



**COLUMBIA
RIVER
ECONOMIC
DEVELOPMENT
COUNCIL**

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The resource for business growth and
expansion in Southwest Washington.*

Wind Industry Opportunities in Clark County, Washington

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This information was compiled by the Columbia River Economic Development Council from sources deemed reliable. While the CREDC has attempted, in good faith, to ensure the information presented is accurate, there may be inadvertent (technical and factual) inaccuracies with the information presented. All information should be verified independently.

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CLARK COUNTY OVERVIEW

Located on the Pacific Rim and bridging the states of Oregon and Washington, the Portland-Vancouver metropolitan region is a vibrant and attractive business location.



Abundant water, inexpensive power and a skilled manufacturing workforce are reasons firms are attracted to the area in addition to the county's easy access to California and the Asian markets.

Clark County is one of seven counties in the Portland-Vancouver, Metropolitan Statistical Area (PMSA). It is one of the most rapidly developing counties in the state of Washington and one for the fastest growing areas in the nation. Clark County offers workers and their families the advantages of a major metropolitan city combined with

affordable housing and quality educational system.

Clark County and its communities of Vancouver, Camas, Battle Ground, Washougal, Ridgefield and La Center offer a diversity of lifestyles ranging from metropolitan to suburban. The Portland-Vancouver metropolitan area has a population of over two million. Clark County's population is 424,200 – almost 20% of the PMSA.

Portland - Vancouver PMSA	2,191,910
<i>Clark County</i>	<i>424,200</i>
Battle Ground	16,710
Camas	16,700
La Center	2,510
Ridgefield	4,018
Vancouver	162,400
Washougal	13,480

Source: Bureau of Census and Washington State Office of Financial Management – 2008 data

With the expanding economy, affordable housing, quality schools and exceptional recreational and cultural amenities Clark County is expected to continue stable economic growth well into the future.

THE POTENTIAL FOR GROWTH IS IN THE WIND

Clark County's strategic location along the Interstate, rail corridors and the Pacific Rim make it an ideal location for wind energy manufacturers. Additionally, the Pacific Northwest has an installed capacity of 2,290 MW in wind power generation. It is estimated the Pacific Northwest possesses a potential 137,000 MW of generating capacity¹ – nearly 60 times more than is currently installed.

Clark County knows how to work with the wind energy industry to meet its needs. The Port of Vancouver, recognized as one of the leading ports on the U.S. West Coast, imported 305 complete wind turbines and 102 additional towers in 2007 alone².



¹ Renewable Northwest Project; www.rnp.org

² www.portofvancouverusa.com

EMPLOYMENT & WAGES

- Access to a labor force of over 1 million within a 30-mile radius

Labor Force

<u>Portland – Vancouver Metropolitan Area</u>		<u>Clark County, WA</u>
Civilian Labor Force	1,172,169	214,480
Unemployment	71,805	14,880
Unemployment Rate	6.1%	6.9%

Source: Bureau of Labor Statistics and WA State Employment Security Department (Sept 2008)

The Commuting Labor Force

Over 60,000 Clark County residents commute daily to jobs in the Oregon portion of the metropolitan area. The CREDC contracted for a scientific study of this labor pool to determine its job and skill characteristics. One of the most important findings is that over 80% of Clark County commuters to Oregon are likely to take a Clark County job of equal or less pay if one were available. Thus, even at low levels of unemployment there exists an available labor pool for firms selecting a Clark

County location. The full study is available [online](#)³.

³ www.credc.org/publications.cfm

Wages

The Clark County Average Annual Wage³ is \$38,475. Sample wages for the Clark County region are listed below. Additional wage information can be found at the [Oregon Labor Market Information System](#)⁴ and at the [Washington State Employment Security Department](#)⁵.

Occupation Title	Entry Wages	Mean Wages
Mechanical Engineers	\$26.49	\$36.89
Electrical Engineers	\$32.41	\$40.80
Electrical and Electronic Engineering Technicians	\$18.98	\$31.16
Electromechanical Equipment Assemblers	\$10.75	\$14.90
Structural Metal Fabricators and Fitters	\$10.52	\$16.46
Electrical and Electronic Equipment Assemblers	\$9.39	\$13.21
Helpers/Production Workers	\$8.67	\$9.55

Source: Washington Employment Security Department - Workforce Explorer 08/08

Workforce Training

Several options are available to you for workforce training. The Southwest Workforce Development Council (Swwdc) can assist you develop your new and existing workforce by connecting you with the resources to leverage the investment in your people. Through strong partnerships with Clark College and others, we can help develop and deliver training that is customized to your needs and complementary to your company culture. As you grow your workforce, some positions may also qualify for wage subsidies of up to 50% of wages for up to 6 months for On-the-Job Training.

⁴ www.qualityinfo.org/olmisj/OIC

⁵ www.workforceexplorer.com/

Education

The Portland – Vancouver area is prepared to meet current and future demand for a qualified workforce in the wind industry by offering a wide range of excellent educational opportunities for the manufacturing and renewable energy. There are 25 public and private colleges and universities in the area offering professional degrees, technical degrees and certifications.

