

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	32663	Agenda Number	5.
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Meeting Date:	5/22/2014	Department:	Economic Development
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## Subject

Approve a resolution to nominate Spansion LLC for designation by the Governor's Office of Economic Development and Tourism as a single Texas Enterprise Project in accordance with the Texas Government Code Chapter 2303 (Texas Enterprise Zone Act) .

## Amount and Source of Funding

## Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	October 18, 2007 - Council approved Ordinance No. 20071018-008 electing to participate in the Texas Enterprise Zone Program. November 4, 2010 - Council approved Ordinance No. 20101104-046 amending its program identifying additional local incentives for the Texas Enterprise Zone Program.
For More Information:	Kevin Johns, Director, Economic Development Department/ (512) 974-7802; Dusty McCormick, Economic & Business Development Liaison, Economic Development Department/ (512) 974-6390
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

## Additional Backup Information

This resolution will nominate Spansion LLC ("Spansion") as a single Enterprise Zone Project under the Texas Enterprise Zone Act. Spansion is a global leader in Flash memory-based embedded systems solutions. Spansion's Flash memory, microcontrollers, mixed-signal and analog products drive the development of faster, more intelligent and energy efficient electronics. Over the next five years, Spansion anticipates investing over \$200 million to improve manufacturing capabilities and capacity at its Fab 25/Text 25 facility. The investment will serve to keep Spansion competitive and ensure that it retains one of the most capable 200 mm semiconductor plants in the United States. Spansion currently employs approximately 860 employees at its Fab 25/Text 25 facility in Austin, and will commit to retain all full-time jobs for the purposes of the Texas Enterprise Zone Program. The company qualifies for designation because of a planned investment at the business site located within the City of Austin and the retention of jobs.

If so designated as an Enterprise Zone Project, Spansion would be eligible for refund of State sales and use tax based on the employment criteria and the amount of capital spent at the qualified business site. The Texas Legislature currently authorizes 105 state designations each biennium. The City of Austin is eligible to receive up to nine (9) Enterprise Project designations based upon availability and competitiveness of the project every two years.