



OREGON  
BUSINESS  
& INDUSTRY



January 30, 2023

Chairs Bynum, Sollman, Vice-Chairs Knopp, Wallan, and members of the committee,

Thank you for the opportunity to provide testimony today regarding the semiconductor industry in Oregon. By way of background, our organizations represent business, industry, property owners, and housing advocates across the state. Collectively, our organizations have worked on land use and economic reform since the founding of our state planning system, and support Oregon's goal of incentivizing domestic manufacturing of semiconductors. Through this effort, Oregon could bring in thousands of new jobs and unprecedented economic prosperity to our state, particularly in underinvested rural communities.

This session, we strongly urge this Committee and the Legislature to take bold and necessary action to maximize CHIPS grant opportunities, including changes to our land use planning system. Like any other system, Oregon's statewide land use planning system is not perfect, and through improper implementation, can be broken. Currently, our system is overleveraged on resource land protection, with only approx. 1.3% of all of Oregon's landmass available for housing, commercial, and industrial opportunities. The rest of Oregon's land is almost exclusively dedicated to federal and state forests, and private farm and forestland. Our planning system is also arbitrarily slow, expensive, and designed to disincentivize responsive growth.

Moreover, Oregon is in a housing production crisis and continually ranks in the bottom of the nation for having the most cost-burdened families. Employers around the state are struggling to provide affordable housing for their employees. If we want to produce new opportunities for industrial development and support the semiconductor industry, we must be able to provide affordable and abundant housing for Oregon's working families. Unfortunately, we will not be able to do so under our current planning and permitting system. Governor Kotek has set an ambitious and crucial goal of Oregon producing 36,000 new housing units a year. Right now, builders can produce less than half of that rate.

Put simply, if the status quo remains, we will not be able to take advantage of the incredible opportunity Oregon has in front of it.

With this in mind, we urge this Committee to consider not only expeditious changes to our current system to allow the availability of more shovel-ready industrial land, but also consider changes to support the production of needed workforce housing. This should include adding more land for development, but also expediting planning and permitting processes, and limiting opportunities for unnecessary appeals and delay.

Thank you for the opportunity to provide these comments. We are happy to follow up with any questions you may have.