

Solar technology company plans to bring 450 jobs to Austin

California-based SunPower wants to open local operations office; city to vote on incentives Dec. 9.

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In its first major U.S. expansion, SunPower Corp., a leader in solar panel technology, plans to open an operations center in Austin next year, bringing 450 jobs and an estimated \$10 million in capital investment in the region's economy.

The California company is a significant economic victory for Austin, helping raise the city's profile as a clean technology center.

The jobs — in marketing, legal and finance areas — would pay an average of \$70,000 a year, city officials say. The average wage for the lowest-paid 10 percent of local workers would be \$40,000, the city said.

The jobs would be created over four years, with 80 percent of the positions filled locally. Hiring is expected to begin in December, with the new office opening in early 2011, said Ingrid Ekstrom, SunPower's director of corporate communications.

"This is great news for Austin — lots of jobs, and high-paying jobs. This is what we need at this juncture of our economic recovery," economic development consultant Angelos Angelou said. "They're a great company, and this is a good project to bring to Austin."

Gov. Rick Perry said the state would invest \$2.5 million through the Texas Enterprise Fund, contingent on City Council approval of a local incentive package worth \$901,710 over 10 years.

The city grant is tied to job creation.

The council will hear a presentation on the proposal Dec. 2; a vote is scheduled for Dec. 9.

SunPower designs and manufactures solar technology around the world for homes, businesses and utility companies. SunPower has offices in North America, Europe, Australia and Asia, and it reported \$1.5 billion in revenue in fiscal 2009.

"Texas has great potential to become a significant solar market," SunPower CEO Tom Werner said in a statement. "If policies creating a stable solar market across Texas are enacted, this commitment by SunPower could be the start of significantly more investment and job creation in the state by the rapidly growing solar industry."

Dave Porter, senior vice president of economic development for the Greater Austin Chamber of Commerce, said SunPower's presence "will be a game-changer in terms of bringing global recognition to Austin and even more credibility in branding Austin as a clean-tech hub."

"It wasn't too long ago we would have lost out on an opportunity like this because our local incentives were not compatible with office-related projects," Porter said. In the past, the city's approach emphasized property tax breaks for large capital-intensive projects such as manufacturing plants.

But in the past year, the city has offered incentive packages tied to job creations to help land new employers, including Hanger Orthopedic Group, Facebook and LegalZoom, "and now, hopefully, SunPower," he said.

SunPower is proposing to create 115 jobs next year, adding 125 each in the following two years, plus 85 in 2014, said Brian Gildea, the city's economic development manager. Under the proposed agreement, SunPower could not receive more than \$104,850 in any calendar year.

"If they create the jobs more quickly, they get paid more quickly, but it doesn't increase what they can get in terms of a total grant amount," Gildea said. "We didn't want them to be penalized if they created the jobs more quickly."

He said the city's cost-benefit analysis of the deal shows the city will have an \$800,000 net benefit, in revenue from property and sales taxes and other sources, after the \$901,710 incentive payments.

Gildea said SunPower is initially looking for 50,000 square feet of office space and ultimately 100,000 square feet. He said the company is considering locations downtown and in Northwest Austin.

Porter said the company has narrowed its search to three locations, but it will not sign a lease until the incentive process is complete.

Angelou said SunPower would join several companies in the solar industry coming to the area and enhancing its reputation in that field.

Solar farms that would generate an estimated combined 200 to 230 megawatts of power have been announced in Travis, Hays and Bastrop counties; if all are built, they would "make this region one of the leading regions in the United States for electricity generated by solar panels," Angelou said.

Austin Energy plans a \$250 million solar farm in eastern Travis County, and RRE Austin Solar is expected to break ground Dec. 15 on a \$230 million solar farm outside Pflugerville that would be one of the largest nationwide, Angelou said.

Gildea said SunPower not only will bring "a good number of quality jobs with good wages and benefits," but also, "we're hopeful this creates some additional development for Austin and Texas in the solar-development market."

Courtesy of JB Goodwin