



TEXAS TREES
FOUNDATION

CREATING HEALTHY COMMUNITIES

SPRING 2010 DUCK CREEK 100

Sponsored by Eltek Valere

SATURDAY, MAY 22, 9 A.M. - NOON

Meet at Duck Creek Trail, west of Yale Blvd.

Park at Dartmouth Elementary at Yale and Apollo

Come join us for a City of Richardson urban forestation initiative. The goal is to plant 50,000 trees in the community through a series of private donations and individual homeowner support.

- The initial plantings will be done this spring.
- The trees are being located along community trails and thoroughfares.
- The City identifies planting opportunities and private sponsors fund the trees.
- Sponsorship may be provided by a large corporation, small business, neighborhood association, civic group or individuals.
- Texas Trees Foundation manages and coordinates the plantings and then maintains and waters the trees for the first year after which the City is responsible.
- More information on how to be a part of "Tree the Town" can be found at www.treethetown.com or contact the Richardson Parks Department at 972-744-4300.

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TEXAS INSTRUMENTS

Comerica Bank



BlueCross BlueShield
of Texas



TXU
energy



ELTEK VALERE
always on



City of Richardson, Texas

NOMINATION FOR
STATE ENTERPRISE ZONE
PROJECT DESIGNATION

TriQuint Semiconductor Texas, L.P.

City of Richardson
City Council Work Session
May 17, 2010



- TriQuint Semiconductor designs, develops, and manufactures advanced high-performance RF solutions.
- Key commercial features of this high-technology business are the materials and technology that are used in developing semiconductor applications for challenging environments and rugged settings: handsets, 3G and 4G cellular base stations, aerospace, and defense installations.





- TriQuint Semiconductor is a leader in Gallium Arsenide (GaAs), Gallium Nitride (GaN), Surface Acoustic Wave (SAW) and Bulk Acoustic Wave (BAW) technologies worldwide.
- Significant company product development - as well as research and foundry services for OEMs, fabless semiconductor and wireless companies, and start-ups.
- Major customers include: Army Research, Ericsson, Hughes, Hauwei, Intel, Kyocera, LG, Lockheed Martin, Motorola, NEC, Northrup Grumman, Raytheon, Richardson Electronics, Samsung, Texas Instruments, ZTE – among others...



- Headquartered in Hillsboro, Oregon, TriQuint has 4 key manufacturing facilities: Hillsboro, Or., Apopka, Fl., San Jose, Costa Rica, and Richardson, Tx. The Richardson facility has the largest clean room capacity (58,500 sf) of the 4 facilities.
- TriQuint is globally resourced for engineering support and sales networking.
- The Richardson facility was acquired by TriQuint in 2000 from Micron Semiconductor. This facility was initially developed as “TwinStar” a JV by Hitachi and Texas Instruments in 1993 - 1996.



- TriQuint Semiconductor:
 - www.triquint.com
 - Ticker: TQNT (NASDAQ)
 - 500 W. Renner Road, 36.4 acre campus
 - 550,000 sf facility
 - Original Twin Star facility development in 1993
 - » 450,000 sf
 - Purchase by Micron Semiconductor in 1997
 - Sold to TriQuint in 2000
 - » 100,000 sf expansion
- - 2009 taxable value of \$46.1 million
 - Real Property of \$18.5 million
 - BPP of \$27.6 million
 - Employment of 500





THE PROJECT



Over the next five years, TriQuint Semiconductor Texas, L.P. commits to make **capital investments in excess of \$150 million** to acquire new state-of-the-art manufacturing equipment at the Richardson facility. Situated just northeast of the University of Texas - Dallas, the 550,000 square foot facility will upgrade to new manufacturing equipment intended to increase manufacturing efficiency and productivity.

City of Richardson, Texas



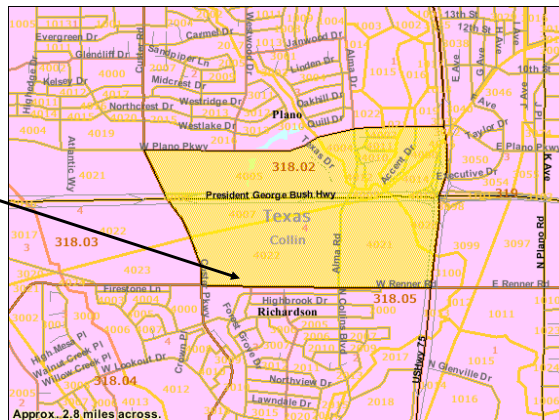
PROJECT SITE

TriQuint Semiconductor Texas, L.P.

500 W. Renner Rd
Richardson, Texas 75080



Census Tract 318.02
Block Group 4
Collin County, Texas



City of Richardson, Texas



BACKGROUND

The Texas Enterprise Zone Program:

- Incentives are offered to attract investment and provide employment to economically disadvantaged workers or enterprise zone residents.
- Available to all Texas businesses that make new capital investment and create and/or retain jobs in the local community.
- Limited to 105 project designations statewide per biennium.

