



974 East Arques Avenue
Sunnyvale, California 94085
Telephone: 408-748-5508
www.appliedmaterials.com

April 15, 2021

Ms. Trudi Ryan
Director, Community Development
City of Sunnyvale
456 W. Olive Avenue
Sunnyvale, CA 94086

Re: GPI Request Letter for Applied Materials' Arques Campus Expansion—190 & 198 Commercial Street and 928/930, 955/965, 974 & 1050-1090 E. Arques Avenue

Dear Ms. Ryan:

I am writing to respectfully request a General Plan Initiation (GPI) for Applied Materials' properties located on East Arques Avenue and Commercial Street. Specifically, we are requesting consideration of increasing the current 72% floor-area-ratio (FAR) to 100% FAR. This increase is requested to support Applied's vision to transform these properties into our core global innovation infrastructure platform encompassing expanded business, engineering, and advanced R&D lab operations in Sunnyvale.

Currently, Applied owns the following properties in Sunnyvale that are part of this GPI request:

- 190 & 198 Commercial Street
- 928 & 930 East Arques Avenue
- 955 & 965 East Arques Avenue
- 974 East Arques Avenue
- 1050 – 1090 East Arques Avenue

A conceptual master plan (attached) illustrates potential building footprints, parking, and overall site treatment with a 100% FAR. While not intended to communicate a final design or arrangement of structures, the conceptual master plan demonstrates the ability of the sites to accommodate the following planning considerations:

- Parking of ratio of 3.33 stalls per 1,000 GSF of FAR
- Height limit of 100'
- Site coverage maximum of 45%

An essential component of this request is the development of a major laboratory facility adjacent to Applied's existing Maydan Technology Center (MTC). The MTC is a premier R&D facility operating for the past 20 years and is near its service capacity. A second lab building will supplement the MTC's capacity while expanding Applied's ability to maintain Sunnyvale as the core hub for our global innovation infrastructure and is the catalyst for our GPI request.

Given the national focus on expanding semiconductor capabilities in the United States and investing in infrastructure for the future, Applied Materials intends to partner with the State of California, local premier universities and other public/private entities to position our new R&D facilities as a key part of the national effort to accelerate U.S. leadership in semiconductors as envisioned in the federal CHIPS Act and President Biden's national infrastructure plan. We are committed to significantly expanding infrastructure in the U.S. over the coming years and plan to make major investments to establish new R&D labs that would supplement the innovation infrastructure we currently have. With these next-generation facilities, world-class talent, and strong partnerships throughout the high-tech eco-system, Applied Materials will establish a sustainable new platform for technology leadership to advance the state of chip making for years to come. The initiation of a General Plan amendment for Applied's property holdings is the first step toward allowing us to realize our future vision in Sunnyvale.

By way of background, Applied Materials is the leader in materials engineering solutions used to produce virtually every new chip and advanced display in the world. Founded in 1967, Applied is one of the companies that put the “silicon” in Silicon Valley while building a reputation as a leading corporate citizen. Since 1995, Applied has made a home in Sunnyvale. In 1999, the City of Sunnyvale adopted the Arques Campus Specific Plan to transform our 35-acre site into one of the world’s foremost R&D campuses.

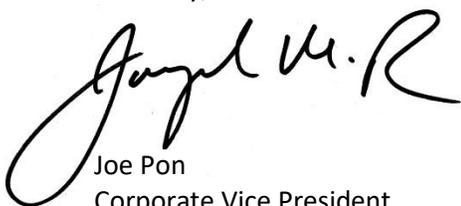
With more than 2,500 engineers and technologists working in Sunnyvale, Applied reinvests approximately \$2 billion each year in R&D – much of that centered on activities in Sunnyvale. As a high-tech manufacturer, we employ a variety of engineers and partner with numerous local companies making us unique among our current Silicon Valley peers. At Applied, we work to make a positive contribution not only to our industry but to our larger communities and the world around us. We take a holistic approach to our business to consider our operations, how we work with customers and suppliers, and how our technology can be used to advance sustainability on a global scale. In 2020, we adopted several challenging new goals and commitments for environmental performance as well as reinforcing our Culture of Inclusion to improve diversity and inclusion within our company and in the electronics industry.

In the City of Sunnyvale, Applied Materials generates millions of dollars in property taxes and with our planned investment in new facilities would likely double our current property tax run rate with ongoing annual investment of hundreds of millions of dollars in new capital equipment and improvements. In addition, an expanded campus would potentially allow for a new sales tax nexus. We believe that as leaders in business, we have an obligation to be leaders in the community. We demonstrate this commitment through strategic grantmaking and employee engagement that align what matters to employees and the community to who we are and what we stand for as a company. Causes of particular importance to Applied include education for underserved youth, girls empowerment, alleviation of hunger, access to arts and culture and environmental stewardship. We are supporters of key community organizations like Sunnyvale Community Services and nonprofits with focused work in Sunnyvale including Greenbelt Alliance/People for Open Spaces, Livable Sunnyvale and organizations providing services in Sunnyvale’s Title I schools.

We believe that Applied Materials’ desire to grow and expand our presence in Sunnyvale is aligned with the City’s vision to have a vibrant and innovative local economy that is comprised, in part, of leading-edge business. Our goal is to reimagine our Sunnyvale site as an expanded R&D facility and campus serving as a global hub for innovation driven by the next-generation of engineers and technologists, and we begin by requesting approval of this GPI to initiate the General Plan amendment process.

The City of Sunnyvale has played a prominent role in the history of the Silicon Valley technology revolution. We look forward to continuing to collaborate with the City as Applied Materials grows and invents what comes next.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Pon". The signature is fluid and cursive, with a large initial "J" and "P".

Joe Pon
Corporate Vice President

cc: Andy Miner, George Schroeder, Connie Verceles

Attachments: Planning Application, Conceptual Master Plan