoke to the possibility of a 42-inch natural gas pipeline emerging from the mountain next to the resort's only entrance and exit, cutting a swath up one forested mountainside and passing along a ridge settled by Wintergreen homeowners who built high-dollar homes there for the views.

Now, Wintergreen is questioning how construction of the Atlantic Coast Pipeline at what the resort operator calls the community's "doorstep" could affect its plans, including the potential construction of a 150-room hotel and conference center that would cost up to \$40 million and create 150 jobs. The project, currently in the conceptual stage, would not be built sooner than 2018, the same year the pipeline is scheduled to begin operating.

"It is accurate to say that the pipeline would make it a more difficult project to bring to fruition," said Vern Greco, president of Pacific Group Resorts, a Utah-based resort operator that is managing Wintergreen under a 50-year lease with its new owner, EPR.

The \$5 billion pipeline, proposed by a company led by Richmond-based Dominion Resources Inc. and championed by Gov. Terry McAuliffe for its potential to drive economic development, is fueling concerns in Nelson County about potential damage to the county's single-largest employer and critical source of tax revenue.

"There is a real sense that Wintergreen is for Nelson County the golden goose," said Russell Otis, a former county administrator who serves as executive director of the Wintergreen Property Owners Association, representing about 3,700 properties and up to 6,000 full- or part-time residents.

Nelson is opposed to the pipeline crossing anywhere in the county, especially near Wintergreen. Current



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John Claman, a member of the Friends of Wintergreen board, and Wintergreen Fire Chief Curtis Sheets stand at the entrance to the resort. The pipeline is proposed to emerge from a mountain tunnel on the other side of Beech Grove Road from the entrance.

County Administrator Stephen A. Carter called Wintergreen's success "essential to Nelson County's interests."

"We don't want the pipeline to affect Wintergreen," Carter said.

Dominion, the lead partner in the company proposing to build the 550-mile pipeline from West Virginia to southeastern Virginia and North Carolina, said the project will not affect Nelson's burgeoning tourism industry around Wintergreen and state Route 151 through the scenic Rockfish Valley, beyond the temporary nuisances and disruption of construction.

"We recognize that Wintergreen and the entire tourism industry are important economic assets for the county, and we're confident they will continue to grow and prosper long after our project is completed," said Dominion spokesman Aaron Ruby, who said Nelson would share in the long-term benefits from lower electricity costs because of the expanded supply of natural gas.

But Greco said neither Dominion nor McAuliffe appears serious about finding an alternative route that relies on existing utility and road rights of way to avoid the resort area.

"The guys at Dominion have been a little tone-deaf to this," he said. "I don't believe they are looking in earnest at alternative routes right now."

Greco said he has met with members of McAuliffe's staff but added, "I'm not sure the governor is forceful enough in finding a better solution."

McAuliffe spokesman Brian Coy said the governor "has been very active" in trying to bring Wintergreen and Dominion officials to the table.

"He's met with both and asked them to find a solution," Coy said. "At the end of the day, this is a federal process."

Dominion is evaluating possible alternative routes, as directed by the staff of the Federal Energy Regulatory Commission in December, including a number of options recommended by Friends of Wintergreen, formed last year in response to the current pipeline route.

Federal regulators also prodded the company to look at different routes across the state that address the concerns of the U.S. Forest Service about the pipeline's potential effect on the George Washington and Monongahela national forests.

The forest service recently raised questions about what the company would do if its plan to drill nearly 4,500 feet through the mountain beneath the Blue Ridge Parkway and Appalachian Trail does not work.

Greg Parks, construction supervisor for the project, said the company has contingency plans that it would outline to the forest service but added, "I don't think we'd take this kind of risk if we didn't think we could do it."

The preferred route adopted by the company last year would tunnel 800 feet beneath the parkway from

Augusta County through to Nelson, where the pipeline would emerge directly across Beech Grove Road from the guardhouse and communications center at the entrance to Wintergreen.

“It’s 2 miles from the village (and ski slopes), but it doesn’t much matter,” said Wintergreen Fire Chief Curtis Sheets, who worries about emergency access in a potential disaster, such as an explosion or fire. “That’s the only way out.”

