



Accelerating Business Growth and Innovation in Clark County, WA

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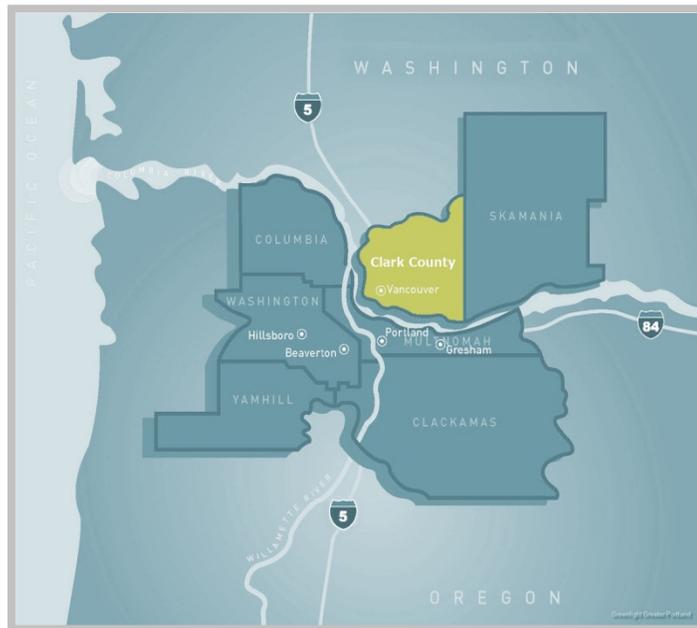
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Early 2015

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. Pure water, inexpensive power, and a skilled workforce are reasons firms are attracted to the area; not to mention Washington has been ranked as the best state for all-around employment conditions (MSN Money, 2014).

Clark County is one of seven counties included in the Portland-Vancouver-Hillsboro Metropolitan Statistical Area (MSA). Clark County offers workers and their families the advantages of a major metropolitan city combined with affordable housing and quality education.



Clark County and the communities of Vancouver, Camas, Battle Ground, Washougal, Ridgefield, La Center, Amboy, and Yacolt offer a diversity of lifestyles ranging from metropolitan to suburban. The Portland-Vancouver-Hillsboro metropolitan area has a population of over two million. Clark County's population is 435,500 – nearly 20 percent of the MSA.

2014* POPULATION SUMMARY

Portland - Vancouver MSA	2,226,009
Clark County	442,800
Vancouver	167,400
Camas	20,880
Battle Ground	18,680
Washougal	14,910
Ridgefield	6,035
La Center	3,050
Yacolt	1,620

Source: Washington Office of Financial Management, *April 2014 Estimate

BUSINESS CLIMATE

*“After our due diligence, it was clear that Vancouver was our **number one choice**. Vancouver has phenomenal schools, ample supply of strong labor, and reasonable cost of living. So far, our team is loving it here.”*

- Alan Yordy, President and Chief Mission Officer, PeaceHealth

Doing business in Clark County makes sense. Washington has a favorable tax structure, an educated workforce, and offers residents an unsurpassed quality of life. In the Tax Foundation’s 2015 State Business Tax Climate Index, Washington ranked **#11** in the US—more favorably than Oregon, California, and Idaho.

TAXES

Washington State does not impose a corporate income tax, unitary tax, or personal income tax, nor does it tax dividends, interest, or capital gains. Washington has a sales tax, in addition to a business and occupation (B&O) tax on gross business receipts. Determining which tax structure is most favorable to your business requires careful consideration and counsel from your tax and legal advisors.

BUSINESS TAX SUMMARY 2015

Tax	Clark County, WA
Corporate Excise Tax	None
Personal Income Tax	None
State Business and Occupation (B&O) Tax	Rate determined by sales and type of business activity: Manufacturing and Wholesaling 0.484%; Retailing 0.471%; Services 1.5% on gross receipts
Local Business and Occupation (B&O) Tax	None
State & Local Retail Sales Tax	8.4%
Property Tax Collections Per Capita (State Average)	\$1,279
Unemployment Insurance Tax	Average 2.07% on the first \$42,100 in wages; Rates range from 0.14%-5.82%
Industrial Insurance (Worker’s Compensation)	Average rate of \$0.7133 per hour worked by FTE

Complied by CREDC, 2015

Unemployment Insurance

Businesses with employees in Washington must register with the Employment Security Department and file quarterly wage reports. Employers pay taxes on the first \$42,100 of a worker’s wages, and the average tax rate for 2015 is estimated to be 2.07 percent. Rate is based on the employer’s industry classification.

