

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

**AGENDA DATE:** October 12, 2021

**PUBLIC HEARING DATE:** N/A

**CONTACT PERSON(S) NAME AND PHONE NUMBER:** Elizabeth Triggs, Interim Director, 212-1619

**DISTRICT(S) AFFECTED:** All Districts

**STRATEGIC GOAL:** Goal 1: Create an Environment Conducive to Strong, Sustainable Economic Development.

**SUBGOAL:** 1.1 Stabilize and expand El Paso's tax base

**SUBJECT:**

A resolution authorizing the City of El Paso's participation as a member of the West Texas Aerospace and Defense Manufacturing Coalition, led by the University of Texas at El Paso's Aerospace Center (the "UTEP Aerospace Center") and including El Paso Makes, a partnership among UTEP's Aerospace Center and W.M. Keck Center for 3D Innovation and the Rio Grande Council of Governments, other local governments, community non-profits, other institutions of higher education, national aerospace and defense prime contractors and local small and medium-sized manufacturers; and that the Mayor be authorized 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 U.S. Economic Development Administration's Build Back Better Regional Challenge which identifies the City's lead role in master planning and designing the "El Paso Makes Advanced Manufacturing District" to be located at the El Paso International Airport in collaboration with El Paso Makes.

**BACKGROUND / DISCUSSION:**

UTEP's Aerospace Center is submitting an application to the Build Back Better Regional Challenge called "Reclaiming Aerospace and Defense Manufacturing Dominance through Frontier Technologies" as part of a coalition called the West Texas Aerospace and Defense Manufacturing Coalition. The Coalition includes El Paso Makes (Partnership of UTEP's Aerospace Center and W.M. Keck Center for 3D Innovation and the El Paso Chamber), the City of El Paso and Workforce Solutions Borderplex. The area of impact includes the West Texas region which includes El Paso, Hudspeth, Culberson, Jeff Davis, Brewster and Presidio Counties. Coalition partners include: County of El Paso, City of Horizon, Ysleta Pueblo Del Sur, National Center for Defense Manufacturing and Machining (NCDMM), Workforce Solutions Borderplex, Sul Ross State University, Western Technical College, El Paso Electric, TMAC Paso del Norte, El Paso PTAC, Rio Grande Council of Governments, Lockheed Martin, Blue Origin, Fort Bliss, White Sands Missile Range and local small and medium-sized manufacturers.

Funding from EDA's Build Back Better grant to West Texas Aerospace and Defense Manufacturing Coalition for "Reclaiming Aerospace and Defense Manufacturing Dominance through Frontier Technologies" will reinvent West Texas' historical roots in manufacturing to help close America's gap in aerospace and defense manufacturing capabilities. We will directly tackle these threats to our defense industrial base by bringing new competitive U.S. entrants into the defense industrial ecosystem and by building design teams and manufacturing skills critical to reclaiming America's aerospace and defense manufacturing dominance. One of the component projects that the City will take the lead on the El Paso Makes Advanced Manufacturing District, a 250-acre area that will be dedicated and master planned by the City of El Paso to co-locate aerospace and defense manufacturing activities at the El Paso International Airport.

As a member of the West Texas Aerospace and Defense Manufacturing Coalition, the City, if approved by City Council and if the Phase 1 application is successful, will be responsible for developing the component proposal for the Advanced Manufacturing District in Phase 2.

Revised 04/09/2021

**PRIOR COUNCIL ACTION:**

N/A

**AMOUNT AND SOURCE OF FUNDING:**

No local match is required for Phase I of the EDA's Build Back Better Regional Challenge. Successful Phase 2 applications will require a 20 percent local match which may include cash and in-kind contributions to the project. If successful in securing grant funding for Phase I, staff in collaboration with the West Texas Aerospace and Defense Manufacturing Coalition, will develop the project budget and determine the required local match. The budget, including local match required, will be brought back to City Council for consideration prior to the March 2022 Phase II application deadline.

**HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? X YES \_\_\_ NO**

**PRIMARY DEPARTMENT:** Economic and International Development

**SECONDARY DEPARTMENT:** El Paso International Airport

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**\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\***

**DEPARTMENT HEAD: Elizabeth Triggs, Interim Director, Economic & International Development**

*Elizabeth Triggs*

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

## **RESOLUTION**

**WHEREAS**, on March 11, 2021, President Joseph R. Biden signed the American Rescue Plan Act into law to enable all Americans to respond to and recover from the impacts of COVID-19; and

**WHEREAS**, under the American Rescue Plan, the U.S. Economic Development Administration (the “EDA”) was allocated \$3 billion in supplemental funding to assist communities nationwide in their efforts to build back better by accelerating the economic recovery from the coronavirus pandemic and building local economies that will be resilient to future economic shocks; and

**WHEREAS**, the American Rescue Plan funding enables the EDA to provide larger, more transformational investments across the nation while utilizing its greatest strengths, including flexible funding to support community-led economic development; and

**WHEREAS**, with an emphasis on equity, EDA investments made under the American Rescue Plan will directly benefit previously underserved communities impacted by COVID-19; and

**WHEREAS**, the EDA has made this funding available through a series of six innovative challenges; and

**WHEREAS**, one of this six challenges includes the Build Back Better Regional Challenge, designed to assist communities nationwide in their efforts to build back better by accelerating the economic recovery from the coronavirus pandemic and building local economies that will be resilient to future economic shocks; and

**WHEREAS**, the \$1 billion Build Back Better Regional Challenge will provide a transformational investment to 20 to 30 regions across the country that want to revitalize their economies by growing new regional industry clusters or scaling existing ones through planning, infrastructure, innovation and entrepreneurship, workforce development, access to capital, and more; and

**WHEREAS**, the EDA invites eligible applicants to form regional coalitions to apply for funding to implement a collection of three to eight distinct but related projects in their region, in coordination with industry and community partners, and aligned around a holistic vision to build and scale a strategic industry cluster; and

**WHEREAS**, the Build Back Better Challenge is a phased challenge wherein, through Phase I, the EDA anticipates awarding 50 to 60 regional coalitions of partnering entities approximately \$500,000 in technical assistance funds to develop and support three to eight projects to grow a regional growth cluster; and through Phase 2, the EDA will award 20 to 30 of these selected regional coalitions \$25 million to \$75 million, and up to \$100 million to implement those projects; and

**WHEREAS**, no matching funds are required for successful Phase I applicants, while successful Phase 2 applicants will require a 20 percent local match which may include cash and in-kind contributions to the project; and

**WHEREAS**, the greater El Paso region is uniquely positioned to address America's gap in aerospace and defense manufacturing capabilities with over 2 million acres of contiguous military space, the largest U.S. contiguous airspace, three U.S. military installations, two spaceports, three research universities, and significant military development, testing and evaluation capacity; and

**WHEREAS**, the City of El Paso (the "City") has identified the Aerospace and Defense Manufacturing industry cluster as a key industry cluster to revitalize and strengthen the region's economic resilience by reinventing West Texas' historical roots in manufacturing; and

**WHEREAS**, the City desires to grow its Aerospace and Defense Manufacturing industry cluster in partnership with the West Texas Aerospace and Defense Manufacturing Coalition led by the University of Texas at El Paso's Aerospace Center; and

**WHEREAS**, as part of the City's commitment to the success of this effort, the City will take the lead on master planning and developing an advanced manufacturing district, the "El Paso Makes Advanced Manufacturing District," specifically designed to support regional aerospace and defense manufacturing activities; and

**WHEREAS**, the El Paso Makes Advanced Manufacturing District will be located on 250 acres of land at the El Paso International Airport, including 50,000 square feet of an existing cargo facility;

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

That the City of El Paso is authorized to participate as a member of the West Texas Aerospace and Defense Manufacturing Coalition, led by the University of Texas at El Paso's Aerospace Center (the "UTEP Aerospace Center") and including El Paso Makes, a partnership

among UTEP’s Aerospace Center and W.M. Keck Center for 3D Innovation and the El Paso Chamber, and the Rio Grande Council of Governments, other local governments, community non-profits, other institutions of higher education, national aerospace and defense prime contractors and local small and medium-sized manufacturers; and that the Mayor be authorized to sign a letter of support (**Exhibit “A”**) for the coalition’s submission of its application, “Reclaiming Aerospace and Defense Manufacturing Dominance through Frontier Technologies,” to Phase I of the U.S. Economic Development Administration’s Build Back Better Regional Challenge which identifies the City’s lead role in master planning and designing the “El Paso Makes Advanced Manufacturing District” to be located at the El Paso International Airport in collaboration with El Paso Makes.

