

NAIOP

COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

OREGON CHAPTER

February 13, 2023

The Hon. Janeen Sollman and Janelle Bynum
Joint Committee on Semiconductors

RE: Recommendations from Semiconductor Task Force

Dear Co-Chairs Sollman and Bynum, and Committee Members:

NAIOP, the Commercial Real Estate Development Association, is one of the leading organizations for developers, investors, owners & operators, brokers, and related professionals in office, industrial and mixed-use real estate throughout the United States, Canada, and Mexico. The Oregon Chapter's members represent a broad and diverse range of companies involved with commercial real estate activities in the Portland metropolitan area, including developers, owners, brokers, and managers, along with other professionals providing legal, finance, title, engineering, architectural, construction, and other services.

We write today to express our strong support for the recommendations presented to you by the Oregon Semiconductor Competitiveness Task Force, especially those from the Industrial Land Subcommittee. It is our firm belief that the critical lack of large, development-ready industrial parcels is the primary obstacle to the expansion of semiconductor facilities in the state. Until this situation is corrected, the State of Oregon will be completely ignored by semiconductor companies and site selectors for future expansion.

We are also in support of the request to fund industrial site readiness programs. Industrial development and site readiness has significant challenges that need to be mitigated for prior to development (new roads, public utilities, etc) and those costs are significant. The CHIPS and Science Act federal funding opportunity will be available soon and it's an opportunity for our State to take advantage of and prosper for decades to come. The time to act is now if we want our State to be competitive and ready to receive this federal funding opportunity to provide economic benefit and prosperity for all Oregonians.

Over the past 12 years NAIOP has partnered with the Port of Portland, Metro, PGE, the Portland Business Alliance, Business Oregon, and the Oregon Department of Land Conservation and Development to produce three analyses by the Mackenzie planning firm of the dwindling inventory of available industrial land within the Portland regional Urban Growth Boundary. A similar analysis, also by Mackenzie, was completed last year on a statewide basis for the Semiconductor Task Force. Unfortunately, the stark

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picture painted by this research is that Oregon in general, and the Portland metro area in particular, is severely hamstrung by a near total lack of vacant industrial sites of not just larger sizes of 500 acres or more, but virtually all sizes of industrial land, and not only for the semiconductor industry but for all types of uses and tenants. The lack of sites does not allow our state to be competitive when companies look to locate here and bring significant jobs and investment to our communities.


Correcting this deplorable situation will take bold action by the Oregon Legislature. Local and regional governments simply don't have the necessary tools or authority to cut through the endless procedural delays imposed by our current land use laws. Make no mistake, we aren't advocating for action that ignores wise land use planning and consideration of the ripple effects that large scale development can cause. Rather, we urge the Legislature to create a new, very narrowly crafted, process under which a very limited supply large-lot industrial sites can be created and finalized within two years. We don't believe doing so will jeopardize the state's existing agricultural operations but will bring significant economic benefits and allow the state to be competitive again in attracting massive capital investment and tens of thousands of new jobs, generating billions of dollars in income tax to the State.

Once industrial and employment lands develop and bring jobs to communities, development of commercial support services (office, retail, restaurants, hotels etc) follows to provide support and services for those employees. Once commercial development is established, that provides opportunities for housing development and more residents to move in, which contributes more to the local tax base with property taxes. This then fills the local coffers for schools, parks, fire, and police services. All of this development provides opportunities for our communities to thrive and prosper in Oregon and provides jobs statewide.

NAIOP Oregon and its members are ready to assist you in any way possible as you consider this crucial move to make a much needed investment for the state's future to benefit generations of Oregonians to come.

Thank you for your consideration of this testimony.

Sincerely,



Kelly Ross
Executive Director