

Joint Legislative Committee on Semiconductors

February 6, 2023 (5 – 6:30 pm)

Invited Testimony on Industrial Lands

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|-------------------|------------------------------|---------------------|
| 1. Doug Smith | Port of Portland | <i>5 minutes</i> |
| 2. Gabriela Frask | Mackenzie. | <i>5 minutes</i> |
| 3. Dick Sheehy | Global Site Selection Expert | <i>5-10 minutes</i> |
| 4. Gabriela Frask | Mackenzie. | <i>5 minutes</i> |
| 5. Keith Leavitt | Port of Portland | <i>5 minutes</i> |

1. Doug Smith, Port of Portland *(4 minutes and 45 seconds)*

Co-Chair Bynum, Co-Chair Sollman, Vice Chairs, Members of the Committee.

For the record, my name is Doug Smith, I work for the Port of Portland on the Economic Development Team of the Trade & Equitable Development Division.

Thank you for the opportunity to provide additional detail on the work of the Industrial Lands Subcommittee to the Oregon Semiconductor Competitiveness Task Force convened last year.

Joining me are the two lead consultants who provided the technical expertise and each bring years of professional experience in evaluating industrial site readiness.

First – let me share a little bit of history for context. Nearly 30 years ago, I was the international recruiter for the Oregon Economic Development Department – now known as Business Oregon.

At that time, the Strategic Investment Program (SIP) was established and the growing cluster of semiconductor companies in our region all expanded in significant ways – leading the way was Intel in Hillsboro.

In order to help diversify the investments across the region, the economic development community encouraged Fujitsu and LSI Logic to consider sites in Gresham— today, Gresham remains home to two highly important and successful semiconductor companies Microchip and ON Semiconductor.

Together with Dick Sheehy, I worked on Oregon’s simultaneous recruitment of Samsung Semiconductor and Hyundai Electronics – two leading Korean semiconductor companies vying to establish their first major capital investments in the United States. Samsung had a large property in Hillsboro already under option when Hyundai beat them to the punch and purchased property in West Eugene – my hometown.

Samsung went on to exercise an option it also had in Austin, Texas.

Hyundai, operating as Hynix, became the largest high technology employer in Lane County for several years – but ultimately was unable to sustain its operations for a number of reasons, significant of which being they were unable to encourage enough of their critical suppliers as well as technical employees to locate to the Eugene-Springfield area.

Dick and I also represented Oregon at that time in its recruitment of Taiwan Semiconductor. We were successful in convincing TSMC that our region was the best place for its own first investment in the US – but, in keeping with Senator Hansell’s metaphor, chose not to be “too close to the sun”, ultimately seeking its own star-like orbit across the river in Camas, Washington – it still operates there as Wafertech.

The purpose of me sharing this is as reminder that our current position as a leader in the global semiconductor industry is special – and is the result of visionary community leaders who assembled properties and invested in public infrastructure – as well as thanks to the foresight of your predecessors who sat in these very Committee-room chairs.

The companies who make up the semiconductor ecosystem in Oregon and SW Washington are highly sophisticated, mostly publicly-traded entities. The BEST in this industry from the United States, Japan, The Netherlands, England and Switzerland are here in Oregon. These critical suppliers come from all around the globe and are the most advanced in the world at what they design, build and do.

You have the opportunity to enable them to continue to thrive and create employment for Oregonians for the next 50 years.

My other purpose is to say that the success of these companies is not just about a parcel of land of a sufficient size. There have to be sufficient quantities of readily available, even redundant sources of both public and private utilities. And they have to be able to get their products and their employees speedy access to markets here in the United States and also to key customers around the world.

And THAT is why we enlisted Oregon's most experienced experts in site selection and industrial lands readiness to evaluate our current reality.

First, I would like to introduce Gabriela Frask, a land use planner from the architecture and engineering firm Mackenzie. to describe her work on the inventory and mapping of sites in each of the largest metro areas across the state.

Then Dick Sheehy will go into detail on the industry siting criteria. Gabriela will review how the sites were evaluated against the criteria. At the conclusion of our presentation, Keith Leavitt will address recommendations and next steps.

Gabriela Frask	<i>(5 minutes)</i>	<i>Slides 2, 3</i>
Dick Sheehy	<i>(5-10 minutes)</i>	<i>Slide 4</i>
Gabriela	<i>(5 minutes)</i>	<i>Slide 5, 6, 7</i>
Keith Leavitt	<i>(5 minutes)</i>	<i>Slide 8</i>