

STATE OF OREGON  
FINANCE COMMITTEE FOR THE OREGON ECONOMIC AND COMMUNITY  
DEVELOPMENT COMMISSION

RESOLUTION OF ELIGIBILITY  
STRATEGIC INVESTMENT PROGRAM

MICROCHIP TECHNOLOGY INCORPORATED

WHEREAS, the Oregon Economic and Community Development Commission is charged with the responsibility of reviewing the eligibility of proposed projects under the Strategic Investment Program (SIP), ORS 285B.380 to 285B.392, and has delegated this authority to the Finance Committee ("Finance Committee") for the Economic and Community Development Commission pursuant to ORS 285A.050 and OAR 123-023-0350.

WHEREAS, Microchip Technology Incorporated filed an application with the Oregon Economic and Community Development Department for a Strategic Investment Program project in Multnomah County for development of a high technology manufacturing project located in the City of Gresham in Multnomah County.

WHEREAS, the Finance Committee has reviewed the proposed project for the construction and equipping of a manufacturing facility to be owned and operated by Microchip Technology Incorporated pursuant to the standards contained in ORS 285B.380 to 285B.392 and Administrative Rule No. 123-023. Therefore,

THE FINANCE COMMITTEE FOR THE OREGON ECONOMIC AND COMMUNITY  
DEVELOPMENT COMMISSION FINDS:

1. The project proposed by Microchip Technology Incorporated is an economic development project as defined in ORS 285B.323.
2. The project will directly benefit a traded sector industry, as defined in ORS 285B.280 (3).
3. The total cost of the project exceeds \$100 million.
4. The project is not expressly ineligible under ORS 285B.323(1).
5. The project is not an existing project as defined in OAR 123-023-0301(8).
6. The proposed project is not a precertified project for an enterprise zone under ORS 285B.692 to 285B.728.
7. Multnomah County and the City of Gresham, in which the project is located, have approved the special provisions related to the property tax exemption.

8. The undertaking of the project was requested by official action of the county and the City of Gresham.
9. The county and the city held a public hearing as required by ORS 285.386(4).
10. Microchip Technology Incorporated and Multnomah County have entered into the written agreement described in OAR 123-023-0401(3)(d)(the "SIP contract").
11. The City of Gresham and Multnomah County have entered into an agreement governing the distribution of the community service fee, as provided in OAR 123-023-0401(3)(e).
12. The applicant and Multnomah County, a publicly funded job training provider, have entered into a first source hiring agreement described in OAR 123-023-0401(3)(f) and ORS 285B.383(3).
13. The Finance Committee has not imposed any additional requirements on Microchip Technology Incorporated related to the Oregon Strategic Investment Program.
14. Notice that the Finance Committee would consider this project for eligibility under the Strategic Investment Program and inviting public comment was published in *The Oregonian*.

THE FINANCE COMMITTEE FOR THE OREGON ECONOMIC AND COMMUNITY DEVELOPMENT COMMISSION RESOLVES THAT:


1. The project that is described in the application of Microchip Technology Incorporated to the Oregon Economic and Community Development Department (the "Project"), that is proposed to be owned and operated by Microchip Technology Incorporated in Multnomah County, Oregon, which is defined below in Section 2 of this resolution, is hereby found and determined to be an eligible project in accordance with ORS 285B.380 to 285B.392 and the rules adopted by the Commission that is eligible for the tax exemption described in ORS 307.123.
2. The Project that is approved by this resolution is defined to be all property which Microchip Technology Incorporated acquires from Fujitsu Microelectronics Inc. and all subsequent improvements and additions at that property, as detailed in Section 3 of this resolution.
3. Pursuant to ORS 285.383(5) and OAR 123-023-0451(7), the Finance Committee hereby establishes that the invested cost of all real and personal property that is included in the Project is equal to the sum of the invested cost of all land, buildings, structures, machinery and equipment, fixtures, and furnishings which Microchip Technology Incorporated acquires

from Fujitsu Microelectronics Inc., and the invested cost of all land, buildings, structures, machinery and equipment, fixtures, furnishings or other property that may subsequently be located at or constructed on the land acquired from Fujitsu Microelectronics Inc. during the period of the tax exemption, including the invested cost of all new buildings, structures, machinery, equipment, fixtures and other property, and all repairs, replacements, modernizations, renovations, and remodeling of buildings, structures, machinery and equipment, fixtures, and furnishings, subject only to the limitation in Section 5 of this resolution.

4. Based on the estimates of Microchip Technology Incorporated in its contract with Multnomah County and pursuant to OAR 123-02300451(4)(b), the Finance Committee estimates that, in fiscal year 2003-04 (the first year of the property tax exemption), Microchip will invest \$201,850,000 in the Project, and that subsequent investments will be made approximately, but no more rapidly than, the schedule shown in Section II.A of the SIP contract between Microchip Technology Incorporated and Multnomah County (a copy of which is filed with the Department).
5. Pursuant to OAR 123-023-0451(4)(c), the Finance Committee hereby establishes that the maximum value of the Project that may qualify for the tax exemption described in ORS 307.123 in each year is a total assessed value of \$490 million.
6. This resolution may be executed on behalf of the Finance Committee for the Oregon Economic and Community Development Commission by its Chair or Vice Chair.

Adopted by official action of the Finance Committee for the Oregon Economic and Community Development Commission for the State of Oregon this 23rd day of August, 2002.

FINANCE COMMITTEE FOR THE  
OREGON ECONOMIC AND COMMUNITY DEVELOPMENT COMMISSION

  
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William Humphreys  
Chair