

A photograph of the El Paso city skyline at dusk or night. The sky is a warm orange and yellow. In the foreground, the silhouettes of several tall, spiky palm trees are visible. The city lights of El Paso are brightly lit in the background, showing numerous buildings, streets, and landmarks.

El Paso

The Sun City

El Paso Development Strategy Proposal
December 9, 2019

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Agenda



Overview

- El Paso Conditions
- Economic Development Framework
- El Paso Advantages
- El Paso Challenges
- Strategy Recommendations



Strategy 1: *Entreprises*

- El Paso Conditions
- El Paso Strategy
- Best Practices



Strategy 2: *People*

- El Paso Conditions
- El Paso Strategy
- Best Practices



Strategy 3: *Place*

- El Paso Conditions
- El Paso Strategy
- Best Practices



The Way Forward: *Overview of the strategic assessment*

- Resiliency Plan Overview
- Review of Opportunities

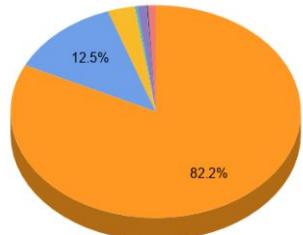


Overview:

Overview of El Paso Conditions

El Paso Demographic and Economic Statistics				
Statistic	2017 Value	2017 Growth	US Value	US Growth
Population	838,527	2.7%	321 million	3.0%
Median Age	31.9	1.9%	37.8	1.3%
Foreign Born	213,715	2.3%	39.7 million	8.2%
Median Household income	\$43,170	7.8%	\$57,652	8.7%
Pop below Poverty Line	21.8%	-6.8%	14.6%	-5.2%

El Paso Ethnic Composition (%)



Key Takeaways:

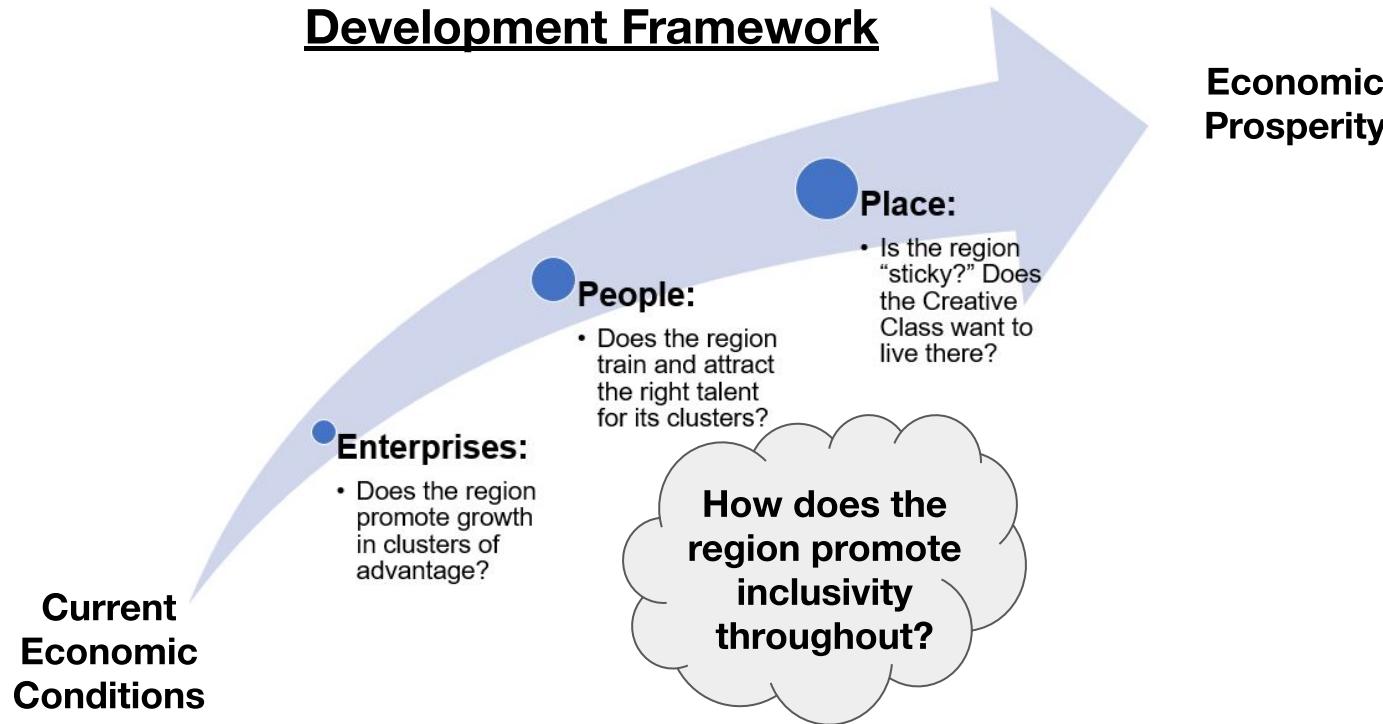
- El Paso is characterized by its proximity to the US-Mexican border and Ciudad Juarez
- El Paso's growth and prosperity measures lag behind the US average