Industrial Insurance Rates (Worker’s Compensation)

Worker’s compensation rates are based on business classification and experience. Washington is the only state where rates are based on the hour worked, rather than per wages paid. Therefore, there is not an inflationary increase built into the system when wages increase. Insurance is not paid for hours the worker is off the job including sick leave, vacation or holiday hours, or leaves of absence.

TAX INCENTIVES

The Washington State Department of Revenue offers a number of business tax incentives and benefits to encourage the creation and preservation of jobs and create an environment conducive to business growth. The following chart highlights a few of the incentives that may be available to your business.

BUSINESS TAX INCENTIVES

Industry	Incentive	Description
Biotechnology	Sales/Use Tax Deferral/Waiver	A sales and use tax deferral/wavier may be available for construction and equipment purchases that support biotechnology and medical device manufacturers.
Manufacturing	Sales/Use Tax Deferral/Waiver	A sales and use tax deferral/wavier may be available for machinery and equipment purchases used directly in manufacturing operation or research and development performed by a manufacturer, or testing operations performed for a manufacturer.
Manufacturing	Sales/Use Tax Deferral/Waiver	A sales and use tax deferral/waiver is available for certain construction and equipment purchases for new and expanding businesses locating in qualifying counties.
Food Processing/ Manufacturing	B&O Tax Exemption	A B&O tax exemption may be available to manufacturers of fresh fruit and vegetables through canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables; or selling at wholesale fruits or vegetables manufactured by the seller when sold to purchasers who transport the good out of Washington. Exemption set to expire July 1, 2015.
Food Processing/ Manufacturing	B&O Tax Exemption	A B&O tax exemption may be available to manufacturers of dairy and/or seafood products; or sales by the manufacturer of dairy or seafood products to purchasers who transport the goods out of Washington. Exemption set to expire July 1, 2015.
Distributors	Remittance of State Sales Tax	Wholesalers, or third-party warehouse, who own or operate warehouses, grain elevators, and retailers who own or operate distribution centers, may qualify for remittance of state sales tax paid on the construction or expansion of warehouse or distribution center by at least 200,000 contiguous square feet.
General Incentives	<ul style="list-style-type: none"> • Washington Customized Employment Training Program – B&O Tax Credit • Main Street Tax Credit Program (Camas and Vancouver) – B&O Tax/ Public Utility Tax Credit • International Services (FDI, Vancouver) – B&O Tax Credit for new employment • Machinery and Equipment Used to Generate Electricity Using Renewable Energy Sales/Use Tax Exemption 	

Compiled by CREDC, 2015

UTILITY INCENTIVES AND CONSERVATION PROGRAMS

Program	Description
Commercial and Industrial Lighting Incentive Program	Financial incentive available through Clark Public Utilities for approved projects that implement approved energy efficient lighting measures. Use of an approved contractor is required to determine a cost-benefit analysis to ensure project feasibility. The incentive caps at the lower of either 50 percent of the total project cost or the total of the Bonneville Power Administration (BPA) per unit incentive.
Custom Projects Incentive	Financial incentive available through Clark Public Utilities for replacing or installing new energy efficient equipment, such as HVAC upgrades, welder upgrades, variable-frequency device (VFD) installations, and/or general process energy system improvements. All new equipment must meet or exceed code minimums/standard practice for energy efficiency. The benefit caps at \$0.20 per kWh and up to 50% of cost for retrofits and \$0.27 per kWh and up to 70% of incremental cost for commercial custom projects.
Natural Gas Equipment Incentives	Customers of NW Natural in Washington can receive incentives provided by the Energy Trust of Oregon for qualifying equipment purchases, including certain furnaces, HVAC units, radiant heaters, insulation projects, pipe installations, water heaters, boilers, steam traps, and thermal curtains. All equipment purchases must receive pre-approval from the ETO to qualify for incentives.
Natural Gas Custom Incentives	The Energy Trust of Oregon also offers a custom incentive program for energy efficient equipment not listed in the standard program. Projects eligible for custom incentives typically require an engineering study or other technical assistance in the project design process and all projects require pre-approval from the ETO.
Renewable Energy Cost Recovery Incentive Payment Program	Offered through the State of Washington, this incentive provides reimbursement for generating electricity on site with an anaerobic digester, wind generator, or solar energy system. Incentive payments are calculated as follows: Base Rate x Kilowatt-Hours (kWh) Generated x Economic Development Factor = Incentive Payment. The base rate is \$0.15 per kWh and economic development factors are cumulative and determined as follows: a) two and four-tenths (2.4) if the system generates electricity using only solar modules manufactured in Washington; b) one and two-tenths (1.2) if the solar or wind system uses an inverter manufactured in Washington; c) one (1.0) if the wind system uses only blades manufactured in Washington, or if your system is an anaerobic digester, or if the solar system is other than described above; and d) eight-tenths (0.8) if the system is a wind generator with blades not manufactured in Washington. The State also offers a one-time maximum incentive of \$5,000.00 for equipment purchases. Under the current program, incentive payments will not be paid for kWh's generated after June 30, 2020.
Clean Alternative Fuel Vehicles Tax Incentive	Sales/Use tax exemption available to businesses through the State of Washington for purchasing or leasing a new passenger car, light duty truck, or medium duty passenger vehicle that is powered exclusively by clean alternative fuels.
Commute Trip Reduction Program	Business and occupation tax/public utility tax credit provided by the State of Washington for employers and property managers who provide commute trip reduction incentives to or on behalf of their own or other employees.

