



OREGON CHIPS UPDATE

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THE SEMICONDUCTOR INDUSTRY





OREGON'S SEMICONDUCTOR WORKFORCE



9%
of U.S.
semiconductor
workforce





Other SEMI Programs

- Oregon CHIPS is one of many state-managed and state-funded initiatives actively supporting the semiconductor sector, including:
 - R&D Tax Credit for Semiconductors
 - Semiconductor Industrial Land Loan Fund
 - Silicon Forest Partnership (A Center for Innovation Excellence)
 - University Research Innovation Fund
 - Workforce Programs through Higher Education Coordinating Committee (HECC)'s Future Ready Oregon & Semiconductor Talent Sustaining Fund





OREGON CHIPS FUND

- Direct incentives from the State of Oregon, aligned with the federal CHIPS Act
- 21 semiconductor companies qualified for projects that create, expand or modernize semiconductor manufacturing in Oregon
- Active Oregon CHIPS agreements with 10 companies, two more expected in March '25
- Business Oregon anticipates total contract awards of \$195,445,000. OR CHIPS has disbursed \$147,750,000 to-date
- \$5 million to CHIPS Child Care Fund & \$10 million to Semiconductor Talent Sustaining Fund



COMPANY	CONTRACT START DATE	LOCATION	PROJECT SUMMARY	OREGON CHIPS AWARD
Microchip Technology, Inc.	January 5, 2024	Gresham	Modernization and expansion project to triple production at its 140-acre facility.	\$11,000,000
Intel Corporation	January 5, 2024	Hillsboro	Expansion of Intel's D1X wafer fabrication facility at the company's center for global R&D.	\$115,000,000
HP, Inc.	January 5, 2024	Corvallis	Modernization and expansion to advance development and manufacturability of microfluidics technology.	\$9,500,000
Analog Devices, Inc.	May 7, 2024	Beaverton	Expansion, infrastructure improvements, and new equipment at the company's largest site.	\$12,000,000
Siltronic Corporation	May 16, 2024	Portland	Tools & equipment to modernize metrology capabilities at its production facility. Contract amended on Dec 31st.	\$1,500,000
Lam Research Corporation	May 29, 2024	Tualatin	Major expansion, construction of company's most advanced R&D center.	\$22,000,000
Stratacache, Inc.	July 2, 2024	Eugene	Construction of GaNSi MicroLED foundry through reuse of semiconductor production facility.	\$19,000,000
ATI Specialty Alloys & Components	October 15, 2024	Albany	Upgrade and expansion of company facilities in Oregon to increase materials production for the semiconductor industry.	\$1,600,000
AGC Electronics America	January 6, 2025	Hillsboro	Expansion and modernization of existing Hillsboro manufacturing facility. AGCEA is a subsidiary of AGC Inc. with over 25 years of operations in Oregon.	\$500,000
Valliscor, LLC	March 11, 2025	Albany	Construction of a new facility in Albany to support expansion of existing Oregon-based operations.	\$345,000



OREGON

CHIPS

AGREEMENTS

Total under Contract \$192,445,000



Company	Award Amount	Project Description
Tokyo Ohka Kogyo America (TOKA)	\$2,900,000	Expansion of existing manufacturing facility in Hillsboro. TOKA has operated in Oregon since 1987.
Quantum Metrology, LLC	\$100,000	Quantum Metrology LLC is a start-up specializing in advanced metrology techniques leveraging quantum effects. Project seeks to develop cutting-edge semiconductor inspection methods and tools to improve manufacturing precision and efficiency.