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Establishing an economic development framework shapes our approach to assessing conditions in El Paso

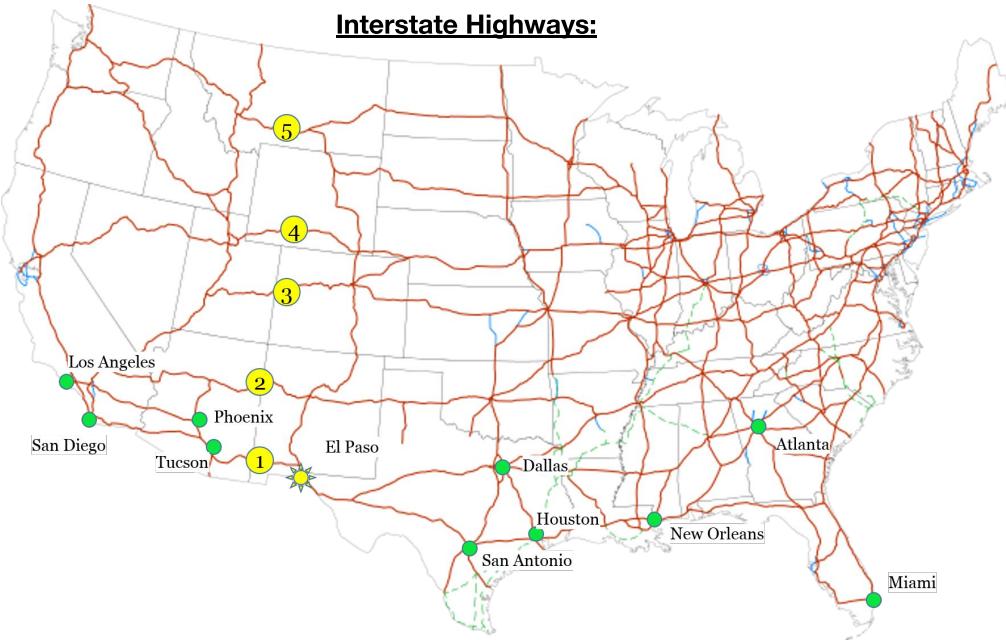


Development Framework

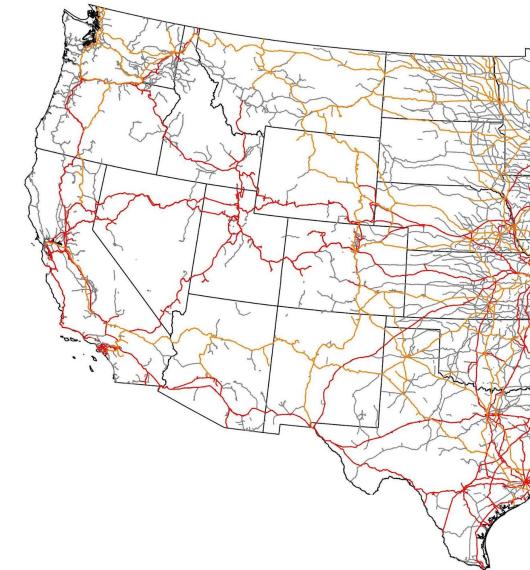


El Paso enjoys geographic advantages in both domestic ground and rail transportation

Interstate Highways:



Western US Rail Network:



