

Item 32

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







#### 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, let 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







- 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





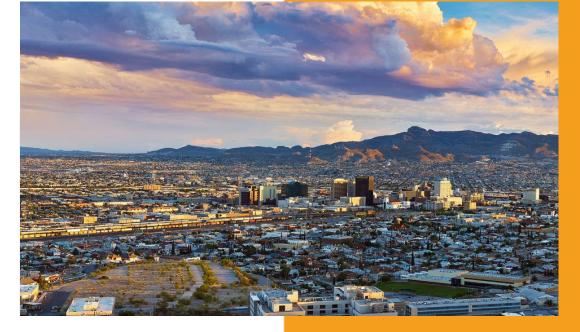
### **Growing Existing Partnerships**

- 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



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 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 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.







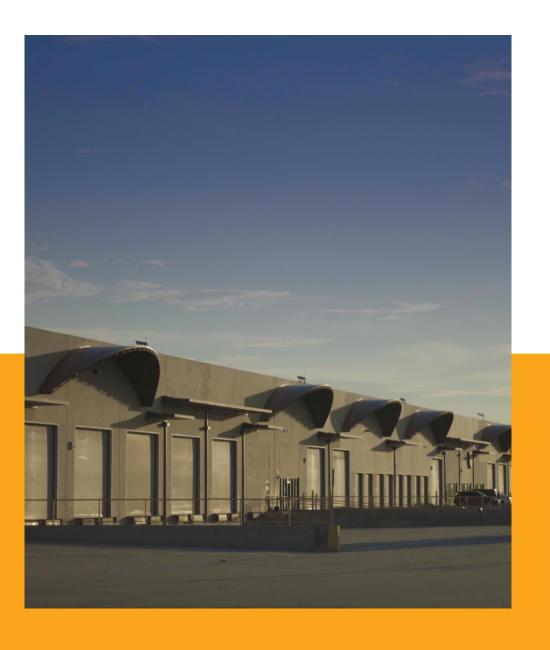
### The El Paso Makes Advanced Manufacturing District will include:

- 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:

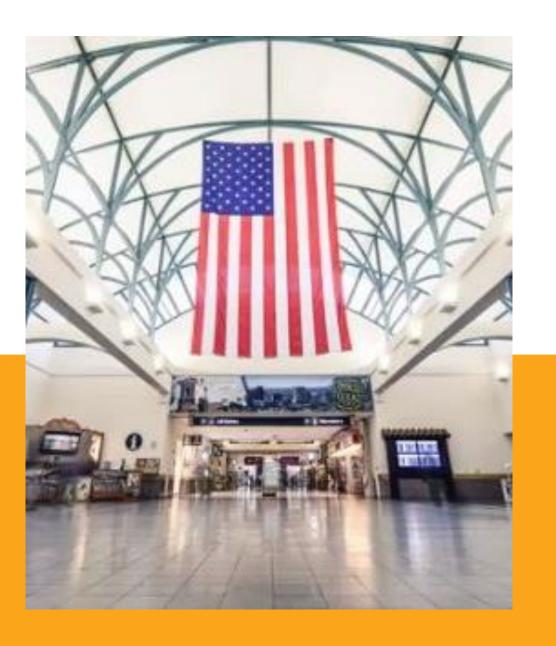
\$139.4 million for Campus Construction & Business Assistance:

- 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 startups 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