**PASSED** and **APPROVED** this \_\_\_\_\_ of \_\_\_\_\_, 2021


**THE CITY OF EL PASO**

\_\_\_\_\_  
Oscar Lesser  
Mayor

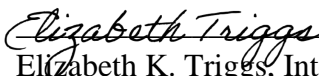
**ATTEST:**

\_\_\_\_\_  
Laura D. Prine  
City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Frances M. Maldonado Engelbaum  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Elizabeth K. Triggs, Interim Director  
Economic and International Development

**EXHIBIT “A”**  
**City of El Paso Letter of Support**  
*(see following page)*



# City of El Paso

**MAYOR**

Oscar Leeser

October 11, 2021

**CITY COUNCIL**

**District 1**

Peter Svarzbein

U.S. Department of Commerce  
Economic Development Administration  
1401 Constitution Avenue, NW  
Suite 71014  
Washington, DC 20230

**District 2**

Alexsandra Anello

RE: EDA FY 2021 American Rescue Plan Act Build Back Better Regional Challenge

**District 3**

Cassandra Hernandez

To Whom It May Concern:

**District 4**

Joe Molinar

On behalf of the City of El Paso (the “City”), I am writing to affirm the City’s participation as a regional coalition member in the West Texas Aerospace and Defense Manufacturing Coalition (the “Coalition”), and further, express our support for the application submitted by the Coalition, led by the University of Texas at El Paso’s Aerospace Center, to the U.S. Economic Development Administration’s Build Back Better Regional Challenge grant opportunity. I acknowledge that I have read the grant proposal and am committed to executing the City’s identified role in growing the aerospace and defense manufacturing industry cluster for the benefit of our region.

**District 5**

Isabel Salcido

**District 6**

Claudia L. Rodriguez

**District 7**

Henry Rivera

**District 8**

Cissy Lizarraga

The City, the El Paso Chamber of Commerce, the UTEP Aerospace Center and the W.M. Keck Center for 3D Innovation, along with other regional partners as identified in the grant application are collaborating to grow a regional Aerospace and Defense Manufacturing industry cluster to revitalize and strengthen the region’s economic resilience by reinventing West Texas’ historical roots in manufacturing and addressing America’s gap in aerospace and defense manufacturing capabilities. The City of El Paso is well-positioned to serve as an anchor for these efforts through its proximity to over 2 million acres of contiguous military space, the largest U.S. contiguous airspace, three U.S. military installations, two spaceports, three research universities, and significant military development, testing and evaluation capacity.

**CITY MANAGER**

Tommy Gonzalez

Working with our partners, the City of El Paso will serve as the lead partner in master planning and developing an advanced manufacturing district, the “El Paso Makes Advanced Manufacturing District” (the “District”), as further described in the grant application. Both UTEP and local businesses engaged in manufacturing have expressed a desire to have the District located in a secure area for not only design, but also advanced manufacturing of aerospace and defense technologies. To meet that need, the City will dedicate approximately 250 acres of airport land to include 50,000 square feet of an existing cargo facility for the El Paso Makes Advanced Manufacturing District.





# City of El Paso

## MAYOR

Oscar Leeser

## CITY COUNCIL

### District 1

Peter Svarzbein

### District 2

Alexsandra Anello

### District 3

Cassandra Hernandez

### District 4

Joe Molinar

### District 5

Isabel Salcido

### District 6

Claudia L. Rodriguez

### District 7

Henry Rivera

### District 8

Cissy Lizarraga

## CITY MANAGER

Tommy Gonzalez

The 250-acre District is an important component in the catalyzation of growth in aerospace and defense manufacturing that will assist in the retention of our local talent, attract new talent and increase incomes in a historically underserved community. The Coalition's strategic partnership will work together to develop resources and policies to support economic development and business growth that will usher in a new era of high-tech aerospace and defense manufacturing in our region for decades to come.

The City, through the El Paso International Airport ("EPIA") will not only dedicate the needed land and facility space to facilitate the development of the District, but will also provide for necessary master planning, design and development efforts, in consultation with our Coalition partners and local industry stakeholders. We have recently created a Tax Increment Reinvestment Zone, in accordance with Chapter 311 of the Texas Tax Code to facilitate financing of the project which may be used as a local match for the grant, in addition to other cash and in-kind services and support needed to fully execute the plan developed through Phase I of the grant's technical assistance funding.

We urge the EDA to strongly consider our Coalition's Phase I application for technical assistance funding to revitalize and strengthen the region's economic resilience.

Sincerely,

Oscar Leeser  
Mayor  
City of El Paso