

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**



DEPARTMENT: Strategic and Legislative Affairs

AGENDA DATE: 10/14/25

PUBLIC HEARING DATE:

CONTACT PERSON NAME: Omar Martinez, Assistant Director of Legislative Affairs **PHONE NUMBER:** 915 479-0341

DISTRICT(S) AFFECTED: District 3

STRATEGIC GOAL:

No. 6: Set the Standard for Sound Governance and Fiscal Management

SUBGOAL:

SUBJECT:

A Resolution authorizing the Mayor to sign the Interlocal Agreement between the City of El Paso and the University of Texas at El Paso (UTEP), to include the City of El Paso as a co-applicant in the Build Back Better Regional Challenge grant awarded by the U.S. Economic Development Administration; to jointly implement the Award scope of work; and to jointly administer \$10,000,000.00 in federal funds.

BACKGROUND / DISCUSSION:

On September 2, 2022, the City of El Paso and UTEP were awarded \$40 million from the U.S. Economic Development Administration (EDA) Build Back Better Regional Challenge (BBBRC) to strengthen America’s aerospace and defense manufacturing capabilities by integrating legacy manufacturers in West Texas into the aerospace and defense supply chain.

From that \$40 million, the City was awarded \$25 million to develop the first phase of a 250-acre Advanced Manufacturing District on El Paso International Airport land to co-locate aerospace and defense design teams and manufacturing operations with supportive services and training. UTEP was awarded the remaining \$15 million to grow the Advanced Manufacturing Incubator to serve small and medium sized manufacturers and aerospace and defense and advanced manufacturing companies to stand up in West Texas and to arm them with the capabilities and enabling infrastructure needed to successfully compete for business in the aerospace and defense markets



COMMUNITY AND STAKEHOLDER OUTREACH:

N/A

PRIOR COUNCIL ACTION:

File# 22-244: 3/1/2022 Discussion and action requesting City Council support for submission of the application entitled "Reclaiming Aerospace and Defense Manufacturing Dominance through Frontier Technologies" to Phase II of the U.S. Economic Development Administration's Build Back Better Regional Challenge

File# 22-289: 3/14/2022 Discussion and action requesting City Council support for submission of the application entitled "Reclaiming Aerospace and Defense Manufacturing Dominance through Frontier Technologies" to Phase II of the U.S. Economic Development Administration's Build Back Better Regional Challenge

AMOUNT AND SOURCE OF FUNDING:

\$1,030,000 in cash from the Impact Fund and \$845,000 in in-kind services over the five-year grant term.

REPORTING OF CONTRIBUTION OR DONATION TO CITY COUNCIL:

N/A

NAME	AMOUNT (\$)

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

Stephen Ian Voglewede
Digitally signed by Stephen Ian Voglewede
Date: 2025.09.29 13:56:03 -06'00'

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

WHEREAS, the CITY OF EL PASO, TEXAS, a Texas municipal corporation (City), and the UNIVERSITY OF TEXAS AT EL PASO, a Texas State Agency, Texas Public Institution of Higher Education and component institution of the University of Texas System (University), are local governments as defined in Chapter 791 of the Texas Government Code, and have the authority to enter into this Agreement, and have each entered into this Agreement in the appropriate manner prescribed by law; and

WHEREAS, the Parties entered into an interagency cooperation for the development and growth of the Aerospace and Defense Innovation Network for Manufacturers, as originally established under the Interlocal Agreement executed on February 15, 2022; and

WHEREAS, on September 2, 2022, the Parties were awarded a grant from the U.S. Economic Development Administration (EDA), a bureau within the U.S. Department of Commerce, award number 08-69-05683 (EDA Award); and

WHEREAS, through the EDA Award, the City and the University, were awarded \$40 million to strengthen America's aerospace and defense manufacturing capabilities by integrating legacy manufacturers in West Texas into the aerospace and defense supply chain; and

WHEREAS, of the \$40 million, the City was awarded \$25 million to develop the first phase of a 250-acre Advanced Manufacturing District on El Paso International Airport land to co-locate aerospace and defense design teams and manufacturing operations with supportive services and training; and

WHEREAS, the University was awarded the remaining \$15 million to grow the Advanced Manufacturing Incubator to serve small and medium sized manufacturers and aerospace and defense and advanced manufacturing companies to stand up in West Texas and to arm them with the capabilities and enabling infrastructure needed to successfully compete for business in the aerospace and defense markets (Program); and

