



Seeking Solar Industry: Is Hillsboro Getting It Right?

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Do solar companies *really* need large lot sites?

The City of Hillsboro says:

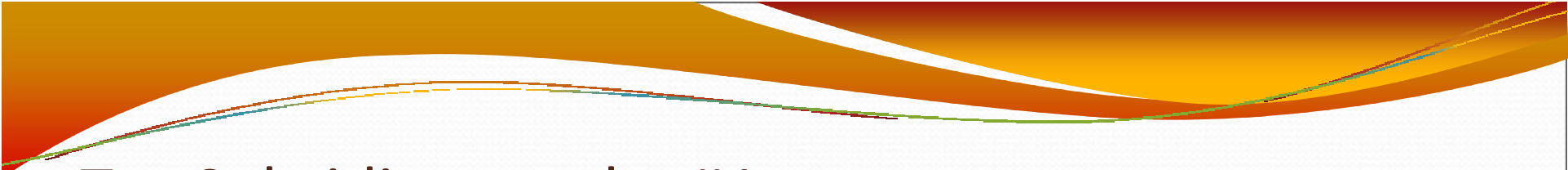
- They need a big inventory of large lots
- They need 50 to 100 acre shovel-ready industrial sites

But are large lots what really brings companies here?

Let's look at solar, one of Hillsboro's targeted industries

Solar Companies Locating in Oregon

SolarWorld	Hillsboro	2006
Solexant	Gresham	2010
CentroSolar AG	Gresham	2010
Oregon Crystal Technologies	Gresham	2010
Ferrotec	Fairview	2010
SoloPower	Wilsonville	2011
Solaicx	Portland	2006
Peak Sun Silicon	Millersburg	2007
PV Powered, Inc	Bend	2001
Sanyo Electric Group	Salem	2008
XsunX	Wood Village	Bankrupt



Tax Subsidies are the #1 reason solar companies come to Oregon

“No other state has programs like Oregon.”

Solexant President and CEO Damonder Reddy, 2010

“Local and State incentives were a major driver in the
company’s decision to locate in Oregon.”

Ferrotec President Akira Tamamura, 2010

“Solar entrepreneurs enticed by lucrative
incentives...are pouring into the Oregon market...”

“The Rise of Oregon’s Solar Industry”
by Ben Jacket, June 2008



Other reasons solar companies move to Oregon

- Experienced silicon workers
- Relatively cheap power
- Close to California market

NOTE: Availability of large lots is NEVER MENTIONED

Source: "Solar jobs rising in Oregon", Shelby Wood, the Oregonian, July 22, 2008

Who chooses 50+ acre greenfields?

No one.

- Most choose 25 acres or less
 - Solaicx
 - Sanyo Electric Group
 - Ferrotec
 - SoloPower
 - Oregon Crystal Technology
- Many prefer to recycle existing buildings
 - SoloPower (old Nike Distribution Center)
 - SolarWorld (old Kumatsu manufacturing facilities)
 - Solaicx
 - Ferrotec
 - Oregon Crystal Technology



Large lot availability is NOT the problem for Hillsboro

- Hillsboro is not attracting solar companies and land availability is NOT the reason.
- Hillsboro is focusing too much on getting **HOME RUNS** and **STRIKING OUT** by losing the small/midsize solar business to other cities.

So, does Hillsboro really need more urban reserves?

- Hillsboro has empty facilities available (IDT, Credence, etc.)
- Hillsboro has at least 1.5 million square feet of manufacturing/flex facilities available for lease NOW
- Hillsboro has 25 sites from 10 to 100 acres inside UGB
- Hillsboro has 988 acres of vacant industrial land inside UGB
- Hillsboro has 2,849 acres of industrial Urban Reserves

... NO. Reject the addition of more urban reserves north of Hwy. 26

Sources: LoopNet listings (Feb. 2011), Hillsboro Aspiration Plan (12/2008)



The End

Government Subsidies

SolarWorld	Hillsboro	\$82 M Fed/\$20M OR
Solexant	Gresham	\$43 M OR
Centro Solar AG	Gresham	\$10.9 M OR
SoloPower	Wilsonville	\$40 M OR
Solaicx	Portland	\$18.2 M OR
Peak Sun Silicon	Millersburg	\$14 M OR