



County in running for \$1.2 billion plant

A potential development in Wallula would be the single largest economic development project in county history and could bring 300 jobs with it.

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By VICKI HILLHOUSE of the Walla Walla Union-Bulletin

WALLA WALLA — Walla Walla County is in the running for a \$1.2 billion polysilicon plant that would be the single largest economic development project in county history, officials say.

Port of Walla Walla-owned land in Wallula has been designated as one of four sites considered by a Norwegian firm that manufactures raw polysilicon, which is used in solar panels and computer chips.

The project would be across from Boise Paper Solutions off U.S. Highway 12, the first tenant in the Wallula Gap Business Park. The land has traditionally been used by Boise for its fiber farm, but was recently bought by the Port. The new plant would have about 300 employees and generate an estimated \$3 million in property tax, said Port Executive Director Jim Kuntz.

Given the scope and size of the proposed development, Kuntz said the plant is "Southeastern Washington's equivalent to a Boeing," the aerospace manufacturing firm founded in Seattle.

Correspondingly, local officials hope a tax break that was offered to Boeing five years ago to keep its aerospace manufacturing in Washington will provide an incentive model for the latest project in Walla Walla County.

The polysilicon firm has been reported as Renewable Energy Corp., though Kuntz would not confirm or deny its identity. He said sites in Decatur, Ala., Canada and Iceland are also being considered. He hopes Wallula will get a boost through a state-approved tax incentive, which was pitched to legislators by Port and county officials last Friday.

Bills were expected to be introduced in both houses of the Legislature today, offering the firm a business-and-occupation tax credit equal to 1.5 percent of wages and benefits directly incurred in the design and engineering of the plant. That also applies to associated workforce training.

"What we're hoping to do is to make the Wallula site cost-competitive with the other sites that this polysilicon company is looking at," Kuntz said this morning.

Had Washington offered a more competitive incentive package, Procter & Gamble might have chosen Walla Walla County for its new Charmin and Bounty paper-products manufacturing plant late last year, he said. Wallula had been one of three finalists for that \$300 million project. P&G ultimately selected Utah, where the governor's office had approved a potential \$85 million tax-rebate incentive to lure the company.

"We lost out on the P&G plant because the state wasn't as competitive," Kuntz said.

He said the manufacturer would only be eligible for the credits after first spending \$500 million on the project, an "excellent safeguard" for protecting state dollars if the project didn't pan out.

"This company would have to make a huge investment in Walla Walla County before they could get those tax credits," Kuntz said.

Whether the community would remain competitive without an incentive package was not known this morning.

"Obviously it makes us more competitive," Kuntz said.

Whether the legislation has a strong chance of approval is also unclear. Rep. Bill Grant, D-Walla Walla, was in meetings this morning and could not be reached for comment.

Walla Walla County Commissioner Greg Tompkins, who attended last week's meeting with area legislators, said state officials from the Walla Walla and Tri-Cities areas are supportive.

The effect on local taxes would be huge, he said. With the manufacturer as a neighbor, property taxes in the Wallula area would be poised to drop by one-third, officials said.

With Walla Walla County's total assessed value currently at \$3.6 billion. The plant would increase the total assessed value by 33 percent.

Tompkins said the county is willing to partner with the Port by investing \$2.5 million in an access road from the highway to the project site.

He believes the project is one local residents would support based on public testimony at comprehensive plan meetings late last year. Tompkins said area residents expressed interest in more solar-power projects.

"While this isn't a manufacturing plant of solar equipment, it's the first phase, and it's an important phase," Tompkins said.

The polysilicon manufactured by the company is sold to other companies that use the material to make solar panels and other products.

Company officials have said told officials that 100 times the power used in the manufacturing process is returned through the life of a solar panel.

"When we went through our Comp Pplan hearings we heard from our people that this is the type of industry (residents) want for our community," Tompkins said.

The firm is expected to use a great deal of power in its process. Consequently, its access to power is a major factor in choosing a site. Kuntz said Pacific Power has agreed to extend utility lines and build a substation at a cost of \$25 million for the project. He said the company needs access to 80 megawatts of power.

If Wallula is selected, Kuntz said the project could produce 1,000 construction jobs. The construction phase could begin by the third quarter of this year, after site selection in the next 30 to 60 days, and procurement of the property slated for the second quarter of the year.

In addition to the tax incentive, local officials also help to get financial assistance from the state with construction of a public water system. That cost is estimated at \$5.4 million. The Port has a sufficient water right and would operate the public system that would serve the plant. That request to the state has not yet been formalized, Kuntz said. He said Rep. Grant leads the way in support for that piece of the development project.

Vicki Hillhouse can be reached at vickihillhouse@wwub.com or 525-3300, ext. 284.

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