



By Mali R. Schantz-Feld

CALIFORNIA

Points of Interest

>> July 2008 marked the rollout of the new WhiteKnightTwo (WK2) carrier aircraft that is expected to ferry SpaceShipTwo and thousands of private astronauts, science packages, and payload on the first stage of the Virgin Galactic sub-orbital space experience.

>> In San Luis Obispo County, solar farm projects are planned by Topaz Solar Farms LLC, a subsidiary of OptiSolar Inc. and High Plains Ranch II LLC, a subsidiary of SunPower Corporation

>> Sunnyvale-based Bloom Energy signed a \$12 million licensing agreement for the fuel cell technology of Wisconsin-based Modine Manufacturing, leading to future collaboration on projects involving fuel cell-based stationary power.

"The gold rush started California's economic climb, and the 'green rush' will take us and the world into this new century," says Bill McGowan, California's deputy secretary for economic development and commerce. He notes that the bulk of growth in the green technology niche is rooted in the categories of solar, alternative fuels, energy efficiency, green building, and water technology.

Tesla Motors in San Jose is helping the drive towards green technology with a project that includes construction of a \$250 million factory for the production of a new \$60,000 electronic

sedan, as well as the company's headquarters. The Tesla campus, which will employ 1,000 people, is slated to begin production in late 2010. The city's deal gives Tesla an 89-acre parcel that the company can occupy rent-free for 10 years, after which the rent jumps to \$1.5 million per year. The city's goal includes adding 25,000 green tech jobs in 15 years. As part of the state's ongoing commitment to clean technology, a new incentive program waives the sales tax on investment in new manufacturing equipment for Zero Emission Vehicles (ZEVs).

Besides fertilizing green projects, the state has passed legislation to promote site preparation and medical research. The state passed proposition 1B and 1C in 2006, a total bond package that includes authorization for almost \$20 billion of state general obligation bonds for infrastructure improvements, and 2.8 billion for housing. Also Proposition 71 earmarked \$3 billion to support funding for stem-cell research.

McGowan says that most high-tech industry classifications are represented throughout the state: high tech in the Silicon Valley, agri-science in the central valley, biotech in the San Diego area, and entertainment technology in Los Angeles. "We have more Nobel laureates, research and development dollars, and venture capital than any other state," says McGowan.

Innovative leaders in information and computer sciences such as Yahoo, eBay, and Google are connected to California, grabbing global attention. California is the first state to be the official partner of CeBIT, the world's largest trade fair for digital business solutions and information and communications technology (ICT) that will take place in Germany in March. In previous years, CeBIT has partnered with other nations, but never an individual state.

In his 2007 inaugural address, Governor Arnold Schwarzenegger compared California's economic strength, population, and technological force to that of a nation-state. If California were a nation, it would be ranked among the 10 countries for gross domestic product. McGowan says that the weak dollar makes it seem as though we are offering "bargain basement" prices in the United States. He adds that half of the projects locating in California are from the United Kingdom, France, Germany, and other western European nations.

OREGON

Points of Interest

>> Between 700 to 1,000 employees are slated to be producing solar cells at SolarWorld's Hillsboro factory by the end of 2009.

>>By next year, Oregon expects to have more annual photovoltaic production capacity than any other state in North America — over 600 megawatts.

>>In October, the 130,000-square-foot Sanyo Solar became Oregon's seventh solar manufacturing facility, with plans to hire 200 people and ramp up to full operations by 2010.

Oregon is focusing resources on "all things renewable," according to Tim McCabe, director of the Oregon Economic and Community Development Department. After targeting solar and renewable energy over the past few years, the state clinched several projects in this niche, including Solar World in Hillsboro, which opened the largest solar cell manufacturing facility in North America in October; Solaicx, a silicon manufacturer for solar energy applications, in Portland; and Sanyo Solar in Salem.

"During our last legislative session, we introduced a Business Energy Tax Credit to attract renewable energy manufacturers," says McCabe. This means a possible savings of up to \$20 million per year in tax credits for renewable energy companies. He says the targeted recruitment efforts resulted in the addition of about new 60 companies in this sector.

Governor Ted Kulongoski's commitment to renewables is reflected in the Renewable Portfolio Standard that mandates the state to supply 25 percent of its electricity needs from new renewable sources by 2025. Another mandate directs that by 2025, 100 percent of the state's government buildings will be run by renewable power.

Reaching workers for the new niches is imperative. "We are working closely with community colleges and industries in workforce training," says McCabe. Solaicx is partnering with Portland Community College to create a signature workforce training program, and Columbia Gorge Community College has devised a new curriculum for wind turbine repair. Wind turbine manufacturer Vestas Wind Systems in Portland employs about 300 people with more employees expected, and Spanish wind energy company Iberdrola is growing in Portland.

The state's diverse industries include timber products; motor and mobile homes; high technology, sporting goods and apparel. The largest private employer in Oregon, computer chip maker Intel, runs its largest manufacturing facility in Hillsboro.

Imports offer another promising area for revenue. After recent trips to Japan and China by the governor, Nissan announced its intention to test market its all-electric vehicle in Oregon in 2010. To encourage the electric and hybrid car industry, the state plans to build charging stations throughout Portland and, in the future, to establish charging stations at rest stops along Interstate 5.

RHODE ISLAND

Points of Interest

>>CVS Caremark plans to build two new 150,000-square-foot office facilities in Cumberland with the expectation of more than 200 new positions on its corporate campus.

>>In October, Neurotech Pharmaceuticals, a privately-held biotechnology company, opened a 27,000-square-foot manufacturing facility in Cumberland.

>>United Natural Foods, Inc. plans to relocate its corporate headquarters to Providence in May 2009; it is currently located in Connecticut.

Melissa Withers, director of communications and market development for the Rhode Island Economic Development Corporation (RIEDC), says that targeted high-wage industry sectors include health and life sciences, financial services, information technology and digital media (ITDM), marine trades and defense technology, advanced manufacturing and industrial products, and consumer products and design.

The state's highest paying industry, the ITDM sector, accounts for more than 15,000 jobs and more than \$1 billion in wages. In financial services, more than 1,400 companies provide more than 32,000 jobs. Withers notes that from 2004 to 2014, that subsector is projected to gain an additional 4,000 new jobs. Health and life sciences — encompassing drug manufacturing, basic academic research, biomedical devices, nanotechnology and biomedical textiles — employs more than 35,000 people.

Rhode Island's location in the "Knowledge Corridor," 45 minutes from Boston and three hours from New York City, offers "big-city" benefits at more affordable prices, says Withers, who adds that with the most college students per capita, Rhode Island consistently educates a quality work force.

In April 2008, the RIEDC changed its expedited permitting process, the Certificate of Critical Economic Concern (CCEC), to help expedite high priority economic development projects and to accelerate the creation of higher wage jobs. Now, projects eligible for CCEC designation must create at least 100 new full time jobs, with an average wage at or above 105 percent of the average wage in Rhode Island. At least 50 percent of those jobs must meet or exceed 105 percent of the average wage. Another option is that the project must create more than 50,000 square feet and have more than 50 percent of the total development square footage dedicated to new office, manufacturing or research and development space.