Dominion said the tunneling, estimated to last 12 to 14 months, would not force closure of either lane of the two-lane road that links Wintergreen to the Rockfish Valley in Nelson and to Augusta in the Shenandoah Valley, and on which the resort relies for emergency medical service and professional firefighting assistance.

“The road will remain open at all times, and we’re not going to impede the flow of traffic in and out of Wintergreen,” Ruby said.

The pipeline would cross the road slightly down the mountain from Wintergreen’s entrance, then go up Piney Mountain, where it would traverse inhabited properties on Fortune’s Point and Fortune’s Ridge, before descending the mountain through Horizons Village, an ecologically based community, to state Route 151 at Spruce Creek.

The route would take the pipeline through the site of the proposed Spruce Creek Resort, directly across Route 151 from Bold Rock Cidery, said developer Richard G. Averitt IV, who lives nearby in the South Rockfish Valley.

Averitt said the pipeline would destroy plans for the resort, which would cost an estimated \$35 million to develop and employ about 100 people.

“I will not be building this resort project if Dominion’s pipeline goes through my property,” said Averitt, who bought the 100-acre tract with his father, former Raymond James Financial Services Chairman and CEO Richard G. Averitt III, in 2013.

The Averitts are among 38 landowners in Nelson that the pipeline company is taking to court early next month for refusing to allow access to their properties for surveying the proposed route under a state law upheld last year by a federal judge.

The pipeline would cross “right through the heart of what would be the resort,” said Averitt, whose wife, Jill, also is a principal in the proposed Spruce Creek project.

The county has issued a special-use permit to build the project, which would include a restaurant and what Averitt called “boutique retail” space on the property’s lower half along Route 151, and a high-end restaurant, three dozen resort cabins and a barn for special events on the upper half, where he said the pipeline would cross.

“It never occurred to me they wanted to build a pipeline across my land until they told me they did,” he said.

However, Dominion said it was unaware of the Averitts' plan for Spruce Creek until the middle of last summer, almost two months after the pipeline company officially adopted the route it first suggested a year ago as an alternative to the original route that would have crossed the Blue Ridge about 8 miles to the north.

The company said it potentially could adjust the route if Averitt would allow surveyors and route engineers onto the property to evaluate his concerns. "We're confident our projects can co-exist," Ruby said. "The pipeline is not going to interfere with his plan to develop the property the way he wants to."

The current pipeline route first surfaced a year ago as an alternative that would allow the Atlantic Coast Pipeline to cross the Blue Ridge Parkway and the Appalachian Trail without an act of Congress, which would have been required if the company had stuck to its original route over parts of the national landmarks under control of the National Park Service.

Getting congressional approval "really doesn't fit the schedule for our customers' needs," Parks said.

Instead, the company chose a route that would tunnel through the mountain beneath the parkway and trail near Wintergreen. The U.S. Forest Service has legal authority to allow a natural gas pipeline to cross the parkway there if the company demonstrates the project would not harm the park's visual, natural and cultural resources, among other things.

Dominion is working on a "viewshed study" to demonstrate to the forest service that the project would not harm views from a dozen key observation points on the parkway, as well as four views from Wintergreen.

Once the project is complete, the company would replant the 75-foot-wide permanent right of way "with meadow grasses and other native vegetation to help it blend into the surrounding landscape," Ruby said.

"Virginia's existing natural gas pipeline network, which has more than 2½ times as many miles as interstate highway (in the state), goes virtually unnoticed even though millions of people live, work or commute along these pipelines every day," he said.

The company points to California's Napa and Sonoma valleys as proof that natural gas pipelines can co-exist with a burgeoning tourist industry built around wineries and scenic landscape, but opponents point out that those pipelines are less than half the size of the proposed Atlantic Coast Pipeline and also include distribution networks that serve local businesses and homes.

Friends of Wintergreen has hired consultants who say the pipeline could follow less damaging routes, including one through Rockfish Gap where Interstate 64 crosses the Blue Ridge. Dominion's Parks said that proposed crossing would be "a really, really, really challenging spot."

"I just want them to do it responsibly," said retired Adm. John Claman, a member of the Wintergreen board and longtime resident of the resort community. "They're putting citizens at risk — ecologically, economically and safety — when there is a better way to do it."