City of Richardson, Texas



BACKGROUND

Businesses are no longer required to be located within an Enterprise Zone to participate in the Program.

Enterprise Zones are no longer be created by local governing bodies.

Texas Enterprise Zones:

- Block groups designated by the U.S. Census with a 20%+ poverty level.
- Federally Designated Renewal Communities.
- Federally Designated Empowerment Zones.
- Unexpired local Enterprise Zones.
- State declared Distressed Counties.

City of Richardson, Texas



ELIGIBILITY CRITERIA

- A business may qualify for Enterprise Zone retention project incentives if any one of the following are true or planned:
 - The permanent employees of the business will be permanently laid off.
 - The business will close down permanently.
 - The business will relocate out-of-state.
 - The business facility has been legitimately destroyed or impaired because of a natural disaster.
 - **The business is able to employ individuals in accordance with Section 2303.402.**

City of Richardson, Texas



DEFINITION OF SECTION 2303.402

The qualified business is engaged in or has provided substantial commitment to initiate the active conduct of a trade or business in an enterprise zone, and at least 25 percent of the person's new employees in the enterprise zone are:

- (A) residents of any enterprise zone in this state; or
- (B) economically disadvantaged individuals;

OR

The qualified business is engaged in or has provided substantial commitment to initiate the active conduct of a trade or business in an area of this state that does not qualify as an enterprise zone, and at least 35 percent of the person's new employees at the qualified business site are:

- (A) residents of any enterprise zone in this state; or
- (B) individuals who are economically disadvantaged.

City of Richardson, Texas



SCORING OF PROJECT APPLICATIONS

Project designations are generally awarded on a first come first served basis. Due to the fact that applications are scored, it is important to maximize the application's score.

Factors considered include the following:

- Amount of capital investment.
- Jobs created or retained.
- Distress level of the community.
- Commitment to hire disadvantaged workers.
- Community contributions.

City of Richardson, Texas



POTENTIAL BENEFITS

Proposed Capital Investment Over 5-Year Period	Refund Dollars per Job	Maximum Created or Retained Jobs for Benefit	Maximum Refund Over 5-Year Period*
\$40,000 - \$399,999	\$2,500.00	10	\$25,000.00
\$400,000 - \$999,999	\$2,500.00	25	\$62,500.00
\$1,000,000 - \$4,999,999	\$2,500.00	125	\$312,500.00
\$5,000,000 - \$149,999,999	\$2,500.00	500	\$1,250,000.00
● \$150,000,000 - \$249,999,999	\$5,000.00	500	\$2,500,000.00
\$250,000,000 +	\$7,500.00	500**	\$3,750,000.00

* Less 3% administration fee charged by the Texas Economic Development Bank.

** Triple Jumbo Enterprise Projects must create and/or retain at least 500 jobs.

City of Richardson, Texas



NOMINATION PROCESS

- The State is authorized to award up to 105 projects per biennium (Aug 2009 – Aug 2011).
- The State accepts nominations on a quarterly basis – the next deadline is June 1, 2010.
- The State convenes a panel to score nominated projects and award designations.
- The City can nominate up to 6 projects per biennium.
- Dallas County can nominate 6 projects, but can only use 3 within the Richardson City limits because it has a population of 750,000+.

City of Richardson, Texas



CITY'S PARTICIPATION

- On November 10, 2008, the City Council approved Ordinance No. 3729
 - Approved City's participation in the Enterprise Zone Program.
 - Designated the City Manager as the Local Liaison for the Texas Enterprise Zone Program.
 - Nominated Health Care Service Corporation (Blue Cross Blue Shield), a Mutual Legal Reserve Company for designation as a State Enterprise Project.
- On May 24, 2010, the City Council will consider approving a resolution to nominate TriQuint Semiconductor Texas, L.P. as a State Enterprise Project.
- Goal: Meet the June 1, 2010 application deadline date to maximize investment already underway in 2010.

City of Richardson, Texas



STATE SUPPORT BENEFITS

- Designated projects are eligible for a refund of State sales and use tax based on the level of investment and job creation/retention.
- The State refund is for sales and use taxes paid on all taxable items used at the qualified business site.
- Given the timetable for application and TriQuint's investment commitment, the likely refund award will be at the "Double Jumbo" level for \$2.5 million of refund.

City of Richardson, Texas



FISCAL IMPACT

- An Enterprise Project Designation has no fiscal impact to the City. The funding is from state resources, therefore the City will continue to receive its portion of the sales and use tax.
- No specific City incentive is initiated by this nomination action. This is a procedural action for a State of Texas - funded support program of a qualifying Richardson business.
- Nominating TriQuint Semiconductor Texas, L.P. for designation as a State Enterprise Project promotes job retention/creation and expansion of local businesses, which provide good paying jobs.

City of Richardson, Texas



RECOMMENDATION

- Staff recommends approval of this resolution nominating TriQuint Semiconductor Texas, L.P. for designation as a State Enterprise Project.

City of Richardson, Texas