- Columbia Gorge Community College's Renewable Energy Technology Program offers a one year certificate and an Associate of Applied Science in Wind and other renewable energy production. The program is designed specifically to prepare students to enter the workforce in the rapidly developing industry of renewable power production.
- Washington State University-Vancouver Science and Engineering Institute, located in Clark County, offers four year and graduate education in computer science, the biologic sciences and mechanical and electrical engineering.
- Oregon Health & Science University (OHSU), located in Portland, offers programs in health care, biomedical science, environmental engineering and computer science and serves more than 3,500 students, interns, residents, fellows and clinical trainees.
- The Oregon Graduate Institute of Science and Technology (OGI), a primary provider of high technology engineering education and research, is located within 25 minutes of Clark County. Now part of OHSU, OGI is a private graduate-only institution that awards masters and doctoral degrees and provides continuing professional education in engineering and science disciplines.
- At Oregon State University (OSU), located 1.5 hours south of Portland, the state has invested in a center for nanotechnology research called the Oregon Nanoscience and Microtechnologies Institute (ONAMI). A number of private companies such as Intel, IBM, and HP are partners in this venture. OSU also offers a strong complement of undergraduate and graduate-level engineering disciplines.

The region boasts four community colleges: Clackamas Community College in Oregon City; Mt. Hood Community College in Gresham; Clark Community College in Vancouver, Washington; and Portland Community College (PCC). Combined, the community college systems operate 18 centers and 6 main campuses, with an annual enrollment of more than 190,000 students. The local community colleges are the center of workforce development activities in the region.

TRANSPORTATION

- **Along major transportation routes**
- **Access to airport, freeways, ports and rail service**

Clark County is centrally located in the Pacific Northwest at the hub of major transportation routes offering easy access to other markets. Freight can be delivered to northern California, Vancouver B.C. and Idaho overnight. It is also the transfer and switching center for three major railroads and the interchange for all points south, north and east on the interstate freeways I-5 (North-South) and I-84 (East-West).



Air Freight



Several air freight businesses serve the Portland – Vancouver area. A list of air freight providers can be found at the [Port of Portland's website](#)⁶.

Rail



Clark County, specifically the Port of Vancouver, is served by Burlington Northern Santa Fe and Union Pacific Railroad.

Shipping

Over 20 ocean carriers provide service to both the Port of Vancouver and the Port of Portland. Transshipment service is provided to Asia, South America, Australia, Europe, Africa and the Mediterranean. Additional information can be found at the [Port of Vancouver's website](#)⁷ and [Port of Portland's website](#)⁸.



⁶ www.portofportland.com/

⁷ www.portofvancouverusa.com/facilities/steamship.html

⁸ www.portofportland.com/

TAXES

- **No corporate, personal or capital gains taxes**
- **Manufacturing Sales/Use tax exemption**
- **High Technology Sales/Use tax deferral/exemption**
- **High Technology Business and Occupation Tax credit**

The Portland-Vancouver market is in two separate states. Depending upon in which state you locate, you will be required to pay taxes based on that state's tax structure. Determining which tax structure is more favorable to your business requires careful consideration and advice from your tax advisor. Oregon has no sales tax but has individual and business income tax. Washington State does not impose a corporate income tax, unitary tax, personal income tax, tax on dividends, interest or capital gains. Washington does not have an income tax but has a sales tax, and a business and occupation tax on gross business receipts. Certain tax incentives may apply to reduce business and occupation and sales tax assessments.

TAX	Clark County, Washington
Corporate Excise Tax	None
Personal Income Tax	None
Business and Occupation Tax	Based on sales for all business activity within the state. Manufacturing .00484
State & Local Retail Sales Tax	State 6.5%, Clark County 1.7%
Real & Personal Property Tax	Average rate. \$10.48 per \$1,000 of assessed value.
Unemployment Insurance Tax	Average rate of 1.7% on the first \$34,000 of an employee's salary. Rates vary by job classification and experience.
Industrial Insurance	Rates are based on business classification and experience. Average rate: Average Misc. Manufacturing \$0.6254 per worker hour (2008 Rates).

Incentives

Washington State has implemented a number of business and tax incentives to reduce the cost of business expansions in the state. New and existing manufacturers, research and development firms, and certain high technology companies in Washington can benefit from several targeted tax incentives. These incentives are intended to encourage the preservation and creation of family-wage jobs.

Manufacturing Sales and Use Tax Exemption on Machinery and Equipment

Manufacturers, processors for hire, and manufacturers who perform research and development are not required to pay the sales or use tax on machinery and equipment used directly in the manufacturing or research operations. Charges for labor and services for installing the machinery and equipment are also not subject to the sales or use tax. In addition, charges for repair labor and parts (if the parts have a useful life of at least one year), cleaning, altering, or improving the qualified machinery and equipment are also exempt from the tax.

