

Economic Development Department
City of Austin

Business Expansion Incentive Application & Worksheet

This application and worksheet is required for the submission of the Business Expansion Incentive Application. The information contained in this worksheet is used to evaluate the project. Please complete all required fields. The more information included in all fields (including Optional) will result in a better potential for a higher overall Project Score. Please see www.austintexas.gov/page/business-expansion-incentive-program for Definitions, links and other resources to complete this form.

Key:

Required Field

Optional Field

Date Application Submitted

6/14/2023

Minimum Requirements (Section A)

#	Question	Response
1A	<p>Please provide an “inducement argument” that illustrates the expansion would not or could not occur as planned without the City’s incentive. In this argument, the response should acknowledge the company’s need for this incentive that would support:</p> <p>1) the project’s financial position (overall effect of an incentive on the expansion’s bottom line)</p> <p>2) the expanding business operations of the company</p>	<p>The U.S. market share of semiconductor manufacturing has continued to decline in recent decades, due in part to the relatively high cost of capital and labor associated with building and operating next generation fabs; the U.S. now accounts for approximately 12% of global semiconductor manufacturing volumes, down from 37% in 2002. Manufacturing of semiconductor chips has steadily moved to other countries, primarily Taiwan, South Korea, Japan, and China and the concentration of semiconductor fabs in East Asia creates supply chain and national security risks for the U.S. A trade dispute, military conflict, or other disruption in the region could significantly affect U.S. access to critical semiconductor products. The cost of constructing and operating major semiconductor manufacturing facilities in Asia is approximately 30-40% less than the U.S., and even lower when accounting for all governmental incentive and tax mitigation policies.</p> <p>NXP’s pursuit of economic development incentives is part of an overall strategy to leverage the bipartisan CHIPS for America Act, which would provide NXP with critical funding to expand semiconductor manufacturing capacity in the U.S. The approval of CHIPS Act funding for an applicant would require financial support from local (non-federal) governmental jurisdictions. The project pro forma for expanding semiconductor manufacturing in the U.S. is also heavily dependent upon tax relief and low or no-interest loans and grants.</p> <p>Incentives sought by NXP from federal, state & local partners in the U.S. are vital to the success of Project Live Oak, and directly address the comparatively high costs of construction, operation, and funding sources associated with fully financing the expansion, especially when compared with other global locations under consideration. Without sufficient federal funding and state & local incentive support for Project Live Oak, NXP would be forced to allocate its proposed investment in semiconductor chip manufacturing to alternate locations and investment scenarios outside the U.S.</p> <p>Semiconductor manufacturing projects require major planning, due diligence, financial modeling, and capital investment outlays, and as with any capital-intensive project, property tax appraisals have a significant impact on project feasibility. In Texas, ad valorem property tax is one of the highest annual operating expenses associated with new facility construction and would be a significant operating expense associated with developing Project Live Oak in Austin.</p> <p>NXP, headquartered in Eindhoven, Netherlands employs approximately 34,500 people and operates in more than 30 countries around the world. If NXP cannot lower its projected property tax liabilities for Project Live Oak through a Chapter 380 grant and other state, local and federal incentive programs, the resources and funds for Project Live Oak would be allocated to another site outside of Texas and the U.S. (most likely in Asia or the E.U.). Alternatively, NXP could choose to partner with other semiconductor manufacturers in Europe or Asia, to develop joint manufacturing ventures that could accommodate Project Live Oak, or completely outsource the proposed production increase to partners in Asia.</p>
2A	Is the company considering other Texas, US or Global locations for this expansion project?	Yes; see above
2A1	If Yes to 2A, list the other Texas, US or Global locations the company is considering for this expansions.	Europe or Asia
3A	Does the expansion project comply with all federal, state, and local laws and authorities?	Yes; as a condition of various federal, state and local incentives sought, Project Live Oak would comply with all jurisdictional rules and regulations for hiring and project development.
4A	Does the company and will the expansion project comply with all current City code requirements? https://library.municode.com/TX/Austin	Yes; NXP has operated two existing facilities in the City of Austin for decades and is familiar with various local code requirements, including any that would apply to the proposed Project.
5A	Will the project comply with the City of Austin’s MBE/WEB Ordinance? http://www.austintexas.gov/sites/default/files/files/EDD/CoA_MBE_WBE_Procurement_Program_Rules.pdf	Yes; this ordinance is expected to be similar to requirements of the CHIPS for America Act, for which local incentive support is a prerequisite.
6A	Does the company provide written policies to support anti-harassment and anti-discrimination practices for business operations and work environment? If the company does not have a written policy, one can be found here: http://www.austintexas.gov/sites/default/files/files/EDD/NOON-DISCRIMINATION_AND_NON-RETALIATION_CERTIFICATE.pdf	Yes, the NXP Code of Conduct can be found on the Company website at the following link: https://www.nxp.com/docs/en/supporting-information/BUSINESS-CODE-OF-CONDUCT.pdf
7A	Will the company, at a minimum, pay all Austin employees the current City of Austin living wage rate (\$20.00 per hour, effective October 2022)?	Yes; all new hires associated with Project Live Oak would earn a minimum of \$20.00/hour.
8A	Does the company provide company-sponsored health insurance benefits for all full-time employees, including coverage for employees’ domestic partners and their dependents? Domestic Partner: An individual of the same or opposite gender as the employee who lives in the same household and shares the common resources of life in a close, personal, intimate relationship with an employee if under Texas law the individual would not be prevented from marrying the employee on account of age, consanguinity or prior undissolved marriage to another.	Yes, NXP’s Employee Benefits Plan (2023) can be found at the following link: https://www.nxp.com/docs/en/brochure/SUMMARYPLANDESCRIPTION.pdf
8A1	If No to 8A, Please provide a written explanation describing how the company facilitates access to health insurance coverage for its employees and their domestic partners and the domestic partners’ dependents, such as providing a stipend to purchase insurance on the healthcare exchanges.	N/A
9A	Will capital expenditures for the project be in the form of construction?	Yes; NXP would reconfigure the existing real property to fill vacant square footage to accommodate the proposed personal property improvements. NXP would not be expanding the footprint of either facility.
9A1	If Yes to 9A, will all construction workers hired for this project be provided workers’ compensation insurance and OSHA 10 training?	Yes
9A2	If Yes to 9A, will all work and employment operations for this project be in compliance with the City’s wage program used on City of Austin Public Works projects?	Yes
9A3	If Yes to 9A, will all construction workers hired for this project be paid a rate at or above the current City of Austin living wage?	Yes
10A	Does the company currently have a significant presence in the City of Austin? (5 or more local employees)	Yes
11A	Does the company have a registered and operational location within the City of Austin? (minimum 12 months)	Yes
12A	Will the project deliver a new division or operation in Austin or relocate a division or operation from outside Austin?	Yes
13A	Will the project deliver fewer than 75 full-time jobs in the City of Austin?	Yes
Category Qualifying Questions		
14A	Does the project deliver 5 or more jobs in the City of Austin?	Yes
15A	Will the company create one or more full-time jobs, hiring and retaining the same individual for each job from the “targeted hiring population” facing economic and socioeconomic barriers to employment?	N/A
Business Information (Section B)		
1B	Provide the legal company name.	NXP USA, Inc.
2B	Provide the city and state where the company headquarters is located.	Parent Company HQ: Eindhoven, Netherlands
3B	If applicable, what state was the company incorporated in?	Delaware
4B	Provide a brief business description.	NXP USA, Inc.’s parent company, NXP Semiconductors N.V. (NXP Semiconductors), is a global leader in secure connectivity solutions for embedded applications, providing solutions in the automotive, industrial & IoT, mobile, and communication infrastructure markets. NXP has two existing manufacturing facilities in Austin, which collectively employ several thousand people. Both facilities are key strategic semiconductor manufacturing assets for the U.S., primarily dedicated to producing semiconductor products for the automotive industry.
5B	Provide applicable NAICS code.	334413
6B	Provide applicable SIC code.	36740200
7B	What is the company age (Years, months)?	NXP Semiconductors N.V. 17 years (Founded in 2006)
8B	What is the structure of your business?	NXP USA, Inc. is owned by Parent Company NXP Semiconductors N.V.
9B	What is the company ticker symbol, if applicable?	NXPI
10B	Provide the current number of Austin based locations for the company.	2
11B	Provide the current number of U.S. based locations for the company.	10
12B	Provide the current number of global based locations for the company.	63
13B	What is the company’s corporate credit rating and what source was used to gather the company credit ratio?	BBB (Fitch Ratings)
14B	Will the business be required to pay state sales and use tax on equipment?	Yes
15B	Project Manager name (First and last)	Gerald Benard
16B	Project Manager title	Director – Strategy and Execution
17B	Project Manager mailing address (City, State, & Zip Code)	6501 William Cannon West, Austin, TX 78735