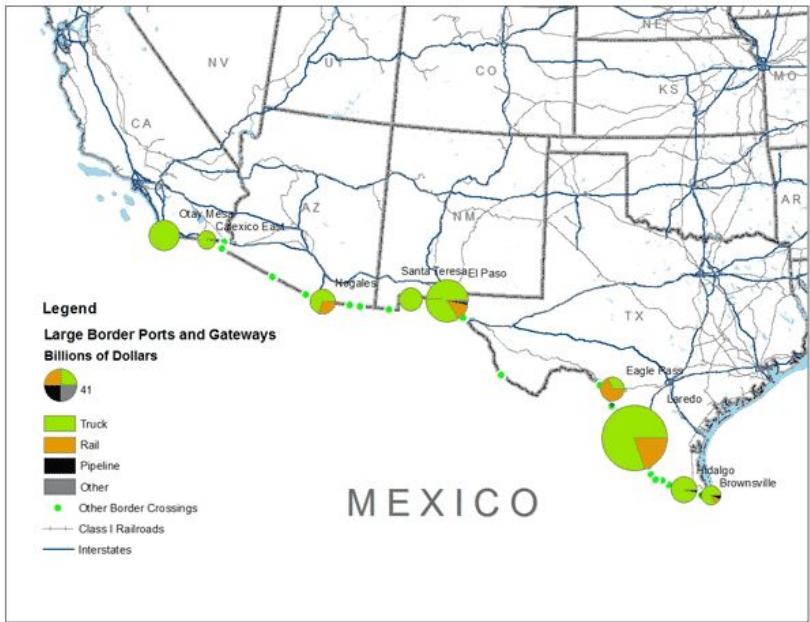
Key Takeaways:

- El Paso's location along I-10 makes it pivotal to the nation's transportation economy.
- The western US rail network presents similar advantages for El Paso.

Source

"Nationalatlas.Gov - National Atlas of the United States." Accessed October 12, 2019. <https://www2.usgs.gov/science/cite-view.php?cite=244>.

El Paso's international and state borders make it a regional hub for trade



Key Takeaways:

- Borderplex Alliance organization promotes El Paso's border assets and trade with both Mexico and New Mexico
- El Paso Foreign Trade Zone No. 68
- Access to three out of nine southern U.S. border rail crossings
- Commerce Stats
 - In 2018, El Paso's Port of Entry accounted for 20.1 percent of U.S. land port trade, or about \$81.9 billion in economic activity.

Source:

"El Paso Foreign Trade Zone No. 68 | City of El Paso." Accessed October 18, 2019. <http://www.elpasointernationalairport.com/>

"El Paso Region Freight Rail Study | Texas Department of Transportation." Accessed October 18, 2019. ftp://ftp.dot.state.tx.us/pub/txdot-info/rail/freight/el_paso.pdf.

El Paso hosts a range of anchor institutions for potential partnership.



"Eds and Meds"



MEDICAL CENTER
OF THE AMERICAS
FOUNDATION

UNIVERSITY
MEDICAL CENTER
OF EL PASO



Transportation



Key Takeaways:

- El Paso's anchors have demonstrated desire to partner with the city to promote growth and opportunity
 - Fort Bliss Partnership and EPISD
 - Bio El Paso Juarez
 - Lockheed Martin and UTEP

Source:

"Our History | Medical Center of the Americas Foundation." Accessed November 4, 2019. <https://mcamerica.org/about-us/our-history>.

"Fort Bliss Partners in Education 2016-2017." Fort Bliss, TX, n.d. https://bliss.armymwr.com/application/files/3714/9340/0828/2016-2017_PIE_Handbook_Revised_Aug_20162.pdf.

"Lockheed-ERP-Academy - UTEP Business." Accessed October 8, 2019. <https://www.utep.edu/business/undergraduate/Lockheed-ERP-Academy.html>.

El Paso offers high quality of place with appealing attractions for all ages and interests.

Local Sports



Family



Shopping



Night Life



Events



Outdoors



Arts and Culture



El Paso high school graduation lags behind aspirational benchmark regions.

School Completion (%)

