



City of Austin and NXP Chapter 380 Program Partnership

Economic Prosperity Commission
September 20, 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, set against a hazy sky. In the foreground, there is a dense area of green trees and foliage, likely representing the city's parks and green spaces. The overall aesthetic 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 Component Comparison

ESTIMATED FIVE-YEAR IMPACT OF NET AWARD

Estimated City Fiscal Net Benefit Before Award	\$2,560,276
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PROPOSED PROPERTY TAX REIMBURSEMENT AWARD

INITIAL AWARD STRUCTURE

Base Inducement Award: 40%	\$631,589
Workforce Training & Transition Fund: 10%	\$157,897
Economically Disadvantaged Hiring: 10%	\$157,897
Sustainable Business Practice: 5%	<u>\$78,949</u>
Total Potential 380 Award Package	<u>\$1,026,332</u>
Net Fiscal Benefit to City of Austin	\$1,533,994

REVISED AWARD STRUCTURE

Base Inducement Award: 35%	\$552,640
Workforce Training Fund: 5%	\$78,949
Childcare Fund: 10%	\$157,897
<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>
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
 - 10% Childcare fund – needs based
 - Citywide access – 50% of fund
 - NXP focused 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?