CHAPTER 380 BUSINESS EXPANSION AGREEMENT

BETWEEN THE CITY OF AUSTIN

AND NXP USA, INC.

This Economic Development Agreement ("Agreement") is made and entered into as of the date executed by both parties ("Effective Date") subject to section 3.30 by and between NXP USA, Inc. ("Company"), a Delaware corporation with US headquarters in Austin, Texas, USA, and the City of Austin, a home-rule municipal corporation situated in Hays, Travis and Williamson Counties, Texas, USA ("City").

RECITALS

The City is authorized by Chapter 380 of the Texas Local Government Code to create programs for the grant of public money to promote state and local economic development and to stimulate local business and commercial activity in the City.

The City has authorized the creation of a Business Expansion Program under Chapter 380 of the Texas Local Government Code, which authorizes the City to make a grant of money to the Company to (i) make capital investments (as specified in section 1.2.06) at its Oak Hill and ATMC facilities, known as the NXP Expansion, (ii) create new full-time jobs / internships / apprenticeships in the City of Austin as part of the NXP Expansion and (iii) provide other community benefits solely and specifically related to the NXP Expansion ((i), (ii), and (iii) together are the "Project").

The City may negotiate with the Company upon credible evidence that the incentive will either fill a gap that creates desirable outcomes for the City, or that the expansion project addresses a competitive position around a relocation or expansion project that is considering viable alternative sites outside of the City.

The Project will further state and local economic development and stimulate business and commercial activity in Austin. The Company accepts the City's grant subject to Company receiving funding under the federal CHIPS for America Act, and agrees to accomplish the Project, the terms of which are the subject of this Agreement.

WHEREAS

The Company provides credible evidence that the incentive, if received, will either fill a gap that creates desirable outcomes for the City of Austin, or addresses a competitive position around a relocation or expansion project that is considering viable alternative sites outside of the City of Austin.

The Company is in a targeted industry, as identified by the City.

The primary business activity of the Project is defined as manufacturing.

The Company is applying for funding under the federal CHIPS for America Act.

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AGREEMENT

The City and the Company agree as follows:

1. Company's Obligations

1.1 Compliance with Minimum Requirements:

1.1.01 Compliance with all Laws: In their application to participate in the City's Chapter 380 Business Expansion Program, Company certified that it is in compliance with all federal, state and local laws, rules and regulations. Company shall re-certify annually during the term of the Agreement that it has complied and will continue to comply with all federal, state and local laws, rules and regulations. Evidence of noncompliance may be grounds for terminating the Agreement. Further, City shall comply with all federal, state and local laws, rules and regulations.

1.1.02 Compliance with City Regulations.

a. For the construction of the NXP Expansion, or the construction or remodeling of any future facilities in the Project boundary during the term of this Agreement, the Company will comply with all City Code regulations, including water quality regulations in effect at the time any site plan application is filed, unless the Company has negotiated an agreement with the City to comply with overall impervious cover limits and provide the currently required water quality controls. This means the Company will not assert possible vested rights defined in Chapter 245 of the Texas Local Government Code to avoid compliance with water quality regulations during the term of this Agreement. If, during the term of this Agreement, a development does not comply with water quality regulations in effect at the time any site plan application is filed for such development, the City may terminate this Agreement under section 3.11(b).

b. If the Company is cited with a City Code environmental violation for the subject of the agreed incentivized Project during the term of the Agreement, the City of Austin reserves the right to negotiate a cure period in which payment of the incentive will be withheld and, failure to cure the violation results in termination of this Agreement in accordance with Section 3.07.

1.1.03 Compliance with the City of Austin's Minority-Owned Business Enterprise and Women-Owned Business Enterprise Procurement Program.

a. GENERAL. The Company shall comply with the applicable standards and principles of Chapters 2-9A (Construction and Related Professional Services) and 2-9B (General Goods and Services not related to Construction and Related Professional Services) of the City Code and the Program Rules for the Minority-Owned Business Enterprise and Women-Owned Business Enterprise Procurement Program ("MBE/WBE Program") in its contracting for the Project. It is the Company's responsibility to contact the City's Small and Minority Business Resources

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Department ("SMBR") to ensure the Company is complying with the current and applicable ordinances and rules.

b. INFORMATIONAL MEETING. Prior to the Company expending money subject to the requirements of this Section 1.103, or no later than 90 days from the Effective Date, the local representatives of each party will meet to discuss the requirements for compliance with the MBE/WBE Program and the City will advise the Company of all available resources to assist with compliance.

c. SUPPLIES / NONPROFESSIONAL SERVICES. In an effort to further stimulate and positively impact the local economy, the Company shall provide MBE/WBEs an equal opportunity to participate as suppliers for materials and nonprofessional services (excluding professional services defined by Chapter 2254 of the Texas Government Code, construction and construction related expenditures which is subject to subsection 1.103(d) below) purchased by the Company exclusively for use at its Project. To assist in recruiting efforts, the Company is required to contact SMBR for a list of available City certified MBE/WBEs prior to procuring supplies. Prior to advertising a bid for commodities exceeding the threshold amount described in subsection 1.103(c)2 below, the Company shall submit to SMBR a copy of the proposed solicitation for a single purchase or anticipated cumulative purchases to be made. SMBR shall supply the Company with an availability list of certified MBE/WBEs within seven business days upon receipt of the request. The Company shall perform good faith efforts as described in subsection 1.103(f) below and report to SMBR its firm selection with appropriate documentation of good faith efforts.

1. SUPPLIER DIVERSITY POLICY. Within 90 days after the Effective Date, the Company shall submit to the City a reasonable supplier diversity policy, which will not conflict with the MBE/WBE Program, regarding the Company's procurement of materials and services to be used exclusively at the Project which may be reasonably modified from time to time by the Company, provided the policy and all modifications receive prior approval from SMBR.

2. PROCUREMENT THRESHOLD AMOUNT. The Company agrees to adhere to this policy for the procurement of materials and services for which the cost is more than the purchasing authority established for the City Manager on an annual basis pursuant to Article VII (Finance) §15 (Purchase Procedure) of the City Charter, and for which there are qualified local certified MBE/WBE suppliers, providing competitive prices and with sufficient financial resources in light of the particular materials and services to be supplied. The City Manager's purchasing authority is $72,000.00 for the City's fiscal year 2022-2023, and may increase or decrease per the formula in the Charter. The City shall advise the Company annually of any changes to this threshold amount, or the Company may contact the City at any time for such information.

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3. EXISTING CONTRACTS. This Section shall not apply to valid contracts the Company had in existence on the Effective Date of this Agreement for the goods, services and materials described in subsections 1.103(c) and (d). An anonymized list of contracts, including contracts related to the design, engineering, renovation and construction of the Project, in existence on the Effective Date of this Agreement is attached as Exhibit "F". Company shall have no obligation to disclose existing confidential contracts to the City.

d. DESIGN AND CONSTRUCTION. The Company shall comply with the applicable standards and principles of the MBE/WBE Program in the design and construction of its Project, including leasehold improvements, in effect at the time of solicitation for the particular scope of work to be completed. It is the Company's responsibility to contact SMBR to ensure the Company is complying with the current and applicable ordinances and rules.

1. With respect to any design or construction projects for the Company's Project, including but not limited to leasehold improvements, the Company, the architect, engineer and the general contractor shall meet the gender and ethnic-specific participation goals or subgoals, as determined by the Director of SMBR in accordance with the MBE/WBE Program for each year in which design or construction occurs or submit documentation demonstrating good faith efforts as further described in subsection 1.103(f), below.

2. Prior to advertising a bid for any portion of the design or construction work, the Company shall submit to SMBR a copy of a proposed solicitation for the City to determine the gender and ethnic-specific participation goals or subgoals for the Project. The determination by the Director shall be based on the proposed size, type and scope of work to be undertaken by the Company and described in the bid documents, and the availability of each group of MBE/WBEs to perform elements of the work. The City may utilize either the cumulative MBE/WBE goal or the subgoals for each group of minority persons in the proposed solicitation, or set project MBE/WBE participation goals as provided in Section 2-9A-19 (Establishment of MBE/WBE Participation Levels for Individual Contracts), or as may subsequently be amended. The Director shall have 10 business days from receipt of a bid package from the Company in order to evaluate and determine the required level for utilization of MBE/WBE project or phase-specific goals or subgoals, if any, and shall notify the Company in writing of the Director's determination and provide an availability list.

e. OUTREACH. In an effort to meet the gender and ethnic-specific M/WBE utilization goals, the Company shall implement an outreach program designed to solicit participation of M/WBEs. These outreach efforts should also target small businesses generally. The Company may seek the assistance of SMBR in these outreach efforts as described in paragraph (g) below.

f. GOOD FAITH EFFORTS. For any year in which the Company, or the Company's or landlord's architect, engineer or general contractor, fails to meet each of the goals or subgoals established by the Director for expenditures described in subsections 1.103(c) and (d), the Company, or the Company's or landlord's architect, engineer, or general contractor, must demonstrate good faith efforts to meet the goals as described in the City's MBE/WBE Program Ordinance and Rules. The Company shall submit documentation demonstrating its own and the architect's, engineer's and/or general contractor's good faith efforts to meet the goals as is required under the following paragraph (i). If the Company provides documentation to SMBR evidencing its own or its landlord's architect's, engineer's and/or general contractor's good faith efforts, the Company shall be deemed in compliance with these paragraphs (e), (f) and (g). Failure of the Company, it's or it's landlord's architect, engineer or general contractor, to perform this obligation shall be considered a material breach of this Agreement. The City acknowledges that this obligation does not require the Company to modify, nullify or abrogate any contracts that the Company has entered into prior to the Effective Date of this Agreement and shown on Exhibit "F".

g. The Company shall apprise SMBR when the Company desires assistance from SMBR in its efforts to meet the gender and ethnic specific MBE/WBE utilization goals established for the purchase of commodities and supplies procured by and for the Project, and design and construction of improvements. This assistance may include providing a list of certified MBE/WBEs from which the Company may solicit or cause the architect or its general contractor to solicit participation in the design and construction of any improvements, identifying potential scopes of work, establishing the bid packages, scheduling and hosting outreach meetings, and assisting the Company, its architect, or general contractor in soliciting MBE/WBEs to provide bids. The Company is not required to solicit participation during a period in which the Company is not engaged in designing and/or constructing its Project, but rather, the Company is required to incorporate the standards and principles of the City's MBE/WBE Program, including the MBE/WBE utilization goals established by the Director into its development process as and when such process exists in connection with the Project.

h. PERIODIC REPORTS.

1. The Company shall provide monthly reports to SMBR no later than the 10th day of each month to track (i) the utilization on a percentage basis of MBE/WBE firms in the design and construction of the improvements; and (ii) a summary of the Company's efforts to implement the standards and principles of the City's MBE/WBE Program. SMBR shall provide the forms to be used by the Company in submitting such reports. The Company is not obligated to provide monthly reports during periods when no design or construction work occurs.

2. The Company shall provide quarterly reports to SMBR no later than the 10th day after each quarter to track (i) the utilization on a

percentage basis of MBE/WBE firms in the purchase of commodities and/or supplies by and for the Project, other than purchases of design and construction services; and (ii) a summary of the Company's efforts to implement the standards and principles of the City's MBE/WBE Program. SMBR shall provide the forms to be used by the Company in submitting such reports.

i. Within 30 days of receipt of the Company's final periodic report (as is required under paragraph (h) above for the preceding year, January 1st through December 31st (the "SMBR Compliance Period")), SMBR shall determine whether the Company is in compliance with the requirements of this Section. Should SMBR determine that the Company (or its landlord, architect, engineer or general contractor) has not complied with the obligations of this Section, the Company will forfeit the next anticipated Chapter 380 Payment. For example, if the Company (or its landlord, architect, engineer or general contractor) fails to comply with its obligations under this Section for one year, the Company will be required to forfeit one Chapter 380 Payment. If the Company fails to comply with the obligations for two years, the Company will be required to forfeit two Chapter 380 Payments, and so on.

j. NON-COMPLIANCE. Failure to comply with this Section shall be considered a breach of this Agreement. Should SMBR determine that the Company has failed to satisfy its obligation under this Section, the Company will forfeit the next anticipated Chapter 380 Payment as described in paragraph (i). With respect to any individual procurement of materials or services for which the cost is less than the amount established in subsection 1.103(c)(2) above, the Company is encouraged, but not required, to adhere to the requirements of this Section. The Company shall maintain and provide documentation of meeting the goals or performing Good Faith Efforts to comply with this paragraph to SMBR as part of its periodic reports required under subsection 1.103(h) above.

1.1.04 Construction Worker Requirements for Projects with Capital Expenditures in the form of Construction:

a. The Company agrees to pay and shall require its landlord, contractors and subcontractors to pay workers retained for any construction on the Project the higher wage of:

1. Prevailing wages, as defined by the City (see subsection (b) below); or

2. City Living Wage, currently $20.00 per hour and will increase to $20.80 on October 1, 2023, or as may be subsequently amended annually by the City.

b. Prevailing Wage Rates Defined. The City has adopted prevailing wage rates by ordinance as the wage specified by the Department of Labor (DOL) published wage determination for a particular construction trade in Travis County (Davis Bacon Wage Rates), as may be amended by DOL,

or as may subsequently be adopted by the City as the result of a City wage survey conducted according to DOL established methodology.

c. Company's Responsibilities. Prior to commencement of and during construction of the Project, it is the Company's responsibility to:

1. Contact the City's Financial Services Department, or successor department, and obtain the current prevailing wage rates in effect for Building Construction Type (BC) and Heavy Highway Construction (HH) for the construction workers performing work on the particular scope of work to be completed for all or part of the Project; The current wage rates are attached as Exhibit H.

2. Maintain certified weekly payrolls on-site for every contractor and subcontractor performing work on the Project. Certified weekly payrolls must contain the name, address and occupation of each worker employed by the Company, its landlord, its contractor or subcontractor, and the actual per diem wages paid to each worker;

3. Employee Certification. The Company and its contractor or subcontractor shall identify in writing the classification agreed to by each worker and pay the higher of the specified prevailing wage rate or Living Wage. A form designating the worker's classification and wage rate shall be signed by each worker, and if work performed by the worker is different than the rate or trade classification agreed upon, the worker shall be paid for the work completed no less than the minimum prevailing wage rate for that specified trade or Living Wage, whichever is higher.

4. Payroll Deduction Authorization Form. The Company or its contractor or subcontractor shall prepare for each worker's signature a payroll deduction authorization form identifying all payroll deductions excluding those required by law, such as federal income taxes, Medicare and Social Security.

5. A statement of Compliance shall be signed and dated by the party responsible for supervising the payment of persons employed or contracted by the Company, or its landlord, contractor or subcontractor, and identify the name of the signatory party and title, name of project, payroll period and name of contractor or subcontractor. The statement shall attest that the payroll complies with the terms of this Agreement and the applicable provisions of title 29 of the Code of Federal Regulations (Labor).

6. Designate and advise the City of a single point of contact responsible for monitoring and enforcing the Company's construction process.

7. Erect and maintain a wage rate postings board in English and Spanish (form posting available from the City) displaying the wage rate per worker classification that may be working on the site, placed in a conspicuous place at the Project site accessible for all workers to view.

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8. Coordinate with city staff or its authorized representatives.

d. The Company shall allow City staff and third-party representatives retained by the City to:

1. Access the Project site,

2. Audit documents related to construction worker wages paid to determine wage compliance,

3. Interview workers,

4. Conduct on-site observations related to wage compliance, and

5. Review all construction-related certified payroll reports on-site once a month or as requested by the City.

e. Wage Rate Infraction. The City shall notify the Company of any wage rate issues identified by the City or complaints received by the City. The 90-day opportunity to cure of Section 3.07 (Event of Default) shall not apply to individual wage rate infractions in this Section. Depending on the severity of the infraction, the Company shall or require its landlord, contractors or subcontractors to correct and remediate any wage rate issues identified within the timeframe specified in the notice provided by the City, not to exceed 30 days. The parties may agree to shorten or extend the time period for the Company, its landlord, its contractor or subcontractor to comply depending on the type and severity of the wage rate infraction.

f. The Company shall ensure that all construction workers working on the Project are provided workers' compensation insurance and OSHA 10-hour safety training.

1.1.05 Anti-Harassment and Anti-Discrimination Practices. Company's written anti-harassment and anti-discrimination practices for its business operations and work environment in Austin are attached as Exhibit "C". Company shall re-certify annually during the term of this Agreement that it has complied with these practices and will continue to adhere to them. Evidence of noncompliance may be grounds for terminating the Agreement.

1.1.06 City of Austin Living Wage.

a. Throughout the term of this Agreement, the Company shall ensure that all full-time employees and contract employees working in the City of Austin are paid no less than the City Living Wage, which is currently $20.00 per hour and will increase to $20.80 on October 1, 2023, or as may be subsequently amended annually by the City.

b. The City shall notify the Company whenever the City Living Wage rate is amended by City Council. The Company shall begin paying its Austin-Based Employees no less than the amended Living Wage within 30 calendar days of either the effective date of the amended Living Wage or

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the date the City notified the Company of the amended Living Wage, whichever is later. In the event increases to the Living Wage exceed the increase in Consumer Price Index in any given year, the Company may request a period of up to 180 calendar days to meet the amended Living Wage. This includes all of Company's contracts and subcontracts related to this Project.

1.1.07 Health Benefits.

a. Throughout the term of this Agreement, the Company shall:

1. Provide health insurance benefits to all employees in New Full-time Jobs and extend benefits to spouses and domestic partners of its employees in New Full-time Jobs and dependents of those spouses and domestic partners; or

2. Facilitate access to health insurance coverage, such as providing a stipend to purchase insurance on the healthcare exchanges, for its employees in New Full-time Jobs and their spouses and domestic partners and dependents of those spouses and domestic partners.

b. Benefits extended to employees' domestic partners and their dependents shall be the same benefits extended in the same manner as benefits extended to employees' spouses and their dependents.

