



Recommendation for Action

File #: 20-1240, **Agenda Item #:** 14.

2/20/2020

Posting Language

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 Chapter 2303 of the Texas Government Code.

Lead Department

Economic Development.

Fiscal Note

This item has no fiscal impact.

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.

November 14, 2019 - Council approved Ordinance No. 20191114-068 amending its program identifying additional local incentives for the Texas Enterprise Zone Program.

For More Information:

Veronica Briseno, Director/Economic Development Dept. 512-974-7802, Dusty McCormick, Economic Development Liaison, 512-974-6390.

Additional Backup Information:

Spansion LLC currently owns and operates a wafer fabrication facility in Austin located at 5204 East Ben White Blvd., commonly known as FAB 25. The wafer fabrication facility, FAB 25, produces Spansion's most advanced silicon wafers and produces the silicon wafer that forms the foundation for many products, including flash memory and microcontrollers.

Over the next five years, Spansion anticipates spending greater than \$5 million in capital investment to improve its Fab 25 manufacturing facility capabilities and capacity. This investment will serve to keep Spansion competitive and ensure that it remains one of the most capable 200mm semiconductor plants in the United States.

Spansion currently employs 722 employees at its Fab 25 facility. Spansion expects to maintain its existing level of employment and retain 500 full-time jobs for benefit under the Enterprise Zone Program. These retained jobs meet the definition of "retained job" in Texas Government Code §2303.401(2) because they currently exist, provide and will continue to provide at least 1,820 hours of employment annually, and will be employment positions for the longer of the duration of the project's designation period or three years after the expiration date of the claim period for receipt of state benefit.