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Entegris facility breaks ground

Firm might employ nearly 600 people

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Massachusetts-based Entegris, a global supplier of electronic materials for semiconductor makers and other industries, broke ground Wednesday on what it calls a “manufacturing center of excellence” that would employ upward of 600 people and cost about \$600 million — making it one of Colorado Springs’ largest high-tech investments in recent memory.

Entegris’ project heralds what local business leaders and government officials say is a return to a time when high-tech powerhouses such as Hewlett-Packard, Honeywell, Ford Microelectronics, Ramtron and Intel operated decades ago in Colorado Springs. Their presence, however, all but evaporated over the years as corporations downsized and moved operations overseas.

Now, Entegris’ investment, along with plans announced in February by Arizona-based Microchip Technology to spend \$880

million to expand its south-side Springs semiconductor manufacturing plant, have business leaders and city officials optimistic about a reawakening of the city’s tech industry.

“We’re getting back to our roots,” new Colorado Springs Mayor Yemi Mobolade said after Wednesday’s ceremonial groundbreaking. “In the ’90s, we were branded the emerging Silicon community, called Silicon Mountain. The semiconductor industry was a big part of that ecosystem. So the opportunity is not only in front of us to bring that back to the U.S., but to bring that type of level of manufacturing and production back to Colorado Springs, where it belongs.”

Entegris, which has had a 30-year presence in Colorado Springs, announced in December that it would build a 100,000-square-foot facility on 88 acres at 301 S. Rockrimmon Blvd., tucked into the foothills of the city’s northwest side. The property most recently had been home to a manufacturing plant operated by California tech giant Hewlett-Packard before it was torn down a decade ago. As

part of December’s announcement, business leaders and city officials spelled out financial incentives for Entegris that included \$3.9 million from the Colorado Economic Development Commission.

Another \$115 million worth of incentives was made available to the company from the Colorado Springs Chamber & EDC, the city of Colorado Springs, Colorado Springs Utilities, the Colorado Springs Urban Renewal Authority via the creation of an urban renewal district on the site and money from a joint city-Chamber & EDC Deal Closing Fund.

In February, El Paso County commissioners also earmarked \$9.2 million in future property tax revenues that would be generated at the site over 25 years.

For its part, Entegris has said it plans to hire managers, technicians, chemists, engineers and warehouse operators, with average wages of nearly \$75,000 a year. Those jobs would trigger creation of another 1,750 direct and indirect jobs in construction, retail and other sectors.

All told, business leaders and government officials have esti-

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mated Entegris' employees, wages, capital investment and spinoff jobs will result in a local economic impact of nearly \$2.5 billion over five years.

Entegris' new manufacturing center will add to federal, state and local efforts to ramp up the nation's capacity to manufacture semiconductors and bring manufacturing jobs back to the U.S., officials have said.

As part of those efforts, federal lawmakers last year approved the CHIPS Act — which stands for Creating Helpful Incentives to Produce Semiconductors and Science. The bipartisan legislation was passed to encourage funding for the construction of microprocessor manufacturing facilities in the United States, among other initiatives.

“We want to ensure that companies can thrive today and tomorrow,” Johnna Reeder Kleymeyer, president and CEO of the Colorado Springs Chamber & EDC, said at Wednesday's groundbreaking. “Entegris is a great example of how that can happen when you create a pro-business environment like we have in El Paso County.”

“We believe in the next generation of American jobs for 21st century employers, and that is who Entegris is,” she said. “The CHIPS and Science Act at the federal level has allowed us to bring the semiconductor industry back to the United States.”

According to plans for its new manufacturing facility, Entegris will complete a purchase of the 88 acres from Springs real estate companies Norwood Development



Colorado Springs Mayor Yemi Mobolade speaks at a ceremonial groundbreaking on the city's northwest side.

Group and Classic Cos., which El Paso County land records show own the property under the name of a limited liability company. The site is north of an existing Entegris facility on Arrowswest Drive and off Garden of the Gods Road, a corridor that's been home to several high-tech companies over the decades.

After it completes the land acquisition, Entegris will start construction of the facility in July and could finish it as soon as the fourth quarter of 2024, said Bill Shaner, president of Advanced Materials Handling for the company.

The 100,000-square-foot building, to be built at an estimated cost of \$200 million, will employ 100 to 200 people, Shaner said. It will support Entegris' Advanced Materials Handling and Microcontamination Control divisions, which the company has said develop critical products used to manufacture semiconductors.

“Those products are in extreme-

ly high demand around the world, and we need additional capacity,” Bertrand Loy, Entegris' president and CEO, said before the groundbreaking ceremony. “Instead of building new capacity in Asia, we have chosen to build capacity here in the U.S. and specifically here in Colorado. It's going to really be to serve not only the needs of U.S. customers, but in many cases the needs of our global customers.”

Entegris then envisions a second phase over several years on the Rockrimmon Boulevard site with as many as 400 additional employees and another 400,000 to 500,000 square feet, Shaner said.

A decision on when to move ahead with that second phase, which would bring Entegris' job count to 600 and its investment to \$600 million, will be tied to its customers; when they grow, Entegris will grow, Shaner said.

“We have to watch the market and how it develops,” he said. “Our customers are companies like In-

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tel, Samsung, Taiwan Semiconductor. As they build more in the U.S., we have to build along with them. And we usually preempt them by about a year. So if you hear an announcement about a new semiconductor fab (fabrication plant), Entegris will be expanding about a year before that.”

He also previously said Entegris’ growth will be tied to receiving government regulatory approvals and additional state and local financial incentives.

Eventually, Entegris could employ as many as 1,000 people in multiple buildings that could total 1 million square feet, which was

essentially as large as the old Hewlett Packard facility that was demolished at the site, Shaner said. The ability to expand on the 88-acre site was one reason Entegris chose it for its new facility, he said previously.

“We’re going to break it up into two or three different buildings,” Shaner said. “We’re really focused on the aesthetics here, also. We don’t want it to look like a big service center or like a big warehouse. We want it to be something that kind of blends into the landscape. We don’t want to fight the landscape; we want to blend into it.”