1.1.08 Texas Government Code Chapter 2264. In accordance with Chapter 2264 of the Texas Government Code, the Company agrees not to knowingly employ any person who is not lawfully admitted for permanent residence to the United States or who is not authorized under law to be employed in the United States ("Undocumented Worker").

a. During the term of this Agreement, the Company shall notify City of any complaint brought against the Company alleging that the Company has employed Undocumented Workers.

b. If the Company, or a branch, division or department of the Company is convicted of a violation under 8 U.S.C. Section 1324a(f), the total amount of economic development grants it has received, together with interest at the rate of five percent (5%) from the date of each payment of an economic development grant, shall be repaid by the Company to the City not later than the 120th day after the date the City notifies the Company of the violation.

c. The City shall recover court costs and reasonable attorney's fees incurred if it prevails in an action brought pursuant hereto to recover past economic development grants and interest. The Company shall not be liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee, or by a person with whom the Company contracts.

1.1.09 Property Tax Protests. If the Company or an Affiliate protests the value of the real or business personal property comprising the Project, and the property valuation is reduced as a result of a successful property tax protest, then the

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Project shall be re-evaluated to determine whether it is still revenue-positive for the City. If it is determined that the Project is no longer revenue-positive for the City, then the City may adjust the amount of the incentive to make the Project revenue positive. Protests merely for reasons to correct information, such as clerical or typographical errors, are permitted and not prohibited by this subsection.

1.1.10 Certificate of Compliance and Inspection.

a. Beginning January 31, 2026 and continuing each year thereafter during the term of this Agreement, the Company shall deliver to the City, on or before January 31 of each year, a Certificate of Compliance utilizing the form attached as Exhibit "D".

b. In the Certificate of Compliance, the Company shall warrant to the City that it is in full compliance with each of its obligations under this Agreement.

c. If at the time the Company delivers its Certificate of Compliance to the City, the value of any property comprising the Project is contested, the Company shall inform the City which property parcel(s) are contested. If the Company fails to notify the City and the City learns that the value of any property parcel comprising the Project was contested at the time the property taxes were paid, this Agreement will terminate immediately, and the Company will not be eligible for any further Chapter 380 incentives under this Agreement.

d. The City, and/or its representative(s), including third-parties contracted by the City, has the right to inspect all relevant records of the Company as are reasonably necessary to verify compliance with all requirements of this Agreement. Inspections shall be preceded by at least two weeks' notice in writing to the Company.

1.2 Project Specifications. The Project will be implemented at the Company's two Austin facilities: The Company's US Corporate Headquarters is its Oak Hill (OH) facility located at 6501 W. William Cannon Dr., Austin, TX 78735. The Company's Austin Technology and Manufacturing Center (ATMC) is located at 3949 and 3501 Ed Bluestein Blvd., Austin, TX 78721.

1.2.01 Anticipated Job Creation Schedule for New Full-time Jobs. The Company anticipates creating and retaining New Full-Time Jobs that employ Austin Residents as follows:

a. Ten New Full-Time Jobs before December 31, 2025; and

b. 53 cumulative New Full-Time Jobs before December 31, 2026.

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1.2.02 Obligation to Create and Retain New Full-time Jobs that Employ Austin Residents.

a. Before December 31, 2026 the Company shall create at least 42 cumulative New Full-Time Jobs that employ Austin Residents, located at its Oak Hill and ATMC Facilities combined (Combined Operations).

b. In order to be considered a New Full-time Employee, the individual must complete a Declaration of Residency in the Austin Area form, utilizing the form attached to this Agreement as Exhibit "E", at the time they are hired by the Company.

1.2.03 New Full-time Job Creation and Retention Annual Obligations:

a. In order to receive a Chapter 380 payment for performance during 2025, the Company must create at least eight New Full-Time Jobs at its Combined Operations, in addition to the Existing Full-time Jobs required to be retained in section 1.2.05 below, before December 31, 2025;

b. In order to receive a Chapter 380 payment for performance during 2026 and each subsequent year during the term of this Agreement, the Company must create at least 42 cumulative New Full-Time Jobs at its Combined Operations, in addition to the Existing Full-time Jobs required to be retained in section 1.2.05 below, before December 31, 2026 and retain those New Full-time and Existing Full-time Jobs throughout the term of this Agreement.

c. If the Company does not create and/or retain the required number of New Full-time Jobs during any year, the Company forfeits that year's Chapter 380 payment.

1.2.04 Pay Schedule for Employees in New Full-time Jobs.

a. The Company shall pay each New Full-time Employee no less than the City Living Wage, further defined in 1.1.06, which is currently $20.00 per hour and will increase to $20.80 on October 1, 2023, or as may be subsequently amended annually by the City.

b. The City shall notify the Company whenever the City Living Wage rate is amended by City Council. The Company shall begin paying its New Full-time Employees no less than the amended Living Wage within 30 calendar days of either the effective date of the amended Living Wage or the date the City notified the Company of the amended Living Wage, whichever is later. In the event increases to the Living Wage exceed the increase in Consumer Price Index in any given year, the Company may request a period of up to 180 calendar days to meet the amended Living Wage. This includes all of Company's contracts and subcontracts related to this Project.

1.2.05 Retain Existing Full-time Jobs:

a. Throughout the term of this Agreement the Company shall retain at least 2,768 full-time jobs at its Combined Operations. To count towards satisfaction of this provision, each retained job must be a full-time job

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performed in the City of Austin by an employee of NXP USA, Inc. who was employed by NXP USA, Inc. as of the Effective Date of this Agreement (the "Existing Job").

b. If on December 31 of any year during the term of this Agreement the number of Existing Jobs retained is less than 2,768 at the Company's Combined Operations, the number of New Full-Time Jobs required at the Combined Operations under sections 1.2.02 and 1.2.03 shall be increased job for job by the amount of the deficit in Existing Jobs.

1.2.06 Capital Investment Schedule. The Company shall reconfigure its Oak Hill facility at 6501 W. William Cannon Drive, Austin, TX 78735; and its ATMC facility at 3949 and 3501 Ed Bluestein Blvd., Austin, TX 78721.

a. The Company shall ensure that after the Effective Date of this Agreement and before December 31, 2026 it has invested at least $17,370,000 in real property improvements at its Oak Hill facility and an additional $12,450,000 in real property improvements at its ATMC facility for a total investment of $29,820,000 in real property improvements at both facilities; and

b. The Company shall ensure that after the Effective Date of this Agreement and before December 31, 2026 the Company has invested at least $131,240,000 in the purchase and installation of business personal property at its Oak Hill facility and an additional $129,720,000 in the purchase and installation of business personal property at its ATMC facility, for a total investment of $260,960,000 in business personal property at both facilities.

c. The Company's investment in real property improvements and business personal property shall be made according to the following schedule:

1. By December 31, 2025:

i. At least $17,370,000 in real property improvements plus $87,540,000 in business personal property, for a total cumulative investment of $104,910,000 at the Oak Hill facility, plus

ii. At least $12,450,000 in real property improvements plus $83,520,000 in business personal property, for a total cumulative investment of $95,970,000 at the ATMC facility.

2. By December 31, 2026:

i. Cumulative investment of at least $131,240,000 in business personal property at the Oak Hill facility; plus

ii. Cumulative investment of at least $129,720,000 in business personal property at the ATMC facility.

d. If the Company fails to make the required investment in any year, the deadline to make the investment shall be extended to March 31 of the following year. If the Company does not make the required incentive by March 31, the Company shall not be eligible to receive a Chapter 380 payment for the year during which the investment was required.

1.3 Community Benefits Compliance. During term of Agreement, the Company shall demonstrate compliance annually with each of the following requirements.

1.3.01 Talent Development.

a. By December 31, 2025, the Company shall implement an on-going, formal, progressive talent development program for entry-level employees.

b. By December 31, 2025, the Company shall provide a career ladder for at least 40% of the Project's Austin-Based Employees, including at least 25% of those employees whose salary is less than the median salary of the Project's Austin-Based Employees.

c. By December 31, 2025, the Company shall collaborate with one or more schools in Austin to recruit interns and/or apprentices and to provide education about opportunities in the Company's industry.

d. By December 31, 2025, the Company shall provide tuition reimbursement to the Project's Austin-Based Employees for job-related degree or training programs.

e. By December 31, 2025, the Company shall participate annually in at least one job fair or career exploration day event sponsored by one or more local colleges or universities.

f. By December 31, 2025, the Company shall provide at least six weeks of paid leave to any Austin-Based Employee upon the birth or adoption of a child.

1.3.02 Diversity, Inclusion & Equity.

a. By December 31, 2025, the Company shall track proportionality of:

1. Racial and gender representation at all stages of recruitment, and

2. Disparity in compensation levels and access to promotions across race and gender for all executive positions.

b. The Company shall survey its employees annually and summarize the data in ways that track diversity, inclusion and equity by manager or department. The Company shall hold its managers and executives accountable for not achieving diversity, inclusion and equity.

c. The Company shall have written policies and procedures regarding diversity, inclusion and equity in hiring and workplace culture.

d. The Company shall provide meeting space for affinity groups within the Company, each of whom either receives financial support from the Company or is allowed to meet during work hours.

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e. The Company shall have formal recruitment and retention initiatives to achieve and maintain diversity, inclusion and equity that use metrics to monitor results.

1.3.03 Connection to Underserved Communities.

a. The City recognizes the following zip codes as underserved communities: 78702, 78721, 78723, 78724, 78741, 78742, 78744, 78752, 78753, and 78758.

b. By December 31, 2025, the Company shall provide training, at least annually, to residents of underserved communities who are interested in obtaining jobs in the Company's industry.

c. By December 31, 2025, the Company shall incentivize its employees to volunteer annually for job training and employment outreach opportunities offered to residents of underserved communities.

1.3.04 Local Partnerships

a. The Company shall incentivize its employees to volunteer with local non-profit organizations or schools on a regular, ongoing basis, during work time and with compensation. In addition, the Company shall also provide financial support to local non-profit organizations or schools and/or provide a significant number of volunteer hours and sponsorship dollars to local events for non-profit organizations each year.

b. The Company shall partner with local non-profit organizations to support local, educational, historic and/or visual performance arts activities and shall provide funding to enhance local educational, historic, and/or visual and performance arts activities and organizations.

c. The Company shall support entrepreneurship.

1.3.05 Sustainable Business Practices

a. The Company shall have a disaster or emergency preparation plan.

b. The Company shall have a "green" team that implements sustainability actions in the work place, and regularly educates employees about sustainable practices they can implement at work and home. "Green" team employees shall perform implementation of and education about sustainability actions and practices as their primary job functions. The Company shall provide sustainability training to new employees during onboarding, and provide financial incentives for employees who recommend sustainability initiatives or enhancements.

1.4 Compliance with Additional Obligations. The Company's operations at the Project shall involve the use of waste or discarded material as a primary feedstock and the Company shall reuse, repair, remanufacture or recycle that material, or otherwise

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enable the diversion of a waste material from the landfill/incineration through its core business activities. The Company shall demonstrate compliance annually.

1.5 Except where provided by Federal law, and notwithstanding anything contrary set forth elsewhere in this Agreement, the Company's obligations set forth in this Section 1 shall only apply with respect to the bidding of new third party contracts which are solely and specifically entered into in connection with NXP Expansion.

2 City's Obligations

2.1 Economic Development Incentive. Subject to Section 3.02 (Payments Subject to Future Appropriations), during the Term of this Agreement, provided the Company has demonstrated compliance with its obligations under this Agreement, City shall pay to the Company annual Chapter 380 payments as prescribed in this section 2. For the purposes of this Agreement "Eligible City Property Taxes" is defined as the portion of the ad valorem rate dedicated to Maintenance and Operation, after deducting the portion of the ad valorem rate dedicated for the transfer to the Austin Transit Partnership. The ad valorem tax rate used to determine the Eligible City Property Taxes shall be adjusted annually.

2.1.01 For the Company's annual obligations performed after the Effective Date of this Agreement and continuing through December 31, 2029, by October 31 of the following year, the City shall pay the Company:

a. 35% of the Eligible City Property Taxes levied on New Improvements as defined in section 2.1.07 for the NXP Expansion located at the Company's Oak Hill and ATMC facilities in Austin, Texas; plus

b. 35% of the Eligible City Property Taxes levied on New Equipment and Machinery defined in section 2.1.07 that is installed in the Company's Oak Hill and ATMC facilities in Austin, Texas.

2.1.02 Advanced Manufacturing Workforce Training Fund.

a. For each year during which the Company demonstrates compliance with the terms of the Agreement and is eligible for a Chapter 380 incentive payment, the City shall deposit the following amounts into its Advanced Manufacturing Workforce Training Fund (Training Fund):

1. An additional 5% of the Eligible City Property Taxes levied on New Improvements as defined in 2.1.06 for the NXP Expansion located at the Company's Oak Hill and ATMC facilities in Austin, Texas; plus

2. An additional 5% of the Eligible City Property Taxes levied on New Equipment and Machinery defined in section 2.1.07 that is installed in the Company's Oak Hill and ATMC facilities in Austin, Texas.

b. The City shall operate the Training Fund, provided that Company gets exclusive access to such Training Fund to benefit Company's existing and future workforce. After the Training Fund has been established, the Company may submit a proposal for use of the Training Fund to assist

employees to include wraparound services such as childcare assistance for employees impacted by the Project or for advanced manufacturing related training throughout the term of the Award. The City shall deploy the funds for the Company's requested purpose at its reasonable discretion.

2.1.03 Childcare Assistance Fund.

a. For each year during which the Company demonstrates compliance with the terms of the Agreement and is eligible for a Chapter 380 incentive payment, the City shall deposit the following amounts into its Childcare Assistance Fund (Childcare Fund):

   1. An additional 10% of the Eligible City Property Taxes levied on New Improvements as defined in 2.1.07 for the NXP Expansion located at the Company's Oak Hill and ATMC facilities in Austin, Texas; plus

   2. An additional 10% of the Eligible City Property Taxes levied on New Equipment and Machinery defined in 2.1.07 that is installed in the Company's Oak Hill and ATMC facilities in Austin, Texas.

b. After the Childcare Fund has been established and throughout the term of the Agreement:

   1. Half of the Childcare Fund in each year shall be utilized for an annual donation in the name of NXP USA, Inc. to qualified childcare service providers that comply with NXP's eligibility requirements for NXP Gives Back (internal rules and policies for charitable contributions by NXP and/or its employees), and cannot be given to causes that include the following: Organizations that are not considered fully tax exempt by the U.S. Internal Revenue Service (IRS) (a private, non-operating foundation), Organizations not in good standing with the IRS, Organizations located outside the United States, Crowdsourcing Campaigns such as Go Fund Me, For-profit Organizations, or Organizations identified by the Southern Poverty Law Center as Hate Groups. Selected childcare service providers may utilize proceeds made available through the Childcare Fund for childcare and family support assistance within the Austin city limits.

   2. Half of the Childcare Fund in each year shall be dedicated to providing childcare for the children of NXP employees by qualified childcare service providers.

c. Provided the Company qualifies for its Year 5 incentive, the Company shall have an additional year after the Year 5 payment is issued to access money in the Childcare Fund dedicated to providing childcare for children of NXP employees in accordance with subsection 2.1.03.b above.

d. No funds shall be retained in the Childcare Fund after December 31, 2031 or one year after the Year 5 Chapter 380 payment has been issued.

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2.1.04 Additional Incentive for Employing Economically Disadvantaged Individuals.

a. For each year during which the Company demonstrates that at least 25% of its New Full-time Jobs were occupied by members of the Targeted Hiring Population as defined in the Business Expansion Program Guidelines (Exhibit A), or by Economically Disadvantaged individuals as defined by the City's Business Expansion Program Index of Definitions (Exhibit B) or by the State of Texas Enterprise Zone program at section 2303.402(c) of the Texas Local Government Code (attached as Exhibit G to this Agreement), the City shall pay the Company:

1. An additional 10% of the Eligible City Property Taxes levied on New Improvements as defined in section 2.1.07 for the NXP Expansion located at the Company's Oak Hill and ATMC facilities in Austin, Texas; plus

2. An additional 10% of the Eligible City Property Taxes levied on New Equipment and Machinery defined in section 2.1.07 that is installed in the Company's Oak Hill and ATMC facilities in Austin, Texas.

b. In order for a New Full-time Job to qualify toward this additional incentive, one or more Economically Disadvantaged individuals must have worked in the position for at least 1,500 hours during the year. If an Economically Disadvantaged individual occupying a New Full-time Job is terminated, the Company must maintain at least 25% of its New Full-time jobs occupied by members of the Targeted Hiring Population to be eligible under section 2.1.04.

2.1.05 Additional Incentive for Sustainability Achievements. The Company shall be eligible for the additional incentive described in section 2.1.05.d below for each year during which it demonstrates evidence of it's:

a. Platinum Level membership in the City of Austin Office of Sustainability's Austin Green Business Leaders program, including participating in Austin Energy's GreenChoice program, and

b. Active engagement with Austin Water prior to any new or redevelopment construction activities to identify ways to increase process water recycling and reduce potable water demand by employing water conservation measures such as, but not limited to use of reclaimed water or construction of onsite water reuse facilities; and

c. Submission of a Service Extension Request (SER) to Austin Water, in compliance with Land Development Code 25-9-33 to develop a suitable water, wastewater, and reclaimed water service plan.

d. For each year during which the Company demonstrates compliance with section 2.1.05.a-c, the City shall pay the Company:

1. An additional 5% of the Eligible City Property Taxes levied on New Improvements as defined in section 2.1.07 for the NXP Expansion located at the Company's Oak Hill and ATMC facilities in Austin,

Texas; plus

2. An additional 5% of the Eligible City Property Taxes levied on New Equipment and Machinery defined in section 2.1.07 that is installed in the Company's Oak Hill and ATMC facilities in Austin, Texas.

2.1.06 These payments, based on the Company's obligations as provided above, are estimated at a total of $1,026,332 over the term of the Agreement.

2.1.07 New Improvements and New Equipment and Machinery.

a. New Improvements means real property improvements constructed at the Company's Oak Hill and ATMC facilities, by or for the Company after the Effective Date of this Agreement.

b. New Equipment and Machinery means new, used, and/or refurbished business personal property new to the Travis Central Appraisal District property tax valuation roll through purchase or transfer, as of the Effective Date of this Agreement, that is installed in the Company's Oak Hill and ATMC facilities located in Austin, Texas.

2.1.08 Replacements of existing business personal property must be New Equipment and Machinery in order to be eligible for a Chapter 380 Payment under this Agreement. City property taxes on the value of business personal property acquired prior to the Effective Date of this Agreement and real property improvements existing prior to the Effective Date of this Agreement are not included in the amount eligible for Chapter 380 Payments.