Legend

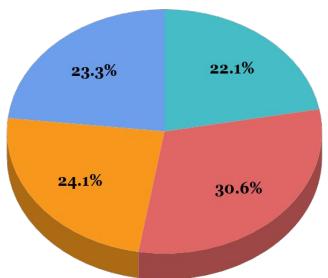
No HS or Equal

HS or Equal

Assoc./Some College

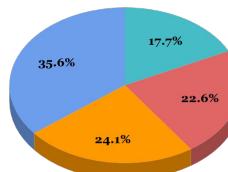
BA or Above

El Paso Educational Attainment



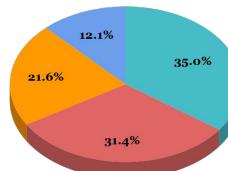
Texas Border Educational Attainment

McAllen, Laredo



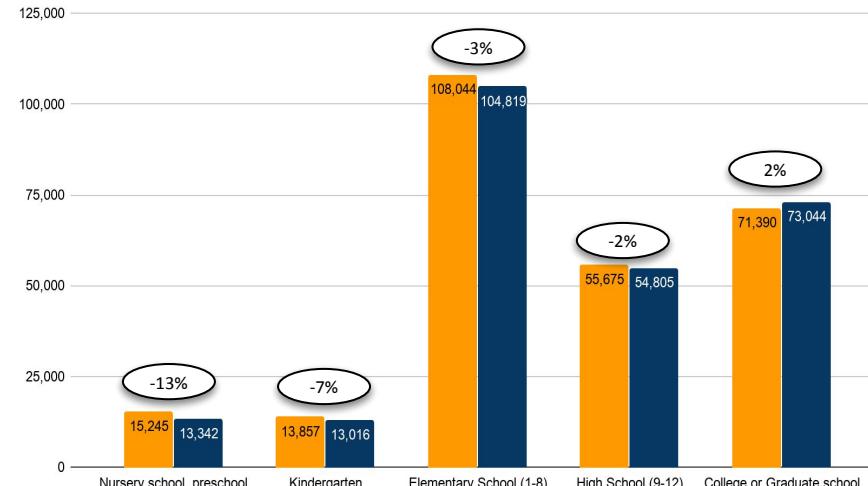
Aspirational Region Educational Attainment

San Diego, Tucson, Buffalo



El Paso School Enrollment

El Paso '12 El Paso '17



Key Takeaways:

➤ El Paso must address declining primary and secondary school enrollment to build a workforce to match the needs of an inclusive creative economy.

Source: Bureau, U. S. Census. "American FactFinder - Results." Accessed September 30, 2019.
https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_5YR_DP03&prodType=table.

El Paso's struggles to attract and retain talent.



“El Paso among top 50 US cities Americans are abandoning”

-El Paso Times

“El Paso region has 50% fewer healthcare providers compared to similar Texas cities”

-El Paso Chamber of Commerce

Key Takeaways:

- El Paso Ranked 9th in the US for emigration from '10 to '17.
 - Primarily young professionals seeking opportunity

- Medical Professionals who choose not to relocate cite:
 - Quality of life concerns
 - Highly educated partners struggle to find employment in El Paso

Source:

“El Paso among Top 50 US Cities Americans Are Abandoning.” Accessed November 4, 2019. <https://www.elpasotimes.com/story/news/local/el-paso/2018/07/05/el-paso-among-top-50-us-cities-americans-abandoning/759296002/>.

Position Papers: Provider Shortage. El Paso: El Paso Chamber of Commerce, 2019.

El Paso schools are characterized by poor performance.

Key Takeaways:

- No high schools in the top 50 for Texas
- No high schools in the top 300 for the U.S.
 - Compared to Aspirational Benchmark Regions
 - San Diego: 3
 - Tucson: 2
 - Buffalo: 1
 - Highest rated high school is Valle Verde High School
 - only 52% of students have passed an AP exam
- 2019 Texas Education Agency Ratings:
 - 3 received failing grades
 - 7 received a D
 - 53% of students are not at grade level on the STAAR test



EL PASO
INDEPENDENT
SCHOOL DISTRICT

Source: US News and World Reports "Best High Schools in America." Accessed November 2, 2019.
<https://www.usnews.com/education/best-high-schools/national-rankings>

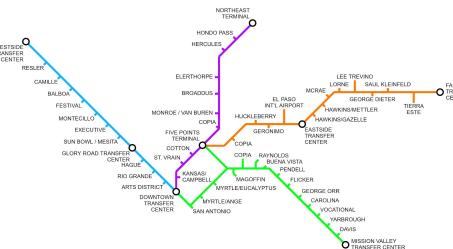
Texas Education Agency "Texas Schools Report Card." Accessed November 2, 2019.
<https://txschools.gov/districts/071902/overview>.

El Paso has taken significant steps to aid its impoverished population, energy remains a challenge.



