An Investment Playbook for El Paso, Texas:
Using Federal Funds to Build a More Competitive & Inclusive El Paso
October 2021
Local Health Services is the largest cluster in El Paso County. Both local and traded clusters are needed to support a healthy and prosperous regional economy. Focusing on the Local Health Services cluster and connected traded clusters reinforces a clear regional competitive advantage and unlocks long-term growth.

Some areas of the City present a higher potential to tap into long-term growth, impact equity, and leverage efforts underway and the catalytic power of anchor institutions. We applied a qualitative and quantitative methodology in which the Medical Center of the Americas area stands out in terms of its potential.

To fully maximize the benefits of recent federal funding, five dimensions should be considered for planning and development in key city nodes (such as the MCA): (i) entrepreneurship, (ii) innovation, (iii) community regeneration, (iv) workforce development, and (v) infrastructure.

Local uses within each of the five key dimensions were identified, with the goal of matching these investment needs with federal sources. We highlighted two transformational projects that we recommend acting upon. It’s vital to start teasing out other relevant projects identified by community stakeholders.

In the long-term, to keep encouraging and sustaining these kinds of developments, intermediaries, such as a community equity corporation, are needed. These institutions can take in some of the value appreciation from these developments and feed them back into the neighborhood to ensure equity remains a priority in the area.
Collaborators and Interviewees

The following presentation would not have been possible without the following people and organizations who spoke with the Nowak team:

Advisors and Interviewees:
- Mayra Maldonado, Hunt Institute
- Roberto Ransom, Hunt Institute
- Emma Schwartz, MCA Foundation
- Nancy Lowery, MCA Foundation
- Abraham Gutierrez, City of El Paso
- Rafael Arellano, City of El Paso
- Bill Schlesinger, Project Vida
- Gary Sapp, Hunt Companies
- Steering Committee members of the El Paso Accelerate+ Initiative
  - Dan Olivas
  - Duane Murphy
  - Ed Escudero
  - Frank Spencer
Background & Purpose of the Investment Playbook
Why Now? A Once-in-a-Lifetime Moment

More than a year of disruption and loss revealed deeply grounded inequities.

While federal investment in economy-shaping activities is at an all-time high, the delivery of these resources has been fragmented.

Places that strategically prioritize uses and combine these funds with available private and philanthropic capital will unlock long-term wealth building opportunities.
An Investment Playbook Grows in El Paso

The Investment Playbook is a cluster-focused, place-based investment strategy to help city leaders from the public, private, and civic sector to identify and prioritize transformational investments and leverage federal funds to disrupt systemic inequities and build a more competitive and inclusive El Paso.
Boosting Long-Term Equitable Growth

To help cities maximize the impacts of federal investments, Nowak Metro Finance Lab has developed a cluster-focused, place-based Investment Playbook highlighting five dimensions of focus. To fully maximize the benefits of recent federal funding, El Paso should use these dimensions to guide planning and development in key city nodes.

**Entrepreneurship**
- Enhance access to entrepreneurial support and private capital that has a long-term commitment to the neighborhood.
- Boost demand for local businesses through anchor procurement and supplier diversity.

**Innovation**
- Connect with universities, companies and investors to promote R&D and commercialization.
- Build out space for innovators and inventors to prototype and ideate, particularly in sectors connected to the region’s strengths.

**Community Regeneration**
- Regenerate corridors, rebuild community anchors, and revitalize neighborhoods and its small businesses.
- Endow locally-run organizations with ability to create, capture, and deploy value for local priorities.
- Create accessible pathways to homeownership and renovation for underserved residents.

**Workforce Development**
- Grow incomes and assets of residents with jobs in growing industries, equipping them with marketable skills.
- Create a talent pipeline through partnerships between schools, universities, and local employers.

**Infrastructure**
- Enhance activity nodes with strategic investments in energy and transportation infrastructure.
- Build out digital infrastructure (broadband) so it’s accessible to all residents and businesses.

How Equitable Growth Manifests

This place-based investment strategy may apply to different kinds of local geographies: innovation districts, commercial corridors, university districts, or central business districts. To a greater or lesser extent, investing across these dimensions in different types of geographies is needed to ensure wealth creation for underserved communities.

Spaces are created or re-purposed to foster innovative and entrepreneurial activities in growing industries.

Educational anchors like universities develop the talent needed in innovative industries.

Wealth creation flows back into community assets focused on regeneration of the neighborhood and housing.

