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October 27, 2021

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: 1644-Supplement001 of the Application to the Sherman Independent School District from Texas Instruments Incorporated (Fab 4)

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Supplement001 of the Application to the Sherman Independent School District from Texas Instruments Incorporated (Fab 4). The following changes have been made:

- Tab 4: Explaining how Fab 4 stands alone as a manufacturing facility

The Applicant has requested that a portion of Tab 11, specifically the detailed layout of the manufacturing plant, be kept confidential. In accordance with Texas Tax Code §313.028, the information that is the subject of this request is segregated from the materials submitted contemporaneously with this application, that is, the proprietary information regarding the proposed layout of the project. The confidential materials are being submitted separately to protect against unintended disclosure. The materials are protected by the trade secret exception set forth in Texas Government Code §552.110. The confidential information is password protected. The password is XXXXXX.

A copy of the application will be submitted to the Grayson County Appraisal District.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', written in a cursive style.

Kevin O'Hanlon
School District Consultant

Cc: Grayson CAD
Texas Instruments Incorporated
Superintendent David Hicks
Dan Casey, Moak Casey & Associates

Tab 4

Detailed Description of Proposed Project

Texas Instruments Incorporated (TI) proposes to invest in a semiconductor wafer fabrication facility (the “Facility”), which would include multiple industrial buildings, tools, machinery and equipment used to fabricate advanced 300-millimeter (“mm”) semiconductor wafers that would be assembled into finished semiconductors and then sold to electronics designers and manufacturers all over the world for use in industrial, automotive, communications and personal electronics products.

The proposed Facility would be located on TI’s existing approximate 560-acre site in Sherman, Texas. This would be a state-of-the-art, fully automated wafer fabrication facility producing 300-mm semiconductor wafers.

It is contemplated that the Facility could comprise up to four separate fabrication buildings, each of which will be the subject of its own application, submitted as part of a series of applications related to the same project. This application pertains to the fourth of four proposed fabrication buildings (“Fab4”).

Each individual fabrication building (if built) would comprise all improvements and equipment necessary to fabricate 300-mm semiconductor wafers as a standalone manufacturing facility. And each subsequent fabrication building would generally be expected to match the production of Fab1—so that if all four fabrication buildings are constructed, the Facility would generally produce four times the output of Fab1 alone, dependent on technology.

Fab1 would not be interconnected with any existing improvements. But each subsequent fabrication building that is built (i.e., Fab 2, 3, and/or 4) would be generally interconnected with earlier phases of the Facility (e.g., Fab2 improvements would connect to Fab1 improvements). Some of the newly constructed improvements of the Facility could be used by multiple of the fabrication buildings. For example, Fab2 would likely utilize the Fab1 support buildings and parking to support Fab2’s manufacturing operations (in addition to Fab1’s). Each such improvement would constitute qualified property under only one of the series of 313 agreements—as distinguished in the Tab 11 project maps.

For Fab4, TI estimates \$8.3B total investment over a 25-year time period. TI estimates it would commence construction in 2028, begin equipment installations in 2038, and commence commercial operations at Fab4 by 2039.

The effects of our proposal on employment and regional economic development would be significant. When Fab4 is at full capacity, it could require up to 800 employees to operate. Types of jobs include: Management, Administration, Engineers, Technicians, Manufacturing Specialists, Manufacturing Supervisors, Facilities/Maintenance and IT. The site would also need up to 75 on-site vendors and contractors.