

# Oregon CHIPS Act September 2023 Update

---

Office of Governor Tina Kotek

Vince Porter, Economic Development & Workforce Policy Advisor

Sarah Means, Semiconductor Manager

Business Oregon

Colin Sears, Global Trade Manager & Semiconductor Liaison

# Oregon: The Silicon Forest

---

**Semiconductor manufacturing importance to the state's economy cannot be overstated**

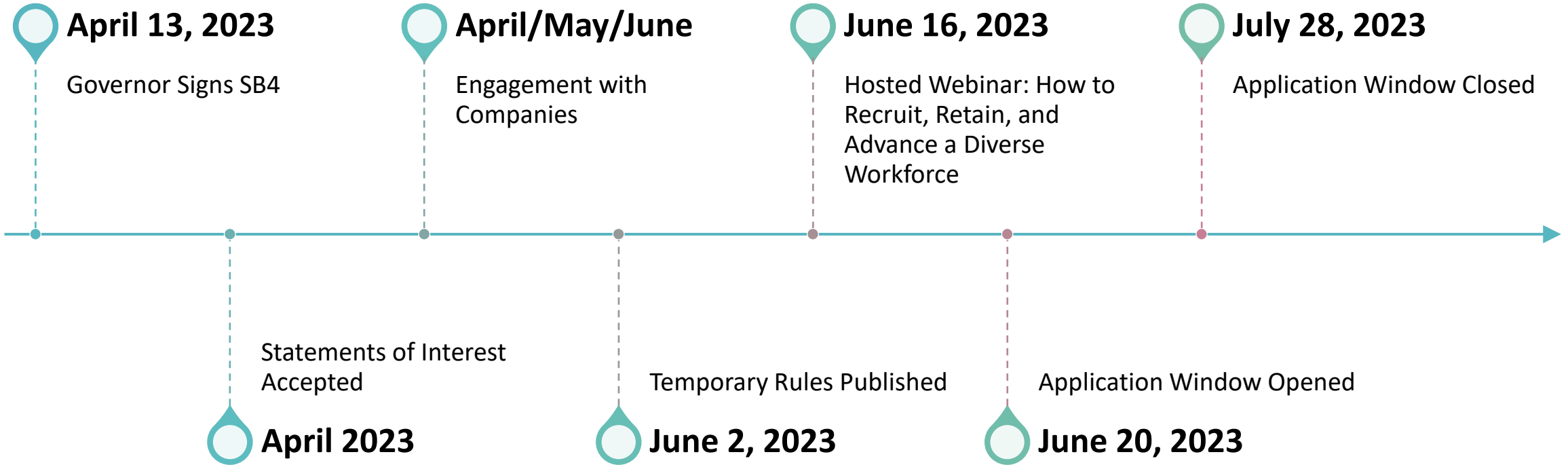




## Oregon CHIPS Act (SB4)

- \$190M in funding to help leverage the federal CHIPS funding
- Jointly administered by the Governor's Office and Business Oregon
- Provides direct funding for eligible semiconductor related projects
- Emphasis is placed on applications that promote the creation, expansion and preservation of semiconductor manufacturing in Oregon
- These awards serve as covered incentives to assist businesses in their federal applications to the U.S. Department of Commerce
- An additional \$50M has been set aside in a Special Purpose Appropriation (SPA) and is expected to be formally allocated during the short session in February

