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**KHALIF J. RAINEY**  
ALDERMAN, 7TH DISTRICT



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## **FOR IMMEDIATE RELEASE**

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**Ald. Khalif J. Rainey**  
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# **Century City could attract semiconductor manufacturer**

**Alderman Khalif J. Rainey** is sponsoring Common Council legislation to have the city market the Century City Business Park to attract a manufacturer of much needed semiconductors.

Alderman Rainey, chair of the Community and Economic Development Committee, said Century City would be an ideal location for such a semiconductor manufacturing facility, as the site already has much of the infrastructure that would be needed by prospective companies.

“The global supply of semiconductor chips has vanished for several reasons, and especially here in the U.S.,” Alderman Rainey said, noting that semiconductor chips are widely used and needed by automobile manufacturers, and are the brains in an ever increasing range of products, from refrigerators and vacuum cleaners, to computers and other electronic devices.

“In Century City we have an ideal campus and facilities, with the potential for new construction and expansion at the site. We also have an entire area of the city with a large workforce that needs jobs and is looking for opportunities such as good-paying manufacturing (jobs). Some may be doubters but I say ‘Why not in Milwaukee, and why not in Century City?’” he said.

The Century City legislation will likely be heard by the Community and Economic Development Committee in April.

In addition, Alderman Rainey said critically valuable incentives have been created at the federal level to spur manufacturing activity with semiconductors, including tax credits for facilities and equipment.

**-More-**

## Semiconductor manufacturer/ADD ONE

The Creating Helpful Incentives to Produce Semiconductors Act (CHIPS) was introduced in the House of Representatives on June 11, 2020 to establish incentives to support semiconductor manufacturing, research and development and supply chain security in the United States. A similar bill called the American Foundries Act of 2020 was introduced in the Senate in July 2020. The CHIPS Act was incorporated into the National Defense Authorization Act (NDAA) which passed in July 2020 (the NDAA provides the authorization for the research and manufacturing incentives, but how much money actually gets spent on microelectronics capacity will depend on separate appropriations bills). The NDAA specifies a cap of \$3 billion per project unless Congress and the President agree to more.

The U.S. Department of Commerce, through the National Institute of Standards and Technology (NIST) will fund research and development to accelerate the design, development and manufacturability of next generation microelectronics, by providing income tax credits for semiconductor equipment or manufacturing facility investment. The tax credits are scheduled to end December 31, 2026. The federal government will match state and local government incentives offered to private entities for the purpose of building fabrication facilities relating to semiconductor manufacturing.

Alderman Rainey said the average vehicle contains dozens of the integrated semiconductor circuits, controlling power windows, air bags, catalytic converters and dashboard controls.

The alderman said several unrelated factors have contributed to the shortage of semiconductor chips including:

- COVID-19 caused a precipitous drop in vehicle sales which led chip manufacturers to reallocate their supplies to consumer electronics and personal computers.
- The Trump administration began to tightly regulate the sale of semiconductors to Huawei Technologies, ZTE and other Chinese firms, causing those companies to begin stockpiling them.
- The federal government blacklisted China's Semiconductor Manufacturing International Corp., limiting American access to semiconductors produced in China.
- A shortage of shipping containers has increased shipping costs and driven demand toward air freight.
- Air freight capacity has been constrained by a decline in passenger travel, the grounding of the Boeing 777 fleet, and higher demand due to global shipments of the COVID-19 vaccine.

“Milwaukee has a tremendous opportunity to land a domestic producer of semiconductors, and pushing forward now with an outstanding plant site option just makes sense. Let's make this historic site for manufacturing (former A.O. Smith and Tower Automotive plant site) buzzing once again and lifting up our economy and our workers at the same time,” Alderman Rainey said.