Street design and infrastructure development encourage multiple modes of transit and placemaking activities.

Density of these spaces foster sharing of ideas between innovators and entrepreneurs.

Example: Market Street, Greensboro, NC

Example: East Side Buffalo

Example: Erie, PA
Economic and Demographic Context of El Paso
The Geography of El Paso, Texas

*El Paso stands along the Mexico–United States border, across from Ciudad Juárez. El Paso is, after Laredo, the second-largest port of entry between the U.S. and Mexico.*

*With more than 681,000 people living the area, the City is the 20th largest in the United States and has the 5th largest share of Hispanic population.*

<table>
<thead>
<tr>
<th>Area</th>
<th>2019 Population</th>
<th>2019 % Hispanic Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of El Paso</td>
<td>681,729</td>
<td>83%</td>
</tr>
<tr>
<td>El Paso County</td>
<td>839,238</td>
<td>83%</td>
</tr>
<tr>
<td>El Paso MSA</td>
<td>843,725</td>
<td>83%</td>
</tr>
<tr>
<td>Texas</td>
<td>29.0 M</td>
<td>40%</td>
</tr>
<tr>
<td>United States</td>
<td>328.2 M</td>
<td>18%</td>
</tr>
</tbody>
</table>

El Paso By The Numbers

Selected socio-economic indicators for the City of El Paso, Texas.

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Economics</th>
<th>Business Landscape</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>681,700</strong> Population 2019</td>
<td><strong>5.7%</strong> Unemployment Rate 2019 (vs 4.4% in the state)</td>
<td><strong>10,250</strong> Employer Businesses 2017</td>
</tr>
<tr>
<td><strong>83%</strong> Hispanic Population 2019</td>
<td><strong>19%</strong> Poverty Rate 2019 (vs 14% in the state)</td>
<td><strong>4,400</strong> Hispanic-owned employer businesses 2017</td>
</tr>
<tr>
<td>+1% Population Growth 2012-2019</td>
<td><strong>$ 47,600</strong> Median Household Income (MHI) 2019 (vs $61,900 in the state)</td>
<td><strong>55,800</strong> Nonemployer Businesses 2017</td>
</tr>
<tr>
<td>+5% Hispanic Population Growth 2012-2019</td>
<td>+18% MHI Growth 2012-2019 (vs +26% in the state)</td>
<td>+33% Growth in Non-Hispanic employer businesses, 2012-2017</td>
</tr>
<tr>
<td></td>
<td><strong>4,400</strong> Hispanic-owned nonemployer businesses 2017</td>
<td>-6% Growth in employer HOBs, 2012-2017</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+30% Growth in Non- Hispanic nonemployer businesses, 2012-2017</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+17% Growth in nonemployer HOBs, 2012-2017</td>
</tr>
</tbody>
</table>

El Paso’s Economic Drivers

The Healthcare Industry
Health care services is one of the largest industries. The sector is expected to continue expanding given the aging population and the expansion of local medical programs:
- The MCA contributes to the creation of a world-class life sciences hub
- Tenet Health and Las Palmas Del Sol Healthcare are large employers

Government Services
Government is a major driver of the local economy, especially the federal government.
- Fort Bliss is the largest employer
- The Department of Homeland Security’s Customs and Border Protection agency, the city of El Paso and El Paso County together employ over 10,700 workers

The Education Cluster
Education is the third-largest cluster with more than 38,000 jobs. El Paso’s education cluster will expand with the growth of healthcare-related professional schools:
- Texas Tech University Health Sciences Center
- University of Texas at El Paso (UTEP)
- El Paso Community College

Manufacturing
El Paso’s economy is heavily dependent on maquiladora activity, and manufacturing across the border will continue to boost jobs in El Paso.
- The moderating U.S. auto demand slows manufacturing activity
- Growing medical devices sector in the region

Source: based on interviews with local stakeholders, data analyses, and Federal Reserve Bank of Dallas. Image: newsletter.
The Geographic Concentration of El Paso’s Economic Drivers

Density of Businesses within the City of El Paso for the four largest economic clusters (2021).

The four key industries in El Paso have presence in the City’s Downtown and close-by areas.

