



Item 3

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



March 14, 2022

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

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**.

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 aerospace and defense **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 up to \$100 million in funding
 - Grant application is due on **March 15, 2022**

Grant Proposal Overview

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 Advanced Manufacturing District

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
- Located at the El Paso International Airport



The City's Role as a Coalition Member



The City will lead master planning and developing the **El Paso Makes 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 – grant facilitates Phase I development
- City owns facilities once constructed



City's Project Budget

City's project includes the Innovation Factory and Advanced Manufacturing Campus

- Development is divided into **three phases**
- Includes 500k sqft of industrial space at buildout
- Total estimated construction cost of **\$120 million**

Build Back Better grant facilitates the buildout of **Phase I** over a 5-year period and includes:

- Innovation Factory (50k sqft)
- Phase I building (200k sqft) and infrastructure
- Total estimated cost is **\$50 million**
 - \$25 million provided by the grant
 - \$25 million match through Airport / TIRZ funding





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.



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