



Save Helvetia  
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Hillsboro, Oregon 97124  
[www.SaveHelvetia.org](http://www.SaveHelvetia.org)

January 29, 2023

RE: Recommendations for Industrial Land in Semiconductor Industry

Honorable Members of the Joint Committee on Semiconductors,

Have any of you ever actually worked for a semiconductor company? I have. I spent 20 years working as a high-level manager for six tech companies in three states, including Motorola Semiconductor and Intel.

**Semiconductor Industry is cyclical and unstable - Oregon needs to diversify**

I am appalled that you want to subject Oregonians to the vagaries of the semiconductor industry. I can only assume it is because you are not familiar with the cyclical instability of the industry. You don't know the angst of having to lay off employees every time the industry plummets into a down-turn. You don't know the sadness of knowing your laid-off employees will have to sell their homes because they can't pay for their mortgage, uproot their children and move to another state where they can afford a home and hopefully find a job.

Here is a few of the recent announcements from Oregon's semiconductor industry:

27 Jan 2023 - "Intel shelves \$700 million 'mega lab' in Hillsboro as it cuts costs"

22 Dec 2022 - "Chipmaker Micron announces layoffs, cost cutting as demand drops"

25 Jan 2023 - "Lam Research, one of Oregon's largest (semiconductor) manufacturers, will lay off 7% of staff"

27 Jan 2023 - "Intel reports severe decline in sales; outlook is even worse"

**The Solution? Diversify industries**

It is never a good idea to go after one golden ring. Smart people and companies diversify their investments to minimize their exposure when times are bad. Like now. Focusing on embracing an industry that is subject to frequent downturns and guzzles our water and consumes our electricity is not in the best interests of Oregonians and our environment.

*Another knee-jerk reaction in the name of JOBS! JOBS! JOBS!*

The State of Oregon's knee-jerk reaction to the shiny bauble of the 2022 \$52 billion CHIPS Act reminds me of City of Hillsboro's knee-jerk reaction in 2000 when Intel announced it was purchasing 90 acres north of US-26, east of Helvetia Road. Press releases from the City of Hillsboro breathlessly described how Intel was going to build a research facility and would employ several hundred people with salaries over \$200,000. Jobs! Jobs! Jobs! That sent Hillsboro on a tear - 1,200 acres of adjacent Class 1 and 2 farmland were converted to industrial use in anticipation of the many suppliers who would set up shop to supply Intel. Well, Intel never developed that 90 acres. It sits vacant 23 years later. The companies that eventually populated that prime farmland are solid companies but they are not the high-tech clusters envisioned by Hillsboro. Many of them left leased facilities in other parts of Hillsboro, including an indoor armory for target practice, a party and event store, a beer home-brewing store, etc. Today, that formerly 1,200 acres of prime farmland is not a high-tech center, but a repository for warehouses.

*You're trying to fix the wrong problem - Tax and Talent is why Oregon loses out*

In 2009, Hillsboro's Economic Opportunity Analysis (EOA), declared the City of Hillsboro was poised to become the center of three industry clusters: high tech, solar energy and bio-medical, anchored by Intel, Solarworld and Genentech. They asserted they were losing opportunities (including the phantom "Project Azalea") because they didn't have enough land. If they only had thousands of acres of farmland both south and north of US-26, they could attract another Intel, they claimed. When I queried the Economic Development manager, she went down the list of coded applicants and shared the reasons they chose to not locate in Hillsboro. The majority of them did not list "lack of suitable land" as a reason. The Number 1 reason was uncompetitive tax breaks compared to what they could get in other states.

Fourteen years later, nothing has changed. Oregon lost out to Ohio because of uncompetitive tax breaks and lack of a highly educated workforce (lots of articles dissect the reasons - just google them). Ohio's tax incentives were more attractive than Oregon's. Simple fact. More difficult to fix in the short-term is Oregon's lack of a highly educated workforce. Oregon cannot compete with Ohio's education system: more than 80 campuses at 27 colleges and universities in Ohio graduate 11,700 engineers and engineer techs per year. Intel Oregon has to import hundreds of employees annually from out-of-state because Oregon's universities and community colleges cannot produce enough graduates with technical degrees. Oregon Intel has several thousand PhD's - most of whom come from other countries or states. I was one of over 400 employees recruited by Intel Oregon from out-of-state and internationally in a two year period *just for one specific program.*

Oregon didn't have a chance of landing a second Intel. A smart company like Intel strategically diversifies its investments in different states. If you believe it is all about the land, you are deluding yourselves. It was because Oregon doesn't offer competitive tax breaks, doesn't have close-in world-class research universities that produce enough graduates, doesn't have housing at reasonable costs, forcing thousands of Intel employees to commute from homes in Washington State because taxes are lower and housing is cheaper. Where will employees of the semiconductor business you hope to attract to Hillsboro or North Plains find housing? Have you seen the freeway entrance ramps at Brookwood Parkway and Cornelius Pass Road at the end of an Intel shift? Hundreds of cars driven by solo drivers heading to their homes in Bethany or Washington State - adding more employees to the 22,000 already employed at Intel will worsen the quality of life for existing residents.