Page 1 of 9

18B	Project Manager phone number (mobile)	
19B	Project Manager phone number (office)	N/A
20B	Project Manager email address	
General Eligibility (Section C)		
1C	How many full-time jobs will be created?	53
2C	Will the company create one or more paid apprenticeships or internships?	N/A - NXP has long-established apprenticeship and internship programs. Additional information can be found on page 75 of NXP's 2022 Corporate Sustainability Report (https://www.nxp.com/docs/en/supporting-information/Corporate-Sustainability-Report-2022.pdf)
3C	Does the company encourage and support the use of alternative transportation means?	Yes; NXP supports the following alternative transportation options for employees at its Austin sites: - NXP facilitates employee participation in Cap Metro Rideshare and provides preferred parking locations for Rideshare vans. (This service was suspended by Cap Metro during the COVID-19 pandemic.). - NXP provides shower and locker facilities for employees who bike to work. - NXP provides free charging with dedicated parking spots for employee electric vehicles. - Both existing NXP Austin sites were established on Cap Metro bus routes with stops located adjacent to these facilities (however, recent changes by Cap Metro have eliminated these routes).
4C	Does the company demonstrate business growth and stability?	Yes
4C1	If Yes to 4C, please illustrate in a brief narrative the company's growth and stability (for example sales forecasts, demand, other growth indicators etc.)	NXP owns and operates four wafer fabrication facilities in the US, two of which are in Austin, Texas and two more in Chandler, Arizona. It focuses on investment in system solutions that will drive long-term, profitable growth, maintains positive cash flow and liquidity, and investments a significant amount of revenue into R&D and capex (20-25% on average). Its goal is to attain or maintain strong market share positions within target/consumer-oriented markets (e.g. Automotive, which generates > 50% of consolidated revenue, and Industrial/Internet of Things (IoT), which combined generate ~20% of consolidated revenue), enabling customers' success. The following figures are based on trailing 12 month performance for NXP Semiconductors N.V. (parent company of NXP USA, Inc.). Total Capital Return to Shareholders consists of dividends paid and shares repurchased. - Revenue: \$13.19B - Cash Flow from Operations: \$3.67B - Capital Return to Shareholders: \$1.77B
5C	What is the exact location of the planned investment in Austin (please provide the street address and list multiple addresses if multiple properties are under consideration.)	Project Live Oak would occur at both locations: - Austin, TX (Oak Hill) Facility: 6501 W. William Cannon Dr. Austin, TX 78735 - Austin, TX (ATMC) Facility: 3949 and 3501 Ed Bluestein Blvd., Austin, TX 78721

Cost Benefit Analysis (Section D)

1D

Job Categories and Wage Distributions (When project has reached full employment):

Job Category	Number of Jobs (employed by company)	Number of Jobs (vendor or contract)	Average Annual Wages (Est Full Employment in 2025)	Percent to be Locally Hired
Associate	53	16		100%

2D

Provide job titles and descriptions for the positions being created by the project:

Associate: would perform a variety of wafer fabrication functions including: processing wafers through various computerized equipment: chemical baths, ion implant, furnaces, film deposition, metal evaporation and photo alignment, carefully handles and transports product, visually inspects wafers and die for defects, enters equipment control data, completes logs and forms verifying data, assists in staging material and setting up next shift for success, follows documented work standards and process specifications.

3D1

Job Creation Schedule: (Please provide an annual list of new jobs created and wage information- EXCLUDE BENEFITS)

Calendar Year	Existing/Retained Jobs	New Jobs (employed by company)	Average Annual Wage (New Jobs)	Median Annual Wage (New Jobs)
Q4 2023 (Baseline)	1172	0	N/A	N/A
2024	1172	10		
2025	1172	43		
2026	1172	0		
Total		53		

3D2

Targeted Hiring Job Creation Schedule (If applicable): N/A

4D

If the City of Austin is not selected for this project, will existing jobs leave the City (Yes/No)?