**Healthcare**
- 1,598 businesses
- 30,165 jobs

**Government**
- 344 businesses
- 13,560 jobs

**Manufacturing**
- 748 businesses
- 16,909 jobs

**Education**
- 403 businesses
- 21,849 jobs

Source: ESRI and Data Axle. Notes: (i) Industry clusters were created by number of businesses. (ii) The Education cluster only includes schools (iii) These figures may be underestimating the number of jobs in each cluster. They serve as a lower bound.
El Paso Employment Profile

Health Care, Retail Trade, and Accommodation and Food Services are the largest sectors* in El Paso. Their economic relevance grew in the last decade.

<table>
<thead>
<tr>
<th>Sectors</th>
<th>El Paso MSA</th>
<th>Texas States</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care and Social Assistance</td>
<td>45,524</td>
<td>37%</td>
<td>14%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>37,848</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Accommodation and Food Service</td>
<td>34,917</td>
<td>42%</td>
<td>11%</td>
</tr>
<tr>
<td>Administrative and Support</td>
<td>21,473</td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>15,435</td>
<td>-10%</td>
<td>7%</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>12,709</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Construction</td>
<td>10,629</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Professional, Scientific, and Technical Services</td>
<td>10,481</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>10,195</td>
<td>16%</td>
<td>5%</td>
</tr>
<tr>
<td>Information</td>
<td>8,921</td>
<td>9%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Industry clusters are regional concentrations of interdependent firms. Clustering leads to increased competition, collaboration, and sharing of knowledge on a variety of levels as workers and businesses operate in close proximity.

Local Health Services is the largest cluster in El Paso County.

While local clusters account for most of the employment, traded clusters register higher wages and higher levels of innovation. Local clusters provide necessary services for the traded clusters in a region, and both are needed to support a healthy and prosperous regional economy.

Jobs and location quotient in the largest local and traded clusters in El Paso, County (2019).

<table>
<thead>
<tr>
<th>Top 5 Local Clusters</th>
<th>Jobs 2019</th>
<th>Location Quotient</th>
<th>Top 5 Traded Clusters</th>
<th>Jobs 2019</th>
<th>Location Quotient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Health Services</td>
<td>36,894</td>
<td>1.05</td>
<td>Business Services</td>
<td>16,844</td>
<td>0.65</td>
</tr>
<tr>
<td>Local Hospitality Establishments</td>
<td>35,581</td>
<td>1.31</td>
<td>Distribution and Electronic Co.</td>
<td>8,922</td>
<td>0.78</td>
</tr>
<tr>
<td>Local Commercial Services</td>
<td>17,057</td>
<td>0.94</td>
<td>Transportation and Logistics</td>
<td>8,377</td>
<td>2.28</td>
</tr>
<tr>
<td>Local Real Estate, Construction, and Development</td>
<td>16,692</td>
<td>0.87</td>
<td>Hospitality and Tourism</td>
<td>3,371</td>
<td>0.75</td>
</tr>
<tr>
<td>Local Retailing of Clothing and General Merchandise</td>
<td>15,001</td>
<td>1.64</td>
<td>Financial Services</td>
<td>1,835</td>
<td>0.53</td>
</tr>
</tbody>
</table>

High concentration in the region  Moderate-to-Low concentration  Low concentration

Source: 2019 County Business Patterns (CBP); clusters based on Harvard Business School's U.S. Cluster Mapping Project.
Star Clusters in El Paso

Occupations related to the healthcare cluster grew in the last decade. Intentional action is required to foster traded clusters associated with the sector.

Change in job occupation share 2011-2019 and 2019 location quotients for groups of occupations in El Paso, Texas.

Mature Clusters
Contains clusters that are more concentrated in the region but are declining (negative growth).

Transitioning Clusters
Contains clusters that are under-represented in the region (low concentration) and are also growing at lower rates.

Star Clusters
Contains clusters that are more concentrated in the region and are growing. These clusters are strengths that help a region stand out from the competition. Small, high-growth clusters can be expected to become more dominant over time.

Emerging Clusters
Contains clusters that are under-represented in the region but are growing, often quickly.

Note: Analysis performed using the 2-digit 2000 Standard Occupational Classification for the job occupation share and location quotients. Source: Hunt Institute using JobsEQ Data.
Tapping into tradable clusters connected to Local Health Services can foster industrial synergies and the region competitiveness.

Two traded clusters connected to Health Services are Medical Devices and Biopharma. Both show strong linkages with other clusters in the economy. Cluster linkages are important because they allow (i) spillovers when investing in an industry and (ii) strategies that build on existing assets.

