



Recommendation for Action

File #: 19-3270, **Agenda Item #:** 10.

11/14/2019

Posting Language

Approve a resolution to nominate NXP USA, Inc. for designation by the Governor's Office of Economic Development and Tourism as a single Texas Enterprise Project in accordance with Chapter 2303 of the Texas Government Code.

Lead Department

Economic Development.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

October 18, 2007- Council approved Ordinance No. 20071018-008, electing to participate in the Texas Enterprise Zone Program.

November 4, 2010 - Council approved Ordinance No. 20101104-046, amending its program identifying additional local incentives for the Texas Enterprise Zone Program.

For More Information:

Veronica Briseno, Director/Economic Development Dept. 512-974-7802, Dusty McCormick, Economic Development Liaison, 512-974-6390

Additional Backup Information:

NXP USA, Inc (NXP) enables secure connections and infrastructure for a smarter world, advancing solutions that make lives easier, better, and safer. As the world leader in secure connectivity solutions for embedded applications, NXP is driving innovation in the secure connected vehicle, end-to-end security and privacy, and smart connected solutions markets. Built on more than 60 years of combined experience and expertise, the company has approximately 30,000 employees in more than 30 countries and posted revenue of \$9.41 billion in 2018. In addition to the \$11million committed under its 2015 designation, NXP plans to invest an additional \$116 million over the next five years. From July 2019 through December 2024, NXP anticipates spending \$116 million on capital investment projects at the Austin Technology and Manufacturing Center ("ATMC") facility, located at 3501 Ed Bluestein Blvd, Austin, Texas.

Specifically, NXP plans to invest \$116 million on converting office space to manufacturing space to increase manufacturing capacity: which will result in 34,000 sq./ft of office to cleanroom conversion. As a result of the added manufacturing space, NXP plans to purchase and upgrade its equipment and technology capabilities for wafer manufacturing to increase production efficiencies. These equipment and facility upgrades will preserve NXP's ATMC facility as one of the most advanced semiconductor plants in the United States and allow NXP to create 50 new full-time positions for Enterprise Zone benefit at the Austin Technology and Manufacturing Center ("ATMC"). NXP has 904 full-time employees, with a total number of Full-Time Jobs to be created at 50, and total number of Jobs to be retained for benefit are 400, which meets the definition of a "retained job" in accordance with Texas Government Code 2303.401.

If designated as an Enterprise Zone Project, NXP would be eligible for a refund of State sales and use tax based on the employment criteria and the amount of the capital spent at the qualified business site. The Texas Legislature currently authorizes 105 state designations each biennium. The City is eligible to receive up to nine Enterprise Project designations based on availability and competitiveness of the project every two years.

This location is in District 1, Council Member Natasha Harper-Madison.