2.1.09 Coordination with Travis Central Appraisal District (TCAD). In order to properly identify property which is eligible for Chapter 380 Payments, the Company shall work with TCAD to create separate TCAD accounts for New Improvements and New Equipment and Machinery.

2.1.10 With respect to the Chapter 380 Payments described in Sections 2.1.01 through 2.1.06 above, on or before February 1st of each year during the term of this Agreement:

a. If the value of the New Improvements and New Equipment and Machinery is not contested, the Company shall provide evidence to the City of the amount of the Eligible City Property Taxes paid by the Company to the Travis County tax collector or its successor (the "Property Tax Notice"). The Chapter 380 Payments shall be based on the amount stated in the Property Tax Notice.

b. If the value of any of the Company's New Improvements or New Equipment and Machinery is contested:

1. The Company shall notify the City in writing that the value of the property is contested, identifying the Parcel ID of each contested parcel containing New Improvements or New Equipment and Machinery.

2. The City will conduct its compliance review to determine whether the Company complied with the other terms of this Agreement during the Applicable Year, and if the Company is found to be in compliance with those terms, the review will be suspended until the value of the New Improvements and New Equipment and Machinery is no longer contested, at which time the Company shall provide evidence of the settled value of the New Improvements and/or New Equipment and Machinery to the City. The review will continue following the City's receipt of such evidence.

2.2 Schedule for Incentive Payments. Provided the Company has demonstrated compliance with the terms of this Agreement, and the prior year value of no Project property parcel was contested as of January 31 of the year following the applicable year, a Chapter 380 Payment shall be paid to the Company by the City on an annual basis for the preceding year, on or before October 31st. The first Chapter 380 Payment shall be based on taxes paid for the calendar year 2025, and shall be paid on or before October 31, 2026, provided the Company has demonstrated compliance with the terms of this Agreement, and the 2025 value of no Project property parcel was contested as of January 31, 2026. The final Chapter 380 Payment shall be based on taxes paid for the calendar year 2029, and shall be paid on or before October 31, 2030, provided the Company has demonstrated compliance with the terms of this Agreement, and the 2029 value of no Project property parcel was contested as of January 31, 2030.

3. General Terms

3.01 Term. This Agreement shall become enforceable upon execution by the City and the Company. Unless this Agreement is terminated earlier in accordance with Section 3.07 or 3.11, or the Company is engaged with the City to demonstrate the Company's compliance under this Agreement, or the value of any Project property parcel is contested as of December 31, 2029, the Company's obligations to perform under this Agreement shall be completed on December 31, 2029 and the City shall make its final payment to the Company under this Agreement on or before October 31, 2030, provided the Company has demonstrated compliance with the terms of this Agreement. If, as of December 31, 2029, the value of any Project property is contested, the Project will be evaluated after the value of all Project property has been settled. If the City finds that the Project is still revenue-positive to the City, the City's final payment will be made after compliance during 2029 has been demonstrated by the Company.

3.02 Payments Subject to Future Appropriation. This Agreement shall not be construed as a commitment, issue, pledge or obligation of any specific taxes or tax revenues for payment to the Company.

a. All payments or expenditures made by the City under this Agreement are subject to the City's appropriation of funds for such payments or expenditures to be paid in the budget year for which they are made.

b. The payment(s) to be made to the Company, or other expenditure(s) under this Agreement, if paid, shall be made solely from annual appropriations of the City

as may be legally set aside for the implementation of Article III, Section 52a of the Texas Constitution, Chapter 380 of the Texas Local Government Code, or any other economic development or financing program authorized by statute or home-rule powers of the City under applicable Texas law, subject to any applicable limitations or procedural requirements.

c. In the event the City does not appropriate funds in a given fiscal year for payments due or expenditures under this Agreement, the City shall not be liable to the Company for such payments or expenditures unless and until appropriation of the necessary funds is made; provided, however, that the Company, in its sole discretion, shall have the right, but not the obligation, to terminate this Agreement and shall have no obligations under this Agreement for the year in which the City does not appropriate the necessary funds and the remainder of the Term.

d. To the extent there is a conflict between this Section and any other language or covenant in this Agreement, this Section shall control.

3.03 Offset for Taxes Owed. The Company acknowledges that the City has provided notice of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person who is in arrears to City of Austin for taxes, and of § 2-8-3 of the Austin City Code concerning the right of City of Austin to offset indebtedness owed City of Austin.

3.04 Right to Audit. The Company agrees that the representatives of the Office of the City Auditor, or other authorized representatives of the City, shall have access to, and the right to audit, examine or reproduce, any and all records of the Company related to the performance under this Agreement. The Company shall retain all such records for a period of three years after final payment on this Agreement or until all audit and litigation matters that the City has brought to the attention of the Company are resolved, whichever is longer. The Company agrees to refund to the City any overpayments disclosed by any such audit. The Company shall include this section in all subcontractor agreements entered into in connection with this Agreement.

3.05 Representations and Warranties. The City represents and warrants to the Company that the economic development program and this Agreement are within its authority, and that it is duly authorized and empowered to establish the economic development program and enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction. The Company represents and warrants to the City that it has the requisite corporate authority to enter into this Agreement.

3.06 INDEMNIFICATION, HOLD HARMLESS, AND DUTY TO DEFEND; DAMAGES.

a. IN THIS SECTION, THE FOLLOWING TERMS HAVE THE MEANINGS ASSIGNED BELOW:

1. “INDEMNIFIED PARTY” IS THE CITY AND THE CITY’S OFFICERS, ELECTED AND APPOINTED OFFICIALS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS.

2. “INDEMNIFYING PARTY” IS THE COMPANY, ITS OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS.

b. SUBJECT TO SECTION 3.06(e), THE INDEMNIFYING PARTY SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE INDEMNIFIED PARTY AGAINST ANY AND ALL LOSSES, DAMAGES, LIABILITIES, DEFICIENCIES, CLAIMS, CAUSES OF ACTION, JUDGMENTS, SETTLEMENTS, INTEREST, AWARDS, PENALTIES, FINES, COSTS OR EXPENSES, THAT ARE INCURRED BY THE INDEMNIFIED PARTY DIRECTLY ARISING OUT OF ANY THIRD PARTY CLAIM OF:

    1. MATERIAL BREACH OF THIS AGREEMENT BY THE INDEMNIFYING PARTY;

    2. BODILY INJURY OR DEATH OF ANY PERSON DIRECTLY CUASED BY THE RECKLESS ACTS OF THE COMPANY; OR

    3. ANY FAILURE OF THE INDEMNIFYING PARTY TO MATERIALLY COMPLY WITH ANY APPLICABLE FEDERAL, STATE, OR LOCAL LAWS, REGULATIONS, OR CODES RELATED TO THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT.

c. THE INDEMNIFIED PARTY SHALL GIVE THE INDEMNIFYING PARTY PROMPT WRITTEN NOTICE OF ANY CLAIM RECEIVED THAT IT BELIEVES IS ENTITLED TO INDEMNIFICATION UNDER THIS SECTION 3.06 (A “CLAIM NOTICE”), PROVIDED THAT THE INDEMNIFIED PARTY’S FAILURE TO PROVIDE A CLAIM NOTICE WILL RELIEVE THE INDEMNIFYING PARTY’S OBLIGATION ONLY IF, AND TO THE EXTENT, THAT SUCH FAILURE PREJUDICES THE INDEMNIFYING PARTY’S ABILITY TO DEFEND THE CLAIM. THE INDEMNIFYING PARTY WILL PROMPTLY NOTIFY THE INDEMNIFIED PARTY IF IT ACCEPTS THE INDEMNIFIED PARTY’S TENDER OF BOTH THE DEFENSE OF AND INDEMNIFICATION FOR THE RELEVANT CLAIM. IF THE INDEMNIFYING PARTY UNCONDITIONALLY ACCEPTS THE INDEMNIFIED PARTY’S TENDER OF BOTH THE DEFENSE OF AND INDEMNIFICATION FOR THE CLAIM, THE INDEMNIFYING PARTY WILL OBTAIN SOLE CONTROL OF THE DEFENSE OF THE CLAIM, PROVIDED THE INDEMNIFIED PARTY MAY, AT ITS SOLE EXPENSE, SELECT ITS OWN LEGAL COUNSEL TO REPRESENT ITS INTERESTS. THE INDEMNIFYING PARTY WILL NOT ENTER INTO ANY SETTLEMENT THAT WOULD CREATE A CURRENT OR FUTURE OBLIGATION ON BEHALF OF THE INDEMNIFIED PARTY.

d. MAINTENANCE OF THE INSURANCE REQUIRED BY THIS AGREEMENT SHALL NOT LIMIT THE INDEMNIFYING PARTY’S OBLIGATIONS UNDER THIS SECTION.

e. To the maximum extent permitted by the applicable laws, neither party to this Agreement shall be liable to the other party for any special, indirect, punitive, or consequential damages incurred by the other party resulting from or arising out of or in connection with this Agreement. The foregoing limitation does not apply to either party’s breach of its confidentiality obligations set forth in Section 3.26 or a third-party claim due to bodily injury or death. Notwithstanding anything to the contrary in this Agreement, Company's total liability, whether for breach of contract, warranty, negligence, strict liability in tort or otherwise, is limited to the lesser of: two million dollars or the total value of incentives received by Company.

3.07 Event of Default. If either the City or the Company should fail in the performance of any of its obligations under this Agreement, such failure or omission to perform shall constitute an "Event of Default" under this Agreement. Except as otherwise provided in this Agreement, when an Event of Default occurs, the non-defaulting party shall provide the defaulting party with written notice of the alleged Event of Default (pursuant to Section 3.13, below), and allow the defaulting party a minimum period of 90 calendar days after the receipt of this notice to cure such Event of Default, prior to terminating this Agreement, instituting an action for breach of contract or pursuing any other remedy for the event of default.

3.08 Entire Agreement. This Agreement contains the entire agreement between the Parties. All prior negotiations, discussions, correspondence and preliminary understandings between the parties and others relating to the Parties' obligations are superseded by this Agreement. This Agreement may only be modified, altered or revoked by written amendment signed by the City and the Company.

3.09 Binding Effect. This Agreement shall be binding on and inure to the benefit of the Parties, their respective successors and assigns.

3.10 Assignment. Except as provided below, the Company may not assign its rights or obligations under this Agreement to a third party without prior written approval of the City. The City's approval of the assignment shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary, the Company may assign all or part of its rights and obligations under this Agreement without the prior consent of the City to an affiliate of the Company in which the Company owns at least a fifty percent (50%) interest, or to a third party lender advancing funds for the acquisition, construction or operation of the NXP Expansion. The Company shall use best efforts to notify the City of any pending assignments when an assignment under this section is imminent and immediately upon completion or closing of such an assignment.

3.11 Termination.

a. Termination by the Company for convenience. In the event the Company elects not to proceed with the Project as contemplated by this Agreement, the Company shall notify the City in writing, and this Agreement and the obligations on the part of both Parties shall be deemed terminated and of no further force or effect.

b. Termination for Cause. If either Party to this Agreement fails to meet its obligations under this Agreement, and the non-defaulting party provides notice of the Event of Default as set forth in Section 3.07, above, and the Event of Default is not cured within the 90 calendar day cure period, this Agreement may be terminated by the non-defaulting party after expiration of the 90 calendar day cure period.

3.12 Force Majeure. No party shall be liable or responsible to the other, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from the following force majeure events ("Force Majeure Events"): (a) flood, fire, earthquake, hurricane, tornado, or other 'acts of God;' (b) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (c) national or regional emergency; (d) other similar

events beyond the control of the party impacted by the Force Majeure Event (the "Impacted Party"). The Impacted Party shall give notice, by email or telephone, confirmed promptly in writing, within five business days of the Force Majeure Event to the other party, stating how long the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of the Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable. In the event that the Impacted Party's failure or delay remains uncured for a period of 90 days, the other party may terminate this Agreement upon 15 days' written notice.

3.13 Notice. Any notice and/or statement required or permitted to be delivered shall be deemed delivered by actual delivery, by facsimile with receipt of confirmation, or by depositing the same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses:

To the Company:

NXP USA, Inc.
Attn: Operations Strategy and Execution
6501 William Cannon West
Austin, TX 78735
Phone: (512) 933-8214
Fax: (512) 895-6630
Re: Chapter 380 Business Expansion Agreement

with copies to:

NXP USA, Inc.
Attn: Legal Department
6501 William Cannon West
Austin, TX 78735
Re: Chapter 380 Business Expansion Agreement

To the City:

City of Austin
Attn: City Manager
301 West 2nd Street
Austin, Texas 78701
(P.O. Box 1088, Austin, Texas 78767)
Phone: (512) 974-2200
Fax: (512) 974-2833

with copies to:

City of Austin
Attn: Director, Economic Development Department
5202 E. Ben White Blvd., Suite 300
Austin, Texas 78741
(P.O. Box 1088, Austin, Texas 78767)
Phone: (512) 974-7819
Fax: (512) 974-7825

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City of Austin
Attn: City Attorney, Law Department
301 West 2nd Street, 4th Floor
Austin, Texas 78701
Phone: (512) 974-2268
Fax: (512) 974-2894

Either party may designate a different address at any time upon written notice to the other party.

3.14 Attorney's Fees. In consideration of the award and execution of this Agreement and in consideration of the City's waiver of its right to attorney's fees, the Company knowingly and intentionally waives its right to attorney's fees under Section 271.153 of the Texas Local Government Code in any administrative proceeding, alternative dispute resolution proceeding or litigation arising out of or connected to this Agreement.

3.15 Cumulative Remedies. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the parties, or otherwise.

3.16 Election of Remedies; No Waiver. Neither the exercise of nor the failure to exercise a right or to give notice of a claim under this Agreement shall constitute an election or waiver of remedies or limit a party in any manner in the enforcement of any other remedies that may be available to the party, whether at law or in equity.

3.17 Interpretation. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which party prepared the initial draft of this Agreement, this Agreement shall be interpreted as being drafted by both Parties in conjunction with the other, neither more strongly for, nor against any party.

3.18 Applicable Law and Venue. This Agreement is made, and shall be construed and interpreted, under the laws of the State of Texas. Venue for any dispute arising under this Agreement shall lie in the state courts of Travis County, Texas.

3.19 Change in Law. Any alterations, additions or deletions to the terms of the Agreement that are required by changes in federal or state law or regulations are automatically incorporated into the Agreement without written amendment, and shall become effective on the date designated by such law or regulation.

3.20 Severability. In the event any provision(s) of this Agreement is deemed illegal, invalid or unenforceable under present or future law(s) by a court of competent jurisdiction, it is the intention of the Parties that the remainder of this Agreement shall not be affected. It is also the intention of the Parties that in lieu of each clause and provision that is found to be illegal, invalid or unenforceable, a provision will be substituted by written amendment to this Agreement which is legal, valid or enforceable and similar in terms to the provision deemed to be illegal, invalid or unenforceable.

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3.21 Survival of Obligations. The following provisions of this Agreement that impose continuing obligations on the parties shall survive the expiration or termination of this Agreement:

Sec. 3.04, Audit
Sec. 3.06, Indemnification
Sec. 3.13, Notices
Sec. 3.14, Attorneys' Fees
Sec. 3.15, Cumulative Remedies
Sec. 3.16, Election of Remedies; No Waiver
Sec. 3.17, Interpretation
Sec. 3.18, Applicable Law and Venue
Sec. 3.26, Public and Confidential Information.

3.22 Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

3.23 No Third Party Beneficiaries. This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

3.24 Independent Contractor. The parties intend that the Company is and shall be an independent contractor. The parties do not intend for this Agreement to create an employer/employee relationship, a partnership, joint enterprise or a joint venture. The parties intend that this Agreement does not provide the Company or its employees with any benefits, rights or privileges afforded to City employees and that the Company is responsible for paying its own taxes.

3.25 No Joint Venture. It is acknowledged and agreed by the Parties that the terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The City, its past, current and future officers, elected officials, employees and agents do not assume any responsibilities or liabilities to any third party in connection with the NXP Expansion or the design, construction or operation of any portion thereof.

3.26 Public and Confidential Information. All records and information provided to the City and its representatives to verify compliance with this Agreement, including monthly and annual reports, may be considered public information, and may be required, under the Texas Public Information Act, Chapter 552, Texas Government Code, to be available for public inspection or posted on the City's website. Other information provided by or on behalf of the Company under or pursuant to this Agreement that the Company considers as proprietary or otherwise confidential shall be maintained as confidential to the extent allowed by law. If proprietary financial or trade secret information is requested under the Texas Public Information Act, the City shall follow the standards set out in the Act and under the Texas Attorney General's procedures for such requests, and inform the Company so that it may also brief the Texas Attorney General as to why the information should remain confidential.

3.27 Required Anti-Boycott Provisions.

a. Pursuant to §2270.002, Texas Government Code, the Company verifies that it does not boycott Israel and will not boycott Israel during the term of the contract.

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b. Pursuant to Texas Government Code Chapter 2274, the Company verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association.

c. Pursuant to Texas Government Code Chapter 2274, the Company certifies that it does not boycott energy companies and will not boycott energy companies during the term of the contract.

3.28 Electronic Signatures. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic Signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures, pursuant to the Texas Uniform Electronic Transactions Act, Tex. Bus. & Com. Code §322.001 *et seq*.

3.29 Counterparts. This Agreement may be executed in several identical counterparts by the Parties on separate counterparts, and each counterpart, when so executed and delivered, shall constitute an original instrument, and all such separate counterparts combined shall constitute one (1) original agreement.

3.30. Federal CHIPS for America Act. Enforceability of this agreement for either Party is contingent upon the Company receiving funding under the federal CHIPS for America Act (Award) and providing notice to the City of the Award.

3.31. Conflicting Terms. Except for requirements of federal, state and local law, if the terms of this Agreement are inconsistent or conflict with the terms of any City policies or rules, then the terms of this Agreement shall prevail.

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EXECUTED by the authorized representatives of the Parties on the dates indicated below.