Compiled by CREDC, 2015

TRANSPORTATION INFRASTRUCTURE

Clark County, Washington, located at the confluence of the Columbia and Willamette Rivers, has an extensive network of infrastructure to offer access to the Northwest, Midwest/Western United States, Canada, and Asia. The region benefits from access to the national rail network with dual-carrier service, interstate highways, and Portland International Airport. Clark County's strategic position, complimented by its transportation infrastructure, makes the region the number one choice for businesses.

Interstate and State Highways

Strategically located along the I-5 corridor, transportation routes to the north and south allow for easy access to Seattle and California. Running east-west, I-84 serves as a portal to Eastern Washington/Oregon and Idaho. Freight can be delivered to California, Vancouver, B.C., and Idaho overnight from Clark County.

CLARK COUNTY HIGHWAY MAP



DISTANCE FROM VANCOUVER

Metro Area	Miles
Seattle, WA	179
Vancouver, B.C., Canada	309
Spokane, WA	343
Boise, ID	432
San Francisco, CA	699

Air

Consistently ranked among the top airports in the country, Portland International Airport (PDX), located ten minutes from downtown Vancouver, offers non-stop service to destinations throughout Europe, Asia, and North America. In addition, 16 cargo carriers transport through PDX and there are numerous options available for cargo forwarding and handling services.

SAMPLING OF NON-STOP FLIGHT FROM PDX

Destination				
International:				
Amsterdam	Tokyo	Vancouver, B.C.	Calgary	Toronto
Major US Cities:				
New York City (JFK and Newark)	Los Angeles	Dallas/Ft. Worth	Anchorage	Denver
Chicago (Midway and O'Hare)	Seattle	Minneapolis/St. Paul	San Diego	Boston
Washington (DCA and Dulles)	Houston	San Francisco	Salt Lake City	Honolulu
Regional Service:				
Redmond, OR (Bend)	Eugene, OR	Medford, OR	Boise, ID	Spokane, WA

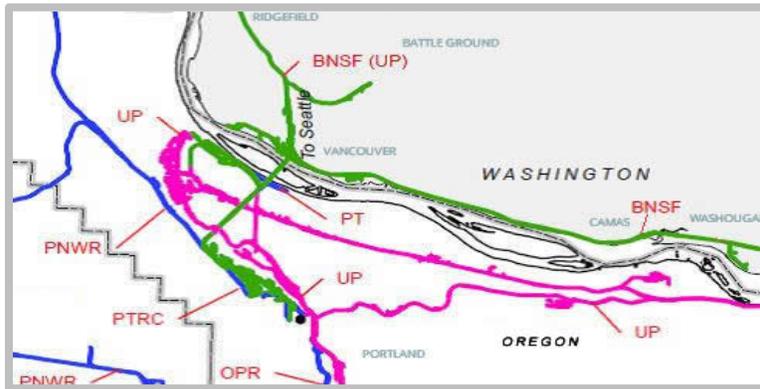
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Business in Clark County, WA

Rail

Clark County, specifically the Port of Vancouver, is served by Burlington Northern Santa Fe (BNSF), Union Pacific (UP) Railroads, Canadian National, and Canadian Pacific Railroads. In addition, BNSF and UP lines intersect with Portland and Western Railroad (PNWR), Peninsula Terminal (PT), Oregon Pacific Railroad (OPR), and Portland Terminal Railroad Company (PTRC) transit stations for convenient access to extended markets. In addition to rail access through ports, many of the business parks in Clark County also have direct rail access.

