



City of Austin and NXP Chapter 380 Program Partnership

Revised in response to public hearing input
September 14, 2023

The background of the slide is a dark blue, semi-transparent image of the Austin skyline and surrounding greenery. The skyline is visible in the upper half, with several tall buildings. The lower half shows a dense area of trees and foliage. 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>



Proposed Award Comparison

ESTIMATED FIVE-YEAR IMPACT OF NET AWARD			
Estimated City Fiscal Net Benefit Before Award			\$2,560,276
PROPOSED PROPERTY TAX REIMBURSEMENT AWARD			
INITIAL AWARD STRUCTURE		REVISED AWARD STRUCTURE	
Base Inducement Award: 40%	\$631,589	Base Inducement Award: 35%	\$552,640
Workforce Training & Transition Fund: 10%	\$157,897	WF Training & Transition Fund: 5%	\$78,949
Economically Disadvantaged Hiring: 10%	\$157,897	Childcare Fund: 10%	\$157,897
Sustainable Business Practice: 5%	<u>\$78,949</u>	<i>NXP focused Childcare Fund \$78,949</i>	
		<i>Citywide access Childcare Fund \$78,949</i>	
		Economically Disadvantaged Hiring: 10%	\$157,897
		Sustainable Business Practices: 5%	<u>\$78,949</u>
Total Potential 380 Award Package	<u>\$1,026,332</u>	Total Potential 380 Award Package	<u>\$1,026,332</u>
Net Fiscal Benefit to City of Austin	\$1,533,994	Net Fiscal Benefit to City of Austin	\$1,533,994



Partnership Recommendation Comparison

Initial 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% - 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

Revised Recommendation

- Term: 5 years
- City Property Tax Reimbursement of M and O Component Only:
 - 35% base inducement award
 - 5% workforce training fund – NXP dedicated access
 - 10% Childcare fund – needs based
 - Citywide access – 50% of fund
 - NXP dedicated access – 50% of fund
 - In addition to existing NXP childcare assistance
 - 15% bonus community benefit reimbursements:
 - 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





QUESTIONS?