**Medical Devices Cluster:** ~300 jobs in 2019; LQ=1.5; Cluster linkages with other strong clusters in the region, such as Distribution and eCommerce and Plastics.

**Biopharma Cluster:**

Cluster Specialization:
- Strong clusters above 90th percentile specialization
- Strong clusters above 75th percentile specialization
- Other specialized clusters (LQ > 1.0)

Source: Cluster linkages analyses from Harvard Business School’s U.S. Cluster Mapping Project.
In El Paso MSA, as of February 22, 2021, total small business revenue decreased by 24% compared to January 2020 (compared to a 57% decrease at the state level).

According to a survey conducted locally, the main impacts of COVID-19 on small businesses were: loss of revenue (42%), loss of customers (25%) and inability to pay for pre-arranged costs (12%).*

The impact has been unequal across the city. Approximately 40% of the total Business Assistance Program was distributed in the area from Downtown El Paso to Alameda Avenue.**

* Numbers are according to the survey respondents. Note: This map depicts the change in small business revenue by zip code, measured as the change in revenue on average from March 25th to May 26th as compared to January 2020. This series is constructed using data from Womply. Source: Hunt Institute using the City of El Paso’s survey results and Opportunity Insights.
Strategic Targeting
Identifying Places with High Potential

As mentioned earlier, this investment strategy can apply to different kinds of geographies. The Nowak team developed a methodology to help determine which neighborhood corridor, node, or district can unlock sustainable, equitable growth. The methodology involves a quantitative and qualitative analysis of the three dimensions described below. This criteria is aligned with federal investment priorities for fostering recovery and long-term growth.

**Interviews with community stakeholders to identify:**
- places with presence of existing yet underused assets
- places with strong community interest and momentum
- places with existing anchors and signature investments
- places with promising market dynamics

**Analysis of key metrics across three dimensions:**
- Presence of sectors with growth and innovation potential
- Potential to impact equity and economic mobility
- Presence of anchor institutions and with efforts underway

- we identified 2 to 3 metrics to capture each dimension
- we then calculated a simple average index to create a scoring for each census tract in the city

**Source:** 2019 American Community Survey, and ESRI-data Axle.

*Note:* variables were selected based on data availability. We also avoided selecting highly correlated variables (such as median household income and poverty rates). In the cases where a high correlation is present between two variables, we only considered one variable in the scoring system.
Identifying Places through the Numbers

Through conversations with community stakeholders, the Nowak team identified a few local areas that show challenges but also promising opportunities. After this initial identification, the Nowak team ranked all census tracts in the city based on indicators about their potential to unlock long-term growth, impact equity, and build on existing efforts.

<table>
<thead>
<tr>
<th>Dimensions and metrics</th>
<th>MCA Area</th>
<th>UTEP area</th>
<th>Downtown El Paso</th>
<th>Segundo Barrio</th>
<th>Dyer Street / Fort Bliss Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ct 32</td>
<td>ct 30</td>
<td>ct 15.02</td>
<td>ct 17</td>
<td>ct 20</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ct 19</td>
<td>ct 09</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ct 08</td>
</tr>
<tr>
<td>Presence of sectors with growth and innovation potential</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jobs in Healthcare</td>
<td>113</td>
<td>3,671</td>
<td>4,399</td>
<td>142</td>
<td>0</td>
</tr>
<tr>
<td>Jobs in Education</td>
<td>127</td>
<td>308</td>
<td>153</td>
<td>88</td>
<td>70</td>
</tr>
<tr>
<td>Potential to impact equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$ 27,767</td>
<td>$ 22,854</td>
<td>$ 75,918</td>
<td>$ 20,229</td>
<td>$ 13,634</td>
</tr>
<tr>
<td>Index - Business mix (local and traded industries)</td>
<td>Very low</td>
<td>High</td>
<td>Very high</td>
<td>Very low</td>
<td>Medium</td>
</tr>
<tr>
<td>Presence of anchor institutions and existing efforts underway</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunity Zone</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Qualified Census Tract</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Index - Intensity of anchor institutions</td>
<td>High</td>
<td>Very high</td>
<td>Very high</td>
<td>Very high</td>
<td>Very high</td>
</tr>
<tr>
<td>Index (ranking out of 134 CTs)</td>
<td>2nd</td>
<td>1st</td>
<td>56th</td>
<td>4th</td>
<td>6th</td>
</tr>
</tbody>
</table>
The Nowak team ranked census tracts based on their potential to unlock long-term growth, impact equity, and build on existing efforts. Census tracts with high potential received a scoring of 10.