PORTLAND-VANCOUVER RAIL NETWORK



Marine

The Port of Vancouver offers 13 deep-draft vessel berths, and more than 20 ocean and river carriers provide service to both the Port of Vancouver and the Port of Portland. The port is located approximately 100 river miles from the Pacific Ocean, directly serving the greater Portland-Vancouver metropolitan marketplace. Shipment service is provided throughout North America, as well as Europe, Asia, South America, Australia, Africa, and the Mediterranean.

PORT OF VANCOUVER AERIAL MAP



Photo Courtesy of the Port of Vancouver USA

UTILITIES AND COMMUNICATIONS

Electrical Power

The primary electric power supplier in Clark County is Clark Public Utilities District, a public power company. The utility is a cost-of-service provider and offers some of the lowest power prices in the United States, due to the abundance of hydroelectric power and low employee-customer ratio. Despite the low employee-customer ratio, J.D. Power and Associates (2014) ranked Clark PUD as the #1 utility in customer satisfaction in their market category for the past seven years running.

2012 AVERAGE CLARK PUD ELECTRIC RATES

Industry	Rate p/kWh
Commercial	7.54 cents
Industrial	5.57 cents

Source: U.S. Energy Information Administration, 2014

Water and Sewer

Water and sewer services are provided by cities within all incorporated areas and some unincorporated areas of the County. Cost estimates and comparisons can be compiled on specific sites upon request.

2015 WATER, SEWER RATES, AND STORM WATER RATES, CITY OF VANCOUVER

	WATER		SEWER		STORM WATER
	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside/Outside City Limits
	Base Charge	Base Charge	Base Charge	Base Charge	COMMERCIAL
4" Meter	\$111.88	\$167.82	n/a	n/a	\$8.22 per 2,500 sqft impervious surface p/mo
6" Meter	\$221.99	\$332.99	n/a	n/a	
	p/CCF	p/CCF	p/CCF	p/CCF	INDUSTRIAL
Commercial	\$1.54	\$2.32	\$5.26	\$7.89	\$8.22 per 2,500 sqft impervious surface p/mo
Industrial	\$1.54	\$2.32	\$5.45	\$5.66	

Natural Gas

Natural gas service is provided by both NW Natural and Cascade Natural Gas in Clark County and rates are currently at historic lows.

