

Jefferson County Foundation, Inc.

October 9, 2019

The Honorable Governor Jim Justice
Office of the Governor
WV State Capitol
1900 Kanawha Blvd. E.
Charleston, WV 25305

Dear Governor Justice,

Just a few days ago, and only after having to file a Freedom of Information Act (FOIA) request, we learned about a *\$150 million commitment* by the West Virginia Economic Development Authority (WVEDA) to spend taxpayer money to support Rockwool's unwelcome and unwanted industrialization of Jefferson County.

On behalf of the entire engaged community across the Eastern Panhandle, Northern Virginia, and Western Maryland, we write to register our outrage at the substance of the WVEDA's action and the calculated way it was taken, *more than four months ago*, to avoid public notice.

We ask you to denounce the WVEDA's action and commit to transparency and informed consultation with the public going forward.

WVEDA's May 2 Action

In its May 2 meeting in Charleston, the WVEDA approved the issuance of up to \$150 million in bonds to Rockwool for its insulation factory under construction in Jefferson County. The WVEDA also committed to take ownership of Rockwool's land and equipment alleviating Rockwool's state and local tax burden for a period of 10 years. At the end of this time, Rockwool will reclaim the property and equipment for the price of \$1.

Astonishingly, the only public notice of this meeting and the WVEDA's intention to commit state resources to Rockwool can be found in a two-sentence meeting notice on the Secretary of State's website. Further demonstrating the calculated way in which information about this government action was cloaked in secrecy, even after the WVEDA's decision to authorize this loan and tax relief package for Rockwool—one of its largest ever—there still was no announcement made about it, no information shared at all.

Why We Object

This letter serves to register the outrage of residents across three states that oppose the Rockwool's factory – a factory that will be spewing 392.59 tons¹ annually of toxic emissions across the street from an elementary school, and putting our land, water, economy and way of life at serious risk.

¹ WVDEP Air Quality Permit Notice <https://dep.wv.gov/daq/Documents/March%202018%20Drafts%20and%20IP>

Usually, packages like this are used to entice companies to an area with demonstrable need of economic development. However, Rockwool was, at the time of the May 2, 2019 meeting, clearly already committed to building in Jefferson County and did not require new state commitments of \$150 million in bonds to entice it. And if it needed \$150 million in bonds to convince it to stay in Jefferson County, there must be public accountability for each and every person who facilitated this outrage.

Rockwool serves no public purpose in its proposed location in Jefferson County. This county has the lowest unemployment rate and highest average income in the state, and ranks better than the national average in this respect. Jefferson County's poverty rate is nearly half that of the state as a whole. The median household income of Jefferson County is \$72,526 per year, while the same for the state is \$43,469 per year, and in Jefferson County this measure is growing at 3.98% compared to just 0.194% for the state as a whole².

In light of this, why did the WVEDA authorize spending significant state resources to pay for the creation of a small number of low quality jobs in Jefferson County, and in an area that is completely unsuited for heavy industry? Why is the money not being spent in counties in more economic need or which are better suited to Rockwool's industrial operations? Or to attract jobs and companies that fit better with Jefferson County's leading industries?

In the agreement, Rockwool purports to create the equivalent of 120 full-time jobs. Rockwool already received a \$2.2 million "free money" loan to cover the costs of providing those jobs and the training needed for those employees.³ With this WVEDA agreement, and without any documented analysis of the benefits and costs particularly the costs to Jefferson County's environment and existing industries,⁴ the state of West Virginia has committed the approximate equivalent of \$1.25 million in loans to Rockwool for each job it says it will create or \$125,000 per worker, per year, for ten years, and ten years of at least reduced state and local tax obligation. Again, all of this is for 120 jobs to melt rock with heat and chemicals in the most prosperous county in the state—dangerously close to schools, homes, agriculture, and horse farms.

It is clear that the WVEDA has now, surreptitiously, tried to finish the job that the Jefferson County Development Authority was not in a position to do in light of extensive citizen opposition to Rockwool. For the last 14 months, the citizens of Jefferson County and the surrounding area have been expressing their outrage that Rockwool was planning to and is now actually building its plant in the heart of our historic, bucolic county. It would be impossible for any state-level officials, even though they reside in Charleston over 300 miles away, to say they were unaware of the opposition. Todd Hooker, deputy executive director of the West Virginia Development Office, who has been at the heart of bringing Rockwool here for years, was present for the May 2 meeting. It strains credibility to think that he was not involved in facilitating and informing this "sweetheart deal" for Rockwool, following through on promises that were made to Rockwool and which Jefferson County citizens have refused to deliver on.