Yes

5D

How many of the new jobs created require less than a college degree?

53

6D

What is the expected average wage for the lowest paid 10% of local workers?

7D

Please mark all benefits that the Company will provide:

<div><div>x</div></div>	Health Insurance	<div><div>x</div></div>	Life Insurance
<div><div>x</div></div>	Dental Insurance	<div><div>x</div></div>	Prescription Drug Plan
<div><div>x</div></div>	Retirement Plan	<div><div>x</div></div>	Vision
<div><div>x</div></div>	401(k)	<div><div>x</div></div>	Flexible Spending Accounts
<div><div>x</div></div>	Paid Leave	<div><div>x</div></div>	Tuition Reimbursements
<div><div></div></div>	Pension	<div><div>x</div></div>	Disability
<div><div>x</div></div>	Counseling	<div><div>x</div></div>	Other: Work/Life Programs (Adoption Assistance, Backup Care, Identity Theft Protection, Legal Services Plan, Pet Insurance, Travel Assistance, Tutor.com

8D

Please list any service contracting opportunities, such as equipment rental or catering, that you anticipate will be acquired locally on a regular basis, once your location is operational. Please be specific as possible and include all that are not mandated through an existing contract with a parent company or home office: N/A - existing contracting opportunities would continue as a result of the Project

Category:

Category:

Category:

(Utilize additional rows as needed)

Annual Amount:

\$

Annual Amount:

\$

Annual Amount:

\$

9D

Please list any commodity purchasing plans, such as furniture and office supplies, that you anticipate acquiring locally on regular basis, once your location is operational. Please be as specific as possible and include all that are not mandated through an existing contract with a parent company or home office: N/A - existing commodity purchases would continue as a result of the Project

Category:

Category:

Category:

(Utilize additional rows as needed)

Annual Amount:

\$

Annual Amount:

\$

Annual Amount:

\$

10D

Project Characteristics (Check all that apply):

ATMC

Construct New Facility

Lease Facility*

Purchase New Facility

Expand Existing Facility

Renovate Existing Facility

x

Reconfigure Existing Facility

OHT

Construct New Facility

Lease Facility*

Purchase New Facility

Expand Existing Facility

Renovate Existing Facility

x

Reconfigure Existing Facility

11D

Anticipated Start Date for Construction:

Q4 2023

Q4 2023

12D

Anticipated Completion Date for Construction:

Q3 2025

Q3 2025

* Local companies expanding within Austin are permitted to sign a lease while they go through the incentive evaluation process, but they must include "contingency language" in their lease agreements saying that the lease is contingent upon approval of the incentive. Please collect this language to include in the lease from City staff.

Companies considering relocation to Austin are permitted to sign a Letter of Intent to lease space while they go through the incentive evaluation process, but if they move any further towards a lease beyond LOI stage, they will no longer be considered a competitive project.

13D Site Specifications (include amounts for all that apply):

Total Acres:

acres

Total Building:

square feet

Data Center Space:

square feet

Manufacturing Space:

square feet

Office Space:

square feet

Warehouse/Storage Space:

square feet

Other Non-Office Space:

space typesquare feet

14D

ATMC								OHT						
Calendar Year	Square Footage Occupied	IT Equipment*	Machinery & Equipment* (Millions \$)	Furniture, Fixtures & Equipment*	Taxable Inventory	Building Materials** and Construction Labor	Total (Millions \$)	Square Footage Occupied	IT Equipment*	Machinery & Equipment* (Millions \$)	Furniture, Fixtures & Equipment*	Taxable Inventory	Building Materials** and Construction Labor	Total (Millions \$)
Q4 2023		\$ -		\$ -	\$ -				\$ -		\$ -	\$ -		
2024		\$ -		\$ -	\$ -				\$ -		\$ -	\$ -		
2025		\$ -		\$ -	\$ -				\$ -		\$ -	\$ -		
2026		\$ -		\$ -	\$ -				\$ -		\$ -	\$ -		
2027		\$ -		\$ -	\$ -				\$ -		\$ -	\$ -		
Total		\$ -	\$ 129.72	\$ -	\$ -	\$ 12.45	\$ 142.17		\$ -	\$ 131.24	\$ -	\$ -	\$ 17.37	\$ 148.61

(Utilize additional rows as needed)
*New equipment only. Do not include any replacement equipment
**If the project is New Construction, please specify the construction spending allocated for the shell building versus the finish out.

15D

Please indicate (if any) what percentage of the amounts listed above will be purchased within the City of Austin, and therefore subject to sales tax. In addition, please indicate the full life of each type of investment for depreciation purposes:

ATMC and OHT	
	Amount (Millions \$)
IT Equipment	N/A
Machinery & Equipment	\$ 260.96
Furniture Fixtures & Equipment	N/A
Building Materials and Construction Labor	\$ 29.82

16D

Will the Company be applying for Foreign Trade Zone designation (Yes/No)?

No

17D

If yes to 16D, indicate the amount of inventory listed above that would be tax-exempt:

N/A

	ATMC Facility Only	OHT Facility Only	ATMC + OHT
Total annual company purchases subject to local sales tax, for example office supply purchases, operating expenses, and taxable professional services:			

18D

19D

Will the project involve any use other than typical office use (i.e., manufacturing, warehouse, data center? See Question #13) (Yes/No)

Yes

If yes, please answer the questions below in full. If no, please provide answers below or the City of Austin can provide estimates of your utility requirements for your approval based on the square footage occupied by the project.

