



MEMORANDUM

TO: Mayor and Council Members

FROM: Sylnovia Holt-Rabb, Director, Economic Development Department

TROUGH: Veronica Briseño, Assistant City Manager

DATE: December 8, 2023

SUBJECT: Action Required Correcting Resolutions 20231130-011 and 20231130-11

Background

On November 30, 2023, NXP USA, Inc. ("NXP") received the City of Austin's support for a Texas Enterprise Zone Single Designation through Resolutions [20231130-010](#) and [20231130-011](#) (Resolutions). The Company included the City Council Resolutions as a part of its Texas Enterprise Zone Applications (Applications) to the Office of the Texas Governor for consideration in the December 1, 2023, application round. Staff subsequently discovered attestations in the Resolutions containing errors. Specifically, the Resolutions mistakenly expressed the business sites were "within the City's jurisdiction located inside an enterprise zone" (Locations) and "at least 25% of NXP's new permanent jobs will be held by residents of an enterprise zone, economically disadvantaged individuals, or veterans" (Economically Disadvantaged).

Both of NXP's separate Austin locations are not inside an enterprise zone, which requires a greater percentage of NXP's new permanent jobs to be held by Economically Disadvantaged for the NXP to receive benefit. If uncorrected, the inaccurate Resolutions would cause the Applications to be suspended without further consideration for approval until amended resolutions are provided. Law has been made aware of the errors and is in the process of drafting corrected resolutions. Staff is not party to the timing of the State's timeline for application review and cannot accurately predict when an application deficiency letter will be provided, or the amount of time the City will be provided to cure deficiencies.

Recommendation

Staff recommend presenting corrected Resolutions to City Council for approval as soon as possible. This will allow staff to address the anticipated notice of applications deficiencies from the State in an expedient manner. The amended resolutions will clarify that the Locations are outside of a designated Enterprise Zone, and that 35% of the company's new permanent jobs must be held by Economically Disadvantaged individuals. The earliest available City Council agenda is January 18th, 2024, with a corresponding due date of December 8th, 2023 for submission of an RCA.

I am happy to provide any additional information or clarifications you may need, please contact me at sylnovia.holt-rabb@austintexas.gov or 512-974-3131.