

Spansion LLC

Project Summary

Spansion LLC – Company Overview

Spansion is a leading provider of Flash memory technology at the heart of the world's electronics systems. The company's products power everything from the routers that run the internet to the highly interactive and immersive consumer and automotive electronics that are enriching people's daily lives. Spansion's broad and differentiated Flash memory product portfolio, award-winning MirrorBit® charge trapping technology, and industry leading service and support enable customers to achieve greater efficiency and success in their target markets. Leading original equipment manufacturers (OEMs) in the automotive, consumer and gaming, communications, and industrial segments rely on Spansion's Flash memory solutions. Spansion operates a manufacturing model that utilizes efficient, low cost internal manufacturing, augmented with production capacity at third party companies, leveraging these relationships for lower cost advanced R&D and production capability.

Project Description

Over the next five years, Spansion anticipates spending over \$200 million in capital investment to improve manufacturing capabilities and capacity at its Fab 25 facility. Specifically, the investment plans include manufacturing equipment, test equipment, and facility improvements/updates. Fab 25 currently builds 110 nanometers (nm), 90nm, and 65nm Flash memory. The Microcontroller technology at the 180nm node is currently being transferred and qualified in Fab 25 and the 180nm Analog technology will be transferred in the future. The plan is to convert approximately 25% of the factory capacity from flash memory production to Microcontroller/Analog capacity. This capital investment will help keep the factory full, as the flash demand for Fab 25 built products will likely decline over time. Additional capital will be spent on Test 25 to add more capability and capacity for testing flash memory.

Requirements for Hiring Disadvantaged Workers

Projects may be physically located in or outside of the Enterprise Zone. If located within a zone, the company commits that at least 25% of their new employees will meet economically disadvantaged or Enterprise Zone residence requirements. If located outside of the zone, the company commits that at least 35% of their new employees will meet economically disadvantaged or enterprise zone residency requirements. Due to the fact that the site location is within a zone, the company would be required to commit that at least 25% of their new employees will meet economically disadvantaged or enterprise zone residence requirements. However, no new hires are part of this project. See Employee Wages notes 1 and 2 below.

Project Parameters

Facility Location

- 5204 E. Ben White Blvd.
Austin, Texas 78741

Spancion LLC

Project Summary

Capital Investment (new)

- Estimated Total: \$230,500,000
- Comprised of the following:
 - Machinery & Equipment \$30,500,000

Timeline

- Job Retention Schedule is as follows:

Year	Existing Jobs	New Jobs	Total Jobs	Average Annual Wage	Median Annual Wage
2014	860	0	860	\$71,060	\$59,950
2015	860	0	860	\$71,060	\$59,950
2016	860	0	860	\$71,060	\$59,950
2017	860	0	860	\$71,060	\$59,950
2018	860	0	860	\$71,060	\$59,950

Employee Wages

- Total Number of Full-Time Jobs to be Retained 860
- Comprised of the following Job Categories, Quantities and Wage Distributions:

Job Category	Number of Jobs	Average Annual Wages
Management	90	\$147,125
Salaried Employee	155	\$98,550
Hourly Employee	615	\$53,000

- Note: 1. If Spancion retains all employees for 1820 hours per year per job, there is no requirement to hire from either the disadvantaged group or enterprise zone residents. However, if any employees are terminated or leave, at least **25%** of their “new employees” will have to meet economically disadvantaged or Enterprise Zone residence requirements.
2. Average annual wage does not include benefits.

Maximum Estimated State Sales & Use Tax Refund

- \$1,250,000
- The State of Texas computes its Maximum Potential Refund based upon a company’s Capital Investment, Number of Jobs Created and/or Retained up to 500, and the Maximum Refund per Job Allocation.

Enterprise Zone Designation Period:

- 5 Years

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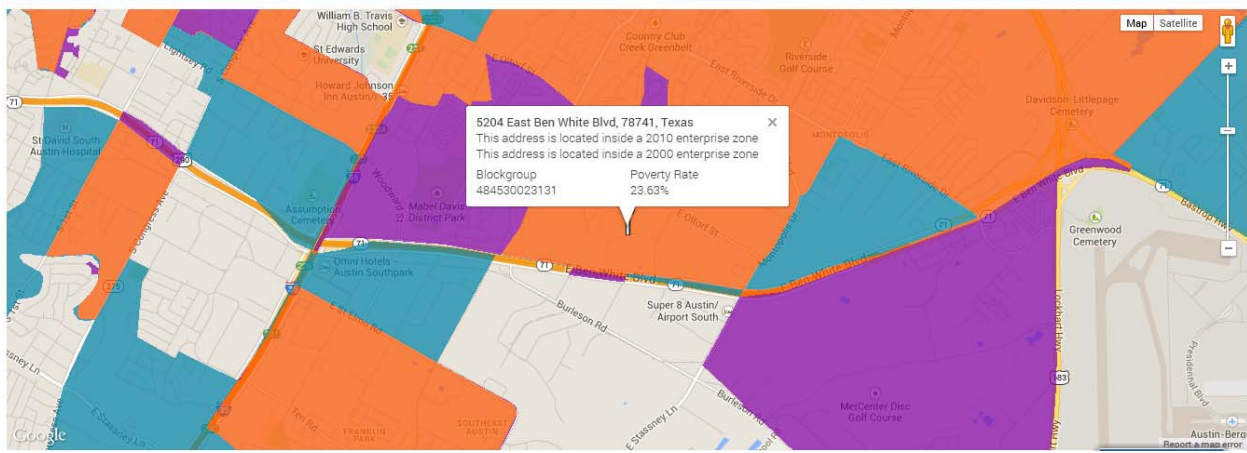
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- Prior Council Action: Spancion has previously submitted a Texas Enterprise Zone Application to the City of Austin. It was approved on November 1, 2007 and subsequently achieved state approval. Companies can submit more than one application, but must meet the five year Enterprise Zone designation period requirement.