### **The Solution?**

Invest in competitive tax packages

Accelerate investment in Oregon's technical educational programs - from two-year through Ph.D programs

Site semiconductor plants near OSU and U of O

a) To take advantage of two of Oregon's universities

b) To distribute industry to other parts of Oregon

c) To relieve Hillsboro/North Plains of the congestion from 22,000+ Intel employees

### **Are the ONLY appropriate sites in Hillsboro/North Plains/Helvetia? Really?**

It is interesting that the only sites being recommended by the Semiconductor Competitive Task Force are in one place in Oregon: Hillsboro/North Plains in Washington County. Why do you want to centralize semiconductor manufacturing in Hillsboro? Why do you want to exclude the rest of Oregon from this opportunity? Hmm... Is it a coincidence that, at the request of a developer with financial interests, the Senate Co-Chair of the Joint Committee on Semiconductors has sponsored three bills (SB 186, HB 4075, HB 2832) to convert 1,762 acres of rural reserves to urban reserves, which is one of the identified sites south of US-26? Is it a coincidence that the City of Hillsboro has held meetings closed to the public with the Northwest Hillsboro Alliance (headed by the same developer) to discuss these same 1,762 acres? The outcome certainly appears predetermined.

### **Where did it all go?**

In the subsequent years, Hillsboro has welcomed an entertainment complex on prime state-certified industrial former farmland adjacent to US-26: Top-Golf and K-1 Electric Go-Karts. Instead of becoming the center of high tech, solar energy and bio-medical, Hillsboro is on track to becoming the hub of Data Centers in Oregon: fifteen and counting. They employ few employees, suck up lots of water and decimate prime farmland.

In 2014, as a result of the "Grand Bargain", Hillsboro received 1,050 acres in North Hillsboro and the expedited development of South Hillsboro's 1,400 acres. What happened to the 1,050 acres? What happened to the projected traded-sector clusters of high tech, solar energy and bio-medical? What do we have to show for the thousands of acres south and north of US-26 that were supposed to be for high-tech, solar energy and bio-medical clusters?

### **Task Force Recommendations: Blow up our land use system and renege on the Grand Bargain**

If you follow the Task Force's recommendations to bring the rural reserve designated lands into the urban growth boundaries in Hillsboro and North Plains *within the next 12-14 months*, you will need to demolish Oregon's iconic land use laws and renege on the 2014 Grand bargain. Is it worth it? This recommendation may create certainty for developers but what about the certainty that was promised to the traded-sector agricultural industry (the second largest industry in Oregon after tech)? If you follow the recommendations of the Task Force, the certainty that was achieved with the Reserves in 2014 will only last nine years - not the 20 to 30 as promised. No wonder farmers and citizens are dubious of so-

called commitments from their electeds - the commitments are only as good as the next flashy bauble dangled in front of politicians' eyes.

**Past performance is the best indicator of future performance**

In 2018, Governor Brown established a state broadband office. It is due to receive as much as \$1 billion in federal money to help improve broadband internet access throughout the state from the \$1 trillion infrastructure bill that Congress passed in 2021. However, a recent audit conducted by the Secretary of State's office, "concluded the broadband office hasn't established policies to determine how to allocate funding, determine which areas need the money the most, and how to spend it effectively." Business Oregon, the overseeing agency, is moving ahead on all the audit's suggestions, but some changes won't be in place until the summer of 2025. What faith should citizens have in the state's ability to effectively and timely invest the \$300 to \$500 million the Task Force says is needed to plan, acquire and develop all the key sites identified in Hillsboro and North Plains?

**Pathetic outreach to citizens**

Your notice for public comment went out at 4:19 pm last Friday, giving us citizens a mere two days over the weekend to submit testimony before your meeting on Monday. There were no maps identifying the recommended sites so we could not comment with specifics. This lack of public outreach, of reasonable citizen involvement in decisions that are going to cost \$300 to \$500 million in taxpayer dollars, is disgraceful and shameful.

Please think long and hard about the recommendations of the Task Force. There has to be a better way to benefit ALL Oregonians than giving more prime farmland to Hillsboro/Washington County.

Respectfully submitted,.

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President, Save Helvetia