2013 AVERAGE GAS PRICES, WASHINGTON

Industry	Price p/MCF
Commercial	\$9.21
Industrial	\$8.37

Source: U.S. Energy Information Administration, 2015

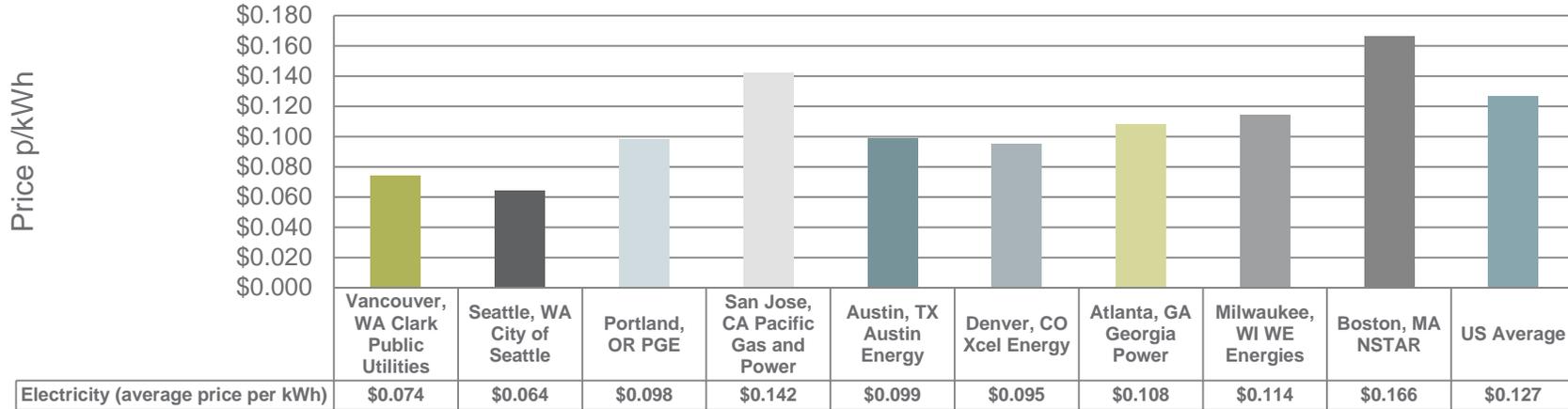
Communications

Clark County has a reliable and extensive fiber optic network and businesses have numerous options for telephone and television service providers, as well.

