

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	51657	Agenda Number	22.
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Meeting Date:	11/12/2015	Department:	Economic Development
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Subject

Approve a resolution to nominate Freescale Semiconductor, Inc. for designation by the Governor's Office of Economic Development and Tourism as a single Texas Enterprise Project in accordance with Chapter 2303 of the Texas Government Code.

Amount and Source of Funding

There is no amount and source of funding required by this action.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	October 18, 2007 - Council approved Ordinance No. 20071018-008 electing to participate in the Texas Enterprise Zone Program. November 4, 2010 - Council approved Ordinance No. 20101104-046 amending its program identifying additional local incentives for the Texas Enterprise Zone Program.
For More Information:	Kevin Johns, Director, (512) 974-7802; Dusty McCormick, Economic & Business Development Liaison, (512) 974-6390
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

This resolution will nominate Freescale Semiconductor, Inc. ("Freescale") as a single Enterprise Zone Project under the Texas Enterprise Zone Act. Founded in 2004 and headquartered in Austin, Texas, Freescale is a global semiconductor company leading the charge to help bring the Internet of Things to life – a new world in which everyday objects not only connect but cooperate with each other, humans, environments and infrastructures. Over the next five (5) years, Freescale anticipates spending \$11 million to upgrade its equipment, expand and improve its facilities, and purchase new equipment for its Austin Technology and Manufacturing Center ("ATMC") facility, located at 3501 Ed Bluestein Blvd, Austin, Texas. Specifically, Freescale plans to spend \$5 million on upgrades to its technology capabilities for wafer manufacturing and equipment and approximately \$6 million for ongoing maintenance of the existing buildings and infrastructure. The equipment and facility upgrades will ensure Freescale's ATMC facility continues to be one of the most advanced semiconductor plants in the United States. Freescale currently has a workforce of 912 at its Ed Bluestein location and is committed to retain 500 full-time jobs for the

purposes of the Texas Enterprise Zone Program. The company qualifies for a designation because of a planned investment at the business site located within the City and the retention of jobs.

If designated as an Enterprise Zone Project, Freescale would be eligible for a refund of State sales and use tax based on the employment criteria and the amount of the capital spent at the qualified business site. The Texas Legislature currently authorizes 105 state designations each biennium. The City is eligible to receive up to nine (9) Enterprise Projects designations based on availability and competitiveness of the project every two (2) years.