WHEREAS, on February 28, 2023, the City and the University reaffirmed the cooperative agreement to create the Aerospace and Defense Innovation Network for Manufacturers, and further grow it under this Agreement, supporting the rapid growth of our small and medium manufacturers; and enhancing the innovation and business capabilities of El Paso's existing manufacturing sector and connecting them to the national aerospace and defense value chain; and

WHEREAS, the Parties desire to combine their respective capabilities in a joint effort to expand existing interagency cooperation and to complete the work required under the Program for the development and growth of the Program resulting from the EDA Award (or Build Back Better Regional Challenge (BBBRC)); and

WHEREAS, in order to effectuate the above intent, the Parties agree to have the City designated as Co-Recipient of the EDA Award pursuant to 2 CFR Section 200.331.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

SECTION 1. The above recitals are deemed to be true and correct in all respects for all purposes of this Resolution.

SECTION 2. That the Mayor is authorized to sign an Interlocal Agreement for good and valuable consideration by and between the City of El Paso (City) and the University of Texas at El Paso (University), to include the City of El Paso as a co-applicant in the Build Back Better Regional Challenge grant awarded by the U.S. Economic Development Administration; to jointly implement the Award scope of work; and to jointly administer \$10,000,000 in federal funds.

SECTION 3. That the Mayor is authorized to execute appropriate amendments to this Interlocal Agreement administratively; upon prior review by the City Attorney.

SECTION 4. That, pursuant to the terms of the Interlocal Agreement and the EDA Award provisions, the City Manager is directed to undertake any and all actions needed to complete the Build Back Better Regional Challenge program successfully and deliver the full benefits envisioned under the grant including, but not limited to, assigning personnel, allocating appropriate resources, undertaking necessary budget transfers, and executing appropriate amendments administratively, upon prior review by the City Attorney, as may be required by the EDA.

SECTION 5. That the City Manager prepare and submit, upon prior review by the City Attorney, any and all correspondence, justification statements, certifications, affirmations, assurances, forms, periodic reports or reporting, or any other documentation required by the EDA in support of the EDA Award.

SECTION 6. That this resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

APPROVED this _____ day of _____, 2025.


THE CITY OF EL PASO:

Renard U. Johnson
Mayor

ATTEST:


Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Juan S. Gonzalez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Yvette Hernandez,
Deputy City Manager

STATE OF TEXAS § INTERLOCAL AGREEMENT FOR THE
§ AEROSPACE AND DEFENSE INNOVATION
COUNTY OF EL PASO § NETWORK FOR MANUFACTURERS THROUGH
§ THE BUILD BACK BETTER GRANT

This Interlocal Agreement (“Agreement”) is entered into by and between the **CITY OF EL PASO, TEXAS**, a Texas municipal corporation (“**City**”), and **THE UNIVERSITY OF TEXAS AT EL PASO**, a Texas State Agency, Texas Public Institution of Higher Education and component institution of the University of Texas System (“**University**”), by and through their duly authorized officials, pursuant to the Interlocal Cooperation Act. Article 78.00I *et seq.*, Texas Government Code.

RECITALS

WHEREAS, the City and the University are local governments as defined in Chapter 791 of the Texas Government Code, and have the authority to enter into this Agreement, and have each entered into this Agreement in the appropriate manner prescribed by law; and

WHEREAS, effective September 2, 2022, the parties were awarded from the U.S. Economic Development Administration (“EDA”), a bureau within the U.S. Department of Commerce under award number 08-69-05683 (“EDA Award”); and

WHEREAS, through the grant, the City and the University, were awarded \$40 million to strengthen America’s aerospace and defense manufacturing capabilities by integrating legacy manufacturers in West Texas into the aerospace and defense supply chain; and

WHEREAS, of that \$40 million, the City was awarded \$25 million to develop the first phase of a 250-acre Advanced Manufacturing District on El Paso International Airport land to co-locate aerospace and defense design teams and manufacturing operations with supportive services and training; and

WHEREAS, the University was awarded the remaining \$15 million to grow the Advanced Manufacturing Incubator to serve small and medium sized manufacturers and aerospace and defense and advanced manufacturing companies to stand up in West Texas and to arm them with the capabilities and enabling infrastructure needed to successfully compete for business in the aerospace and defense markets, as further described in **Exhibit A** attached hereto and incorporated herein by reference (the “**Program**”); and

