

Item 41

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







Presentation Overview

- Purpose of the Presentation
- The Build Back Better Challenge
- Build Back Better Proposal:
 Aerospace + Defense Manufacturing
 Regional Growth Cluster
- Next Steps



Presentation Purpose

A resolution authorizing:

- City participation in the West Texas Aerospace and Defense Manufacturing Coalition, led by UTEP's Aerospace Center; and
- Authorizing the Mayor to sign a letter of support for the Coalition's submission
 of its application, "Reclaiming Aerospace and Defense Manufacturing
 Dominance through Frontier Technologies," to Phase I of the EDA's 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.





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





Workforce

 Start and grow workforce development programs to support the needs of industries

Entrepreneurship

Support
 entrepreneurs to
 commercialize
 technologies for
 industries of the
 future

Planning

 Create and scale visionary goals, partnerships, and plans for the future

Infrastructure

 Build the roads, grids, fiber, and "bricks" that will enable all communities to thrive





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

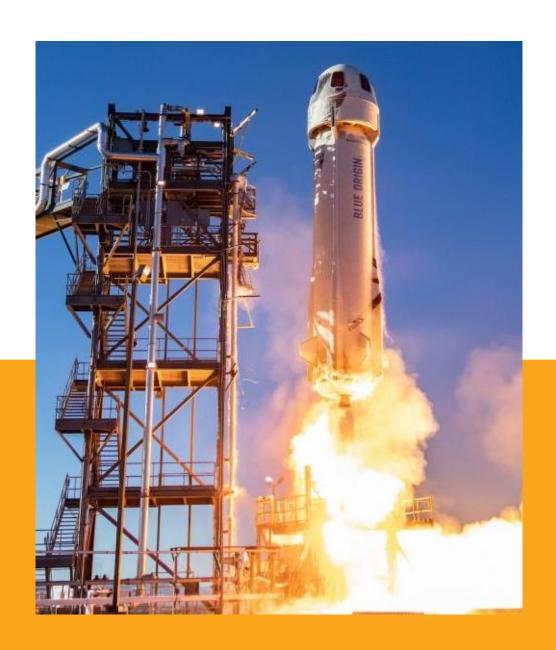
- 20 to 30 regions from Phase I regions awarded implementation grants from full project cluster applications
- Total: \$25 to \$100 million per region
- Due: March 15, 2022





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





Building on Regional Assets

Catalyze economic growth in aerospace and defense manufacturing by leveraging:

- Fort Bliss and White Sands Missile Range
- Spaceport America in Southern New Mexico
- Blue Horizon in West Texas



- The City and El Paso Makes have already begun conceptual design of a master planned Advanced Manufacturing Campus located at the El Paso International Airport
- The 250 acre campus will anchor the Coalition's proposed investment along the I-10 corridor from El Paso to Culberson County









Growing Existing Partnerships

Growing Existing Partnerships



- Congresswoman Escobar secured \$964k through federal appropriations 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 grant further assist in this effort through the creation of an Aerospace and Defense Supply Chain Innovation Network
- The City and El Paso Makes have been working together to conceptualize an 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 the transition to electric.



Growing Existing Partnerships: El Paso International Airport



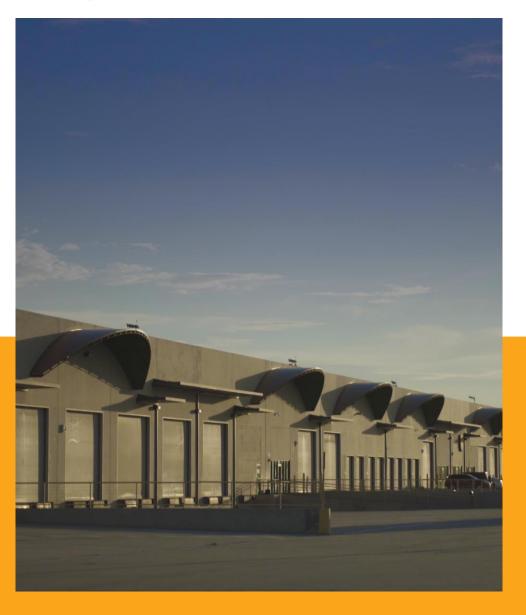
The Airport's Focus for the Future:

Non-Aeronautical Revenue Development

- Land Development Master Plan
- Development Financing Tools (TIRZ 14)
- Partnership with Fort Bliss
- Grant Opportunities
 - Infrastructure Network Expansion
 - Developing and Retaining Future Tenants

