December 20, 2005

Richard Stavneak, Director
Joint Legislative Budget Committee

Gary Yaquinto, Director
Governor’s Office of Strategic Planning and Budgeting

Re: HB 2139 Project Status Report—2005

In accordance with section 3C of HB 2139 (Chapter 289, Laws 2005), Intel Corporation is pleased to report that the Fab 32 construction project ("Project") was started on August 2, 2005 and completion is expected in the second half of 2007. The Project currently is on schedule. When completed, the Fab 32 building will be approximately 1,000,000 square feet with an estimated 184,000 square feet of clean room space. Intel will add nearly 1,000 new manufacturing-related jobs once the Project is completed and the fab fully ramped. In addition, more than 3,000 construction jobs will be created throughout the construction phase. The majority of the permanent positions will consist of senior manufacturing technicians and engineers.

The Fab 32 Project, located at Intel’s Ocotillo Campus, is expected to cost approximately $3 billion to complete. Intel has spent approximately $49.1 million during 2005 toward completion of this project. These monies have been spent on design, excavation and laying the foundation of the fab. Should you require additional information concerning this project, please do not hesitate to contact me at 480-552-6832.

Regards,

[Signature]

D. Jason Bagley
Government Affairs Manager

Cc: Arizona Dept. of Revenue
Maricopa County Assessor
Arizona State Library

An Equal Opportunity Employer
July 25, 2005

To: Richard Stavneak, Director  
Joint Legislative Budget Committee

Gary Yaquinto, Director  
Governor’s Office of Strategic Planning and Budgeting

Re: Intel’s Intent to Trigger Sales Factor Legislation

Pursuant to the provisions of HB 2139 (Chapter 289, Laws 2005), Intel Corporation is officially notifying the State of our intent to invest approximately $3 billion in a new manufacturing facility in Chandler, Arizona called Fab 32. We expect to break ground on this project in August of this year. The project is anticipated to be completed by the end of 2007.

Fab 32 will be located on Intel’s 700-acre Ocotillo Campus in southwest Chandler at 4500 W. Dobson Road. The Fab 32 building is approximately 1,000,000 square feet including an estimated 184,000 square feet of clean room and an estimated 33,000 square feet in clean room support space. Additional construction will include an expansion to the existing central utility building and the addition of a contractor materials staging building.

The Fab 32 construction project will employ more than 3,000 skilled trades people and construction workers and up to 300 contractors. In addition, Intel plans to hire up to 1,000 new manufacturing-related employees at this site over the next several years.

This investment positions our manufacturing network for future growth to support our platform initiatives. The additional capacity will enable us to meet customer demand for high volumes of world-class products beginning in 2007 and beyond.

The selection of the Arizona site for the Fab 32 investment was the culmination of a very competitive process. We appreciate the support of the Arizona Legislature, the Governor, the State of Arizona, the City of Chandler and our neighbors.

Consistent with the provisions of this Law, Intel will provide regular reports on project process after commencement of work.

Sincerely,

[Signature]

Tom Franz  
Vice President  
General Manager, Fab/Sort Manufacturing  
Intel Corporation  
An Equal Opportunity Employer
September 13, 2005

Richard Stavneak, Director
Joint Legislative Budget Committee

Gary Yaquinto, Director
Governor’s Office of Strategic Planning and Budgeting

Re: HB 2139 Start of Construction Project Notification

Pursuant to section 3A, paragraph 2, of HB 2139 (Chapter 289, Laws 2005), Intel Corporation officially notifies the State that the Fab 32 construction project commenced on August 2, 2005.

As mentioned in our letter of intent, dated July 25, 2005; Fab 32 is being constructed on Intel’s 700-acre Ocotillo Campus in southwest Chandler. This project will employ more than 3,000 skilled trades people and construction workers and up to 300 contractors. Intel also plans to hire up to 1,000 new manufacturing-related employees to work at this site.

Again, we express our appreciation for the continued support of the Arizona Legislature, Governor, State of Arizona, City of Chandler and our neighbors. We look forward to providing the initial status report for this project by December 31, 2005.

Regards,

Tom Franz
Vice President
General Manager, Fab/Sort Manufacturing

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