

Testimony of Robert Liberty on Senate Bill 4

March 3, 2023

Senate Bill 4 would replace thoughtful planning with the mockery of ad hockery and deprive existing large industrial sites of investment.

Oregon has planned for and accommodated substantial manufacturing development through its thoughtful planning process. There are thousands of acres of land available for manufacturing, served with water, sewers, roads, emergency services inside UGBS today. Those should be the priority lands for industrial development.

Oregon has also avoided the pitfalls of case-by-case environmental impact statements required in many other states, which lack a long-term perspective and a proper context for balancing conservation and development. Our planning approach is more business-friendly.

Oregon should stick with its thoughtful approach to development, based on planning, not *ad hoc* state level spot-zoning by the Governor. This is a terrible precedent which may lead to the politicization of planning and land regulation.

Chip manufacturing contributes to the climate crisis, generates hazardous waste and uses huge amounts of water and electricity.

Tom McCall famously said:

...Oregon is demure and lovely, and it ought to play a little hard to get. And I think you'll be just as sick as I am if you find it is nothing but a hungry hussy, throwing herself at every stinking smokestack that's offered.

Chip manufacturers may not have smokestacks, but they do have a significant environmental impacts. As a 2021 article in *The Guardian* noted:

[C]hip manufacturing also contributes to the climate crisis. It requires huge amounts of energy and water – a chip fabrication plant, or fab, can use millions of gallons of water a day – and creates hazardous waste.

In the US, a single fab, Intel's 700-acre campus in Ocotillo, Arizona, produced nearly 15,000 tons of waste in the first three months of this year, about 60% of it hazardous. It also consumed 927m gallons of fresh water, enough to fill about 1,400 Olympic swimming pools, and used 561m kilowatt-hours of energy.

Cheap large parcels of land are not a critical factor in chip plant siting.

The reasons chip manufacturers locate where they do is not determined by land availability but by labor quality, electricity, water and other factors. If cheap land supplies were what attracted chip manufacturers, then North Dakota would be the chip capital of the US.

Attracting more high paying jobs will aggravate the crisis of unaffordable housing.

It is doubtful that SB 4, if passed, will actually result in the location of a chip manufacturing plant. But if it does, it will aggravate the housing unaffordability crisis. A booming economy and the arrival of high-paying jobs drives up home prices and rents faster than the construction industry can meet demand; Austin Texas is a good example. The construction of fabrication plants will compete for many of the same workers who would be building housing.

Oregon is not desperate for jobs; it is desperate for people willing to take those jobs.

In October, Oregon Public Broadcasting's Rob Manning reported:

Oregon still has thousands more job openings than it has available workers and the unemployment rate remains near a historic low, at 3.8%.

Economist Gail Krumenauer with the Oregon Employment Department says the job market remains tight, with about 94,000 unfilled job openings.

Should SB 4 pass, it must be amended to absolutely prohibit bait and switch, add a three-year sunset, and recapture the property sale windfall to be used for affordable housing and agricultural investment.

If SB 4 should pass, then it must include three provisions:

- An absolute prohibition on bait and switch; that is, the only permitted use is for chip manufacturing, requiring at least \$10 billion in private investment, on a site of 1000 acres or larger. The land cannot be cut into smaller parcels or used for any other uses.
- A three-year sunset plus a signed pledge by the Governor and legislative leadership that the law will not be renewed or adapted for other purposes.
- A recapture for public benefit of 90% of the windfall of the increase in property value resulting from the rezoning of the land, for use for affordable housing and investments in agricultural land productivity and sustainability that benefit Oregon family farmers.

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