RENTAL ASSISTANCE
DEMONSTRATION

Housing Authority of the City of El Paso



Key Takeaways:

- El Paso has a high poverty rate
- Housing and transportation services are adequate based on city's size
- El Paso cites that 22,000 households are energy challenged
- Sustainable alternatives are often financially infeasible for residents
- El Paso Electric Company
 - Sole electricity provider for El Paso
 - History of large rate increases

Source:

Sun Metro "2018 Sun Metro Annual Budget." Accessed November 2, 2019. <https://www.sunmetro.net>

"Residential Assistance Demonstration (RAD) Project - Housing Authority of the City of El Paso." Accessed November 4, 2019. <https://www.hacep.org/about-us/rad>.

"El Paso Electric Asks for 8.7% Rate Increase in Texas." Accessed November 4, 2019. <https://www.elpasotimes.com/story/news/2017/02/13/el-paso-electric-rates-texas-utilities-regulations/97751176/>.

"Resilient El Paso." City of El Paso, n.d. November 4, 2019. <https://www.elpasotexas.gov/~media/files/coop/sustainability/el%20paso%20tx%20%20livable%20city%20sustainability%20plan.ashx?la=en>.

El Paso should focus on three policy priorities.

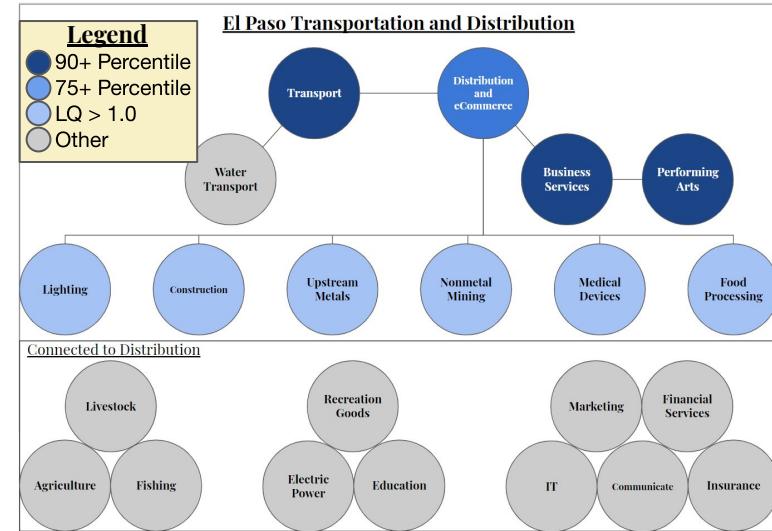




Enterprises:

Enable the Growth of the
Transportation and
Cross-Border Manufacturing
Sectors

El Paso enjoys features which set it apart as a potential transportation and manufacturing hub



Key Takeaway:

- Nascent cross-border partnerships with the Borderplex Alliance and Bio Juarez El Paso
- Air, rail, road, and free trade zone transportation assets reflect advantages in occupational and cluster analysis

Source:

"El Paso Foreign Trade Zone No. 68 | City of El Paso." Accessed October 18, 2019. <http://www.elpasointernationalairport.com/>

"El Paso Region Freight Rail Study | Texas Department of Transportation." Accessed October 18, 2019. ftp://ftp.dot.state.tx.us/pub/txdot-info/rail/freight/el_paso.pdf

"El Paso, TX Metropolitan Area | U.S. Cluster Mapping." Accessed October 14, 2019. http://www.clustermapping.us/region/msa/el_paso_tx..

Strategy 1: Enable the growth of the transportation and cross-border manufacturing sectors



1	Build organizational and physical infrastructure for cross-border partnerships	<ul style="list-style-type: none">• Build on initial success of the Borderplex Alliance by working with stakeholders to develop a five-year strategy identifying key goals, concrete actions steps, deliverables and metrics• Invest in expedited border-crossings and use the free-trade zone to facilitate the exchange of commercial goods
2	Invest in innovation and development for the transportation and manufacturing sectors	<ul style="list-style-type: none">• Invest in partnerships with business incubators and regional university anchors to create pipelines for talent and innovation in the manufacturing and transportation sectors
3	Focus on business retention and expansion	<ul style="list-style-type: none">• Provide incentives to grow existing businesses and attract new ones in the manufacturing and transportation sectors• Unify branding, advertisement, and tourism efforts to showcase El Paso's assets and incentives both to bring new business and grow existing enterprises

Best Practices for Implementation: Cali Baja Bi-National Mega Region

Cross Border Partnership Infrastructure

- To address regional competitiveness created Cali Baja Bi-National Mega Region, Inc. representing EDO's from California and Mexico
- Infrastructure created to augment transportation assets and ease crossing such as bi-national airport, increased lanes and joint inspection program



