

Intel will create hundreds of jobs

\$400 million expansion being done in phases

By PAUL BEEBE THE GAZETTE

Intel Corp. said Wednesday that it will spend almost \$400 million to expand the manufacturing capacity of its Colorado Springs chip plant, creating several hundred jobs by 2008 and giving the economy a much-needed shot in the arm.

The company will build a second chip manufacturing area, known as a clean room, which will fill to capacity the 500,000-square-foot building on Garden of the Gods Road. The area in which the second clean room will be built is now vacant.

The new manufacturing area, almost 4 acres in size, is expected to begin producing chips for wireless computers and other hand-held electronic devices in late 2005, Intel said.

It "will enable us to better deliver products for our communications business," plant manager Morgan Burke said.

The work will be done in phases, with the first phase budgeted at \$43 million. Work began Wednesday.

The project ends speculation about plans for the plant, raised by a severe technology downturn that began in 2000, when the economy tanked. Since then, Colorado Springs has lost about 8,500 high-paying technology jobs.

"Sometimes I really wondered. As we went on through the last four years, there were times it felt really rocky," said Marion Shumway, who organizes management training programs at Intel.

"But we are just thrilled. We feel it's come around," Shumway said.

Intel executives wouldn't say exactly how many jobs will be added when the project is complete.

Limited hiring will start right away, with the bulk occurring in phases during the next four years, spokeswoman Judy Cara said.

Most of the jobs will be manufacturing positions inside the new 160,000-square-foot clean room.

A few engineering positions also are likely to be generated. Cara wouldn't say how much the workers will be paid, but she said the average Intel salary is \$53,000 a year.

The plant now employs 796 people. It makes flash memory chips used in cell phones and other wireless electronic gadgets.

Flash manufacturing eventually will be phased out in favor of WiFi, or wireless fidelity computer chips, and other communications chips.

"They are putting in infrastructure for the fastest-growing and probably the most important part of their business," said Colorado Springs Mayor Lionel Rivera.

"So that's exciting for us. It tells me Intel is going to be here for a while."

In January, Intel began a \$35 million project to install a WiFi manufacturing process inside the existing clean room.

When that project is finished this year, workers will assemble WiFi chips for notebook

computers fitted with Intel's Centrino technology. The project will generate 20 to 30 jobs.

City officials long have had high hopes for the plant on the west side of Colorado Springs. Intel has used only about half the building since buying it from Rockwell International in 2000.

The Santa Clara, Calif.-based chip manufacturer scrapped an expansion plan in 2001, after the technology-led economic boom of the late 1990s fizzled.

A year later, Intel axed plans to buy land near the Colorado Springs Airport, where city officials hoped the company would put several buildings and hire thousands of people.

The plant is also home to a design center where next-generation wireless cellular communications chips are being developed.

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DAVID BITTON, THE GAZETTE - GROWING :

Mayor Lionel Rivera drives a spike into a railroad tie Wednesday at Intel's Colorado Springs plant. Intel used symbolism from construction of the Transcontinental Railroad when it asked Rivera to drive the spike to symbolize how far Intel has come in its four years in the city.