# Major Milestones



# Applications - At a glance...

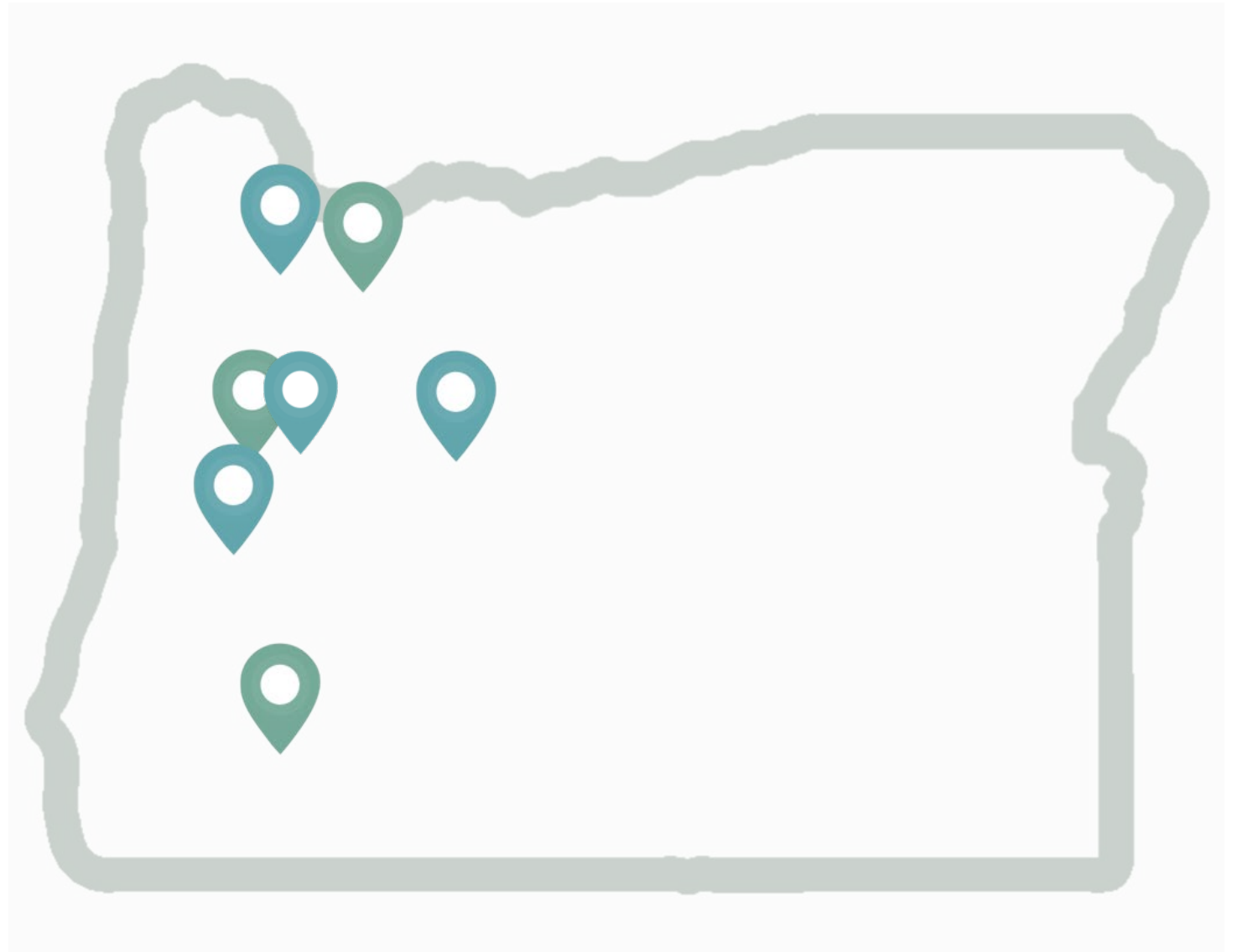
---

16 total applications

Geographic and supply chain  
diversity

All have existing connection to  
Oregon

Counties: Benton, Deschutes,  
Jackson, Lane, Linn, Multnomah,  
Washington



# Project Review

## **Prioritization of Projects:**

- Promote the expansion and long-term economic viability of the semiconductor industry in Oregon;
- Attract manufacturing jobs to Oregon;
- Reflect established relationship, or commitment to build a relationship, with organizations focused on developing a diverse workforce pipeline;
- Formed partnerships for the purpose of workforce development or the creation of training, registered apprenticeship or internship opportunities;
- Incorporate significant participation by businesses owned by members of underrepresented communities and economically disadvantaged individuals;

# Project Review Semiconductor Advisory Panel

## **Prioritization of Projects:**

The Semiconductor Advisory Panel recommended emphasis be placed on the following:

- Creating an investment portfolio approach where a variety of business size, types, and geographic locations are considered.
- Catalytic projects with potential to develop next-generation technologies.
- Major employers and customers for Oregon
- Diversification and expansion of workforce pipelines.