Key Takeaways for El Paso:

- The Borderplex Alliance can follow the Cali Baja model
- El Paso should also work to facilitate commercial crossing, and has started this with 560 pilot project

Innovation and Development

- Cooperation between business and universities in research, design, and manufacturing results in bi-national co-production
 - Ex. Monterrey and Chihuahua Centers for Research on Advanced Materials and CaliBaja Education Consortium



Key Takeaways for El Paso:

- Ciudad Juarez maquiladoras and El Paso universities are beginning to partner with businesses and should look to the Cali Baja model

Business Retention and Expansion

- Marketing Rules of Engagement agreement committing to concrete steps for advertising assets such as FTZ to new and existing enterprises
- Major investment in business incentives, quality of place and security in border crossing areas has resulted in more than 60,000 U.S. citizens living in Tijuana's urban core



Key Takeaways for El Paso:

- El Paso region should create unified branding and advertising plan to attract new and existing businesses

Source:

(Business Booming in San Diego Tijuana Border Region 2018)n.d. *About the CaliBaja Mega-Region Initiative*. Accessed December 4, 2019. http://www.calibaja.net/cbdb/p/about_who.php.

Bacon, David. 2015. *The Maquiladora Workers of Juárez Find Their Voice*. November 20. Accessed December 3, 2019.<https://www.thenation.com/article/the-maquiladora-workers-of-juarez-find-their-voice/> .

2018. *Business Booming in San Diego Tijuana Border Region*. Accessed December 3, 2019. <https://www.3blassociation.com/insights/business-booming-in-the-san-diego-tijuana-border-region/>.

n.d. *Imperial Valley Economic Development Corporation*. Accessed December 4, 2019. <http://www.ivedc.com/bi-national/cali-baja-bi-national-mega-region/>.

2015. *Site Selection Magazine: The US-Mexico Border Economy In Transition*. July. Accessed December 3, 2019. <https://siteselection.com/issues/2015/jul/us-mexico-border-corridor.cfm>.

n.d. *Tijuana EDC*. Accessed December 3, 2019. <https://tijuanaedc.org>.



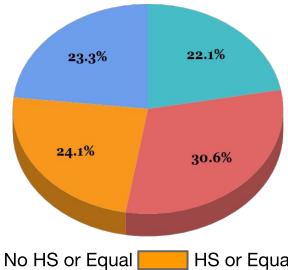
People:

Build and Retain a
Workforce Tied to El Paso's
Growth Sectors



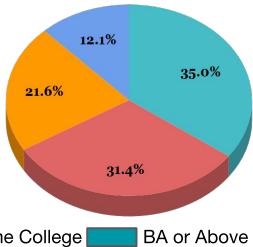
Currently, El Paso does not have the talent pool to leverage locational advantages.

El Paso Educational Attainment



Aspirational Region Educational Attainment

San Diego, Tucson, Buffalo



“El Paso among top 50 US cities Americans are abandoning”

-El Paso Times

“El Paso region has 50% fewer healthcare providers compared to similar Texas cities”

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El Paso High Schools are Underperforming:

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 - Compared to aspirational benchmark regions:
 - San Diego: 3, Tucson: 2, Buffalo: 1
- 2019 Texas Education Agency Ratings:
 - 3 high schools received failing grades
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-El Paso Times

Source:

U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

“El Paso among Top 50 US Cities Americans Are Abandoning.” Accessed November 4, 2019.

<https://www.elpasotimes.com/story/news/local/el-paso/2018/07/05/el-paso-among-top-50-us-cities-americans-abandoning/759296002/>.

Position Papers: Provider Shortage. El Paso: El Paso Chamber of Commerce, 2019.

US News and World Reports “Best High Schools in America.” Accessed November 2, 2019.

<https://www.usnews.com/education/best-high-schools/national-rankings>

Texas Education Agency “Texas Schools Report Card.” Accessed November 2, 2019. <https://txschools.gov/districts/071902/overview>.

Strategy 2: Build and retain a workforce tied to El Paso's growth sectors all along workforce continuum



1	High School CTE	<ul style="list-style-type: none">• Leverage programs similar to P-Tech (See Next) to build workforce pipeline from high schools in logistics and advanced manufacturing
2	Community College and Job Training	<ul style="list-style-type: none">• Build partnerships between UTEP, EPCC, incubators, and local firms to develop an advanced manufacturing incubator
3	University/Cluster Partnership	<ul style="list-style-type: none">• Build strong partnerships with educational institutions, private firms and culture organizations to retain talent in El Paso
4	Retraining for Working Adults	<ul style="list-style-type: none">• Leverage military anchor institutions, private business and nonprofits to design reskilling and training programs for middle-skilled jobs.

