

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

**AGENDA DATE:** January 30, 2023  
**PUBLIC HEARING DATE:** N/A  
**CONTACT PERSON(S) NAME AND PH. NUMBER:** Elizabeth Triggs, (915) 212-0094  
Sam Rodriguez, (915) 212-7301  
**DISTRICT(S) AFFECTED:** All Districts

**STRATEGIC GOAL:** Goal 1: Create an environment conducive to strong sustainable economic development

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

**SUBJECT:**

**APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.**

Update on strategic plan efforts in economic development, specifically in implementing ways to expand El Paso's tax base, increase wages, provide quality job growth, and create high-paying career pathways through the development of a regional advanced manufacturing industry cluster, including an update on the development of the El Paso Makes: Innovation Factory for an Advanced Manufacturing District located at the El Paso International Airport.

**BACKGROUND / DISCUSSION:**

**Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?**

Expanding El Paso's tax base is a key strategy identified by the City of El Paso's strategic plan as an area of focus to support traction toward the development of a vibrant regional economy and a high quality of life and place for the City's residents. Through integrated planning efforts, advanced manufacturing has been identified as a target industry cluster supporting a number of emerging markets aerospace, defense, renewable and alternative energy.

Advanced manufacturing builds on a number of local competitive strengths, including: 1) an existing resilient manufacturing base with specialization in primary metals manufacturing; 2) a diverse, highly skilled, industry-ready talent pool; 3) world-class manufacturing education programs supplied by UTEP and other institutions of higher education; 4) a Tier 1 university leading applied research in advanced manufacturing; 5) a proximity to strategic military assets critical to national defense, including Fort Bliss and White Sands Missile Range; and 5) proximity to significant private investment in commercial space both in southern New Mexico and west Texas.

Through a focused and integrated approach, the West Texas Aerospace and Defense coalition, led by UTEP's Aerospace Center, was one of 21 coalitions, out of a pool of more than 500 candidates, selected by the Economic Development Administration for participation in the American Rescue Plan-funded Build Back Better Regional Challenge. Through that program, the City and UTEP were awarded \$40 million to develop the El Paso Makes: Advanced Manufacturing District at the El Paso International Airport and provide a system of supportive infrastructure, services and resources to: 1) accelerate the entrance of the region's small and medium manufacturers into aerospace and defense markets; 2) incubate startups and recruit new businesses focused on these markets and advanced manufacturing; 3) train the local workforce in advanced skills and technologies that lead to quality jobs; and 4) make El Paso and the region a destination for investment in aerospace and defense and advanced manufacturing.

The purpose of this presentation is to provide an overview of efforts and initiatives to grow the advanced manufacturing industry cluster to foster economic prosperity and create high-paying career pathways for El

Paso's residents, including an update on the development and construction of the El Paso Makes: Advanced Manufacturing District and El Paso Makes: Innovation Factory at the El Paso International Airport.

**PRIOR COUNCIL ACTION:**

**Has the Council previously considered this item or a closely related one?**

- **October 2021** – City Council approved the City's participation in the West Texas Aerospace and Defense Coalition's application to the federal Build Back Better Regional Challenge
- **December 2021** – City Council, through the strategic planning process, reaffirmed the City's commitment to growing the regional advanced manufacturing cluster by adopting a strategic objective to "grow existing and attract new target industries, including advanced manufacturing and international development; creating an innovation-driven culture of technology that fosters economic prosperity and creates high-paying career pathways";
- **February 2022** – City Council provides \$1.5 million match to secure the \$1.5 million Build to Scale: Venture Challenge grant, in partnership with UTEP, to assist local manufacturers in scaling operations;
- **February 2022** – City Council approved a performance-based economic incentive to Schneider Electric, securing \$17 million investment for the company's expansion in El Paso, including 370 new jobs and the retention 1,130 existing jobs, making El Paso the company's largest manufacturing footprint in the nation;
- **May 2022** – The City enters into an MOU with General Motors, El Paso Electric and the Chamber to accelerate El Paso's energy transition through several initiatives, including a microgrid pilot project at the airport and carbon footprinting of local manufacturers;
- **August 2022** – City Council allocated \$3 million in local American Rescue Plan funding to assist small manufacturing businesses negatively impacted by the pandemic;
- **September 2022** – Of more than 500 applicants nationwide, the West Texas Aerospace and Defense Coalition was one of 21 coalitions selected for award under the Build Back Better Regional Challenge, resulting in a \$40 million grant to the City (\$25 million) and UTEP (\$15 million).

**AMOUNT AND SOURCE OF FUNDING:**

**How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?**

N/A

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

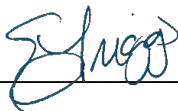
**PRIMARY DEPARTMENT:** Economic & International Development

**SECONDARY DEPARTMENT:** El Paso International Airport

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

**DEPARTMENT HEAD:** \_\_\_\_\_



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