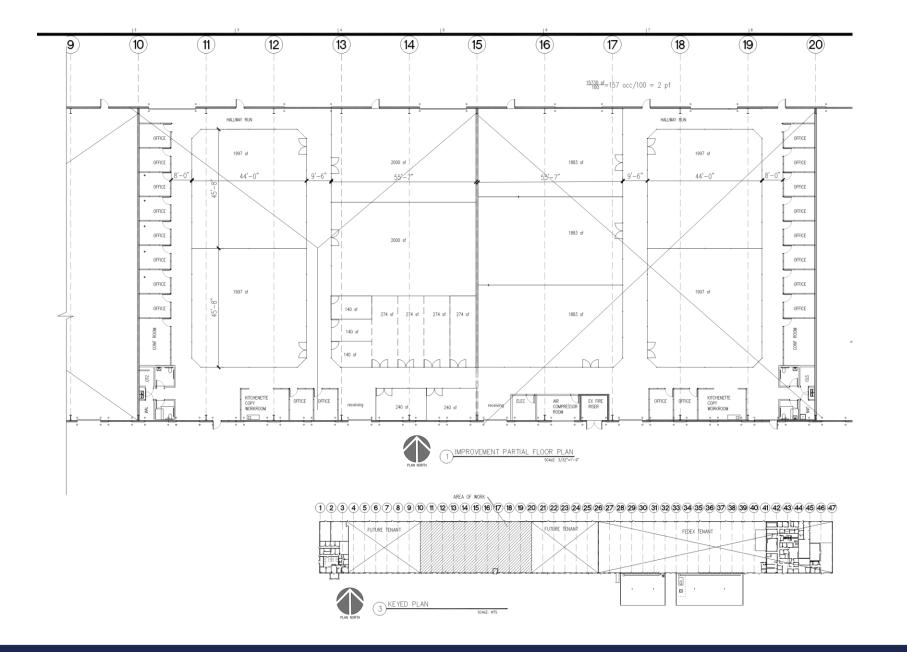


PHASE 1



Growing Existing Partnerships: Small Business Innovation Center

- 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





- EPIA has identified 50,000sqft of space
- Plans include modular offices
- Common use conference rooms
- Common use restrooms
- 2,000 sqft maker spaces



PHASE 2

Advanced Manufacturing and Design Centers

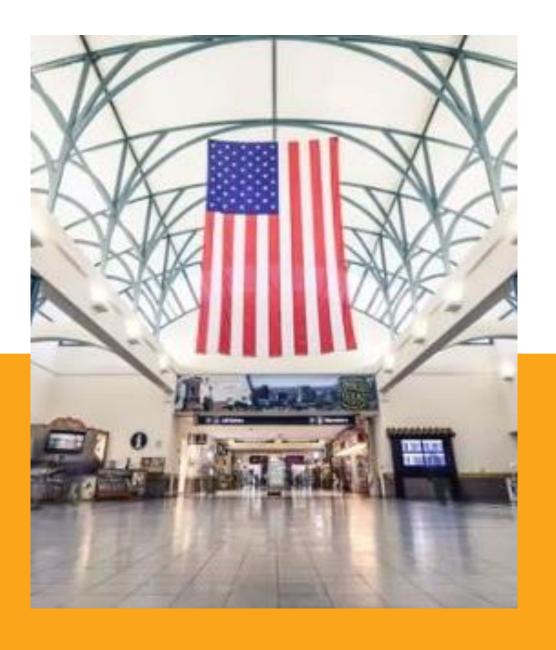
- 200 acre campus
- Master planned to co-locate aerospace, defense and advanced manufacturing
- Potential to minimize business expense through shared infrastructure
- Manufacturers can choose to locate their operations in shared facilities or in single operator, designed-to-suit facilities
- Builders are ready to meet and build to suit

Growing Existing Partnerships: Advanced Manufacturing Campus







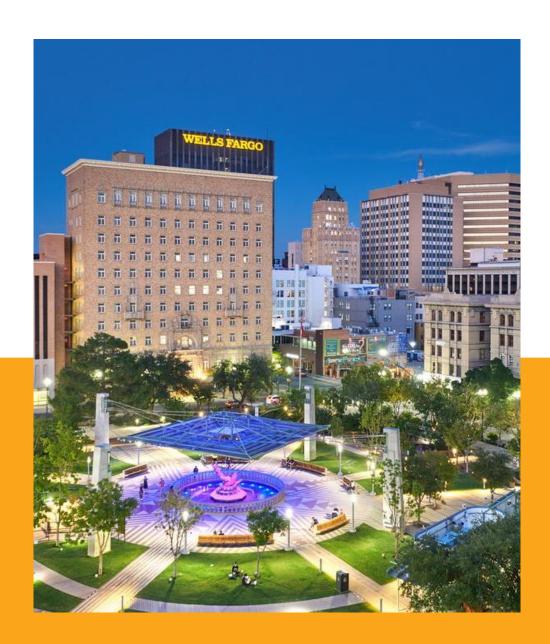




The City's Role as a Coalition Member

The City would take the lead in master planning and developing the "El Paso Makes Advanced Manufacturing District" located at the El Paso International Airport.

- 250-acre area dedicated to co-locate aerospace and defense manufacturing activities;
- Includes 50,000 square foot existing cargo facility focused on supporting startups or small manufacturers





Next Steps

Obtain Council direction regarding the City's participation and outlined role in the Regional Coalition led by UTEP's Aerospace Center. The City will:

- Serve as lead in developing El Paso Makes Advanced Manufacturing District;
- Dedicate 250 acres located at the EI
 Paso International Airport as the District site, including a 50,000 square foot existing cargo facility.

Next Steps: Items to Consider



The Proposal:

- Builds on Coalition members' recent collaborative successes;
- Facilitates existing plans to construct an Advanced Manufacturing Campus and innovation facility at the Airport;
- Furthers the strategic objective to grow non-aeronautical revenue by developing and retaining future tenants;
- With an emphasis on increasing the competitiveness of our local talent and businesses, grows the El Paso tax base and creates quality jobs for the region;
- Increases economic resiliency by encouraging economic diversity through the development of a new industry cluster;



Next Steps: Items to Consider



The Proposal:

- Provides for a regional impact through investment not only within the City but along the I-10 corridor from El Paso to Culberson County;
- Offers opportunity for growth of other, closely linked industry clusters such as IT and Medical Device Manufacturing;
- Builds on key regional assets, including Fort Bliss, and offers the opportunity for new or deepened partnerships, and continued investment in those assets; and
- Participation in a single coalition clearly articulates regional priorities.





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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