

Enterprise Zone Program

CITY OF AUSTIN ECONOMIC DEVELOPMENT DEPARTMENT

NOVEMBER 9, 2015



Austin's Prosperity Engine

Citizens

We build programs that create a better future for all Austinites.

Businesses

We help Austin's businesses and entrepreneurs reach their full potential.

Neighborhoods

We revitalize, energize and uplift Austin's diverse local communities and neighborhoods.

The State of Texas Enterprise Zone Program

- Texas Enterprise Zone Program: Economic development tool for cities to partner with the State of Texas to promote job creation and capital investment in economically distressed areas of the city
- A Disadvantaged Worker Program designed to assist in creating jobs for the hard to employ
- Texas Legislature currently authorizes 105 state designations each biennium
- City of Austin is eligible to receive up to (9) Enterprise Project designations based upon availability and competitiveness of the project every two years
- Maximum estimated State Sales & Use Tax Refund/Computation is \$1,250,000
- State of Texas computes its Maximum Potential Refund based upon a company's Capital Investment, Number of Jobs Created and/or Retained up to 500, and the Maximum Refund per Job Allocation (\$2,500 per job for a singer project designation)
- Enterprise Zone Designation Period is 5 Years

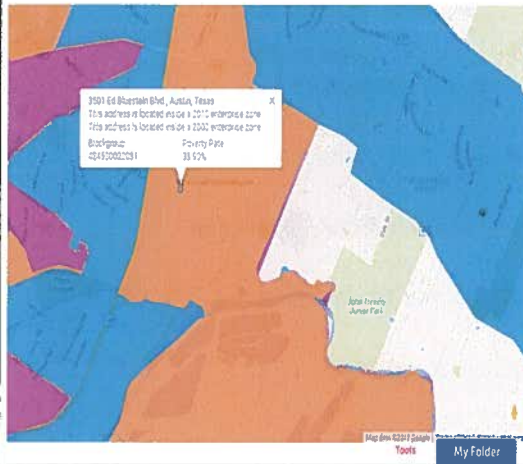
City of Austin Enterprise Zone Program Overview

- Created by ordinance on October 18, 2007
- Updated ordinance on November 4, 2010 to maximize Austin's competitive edge
- Promotes job creation and capital investment in economically distressed areas of the city
- If resolution is approved, company is eligible for a refund of state sales and use tax
- Requirements for Hiring Disadvantaged Workers:
 - (Project located within Enterprise Zone): Company commits to hire at least 25% of their new employees that meet economically disadvantaged, enterprise zone residence, or veteran requirements.
 - (Project located outside Enterprise Zone): Company commits to hire at least 35% of their new employees that meet economically disadvantaged, enterprise zone residence, or veteran requirements.
- No new hires are initially part of this project. If attrition occurs, either rule above applies based upon zone location.

Company Overview

- Freescale Semiconductor, Inc. founded in Austin in 2004 – Corporate Headquarters
- Freescale is a Global Semiconductor Company, that develops solutions to provide secure, efficient connections, safer and greener automobiles, add intelligence to everyday items
- As a leader in processing and sensing solutions, Freescale is driving a more innovative and connected world for the future
- Currently employs approximately 912 employees at its manufacturing facility location at 3501 Ed Bluestein Blvd., Austin, Texas
- Freescale looks forward to being a part of the expanding Austin and Travis County business community
- Capital Investment: \$11 Million (\$6M for building renovations and \$5M for Manufacturing Equipment)
- Timeline: December 2015 – December 2020

Current Eligible Area



"Eligible Area" can be defined as the area around the Freescale site. The flag indicates the site is identified as an Enterprise Zone with a poverty rate of 38.90%. This is based upon the company's address and the area around it which is based upon the Decennial Census in 2000 and 2010. Businesses within this area who are nominated by the city or county are eligible for a tax refund under the state's program based upon the Capital Investment, Number of Jobs Created and /or Retained up to 500, and the maximum Refund per job Allocation (\$2,500 per job for a single enterprise project designation).

"Purple Outlined Area Portion" is the 2000 Enterprise Zone area that is no longer current.

"Blue Outlined Areas Portion" is the 2010 Enterprise Zone area that is current.

"Orange Outlined Area Portion" is the 2000 and 2010 Distressed County area that is current.

Bus Routes are within 1.5 miles of Project Site

- East #6 - 12th Street
- East #18 - Martin Luther King
- East #323 - Anderson/Johnny Morris

Freescall Employee Wages

Employee Wages

- Total Number of Full-Time Jobs to be Retained 912
- Total Number of Full-Time Jobs to be Retained for Program Benefit 500

Job Category	Number of Jobs (employed by company)	Number of Jobs (vendor or contract)	Average Annual Wages	Percent to be Locally Hired
Executive	0	0	N/A	N/A
Manager	31	0	\$162,000	N/A
Supervisor	21	0	\$83,500	N/A
Staff	860	0	\$75,000	N/A
Entry Level	0	0	N/A	N/A
Total	912	0	N/A	N/A

Note: The wages seen in the diagram above are base wages only.

Freescall Employees benefits are as follows: Health Insurance, Dental Insurance, Retirement Plan, 401(k), Paid Leave, Counseling, Life Insurance, Prescription Drug Plan, Vision, Flexible Spending Accounts, Tuition Reimbursement, Disability and Wellness/Behavior Health Benefits.

Prior Council Action

- Chapter 380 Agreement:
 - The City of Austin has never entered into a Chapter 380 Agreement with Freescale Semiconductor, Inc.
- Enterprise Zone Application:
 - The City of Austin has never nominated Freescale Semiconductor, Inc. to the State of Texas as a Enterprise Project



Thank you
City of Austin Economic Development Department
VISIT OUR WEBSITE TO SEE OUR TRANSPARENCY AT WWW.AUSTINTEXAS.GOV/EDD