² <https://datausa.io/profile/geo/jefferson-county-wv/?compare=west-virginia>

³ September 27, 2017 Memorandum of understanding between the WV department of comers and Roxul providing 2.2 million dollars performance based forgivable loan.

⁴ WVEDA explicitly stated that it did not have any documentation of such diligence or analysis. See WVEDA's October 7, 2019 response to Jefferson County Foundation FOIA Request No. 2019-0011.

For over a year, citizens have packed the public comment sessions during every variety of public entity meetings expressing their deep concerns over the Rockwool project. This included trips to Charleston to speak in public comment sessions, many meetings with elected representatives and agency officials, and other protests. Notably, in a meeting about Rockwool with Jefferson County residents, local delegates John Doyle and Sammi Brown, Secretary of Commerce Gaunch, Deputy Executive Director of WV Development Office Todd Hooker, and Executive Director of WV Development Office and Chair of the WVEDA Mike Graney on July 24, the May 2 WVEDA action was not disclosed. In a phone call following the meeting Todd Hooker was asked directly about alternative funding for Rockwool and still failed to mention the May 2 WVEDA action. The secrecy confirms that officials in Charleston knew that any public awareness would be met with the same public opposition that Rockwool faces in Jefferson County. And when no citizens appeared before the WVEDA on the day of this meeting, it should have been a clear indication that the meeting was not adequately noticed.

For its part, Rockwool, which purports to be a leading corporate citizen, took advantage of the lack of transparency that characterized the WVEDA process in this deal. Rockwool's lawyers were present at the May 2 meeting and were involved in negotiating the WVEDA package. Yet Rockwool has still not revealed the existence of this considerable bond issuance in any corporate publication we can find. It has not mentioned it in any court filings. It has not told the public in Jefferson County anything about it. This is not the behavior of a company that can be trusted to be a good neighbor.

If the WVEDA had held an open public process, which truly reflected the interests of Jefferson County and nearby regions, it would have concluded that Rockwool is not in the public interest of this area. On any objective cost-benefit analysis, Rockwool's promised 120 jobs are not worth the "investment" by the state, and the people of Jefferson County have made it clear that we do not need or want the industrialization and resulting economic and environmental degradation that accompanies heavy industry. The air emissions and groundwater contamination it will bring to our equine and agricultural industries could devastate our County's existing economy. The plant will significantly challenge the infrastructure, including by adding to an aging sewer system that in 2018 spilled raw sewage at a rate of one in nine days⁵. The sight of 21-story smoke stacks and knowledge of the air emissions and the increased sewage in the waterways will reduce tourism. The people who choose to live in Jefferson County and commute to work closer to Washington, D.C. may simply decide to leave. These impacts will reduce the tax base and likely reduce the average household income in the county. Thus, not only has the state unnecessarily chosen to commit a disproportionate amount of resource to attract 120 jobs to a region of the state with the lowest unemployment rate and highest average income, but this investment made in the name of economic stimulus will irreparably harm the economy of this county.

What We Ask

First, we demand accountability. We want to know how this deal was cut; which of our local leaders were aware of it; and if they were aware, why it was not disclosed to the public.

Second, we demand that you and all responsible government officials denounce the WVEDA's action and commit to transparency and informed consultation with the affected public on anything involving

⁵ Written spill/bypass reports submitted to WVDEP by CTUB, downloaded from and publicly available at WVDEP's document server: <https://documents.dep.wv.gov/AppXtender>

Rockwool and the commitment of public funds going forward. This is the law of this State – we are following the laws and we expect our government to do the same.

Third, we demand a public hearing, in Jefferson County, with the decision makers in all matters related to Rockwool, including the DEP, WV Department of Commerce, Office of the WV Secretary of State and your Office, to hear our concerns. A year ago, all of these agencies flocked to the Bavarian Inn to hear Rockwool’s concerns about the public outcry, and no one from the public was invited or allowed. This time, we want our elected officials and state and local agencies to come to us and hear our concerns about this facility. We will be contacting all of the offices to arrange a date, and we will send invitations to all relevant agencies. We look forward to the attendance of the elected and appointed leadership in this State to listen to us and ask that you encourage the officials of the Executive branch to attend.

In the meantime, we will be seeking any legal avenues to nullify the bond issuance and to educate potential investors that such bonds are inappropriate vehicles for socially and environmentally responsible investors.

Thank you in advance for working with us to promote a modern, forward-looking vision for Jefferson County that includes a commitment to economic prosperity, the protection of health and the environment, and transparent good government.

Best regards,



Christine L Wimer
President, Jefferson County Foundation



Shaun Amos
President, Jefferson County Vision

Enclosure: WVEDA May 2 meeting materials and resolution relating to Rockwool