ATMC		OHT	
Current	Full Buildout Consumption (est.)	Current	Full Buildout Consumption (est.)
Electric:			
Peak Monthly Demand in Kilowatts (KW):			
Average Monthly Usage in Kilowatt Hours (kWh):			
Average Monthly Load Factor:			
Dual Feed Required (Yes/No):			
Current Rate (cents per kWh):			
Source (Select one):			
Primary Source	X		X
Secondary Source			
Water:			
Average Monthly Usage (Kgal):			
Meter Size (not required for leasing companies):			
Waste Water:			
Average Monthly Discharge (Kgal):			

Community Benefits (Section E)		
1E	How does the company demonstrate recruitment and retention efforts designed to produce racial and gender equity?	<p>NXP is committed to providing an inclusive working environment for team members, recruits, hires and promotes solely based on suitability for the job, and objective and non-discriminatory criteria. By working to foster a diverse, equal and inclusive environment where everyone feels welcomed, valued and accepted as they are, it is able to increase collaboration, advance innovation, and enable team members to unlock their full potential.</p> <p>- At NXP, women represent 37% of its global workforce, and NXP continues to strive for measurable improvements in hiring women across all global sites. Additionally, it is committed to increasing, developing and promoting more women into technical and leadership positions within its organizations. Below are the 2021 DE&I Progress to Goals and corresponding 2025 DE&I Goals for the following categories:</p> <p>- Women in Overall Global Workforce: 2025 Goal - 40% --> 2022 Progress - 37%</p> <p>- Women in Global Indirect Labor Workforce: 2025 Goal - 30% --> 2022 Progress - 25%</p> <p>- Women in Executive Positions: 2025 Goal - 20% --> 2022 Progress - 16%</p> <p>- Women in R&D Positions: 2025 Goal - 25% --> 2022 Progress - 19%</p> <p>- Minority Representation in the United States: 2025 Goal - 50% --> 2022 Progress - 51%</p> <p>- In the United States, NXP monitors race and ethnicity representation to ensure it is attracting, developing and retaining diverse team members, acknowledging the unique nature of the United States workforce dynamics.</p> <p>-To review NXP's Diversity, Equality, and Inclusion (DE&I) Policy, Accomplishments, 2022 Progress to Goals, and its 2025 DE&I Goals please visit: https://www.nxp.com/company/about-nxp/diversity-equality-and-inclusion:DIVERSITY-AND-INCLUSION</p>
2E	How does the company demonstrate diversity, inclusion, and equity practices and/or policies at the executive level, in the leadership profile, across the workforce and illustrate the presence of affinity groups, promotional efforts and equitable support of those groups to actively engage the workforce?	<p>NXP's approach to diversity, equality and inclusion is centered around the following:</p> <ul style="list-style-type: none">• Leadership commitment and accountability• Building and sustaining a qualified, diverse talent pipeline and equitable processes• Fostering an inclusive culture and a sense of belonging to attract and retain the best talent by: <p>- Welcoming and embracing our team members' diversity and fostering respect for everyone's differences</p> <p>- Leveraging the diversity of thought and life experiences</p> <p>- Cultivating a collaborative work environment where team members feel valued and are comfortable being their true selves</p> <p>To serve as an additional partner, resource and advocate for diversity, equality and inclusion (DE&I) at the company, in 2022 we established the NXP Diversity Council. This Council is responsible for advancing our DE&I strategy, with the ultimate goal of contributing to the transformation of our global workplaces and communities into more inclusive environments where individuals are valued for their talents and empowered to reach their fullest potential.</p> <p>To date, NXP has nine primary Employee Resource Groups (ERGs), with representation in Asia, Europe, Mexico and the United States: Asian Cultural Team, Black Achievement & Leadership Team, Emerging Professionals/ Young! NXP Group, EQUAL (LGBTQ focused), Hispanic Education Awareness Team, Interconnection (supports team members in Europe from multicultural backgrounds), No eXtra Planet (focuses on environmental sustainability), United Veterans, and Women in NXP.</p> <p>Membership and participation in ERGs is open to all NXP team members and global engagement is encouraged. Each ERG has defined mission/vision statements, goals, and executive oversight and sponsorship. In 2022, the ERGs collectively hosted more than 100 events, including professional development workshops, networking sessions and cultural awareness activities. To promote recruiting from diverse talent pipelines, ERGs collaborate with NXP's internal Talent Acquisition team. For example, NXP's Black Achievement and Leadership Team ERG partnered with National Society of Black Engineers (NSBE) chapters to host Leveling Up Workshops, an internally developed, career exploration workshop which provides guidance, support, and early access to tools, tips, and NXP resources to students. Throughout 2022, ERGs supported recruiting efforts with:</p> <p>- National Society of Black Engineers</p> <p>- Out in Science, Technology, Engineering and Mathematics</p> <p>- Society of Hispanic Professional Engineers</p> <p>- Society of Women Engineers</p> <p>As part of its commitment to the long-term success of employee resource group leaders, NXP invited ERG leaders to attend an in-depth executive coaching and development workshop in 2022, focused on executive presence, executive engagement effectiveness and insights.</p> <p>NXP regularly conducts its global Winning Culture Survey, inviting NXP team members to share their feedback on a variety of factors, including engagement, strategy, culture, leadership, continuous improvement, collaboration, execution, ownership, work environment, support, and diversity, equality, and inclusion. More information on NXP Environmental, Social, and Government highlights can be found on pages 54-55, 62-68, and 190-192 at https://www.nxp.com/docs/en/supporting-information/Corporate-Sustainability-Report-2022.pdf.</p> <p>Additionally, NXP promotes innovation and thought leadership in its workforce through its expansion of the NXP R&D Academy, which offers a variety of learning opportunities in the areas of architecture, functional safety, design quality, cryptography, security, artificial intelligence, and ideation. In mid-June 2022, NXP launched the NXP School of Artificial Intelligence and the NXP School of Ideation. To promote entrepreneurship NXP continued to engage in 2022 with startup incubators such as Startup Autobahn and Silicon Catalyst to nurture new and emerging technologies that have the opportunity to drive the next wave of innovation and growth for the semiconductor industry and society at large.</p> <p>- More information can be found at the following link: https://www.nxp.com/company/about-nxp/diversity-equality-and-inclusion/employee-resource-groups:EMPLOYEE-RESOURCE-GROUPS and https://www.nxp.com/docs/en/supporting-information/Corporate-Sustainability-Report-2022.pdf</p>
