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Sacramento supervisors OK tax breaks for solar-energy firm

By Ed Fletcher - efletcher@sacbee.com

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Calling it a "grand slam" economic development project, Sacramento County supervisors have approved \$20 million in tax breaks for a Bay Area solar energy company planning to build a manufacturing plant at McClellan Park.

The facility will be one of the largest photovoltaic manufacturing plants in the United States.

The agreement made earlier this week requires OptiSolar, of Hayward, to employ 50 people nearly immediately and 500 people by 2011.

"This is the proverbial grand slam," said Supervisor Roger Dickinson. "It fits everything we are trying to do."

Dickinson and others said they were excited the company would be adding increasingly scarce manufacturing jobs to the region. Area leaders said they hoped other green technology jobs would follow.

OptiSolar builds and operates photovoltaic energy farms – doing everything from manufacturing solar cells to securing contracts to sell energy. The company has contracts to build solar farms totaling 150 megawatts in capacity in five locations throughout southwestern Ontario, Canada – a fact that helped spur the Sacramento expansion.

The company had been looking at other states and other parts of the region before settling on the former Air Force base. Officials said the tax breaks helped make the deal possible.

"We are just really excited. It's a huge win for the region," said Tracey Schaal, director of strategic marketing for the Sacramento Area Commerce and Trade Organization. "We feel that we're poised to be a leader here. We really feel Sacramento is poised to be green tech leader."

Once OptiSolar moves into McClellan's building 783 – a former defense logistics warehouse – more than 72 percent of McClellan's existing square footage will be in use. The plant will initially occupy 600,000 square feet of the building.

Larry Kelley, president of McClellan Park, said it's good news for the former air base and great news for the area.

"It's bringing currency in, money into California," Kelley said. "In a downturn economy, attracting new jobs is extremely important."

The agreement is the first major win for the county's new economic development director, Rob Leonard.

The key, said Leonard, is that the deal does not require the county to spend out of pocket on the deal.

"We are looking for a long-term relationship," Leonard said.

The deal, lasting 25 years, rebates the company 50 percent of its electricity user tax and 80 percent of future property tax increases.

Even with the rebates, county officials said the company's expected \$552 million investment would likely generate an additional \$26 million in taxes.

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