The City of Austin has never had a Chapter 380 Agreement with Spancion LLC

Project Location

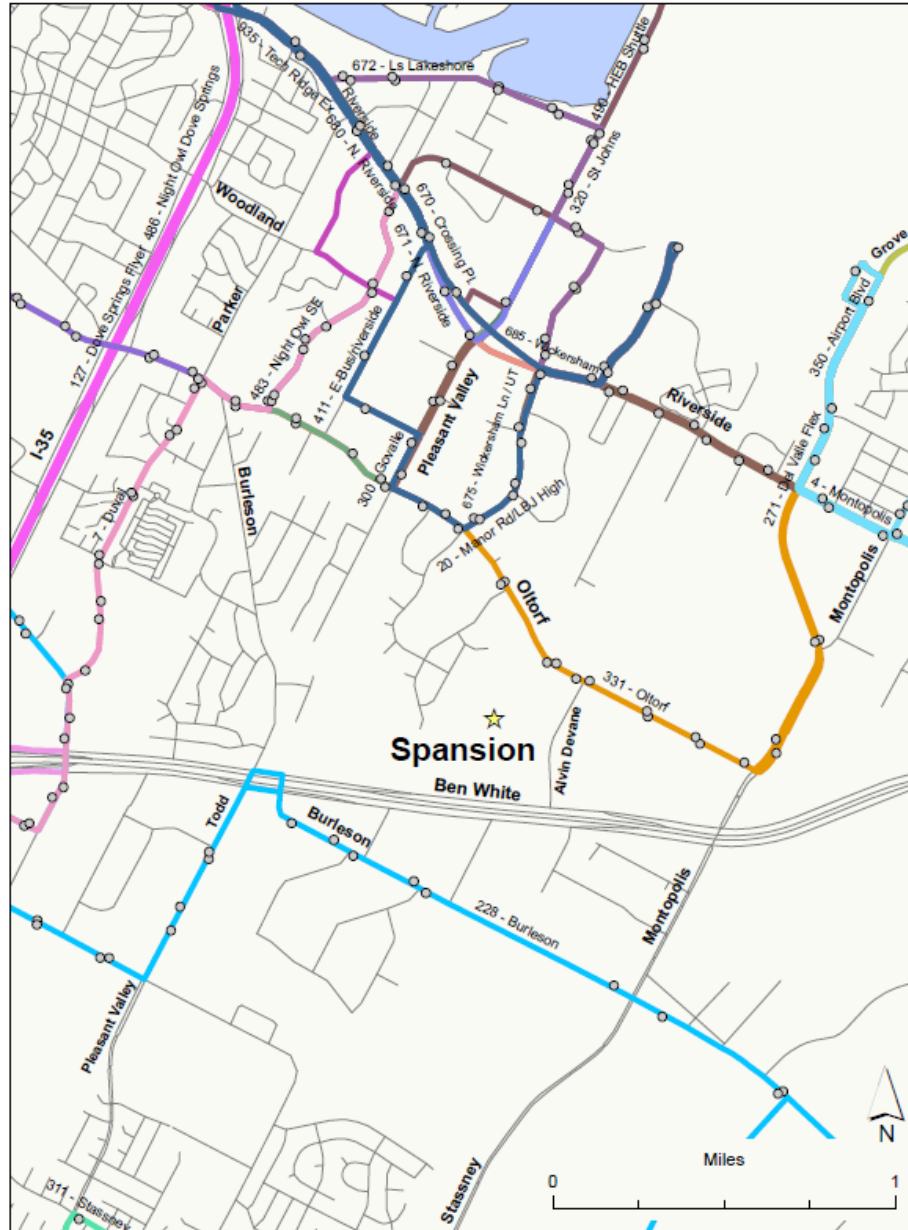
- 5204 E. Ben White Blvd. Austin, Texas 78741 Travis County



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Transit Map



Bus Routes within 0.25 miles

- South: 228 – Burleson
- North: 331 – Oltorf
- East: 271 – Del Valle Flex