3E	Describe how the project will engage with the neighborhood by creating jobs near workers, delivering needed goods or service to the surrounding community, offering training opportunities for neighborhood residents, delivering or integrating workforce housing development and/or including other community solidification elements, such as communal green space and parks, local volunteer opportunities for employees, participation in local arts and culture organizations, and/or involvement in other initiatives that amplify Austin's neighborhood culture.	<p>NXP has a proud history of engagement and advocacy in many different communities across Austin. Each year, NXP awards a select number of Community Impact Grants, supporting initiatives that are aligned with its core focus areas: STEM Education, Health & Wellness, and Environmental Stewardship. NXP Austin has a highly engaged network of employee groups and volunteers who provide mentoring, instruction, and career awareness through local organizations. Additionally, NXP generates significant regional economic impact by spending ~\$271M with 164 Texas-based suppliers each year. NXP is committed to providing economic and educational opportunities for Texans from diverse and underrepresented communities and engages with advocacy groups including but not limited to: Breakthrough Central Texas, Latinitas, AUSPREP, El Buen Samaritano, and Out Youth. For example, in 2022, our ERGs raised and donated funds and led 12 volunteer opportunities. To learn more about NXP's community-outreach activities and alignment with the United Nations Sustainable Development Goals, please visit pages 91-100 at https://www.nxp.com/docs/en/supporting-information/Corporate-Sustainability-Report-2022.pdf.</p> <p>Additionally, NXP has existing relationships with the following workforce development programs in Austin, TX and would continue to strengthen its current and future workforce through engagement with these organizations: Austin Regional Manufacturers Association, Skillpoint Alliance, Austin Community College, and Texas State Technical College.</p> <p>The Project is anticipated to spur additional indirect economic activity and opportunities for underserved residents through its direct capital investment, job creation, and related construction activities. Project Live Oak would help to strengthen Austin, TX and the United States' position as a global leader in semiconductor production, while also reducing the reliance on other countries to supply this critical commodity. The ancillary economic impacts of this project would be far-reaching, as NXP is a crucial supplier to the U.S. & global automotive industry.</p>
4E	Describe how the company provides employment and advancement opportunities to individuals in economically disadvantaged and Targeted Hiring populations.	<p>NXP is committed to hiring a qualified and diverse talent pipeline through multiple talent sourcing strategies targeted at a variety of talent pools. To grow the company, we must also attract, retain and develop a team of bright, passionate people by providing a work environment that inspires innovation and productivity. At NXP, we value diversity, equality and inclusion, and respect the unique talents, experiences, backgrounds, cultures and ideas of our team members. We invite everyone to be their authentic selves at work, without exception. NXP's commitment to diversity, equality, and inclusion is also reflected in our approach towards collaborating with universities. We are committed to increasing representation of women and under-represented groups in our communication material with universities and at career fairs. To promote recruiting from diverse talent pipelines, our ERGs collaborate with our internal Talent Acquisition team. We also partner with Randstad, who helps identify and present candidates to join NXP's total workforce, allowing us to bring on team members who have no previous semiconductor experience.</p> <p>In November 2022, NXP announced a \$250,000 donation to the Austin Community College District (ACC) Foundation in support of the school's Engineering Technology and Advanced Manufacturing Program. The donation, which includes scholarship funds and will also enable the creation of the NXP Advanced Manufacturing Lab, demonstrates NXP's ongoing commitment to promote and improve science, technology, engineering and math (STEM) education in the local Austin community. The NXP Advanced Manufacturing Lab will be co-located with the ACC High School Advanced Manufacturing IMPACT Academy at ACC Highland, where students can work toward college credits while they are still in high school. In addition, beginning in the 2023-24 academic year, the NXP-endowed scholarship program will begin making awards targeting candidates from the Advanced Manufacturing Academy.</p> <p>In addition to recruitment efforts mentioned in above sections, NXP initiated an Engineering Review Board in 2021. This initiative aims to provide Technicians, who may not have a 4-year engineering degree or any college education, the ability to apply for higher grade Engineering positions. Upon review and approval of their experience, education, and demonstration of key skills and behaviors, they can be promoted. Additionally, there is an Engineering Leadership Rotation Program being piloted in ATMC. The focus is to create a rotation program to train and develop early-in-career engineers to become future managers. The result would be a pipeline of strong, diverse leaders ready for all section manager positions.</p> <p>NXP has a partnership with Skillpoint Alliance, a 501(c)3 workforce development organization that provides in-demand workforce training to vulnerable members of the Central Texas community. Skillpoint Alliance currently offers a Manufacturing Technician Program (CPT+) which prepares graduates for entry-level Technician positions in the Manufacturing industry. This organization partners with local businesses such as NXP to give life-changing opportunities to local residents while helping to meet industry need for qualified employees. These critical partnerships stimulate the local economy while providing pathways out of poverty for Central Texans."</p> <p>Other examples of current programs include: Leadership Development Program, NXP Manager Intensive, NXP R&D Academy, and NXP Mentoring Program. More programs and information can be found on pages 59-61 and 71-77 of NXP's 2022 Corporate Sustainability Report (https://www.nxp.com/docs/en/supporting-information/Corporate-Sustainability-Report-2022.pdf)</p> <p>NXP also provides an education reimbursement program actively leveraged by NXP employees. The education reimbursement program allows employees to have their education costs covered by NXP so employees can continue their education while working at NXP.</p>
5E	Describe how the company will partner and/or engage with local groups, nonprofits, schools and small businesses to align with locally defined values and needs.	<p>NXP is committed to providing economic and educational opportunities for Texans from diverse and underrepresented communities and engages with groups including but not limited to: Breakthrough Central Texas, Latinitas, AUSPREP, El Buen Samaritano, and Out Youth.</p> <p>Additionally, NXP has existing relationships with the following workforce development programs in Austin, TX and would continue to strengthen its current and future workforce through engagement with these organizations: Austin Regional Manufacturers Association, Skillpoint Alliance, Austin Community College, and Texas State Technical College.</p>