NXP USA, Inc.

a Delaware corporation

By:_____
Authorized Representative

Date: _____, 2023

CITY OF AUSTIN,
a home-rule municipal corporation

By: _____
Jesús Garza
Interim City Manager

Date: _____, 2023

Approved as to form and substance:

_____
Ron Pigott, Assistant City Attorney

EXHIBITS:

Exhibit "A": Chapter 380 Business Expansion Program Guidelines

Exhibit "B": Chapter 380 Business Expansion Program Definitions

Exhibit "C": Anti-Harassment and Anti-Discrimination Practices

Exhibit "D": Certificate of Compliance

Exhibit "E": Declaration of Residency in the Austin Area Form

Exhibit "F": Existing Contracts

Exhibit "G": Texas Local Govt. Code Section 2303.402(c)

Exhibit "H": Wage Compliance Documents

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Exhibit A

CITY OF AUSTIN

ECONOMIC DEVELOPMENT

Business Expansion Program Guidelines

A Chapter 380 Program

City of Austin Economic Development Department

2018 – 2023

Global Business Expansion
CITY OF AUSTIN ECONOMIC DEVELOPMENT

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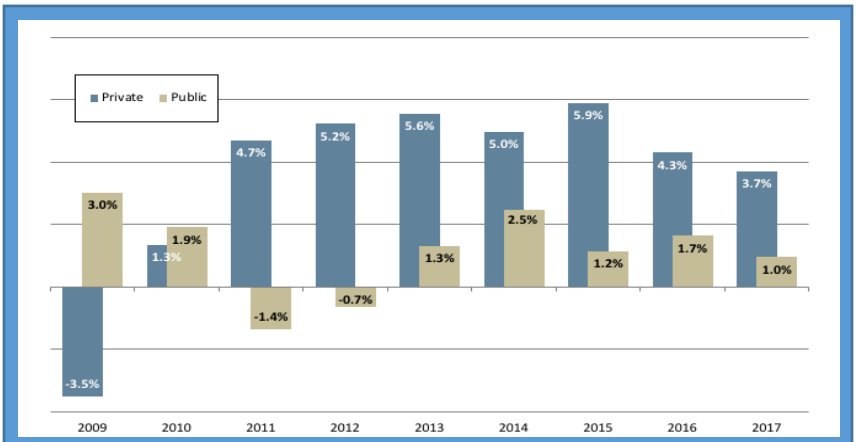
Context to City Program Development

Recent Economic Trends:

In both absolute and percentage terms, the rate of growth in the Austin metro area (MSA) fell slightly during 2017, but the pace and level of growth remain among the most expansive in major metro areas in the country. Job growth (as measured by the employer survey) was slightly slower last year with 32,300 net new jobs added, the growth rate of 3.2% was off from 3.8% during 2016.

Most of this growth remains in the commercial sectors of the economy, reflecting continued population increases, while consumer spending has stabilized in recent quarters. Meanwhile, patent activity in the Austin MSA rose slightly from 2016 to 2017 (4,179 patents issued last year, up from 4,036), while venture capital in the region moved past $1 billion in 2017. Tourism remains a growing element of the local economy, as annual hotel revenue in the City has doubled over the past ten years. Housing markets remain tight, and prices continue to rise.



Total Austin MSA Employment Growth: Public vs. Private Sector
Sources: Bureau of Labor Statistics; TXP

While overall economic growth remains positive, wages have not kept pace with job growth, particularly on the lower end of the pay scale. According to the Texas Workforce Commission (TWC), average weekly wages in Travis County climbed from $1,040 in 2011 to $1,190 last year, a gain of slightly less than 15%.

As wages have fallen behind, costs have risen rapidly, especially for housing. The American Community Survey indicates that median monthly housing costs in the City increased almost 24% from 2011-2016, well beyond wage growth. In that same vein, Texas A&M's Real Estate Research Center, using Austin Board of Realtors data, reports that the median price of a local home sold rose from $215,000 in 2011 to $323,000 last year, a gain of over 50%. Given the above, it's not surprising that A&M ranks Travis County as the least affordable housing market among Texas' major urban areas.

Slowing job growth puts focus on continued job creation, especially at a time when competition is intense. City economic development policy should be broad enough to foster the expansion of existing local business, support local entrepreneurs, and accommodate incentivizing selected relocations. However, the character of the jobs created and those who have access to them matters, as recent job growth without commensurate wage increases means that many in Austin are under-employed, which makes rapidly rising costs even more burdensome. Partially as a result, poverty remains largely intractable in Austin. For example, during 2010, those who were at 100% of the poverty rate accounted for 18.4% of Austin's population; after five years of strong overall economic growth, that figure had only improved to 18.0%. At the same time, there are a significant number who continue to face employment barriers. Of those adults age 16-64 listed at 100% of the poverty level, 68.7% reported having worked at some point during 2015, an implied unemployment rate of more than 30%. In addition, there are more

than 75,000 people in the City who report having a disability, as well as many who are in recovery from substance abuse or who have had a recent experience with the criminal justice system. It is these populations, those who are under-employed, chronically unemployed, and outside the labor force, who are in most need of economic development assistance.

In sum, Austin remains among the most prosperous communities in the nation, but the benefits of this prosperity have not been equitably distributed. As a result, a significant focus of the programs to be created is on the creation of better jobs paying better wages across industries, occupations, skill sets and communities. Under the authority granted by the State of Texas's Chapter 380 statute, the City of Austin seeks to develop programs that address this need, while also strengthening the local economy and tax base, sustaining economic activity and building resilience against national economic downturns. The following program guidelines have been developed relating to incentives to employers for both existing firms in the area and possible relocations. Please see the associated Economic Development Guiding Principles document for more information on how program criteria and process has been developed.

Business Expansion Program Portfolio Structure

Program Values & Priority Goals:

The Business Expansion Program Portfolio seeks to address the following general priorities as identified by community need, Austin City Council objectives, community strategic direction and current market conditions:

- High priority consideration given for jobs that provide above industry standard compensation for middle-skill workers;
- Heightened efforts are made to maximize meaningful labor force participation for Targeted Hiring populations (see page 12) and those facing socio-economic hardships that act as barriers for accessing local employment opportunities;
- Area of focus is on connecting the City's values for accessibility to employment and quality working environments to small and local business with expansion opportunities;
- Business expansion projects that yield benefits to the community beyond local tax base contribution, and;
- The City regulatory environment as it relates to business growth and development could be offset.

Minimum Requirements for Business Expansion Program Portfolio Qualification:

Outlined below are the Minimum Requirements for proposal consideration within any of the Business Expansion Program Portfolio Categories. The below list reflects requirements that appear in each of the Business Expansion Program Portfolio Categories, however projects may comply differently with some requirements depending on the General Eligibility criteria outlined for each specific Category:

- Project provides 'But For' statement: Applicant must provide credible evidence that the incentive either fills a gap that creates desirable outcomes, or that the project addresses a competitive position around a relocation or expansion project that is considering viable alternative sites outside of Austin.
- Applicants to all Chapter 380 grant and loan programs shall be required to sign and comply with a City-provided form specifying the entity is in compliance with all federal, state and local laws and authorities. Evidence of noncompliance may be grounds for terminating the agreement. At its discretion, the City may work with the recipient to develop a plan and timeline for becoming compliant.
- Incentive recipients will comply with all City Code requirements, including environmental requirements, in effect at the time the Chapter 380 agreement is executed. Absent a negotiated agreement with the City, an incentive recipient shall not petition for potential vested rights under any provision of Chapter 25 of the City Code, or Chapter 245 of the Texas Local Government Code, for the Chapter 380 project that is the subject of the agreement. Incentive recipients agree to comply with City environmental requirements on all future development that is the subject of the agreement. If the recipient is cited with a City Code environmental violation for the subject of the agreed incentivized project during the term of the agreement, the City of Austin reserves the right to negotiate a cure period in which payment of the incentive will be withheld and, failure to cure the violation results in termination of the incentive agreement in accordance with the standard termination provisions in the Chapter 380 agreements;
- Project complies with the City of Austin's MBE/WBE Ordinance through the Minority-Owned and Women-Owned Business Enterprise Procurement Program;

- If applicable to a project with capital expenditures in the form of construction:
    - All construction workers hired for construction of the project will be provided Workers Compensation Insurance and OSHA 10 Training;
    - All construction work on the project must comply with the City's established prevailing wage program that is used on City of Austin public works projects;
    - The project will ensure all employees are paid no less than the City's living wage and as it may be adjusted annually, including full-time employees and contract employees, and if applicable to a project with capital expenditures in the form of construction, construction workers hired for construction work will be paid at least the City's living wage.
- Company may protest property tax valuation, however in the event the tax valuation of the property has been lowered as a result of a successful protest, the City will evaluate the impact of the new valuation on the net fiscal position of the City and may reduce the incentive amount to reflect the lowered property value;
- Company provides written policies to support anti-harassment and anti-discrimination practices for business operations and work environment in the City. Applicants to all Chapter 380 grant and loan programs shall be required to sign and comply with a City-provided form specifying non-discrimination and anti-harassment policies and practices. Evidence of noncompliance may be grounds for terminating the agreement. At its discretion, the City may work with the recipient to develop a plan and timeline for becoming compliant;
- The City living wage must be paid to the Austin-based employees of the business receiving incentives, and there will be no waiver or exception process for this wage requirement. This requirement applies in addition to and not as a substitute for the requirement for firms to provide wages above the industry median wage.
    - Economic incentives shall only be granted to higher-wage firms for providing community benefits other than high wage jobs;
    - For economic incentives provided to higher-wage firms, economic incentives shall only be granted to those firms for providing other community benefits other than high wage jobs. Such community benefits could include, but would not be limited to, achieving the goal of the Workforce Master Plan: bringing Austinites up from below 200% of the federal poverty line into jobs that lift them above that standard;
- Company provides company-sponsored health insurance benefits for all new full-time employees, or Company provides a written explanation of how it is facilitating access to health insurance coverage for its employees (such as providing a stipend to purchase insurance on the healthcare exchanges) that is deemed to adequately satisfy the provision of the health insurance requirement;
    - Company extends those health insurance benefits stated above to domestic partners of employees and their dependents. The company's policy should reflect the definition of a domestic partner as an individual 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. A domestic partner may be of the same, or opposite, gender as the employee;

Incentives to Employers Categories

To achieve the Business Expansion Program Portfolio Values and Priority Goals, the following program guidelines are organized into three broad categories:

Category 1: Existing Local Expansions
Category 2: Opportunity for Employment
Category 3: External Relocations

Category 1: Existing Local Expansions

Category Values & Priority Goals:

The Existing Local Expansions category of the Business Expansion Program Portfolio seeks to connect employment and quality working environments to small and local business with expansion opportunities, addresses rising costs and access to capital/financing for businesses, facilitates filling market gaps in the provision of certain goods and services in Targeted Areas, provides relief from the City's regulatory environment as it relates to business growth and development, and in turn provides benefits to the community beyond local tax base contribution. Potential users of this program will span a wide range, from small/local firms, to "mom-and-pop" shops, to growing start-ups, to large corporations looking to grow locally.

General Eligibility:

The Company will comply with Minimum Requirements as stated in the Business Expansion Program Portfolio Qualifications and includes the following additional eligibility requirements, as stated below:

- The company has a registered and operational location within the City of Austin;
- The company can receive incentives for either internships or full-time positions (defined as working at least 1,500 hours annually). All positions must pay at least the City's Living Wage;
- Small Projects: 5-24 Jobs Created: The Company will create between 5 and 24 full-time jobs that employ Austin residents (defined as any individual having a permanent address within the Austin MSA before starting date of employment);
- Medium Projects: 25-74 Jobs Created: Projects creating 25 to 74 full-time jobs that employ Austin residents (defined as any individual having a permanent address within the Austin MSA before starting date of employment);
- Large Projects: 75 and Above Jobs Created: Projects creating more than 75 full-time jobs that employ Austin residents (defined as any individual having a permanent address within the Austin MSA before starting date of employment).

Exceptions:

There are no available Exceptions to the Eligibility Requirements Category 1 Projects: Existing Local Expansions

Cost-Benefit Analysis:

Staff will include a cost-benefit analysis in the consideration of the project and the analysis will be factored in to the resulting Project Score (see "Project Score") that informs the level of incentive available to the project. For

some projects, depending on the complexity and anticipated impact, the City may determine that an outside or third-party cost-benefit analysis is necessary. Measures for the Cost-Benefit Analysis could include, but are not limited to, construction and development costs, net new jobs additions, hiring timeline, wages, facility costs that impact water and electricity infrastructure and other project-related financial information. A net fiscal position for the City will be determined from this analysis to help inform the level of appropriate investment, coupled with other program criteria measures and Score Card (see "Project Score"). The cost-benefit tool and resulting value is not the sole determinant of the value of the total potential incentive offer.

Return on Investment (ROI) Including Community Benefits:

It is anticipated that not all qualifying projects that participate in this Existing Local Expansions program will produce a net positive fiscal impact for the City of Austin. This program is intended to support economic development value outside a revenue-positive fiscal impact for the City, but all projects must have at least a revenue-neutral fiscal impact for the City, focusing on providing additional resources for existing, local firms in the Austin market who seek to hire local residents. Given the rising cost of doing business and increased financial pressure on existing, local businesses, this program does not contain a requirement for projects to provide the City with a revenue-positive fiscal position to make a financial incentive offer.

Return on Investment that includes Community Benefits seeks to assign a "value" to elements of a project outside the sales and property tax based financial profile. These Community Benefits are another factor in determining the level of appropriate investment for the City to realize those community benefits, outside of tax revenue. Below is a list of Community Benefits that are considered "valuable" in the overall analysis of the proposed project in this Category:

- Talent Development: Demonstrate accessibility and delivery of employment opportunities to the economically disadvantaged and the Targeted Hiring population (see pg. 12). Demonstrate the advancement of employee skills by offering a career ladder, educational opportunities, and training such as apprenticeships, paid internships, coop learning, work-study, etc.
    - Collaborate with local schools for talent pipeline development through programs that include recruitment, internships, apprenticeships, and education of opportunities in the industry.
    - Other community benefit programs could include tuition reimbursement, parental leave/childcare programs, coordination with colleges and community colleges, workshop training, workforce development and upskilling.
- Hiring: Demonstrate recruitment and retention efforts, defined by hiring and employee development practices that produce equity measures to provide pathways for underrepresented minorities and racial/gender disparities.
- Diversity, Inclusion & Equity: 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.
- Neighborhood Connection: Employer growth that affects the neighborhood or community the business services by creating jobs near workers, delivering goods or services to the surrounding community, offering training opportunities for neighborhood residents, delivers or integrates workforce housing development and includes other community solidification elements, such as communal green space and parks, local volunteer opportunities for employees, participating in local arts and culture organizations, and involvement in other initiatives that amplify Austin's neighborhood culture.

- Local Partnerships: Partner and/or engage with local groups, non-profits, schools and small businesses to align with local values and needs. These partnerships could demonstrate any of the following:
    - Enhance relationships with local organizations and support local culture;
    - Develop and participate in neighborhood groups;
    - Promote industry diversity, encourage entrepreneurship and support small businesses through collaboration and partnership;
- Sustainable Business Practices: Engaging in zero waste and resource recovery initiatives such as recycling and/or reuse programs, mitigation of existing impact such as operations that move the community closer to net zero greenhouse gas emissions goal, and operations that are in line with the reductions mandated in the climate plan (25% reduction every 10 years), and, getting to zero by 2050. Actively engaging in environmentally friendly and sustainability-focused business operations including lowering vulnerability to drought and flood risks. Participation in the City of Austin's Mobility Plan (if applicable), and encouraging employees of the company to participate in sustainability measures. Additional measures could include a Disaster or Emergency Preparation plan.
- Civic Engagement: Actively encouraging employees to register to vote, providing at least two hours off with compensation for employees to vote, or other programs to increase the civic engagement and democratic participation of its employees, customers, and/or nearby residents.

Return on Investment Including Community Benefits is not a requirement for participation in the program. Instead, the Community Benefits are additional measurements the City of Austin uses to determine valuable impact on the community beyond tax revenue generated from the project's construction and job creation.

Bonus Qualifiers:

Bonus Qualifiers are a factor of the overall Project Score and could include but are not limited to:

- The company is in a targeted industry, as identified by the City of Austin.
    - The company will garner extra bonus qualifiers if the primary business activity of the incentivized project is defined as manufacturing;
    - The company will garner extra bonus qualifiers if involved in leading edge technology;
    - The company will garner extra bonus qualifiers if operations involve the use of waste or discarded material as a primary feedstock and will reuse, repair, remanufacture, or recycle that material, or otherwise enable the diversion of a waste material from the landfill/incineration through its core business activities;
- The company is defined as a Small Business by Small Business Administration guidelines (500 or less employees). The company will garner extra bonus qualifiers if it is a Small Business that employs less than 50 employees;
- The company will generate 100 or more new, full-time jobs;
- The company is in a lower wage sector but chooses to pay their employees above the City living wage;
- The company is cooperatively owned, managed, has a democratic form of representation for their workforce, or builds their projects using workers that have democratic forms of representation in their workplace;
- The company will (or already has) participated in the Human Rights Campaign Corporate Quality Index and receive a favorable score above 80% and is actively taking measures to achieve a score of 100% before the term of the incentive agreement is complete;

- The company will locate in a high frequency transit corridor, Transit Oriented Development, or Regional Center, Town Center, Job Center or Neighborhood Center identified in the Growth Concept Map in the Imagine Austin Plan and/or locate within 1/4 mile of a rail or bus stop that is accessible by safe pedestrian and bicycle routes;
    - The company will garner extra bonus qualifiers by incentivizing employees use of alternative transportation modes through Transportation Demand Management strategies such as carpooling, flextime work schedules, and subsidizing transit costs for employees;
    - The company will garner extra bonus qualifiers by offering workforce housing support or an annual stipend program to help alleviate the rising cost of living burden on employees, especially those below the Company's median salary;
- The company will commit to obtaining LEED certification silver or above for construction development of the project, if applicable;
- The company's development, if applicable, scores above a 9 out of 12 on the City of Austin's Carbon Impact Statement;
- The company will source procurement of art and installations from the local creative economy, such as local artists;
- 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.;
- The company will provide an on-site day care facility for employees that may be open to the public, and/or provide subsidized daycare for employees.
    - The company will garner extra bonus qualifiers if the onsite daycare facility is made open to the public.

