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Intel's \$5B Chip Facility to Bring Jobs, Drive Absorption

By Jennifer Duell Popovec



Markham

CHANDLER, AZ-Intel Corp.'s plan to build a new \$5 billion chip manufacturing facility here will add jobs, along with driving absorption and increasing occupancy in the industrial and flex sectors as suppliers and vendors move closer to the plant.

The new Arizona factory, dubbed Fab 42, will be the most advanced, high-volume semiconductor manufacturing facility in the world, according to Intel. Construction of the new facility, which will be located adjacent to the company's existing Ocotillo campus, is expected to begin this year and is expected to be completed in 2013.

Intel says the new facility will create thousands of jobs including construction jobs and fabrication personnel. Local experts speculate it will add as many as 4,000 jobs to the Phoenix metro area.

"When you have a large manufacturer like Intel, vendors and suppliers gravitate to it," says Andy Markham, an executive vice president with Cassidy Turley/BRE Commercial. "We expect that will bode well for flex and industrial space in the Southeast Valley. If these groups want to follow Intel, they better hurry because Chandler could be out of big spaces in the next four to six months."

Markham and his partner Mike Haenel work closely with Intel on the company's land and building dispositions. He tells GlobeSt.com that Intel has owned the land upon which it will build Fab 42 for several years. "They bought it specifically so they could expand when they needed to," he says, adding that the company had a lot of options when choosing where to situate its new facility. "Everybody is ecstatic to have Intel remain in Arizona and to commit to further growth here."

Currently, Intel has US manufacturing facilities in Arizona, Oregon and New Mexico, as well as those abroad in China, Ireland and Israel. Markham says Chandler has become very attractive to high tech companies, garnering recognition as a high tech corridor. "The city is business friendly, the employment base is deep and the standard of living is great," he notes, listing the area's attributes.

Intel says more than three-fourths of its sales come from outside of the US, yet the company manufactures three-fourths of its microprocessors in America. The addition of this new fab facility will increase the company's US manufacturing capability significantly, according to the company.

Fab 42 will be built as a 300mm factory, which refers to the size of the wafers that contain the computer chips. It will allow Intel to create transistors with a minimum feature size of 14 nanometers, which builds more powerful and efficient computer chips.

The nanometer specification refers to the minimum dimensions of transistor technology. A nanometer is one-billionth of a meter or the size one ninety-thousandth the width of an average human hair.



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