6E	Describe the company's sustainability initiatives.	<p>NXP is committed to continuous improvement and advancement of sustainability initiatives. Additionally, it is committed to ensuring a safe and healthy workplace for team members, partners, and visitors, and as of 2022, its injury rates remained among the industry's lowest.</p> <p>Another way NXP addresses ESG is by focusing on its carbon footprint. NXP has achieved significant reductions in emissions for each year it has been in business, even as production has increased. For the past 12 years, it has also increased its consumption of renewable energy. Since 2013, the Social Responsibility team has worked diligently to address human rights issues at NXP and in its supply chain. The team was recognized in 2016 when the Thomson Reuters Foundation, awarded NXP with the Stop Slavery Award in the "Policy and Implementation" category. The award was the first global recognition for businesses that have excelled in efforts to limit the risk of forced labor from their supply chains.</p> <p>Some highlights of NXP's sustainability initiatives for 2022 include:</p> <p>- In 2022, we recycled 83% of waste, an increase of 7 percentage points compared to 2021, and an increase of 10 percentage points compared to 2012.</p> <p>- Joined the Semiconductor Climate Consortium as a Founding Member</p> <p>- 35% renewable electricity use, an increase of 4 percentage points compared to 2021, and an increase of 21 percentage points compared to 2012.</p> <p>- 48% of wastewater recycled</p> <p>Goals include:</p> <p>- Carbon neutrality by 2035</p> <p>- Reduce carbon emissions by 35% in 2027 (2021 baseline)</p> <p>- Optimize natural resources by 2027: • 50% renewable energy • 60% wastewater recycled • 90% waste recycled</p> <p>Semiconductor manufacturing includes dealing with leftover scrap material, such as failed products and test devices, as well as used metal, engineering materials, and silicon. Some scrap material contains precious metals (gold, palladium, platinum, silver) and nonprecious metals (copper, nickel, tin). Our E-Scrap Program ships scrap waste to processing plants that reclaim and recover these valuable (and potentially toxic) metals to reduce the amount of e-waste sent to landfills.</p> <p>In 2022, although production increased 9% compared to 2021, our e-scrap went down, mainly due to process-yield improvements implemented during the year.</p> <p>In accordance with criteria from the International Organization of Standardization (ISO), our environmental management system is certified to ISO 14001 at all our manufacturing sites. Our Environment, Health, and Safety (EHS) Management Board is responsible for environmental management, including strategy, approval, and resourcing. The EHS Management Board is chaired by the Executive Vice President (EVP) of Operations and supported by senior leaders in business lines and staff functions. NXP's Sustainability and EHS Teams manage annual strategies, policies, goals, and metrics, and review progress monthly. Corporate EHS and the Global EHS Leadership Team collectively establish risk-mitigation strategies and develop and deploy standards, programs, and procedures to reduce environmental risks. Our EHS Team performs formal reviews with all manufacturing sites on a monthly basis, to examine data, discuss the progress of improvement projects, and set expectations for the next period.</p> <p>We offer company-wide training to ensure our global workforce is equipped with the skills and knowledge to perform their functions safely and without harm to the environment. This includes job-specific and site-specific training, on-the-job training, and specialized training that includes the prevention of stormwater pollution, management of hazardous waste and wastewater, handling of chemicals, shipping of hazardous materials, and other topics related to the environment. Training and awareness includes engaging our team members in incident investigations, to identify potential improvements and assist in the implementation and ongoing improvement of management systems.</p> <p>Additionally, NXP takes ongoing actions to avoid business interruptions that may affect our team members, customers, suppliers, communities, investors, or other stakeholders. We also prepare for potential interruptions, so as to avoid or minimize their impact, and so we can ensure continued business operations. The Corporate and Site Business Continuity Teams consist of representatives from various business functions and organizations. Teams identify potential risks that can have a major impact on product availability, supplies (such as wafers, chemicals, and gases), structures, manufacturing tool-sets, facility systems, and utility infrastructure. The teams are also responsible for strategic, tactical, and operational decisions while implementing their specific business-continuity plans. More on Emergency preparation can be found here at: https://www.nxp.com/docs/en/supporting-information/NXP-BCM-EXT.pdf</p> <p>Please find more information in the recent Corporate Sustainability Report at: https://www.nxp.com/docs/en/supporting-information/Corporate-Sustainability-Report-2022.pdf</p>
7E	Is this company a "coop" (cooperatively owned or managed or does it have a democratic form of representation of the workforce)?	No
8E	Does the company build its projects using cooperatives (companies that are cooperatively owned or managed by workers that have democratic representation in the workplace.)	No
10E	Describe how the project will seed new investments in a new industry to potentially create a new cluster or bring additional types of industries to Austin.	The U.S. market share of semiconductor manufacturing has declined in recent decades, while the global demand for semiconductor chips has grown exponentially. This project would help to strengthen Austin, TX and the United States' position as a global leader in semiconductor production, while also reducing the reliance on other countries to supply this critical commodity. The ancillary economic impacts of this project would be far-reaching, as NXP is a crucial supplier to the U.S. & global automotive industry.
11E	Will the company provide goods/services to under-served communities within Austin? ("Under-served" is defined as a segment of a community experiencing barriers to or lacking access to goods or services".)	<p>Yes - NXP generates significant regional economic impact by spending ~\$271M with 164 Texas-based suppliers each year. NXP is committed to providing economic and educational opportunities for Texans from diverse and underrepresented communities and engages with advocacy groups including but not limited to: Breakthrough Central Texas, Latinitas, AUSPREP, El Buen Samaritano, and Out Youth.</p> <p>Additionally, NXP has existing relationships with the following workforce development programs in Austin, TX and would continue to strengthen its current and future workforce through engagement with these organizations: Austin Regional Manufacturers Association, Skillpoint Alliance, Austin Community College, and Texas State Technical College.</p> <p>The Project is anticipated to spur additional indirect economic activity and opportunities for underserved residents through its direct capital investment, job creation, and related construction activities.</p>