Project Score:

A Total Project Score will be determined based off the following criteria:

- Minimum Requirements
- General Eligibility
- Cost-Benefit Analysis
- Return on Investment Including Community Benefits
- Bonus Qualifiers

Project Score Thresholds:

- Project Score 0 – 50: No City incentive participation. A minimum Project Score of 50 is required for City investment.
- Project Score 51 – 79: City incentive participation negotiable up to a maximum of 35% for property tax reimbursements and up to 2% of wages (see "Incentives Provided"). Other/Operational Support in the form of City resources and services can be considered in this score range (see "Process: Step 4: City Resources").
- Project Score 80 – 100: City incentive participation negotiable up to 50% for property tax reimbursements and up to 3% of wages (see "Incentives Provided"). Other/Operational Support in the form of City resources and services can be considered in this score range (see "Process: Step 4: City Resources").

Incentives Provided:

A firm may receive either a "per job" payment or a portion of incremental property tax liability associated with the expansion.

Per Job Incentive Allowance: Annually, the City will return a share of the gross income paid to workers in the newly created positions based on the Per-Job Allocation Schedule outlined below. The total incentive amount will be estimated at the time of the agreement execution and will be capped at that amount. If the cap is reached before the end of the agreement term, the agreement is deemed complete.

Project Score	Max % of Annual Wages Per Job Incentive Allowance	Per Job Cap (Annual)
0-50	None	N/A
51-79	1% - 2%	$1,800
80-100	2.01% - 3%	

Notes on Per-Job Allocation Schedule:

- Assumes an annual work rate of 1,500 hours
- Maximum number of years allowed for per job incentive allowance: 5 years
- Per job incentives are only available to current local residents of the City of Austin
- Other/Operational Support in the form of City resources and services can be considered in the Project Score range of 51-100 (see "Process: Step 4: City Resources")

Property Tax Reimbursement: Annually, the City will return a share of the property tax liability (not to exceed, in the aggregate, 50% of the net present value of the total estimated tax liability over five years.) Property tax reimbursements will be made based on the below Property Tax Reimbursement Allocation Schedule. The total incentive amount will be estimated at the time of the agreement execution and will be capped at that amount. If the cap is reached before the end of the agreement term, the agreement is deemed complete. As stated above, if the business successfully protests and lowers its property tax valuation, the reimbursement from the City may be reduced proportionately.

Project Score	Max Property Tax Reimbursement (% of net present value of the total estimated tax liability over 5 years)
0-50	0%
51-79	10% - 35%
80-100	36% - 50%

Category 2: Targeted Hiring

Category Values & Priority Goals:

The Targeted Hiring category of the Business Expansion Program Portfolio seeks to provide pathways for business expansions that focus on delivering compensation for middle-skill job creation, maximize meaningful labor force participation for populations that face unusual individual challenges to employment that act as barriers for accessing local employment opportunities, and in turn provide benefits to the community beyond local tax base contribution. Potential users of this program will span a wide range, from small/local firms, to mom-and-pop shops, to growing start-ups, to large corporations looking to grow locally.

General Eligibility:

The Company will comply with Minimum Requirements as stated in the Business Expansion Program Portfolio Qualifications to include the following additional eligibility requirements, as stated below:

- The company creates one or more "apprenticeships" (position that is a combination of one-the-job training and related instruction from a supervisor in anticipation and preparation for a permanent job in the applicable company), or "internships" (positions of no more than two years that typically are made available to students);
- The company creates one or more full-time jobs, hiring and retaining the same individual for each job from the local population facing economic and socio-economic barriers to employment. This following list serves only as an example of populations and barriers and does not exclude other populations and barriers:

  Targeted Hiring population:
  - individuals without a high-school diploma or GED or transitioning from GED/high-school equivalent programs;
  - individuals experiencing homelessness, transitioning from homelessness or residents of Permanent Supportive Housing (PSH) and other publicly funded housing programs to include Housing Choice Voucher Programs;
  - individuals served by other local, state, or federal social services contracts;
  - individuals with a past criminal justice system experience;
  - individuals transitioning from drug, alcohol or other treatment programs;
  - those who either lack sustained labor force experience or those returning to the labor force from a sustained absence; and
  - individuals with a disability that has been identified by a qualified third-party service provider engaged in workforce development and supportive services as a barrier to employment.

  ** In addition, other individuals who are considered to have challenges in regular employment may be included in the hiring population upon City receipt of, and agreement with, the justification for inclusion.*
- The appropriate level of annual hours worked will be determined on an individual basis, likely in consultation between the firm, the City, and a qualified third-party;
- The hiring firm pays or exceeds the City's living wage for all employees and incentivized positions;
- The company will encourage and support the use of alternative transportation modes;

Cost-Benefit Analysis:

Staff will include a cost-benefit analysis in the consideration of the project and will be factored in to the resulting Project Score (see "Project Score") that informs the level of incentive available to the project. For some projects, depending on the complexity and anticipated impact, the City may determine that an outside or third-party cost-benefit analysis is necessary. Measures for the Cost-Benefit Analysis could include, but are not limited to construction and development costs, net new jobs additions, hiring timeline, wages, facility costs that impact water and electricity infrastructure and other project-related financial information. A net fiscal position for the City will be determined from this analysis to help inform the level of appropriate investment, coupled with other program criteria measures and Score Card (see "Project Score"). The cost-benefit tool and resulting value is not the sole determinant of the value of the total potential incentive offer.

Return on Investment (ROI) Including Community Benefits:

It is anticipated that many projects that qualify for the Category 2: Opportunity for Employment program criteria will not produce a revenue-positive fiscal position for the City. This program is intended to support economic development value outside a revenue-positive fiscal impact for the City, but in no event will the value be less than roughly equivalent to the value that the City is paying, focusing on providing new opportunities for the intended segments of the Austin workforce. As an example, the combination of new revenue and avoided social services costs suggests that the City could realize as much as $3,000 in net gain per job created for those in a Targeted Hiring population (see pg. 12). Therefore, this program does not contain a requirement for projects to provide the City with a tax revenue-positive fiscal position to make a financial incentive offer.

Return on Investment that includes Community Benefits seek to assign a "value" to elements of a project outside the financial profile. These Community Benefits are another factor in determining the level of appropriate investment for the City to realize those community benefits, outside of revenue. Return on Investment Including Community Benefits are not requirements for participation in the program. Instead, they are additional measurements the City of Austin uses to determine valuable impact on the community beyond tax revenue generated from the project's construction and job creation. Below is a list of Community Benefits that are considered "valuable" in the overall analysis of the project in this Category:

- Talent Development: Demonstrate accessibility and delivery of employment opportunities to the economically disadvantaged and the Targeted Hiring population (see pg. 12). Demonstrate the advancement of employee skills by offering a career ladder, educational opportunities, and training such as apprenticeships, paid internships, coop learning, work-study, etc.
    - Collaborate with local schools for talent pipeline development through programs that include recruitment, internships, apprenticeships, and education of opportunities in the industry.
    - Other community benefit programs could include tuition reimbursement, parental leave/childcare programs, coordination with colleges and community colleges, workshop training, workforce development and upskilling.
- Hiring: Demonstrate recruitment and retention efforts, defined by hiring and employee development practices that produce equity measures to provide pathways for underrepresented minorities and racial/gender disparities.
- Diversity, Inclusion & Equity: 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.

- Neighborhood Connection: Employer growth that affects the neighborhood or community the business services by creating jobs near workers, delivering goods or services to the surrounding community, offering training opportunities for neighborhood residents, delivers or integrates workforce housing development and includes other community solidification elements, such as communal green space and parks, local volunteer opportunities for employees, participating in local arts and culture organizations, and involvement in other initiatives that amplify Austin's neighborhood culture.
- Business Type: Incentives will be targeted and extra incentives will be considered for businesses and employers that are cooperatively owned or managed or who have democratic forms of representation for their workforce, or who build their projects using workers that have democratic forms of representation in their workplace.
- Business Sector: Incentives will be targeted and additional incentives will be considered for businesses and employers in lower wage sectors who choose to pay their employees above the City living wage.
- Civic Engagement: Actively encouraging employees to register to vote, providing at least two hours off with compensation for employees to vote, or other programs to increase the civic engagement and democratic participation of its employees, customers, and/or nearby residents.

Project Score:

A Project creating accessible opportunity for the intended audience will be deemed "acceptable" and staff will move forward with transaction development when the partner is able to agree to the terms provided and provide information that supports delivery of intended outcomes:

- Minimum Requirements
- General Eligibility
- Cost-Benefit Analysis

Projects that are not able to agree or provide information that properly addresses the criteria above will be deemed *"not acceptable"* and will not continue in the process.

Incentives Provided:

A company that meets required criteria may receive a cash allocation from the City, on a reimbursement basis, under the following schedule for each position.

Allocation Schedule (per position, annually):

	If Engage Qualified 3rd Party	If Engage Qualified 3rd Party + Housing Stipend	If Company Alone	If Company Alone + Housing Stipend
Year 1	$2,000	$3,000	$1,000	$2,000
Year 2	$1,900	$2,900	$950	$1,950
Year 3	$1,800	$2,800	$900	$1,900
Year 4	$1,700	$2,700	$850	$1,850
Year 5	$1,600	$2,600	$800	$1,800

Engaging with Qualified Third Parties: In 2016, the City received an average of $2,215 in taxes and fees per job in Austin ($1,440 when taxes alone are considered). Moreover, the City administers a range of means-tested social services programs that in some way address poverty. A total of 35 programs with FY

2015-16 annual budgets totaling $16.5 million in client service spending were identified, serving just over 19,350 clients for an average of approximately $855/client. The activities of these programs were broadly related to workforce development, transitional housing, victim services/violence prevention, childcare, and financial literacy. However, the process of finding, training, placing, and supporting these individuals after employment is not easy, and may be challenging for firms that are not accustomed to dealing with these populations and/or are not organizationally prepared to implement an effort of this type. As a result, private entities are encouraged to engage qualified third-parties (initially defined as those organizations who are already providing analogous or related services to public sector clients in Texas and approved by the City in its sole discretion) to facilitate the successful placement and retention of employment candidates.

Additional Housing Stipend Allocation: In an effort to alleviate the rising cost of living burden for employees, private entities are encouraged to provide a "Housing Stipend" to employees within the City of Austin, especially those beneath the Company's median salary. This amount assumes the average cost of a one-bedroom or efficiency unit within the City of Austin is currently at an estimated $1,000 per month. This additional allocation is equivalent of a stipend equal to one-month's rent per employee per year for up to five years. Should the company offer such a stipend to their employees, especially those beneath the Company's median salary, they would be eligible for consideration for an additional incentive allocation equivalent to $1,000 per employee, per year up to five years, above their baseline incentive allocation amount.

Category 3: External Relocations

Category Values & Priority Goals:

The External Relocations category of the Business Expansion Program Portfolio seeks to provide strategic interventions and investments that attract outside employers relocating and expanding within the local market to grow and hire in Austin by providing needed capital/financing and support, potentially offsetting costs associated with the City regulatory environment as it relates to business growth. This program could help provide new employment opportunities for local residents, solidify neighborhood employment centers and activity corridors, and yield numerous community benefits beyond traditional increases to the tax base for the City. The potential users of this program could include established businesses with operations currently outside the City, newcomers with proven track records and growth trajectories in target industries, and those that offer alignment with Austin's strategic direction.

General Eligibility:

The Company will comply with Minimum Requirements as stated in the Business Expansion Program Portfolio Qualifications to include the following additional eligibility requirements, as stated below:

- The company does not currently have a significant presence within the City of Austin or if there is already a significant presence, the project delivers a new division or operation into Austin. Significant presence is defined as at least 5 full-time jobs that are currently based and operational within the City of Austin;
- The company will create at least 75 new full-time jobs (defined as working at least 1,500 hours annually) paid at or above the City's living wage;
- The company and the industry within which they operate demonstrate business growth and stability.

Exceptions:

There are no available Exceptions to the eligibility requirements for Category 3 Projects: External Relocations.

Cost-Benefit Analysis:

Staff will include a cost-benefit analysis in the consideration of the project and will be factored in to the resulting Project Score (see "Project Score") that informs the level of incentive available to the project. For some projects, depending on the complexity and anticipated impact, the City may determine that an outside or third-party cost-benefit analysis is necessary. Measures for the Cost-Benefit Analysis could include, but are not limited to, construction and development costs, net new jobs additions, hiring timeline, wages, facility costs that impact water and electricity infrastructure and other project-related financial information. A net fiscal position for the City will be determined from this analysis to help inform the level of appropriate investment, coupled with other program criteria measures and Score Card (see "Project Score"). The cost-benefit tool and resulting value is not the sole determinant of the value of the total potential incentive offer.

Return on Investment (ROI) Including Community Benefits:

The External Relocation Category allows for the City of Austin to receive a net positive fiscal impact to support economic development values in the community. Given the nature of qualifying projects within this Category being required to provide a new job increase of a minimum of 75 new jobs in Austin, this Category contains a requirement for a revenue-positive fiscal position for the City to make a financial incentive offer.

However, a net positive fiscal return for projects in this Category is not the only way a project can demonstrate its value on the community. Return on investment includes Community Benefits that seeks to assign a "value" to those elements of a project outside the financial profile. These Community Benefits are another factor in determining the level of appropriate investment for the City to realize those community benefits, outside of revenue. Below is a list of Community Benefits that are considered "valuable" in the overall analysis of the project in this Category:

- Industry Diversification: Seed new investment in a new industry to potentially create a new cluster or bring additional types of industries to Austin;
- Gaps in Needed Services/Goods: Provide goods/services to under-served communities within Austin;
- Hiring: Demonstrate recruitment and retention efforts, defined by hiring and employee development practices that produce equity measures to provide pathways for underrepresented minorities and racial/gender disparities.
    - Diversity, Inclusion & Equity: 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.
    - Employment Opportunity: Promote equity and decrease barriers to employment. Include in the hiring plan new employment opportunities and retention efforts for Targeted Hiring populations in Category 2 of the Business Expansion Program (see pg. 12). This produces a more balanced economy, reduces poverty, and equalizes income across demographics and other economic segregations;
    - Talent Development: Demonstrate accessibility and delivery of employment opportunities to the economically disadvantaged and the Targeted Hiring population (see pg. 12). Demonstrate the advancement of employee skills by offering a career ladder, educational opportunities, and training such as apprenticeships, paid internships, coop learning, work-study, etc.
        - Collaborate with local schools for talent pipeline development through programs that include recruitment, internships, apprenticeships, and education of opportunities in the industry.
        - Other community benefit programs could include tuition reimbursement, parental leave/childcare programs, coordination with colleges and community colleges, workshop training, workforce development and upskilling.
    - Quality of Life Enhancements: Demonstrating willingness to 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, childcare programs, sick leave, FMLA and other quality of life enhancements;
- Mobility Solutions: Participation in solutions that offset traditional transportation impacts of the project, such as roadway congestion, neighborhood parking, transit needs and pedestrian/bike developments.
- Neighborhood Connection: Employer growth that affects the neighborhood or community the business services by creating jobs near workers, delivering goods or services to the surrounding community, offering training opportunities for neighborhood residents, delivers or integrates workforce housing development and includes other community solidification elements, such as communal green space and parks, local volunteer opportunities for employees, participating in local arts and culture organizations, and involvement in other initiatives that amplify Austin's neighborhood culture.

- Sustainable Business Practices: Engaging in zero waste and resource recovery initiatives such as recycling and/or reuse programs, mitigation of existing impact such as operations that move the community closer to net zero greenhouse gas emissions goal, and operations that are in line with the reductions mandated in the climate plan (25% reduction every 10 years), and, getting to zero by 2050. Actively engaging in environmentally friendly and sustainability-focused business operations including lowering vulnerability to drought and flood risks. Participation in the City of Austin's Mobility Plan (if applicable), and encouraging employees of the company to participate in sustainability measures. Additional measures could include a Disaster or Emergency Preparation plan.
- Local Partnerships: Partner and/or engage with local groups, non-profits, schools and small businesses to align with local values and needs. These partnerships could demonstrate any of the following:
    - Enhance relationships with local organizations and support local culture;
    - Develop and participate in neighborhood groups;
    - Promote industry diversity, encourage entrepreneurship and support small businesses through collaboration and partnership;
- Civic Engagement: Actively encouraging employees to register to vote, providing at least two hours off with compensation for employees to vote, or other programs to increase the civic engagement and democratic participation of its employees, customers, and/or nearby residents.

Return on Investment Including Community Benefits are not requirements for participation in the program. Instead, they are additional measurements the City of Austin uses to determine valuable impact on the community beyond tax revenue generated from the project's construction and/or job creation.

Bonus Qualifiers:

Bonus Qualifiers are a factor of the overall Project Score and could include but are not limited to:

- The company is in a targeted industry, as identified by the City of Austin.
    - The project is relocating a headquarters operation or it represents the "headquarters" of a new product line or service for the company;
    - The company will garner extra bonus qualifiers if the primary business activity of the incentivized project is defined as manufacturing;
    - The company will garner extra bonus qualifiers if involved in leading edge technology;
    - The company will garner extra bonus qualifiers if operations involve the use of waste or discarded material as a primary feedstock and will reuse, repair, remanufacture, or recycle that material, or otherwise enable the diversion of a waste material from the landfill/incineration through its core business activities;
- The company is defined as a Small Business by Small Business Administration guidelines (500 or less employees). The company will garner extra bonus qualifiers if it is a Small Business that employs less than 50 employees;
- State economic development funds are available for the firm;
- The company will generate 500 or more new, full-time jobs or more;
    - The company will garner extra bonus qualifiers if it fills at least a cumulative 75% new, full-time jobs with City of Austin residents (defined as any individual having a permanent address within the City of Austin before starting date of employment and not having worked for the company prior to the effective date of the agreement);
    - The company will garner extra bonus qualifiers if it is in a lower wage sector but chooses to pay their employees above the City living wage;

    - The company will garner extra bonus qualifiers if it is cooperatively owned, managed, has a democratic form of representation for their workforce, or builds their projects using workers that have democratic forms of representation in their workplace;
- The company will (or already has) participated in the Human Rights Campaign Corporate Quality Index and receive a favorable score above 80% and is actively taking measures to achieve a score of 100% before the term of the incentive agreement is complete;
- The company will locate in a high frequency transit corridor, Transit Oriented Development, or Regional Center, Town Center, Job Center or Neighborhood Center identified in the Growth Concept Map in the Imagine Austin Plan, and/or locate within 1/4 mile of a rail or bus stop that is accessible by safe pedestrian and bicycle routes (**Bonus does not apply to any project locating in the Downtown Area**);
    - The company will garner extra bonus qualifiers by incentivizing employees use of alternative transportation modes through Transportation Demand Management strategies such as carpooling, flextime work schedules, and subsidizing transit costs for employees;
    - The company will garner extra bonus qualifiers by offering workforce housing support or an annual stipend program to help alleviate the rising cost of living burden on employees, especially those below the Company's median salary;
- The company will commit to obtaining LEED certification silver or above for construction development of the project, if applicable;
- The company's development, if applicable, scores above a 9 out of 12 on the City of Austin's Carbon Impact Statement;
- The company will source procurement of art and installations from the local creative economy, such as local artists;
- 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.;
- The company will provide an on-site day care facility for employees that may be open to the public, and/or provide subsidized daycare for employees.
    - The company will garner extra bonus qualifiers if the onsite daycare facility is made open to the public.

