



Item 32

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



February 23, 2022

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



# Presentation Overview

- Council Requested Action
- The Build Back Better Challenge
- Build Back Better Proposal:  
Aerospace + Defense Manufacturing  
Regional Growth Cluster
- Project Budget
- Next Steps

## Council Requested Action

Support for the 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** by the West Texas Aerospace and Defense Manufacturing Coalition, led by the University of Texas at El Paso’s Aerospace Center and, of which, the City is a part.

# 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

## 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

# West Texas Aerospace and Defense Manufacturing Coalition **Awarded Phase I Planning Grant**



- On December 19, 2021, U.S. Department of Commerce announced awardees of Phase I Planning Grant through Build Back Better Regional Challenge
- Of **529 applicants**, the West Texas Aerospace and Defense Manufacturing Coalition was one of 60 coalitions awarded the grant
  - One of two coalitions in Texas
  - The only coalition focused on growing a regional manufacturing industry cluster
  - Included \$240k grant to City for pre-construction design of the 250-acre Advanced Manufacturing Campus to be located at the El Paso International Airport
- We are now competing for Phase II – between 20 and 30 coalitions of the 60 selected during Phase I will be awarded funding



# 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





# Leveraging Our Assets

Catalyze economic growth in aerospace and defense manufacturing by leveraging:

- Fort Bliss and White Sands Missile Range
- Spaceport America in Southern New Mexico (Virgin Galactic + SpaceX)
- Blue Origin in West Texas
- UTEP's Aerospace Center & W.M. Keck Center
- **El Paso International Airport**

# Growing Existing Partnerships

- Through federal appropriations, Congresswoman Escobar secured \$964k 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 EDA grant to further assist in this effort through the creation of an Aerospace and Defense Supply Chain Innovation Network – **City provided the required \$1.5 million match**

# Growing Existing Partnerships

- The City and El Paso Makes have been working together to conceptualize an 250-acre **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 electrification and tackle climate change at the industry level
- The result of a strong **Interagency Work Effort** representative of our Communities of Excellence program

# The Current Regional Effort:

With UTEP's Aerospace Center as lead applicant, the West Texas Aerospace and Defense Manufacturing Coalition proposes to catalyze economic growth in aerospace and defense manufacturing by developing the:

- West Texas Advanced Technology Corridor
- **El Paso Makes Advanced Manufacturing District** – located at the El Paso International Airport



# The Current Regional Effort:

## The West Texas Advanced Technology Corridor

- Rural communities along the 1-10 corridor involved in region's space industry from El Paso to Culberson County, Texas.
- Partnership with private entities to include Blue Origin, Virgin Galactic and SpaceX



# The Current Regional Effort:

## The West Texas Advanced Technology Corridor

- Design studio space and support services at the Horizon Tech Accelerator in the **City of Horizon**
- Testing facilities and technology support at the Aerospace Center's Technology Research and Innovation Acceleration Park at **Fabens Airport**
- Unmanned Aerial System Flight Test Range in **Tornillo**.



# The Current Regional Effort:

## The El Paso Makes Advanced Manufacturing District will include:

- **Innovation Factory**
- **Advanced Manufacturing Campus**
  - Advanced Manufacturing Industrial Park
  - Aerospace and Defense Supply Chain Innovation Network for Manufacturers
  - Aerospace and Defense Technologies Training Center



# The City's Project: Innovation Factory

- 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





# The City's Project: Advanced Manufacturing Campus

## Advanced Manufacturing and Design Centers

- 250 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 Project Budget:

**\$139.4 million** for Campus Construction & Business Assistance:

- Construction (Airport and TIRZ 14 Funding)
- Land Value
- Lease Assistance (Impact Fund)
- Phase I is \$66.0 Million
  - Innovation Factory
  - 150k square feet building space and infrastructure costs



# The City's Role as a Coalition Member

The City will lead master planning and developing the **Innovation Factory + Advanced Manufacturing District** located at the El Paso International Airport.

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



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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