Utilities Comparison

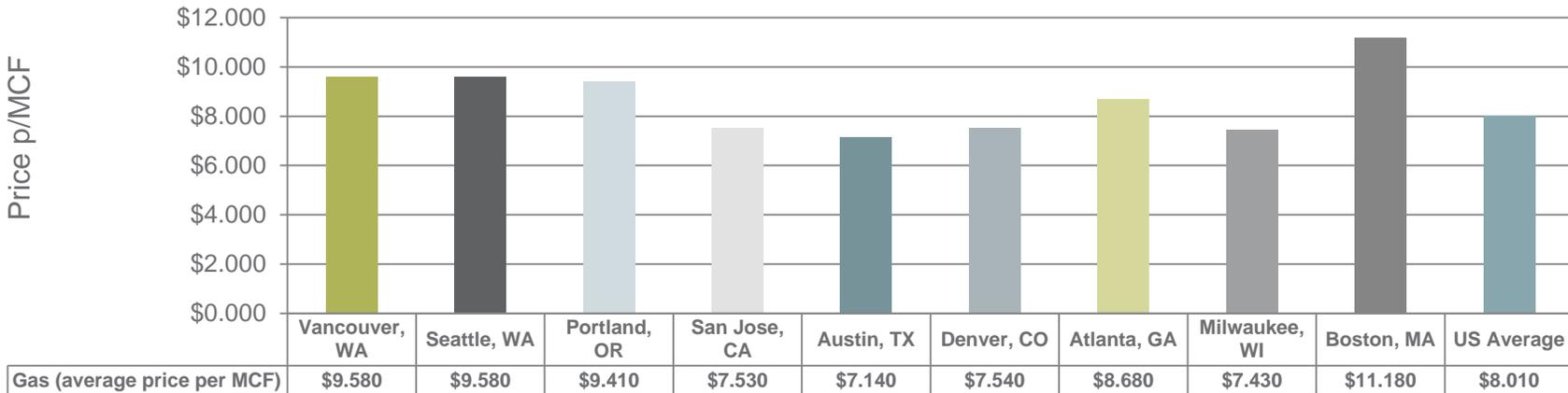
Electric Commercial Rate Comparison

Average Price p/kWh, by utility, 2012



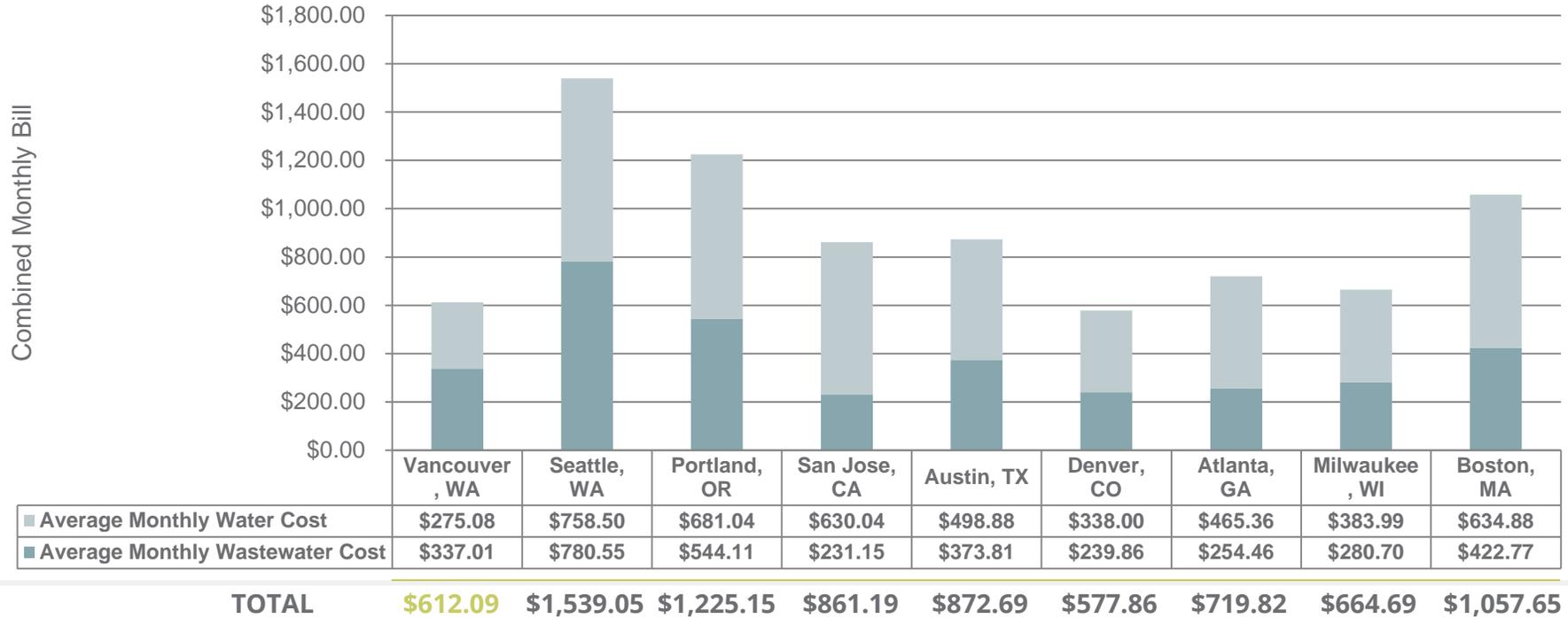
Natural Gas Commercial Rate Comparison

Average Price p/MCF, by state, 2012



Utilities Comparison

Water and Sewer Cost Comparison 2013 Rates



Usage Assumptions:

Water 196 CCF p/month

Wastewater 67 CCF p/month

Sources:

Electricity Data: U.S. Energy Information Administration, 2012 Average Rates by Utility Provider

Natural Gas Data: U.S. Energy Information Administration, 2012 Average Rates by State

Water: 2013 Rate Schedules from City of Vancouver, Washington, City of Seattle, Washington, City of Portland, Oregon, City of San Jose/San Jose Municipal Water System, City of Denver, Colorado, City of Atlanta, Georgia, City of Milwaukee, Wisconsin, and City of Boston, Massachusetts

Compiled by CREDC Research Analyst, 2013

AVAILABLE BUILDINGS/SITES

Existing Buildings

Clark County possesses over 2.2 million square feet of professional Class A office space and nearly 5.1 million square feet of Class B office space. In addition, more than 19.3 million square feet of industrial/flex space exists in the county. Lease rates are among the lowest in the Portland Metropolitan area.

LEASE RATES AND VACANCY (Year-End 2012)

	Clark County	Portland CBD
Industrial (Warehouse)	\$5.65	\$6.01
Vacancy Rate	6.0%	7.9%
Industrial/Office Flex	\$11.33	\$20.57
Vacancy Rate	10.2%	9.8%
Class A Office	\$22.37	\$26.23
Vacancy Rate	16.1%	8.8%
Class B Office	\$17.18	\$21.13
Vacancy Rate	11.1%	8.4%

Source: CoStar Analytics, Quarterly Market Report, Year-End 2012

Fee Holidays

Multiple jurisdictions in Clark County, including unincorporated Clark County, currently offer fee holidays on a range of traffic, building, site, and engineering permitting, impact, and system development fees. In 2012, the city of Vancouver waived over \$400,000.00 in impact fees and a large project could expect to save over \$100,000.00. Actual savings will depend on jurisdiction of the development, as well as size and type of the project.