High Technology Sales and Use Tax Deferral/Exemption (R&D)

Businesses in the following research and development categories may be eligible for a sales and use tax deferral/exemption if they start new research and development or pilot scale manufacturing operations, or expand or diversify a current operation by expanding, renovating or equipping an existing facility: advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology. Applications must be filed with the Washington State Department of Revenue before construction begins or machinery or equipment is acquired.

High Technology Business and Occupation Tax Credit (R&D)

An annual credit of up to \$2 million is allowed for businesses that perform research and development in specified high technology categories and meet minimum expense requirements. Expenditures on research and development during the year the credit is claimed must exceed .92 percent of the business' taxable amount during that same year. The credit cannot exceed the amount of the business and occupation tax due for that calendar year. The rate for the credit is .515 percent of expenses for a nonprofit corporation or association and 2.5 percent of expenses for a profit business. Qualified technology businesses are advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology. Allowable expenditures include operating expenses, wages and benefits, supplies, and computer expenses directly incurred while conducting the research and development.

Workers' Compensation Rates

Workers' compensation rates are based on business classification and experience. Washington is the only state with Worker's Compensation tax rates based on the hour worked rather than per \$100 wages paid. This means there is not an inflationary increase built into the system when wages rise. Insurance is not paid for hours the worker is off the job including sick leave, vacation or holiday hours, and leaves of absence.

CLASSIFICATION	2008 BASE RATE
<i>Metal and Machinery Manufacturing</i>	<i>0.9994</i>
3402 Machine Shops and Machinery Manufacturing	1.0218
3404 Metal Goods Manufacturing	0.9547
<i>Miscellaneous Manufacturing</i>	<i>0.6254</i>
3602 Electronic Products	0.3133
<i>Miscellaneous Professional and Clerical</i>	<i>0.1687</i>
4901 Consulting Engineers and Architectural Services	0.2124

Unemployment Insurance

Washington provides a high level of benefits to workers – among the top third in the nation. Employers pay taxes on the first \$34,000 of a worker's wages. The average tax rate is 1.7%; however, the rates may vary depending on the employer's rate class.

INFRASTRUCTURE

Electrical Power

The primary electric power supplier in Clark County is Clark Public Utilities, a public power company. The utility is a cost of service provider and offers some of the most competitive power prices in the United States. In addition, given the density of technology investment in their service areas, the utility has a great deal of experience with dealing with the power quality and dependability issues important to crystalline silicon manufacturers and the semiconductor sector in general.

Clark Public Utility's average rate is \$0.0471 per kWh. Clark Public Utility has also steadily reduced outage time per customer over the last several years reducing customer outage times to a mere 24 minutes by 2002. This compares to a national average of 90 minutes in the Western United States SRP study.

Clark Public Utility

Industrial Schedule 85

Energy Charge

Sep - Mar Energy Charge (per kWh): \$0.0451

Apr - Aug Energy Charge (per kWh): \$0.0400

Demand Charge

Primary Delivery (per kW): \$5.66

Water & Sewer

The cities provide sewer and water service to residents within incorporated areas and some unincorporated areas of the County. Hazel Dell Sewer District also provides sewer service to unincorporated areas, and Clark Public Utilities provides some water service. The CREDC will work with you to calculate specific cost estimates once the company has narrowed its site options and provide more specific information concerning water and sewer needs.

City of Vancouver – All rates effective January, 2008

Water Rates

Base charge plus volume charge inside (outside) city limits.

Commercial volume charge: \$1.17/ccf (\$1.76/ccf)

Industrial volume charge: \$1.21/ccf (\$1.82/ccf)

Sewer Rates - Industrial

A monthly base fee is not charged.

Volume charge only. Rates for inside (outside) city limits.

Commercial: \$3.88/ccf (\$5.84/ccf)

Industrial: \$4.02/ccf (\$4.18/ccf)

LIVABILITY

- **Low cost of living**
- **High quality of life**

The ACCRA Cost of Living Index measures differences between areas in the cost of consumer goods and services, excluding taxes and non-consumer expenditures. Vancouver's cost of living (95.3) is below the national average (100) and among the lowest on the West Coast for the second quarter of 2008.

City	Composite Index
Denver, CO	103.5
Sacramento, CA	119.2
San Francisco, CA	170.9
Portland, OR	114.5
Tacoma, WA	111.8
Seattle, WA	123.4
Vancouver, WA	95.3

Clark County and its communities of Battle Ground, Camas, Ridgefield, Vancouver and Washougal offer a diversity of lifestyles ranging from metropolitan to suburban.

The median sale price of a home in Clark County was \$253,700 in first quarter 2008.

Source: Washington Center for Real Estate Research/WSU.



Clark County offers a number of recreational opportunities including federal, state, county and city parks, trails and wildlife areas. The Clark County Fair and the Fourth of July Festival are just two cultural events that the County offers. Portland's metropolitan conveniences are just minutes away.

The information contained in this proposal is obtained from sources deemed reliable but not guaranteed. This information is designed to be used as reference, and anyone using this information should independently verify all data given.