



CITY OF EL PASO

National Center for Defense Manufacturing and Machining (NCDMM)

Chapter 380 Economic Development Program Agreement

Goal 1: Create an Environment Conducive to Strong, Sustainable Economic
Development. 1.1 Stabilize and expand El Paso's tax base

NCDMM: Company Overview

- NCDMM is a nonprofit organization (501c3) founded in 2003
- HQ in Johnstown, PA
- Additional offices located in Chambersburg, PA; Murrysville, PA; Youngstown, OH; and Huntsville, AL.
- Revenue \$82.1M in 2023 (propublica.org)

NCDMM:

Company Mission

- Promote the use of cost-effective manufacturing solutions by current, as well as future, U.S.-based producers of Department of Defense (DoD) systems
 - Assist with the identification and implementation of, and transition to, state-of-the-art manufacturing and technology solutions.
 - Drive manufacturing innovation throughout the defense industrial base to ensure the U.S. warfighter ALWAYS has a superior advantage.
- Focus is collaborating with government, industry, and academia.

Advanced Manufacturing District: Background

- In 2022 the West Texas Aerospace + Defense Coalition was awarded \$40M in the nationally competitive **Build Back Better Regional Challenge**.
- The City, awarded \$25 million, is the lead on developing a 250-acre **Advanced Manufacturing District** at the El Paso International Airport.
- UTEP, awarded \$15 million, is the lead on further developing and providing programming for the **Aerospace & Defense Innovation Network for Manufacturers**.

NCDMM: Policy Alignment

- Project aligns with the City's 380 Incentive Policy and TED Policy
 - **Quality Job** creation and **Target Industry** support (Aerospace & Defense, Advanced Manufacturing)
- After incentive value and the cost of government services, the project's expansion provides a **net benefit to the City**
- **Recommendation:** Move forward with the Chapter 380 Agreement.



NCDMM: Proposed Site Location



**Proposed
Location**
5 Butterfield Trail Blvd.,
Suites A and B

NCDMM: Key Deal Points

- **10-year rental assistance grant: \$244,800**
 - \$6/sf or \$24,480/year on a \$16/sf sublease of office space
- **Equipment Investment: \$900,000 (no city assistance)**
- **Full-time Jobs Created:**
 - Create 14 full-time positions over 3 years (13 engineers, 1 administrative)
 - \$91,414 average salary vs. \$36,005 for the El Paso County annual median wage rate (bls.gov)
- Commitment to locate to **Advanced Manufacturing District** once available



NCDMM: Community Benefit

- 15 *indirect* jobs totaling **\$30M in salaries**
- **\$6.2M** in taxable sales over 10 years
- Total Net Property Tax Benefit to all entities = **\$578,356**
 - **\$395,268** to the City
- Supports AMD Strategy and Construction
 - Design incorporation
 - Sustainability of funding

NCDMM: Next Steps

- Proceed with the **Chapter 380 Economic Development Program Agreement** by and between the CITY OF EL PASO, and **NCDMM** in support for the expansion of its operations

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, **R**espect, **E**xcellence,
Accountability, **P**eople