# Return on Investment

## Return on Investment

For every \$1M in program grant or loan proceeds received, a recipient must:

- If 5 years or less, generate \$1.25M in state and local revenue
- If more than 5 years, generate \$1.5M in state and local revenue

OR

Recipient business must commit to the creation of new jobs in Oregon:

- At least 65 percent of which are permanent, full-time positions; and
- That pay on average at least the average median income for the region of this state in which the services will be performed.



# Projected Impacts

\*As presented in applications

- 
- Total Projected Investment:  
\$43.8B
  - Total Projected New Jobs (Direct):  
6300
  - Total CHIPS Fund Ask: \$504M



# Anticipated Challenges

## **Construction Workforce**

- *The need for construction workers is significant. We are working with the Oregon companies and the trades to meet the demand. Ability to complete the project is a factor in application review.*

## **Semiconductor Workforce**

- *Job creation as part of these projects will require an intentional effort to increase the workforce pipeline*

## **Childcare Needs**

- *Existing struggles are expected to continue and be further strained for both semiconductor and construction workforce needs. We are working collaboratively with the companies to find solutions.*



# Moving Forward

- Notices of intent to award have been issued
- Contract negotiations through October/November
- Pending contract execution, funding is expected to begin reaching companies this Fall/Winter
- Industrial Lands Fund and R&D Tax Credit are on track for implementation

# Oregon CHIPS Fund Awards

*\*Subject to contract negotiation and execution\**

# Notice of Intent to Award

## **Letter of Intent to Award**

- SB 4 requires the state to notify each project within 90 days of the application.
- Letter of intent includes allocation of funds from \$190 million fund and \$50 million fund if legislature formally allocates the \$50 million SPA in 2024. If no action in 2024 then each project will only get its 2023 allocation.
- Several projects will have specific requirements in term sheets and contracts beyond the SB 4 requirements.
- No money from the Oregon CHIPS fund will be disbursed without an executed contract.
- In the event projects fall out or are reduced in scope, the related funds will be reallocated to focus on future initiatives focused on workforce development and childcare access.

# Oregon CHIPS Awards Total

---

Company Name	Location of Facility	2023 Award - SB 4 (\$190 Million)	2024 Award - SB 5506 (PENDING \$50 Million)	Total Award
Jireh Semiconductor Incorporated	Hillsboro	\$ 35,500,000	\$ 3,500,000	\$ 39,000,000
Microchip Technology, Inc	Gresham	\$ 9,500,000	\$ 1,500,000	\$ 11,000,000
Qorvo US, Inc	Hillsboro	\$ 500,000	\$ 500,000	\$ 1,000,000
HP, Inc	Corvallis	\$ 8,500,000	\$ 1,000,000	\$ 9,500,000
Analog Devices, Inc	Beaverton	\$ 10,500,000	\$ 1,500,000	\$ 12,000,000
Intel Corporation	Hillsboro	\$ 90,000,000	\$ 25,000,000	\$ 115,000,000
Lam Research Corporation	Tualatin	\$ 19,000,000	\$ 3,000,000	\$ 22,000,000
ATI Specialty Alloys & Components, LLC	Albany	\$ 1,000,000	\$ 600,000	\$ 1,600,000
Arkham Industries LLC (Stratacache)	Eugene	\$ 9,500,000	\$ 9,500,000	\$ 19,000,000
Siltronic Corporation	Portland	\$ 1,500,000	\$ 700,000	\$ 2,200,000
Maxtek Components Corporation dba Tektronix Component Solutions	Beaverton	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000
Tosoh Quartz, Inc	Portland	\$ 500,000	\$ 500,000	\$ 1,000,000
MGP Engineering, LLC	Redmond	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000
Rogue Valley Microdevices, Inc	Medford	\$ 250,000		\$ 250,000
Amorphyx, Incorporated	Corvallis	\$ 250,000		\$ 250,000



Vince Porter  
Economic & Workforce Policy Advisor  
Office of Governor Tina Kotek  
[Vince.Porter@oregon.gov](mailto:Vince.Porter@oregon.gov)

Sarah Means  
Semiconductor Manger  
Office of Governor Tina Kotek  
[Sarah.Means@oregon.gov](mailto:Sarah.Means@oregon.gov)

Colin Sears  
Global Trade Manager & Semiconductor Liaison  
Business Oregon  
[Colin.Sears@biz.oregon.gov](mailto:Colin.Sears@biz.oregon.gov)