

# SEMICONDUCTOR INDUSTRY

## INFORMATION MEMO

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### The Economics of Micron in Clay, New York

On Oct. 4, 2022, Micron Technology Inc. announced that it is making a \$100 billion investment in the construction of four semiconductor fabrication plants, or “mega-fabs,” in the Syracuse suburb of Clay, NY. Micron’s investment, which will be spread out over the course of 20 years, is expected to have a transformational impact on the economy of Central New York.

#### Jobs

Over the 20-year course of Micron’s investment, it expects to create approximately 9,000 permanent positions working in the four to be constructed fabs. The average salary of these permanent positions is expected to be over \$100,000. Officials estimate that an additional 5,000 construction positions will exist during each year of the development of the Micron mega-fabs and campus. It is also estimated that an additional 40,000 - 50,000 jobs will be created in the surrounding area as additional manufacturing and supply chain companies open locations in close proximity to Micron.

#### Property

Prior to the announcement of Micron’s investment, landowners in the vicinity of the White Pine Commerce Park in Clay, the home to Micron’s planned mega-fab, were receiving offers and closing deals with the Onondaga County Industrial Development Agency (IDA) for well above market price as the IDA continued their efforts to grow the amount of land available in the White Pine Commerce Park in an effort to attract such an investment.

Following the announcement of Micron’s investment, property prices have continued to surge in Clay and the surrounding area. Owners and new investors hope to cash in as demand for residential and commercial real estate rises. In addition to the expected construction of facilities to house auxiliary manufacturing and supply chain businesses, it is expected that thousands of new single and multi-family homes and apartments will be built in Clay and the surrounding suburbs, as well as the City of Syracuse. Moreover, growth in the hospitality and retail sectors is expected to occur.

One developer in Clay already has plans to renovate an old mall into upscale apartments, townhomes, movie theatres, hotels, high-end shops and restaurants to service employees of Micron and related businesses.

#### Incentives

Micron is expected to receive at least \$9 billion in federal, state and local incentives if they make the full \$100 billion investment over the course of the next 20 years.

The expected incentives over the course of the project are:

- \$3 billion in grants from the federal government, and a potential 25% federal investment tax credit, both through the Chips and Science Act;
- \$5.5 billion from New York State through Excelsior Jobs Tax Credit program as a result of the Green CHIPS legislation: and

- \$284 million property tax savings from Onondaga County over the course of 49 years via a Payment In Lieu of Taxes (PILOT) program.

If you have any questions about the information presented in this memo, please contact [Brian Butler](#), [Bob Kirchner](#), any attorney in Bond's [semiconductor industry group](#) or the Bond attorney with whom you are in regular contact.

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