WHEREAS, the parties desire to combine their respective capabilities in a joint effort to expand existing interagency cooperation and to complete the work required under the Program for the development and growth of the Program resulting from the EDA Award; and

NOW, THEREFORE, in consideration of the mutual contributions described herein and the mutual covenants and undertakings of the parties, the receipt and sufficiency is hereby acknowledged, the City and the University agree as follows:

SECTION 1. OBLIGATIONS OF BOTH THE CITY AND THE UNIVERSITY

A. Designated Liaisons. Each party shall assign a responsible liaison and point of contact (“POC”) to coordinate, oversee and facilitate the implementation of the Program. The parties hereby designate the following POCs under this Agreement:

For the University:

Programmatic POC:

Dr. Yirong Lin
Professor, Aerospace & Mechanical Engineering
The University of Texas at El Paso
Ylin3@utep.edu

For the City:

Programmatic POC:

Yvette Hernandez or Designee
Deputy City Manager
Office of the City Manager
HernandezYM@elpasotexas.gov

B. Designation of Co-Recipient. Effective as of the date of approval by the EDA of this designation University hereby designates City, as a Co-Recipient under the Program, pursuant to the authority granted under 2 CFR §200.331 and in accordance with the EDA Award.

C. Scope of Work and Responsibilities. The City shall jointly implement the scope of work as outlined in the original Program, with specific roles, deliverables, and budget allocations as defined in the Scope of Work established in **Exhibit B**, which shall be incorporated by reference into this Agreement. The City shall be subject to all applicable federal statutes, regulations, and EDA-specific terms and conditions in accordance with the EDA Award as it relates to the Program. The City shall comply with all requirements of the EDA Award.

D. Direct Support. Subject to receipt of the invoice and substantiating documentation as required under this Agreement and applicable law and regulation, University will reimburse City for materials & supplies and contractual services and expenditures provided by City to University in accordance with **Exhibit B**.

i) To receive reimbursement, City must submit an invoice to University providing a description of the services performed and expenses incurred.

ii) City shall submit an invoice on a monthly basis to the following address:
cgstaff@utep.edu

iii) After review and approval of the invoice submitted by City, University will remit reimbursement to City at the following address:

The University of Texas at El Paso
Office of Grants Management Accounting
Kelly Hall, Room 600
500 W University
El Paso, Texas 79968-0697

iv) University agrees to remit reimbursement to City no later than thirty (30) calendar days after University's receipt of the invoice.

v) In no event shall the total amount paid by the University to the City under this Agreement **exceed \$10,300,000** over the Term of this Agreement. The specific amount will be determined by the approved budget plan submitted to EDA after the City is approved as a Co-Recipient.

SECTION 3. OTHER COVENANTS AND AGREEMENTS

A. **Transfer of Ownership Interest** This Agreement represents an agreement for the City and University to share resources. Neither party shall acquire an interest in the real or personal property of the other.

B. **Retention of Ownership.** Upon termination of this Agreement, in accordance with Section 5, each party will retain ownership of its respective properties, equipment and related supplies, whether or not the property was previously shared, and all personnel will return to work to their regular appointments and assignments with their corresponding employer of record.

C. **Responsibility for Third Party Contracts.** If either party enters into a license, lease, lease/purchase agreement for services, equipment or software, the signing party shall remain responsible for all payments and interaction with the vendor. No contribution will be required from the non-signing entity unless otherwise agreed.

D. **Insurance.** Each entity may insure its own property, and neither party shall be liable for loss or damage to the real or personal property, personal injury, or any other special, indirect and/or consequential damages of any kind of the other arising from this Agreement. UTEP is a self-insured institution.

E. **No Conveyance of Real or Personal Property Interests.** Both parties agree this Interlocal Agreement is not intended to form an interest in real property and neither the City nor the University will acquire rights of tenancy in the other's facility for the initial term of this Agreement or during any renewal, extensions or modifications of the term of the Agreement. The terms of this Agreement will be considered separate from any other University/City transaction or agreement. The mutual consideration of the parties described herein shall be calculated without reference to any other contract. Setoffs against other contractual obligations is neither contemplated by the parties nor permitted.

SECTION 4. INITIAL TERM AND RENEWAL

A. **Term and Automatic Renewal.** The effective date of this Agreement is the date this Agreement is approved by the City Council for the City of El Paso ("Effective Date"). The City's responsibilities under this Agreement to assign personnel and services as established herein will commence on the Effective Date ("Commencement Date"). Thereafter, this Agreement shall be in effect through May 28, 2027, unless terminated by either party in writing

signed by duly authorized representatives of each of the parties in accordance with the same provisions set in this Agreement.