Project Score:

A Total Project Score will be determined based off the following criteria:

- Minimum Requirements
- General Eligibility
- Cost-Benefit Analysis
- Return on Investment Including Community Benefits
- Bonus Qualifiers

Project Score Thresholds:

- Project Score 0 – 50: No City incentive participation. A minimum Project Score of 50 is required for City investment.
- Project Score 51 – 79: City incentive participation negotiable up to a maximum of 35% for property tax reimbursements and up to 2% for wages (see "Incentives Provided"). Other/Operational Support in the form of City resources and services can be considered in this score range (see "Process: Step 4: City Resources".)

- Project Score 80 – 100: City incentive participation negotiable up 50% for property tax reimbursements and up to 3% for wages (see "Incentives Provided"). Other/Operational Support in the form of City resources and services can be considered in this score range (see "Process: Step 4: City Resources".)

Incentives Provided:
A firm may receive either a "per job" payment or a portion of incremental property tax liability associated with the relocation.

Per Job Incentive Allowance: Annually, the City will return a share of the gross income paid to workers in the newly created positions based on the Per-Job Allocation Schedule outlined below. The total incentive amount will be estimated at the time of the agreement execution and will be capped at that amount. If the cap is reached before the end of the agreement term, the agreement is termed complete.

Project Score	Max % of Annual Wages Per Job Incentive Allowance	Per Job Cap (Annual)
0-50	None	N/A
51-79	1% - 2%	$1,800
80-100	2.01% - 3%	

Notes on Per-Job Allocation Schedule:
- Assumes an annual work rate of 1,500 hours
- Per job incentives are only available to current local residents of the City of Austin
- Other/Operational Support in the form of City resources and services can be considered in the Project Score range of 51-100 (see "Process: Step 4: City Resources")

Property Tax Reimbursement: Annually, the City will return a share of the property tax payment (not to exceed 50% of the net present value of the total estimated tax liability over 10 years.) Property tax reimbursements will be made based on the below Property Tax Reimbursement Allocation Schedule. The total incentive amount will be estimated at the time of the agreement execution and will be capped at that amount. If the cap is reached before the end of the agreement term, the agreement is deemed complete. If the Project successfully protests and lowers its property tax valuation, the reimbursement from the City may be reduced proportionately.

Project Score	Max Property Tax Reimbursement (% of net present value of the total estimated tax liability over 10 years)
0-50	0%
51-79	10% - 35%
80-100	36% - 50%

Process

Projects seeking partnership with the City of Austin through the Business Expansion Program Portfolio will follow this general administrative process:

Step 1: Applicants Complete the Online Application

The Online Application is the first opportunity for a Company to request consideration for a Chapter 380 incentive through the Economic Development Department with the City of Austin. It is imperative the Applicant self-select for appropriate Minimum Requirement and General Eligibility criteria. This Online Application is not the Final Business Expansion Program Category Application, but rather serves as the initial introduction of the project seeking alignment with the City of Austin's Business Expansion Program Category.

Step 2: Project Introduction & Application Review

In a timely manner, staff will review the Online Application. If City staff so determines, the Applicant may be invited to discuss the Online Application with Economic Development staff in person or via conference call. This meeting is an opportunity for both parties to discuss the project, review the initial application and make any needed adjustments to the application if the intention is to submit the application for formal consideration (see Step 3.) Economic Development staff will make inter-Departmental connections within the City of Austin to help facilitate the Application in the event other Departments or programs will be involved in the project.

Step 3: Submit Final Business Expansion Program Category Application

If adjustments are made to the original Online Application during Step 2, Applicants are requested to amend the documentation and re-submit as a "Final Business Expansion Program Category Application" for formal consideration by City staff. If the City does not request any adjustments, or the applicant chooses not to make any adjustments, the City will treat the initial application as a final application and advise the applicant of its determination of whether the initial application is acceptable as a final application or not.

Step 4: Project & Application Analysis

After the Final Business Expansion Application submission, the City will review the Final Application and determine whether Minimum Requirements and General Eligibility criteria are met and measure program qualifications, fiscal impact and determine a Project Score.

Bundling Programs: It is possible for projects to qualify for more than one program within the Chapter 380 Policy portfolio of programs. In those cases, potential agreement terms pursuant to the project details will be determined by City staff. If City staff has not done so already by this point, inter-Departmental connections within the City will be made to help facilitate the Application in the event other Departments or programs will be involved in the project. For a project that qualifies for more than one program, a blended Project Score may be created to

measure overall impact weighted against total costs. In this case, the blended score and methodology will be determined by City staff managing the programs involved.

City Resources: Other/Operational Support Grants to include, but not limited to, City resources such as expedited permitting, dedicated ombudsman services, development fee waivers, transportation and public works resources and other City services. These resources can be included in or in lieu of a financial or non-financial incentive package for projects that score above 51. It is at this time that City staff would engage with the Department that manages those services to determine feasibility of support delivery for this project and ensure it aligns with the project timeline.

Step 5: Project Status – Accepted or Declined

Applicants will be informed of the status of their application in a timely manner after the Final Business Expansion Application is submitted. If the project has been approved for further processing, City staff will communicate directly with the Applicant to inform them to expect the process going forward (see Step 6).

Step 6: Proposal Execution

The following processes will be followed for varying levels of incentive package proposal valuations:

City Manager Authority Approval: For total incentive package proposals that are valued below City Manager Spending Authority, and if the company agrees to move forward with the City's proposal, Applicants will be informed to expect a formal letter of "Program Acceptance" from the Program's Department including the City's Chapter 380 Business Expansion Category agreement proposal and stipulated conditions upon which the company must agree. The agreement is executed by both parties and begins with the Compliance process.

City Council Approval: For incentive package proposals that are valued above City Manager Spending Authority but below a total $5,000,000* net benefit value for the City or less than a $200,000,000* project Capital Investment Value, and if the company agrees to move forward with the City's proposal, a Chapter 380 Business Expansion Program Category agreement is drafted by City staff and submitted for City Council approval on the next regular Council Meeting Agenda date. The proposal will not be approved on a "consent" vote by Council to allow the public an opportunity to speak on behalf of the item. If Council approves of the proposal, the agreement is executed by both parties and begins with the Compliance process.

City Council and Public Hearing Approval: For incentive package proposals that are valued above a total $5,000,000* net benefit value for the City or more than a $200,000,000* project Capital Investment Value, and if the company agrees to move forward with the City's proposal, the following process is followed:

- The Chapter 380 Business Expansion Program Category proposal is placed on the Council agenda as a time-certain agenda item with a staff presentation on the proposal. The public can comment on the Chapter 380 Business Expansion proposal at this Council meeting.
- The Chapter 380 Business Expansion Program Category proposal, application, evaluation documents, analysis and proposed contract are announced in a press release and made

available to the public at the time of the Agenda posting. All of this information is posted to the Economic Development Department's page on the City website.

- An online comment portal is setup to collect public comments for a minimum of five business days, unless special circumstances are required. All comments received are forwarded to the City Council prior to the second Council meeting.
- The second City Council meeting includes a public hearing and City Council action.

Stewardship

City staff is committed to the following values in the administrative implementation and stewardship of the Chapter 380 Business Expansion Program Portfolio:

Efficient, Inviting, and Responsive to Market Needs: The Chapter 380 Program is a visible, accessible opportunity for the City to use public funds to encourage private entities to discover new ways to improve the Austin community and improve business endeavors. This process must be efficient and expeditious to match the rapid pace of the business environment and minimize delay. Every effort will be made to build in appropriate timelines, clearly communicate expectations on those timelines, and carry out an efficient process of the Chapter 380 application steps.

Transparency: The Chapter 380 Business Expansion Program Portfolio will comply with best practice transparency measures, including producing timely and accurate reporting on all Chapter 380 agreements, supporting documentation, compliance reports, and ongoing payment information available on the City's website or other communication outlet. All final agreements and project information will be made available to the public via online portal immediately and openly after approval.

Compliance and Third Party Assessment: All Chapter 380 agreements are performance-based, meaning the company must demonstrate its compliance annually to receive that year's payment. No upfront incentives are allowed through the above mentioned programs. Every year, the Economic Development Department reviews the company's compliance with the agreement requirements, and an independent, third-party reviews the department's annual review. If both annual reviews confirm compliance, then the company is deemed to have fulfilled its annual obligations, and the payment is made for that year. All payment information will be available on the Economic Development Department Open Portal website.

Reassessment

The Business Expansion Program Portfolio will follow a regular reassessment process to include the following elements:

Five-Year Program Reassessment: The Business Expansion Program Portfolio, will run with a standard five-year term to allow for changes in Austin's economic environment, community needs and shifting policy directives. Program Values and Priority Goals identified in each of the Business Expansion Categories will be examined on a five-year term to ensure proper connection with the current Austin Strategic Direction priorities. At the end of the five-year term, the program will be reassessed by City staff to determine if adjustments need to be made to the program evaluation method, criteria, process, administration, or whether the program's current structure achieves the intended priority goals. Staff will provide a briefing

to the City Council on the results of the five-year reassessment. Council must approve the continuation of and/or any changes to the program after the reassessment is complete. Staff will continue to operate and administer programs until Council action. Reassessment will include an overview of performance measured against the program's priority goals (annual and five-year) as well as City of Austin executive leadership input and community feedback. Community stakeholders will be consulted for feedback during this reassessment process. Suggestions and identification of new needs will be solicited on a five-year basis to recalibrate program priority goals to match community needs, Council objectives, and changes in Strategic Direction.

Term of Agreements & Grandfathering: Agreements made within the Business Expansion Program Portfolio are not subject to the five-year maximum term. Typically 5-10 years, the term of those agreements is made to best reflect the project's timeline, investment, and job creation schedule and the City will honor those agreements until the termination of the agreement. In the event a program is allowed to sunset or program criteria is changed to reflect shifting conditions, existing agreements will be grandfathered for the remainder of the term of the project agreement unless otherwise agreed to by the parties in a written amendment to the agreement. The City Manager is able to propose a longer or shorter term for an agreement should the City have a competitive justification or business need for such action. All agreements must contain standard City termination provisions for economic development agreements, including Payments Subject to Future Appropriation and Event of Default clauses.

Market Conditions: "High-Impact" Projects:
High-impact projects, unique developments, and market competitive or other non-conforming projects will be considered on a case-by-case basis and within the context of the current market conditions at the time of project application. City staff will analyze those conditions and projects and determine if a recommendation for incentive proposal is achievable through current programs. If it is determined that the non-conforming project is attractive, justifiable, and can provide significant community value given current market conditions, and does not fit within the structure of a current program outline, special consideration may be made to create a program to support such a project depending on feasibility and City financial bandwidth.

Public Input: The Business Expansion Program Portfolio has been created with the intention to meet a specific community need and outline priority goals. If both the program and projects contained are not successful, underperforming and/or the community need is not being met, then a thoughtful reassessment of the program's structure or existence should be evaluated in a timely manner to address delivery of outcomes. As a part of this reassessment, public input is of tremendous importance. Community stakeholders will be consulted for feedback during this process. Suggestions and identification of new needs will be solicited on a five-year basis to recalibrate program priority goals to match community needs, Council objectives, and changes in Strategic Direction.

Annual Update & Reporting: An annual assessment will be made for the "effectiveness" of the programs and projects in reaching the intended goals. Program Metrics and Project Metrics are tracked on an annual basis that will be shared publicly. Metrics focus on Austin's Strategic Direction outcomes and general performance measurements could include but are not limited to (see following page):

Program Metrics:
Number of Applications Received/Accepted
Community Preservation
Catalytic Event Affects
Equity Measures
Transportation Impact
Affordability Measurements
Workforce Impacts
Other Strategic Direction Measurements

Project Metrics:
Metrics by Program Criteria
New Jobs Created
Jobs Retained
Job Types
Revenue Impacts
Community Benefits Achieved
Capital Investment
Other Strategic Direction Measurements

Specific goals for each of the Program and Project metrics will be identified during the rule promulgation and development process to occur in the first year of this program. This process to determine specific goals that will be carried forward in future years will include stakeholder input, consideration of best practice programs, and appropriate goals based on determined annual program budget allocations.

At the end of the five-year period of the program, those Annual Reports will be reviewed and used as supporting documentation to make the decision to sunset, phase-out or revise the program structure.

Exhibit B

Chapter 380 Business Expansion Incentive Program

Index of Definitions

2019

#	Term	Definition
1	Affinity Group	A group of individuals meeting on a routine or semi-routine basis who share a common ethnic and/or cultural background or interest for the purpose of mutual learning, support, and/or professional growth.
2	Alternative Transportation Modes	Refers commuting modes other than driving alone in a car. Examples include public transportation, carpooling, biking and walking.
3	Applicant	Company, firm, entity or organization who has submitted a formal application for consideration of the City of Austin's Chapter 380 Business Expansion incentive program.
4	Apprenticeship	A full-time position (with benefits) that is a combination of on-the-job training and related instruction from a supervisor in anticipation of and preparation for a permanent job in the company.
5	Austin MSA	Austin Metro Statistical Area as defined by the Bureau of Labor Statistics.
6	Austin Resident	Any individual having a Permanent Address within the Austin Metro Statistical Area prior to being hired by the company.
7	Austin-Based Employees	All employees of the company receiving incentives who work in the City of Austin.
8	Bonus Qualifier	Refer to the full list of Bonus Qualifiers on the Scoring Matrix.
9	But For Statement	A statement required by all incentive applicants that provides credible evidence that the incentive either fills a gap that creates desirable outcomes for the City or that the Project addresses a competitive position around a relocation or expansion that is considering viable alternative sites outside Austin.
10	Business	A firm, company, corporation, establishment, agency, institution, organization, enterprise or collective of same engaged in commercial activity. See also "Small Business"
11	Career Ladder	The progression of jobs in an organization from lowest-paid with least responsibility to highest-paid with most responsibility, by which employees are provided opportunities to move to higher-paying and higher-level positions within the organization.
12	City of Austin Resident	See "Austin Resident"
13	Community Benefits	Talent Development (all Categories) Hiring (all Categories) Diversity, Inclusion & Equity (all Categories) Neighborhood Connection (all Categories) Civic Engagement (all Categories) Local Partnerships (Categories 1 & 3) Sustainable Business Practices (Categories 1 & 3) Business Type (Category 2) Business Sector (Category 2) Industry Diversification (Category 3) Filling Gaps in Needed Goods/Services (Category 3) Employment Opportunity (Category 3) Quality of Life Enhancements (Category 3) Mobility Solutions (Category 3)
14	Company	A firm, business, corporation, establishment, agency, institution, organization, enterprise or collective of same engaged in commercial activity.
15	Compliance Process	Post-execution performance process by which terms and conditions are demonstrated by the company and verified by City of Austin staff and confirmed by a third party reviewer.
16	Contract Payment	An economic development incentive payment made to a company under the City's Chapter 380 Business Expansion incentive program.

#	Term	Definition
17	Cooperatively Owned or Managed business	A business owned or managed such that membership in the cooperative is voluntary and open, the business is democratically controlled by the members, and members participate economically in the business.
18	Current Local Resident of the City of Austin	See "Austin Resident"
19	Diversity	Demonstrated by respect for individual differences in race, ethnicity, gender, gender identity, sexual orientation, age, social class, physical ability or attributes, religious or ethical values system, national origin, and political beliefs.
20	"Diversity, Inclusion and Equity Practices"	Organizational practices with a specific intent to increase diversity, inclusion and equity within an organization.
21	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.
22	Downtown	the area bounded by Martin Luther King, Jr. Boulevard, Interstate Highway 35, Lady Bird Lake and Lamar Boulevard, as defined by the Downtown Commission Bylaws 2016
23	Economic Development Value	Refer to Page 3 of the Chapter 380 Policy document. http://www.austintexas.gov/sites/default/files/files/Chapter_380_Policy_2018.pdf
24	Economically Disadvantaged	An individual who earns less than 200 percent of the Federal poverty line and whose ability to compete in the free market has been impaired or a barrier exists to achieve regular employment as compared to others in the community.
25	Educational Opportunities	The chance to receive classroom or online instruction through an accredited institution, paid for by the employer.
26	Equity	The practice of dealing fairly and equally with all employees.
27	Equity Measures	Measures that track the extent to which the composition of an organization's workforce reflects the composition of the community in terms or race, ethnicity, and gender.
28	Evaluation Tool	See "Matrix"
29	Exception	A deviation from Program rules. The Chapter 380 Business Expansion Program allows no Exceptions.
30	Exchange Value	Refer to Page 3 of the Chapter 380 Policy document. http://www.austintexas.gov/sites/default/files/files/Chapter_380_Policy_2018.pdf
31	Extra Bonus Qualifier	A bonus qualifier that is worth at least one additional point more than a "Bonus Qualifier" in the Project Score. Refer to the full list of Bonus Qualifiers on the Scoring Matrix.
32	Full-time Employees	People hired by a company in a Full-Time Job who are considered employees, not contractors, under federal and state employment and labor laws and for federal and state tax purposes.
33	Full-time Job	A job occupied by an employee of the company who worked or was paid for at least 1,500 hours in a calendar year.
34	Full-time Positions	see Full-time Job
35	High-Wage Jobs	A job paying at least 50% more than the overall average wage, as defined by the most recent American Community Survey 1-year estimate.
36	Higher Value Project	A Project for which the total Incentive Amount does not exceed the City Manager's spending authority at the time the Project is approved. "Value" in this case is defined as activity that produces "Community Benefits." See also, Community Benefits.
37	Housing Stipend	Additional compensation to an employee whose compensation rate is below the median salary of the Company, provided annually, of an amount equal to $1,000 or equivalent to one month's rent.
38	Incentive	An allocation of money paid by the City to a company/entity that qualifies. Performance-based reimbursement of a portion of property taxes or a percentage of wages paid to employees. For job-creation based incentives, pro-rated payments for payroll incurred.
39	Incentive Agreement	A contractual agreement between two parties (the City of Austin, and company) that outlines a job creation schedule and milestones, capital investment requirements, and other performance requirements that must be demonstrated prior to the payment of the Incentive.
40	Incentive Allocation	Amount of money estimated to be paid under the Chapter 380 Business Expansion program to a company based on the company's compliance with the terms of their contract agreement.
41	Incentive Amount	The total dollar value of the loan or grant an Incentive Recipient is eligible to receive under a Chapter 380 agreement.

