

# 5  
9-2-04

ORDINANCE NO.

1 AN ORDINANCE CREATING AN ECONOMIC DEVELOPMENT PROGRAM  
2 AND AUTHORIZING AN ECONOMIC DEVELOPMENT AGREEMENT WITH  
3 ADVANCED TECHNOLOGY DEVELOPMENT FACILITY, INC., A  
4 SUBSIDIARY OF SEMATECH INC.

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6 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:  
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8 PART 1. Findings. The city council finds that:

- 9 (A) Sematech Inc. ("Sematech"), a non-profit corporation engaged in high  
10 technology research, has created a for-profit subsidiary named Advanced  
11 Technology Development Facility, Inc. ("ATDF") to be co-located with  
12 Sematech at 2706 Montopolis Drive, Austin, Texas.
- 13 (B) Sematech has represented to the City that ATDF will maintain existing jobs, and  
14 create at least an additional 100 permanent jobs in Austin within five years.
- 15 (C) ATDF will assume ownership of business personal property previously owned by  
16 or leased to Sematech and will purchase additional equipment. ATDF and  
17 Sematech have requested a rebate of property tax which will be owed on such  
18 equipment.
- 19 (D) ATDF will invest an additional \$100 million in capital equipment at the facility  
20 over a five year period.
- 21 (E) The impact of the ATDF facility will provide economic benefits to the City, be a  
22 catalyst for economic development benefiting the entire community, promote  
23 local economic development, and stimulate business and commercial activity in  
24 the City.
- 25 (F) Chapter 380 of the Texas Local Government Code (*Miscellaneous Provisions*  
26 *Relating to Municipal Planning and Development*) authorizes the City to  
27 establish local economic development programs.

28 PART 2. An economic development program for the ATDF facility is created under  
29 Chapter 380 (*Miscellaneous Provisions Relating to Municipal Planning and*  
30 *Development*) of the Texas Local Government Code.

31 PART 3. As part of the City's economic development program, the city manager is  
32 directed and authorized to negotiate and execute a performance based economic

1 development agreement with ATDF that includes the terms and conditions attached as  
2 Exhibit A, and incorporated as part of this ordinance.

3 **PART 4.** This ordinance takes effect on \_\_\_\_\_.

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5 **PASSED AND APPROVED**

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9 \_\_\_\_\_, 2004

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Will Wynn  
Mayor

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14 **APPROVED:** \_\_\_\_\_  
15 David Allan Smith  
16 City Attorney

**ATTEST:** \_\_\_\_\_  
Shirley A. Brown  
City Clerk

## EXHIBIT A

### TERMS FOR ECONOMIC DEVELOPMENT AGREEMENT FOR ADVANCED TECHNOLOGY DEVELOPMENT FACILITY, INC. ("ATDF")

1. For a period of ten years, beginning January 1, 2006 and ending December 31, 2015, City will rebate 100% of city property tax on eligible business personal property, used for technology development by ATDF and located at 2706 Montopolis Drive, Austin, Texas.

The estimated amount of city tax to be rebated is \$6,331,250 over a ten year period.

2. Austin Energy will provide the ATDF facility up to \$1,000,000 for energy infrastructure and efficiency improvements, conditioned on minimum energy usage requirements, and including 10% energy from Austin Energy's Green Choice program.

3. ATDF will maintain current Sematech employees and employ at least 100 additional employees at the facility on or before January 1, 2009.

4. ATDF will invest at least \$100,000,000 over a five year period in business personal property at the site.

5. Other terms and conditions deemed necessary, advisable or required by the City Attorney and the City Manager, including provisions for compliance with environmental regulations.

6. This Agreement is subject to future City Council appropriations.