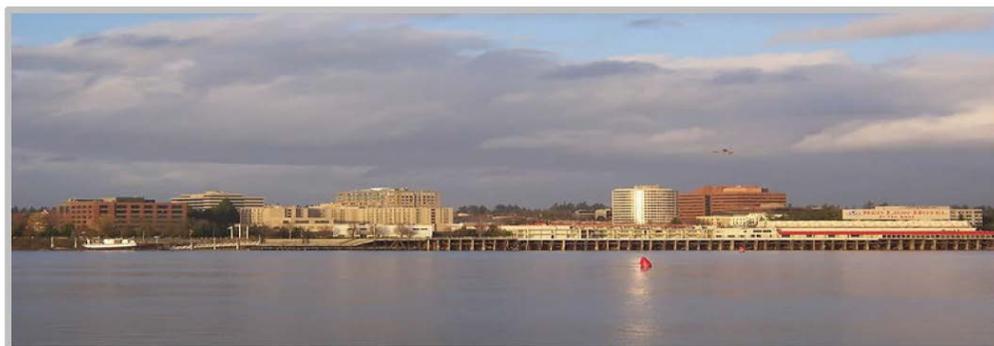


Photo Courtesy of SWWDC

LABOR FORCE

Companies locating within Clark County, Washington will have access to a labor force of more than one million workers within a 30-mile radius. Clark County's competitive labor costs are an additional advantage to local firms.

LABOR FORCE AND UNEMPLOYMENT

Labor Force	Clark County, WA
Civilian Labor Force (January 2014)	204,710
Unemployment (January 2014)	16,910
Unemployment Rate (January 2014)	8.3%
Average Annual Wage (2012)	\$46,254.00

Source: WA State Employment Security Department, 2014

AVAILABLE LABOR FORCE

Over 60,000 Clark County residents commute daily to the Oregon side of the metropolitan area. The most recent data available shows from 2006-2008, over 30 percent of Clark County residents held a primary job outside of the County. In addition, community surveys have shown that over 80 percent of Clark County commuters to Oregon are likely to take a Clark County job of equal or less pay if one were available to reduce commute time and avoid the Oregon income tax. Thus, even at low levels of unemployment, there is an available labor pool for firms selecting a Clark County location.



INFLOW/OUTFLOW JOB COUNTS IN CLARK COUNTY

	2006-2008 Three Year Averages	
	Count	Share
Employed in Clark County	148,167	100%
Employed and Living in Clark County	129,735	87.56%
Employed in Clark County, Residing Outside of Clark County in Washington State	5,231	3.53%
Employed in Clark County, Residing Outside of Washington State	13,201	8.91%
Living in Clark County	196,836	100%
Living in Clark County, Employed Outside of Clark County in Washington	5,061	2.57%
Living in Clark County, Employed Outside of Washington State	62,040	31.52%
Living and Employed in Clark County	129,735	65.91%

ANNUAL AVERAGE WAGES – 2012

Occupation	Employment	Mean Wage	
		Hourly	Annual
Total all occupations	121,657	\$22.24	\$46,254
MANAGEMENT			
Chief Executives	104	\$90.92	\$189,119
General and Operations Managers	972	\$57.85	\$120,320
Marketing Managers	135	\$61.09	\$127,053
Sales Managers	396	\$57.51	\$119,622
Industrial Production Managers	111	\$44.89	\$93,385
Purchasing Managers	49	\$44.14	\$91,810
Training and Development Managers	18	\$49.80	\$103,585
ENGINEERING			
Electrical Engineers	414	\$42.51	\$88,410
Electronics Engineers, Except Computer	139	\$43.98	\$91,459
Industrial Engineers	97	\$39.39	\$81,917
Mechanical Engineers	197	\$38.49	\$80,072
Engineers, All Other	74	\$35.46	\$73,753
Civil Engineering Technicians	133	\$26.95	\$56,045
Electrical and Electronic Engineering Technicians	159	\$25.09	\$52,191
Materials Scientists	18	\$52.55	\$109,299
ADMIN/HR			
Bookkeeping, Accounting, and Auditing Clerks	1,832	\$17.92	\$37,272
Receptionists and Information Clerks	957	\$14.44	\$30,023
Executive Secretaries and Administrative Assistants	458	\$24.32	\$50,600
LABORERS			
Production Occupations	6,464	\$17.76	\$36,932
First-Line Supervisors/Managers of Production/Operating Workers	416	\$27.12	\$56,408
Electrical and Electronic Equipment Assemblers	216	\$14.82	\$30,830
Structural Metal Fabricators and Fitters	160	\$19.51	\$40,590
Team Assemblers		\$15.18	\$31,560
Assemblers and Fabricators, All Other	236	\$14.09	\$29,317
Machinists	240	\$18.74	\$38,992
Helpers/Production Workers	403	\$12.87	\$26,782