11E1	If Yes to 11E, please describe how the company will provide goods and/or services to underserved Austin communities.	NXP has a proud history of engagement and advocacy in many different communities across Austin. Each year, NXP awards a select number of Community Impact Grants, supporting initiatives that are aligned with its core focus areas: STEM Education, Health & Wellness, and Environmental Stewardship. NXP Austin has a highly engaged network of employee groups and volunteers who provide mentoring, instruction, and career awareness through local organizations. Additionally, NXP generates significant regional economic impact by spending \$271M with 164 Texas-based suppliers each year. NXP is committed to providing economic and educational opportunities for Texans from diverse and underrepresented communities and engages with groups including but not limited to: Breakthrough Central Texas, Latinitas, AUSPREP, El Buen Samaritano, and Out Youth.
13E	Will the project create benefits for the workforce and proximate residents, such as focusing hiring on local workers, enveloping and/or subsidizing wrap-around services such as parental leave, child care programs, sick leave, FMLA and other quality of life enhancements?	<p>Yes, this project would create dozens of jobs in the community and available benefits (for qualifying employees) would include: Medical, Dental, Vision, and Life Insurance; FMLA, Paid Maternity and Paternity Leave; Sick Leave; Personal Time Off; Health Savings Account, Retirement Plans, and other benefits to enhance employee quality of life. Additional quality of life enhancement benefits include up to five visits of back-up care (for children or the elderly), family support benefits including fertility and adoption benefits, tutoring for children, on-site gyms or gym allowance, and community service time off which provides team members with paid time off that can be used to volunteer with non-profit organizations.</p> <p>Regarding Maternity/Parental Leave For eligible employees: For babies bore on January 1 or later, maternity leave is provided at 100% of your pay during your approved short-term disability for six weeks, with an additional six weeks paid at 100% of your pay through parental leave for a total of 12 weeks of paid leave. Parental leave provides you with up to six weeks at 100% of your pay. Paid maternity/parental leaves combined are limited to a total of 12 weeks of 100% paid leave.</p> <p>NXP's Employee Benefits Plan (2023) can be found at the following link: https://www.nxp.com/docs/en/brochure/SUMMARYPLANDESCRIPTION.pdf. Additional information regarding benefits can be found on page 70 at https://www.nxp.com/docs/en/supporting-information/Corporate-Sustainability-Report-2022.pdf</p> <p>NXP would aim to hire as many local residents as possible for the Project, subject to job applicant's qualifications and eligibility for the role. NXP offers paid sick leave for all employees.</p>
13E1	If Yes to 13E, please describe how the project will create benefits such as focusing hiring on local workers, enveloping and/or subsidizing wrap-around services such as parental leave, child care programs, sick leave, FMLA and other quality of life enhancements.	<p>Yes, this project would create dozens of jobs in the community and available benefits (for qualifying employees) would include: Medical, Dental, Vision, and Life Insurance; FMLA, Paid Maternity and Paternity Leave; Sick Leave; Personal Time Off; Health Savings Account, Retirement Plans, and other benefits to enhance employee quality of life. Additional quality of life enhancement benefits include up to five visits of back-up care (for children or the elderly), family support benefits including fertility and adoption benefits, tutoring for children, on-site gyms or gym allowance, and community service time off which provides team members with paid time off that can be used to volunteer with non-profit organizations.</p> <p>Regarding Maternity/Parental Leave For eligible employees: For babies bore on January 1 or later, maternity leave is provided at 100% of your pay during your approved short-term disability for six weeks, with an additional six weeks paid at 100% of your pay through parental leave for a total of 12 weeks of paid leave. Parental leave provides you with up to six weeks at 100% of your pay. Paid maternity/parental leaves combined are limited to a total of 12 weeks of 100% paid leave.</p> <p>NXP's Employee Benefits Plan (2023) can be found at the following link: https://www.nxp.com/docs/en/brochure/SUMMARYPLANDESCRIPTION.pdf. Additional information regarding benefits can be found on page 70 at https://www.nxp.com/docs/en/supporting-information/Corporate-Sustainability-Report-2022.pdf</p> <p>NXP would aim to hire as many local residents as possible for the Project, subject to job applicant's qualifications and eligibility for the role. NXP offers paid sick leave for all employees.</p>
14E	Will the company participate in solutions that reduce roadway congestion, prohibit neighborhood parking, and provide needed transit options, including pedestrian/bike developments? See Austin Transportation Department Employer Strategies: http://www.austintexas.gov/sites/default/files/files/ATD_S_strategies_-_Business_Expansion_Incentives.pdf	Yes
14E1	If Yes to 14E, please describe how the company will participate in solutions that reduce roadway congestion, prohibit neighborhood parking, and provide needed transit options, including pedestrian/bike developments.	<p>NXP's ATMC facility is located on Ed Bluestein Blvd / US 183 South Tollway near Martin Luther King Blvd. in east Austin, and its Oak Hill facility is located at US 290 / SH 71 and William Cannon Dr. in Oak Hill. NXP has partnered extensively with CTRMA and TXDOT in the planning and execution of major road improvement projects to ease traffic flow and congestion at both locations.</p> <p>- Both NXP facilities provide on-site parking, including multi-level parking structures, sufficient for all employee parking requirements and avoiding any need for neighborhood parking.</p>