B. EDA Approval and Notification. This designation shall be submitted to the EDA for review and approval, if required, and shall not be effective until such approval is granted. Both parties agree to promptly notify the EDA of this change and provide any supporting documentation requested

SECTION 5. TERMINATION

A. Termination for Convenience. Either party may terminate this Agreement for any reason by sending a written notice to the non-terminating party at least fifteen (15) calendar days before termination. All parties providing work under this Agreement will halt all work when the termination notice sent by the terminating party is received by the non-terminating party.

B. Termination by Either Party for Cause. Either party may terminate this Agreement if one party fails to fulfill the obligations set out in this Agreement. Before terminating this Agreement pursuant to this provision, the terminating party will provide written notice of intent to terminating enumerating the failures for which the termination is being sought and provide at least thirty (30) calendar days to the non-terminating party to cure such failure.

C. Non-Appropriation of Funds. Resources for implementation of this Agreement may come from either party, depending upon budgetary availability. Neither party is obligated to expend any resources in connection with this Agreement unless specifically stated otherwise in the Agreement. No implementation of any portion of the Agreement may be initiated prior to the written assurance of such budgetary availability to the other party here to the extent any external funding is required by a party in order to implement this Agreement and funding for such purposes is not appropriated to that party or is not otherwise available to the corresponding party, said party shall have no further financial obligations upon such determination. Should either party not have funding to carry out any obligations of a particular effort conducted under this Agreement, it shall immediately notify the other party of such fact and of such portions of the Agreement that may be deemed terminated or modified due to lack of funding.

SECTION 6. GOVERNMENTAL FUNCTION AND IMMUNITY

A. Governmental Function. The City and University expressly agree that, in all things relating to this Agreement, the parties enter into this Agreement for the purpose of performing governmental functions and are performing governmental functions, as defined by the Texas Tort Claims Act. The parties further expressly agree that every act or omission of each party, which in any way pertains to or arises out of this Agreement, falls within the definition of governmental function.

B. Immunity. The City and University reserve, and do not waive, their respective rights of governmental and/or sovereign immunity and similar rights and do not waive their rights under

the Texas Tort Claims Act. The parties expressly agree that neither party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of its powers or functions or pursuant to the Texas Tort Claims Act or other applicable statutes, laws, rules, or regulations.

SECTION 7. RISK ALLOCATION AND LIMITATION OF LIABILITY

A. **Exclusion of Incidental and Consequential Damages.** Independent of, severable from, and to be enforced independently of any other enforceable or unenforceable provision of this Agreement, neither party shall be liable to the other party (nor to any person claiming rights derived from such party's rights) for incidental, consequential, special, punitive, or exemplary damages of any kind - including lost profits, loss of business, and further including, mental anguish, emotional distress and attorney's fees- as a result of breach of any term of this Agreement, regardless of whether the party was advised, had other reason to know, or in fact knew of the possibility thereof, except as expressly provided herein. Neither party hereto shall be liable to the other party or any third party by reason of any inaccuracy, incompleteness, or obsolescence of any information provided or maintained by the other party regardless of whether the party receiving said information from the other party was advised, had other reason to know, or in fact knew thereof.

B. **Intentional Risk Allocation.** The City and University each acknowledge that the provisions of this Agreement were negotiated to reflect an informed, voluntary allocation between them of all risks (both known and unknown) associated with the transactions associated with this Agreement. The disclaimers and limitations in this Agreement are intended to limit the circumstances of liability. The remedy limitations, and the limitations of liability, are separately intended to limit the forms of relief available to the parties.

C. **No Indemnification.** The City and University expressly agree that, except as provided herein, neither party shall have the right to seek indemnification or contribution from the other party for any losses, costs, expenses, or damages directly or indirectly arising, in whole or part, from this Agreement. Each party must handle any claims resulting from their actions in this Agreement. The parties agree that each will be responsible for the acts or omissions of its respective representatives.

D. **Fines and Penalties.** Each party shall be solely responsible for fiscal penalties, fines or any other sanctions occasioned as a result of a finding that violations of any applicable local, state or federal regulations, codes or laws occurred as a result of that party's actions, except as may be specifically provided by law.

SECTION 8. GENERAL PROVISIONS

A. **Compliance with Laws.** In the performance of their obligations under this Agreement, the parties shall comply with all applicable federal, state or local laws, ordinances and regulations and declarations.

