

Goal 6: Set the Standard for Sound Governance and Fiscal Management

Council Action

Approve 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.





BBBRC Grant Program History (2021)

The BBBRC was a \$1 billion competitive program intended to transform regional economies by growing priority industry clusters

- EDA selected 60 Phase-1 finalists out of 529 applications
- EDA selected 21 Phase-2 winners for grants of ~\$25-\$65 million



West Texas Aerospace & Defense Manufacturing Coalition

UTEP and City of El Paso were awarded \$40 million to strengthen U.S. aerospace & defense manufacturing by integrating legacy and small and medium manufacturers into national supply chains





City of El Paso: Advanced Manufacturing District (AMD) \$25 million grant for site improvements at a 250-acre district at the El Paso International Airport to co-locate aerospace/defense firms, suppliers, and services



\$15 million grant for programming, supplier readiness, and technical assistance to help small and medium manufacturers qualify for aerospace and defense contracts









Goal: Sustaining Advanced Manufacturing Programs beyond BBBRC Grant

- UTEP and City staff reviewed the feasibility of jointly managing \$10 million in federal funds
- EDA provided instructions on executing transition and must approve the final proposal
- The proposed partnership will increase alignment between UTEP and City programs





Existing Agreements with BBBRC Grant Partners

- <u>February 28, 2023</u>: City Council approved an Interlocal Agreement with UTEP providing
 \$1,875,000 match
- <u>February 27, 2023</u>: EP County Commissioners Court approved an Interlocal Agreement with UTEP providing a \$375,000 match
- August 21, 2023: EP County Commissioners Court approved a Letter of Support for a \$1,875,000 match for the UTEP BBBRC grant





Proposed Partnership

City and UTEP jointly manage \$10 million award

 Task 1: Develop EDA progress reports and manage subcontracts with technical service providers

City and UTEP jointly complete BBBRC grant metrics*

- Task 2: 500 jobs are created in aerospace and defense (A&D) and 20% increase in revenues from Innovation Network members
- Task 3: 150 manufacturers enter readiness DIBRL3 & DIBRL6





^{*}UTEP has already made progress towards the grant metrics

Scope of Work Budget

Funding allocated to three tasks over 19 months.

Task		Funds	%
1. Program Administration		\$500,000	3.8%
2. Job Creation and Business Development		\$3,500,000	26.6%
3. Supporting SMM in Securing Industry Certifications		\$8,500,000	64.5%
Contingency		\$667,703	5.1%
	Total	\$13,167,703	100%



Match Requirements

Agency	Funds	%
EDA Federal	\$10,000,000	75.9%
City of El Paso (cash)	\$982,202*	7.5%
City of El Paso (in-kind)	\$338,000*	2.6%
El Paso County	\$1,847,501	14%
Total	\$13,167,703	100%

^{*}Remaining cash and in-kind commitments from 3/28/23 Interlocal Agreement. The City cash commitment comes from Economic Development funds



Project Start Timeline

- October 14: City Council Interlocal Agreement
- October 24: EDA partnership approval
- November: Transition subcontracts (NCDMM)
- December: Survey on regional manufacturers
- December: Next Council update





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