Bonus Qualifiers (Section F)		
1F	Is the company in one of the following industries? (Advanced Manufacturing and Distribution & Logistics, Creative Sector, Fashion, Food, Life Sciences & Technology Integration, Mobility Innovations: Automotive & Aerospace, Zero Waste)	NXP is a world leader in Advanced Manufacturing for auto semiconductor integrated circuits and a critical supplier to the U.S. and global automotive semiconductor market. Investment in Project Live Oak would increase domestic capacity to meet U.S. demand for Automotive Analog and Mixed-Signal semiconductors.
3F	Will the company, or does it already, (1) participate in the Human Rights Campaign Corporate Quality Index and (2) receive a favorable score above 80% and (3) actively take measures to achieve a score of 100% before the term of the incentive agreement is complete? https://www.hrc.org/campaigns/corporate-equality-index	NXP does not currently participate in the HRC Corporate Quality Index. NXP does, however participate in other HRC-sponsored initiatives. NXP participated in the Bloomberg Gender Equality Index in 2022 and incorporates the Global Reporting Initiative (GRI) Standards in its annual Corporate Sustainability Report. This can be found at https://www.nxp.com/docs/en/supporting-information/Corporate-Sustainability-Report-2022.pdf NXP values diversity, equality and inclusion, and respect the unique talents, experiences, backgrounds, cultures and ideas of its team members. NXP recognizes that inclusion is critical to its success and invites everyone to be their authentic selves at work, without exception. More information can be found at: https://www.nxp.com/company/about-nxp/diversity-equality-and-inclusion:DIVERSITY-AND-INCLUSION
3F1	If Yes to 3F, please provide details describing how the company will, or already does (1) participate in the Human Rights Campaign Corporate Quality Index and (2) receive a favorable score above 80% and (3) actively take measures to achieve a score of 100% before the term of the incentive agreement is complete.	N/A
5F	Will the company commit to obtaining LEED certification silver or above for construction development of the project, if applicable?	NXP has not made a decision regarding LEED certification for Project Live Oak but would consider all aspects of doing so during the engineering and design phases of any facility construction.
6F	If applicable, will the company's development score above a 9 out of 12 on the City of Austin's Carbon Impact Statement? Response can either include just the total score or completed form with score. http://austintexas.gov/sites/default/files/files/Sustainability/20171004_Memo_to_Mayor_and_Council_-_Carbon_Impact_Statement_Update.pdf	No
7F	Will the company source procurement of art and installations from the local creative economy, such as local artists?	NXP's community engagement efforts in Austin have been directed primarily toward the areas of STEM Education, Health & Wellness and Environment. Examples of local organizations that have been supported through NXP Community Impact Grants and employee engagement include: Breakthrough Central Texas, GirlStart, Latinitas, AusPrep at Huston-Tillotson University, El Buen Samaritano, Austin Habitat for Humanity, Keep Austin Beautiful, The Trails Foundation, Austin Independent School District and Ballet Austin. Amplify Austin: I live Here I give Here. Maudie's Moonlight Margarita Run. On-Site STEM camps for Students. Run for the Water – Gazelle Foundation, Code2College, Sponsor for the Texas Conference for Women, Austin Ed Fund Inspire the future Sponsor, SAFE Alliance, Trail of Lights Display Sponsor. The NXP Foundation, the nonprofit organization associated with NXP, recently partnered with ACC to provide a \$250k donation to support scholarships and a new advanced manufacturing lab at the Austin Highland campus. The NXP lab will be co-located with ACC's High School Advanced Manufacturing Academy, where high school students will be able to earn credits toward an associate degree.
7F1	If Yes to 7F, please describe how the company will source procurement of art and installations from the local creative economy, such as local artists.	N/A
8F	Will the company create a program that engages members of the local music and arts community to enrich the working environment for its employees, such as workplace concerts, performances, purchases, promotion programs, etc.?	NXP does not currently have a formal program to engage the local music and arts community, but does occasionally engage local artists for its events and functions. NXP also has a history of supporting Ballet Austin and is currently a corporate sponsor of its Pink Pilates program. In addition, many of NXP's more than 2,500 employees in Austin are themselves talented artists and musicians. From time to time, NXP engages this amazing community to provide entertainment at internal events and celebrations.
8F1	If Yes to 8F, please describe how the company will create a program that engages members of the local music and arts community to enrich the working environment for its employees, such as workplace concerts, performances, purchases, promotion programs, etc.	N/A
9F	Will the company provide an on-site child care facility for employees.	The project would create dozens of jobs in the community and all our employees (working 20 hrs or more) receive the full comprehensive suite of benefits, which include: Medical, Dental, Vision, Life Insurance, Vacation & Holiday Time, Short Term and Long Term Disability Insurance, Sick Leave, Health Savings Accounts or Flexible Spending Accounts, Retirement Plans with NXP matching at 5%, ability to participate in the company's success through a 15% discount on NXP stock, and other benefits to enhance employee quality of life. Additional quality of life enhancements benefits include Maternity leave paid at 100% for 12 weeks and Parental Leave paid at 100% for 6 weeks, Transgender medical benefits and support, backup care for children or elderly either in the home or in a center when an emergency situation arises as well as resources to find additional vetted care if needed, Pet Care for access to help with care for pets in emergency situations. NXP also provides family support benefits including fertility and adoption benefits, free tutoring support for NXP employee's children, as well as resources for navigating college planning and student loans. NXP also provides a number of options to support our employees wellness through programs such as On-Site Activity Centers at both our Austin facilities, Gym Reimbursement, Wellness Incentive program that offers \$300 reduction in medical premiums if employees participate in a voluntary two step process, Employee Assistance Programs to get immediate assistance and ongoing care for any mental health questions or situations, additional access to virtual mental health resources 24/7 through Talkspace, as well as personal and community support through the NXP Wellbeing Hub. NXP also provides paid time off for volunteer community service events. NXP is also in discussions with providers and partners to explore additional resources that can be offered starting in 2024 for potential enhancements to our benefit package for child care support such as potential discounts for daycare discounts, preferred parking for expectant mothers, and other initiatives in alignment with ongoing feedback and input from our employees. NXP Employee Benefit Plan (2023) can be found at : https://www.nxp.com/docs/en/brochure/SUMMARYPLANDescription.pdf NXP would aim to hire as many local residents as possible for the Project, subject to job applicant's qualifications and eligibility for the role.
9F1	If Yes to 9F, will the on-site child care facility be open to the public?	N/A
9F2	If Yes to 9F, will the company provide child care subsidies for employees?	NXP is also in discussions with providers and partners to explore additional resources that can be offered starting in 2024 for potential enhancements to our benefit package for child care support such as potential discounts for daycare discounts, preferred parking for expectant mothers, and other initiatives in alignment with ongoing feedback and input from our employees.
14F	Is the company creating a new product line or service with this expansion project?	Yes
15F	Is the project potentially eligible to receive Texas state economic development funds?	Yes
16F1	If the company is adding more than 500 new full time positions, will the company fill at least 75% of the new full-time jobs created with City of Austin Residents?	N/A
Additional Considerations (Section G)		
1G	Will the company engage with qualified third party organization to facilitate the successful placement and retention of employment candidates? Primary third party organization that assists companies with targeted hiring is Workforce Solutions Capital Area.	Yes
2G	Will the company offer an additional housing stipend to their employees?	NXP provides highly competitive wages and benefits but does not currently offer any additional housing stipend to its Austin employees.

Acknowledgement (Section H)		
1H	I certify and attest, to the best of my knowledge, that the information and statements contained in the Business Expansion Incentive Application and attached documents are true and accurate as of submission date. The information is provided and the statements are made for the purpose of seeking an incentive agreement with the City of Austin. I understand FALSE, inaccurate, or incomplete statements may result in forfeiture of incentive agreement and subject me to legal remedies. I understand that discovery of willful omission of information and errors will result in the Application to be rejected, my business will be disqualified from the Business Expansion Incentive program, and subject my business and me to any legal remedies available under the law. (Please provide Initials)	GGB
2H	I understand that submitting this Application does not entitle my business, even if qualified for the program, to receive approval for an incentive agreement or to receive any incentive benefits. (Please provide Initials)	GGB
3H	I also understand that the Texas Public Information Act provides that information collected, assembled, written, produced, or maintained by the City under a law or ordinance or in connection with the transaction of official business is public information. I understand that the Act does provide that information relating to economic development negotiations with a business prospect is withheld from disclosure unless and until an agreement is reached. If an agreement has been reached, the information contained in this Application may be made available to the public. (Please provide Initials)	GGB