

February 16, 2026

Chair Broadman, Vice-Chair McLane, and Members of the Committee:

For the record, my name is Duncan Wyse, and I am President of the Oregon Business Council. I appreciate the opportunity to testify in strong support of SB 1586.

SB 1586 is a critical next step in implementing the Legislature's vision under the Oregon CHIPS Act. It builds on the bipartisan commitment made in 2023 to strengthen Oregon's strategic semiconductor sector. It brings together industrial land readiness, site development tools, permitting transparency, and innovation incentives to ensure that Oregon can compete for the next generation of advanced manufacturing investment.

Through the Oregon CHIPS Act and related investments, the state has signaled that semiconductors are central to Oregon's economic future. That commitment has leveraged major private investment and sparked new partnerships between industry and our colleges and universities, including the FAST project.

The core issue now is land availability.

Oregon's strategy is working—but without this bill, our progress could stall. In particular, without available industrial land in Hillsboro, the heart of our semiconductor sector, future investments will go elsewhere, to the detriment of Oregon's economy. The Semiconductor Competitiveness Task Force found that the "Metro region is the key to continued growth and development of the semiconductor sector" because the industry favors dense clustering and Metro – especially Hillsboro – is the sun to the Silicon Forest's solar system. It's where the densest concentration of technical semiconductor talent in the US resides and is also home to a similarly dense web of highly specialized suppliers that the major integrated device manufacturers require to be within a 30min drive. We will need to be able to offer the same to compete for additional major manufacturing investments.

Yet the Semiconductor Competitiveness Task Force found that we lack sufficient quantities of large, shovel-ready industrial land near the specialized infrastructure these facilities require. A top recommendation of the Semiconductor Task Force was to ensure the availability of two sites of 500+ acres, four sites of 50-100 acres, and at least eight sites of 15-35 acres. Metro used this recommendation to justify¹ expanding its Urban Growth

¹ <https://www.oregonmetro.gov/sites/default/files/2026-01/2024-ugr-summary-final.pdf>, page 5: "Metro's Chief Operating Officer ... recommended that the Council expand the UGB to include the Sherwood West urban reserve to address the need for two 50-acre industrial sites identified by the Oregon Semiconductor Task Force."

Boundary in Sherwood to make way for two sites of 50-100 acres. Beyond that, there has been no progress made

And while Metro's most recent Urban Growth Report found the region has a vast surplus of industrial land, market participants roundly agree that this finding is extremely misleading because most of that land is undevelopable by market standards – it's encumbered by slopes, wetlands and extreme parcelization that private developers view as unprofitable to develop without significant public subsidy (this itself is another reason why OBC strongly supports HB 4084 which proposes a \$40M investment in industrial site readiness).

Because of the extreme concentration of talent, manufacturers and suppliers, the land outside of Hillsboro locked in rural reserves is some of the highest opportunity industrial land in the United States. The land is also near critical utility infrastructure that the City of Hillsboro and partners have been planning and investing in for decades. For these reasons, this land represents the state's best opportunity to meet the land needs identified by the Semiconductor Task Force.

But this land can only be added to the Metro UGB by legislation, because its current zoning designation is embedded in statute resulting from the 2014 "Grand Bargain".

SB 1586 provides that solution. It makes 1,700 acres available for advanced manufacturing and enables Oregon to compete effectively for major R&D and fabrication investments that can advance the Governor's Prosperity Roadmap goal of 0.5% additional annual GDP growth.

This bill is urgent because siting decisions are being made now. Other states are moving aggressively to assemble land, align infrastructure, and provide certainty to investors. Oregon entered this process with 15% of the national workforce but has captured only 5% of industry investment since 2020. That gap signals an erosion of our competitive position.

This is about return on investment.

Incentives alone are not enough. Companies need certainty that land, infrastructure, and regulatory approvals will align with their timelines. SB 1586 ensures that our policy commitments are matched by physical capacity.

Failing to act would undermine the intent of the CHIPS legislation and Oregon's competitive advantages. Acting now positions Oregon to attract major anchors at a moment of intense global competition.

The benefits are clear:

- Significant private capital investment
- Long-term, high-wage manufacturing jobs

- Expanded supply chain opportunities for Oregon firms
- Increased state and local tax revenue

SB 1586 is a targeted, responsible extension of the Oregon CHIPS strategy—and a necessary step to translate policy into sustained investment and high-quality jobs for Oregonians.

We urge your support.

Thank you for your consideration.