



Item 41

Build Back Better Regional Challenge Growing the Aerospace + Defense Manufacturing Cluster



October 12, 2021

Goal 1. Cultivate an Environment Conducive to Strong, Sustainable Economic Development



Presentation Overview

- Purpose of the Presentation
- The Build Back Better Challenge
- Build Back Better Proposal:
Aerospace + Defense Manufacturing
Regional Growth Cluster
- Next Steps

Presentation Purpose

A resolution authorizing:

- City participation in the West Texas Aerospace and Defense Manufacturing Coalition, led by UTEP's Aerospace Center; and
- Authorizing the Mayor to sign a letter of support for the Coalition's submission of its application, "Reclaiming Aerospace and Defense Manufacturing Dominance through Frontier Technologies," to Phase I of the EDA's Build Back Better Regional Challenge.

Build Back Better Regional Challenge



- Under the American Rescue Plan, the EDA was allocated **\$3 billion** in supplemental funding to assist communities nationwide in their efforts to build back better by :
 - **Accelerating economic recovery** from the coronavirus pandemic; and
 - **Building local economies** that will be **resilient** to future shocks.
- Funding is available across **six programs**, including the **\$1 billion Build Back Better Regional Challenge**.

Build Back Better Regional Challenge



Intended to **transform regional economies** and supercharge business and regional clusters through a collection of **collaborative, aligned projects** designed to grow new industries and scale existing ones.

- Proposals should include **regional coalitions**, **industry support**, and **high-impact projects** with a **shared vision**
- One key coordinating entity per region
- 3 to 8 projects per regional cluster

Build Back Better Regional Challenge

Workforce

- Start and grow workforce development programs to **support the needs of industries**

Entrepreneurship

- Support entrepreneurs to **commercialize technologies** for industries of the future

Planning

- **Create** and scale **visionary goals**, partnerships, and plans for the future

Infrastructure

- Build the roads, grids, fiber, and “bricks” that will **enable all communities to thrive**

Build Back Better Regional Challenge

Phase I

- 50 to 60 regions awarded **technical assistance** grants to help regions prepare for Phase II and mature their clusters
- Total: **\$500,000** per region
- Due: October 19, 2021

Phase II

- 20 to 30 regions from Phase I regions awarded **implementation** grants from full project cluster applications
- Total: **\$25 to \$100 million** per region
- Due: March 15, 2022



The Aerospace + Defense Manufacturing Regional Growth Cluster

- Vision is to reinvent West Teas' historical roots in manufacturing to help close America's gap in aerospace and defense manufacturing capabilities
- Coalition is led by **El Paso Makes**, a partnership of UTEP's Aerospace Center and Keck Center and El Paso Chamber



Building on Regional Assets

Catalyze economic growth in aerospace and defense manufacturing by leveraging:

- Fort Bliss and White Sands Missile Range
- Spaceport America in Southern New Mexico
- Blue Horizon in West Texas

- The City and El Paso Makes have already begun conceptual design of a master planned Advanced Manufacturing Campus located at the El Paso International Airport
- The 250 acre campus will anchor the Coalition's proposed investment along the I-10 corridor from El Paso to Culberson County



Growing Existing Partnerships



- Congresswoman Escobar secured \$964k through federal appropriations for an El Paso Makes and National Center for Defense Manufacturing & Machining initiative to assist local manufacturing businesses
- UTEP's Aerospace Center, in partnership with the Keck Center, El Paso Chamber and City, was awarded a \$1.5 million grant further assist in this effort through the creation of an Aerospace and Defense Supply Chain Innovation Network
- The City and El Paso Makes have been working together to conceptualize an Advanced Manufacturing Campus located at the El Paso International Airport
- The City, El Paso Chamber, General Motors, and El Paso Electric have partnered to accelerate the transition to electric.



Growing Existing Partnerships: El Paso International Airport



The Airport's Focus for the Future:

Non-Aeronautical Revenue Development

- Land Development Master Plan
- Development Financing Tools (TIRZ 14)
- Partnership with Fort Bliss
- Grant Opportunities
 - Infrastructure Network Expansion
 - Developing and Retaining Future Tenants



PHASE 1



Growing Existing Partnerships: Small Business Innovation Center

- Located in EPIA Cargo 4
- Non-profit model – Cost Recovery
- Creates a space for innovative work and start ups
- Allows startup companies a collaborative workspace – Synergy and Joint Ventures
- Focus on Aerospace Engineering and Advanced Manufacturing
- Leasing Structure will be to a non-profit – partial abatement opportunities to be determined based on company need

PHASE 2

Growing Existing Partnerships: Advanced Manufacturing Campus

Advanced Manufacturing and Design Centers

- 200 acre campus
- Master planned to co-locate aerospace, defense and advanced manufacturing
- Potential to minimize business expense through shared infrastructure
- Manufacturers can choose to locate their operations in shared facilities or in single operator, designed-to-suit facilities
- Builders are ready to meet and build to suit



The City's Role as a Coalition Member

The City would take the lead in master planning and developing the **“El Paso Makes Advanced Manufacturing District”** located at the El Paso International Airport.

- 250-acre area dedicated to co-locate aerospace and defense manufacturing activities;
- Includes 50,000 square foot existing cargo facility focused on supporting start-ups or small manufacturers



Next Steps

Obtain Council direction regarding the City's participation and outlined role in the Regional Coalition led by UTEP's Aerospace Center. The City will:

- Serve as lead in developing El Paso Makes Advanced Manufacturing District;
- Dedicate 250 acres located at the El Paso International Airport as the District site, including a 50,000 square foot existing cargo facility.



Next Steps: Items to Consider



The Proposal:

- Builds on Coalition members' recent collaborative successes;
- Facilitates existing plans to construct an Advanced Manufacturing Campus and innovation facility at the Airport;
- Furthers the strategic objective to grow non-aeronautical revenue by developing and retaining future tenants;
- With an emphasis on increasing the competitiveness of our local talent and businesses, grows the El Paso tax base and creates quality jobs for the region;
- Increases economic resiliency by encouraging economic diversity through the development of a new industry cluster;

Next Steps: Items to Consider



The Proposal:

- Provides for a regional impact through investment not only within the City but along the I-10 corridor from El Paso to Culberson County;
- Offers opportunity for growth of other, closely linked industry clusters such as IT and Medical Device Manufacturing;
- Builds on key regional assets, including Fort Bliss, and offers the opportunity for new or deepened partnerships, and continued investment in those assets; and
- Participation in a single coalition clearly articulates regional priorities.

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Mission

Deliver exceptional services to support a high quality of life and place for our community



Vision

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



Values

Integrity, Respect, Excellence, Accountability, People