Best Practices to inform policy design and development

High School CTE: Pathways in Technology Early College High School

- Students earn a high school diploma and associate's degree, two-year post-secondary certificate, or industry certification
- The program partners with Texas Institution of Higher Education and regional businesses anchors
- Provides students access to workforce training opportunities

Community College/Job Training: IMPACT Lab and Manufacturing Academy

- New Initiative through Austin Community College to provide programs and facilities for manufacturing start-ups
- Will provide paid internships for ACC students
- Establishes a Manufacturing Academy to provide high school students with college credit and industry certifications

University/Cluster Partnership: CampusPhilly

- Centered on the belief that quality experiences are “sticky”
- Partners with local education and corporate anchors to provide work opportunities
- Numerous arts, culture, and community organizations bring off-campus experiences to college students

Retraining for Working Adults: St. Louis

- Business, government, and military officials in St. Louis established paid cyber apprenticeship programs
- Combine education and practical experience to make learning relevant
- Half of the apprenticeship wages are paid by the company, half by a nonprofit grant money

Takeaways for El Paso:

- Advanced manufacturing program is already implemented in Dallas High Schools
- TEA has approved a statewide Transportation, Distribution and Logistics program for potential implementation.

Takeaways for El Paso:

- Funding from National Economic Development Administration grants and private sector partnerships
- Partnerships between universities, community colleges, incubators and firms are ideal for efficient workforce

Takeaways for El Paso:

- Ensuring access to quality internships
- Connects students with work, culture, and community engagement opportunities
- Philadelphia experienced a 54% of retention rate (42% for Boston)

Takeaways for El Paso:

- People with 2 years degrees and/or relevant work experience can be part of the targeted pool
- Avoid writing off talented workforce from the population of non graduates
- Leverage the military anchor institutions in

Source:

“Cyber apprenticeships: old solution to a new problem” Accessed December 7, 2019. <https://medium.com/cxo-magazine/cyber-apprenticeships-old-solution-to-a-new-problem-3e22ee812dee>

“Policy Paper: retaining college talent” Accessed December 7, 2019. <https://campusphilly.org/wp-content/uploads/2015/03/RetainingCollegeTalent2015.pdf>

“ACC developing new incubator to fuel job growth and talent pipeline in Austin’s growing manufacturing industry” Accessed December 5, 2019. <https://www.austincc.edu/news/2019/09/acc-developing-new-incubator-fuel-job-growth-and-talent-pipeline-austin%E2%80%99s-growing>

“P-TECH’s Impact” Accessed December 5, 2019. <http://www.ptech.org/impact/overview/>



Place:
Establish El Paso as a Leader
in Alternative Energy

Some El Pasoans are energy-challenged, spending over 30% of their income on electricity and energy.



Key Takeaways:

- El Paso cites that 22,000 households are energy challenged.
- Utility prioritizing commercial electric rates over residential
- Sustainable alternatives are often financially infeasible for residents.
- El Paso Electric Company
 - Sole electricity provider for El Paso
 - History of large rate increases

Source:

"El Paso Electric Asks for 8.7% Rate Increase in Texas." Accessed November 4, 2019.
<https://www.elpasotimes.com/story/news/2017/02/13/el-paso-electric-rates-texas-utilities-regulations/97751176/>.

"Resilient El Paso." City of El Paso, n.d. November 4, 2019.
<https://www.elpasotexas.gov/~media/files/coep/sustainability/el%20paso%20tx%20%20livable%20city%20sustainability%20plan.ashx?la=en>.

Strategy 3: Establish El Paso as a leader in Alternative Energy.



Best Practices for promoting energy resilience and equity.