#	Term	Definition
42	Incentive Proposal / Economic Incentive Proposal / Incentive Package / Incentive Package Proposal	The total dollar value of the loan or grant, plus any additional operational support, the City of Austin is willing to provide to an Incentive Recipient under a Chapter 380 agreement, which is presented to the Incentive Recipient and the Austin City Council for consideration.
43	Incentive Recipient	An entity that receives or has received economic development incentives under the City's Chapter 380 Business Expansion program.
44	Inclusion	The achievement of a work environment in which all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and can contribute fully to the organization's success.
45	Internship	A full-time or part-time, paid position with or without benefits of no more than two years duration, typically made available to students.
46	Large Project	Project that creates more than 75 Full-time Jobs that employ Austin Residents.
47	Leading Edge Technology	New and advancing technology or process that have not yet been widely adopted throughout an industry.
48	Living Wage	(1) The City of Austin Living Wage approved most recently by City Council; (2) The minimum hourly wage that the City of Austin may pay its own employees in a given year.
49	Local Resident	See "Austin Resident"
50	Lower Wage Sector	Employees in occupational groupings that make on average an hourly wage that falls below the City's Living Wage.
51	Matrix	The evaluation tool used to score Chapter 380 Business Expansion projects based on the program guidelines.
52	Median Salary	The median value of the firm or Project's range of annual salary values.
53	Medium Project	Project that creates between 25 - 74 Full-time Jobs that employ Austin residents.
54	Middle-Skill Worker	Someone performing a Middle-Skill Job.
55	Middle-Skill Job	A job that requires more education and training than a High School diploma, but less than a four-year college degree.
56	Net Present Value	A value in the present of a sum of money, compared to a future value it will have when it has been invested at a rate of 8%.
57	New Full-time Employee	A person who is hired by the company after the execution of a Chapter 380 agreement in a "New Full-Time Job" and is considered an employee, not a contractor, under federal and state employment and labor laws and for federal and state tax purposes.
58	New Full-time Job	A full-time position that was created by a company after the execution of a Chapter 380 agreement, performed in the City of Austin by an employee of the company, in which the employee is paid at least the City's current Living Wage and the employee either (1) worked or was paid for at least 1,500 hours in a calendar year, or (2) worked or was paid for at least 30 hours per week for each week worked at the company.
59	Per-Job Payment	A Chapter 380 grant which is calculated and awarded based on the number of new Full-time Jobs that a company will create.
60	Permanent Address	A person's principal permanent home.
61	Prevailing Wage	Prevailing wage refers to the federal and state law that requires public entities to establish certain wage rates. It applies to construction workers on contracts awarded by the public entity for public works projects and is described in Chapter 2258 of the Texas Government Code and the City has approved Ordinance No. 20030508-031, adopting the federal Davis Bacon wage rate schedule. The same prevailing wage rate schedule adopted by the City would be paid by the Company for all construction it funds unless an exception was approved.
62	Private Partner(ship)	A for-profit entity engaged in a signed agreement, contract, or other formal partnership arrangement with the City of Austin.
63	Project / Chapter 380 Project / Incentivized Project	The addition of jobs and/or capital investment for which a company is applying to a City of Austin Chapter 380 Business Expansion program for assistance.
64	Qualified Third Party / Qualified 3rd Party	Established organizations providing services to "targeted hiring populations" (see definition). Organizations should have active public agency contracts for services or be otherwise approved by the City in its sole discretion.

#	Term	Definition
65	Registered and Operational Location within the City of Austin	A business that is registered with either the Travis County Clerk or Texas Secretary of State, and which is open for business from clients at physical location within the full purpose City limits of Austin, Texas.
66	Score Card / Scoring Matrix	See "Matrix"
67	Significant Presence	At least five Full-time Jobs that are currently based and operational within the City of Austin OR having one or more registered and operational locations in Austin and none outside Austin.
68	Small Project	Project that creates between 5 - 24 Full-time Jobs that employ Austin residents.
69	Small Business	A business headquartered in the United States, and having 500 or fewer employees worldwide that meets the Small Business Association's threshold for annual sales revenue.
70	Targeted Hiring Population	Example of targeted hiring populations and barriers and does not exclude other populations and barriers: o individuals without a high-school diploma or GED or transitioning from GED/high-school equivalent programs; o individuals experiencing homelessness, transitioning from homelessness or residents of Permanent Supportive Housing (PSH) and other publicly funded housing programs to include Housing Choice Voucher Programs; o individuals served by other local, state, or federal social services contracts; o individuals with a past criminal justice system experience; o individuals transitioning from drug, alcohol or other treatment programs; o those who either lack sustained labor force experience or those returning to the labor force from a sustained absence; and o individuals with a disability that has been identified by a qualified third-party service provider engaged in workforce development and supportive services as a barrier to employment. * In addition, other individuals who are considered to have challenges in regular employment may be included in the hiring population upon City receipt of, and agreement with, the justification for inclusion.
71	Tax Reimbursement Payment	A refund of taxes paid that a firm is eligible for after demonstration of satisfactory performance under the Chapter 380 agreement.
72	Under-served community	A segment of a community experiencing barriers to or lacking access to goods or services.
73	Wages	The fixed amount paid by an employer to an employee on a regular basis.
74	Work-Study	Part-time employment for undergraduate, graduate, or professional students with financial need while they are enrolled in school that allows students to earn money to help pay educational expenses.
75	Workforce Housing	Quality housing that is affordable to all employees of the company and is either owned or leased by company employees.

Exhibit C

Company's Anti-Harassment and Anti-Discrimination Practices

Exhibit D

Certificate of Compliance

Exhibit E

City of Austin – Economic Development Department
Chapter 380 Business Expansion Program
Declaration of Residency in the Austin Area

Companies participating in the City of Austin Chapter 380 Business Expansion Program and receiving an incentive payment that is based on creation and retention of New Full-time Jobs that employ Austin area residents for work performed in Austin, Texas must complete this declaration of residency for each New Full-time Employee. The Company must retain this form and provide it, for inspection, to the Economic Development Department, when requested, in order to verify the Company's performance under the incentive program.

SECTION I – COMPANY INFORMATION

Company Name:_____

SECTION II – EMPLOYEE INFORMATION

Employee Name:_____ Hire Date: _____

Permanent Residence (physical address – **NO P.O. Boxes**):_____

City, State and Zip Code:_____ Telephone Number:_____

SECTION III – RESIDENCY VERIFICATION – *For the purposes of the Chapter 380 Business Expansion Program, to be a permanent resident of Travis, Hays, Bastrop, Caldwell or Williamson county you must be domiciled in Travis, Hays, Bastrop, Caldwell or Williamson county. Your domicile is your permanent home; it is the place to which you intend to return after any temporary absence. You can have only one domicile. A change of domicile is established only by establishing a physical presence in a new location with intent to abandon your old domicile and make a home in the new location permanently or indefinitely.*

I was, at the time I was hired by the Company, a permanent resident of Travis, Hays, Bastrop, Caldwell or Williamson county who possessed the document listed below, prior to the date I was hired by the Company.

*Employee's Initials:*_____

You must present one of the following documents to a Company representative to verify your residence in Travis, Hays, Bastrop, Caldwell or Williamson county. If you cannot provide evidence, you cannot be considered a Travis, Hays, Bastrop, Caldwell or Williamson county resident.

Minors unable to provide residency documentation should have a Travis, Hays, Bastrop, Caldwell or Williamson county resident parent or legal guardian complete this section and note their relationship to the child in the signature box.

☐ Valid Texas driver's license or ID card showing current address

☐ Valid Texas voter registration VUID showing current address

☐ Receipt or invoice dated within the past three months and showing name and current address

Residential zip code shown on document: _____

Document date (if applicable): _____

Document expiration date (if applicable): _____

I declare, under penalty of perjury, that I was, at the time I was hired by the Company, a resident of Travis, Hays, Bastrop, Caldwell or Williamson county. I have examined this document and to the best of my knowledge and belief it is true, correct and complete.

_____	_____	_____
Employee's Signature (or parent's, if employee is a minor)	*Print Name (and relationship to minor, if applicable)*	*Date*

SECTION IV – EMPLOYER VERIFICATION

I declare, under penalty of perjury, that I have examined the document(s) presented by the above-named employee, and that the above-listed document(s) appear to be genuine and relate to the employee named.

_____	_____	_____
Signature of Company representative	*Print Name*	*Date*

Exhibit F

Existing Contracts

Exhibit G

Section 2303.402(c) of the Texas Government Code:

For the purposes of this section, an economically disadvantaged individual is an individual who:

(1) was unemployed for at least three months before obtaining employment with the qualified business;

(2) receives public assistance benefits, including welfare payments or food stamps, based on need and intended to alleviate poverty;

(3) is a low-income individual, as defined by Section 101, Workforce Investment Act of 1998 (29 U.S.C. Section 2801(25));

(4) is an individual with a disability, as defined by 29 U.S.C. Section 705(20)(A);

(5) is an inmate, as defined by Section 498.001;

(6) is entering the workplace after being confined in a facility operated by or under contract with the Texas Department of Criminal Justice for the imprisonment of individuals convicted of felonies other than state jail felonies;

(7) has been released by the Texas Juvenile Justice Department and is on parole, if state law provides for such a person to be on parole;

(8) meets the current low income or moderate income limits developed under Section 8, United States Housing Act of 1937 (42 U.S.C. Section 1437f et seq.); or

(9) was under the permanent managing conservatorship of the Department of Family and Protective Services on the day preceding the individual's 18th birthday.

WAGE RATES AND PAYROLL REPORTING
Section 00830

1. PAYMENT

1.1 Classification Definitions, Building and Heavy and Highway

1.1.1 Definitions for Building Construction and Heavy and Highway classifications shall conform to the current "Occupational Information Network (O*NET)" as approved by the U.S. Department of Labor. For interpretive guidance, the Core Task list in O*NET will be used to make prevailing wage determinations. Final classification of workers will be made by the OWNER.

1.2 Minimum Wages

1.2.1 Workers on Project shall be paid not less than wage rates, including fringe benefits, as published by the Department of Labor (DOL) or the $20.00 minimum wage required by City of Austin Ordinance No. 20160324-015, whichever is higher. The Total Minimum Wage required can be met using any combination of cash and non-cash qualified fringe benefits provided the cash component meets or exceeds the $20.00 minimum wage required.

1.2.2 Such wage rates shall be used throughout the Contract. If a classification is to be used, which is not listed in the attached wage rates, CONTRACTOR shall submit to OWNER rates and classification proposed for use, for approval, prior to performance of the Work.

1.2.3 All laborers and mechanics working upon the Work for this Project shall be paid unconditionally and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by Secretary of Labor under the Copeland Act, Title 29 CFR, Part 3) full wages accrued and when due, computed at rates not less than wage rates bound herein pertaining to type of Work being performed. When Work is of such a nature that both Building and Heavy and Highway wage scales are incorporated into contract, CONTRACTOR shall pay wage rates to mechanics or laborers performing Work in more than one classification at the rate indicated for each classification for time actually worked as determined by area practice applicable to type (Site Construction Crafts or Building Construction Crafts) of Work being performed without regards to skill. Salaried specialists (project superintendent and administrative personnel only) in the permanent employment of CONTRACTOR do not fall under any Wage Classification. A supervisor/foreman who is not exempt under 29 CFR Part 541 and who spends more than a substantial amount of time (20 percent) in a given workweek as a laborer or mechanic must be paid the applicable Wage Rate for the classification of work performed for all hours engaged in such work as a laborer or mechanic.

1.2.4 Wage rates shall be posted by CONTRACTOR at site(s) of Work in prominent, easily accessible places where they can be seen by all workers. The following shall also be posted by the CONTRACTOR: City of Austin wage contact posters (English and Spanish), City of Austin Equal Employment Opportunity posters (English and Spanish), Workers' Compensation Notice (English and Spanish), Texas Payday Law (English and Spanish), City Rest Break Ordinance

(English and Spanish), City of Austin Non-Discrimination Statement (related to Title VI of the Civil Rights Act), and Federal Notices, as appropriate.

1.3 Overtime Requirements

1.3.1 No CONTRACTOR, Subcontractor, or Sub-subcontractor contracting for any part of contract Work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic in any workweek in which he is employed on such Work, to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times their basic rate of pay for all hours in excess of forty hours in such workweek.

1.3.2 Overtime wages must be calculated using the Adjusted Wage Rate specified in the Wage Rate Determination or the actual basic rate of pay, whichever is higher.

2. APPRENTICES

2.1 Locally and Federally Funded Projects

2.1.1 The terms journeyman and apprentice apply to both union and independent workers, and are not intended to imply that these positions are union workers only.

2.1.2 Apprentices and Trainees will be permitted to work as such only when they are registered, individually, under a bonafide Apprenticeship or Trainee program registered with the Bureau of Apprenticeship and Training, United States Department of Labor. The allowable ratio of Apprentices or Trainees to journeymen in any craft classification shall not be greater than the ratio permitted to CONTRACTOR as stated in the registered apprenticeship program standards. Any employee listed on a payroll at an Apprentice or Trainee wage rate, who is not registered as above, shall be paid the wage rate provided in Contract for Work employee actually performed. CONTRACTOR, Subcontractor, or Subsubcontractor shall furnish to OWNER written evidence of registration of his program for Apprentices and Trainees as well as of the appropriate ratios and wage rates, for the area of construction prior to using any Apprentices or Trainees on this Contract.

3. WITHHOLDING PAYMENTS

3.1 OWNER may withhold or cause to be withheld from CONTRACTOR as much of the accrued payments as necessary to pay laborers and mechanics employed by CONTRACTOR, Subcontractors, or Sub-subcontractors the amount of wages required to comply with the Contract. In the event of nonpayment of wages to laborers or mechanics working on the site of the Work of this Contract, OWNER may, after Written Notice to CONTRACTOR, take such action as may be necessary to cause suspension of any further payments or advance of funds to CONTRACTOR until such violations have ceased and until restitution has been made. Payments may also be withheld if CONTRACTOR fails to maintain weekly payroll reports or fails to provide copies in a timely manner upon request of Owner.

4. PAYROLLS

4.1 CONTRACTOR shall keep records showing:

4.1.1 The name, address and occupation of each worker employed by the CONTRACTOR or subcontractor(s) in the construction of the public work.

4.1.2 The actual per diem wages paid to each worker

4.1.3 Employee Certification. CONTRACTOR, all levels of Subcontractors shall identify in writing, the classification agreed to by all laborers and mechanics employed by them in the execution of the Contract, and pay not less than rates specified in the attached Wage Rate Determination(s). Contractor shall prepare a completed form for the signature of Employee and a witness shall sign the form in the presence of Employee. If work performed by worker is different than the trade classification agreed upon, the worker shall be paid for that work no less than the minimum prevailing wage for that specified trade.

4.1.4 Payroll Deduction Authorization Form. CONTRACTOR, Subcontractor, and Sub subcontractor shall prepare for employee signature a payroll deduction authorization form to identify all payroll deductions excluding those required by statute, such as federal income taxes, Medicare and social security.

4.2 The record shall be open at all reasonable hours to inspection by the officers and agents of the Owner as requested. CONTRACTOR will be responsible to provide copies of records as requested by the Owner within two (2) working days. Payrolls relating to this Work shall be maintained during term of Contract and preserved for a period of three (3) years thereafter by CONTRACTOR for all laborers and mechanics working on the Work.

4.3 A Statement of Compliance, a letter signed and dated by party responsible for supervising the payment of persons employed by CONTRACTOR or subcontractor shall accompany payrolls required by Owner. The Statement of Compliance letter shall identify but is not limited to:

4.3.1 Name of signatory party and title

4.3.2 Name of project, payroll period and

4.3.3 Name of CONTRACTOR or Subcontractor

4.4 The signed letter attests that the payroll complies with 29CFR issued by the Secretary of Labor.

4.5 Federal Funding. In the event that federal funding is used:

4.5.1 Contractor and all levels of Subcontractors shall submit weekly certified payroll reports and signed wage compliance statements to the Owner's designated office no later than seven (7) calendar days after the scheduled payday.

4.5.2 Contractors and all levels of Subcontractors shall pay all "mechanics and laborers" not less often than once per week, for work performed the previous week.

4.5.3 Submit to the Owner's designated office Standard Form 1413, Statement and Acknowledgement, from each subcontractor prior to the subcontractor performing work on the project.

5. NONCOMPLIANCE

5.1 According to Chapter 2258 Texas Government Code Title 10A, a CONTRACTOR or subcontractor(s) who violates this section shall pay to the political subdivision on whose behalf the contract is made, $60 for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates stipulated in the contract. A public body shall use any money collected under this section to offset the costs incurred in the administration of this chapter.

5.2 Confirmed Disciplinary action taken by CONTRACTOR against employees who provide information during an interview or investigation by the Owner on wages received, may result in suspension or debarment from consideration of award of City contracts.

6. AREA PRACTICE

6.1 Heavy and Highway Construction Rates shall be used on this Project, unless the Project consists primarily of Building Construction and Building Construction Rates are to be used.

6.1.1 Building Construction consists generally of all aspects of construction of buildings, which are sheltered enclosures with walk-in access for the purpose of housing persons, machinery, equipment or supplies, including without limitation the installation of utilities and equipment, both above and below grade level, as well as incidental demolition, grading, utilities, paving and other site work. Buildings need not be "habitable" to be classified as Building Construction and the installation of heavy machinery and/or equipment will not generally change a Building Construction project's classification.

