

THE BUFFALO NEWS

As Micron picks Syracuse, Genesee County is still seeking its own semiconductor win



This aerial Aug. 30, 2022 photo shows the area from Caughdenoy Road and NY State Route 31 and Burnet Road to the left, not seen, that White Pines Commerce Park intends to develop with a proposed semiconductor plant, in Syracuse's northern suburbs of New York. Micron, one of the world's largest microchip manufacturers, announced Tuesday, Oct. 4, 2022, it will open a semiconductor plant in New York, promising an investment of up to \$100 billion and a plant that could bring 50,000 jobs to the state. N. Scott Trimble - member, The Post-Standard

Matt Glynn , Stephen T. Watson – Oct. 5, 2022

The Syracuse region is celebrating a blockbuster project coming its way: Micron Technology plans to invest \$100 billion over a 20-year period on a semiconductor manufacturing plant that is expected to create 9,000 jobs.

It is the type of breakthrough development long envisioned for a business park in a rural setting not far from Buffalo, in Genesee County.

The project is expected to create as many as 9,000 jobs over the next two decades at the White Pine Commerce Park in Clay.

But so far, that site – the Science and Technology Advanced Manufacturing Park, known as STAMP – hasn't reeled in a big semiconductor fish.

Last year, Samsung decided to build a \$17 billion semiconductor plant in central Texas, with the Genesee County site considered a contender for it.

And while Micron chose upstate New York for its project, the company opted for a site just over 100 miles down the Thruway in Clay.

Genesee County economic development officials had hoped to persuade the South Korean electronics giant to instead build the project at the Science Technology Advanced Manufacturing Park – known as STAMP – in the Town of Alabama.

So how can Western New York secure a mega-development like Micron's, rather than end up a runner-up?

Economic development specialists say STAMP boasts access to workers in two metro areas, resources including water and power and nearby academic institutions.

But the site still faces the challenge of sealing the deal with a company in the semiconductor industry, in the face of stiff competition from other parts of the country.

Critics of STAMP see its location as a liability. The business park is an isolated spot in the Town of Alabama, about four miles north of the Thruway, with few amenities around it and incomplete infrastructure.

But promoters of STAMP cite its location as an asset. It is outside Batavia, between Buffalo and Rochester, capable of drawing workers from two major metro areas. STAMP has ample land and access to low-cost hydropower.

STAMP also has access to water from Lake Ontario, an ingredient vital to semiconductor manufacturing. Syracuse.com reported that Micron's project could consume as much as 10 million gallons of water per day, enough to supply a village or town.

Business recruiters can pitch manufacturers on the appeal of the Buffalo Niagara region's workforce, quality of life and universities. But it is hard to seal the deal if there is nowhere for a company to get up and running quickly.

Chip competition

Alabama Town Supervisor Robert Crossen said he believes there are practical reasons the Genesee County site wasn't as good a fit for Micron.

"I believe they looked at our site," Crossen said. "We just did not have enough available land for them."

While the STAMP site is about 1,250 acres, portions of it are covered with woods and wetlands and, therefore, are unsuitable for development. Crossen said he believes the single-largest construction-ready portion is about 400 acres, and even that requires the re-routing of power lines.

John Boyd, a site selection specialist, said every company does its own evaluation of a site like STAMP, and determines whether that location fits its particular needs.

"Another company may view the STAMP site as a way to sort of be more remote and view that as a positive," said Boyd, principal of the Florida-based Boyd Co. "But that is a challenge."

Tom Kucharski, CEO of Invest Buffalo Niagara, which recruits companies to the region, said sites outside of metro areas appeal to chip manufacturers, which want to protect their high-tech operations from vibrations.

"You can't be near a rail line," he said. "You can't be near airports."

State and local officials hope Plug Power getting shovels in the dirt is just the beginning of development at the 1,250-acre STAMP site.

Laying the groundwork

While STAMP hasn't landed a semiconductor manufacturer, the park does have its first tenant: Plug Power, which is building a \$250 million "green hydrogen" plant.