Source: Washington Employment Security Dept, 2014

REGIONAL EDUCATION FOCUS

The Portland-Vancouver metro area offers a wide range of excellent educational opportunities to prepare students for the workforce. There are 25 public and private colleges and universities in the area offering professional and technical degrees. Washington State University Vancouver is the only tier one research university in the Portland region and offers four-year and graduate-level degrees. In addition, Clark College offers two-year degrees in numerous liberal arts and technical fields. In addition, both WSUV and Clark College have seen tremendous growth over the past five years. Combined, the community college system operates 18 centers and six main campuses, with an annual enrollment of more than 190,000 students. The local higher-education system is the center of workforce development activities in the region.



Photo courtesy of Washington State University Vancouver

HIRING AND TRAINING

The CREDC partners with the Southwest Washington Workforce Development Council (SWWDC) to assist with hiring and relocating employees to ensure a smooth transition to Clark County. The SWWDC is a non-profit organization that funds training to develop and upgrade skills of youth, jobseekers, and employed workers in the region.

WORKFORCE DEVELOPMENT INCENTIVES

Program	Description	Partners
On-the-Job Training (OJT) Program	Occupational training is provided by the employer in exchange for reimbursement of up to 50 percent of the employee's wages. Up to \$5,000 per eligible employee is typically available. OJT participants receive additional support from WorkSource staff to ensure their success. Eligibility is based on employee qualifications and application and employer must agree to retain employee at least six months.	Washington WorkSource in partnership with SWWDC
Washington Job Skills Program (JSP)	A competitive grant reimbursing employers for new and existing workforce training. Minimum hourly wage must be \$11.00 per hour and employers must provide a 50 percent in-kind match.	Clark College and Impact Washington
Pro-Step (MISTI) Technical Workforce Training Grant	A competitive grant reimbursing IT and advanced manufacturers for existing workforce training. Maximum incentive is \$50,000 per employer.	SWWDC
JIAC Grant for Technical Assistance	JIAC funds provide technical assistance for manufacturers in the fields of metals and advanced materials in areas such as energy efficiency, lean manufacturing, workforce training, and market research, among others.	Impact Washington, SWWDC, OMEN

Compiled by CREDC Research Analyst, 2015

LIVABILITY

Both businesses and their employees enjoy the high standard and low cost of living in Clark County, Washington. Vancouver's 2012 average cost of living, indexed at 101.4, was among the lowest on the West Coast when compared with the metropolitan areas of Seattle (119.1), San Francisco (161.6), Los Angeles (130.4), and San Diego (130.0).

Clark County is a haven for high-wage earners as a result of a favorable tax structure, nationally recognized schools, and a strong sense of community. U.S. News and World Report awarded six Clark County high schools with **medal honors** in 2014, and Washington high school seniors have consistently scored among the top five states in **SAT scores** for the past ten years (CollegeBoard, 2014).

Clark County offers a number of recreational opportunities including federal, state, county and city parks, trails, and wildlife areas. Clark County's central location allows adventurers the unique opportunity to surf and ski in the same day, year round. For active pursuits closer to home, the City of Vancouver is home to everything from golf courses to rock climbing gyms. Summer celebrations include the Clark County Fair, ranked in the top ten in the US by livability.com for the past three years (2013), as well as the annual Fourth of July festival at Fort Vancouver. Outside of Clark County, Portland's metropolitan conveniences are just minutes away.

CLARK COUNTY COMMUNITY PROFILE

	Clark County, WA
Median Home Value (2014)	\$214,300
Homeownership Rate (2009-2013)	65%
Median Age (2013)	37.3
Median Household Income (2013 estimate)	\$57,588
Percentage of Households Earning Greater than \$75,000 Annually (2013)	37.4%
2013 Cost of Living Index (National Average 100)	101.4
Public Parks (County-wide acreage)	7,272
Travel Time to Ski Resorts	82 minutes
Travel Time to Surf/Coast	89 minutes
Golf Courses (9 or 18 holes, County-wide)	12
Organized Run/Walks (2014)	64
Indoor Rock Climbing Gyms	3
Disc Golf Courses	3
Farmer's Markets	7
Coffee Roasters	4

Compiled by CREDC, 2015