6.1.2 The determination of Building Construction Wage Rates includes all construction trades and work necessary to complete a building, regardless of the number of contracts involved, so long as all such contracts are closely related in purpose, time and place.

6.2 For projects that involve both Building Construction and Heavy and Highway trades, the following classifications shall be used:

6.2.1 A multiple classification shall be used if Building Construction items are more than 20% of the Heavy and Highway project cost.

6.2.2 A multiple classification shall be used if Heavy and Highway Construction items are more than 20% of the Building Construction Project cost.

6.3 Split classifications/multiple wage rate schedules: When construction work requires that an employee perform work under multiple classifications or multiple wage scales, the employer must pay that worker (at least) the highest prevailing wage or the employer payroll records must accurately set forth the times spent performing the work of each classification and under each scale. For those projects that involve both Building Construction and Heavy and Highway trades, the Heavy and Highway wage rates may only be applied to workers when engaged in site work at least five (5) feet beyond the building.

7. TEXAS OPEN RECORDS ACT

7.1 Unless covered by an exception to mandatory disclosure under the Texas Public Information Act, Chapter 552, Texas Government Code, any and all documents submitted to the City of Austin become Public Records and are, therefore, subject to public disclosure.

Wage Rates for This Project Are Attached

END

WAGE RATES AND PAYROLL REPORTING
Section 00830BC

WAGE RATE DETERMINATION

Building Construction Type
County Name: TRAVIS

Wages based on DOL Prevailing Wage Rate General Decision: TX20230271 06/16/2023 and City of Austin Ordinance #20160324-015 Resolution #20160324-020

DOL Rate column is for information only. The Total Minimum Wage Rate is derived from the Adjusted Wage Rate Required pursuant to City Ordinance plus the DOL Fringes and can be met using any combination of cash and non-cash qualified fringe benefits, provided the cash component is at least $20.00/hour.

Classification	**DOL Rate** For info Only	**Adjusted Wage Rate Required** Pursuant to City Ordinance	**DOL Fringes**	**Total Minimum Wage Rate Required**
Asbestos Worker/Heat & Frost Insulator (Duct, Pipe, and Mechanical System Insulation)	$ 28.10	$ 28.10	$ 8.29	$ 36.39
Boilermaker	$ 29.47	$ 29.47	$ 24.10	$ 53.57
Bricklayer	$ 20.07	$ 20.07	$ -	$ 20.07
Carpenter	$ 26.00	$ 26.00	$ 9.12	$ 35.12
Carpenter (Acoustical Ceiling Installation only)	$ 14.00	$ 20.00	$ -	$ 20.00
Carpenter (Form Work Only)	$ 15.62	$ 20.00	$ 0.05	$ 20.05
Cement Mason/Concrete Finisher	$ 15.71	$ 20.00	$ -	$ 20.00
Drywall Finisher/Taper	$ 17.06	$ 20.00	$ 4.43	$ 24.43
Drywall Hanger and Metal Stud Installer	$ 17.47	$ 20.00	$ 3.45	$ 23.45
Electrical Installer (Sound and Communication Systems, Excluding Wiring)	$ 18.00	$ 20.00	$ 2.30	$ 22.30
** Electrician (Excludes Installation of Sound and Communication Systems)	$ 31.52	$ 31.52	$ 9.20	$ 40.72
***Elevator Mechanic	$ 47.28	$ 47.28	$ 37.335	$ 84.615
Floor Layer (Carpet)	$ 21.88	$ 21.88	$ -	$ 21.88
Glazier	$ 12.83	$ 20.00	$ -	$ 20.00
HVAC Mechanic (HVAC Unit Installation Only)	$ 23.78	$ 23.78	$ 6.89	$ 30.67
Ironworker, Ornamental	$ 26.76	$ 26.76	$ 7.88	$ 34.64
Ironworker, Reinforcing	$ 12.27	$ 20.00	$ -	$ 20.00
Ironworker, Structural	$ 20.73	$ 20.73	$ 5.24	$ 25.97
*Lead Paint or Asbestos Abatement Worker	*	$ 20.00	$ -	$ 20.00
Laborer, Common or General	$ 11.44	$ 20.00	$ -	$ 20.00
Laborer, Mason Tender - Brick	$ 12.22	$ 20.00	$ -	$ 20.00
Laborer, Mason Tender - Cement/Concrete	$ 11.85	$ 20.00	$ -	$ 20.00
Laborer, Pipelayer	$ 12.45	$ 20.00	$ -	$ 20.00
Laborer, Roof Tearoff	$ 11.28	$ 20.00	$ -	$ 20.00
Operator, Backhoe/Excavator/Trackhoe	$ 19.43	$ 20.00	$ 3.49	$ 23.49

Operator, Bobcat/Skid Steer/Skid Loader	$ 13.00	$ 20.00	$ -	$ 20.00
Operator, Bulldozer	$ 14.00	$ 20.00	$ -	$ 20.00
Operator, Crane	$ 34.85	$ 34.85	$ 9.85	$ 44.70
Operator, Drill	$ 14.50	$ 20.00	$ -	$ 20.00
Operator, Forklift	$ 16.64	$ 20.00	$ 6.26	$ 26.26
Operator, Grader/Blade	$ 19.30	$ 20.00	$ -	$ 20.00
Operator, Loader	$ 14.00	$ 20.00	$ -	$ 20.00
Operator, Mechanic	$ 18.75	$ 20.00	$ 5.12	$ 25.12
Operator, Paver (Asphalt, Aggregate, and Concrete)	$ 16.03	$ 20.00	$ -	$ 20.00
Operator, Roller	$ 11.25	$ 20.00	$ -	$ 20.00
Painter (Brush, Roller, and Spray, Excludes Drywall Finishing/Taping)	$ 18.76	$ 20.00	$ 6.35	$ 26.35
Pipefitter (Including HVAC Pipe Installation)	$ 34.15	$ 34.15	$ 15.77	$ 49.92
Plumber, Excludes HVAC Pipe Installation	$ 23.57	$ 23.57	$ 6.37	$ 29.94
Roofer	$ 12.00	$ 20.00	$ -	$ 20.00
*Roofer, Metal	$ 14.05	$ 20.00	$ -	$ 20.00
Sheet Metal Worker (Excluding HVAC Duct Installation)	$ 28.35	$ 28.35	$ 15.56	$ 43.91
Sheet Metal Worker (HVAC Duct Installation)	$ 28.35	$ 28.35	$ 15.56	$ 43.91
Sprinkler Fitter (Fire Sprinklers)	$ 34.60	$ 34.60	$ 23.30	$ 57.90
Tile Finisher	$ 11.32	$ 20.00	$ -	$ 20.00
Tile Setter	$ 16.35	$ 20.00	$ -	$ 20.00
Truck Driver, Dump Truck	$ 12.39	$ 20.00	$ 1.18	$ 21.18
Truck Driver, Flatbed Truck	$ 19.65	$ 20.00	$ 8.57	$ 28.57
Truck Driver, Semi-Trailer Truck	$ 12.50	$ 20.00	$ -	$ 20.00
Truck Driver, Water Truck	$ 12.00	$ 20.00	$ 4.11	$ 24.11
Waterproofer	$ 16.30	$ 20.00	$ 0.06	$ 20.06

http://www.wdol.gov/wdol/scafiles/davisbacon/tx.html

See below for Additional Wage Information.

Note: *Lead Paint & Asbestos Abatement and Roofer, Metal Classifications have been added to this Prevailing Wage Rate Determination pursuant to a City of Austin Prevailing Wage Survey (trades absent from DOL).

The Wage Compliance information detailed below was excerpted from DOL General Decision TX20230271 or other sources.

1. <u>ADDITIONAL TRADE INFORMATION</u>

**Electricians - Including low voltage wiring for computers, fire/smoke alarms.
***Elevator Mechanics – 6% under 5 years based on regular hourly rate for all hours worked. 8% over 5 years based on regular hourly rate for all hours worked as Vacations Pay Credit. Also, must be paid for 8 holidays - New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday after Thanksgiving Day, Christmas Day, and Veterans Day.
Welders - Receive rate prescribed for craft performing operation to which welding is incidental.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added upon the advance approval of City of Austin Contract Administration. CONTRACTOR shall submit to City of Austin Contract Administration for review the classification, a bona fide definition of work to be performed and a proposed wage with sample payrolls conforming to area practice **prior** to the start of the job for that type of work.

2. WAGES

The Total Wage may be met by any combination of cash wages and credible "bona fide" fringe benefits paid for by the employer. Overtime wages must be calculated using the Adjusted Wage Rate specified in the Wage Rate Determination or the actual basic rate of pay, whichever is higher. City of Austin Ordinance No. 20160324-015 Resolution #20160324-020 requires that construction workers are paid a Minimum Wage of at least $20.00/hour. The cash portion of their compensation must meet or exceed this amount.

3. CREDITING FRINGE BENEFIT CONTRIBUTIONS TO MEET DBA/DBRA AND CITY OF AUSTIN REQUIREMENTS

The Davis-Bacon Act (and 29 CFR 5.23), list fringe benefits to be considered. Examples are:

> Life Insurance
> Health Insurance
> Pension
> Vacation
> Holidays
> Sick Leave

Note: The use of a truck is not a fringe benefit; a Thanksgiving turkey or Christmas bonus is not a fringe benefit. No credit may be taken for any benefit required by federal, state, or local law such as: workers compensation, unemployment compensation; or social security contributions.

Contributions to fringe benefit plans must be made regularly, e.g. daily, weekly, etc. They must be more frequent than quarterly. (See 29 CFR 5.5 (a)(1)(I)) A periodic bonus may not be counted as a fringe benefit.

4. ANNUALIZATION OF BENEFIT COSTS

If a firm provides an electrician with $200 per month medical insurance, to calculate allowable fringe benefit credit contributions per hour, the formula ([$200 x 12 months] divided by 2080 hours = $1.15 per hour) should be used.

5. PROPER DESIGNATION OF TRADE

A work classification on the wage decision for each worker must be made based on the actual type of work he/she performed, and each worker must be paid no less than the wage rate on the wage decision for that classification **regardless** of his or her level of skill.

6. SPLIT CLASSIFICATION

If a firm has employees that perform work in more than one classification, it can pay the wage rates specified f o r each classification ONLY if it maintains accurate time records

showing the amount of time spent in each classification. If accurate time records are not maintained, these employees must be paid the highest wage rate of all the classifications of work performed by each worker. Accurate time records tracking how many hours a worker performed the work of one trade and then switched to another trade must be accounted for on a daily basis and reflected on Employer Certified Payroll accordingly.

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

** Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 ($16.20) or 13658 ($12.15). Please see the Note at the top of the wage determination for more information.

==========

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

6.1 Union Rate Identifiers

A four-letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: **PLUM0198-005 07/01/2014**. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014. Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

6.2 Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: **SULA2012-007 5/13/2014**. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier. Survey wage rates are not updated and remain in effect until a new survey is conducted.

6.3 Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: **UAVG-OH-0010 08/29/2014**. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

7. WAGE DETERMINATION APPEALS PROCESS

7.1 Has there been an initial decision in the matter? This can be:

.1 An existing published wage determination
.2 A survey underlying a wage determination
.3 A Wage and Hour Division letter setting forth a position on a wage determination matter
.4 A conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in .**2** and **.3** should be followed.

7.2 With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determination
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W. Washington, DC 20210

7.3 If the answer to the question in .**1** is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor.
200 Constitution Avenue, N.W. Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

7.3 If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W. Washington, DC 20210

7.4 All decisions by the Administrative Review Board are final.

END

WAGE RATE DETERMINATION

Heavy and Highway
County Name: TRAVIS

Wages based on DOL General Decision: TX20230007 01/06/2023 and City of Austin Ordinance #20160324-015 Resolution #20160324-020

DOL Rate column is for information only. The Total Minimum Wage Rate is derived from the Adjusted Wage Rate Required pursuant to City Ordinance and can be met using any combination of cash and non-cash qualified fringe benefits, provided the cash component is at least $20.00/hour.

Classification	**DOL Rate** For info Only	**Adjusted Wage Rate Required** Pursuant to City Ordinance	**Total Minimum Wage Rate Required**
Agricultural Tractor Operator	$12.69	$20.00	$20.00
Asphalt Distributor Operator	$15.55	$20.00	$20.00
Asphalt Paving Machine Operator	$14.36	$20.00	$20.00
Asphalt Raker	$12.12	$20.00	$20.00
Boom Truck Operator	$18.36	$20.00	$20.00
Broom or Sweeper Operator	$11.04	$20.00	$20.00
Cement Mason/Concrete Finisher	$12.56	$20.00	$20.00
Concrete Pavement Finishing Machine Operator	$15.48	$20.00	$20.00
Crane, Hydraulic, 80 tons or less	$18.36	$20.00	$20.00
Crane, Lattice Boom, 80 tons or less	$15.87	$20.00	$20.00
Crane, Lattice Boom, over 80 tons	$19.38	$20.00	$20.00
Crawler Tractor	$15.67	$20.00	$20.00
Directional Drilling Locator	$11.67	$20.00	$20.00
Directional Drilling Operator	$17.24	$20.00	$20.00
Electrician	$26.35	$26.35	$26.35
Excavator 50,000 lbs. or less	$12.88	$20.00	$20.00
Excavator, over 50,000 lbs.	$17.71	$20.00	$20.00
Flagger	$9.45	$20.00	$20.00
Form Builder/Form Setter - Paving & Curb	$12.94	$20.00	$20.00
Form Builder/Form Setter – Structures	$12.87	$20.00	$20.00
Foundation Drill Operator, Truck Mounted	$16.93	$20.00	$20.00
Front End Loader Operator, 3CY or less	$13.04	$20.00	$20.00
Front End Loader, over 3CY	$13.21	$20.00	$20.00

Laborer, Common	$10.50	$20.00	$20.00
Laborer, Utility	$12.27	$20.00	$20.00
Loader/Backhoe Operator	$14.12	$20.00	$20.00
Mechanic	$17.10	$20.00	$20.00
Milling Machine	$14.18	$20.00	$20.00
Motor Grader Operator - Fine Grade	$18.51	$20.00	$20.00
Motor Grader Operator, Rough	$14.63	$20.00	$20.00
Painter - Structures	$18.34	$20.00	$20.00
Pavement Marking Machine Operator	$19.17	$20.00	$20.00
Pipelayer	$12.79	$20.00	$20.00
Reclaimer/Pulverizer	$12.88	$20.00	$20.00
Reinforcing Steel Setter	$14.00	$20.00	$20.00
Roller Operator, Asphalt	$12.78	$20.00	$20.00
Roller Operator, Other	$10.50	$20.00	$20.00
Scraper Operator	$12.27	$20.00	$20.00
Servicer	$14.51	$20.00	$20.00
Spreader Box Operator	$14.04	$20.00	$20.00
Structural Steel Worker	$19.29	$20.00	$20.00
Traffic Signal Installer/Light Pole Worker	$16.00	$20.00	$20.00
Trenching Machine Operator, Heavy	$18.48	$20.00	$20.00
Truck Driver Tandem Axle Semi-Trailer	$12.81	$20.00	$20.00
Truck Driver, Lowboy/Float	$15.66	$20.00	$20.00
Truck Driver, Single Axle	$11.79	$20.00	$20.00
Truck Driver, Off Road Hauler	$11.88	$20.00	$20.00
Truck Driver, Single or Tandem Axle Dump	$11.68	$20.00	$20.00
*Welders	$15.97	$20.00	$20.00
Work Zone Barricade Servicer	$11.85	$20.00	$20.00

The Wage Compliance information detailed below was excerpted from DOL General Decision TX20230007 or other sources.

1. ADDITIONAL TRADE INFORMATION

Unlisted classifications needed for work not listed within the scope of the classifications listed may be added upon the advance approval of Contract Procurement. CONTRACTOR shall submit to City of Austin Contract Procurement the following: classification, a bona fide definition of work to be performed and a proposed wage with sample payrolls conforming to area practice **prior** to the start of the job for that type of work. Proposed trade may not be performed by any trade already listed.

2. WAGES

The Total Minimum Wage Rate may be met by any combination of cash wages and credible "bona fide" fringe benefits paid for by the employer. Overtime must be used in computing overtime pay. Wages must be calculated using the Total Minimum Wage Rate specified in the Wage Rate Determination or the actual basic rate of pay, whichever is higher.

City of Austin Ordinance No. 2016324-015 requires that construction workers are paid a minimum Wage of at least $20.00/hour. The cash portion of their compensation must meet or exceed this amount.

3. PROPER DESIGNATION OF TRADE

A work classification from the Prevailing Wage Poster for each worker must be made based on the actual type of work he/she performed on the job. In summary the work performed, not the "title" determines the correct worker classification and wage. Each worker must be paid no less than the adjusted wage rate on the wage decision for that classification **regardless** of his/her level of skill (exclusive of a bona fide apprentice currently registered in a DOL approved apprentice program - proof of individual registration must be supplied in advance to the City of Austin).

4. SPLIT CLASSIFICATION

If a firm has employees that perform work in more than one classification, it can pay the adjusted wage rates specified for each classification ONLY if it maintains accurate time records showing the amount of time spent in each classification. If accurate time records are not maintained, these employees must be paid the highest adjusted wage rate of all the classifications of work performed by each worker. Accurate time records tracking how many hours a worker performed the work of one trade and then switched to another trade must be accounted for on a daily basis and reflected on Employer Certified Payroll accordingly.

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*WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

** Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 ($16.20) or 13658 ($12.15). Please see the Note at the top of the wage determination for more information.

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Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

In the listing above, the "SU" designation means that rates listed under the identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.

5. WAGE DETERMINATION APPEALS PROCESS

5.1 Has there been an initial decision in the matter? This can be:

- **.1** An existing published wage determination
- **.2** A survey underlying a wage determination
- **.3** A Wage and Hour Division letter setting forth a position on a wage determination matter
- **.4** A conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in **.2** and **.3** should be followed.

5.2 With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determination
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W. Washington, DC 20210

5.3 If the answer to the question in **.1** is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W. Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

5.4 If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W. Washington, DC 20210

5.5 All decisions by the Administrative Review Board are final.

END