



February 10, 2025

Mr. Delbert Parks
Vice President & Site Director
Micron Technology Inc.
9600 Godwin Drive
Manassas, VA 20110

RE: Proposal to Micron Technology Inc. to induce its expansion

Dear Delbert,

We are excited about the recent announcement of Micron's continued growth and expansion in the City of Manassas and its pending receipt of funding from the US Department of Commerce under the CHIPS Act. To support the company's growth, the Manassas City Council is prepared to offer a generous incentive package. As you know, the City is able to offer Micron a unique tax classification for semiconductor equipment that currently saves the company nearly \$10,000,000 annually. Micron currently has taxable equipment assessed at \$723,046,808 and the City has established a Semiconductor Equipment Machinery and Tools tax rate of \$0.756. This rate applied to the assessed value of the equipment resulted in Micron paying \$5,464,785 in Tax Year 2024. The City's standard Machinery and Tools tax rate (which applies to virtually all other manufacturers in Manassas) is \$2.10. If the City were to eliminate the Semiconductor rate and/or apply its standard M&T tax rate to Micron, then the company would have paid \$15,183,983 in Tax Year 2024. Thus, the company currently realizes a savings of \$9,719,918 annually.

To induce Micron's most recent expansion in 2018 we proposed extending this favorable tax treatment through 2030. Over the past 6 years during which this agreement has been in effect the company has seen its tax bill on equipment rise from \$4,372,501 to only \$5,464,785, even while Micron installed almost \$1,500,000,000 in new equipment. This agreement is currently in effect until 2030.

Micron is now proposing an additional taxable capital investment of nearly \$2,000,000,000. The company has asked the City to extend its favorable tax treatment for an additional 5 years beyond that currently approved, until 2035. The following table is provided for illustrative purposes with the City adjusting its rate to reflect a minimum 4% increase in collections each year. The estimated equipment value is revised in each year of the construction and installation periods to reflect the investment schedule provided by Micron to the Commonwealth of Virginia. It is understood that actual equipment values will fluctuate and may bear little resemblance to the numbers projected as estimated equipment value.

| Tax Year | Estimated Equipment Value | Semiconductor Tax Collection |
|--------------------|----------------------------------|-------------------------------------|
| <i>2024 (base)</i> | <i>\$723,046,808</i> | <i>\$5,464,785</i> |
| 2025 | \$1,455,512,814 | \$5,683,377 |
| 2026 | \$1,754,429,069 | \$5,910,711 |
| 2027 | \$2,635,009,569 | \$6,147,140 |
| 2028 | \$2,635,009,569 | \$6,393,026 |
| 2029 | \$2,635,009,569 | \$6,648,747 |
| 2030 | \$2,635,009,569 | \$6,914,696 |
| 2031 | \$2,635,009,569 | \$7,191,284 |
| 2032 | \$2,635,009,569 | \$7,478,936 |
| 2033 | \$2,635,009,569 | \$7,778,093 |
| 2034 | \$2,635,009,569 | \$8,089,217 |
| 2035 | \$2,635,009,569 | \$8,412,785 |

This proposal indicates the serious nature of our commitment to Micron. The Manassas City Council is committed to economic development and willing to do whatever we can to assist our local businesses and industries grow.

Sincerely,

Michele Davis-Younger
Mayor

Steve Burke
City Manager

CC: Sanjay Mehrotra
Chief Executive Officer
Micron Technology, Inc.
8000 S. Federal Way
Boise, Idaho 83716

Manish Bhatia
EVP, Global Operations
Micron Semiconductor Asia Operations Ltd. Pte.
8000 S. Federal Way
Boise, Idaho 83716

Michael Ray
SVP, Chief Legal Officer and Corporate Secretary
Micron Technology, Inc.
8000 S. Federal Way
Boise, Idaho 83716

Tim Demeria, Commissioner of the Revenue
S. Craig Brown, City Attorney
Patrick J. Small, Director of Economic Development