



City of Austin and NXP Chapter 380 Program Partnership

Work Session
September 12, 2023

The background of the slide is a dark blue, semi-transparent overlay on a photograph of the Austin skyline. The skyline features several prominent skyscrapers, including the Frost Tower. In the foreground, there is a dense area of green trees and foliage, likely representing the green spaces of Austin. The overall tone is professional and modern.

Overview

Austin's Chapter 380 Program and NXP
NXP, Our Community Member
Proposed Funding
Partnership Recommendation



Austin's Chapter 380 Program and NXP

- The Chapter 380 Program:
 - Texas Local Gov't Code Chapter 380
 - Austin Ord. 20180830-057
- NXP's 380 Application
 - Also applying for federal CHIPS funding
 - City's 380 necessary for CHIPS funding
 - Proposing local expansion
 - Remove and replace 4 of 5 lines
 - Create 53 jobs
 - Invest \$290.8m



NXP, Our Community Member

- Austin operations since 1974
- Semiconductors with product applications
- Two facilities with 2,768 employees
 - Ed Bluestein (ATMC), 1,062 employees
 - Oak Hill (OHT), 1,706 employees
- NXP Community Involvement
 - Hispanic Education Awareness Team
 - Black Achievement and Leadership Team
 - Community Volunteer



Project Dynamics and Fiscal Impact

Five Year Investment and Job Creation By Site				
Calendar Year	<u>Personal Prop</u>	<u>Real Prop</u>	<u>Total Investment</u>	<u>Jobs</u>
OHT	\$131.24	\$17.34	\$148.58	32
ATMC	<u>\$129.20</u>	<u>\$12.45</u>	<u>\$141.65</u>	<u>21</u>
Total	\$260.44	\$29.79	\$290.23	53

SUMMARY OF ESTIMATED FIVE YEAR FISCAL IMPACT	
ESTIMATED GROSS CITY FISCAL BENEFIT	\$2,859,487
ESTIMATED COST OF CITY SERVICES	<u>(\$299,211)</u>
ESTIMATED NET CITY FISCAL BENEFIT	\$2,560,276
ESTIMATED PROPERTY TAX IMPACT:	
REAL PROPERTY	\$321,044
<u>PERSONAL PROPERTY</u>	<u>\$2,193,031</u>
TOTAL EST 5 YEAR PROPERTY TAX RECEIPTS ¹	<u>\$2,514,075</u>



Award Components

- Base Inducement Award
- Workforce Transition and Training
 - Employee assistance, including wrap around services like childcare
 - Advanced Manufacturing Training
 - Funds retained by the City
- Bonus Reimbursements:
 - Economically Disadvantaged Hiring
 - Combines economically disadvantaged definition from Chapter 380 and Enterprise Zone Programs
- Sustainable Business Practices
 - Participation in GreenChoice and Green Business Leaders
 - Water harvesting requirements

<u>ESTIMATED FIVE YEAR FISCAL IMPACT NET OF AWARD</u>	
EST CITY FISCAL BENEFIT IMPACT	\$2,560,276
PROPOSED PROPERTY TAX REIMBURSEMENT AWARD:	
BASE INDUCEMENT AWARD (40.0%)	\$631,589
WORKFORCE TRAINING AND TRANSITION FUND (10.0%)	\$157,897
ECONOMICALLY DISADVANTAGED HIRING (10.0%)	\$157,897
SUSTAINABLE BUSINESS PRACTICE (5.0%)	<u>\$78,949</u>
TOTAL POTENTIAL CHAPTER 380 PACKAGE	<u>(\$1,026,332)</u>
NET FISCAL BENEFIT TO THE CITY OF AUSTIN	\$1,533,944





Partnership Recommendation

- Term: 5 years
- City Property Tax Reimbursement of M and O Component Only:
 - 40% base inducement award
 - 10% workforce transition and training fund
 - Includes wrap around services such as childcare assistance
 - 15% bonus community benefit reimbursement:
 - 10% for economically disadvantaged hiring practices
 - 5% for sustainable business practices
- General Conditions:
 - Compliance with job creation and capital investment
 - Employee and contractor livable wages
 - M/WBE goals
- Public Comment Period: September 8 - 15
- Public Hearings: September 14 and 21
- Council Consideration: September 21 Council Agenda





QUESTIONS?