

**MACK REAL ESTATE GROUP AFFILIATE PREVAILS AT AUCTION FOR
2,300+ ACRES AT TAIWAN SEMICONDUCTOR CAMPUS IN PHOENIX**

**Arizona State Land Department Awards Full Development Rights
for Vast Site Adjacent to \$65B+ TSMC Semiconductor Fabrication Campus**

**McCourt Partners to Invest in Joint Venture with MREG for Anticipated \$7B+
Development of Over 28 Million Square Feet of Mixed Uses Including Industrial,
Residential, Retail, and Office**

FOR IMMEDIATE RELEASE

May 29, 2024 – New York and Phoenix – An affiliate of Mack Real Estate Group (MREG), Biscuit Flats Dev LLC, has prevailed at an auction held to sell the development rights to over 2,300 acres of fully entitled land immediately adjacent to Taiwan Semiconductor Manufacturing Corporation’s (TSMC) semiconductor fabrication campus in Phoenix’s North Valley, where TSMC has committed to invest \$65 billion in its rapidly growing facilities, with significant further investment anticipated. The project was awarded by the Arizona State Land Department (ASLD) to Biscuit Flats Dev LLC as winning bidder in an auction process for the right to lead what is expected to be a \$7+ billion mixed-use development of more than 28 million square feet surrounding one of America’s most powerful new employment and innovation drivers, and perhaps the most indispensable company in the world, TSMC. McCourt Partners will be making a significant investment in the project in partnership with MREG.

“TSMC’s Phoenix semiconductor fabrication campus is a tremendous economic driver with local, national, and global significance,” said Richard Mack, CEO of MREG, developer of the vast mixed-use project. “TSMC is quite simply one of the most important companies in the world. TSMC produces the chips that allow for exponential innovation and for the continued development of artificial intelligence. Together with ASLD and McCourt Partners, we are privileged to help in the building of a new type of city that both supports and leverages the domestic and international digital transformation enabled by TSMC’s new semiconductor manufacturing campus. We hope that this new silicon city will serve as a model for public-private cooperation, to not only bring back high-tech manufacturing jobs to the US, but also to create the live/work environments of the future. MREG and McCourt bring extensive local knowledge, seasoned national development experience, and the benefit of federal and global relationships and we believe we are well positioned to maximize the value of this unique site.”

“A transformative project of this magnitude is an opportunity to not just contribute to, but actively drive a city’s growth,” adds Jordan Lang, President of McCourt Partners. “Our passion for building has always been with an eye to the future, and we’re excited to partner with MREG to establish essential infrastructure alongside the TSMC campus and help shape a city that fosters innovation

with global impact.”

Under an agreement with ASLD, the partnership will control land sales within the site, which are to take place in stages over several years, while also overseeing the necessary infrastructure improvements. Additionally, the joint venture will have the right to develop approximately 600 acres, across multiple uses. Numbers provide the best sense of the planned scale of the overall project:

- **2,300+ acres** with over **28 million square feet** of development capacity across mixed uses, including up to 8,960 residential units as well as industrial, retail, and office space.
- **Adjacent to TSMC’s 1,100-acre site** where three semiconductor fabrication plants (fabs) are already under construction based on TSMC’s committed investment of \$65 billion, and another three fabs are planned for a potential total investment in excess of \$120 billion in the Phoenix facility as a whole.
- **Apple**, TSMC’s largest customer by revenue, has announced that it will buy semiconductors from the Phoenix fabs.
- At least **10,000 permanent jobs** are expected to be created directly by the TSMC fabs, with **up to 80,000 jobs** created in the Phoenix MSA by the overall TSMC business ecosystem.
- **Permanent jobs drive demand** for commercial and residential property, with the 2,300-acre site providing closest proximity.

MREG is a real estate firm with a national development and investment footprint, including a major presence in Phoenix. In addition to the 2,300-acre site, MREG is currently building over 4 million square feet of industrial space across Mack Innovation Park Deer Valley (located within 10 minutes of TSMC and was designated as a TSMC Supplier Site by the City of Phoenix) and another large industrial site in Scottsdale. Additionally, MREG’s multifamily portfolio in Phoenix consists of more than 900 units owned or under development. Since 1987, Mack-related entities have invested in or developed more than 10 million square feet of industrial, office, retail, and multifamily properties in Phoenix. Nationally, MREG has a portfolio of more than 9,100 multifamily units and 6 million square feet of industrial space, including development and pre-development pipeline.

McCourt Partners is a full-service real estate development, investment and management firm with a portfolio of innovative development projects across the United States and around the world. The company’s experience in large-scale and complex projects dates back to its acquisition of several large parcels in Boston’s then-emerging Fort Point district. Working closely with community leaders and city officials, McCourt helped develop a masterplan for what is known today as the Boston Seaport District.

TSMC’s operations in Phoenix have already proven to be a major demand driver for real estate in the region, especially in the North Valley. Several suppliers and other companies doing business with TSMC have announced their plans to follow TSMC to Arizona, and others have already established a presence in the local market (including at Mack Innovation Park Deer Valley). The 2,300-acre site is poised to benefit from tremendous growth, considering its excellent location and the limited amount of competing space.

Significant federal and state funding has been committed to support the growth of the semiconductor industry nationally and in Arizona particularly. TSMC and its suppliers are expected to be beneficiaries of the Chips and Science Act (CHIPS Act), which will direct approximately \$53 billion toward semiconductor manufacturing, R&D, and workforce development with another \$24

billion worth of tax credits for chip production. TSMC's Arizona subsidiary recently received up to \$6.6 billion in grants through the CHIPS Act to support the construction of its third semiconductor fabrication plant in Phoenix, after having already committed to build the first two fabs at its campus. TSMC and other stakeholders in the semiconductor ecosystem may also benefit from the subsidies included in the Inflation Reduction Act. Arizona has also announced its plans to invest \$100 million in a public-private partnership focused on building out Arizona's infrastructure, workforce and research and development for semiconductors.

About Mack Real Estate Group

Mack Real Estate Group, LLC (MREG) is an institutional real estate investment firm with roots in several Mack family real estate businesses, dating back to the 1960s. Today, MREG's equity, credit and property management businesses employ over 250 people with offices across the US including New York, Seattle, Phoenix, Miami and Raleigh. MREG's equity business specializes in the acquisition, development and management of multifamily and industrial properties located in gateway and high-growth markets. Its recently created portfolio, excluding legacy Mack family assets, represents approximately 9,100 multifamily units and 6 million square feet of industrial space, including development and pre-development pipeline. The firm's affiliated credit business, Mack Real Estate Credit Strategies, L.P. (MRECS), has originated, co-originated, or acquired more than \$20 billion of loans since 2015 across multiple lending strategies. An MRECS affiliate manages one of the largest publicly traded commercial mortgage REITs, Claros Mortgage Trust, Inc. (NYSE: CMTG). For more information, please visit mackregroup.com.

About McCourt Partners

McCourt Partners is a community-driven, family-owned real estate development, investment and management firm. With more than \$1 billion of permanent capital, it has made significant investments in flagship projects in New York City, Los Angeles, Austin, Dallas, London and Miami. McCourt Partners endeavors to build stronger communities through inclusive space, green technology, and resilient design. For more information, visit www.mccourtpartners.com.

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