B. **Governing Law.** For purposes of determining the law governing the same, this Agreement

is entered into in the city and state of main operations of the parties hereto, and shall be governed by the laws of the State of Texas. Venue shall be in El Paso, Texas.

C. **Notices.** The parties will send all notices required by this Agreement, in writing, to the other entity by certified mail, return receipt requested at the following addresses:

To the City of El Paso:
City of El Paso
Office of the City Manager
P.O. Box 1890
El Paso, TX 79950-1890
Attn. Yvette Hernandez

To the University:
The University of Texas at El Paso
Office of Sponsored Projects
500 W. University Ave.
El Paso, TX 79968
Attn. Dr. Ahmad Itani

Changes may be made to the above addresses and addresses through timely written notice provided to the other party.

D. **Privileges and Immunities.** All privileges and immunities from liability, exemptions from laws, ordinances and rules, pension, relief, disability, worker's compensation, and other benefits which apply to the activities of officers, agents, or employees of the City and the University when performing a function shall apply to such officers, agents, personnel or employees to the same extent while engaged in the performance of any of their functions and duties under the terms and provisions of this Agreement.

E. **Current Revenues.** Pursuant to Section 791.011(d) (3), Texas Government Code, each party paying for the performance of governmental functions or services will make those payments from current revenues available to the paying party.

F. **No Waiver.** The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect the right of such party to require performance of that provision. Any waiver by either party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

G. **Amendment; Assignability.** This Agreement and the obligations hereunder shall not be amended, assigned, transferred or encumbered, in any manner without the written consent of a duly authorized representative of the other party.

H. **Severability.** All agreements and covenants contained in this Agreement are severable. Should any term or provision of this Agreement be declared illegal, invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement will not be affected; and in lieu of each provision which to be illegal, invalid or unenforceable, there will be added as part of this Agreement, a provision which preserves the intention of the unenforceable provision. but which complies with the law.

I. **Section Headings.** The paragraph or section headings contained in this Agreement are for

reference purposes only and shall not in any way control the meaning or interpretation of this Agreement.

J. **Representation of Counsel; Mutual Negotiation.** Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.

K. **Independent Contractor Relationship.** This Agreement does not create an employee-employer relationship between parties. As such, the neither party is subject to the liabilities or obligations the other party obtains under the performance of this Agreement.

L. **Auditing Records for the Specific Project.** Subject to applicable law and limitations, the parties will allow the reasonable inspection and copying of all records pertaining to the obligations arising from this Agreement.

M. **Force Majeure.** There is no breach of contract should either party's obligations within this Agreement be delayed due to an act of God, outbreak of hostilities. riot, civil disturbance, acts of terrorism, the act of any government or authority, fire, explosion. flood, theft, malicious damage, strike, lockout, or any cause or circumstances whatsoever beyond either party's reasonable control. The delayed party must resume performing its obligations in this Agreement after the reason for the delay is resolved, by mutual agreement of the parties.

N. **Third-Party Beneficiaries.** There are no third-party beneficiaries to this Agreement.

O. **Provisions Surviving this Agreement.** Representations, releases, warranties covenants, indemnities, and confidentiality survive past the execution, performance, and termination of this Agreement

P. **Representations and Warranties.** The persons executing this Agreement on behalf of each of the parties warrant they have sufficient authority to sign on behalf of their respective parties.

Q. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

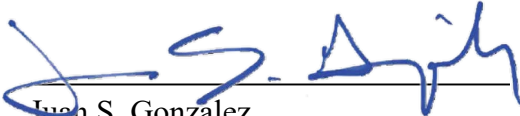
IN WITNESS WHEREOF, this Agreement has been executed by the parties named hereinabove as of the dates established below.

CITY OF EL PASO:

Renard U. Johnson
Mayor

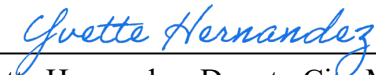
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APPROVED AS TO FORM:



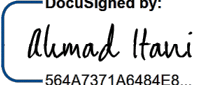
Juan S. Gonzalez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Yvette Hernandez, Deputy City Manager
Office of the City Manager

THE UNIVERSITY OF TEXAS AT EL PASO:

DocuSigned by:


564A7371A6484E8...
Ahmad Itani
Vice President for Research & Innovation

Date: 10/6/2025 | 8:53 PM MDT
____ / ____ / ____