Build a Sustainable El Paso: Duke and Xcel Energy

- Facilitates bank, utility and other bond-issuing entity investment in sustainability-focused projects that typically have a lower rate of return
 - Types of investments consumers want
 - Can eliminate disincentives of retiring poorly performing power generation economic assets early
 - Accelerates the transition to more sustainable renewable power generation assets

Takeaways for El Paso:

- Will facilitate El Paso Electric utility investments in large-scale renewables and local distributed generation to support the city's transition away from high-cost legacy generation to lower-cost renewable generation,

Alternative Energy Leadership: RetrofitNY

- Creates scalable solutions and processes that improve the aesthetic and comfort of residential buildings while dramatically improving their energy performance
 - Aggregates demand
 - Mobilizes industry
 - Drives innovation, availability and cost compression
 - Funds projects
 - Uses regulation to facilitate adoption

Takeaways for El Paso:

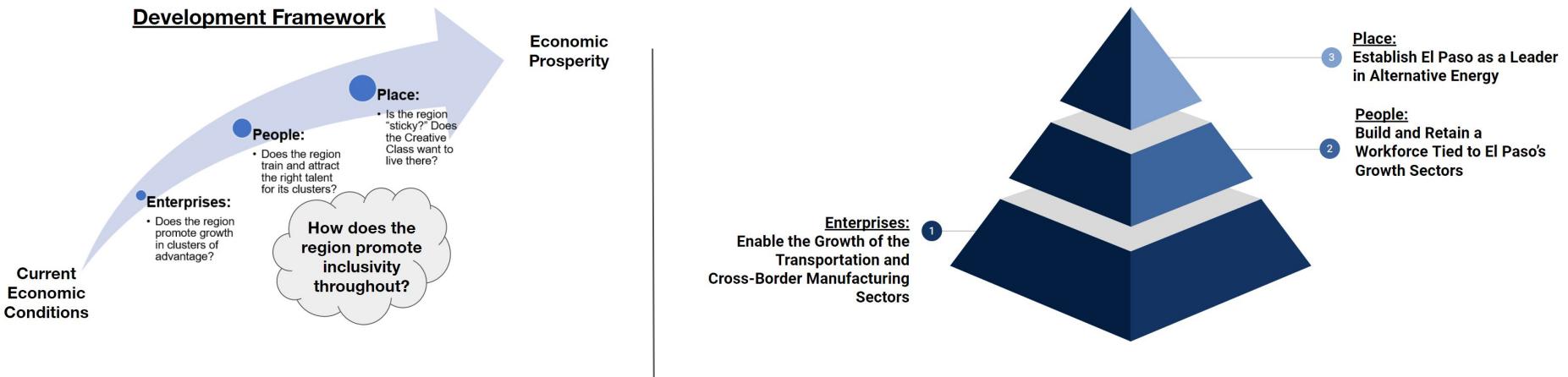
- There is demand for scalable solutions that reduce residential energy consumption and cost in El Paso
- Creation of a similar hub in El Paso could support manufacturing and alternative energy cluster development

Source:

Lam, T., Fox-Penner, P., & Hatch, J. (2019). Assessing the potential for US utility green bonds. *Boston University Institute for Sustainable Energy*, 1-36. Retrieved from https://www.bu.edu/ise/files/2019/05/Green-Bond-Final-Paper-5_16-2019.pdf

RetrofitNY – What is RetrofitNY. (n.d.). Retrieved December 9, 2019, from <https://www.nyserda.ny.gov/All-Programs/Programs/RetrofitNY/What-is-RetrofitNY>.

The Way Forward: Strategic Assessment and Recommendations.



Advantages:

- Geographic opportunity for Transportation and Manufacturing Sectors
- Abundance of anchor institutions for partnership
- High quality of place for a city of its size

Challenges:

- Inadequate high school attainment and performance
- Difficulty attracting and retaining Creative Class talent
- High population of energy challenged households

Key Takeaways:

- El Paso should be optimistic about prospects
- Advantages compliment the development of several sectors
- Sector development can improve outcomes for all El Pasoans

Photo Credits

Slide Footer: Oscar Parra

Slide 1: Cityscape: Visit El Paso

Slide 2:

Overview: Overview

Strategy 1: WalletHub

Strategy 2: PE Hub.com

Strategy 3: DiscoverCanadianLawyers.ca

The Way Forward: iStockphoto.com

Slide 3,15, 10, 23: A Little Britt of Fun Photography

Slide 8: Organization logos from respective websites

Slide 9:

Local Sports, Family, Shopping, Nightlife and Events logos
from respective organizations

Outdoors: Left and Center: National Parks Service

Right: On the snow.com

Arts and Culture: Left: A Little Britt of Fun Photography

Center: El Paso Herald Post

Right: Visit El Paso

Slide 12: El Paso Independent School District

Slide 13:

Housing Authority of the City of El Paso

Sun Metro

El Paso Electric

Slide 24:

El Paso Electric