Although on a much smaller scale than Micron's, Plug Power's project has kick-started development of a site that for years struggled to gain traction.

Back in 2015, a company called 1366 Technologies announced plans to open a factory at STAMP that would create 600 jobs over the first five years. 1366 Technologies intended to make solar energy products at the location. But the project was scrapped in 2018, after the company failed to secure the federal loan guarantees it needed to finance the project.

Steve Hyde, president and CEO of the Genesee County Economic Development Center, said he met with Micron's CEO about four years ago to discuss its project.

The size of the project at the time made it a good potential fit, Hyde said, but as it grew immensely in scale, it far outstripped the planned utility capacity at the STAMP site.

Landing projects of that size requires a significant investment in infrastructure, as Onondaga County did with the \$225 million spent at the Micron site, Hyde said.

The state has allocated \$52.3 million to help prepare STAMP for development, including investing in water and power capacity into the property, according to the GCEDC. In addition, Plug Power is spending \$55 million on an electric substation, which will also benefit future tenants.

STAMP also has smaller developable parcels, with the largest at 500 acres, and others at 80 or 100 acres, Hyde said. Plug Power, for example, is taking 56 acres.

Prospect hunting

Hyde said nothing is certain, but the STAMP site is in the running for 20 projects, six of them semiconductor operations, worth a combined \$45 billion and promising a possible 25,000 future jobs.

“It's the most competitive part of economic development in the world, you know,” Hyde said. “This is big game hunting, business attraction. You've got to make the investments up front, or you're always chasing the bus.”

Assemblyman Steve Hawley, R-Batavia, said STAMP wasn't seriously in the running for the Micron chip plant because it lacks the infrastructure required for the project. But Hawley said the prospects looking at STAMP, combined with the Plug Power project, are fueling optimism about development at the long-available site.

“There is, of course, some trepidation and doubt that it will ever come to fruition,” Hawley said. “But with this Plug Power, and the other 20 active participants looking at this site, I'm very, very hopeful that it'll be occurring within the not-too-distant future.”

Boyd said even though Micron chose Clay, he doesn't believe that knocks STAMP out of contention for a large-scale chip project of its own.

“There will be other major chip projects out there that will be looking at the STAMP site in the months ahead,” he said.

And Boyd thinks STAMP can take advantage of Micron's mammoth development.

“The most obvious immediate way it helps is to get a supplier or a vendor for Micron that would view the STAMP site as being proximate,” he said.

Sites such as STAMP benefit from Micron choosing the Syracuse area in another way, by drawing more attention from the industry to upstate, Boyd said. "This will be a platform for that site to really be the next winner in the battle for chip production. This Micron project now puts New York front and center with the chip industry, given the size and importance of this."

Central Texas and Arizona remain hotbeds for the semiconductor industry. But Boyd said there is interest within the industry in spreading new semiconductor operations around the country, to ensure adequate labor and for national security reasons.

Newly approved federal legislation championed by Sen. Charles Schumer will make it more affordable for Micron to establish operations in higher-cost locations such as New York state, Boyd said. Micron is expected to take advantage of those incentives when they become available next year.

Drawing interest

As the Buffalo and Rochester regions and Genesee County promote STAMP, Kucharski said six or seven companies connected to the semiconductor industry considering the site have signed nondisclosure agreements, indicating serious interest.

"They're projects," he said. "They're not casual inquiries."

It is also a sign of the development plan that could emerge at STAMP, Kucharski said. "It would not be untrue to say that if STAMP was eventually to become a supplier park to the emerging semiconductor industry, it could have more job creation and investment than actually landing a (fabricator)."

Kucharski said all of upstate stands to gain when a semiconductor manufacturer chooses New York state.

"When you do something like Micron or Wolfspeed in Utica a couple years ago, it's going to take the entire state and then some to come up how we're going to be able to attract suppliers, distributors, prefab, all the labor that's going to be necessary," he said.