Total under Negotiation

\$3,000,000



Federal CHIPS Act Awards to Oregon





\$1.86 billion for leading-edge semiconductor process development in Hillsboro on Intel 18A and future nodes





\$50 million to construct a pilot line in Corvallis to expand microfluidics production for AI, bioscience, and sustainability

+\$45 million
Cormic TechHub
designation from
the Economic
Development
Administration



A portion of the company's' \$150 million award will increase capacity, improve sustainability, stainability, and boost workforce development at its largest U.S. manufacturing facility in Beaverton



Small Business
Innovation
Research grant to
use the
Commercial
Trust™ Protocol to
manage verifiable
credentials,
metrology, and
intellectual
property



\$72 million* to triple production at mature-node semiconductor manufacturer in Gresham with over 125,000 customers

*negotiations with Federal CHIPS Program Office on hold

Oregon CHIPS Key Indicators*

Project Capital Expenditures

\$4,120,926,399

Economic Impact

316 Oregon-based businesses supplying Oregon CHIPS projects

>500 Oregon-based businesses supplying Oregon CHIPS awardees

Employment Impacts

New Jobs – Direct Employment: **433**Jobs Retained- Direct Employment: **479**Construction Employment: **2327**

R&D Expenditures

\$13 million in R&D spend for HP's Corvallis Microfluidics Project in Oregon

\$16 billion in fiscal year 2023 across Intel locations globally





Project

- Construction of the company's most advanced Research & Development center with a major expansion of its Tualatin campus
- Early design work ongoing during reporting period

Environmental Impacts

 First project construction permits expected H1 2025

Economic Impacts

Capital expenditures to date include the company's land acquisition & project design costs



- Portland Community College partnership for 8-week, college-level program for employees, conducted on-site
- Support for Girls Inc., Urban Teen, In4all, Family Promise of Tualatin









Project

Construction of a pilot line in Corvallis to expand microfluidics production for artificial intelligence, bioscience, and sustainability markets.

Environmental Impacts

3% reduced electricity usage*

5.5% reduced water usage*

89.5 -> 92% solid waste diversion rate*

*year-over-year



\$43 million in project capital installed to date

18 local vendors engaged

Received **\$50 million** Federal CHIPS Act grant



Workforce & Community Partnerships

\$45 million Cormic TechHub designation from the Economic Development Administration

24 interns in Corvallis over the summer of 2024





OR CHIPS \$9.5 million



Project

- Major expansion and modernization of company's largest production facility in Beaverton
- Significant new tool installations on site
- Over 100 new tool output records

Environmental Impacts

Company goals include:

- Net Zero by 2050
- Carbon Neutrality by 2030
- Diversion of 100% of manufacturing facility waste from landfill by 2040

Economic Impacts

- Hundreds of millions invested into facilities expansion and new equipment
- **162** Oregon-based suppliers for project to-date

Workforce & Community Partnerships

- Semiconductor Advanced
 Manufacturing Upskilling Program
 (SAMU), an 8-week "bootcamp"
 technician training
- Providing research space, curriculum development, and internships for universities

OR CHIPS \$12 million







Market volatility and federal policy changes have created headwinds

Oregon's semiconductor industry regroups amid job losses, falling sales and political setbacks



Microchip Technology plans layoffs Monday in Oregon and Colorado

Tektronix's new parent company chooses HQ far from Oregon





Semiconductor Market Forecast

Industry Push to \$1T by 2030

Semiconductor Market Forecast



Source: WSTS, Gartner, SEMI Forecast

Oregon CHIPS Fund

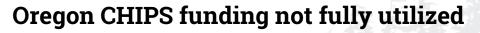


Big program with big economic wins:

- → Significant Federal CHIPS support to Oregon
- → Impressive metrics & economic impact from projects
- → Effective at supporting facility modernization & expansions

Catalyzes other economic development opportunities

→ Program creates partnerships with some of the state's biggest companies



- → Federal CHIPS Act eligibility requirement meant many Oregon semiconductor companies could not apply
- → Some proposed projects infeasible without federal \$

External factors have changed operating environment

- → Significant uncertainty about future of federal programs
- → Market conditions causing some scope reductions

Oregon CHIPS: Next Steps

Continue administration of Oregon CHIPS agreements

Execute pending contracts from CHIPS "Round 2"

Consider impact of strict alignment w/federal CHIPS Act

Apply lessons learned to future incentive program design

Publish second Oregon CHIPS report to State Legislature by Sept 15, 2025