The MCA Area lies in census tracts 30 and 32, the ones with the highest score in the City of El Paso. Interviews with local stakeholders also identified this area as one with strong potential. Other areas such as the downtown area and census tracts around Alameda Ave also ranked high in our Index.

The scoring ranked areas based on the presence of:

- The presence of sectors with growth and innovation potential
- The potential to impact equity and economic mobility
- The presence of anchor institutions and with efforts underway

Note: variables were selected based on data availability. We also avoided selecting highly correlated variables (such as median household income and poverty rates). In the cases where a high correlation is present between two variables, we only considered one variable in the scoring system. Source: 2019 American Community Survey, and ESRI-data Axle.
Matching Up Assets to Opportunities

The Nowak team sought to understand these places beyond solely quantitative analysis. Understanding that local health services was the largest industry cluster in El Paso county, the team spoke with various stakeholders on which areas could best leverage its assets to build upon this local-serving cluster while fostering innovative activities.

Conversations

- Hunt Institute, University of Texas at El Paso
- Representatives from the small business community (Project Vida, High Desert Capital LLC, etc.)
- Economic & International Development, City of El Paso

Source: Map was created by the Hunt Institute, University of Texas at El Paso. Note: image and related research was developed by the Hunt Institute.
Identifying the Championing Intermediary

Maximizing local impact of federal investment requires coordination and engagement among private, civic, and nonprofit stakeholders. In addition to quantitative and qualitative information, the MCA Area included a strong anchor that could bring multiple stakeholders in economic development together: the MCA Foundation. More details will follow in the next section.

A leading local partner is crucial and should embody the following capabilities:

1. Strong, authentic relationships with other local (and possibly regional) stakeholders
2. Capacity to lead and manage investments in the neighborhood
3. Commitment to creating equitable outcomes within economic development of a place.

Stakeholders in Inclusive Economic Development

- **Civic/Non-Profit**
- **Public**
- **Universities/Colleges**
- **Private**
- **Local Partners**
- **Regional Partners**
The Medical Center of the Americas (MCA) Area
Introduction to The MCA Foundation

The MCA Foundation created the MCA Campus, which currently spans 440 acres and encompasses key anchors like Texas Tech, University Medical Center, and Cardwell Collaborative. The mission of the MCA Foundation is to develop “a growing hub of innovation for the Paso del Norte region’s healthcare and biomedical industries.”

Development focused on tech parks that will bring together businesses and research within the biomedical, technology, and healthcare fields.

The MCA is dedicated to the creation of a biomedical workforce, collaborating between several educational institutions and MCA employers.

MCA also created BIO-El Paso Juarez to help bring together El Paso manufacturers and suppliers in industries such as medical device manufacturing.

The MCA also invests in incubation space and startups to promote business entrepreneurship and leadership (30 startups supported in 2020 through the Innovation Center).

Sources: Medical Center of the Americas Foundation’s Report July 2021; https://mcamericas.org; Icons from the Noun Project
The Area by Its Assets

The area’s assets showcase competitive advantages that differentiates the area and that investors can build upon.

**Anchor Institutions**
Identify network of anchors, leading institutions, and impactful partners that can kick-off and coordinate efforts.

**Economic Dynamics**
Identify promising jobs’ dynamics in the area, including job creation and presence of both local and traded activities.

**Market Momentum**
Showcase the market momentum to help unveil the health and vitality of the area’s innovation ecosystem.

**Physical Assets**
Assess land ownership and the presence of key infrastructure that lay the foundations for the area’s development.

**Place-based Incentives**
Present existing national and local incentives for investment in the area, its assets, and its’ sectors.
MCA Foundation: Building Momentum

With a recent uptick in initiatives and investments, some of which have been supported by EDA and federal grants previously, the MCA Foundation is a promising champion for the area.

Sources: Sources for information: MCA's website. Sources for images: El Paso Children’s Hospital; Hunt School of Nursing; and MCA Innovation Center.
A Strong Network of Anchor Institutions

The MCA Campus is bounded by the I-10 Highway and El Paisano Drive, with Alameda Avenue cutting across. The campus includes hospitals, schools, and incubator spaces.

University Medical Center of El Paso

Maxine Silva Magnet High School & Jefferson P-Tech High School for Medical Professionals

Medical Center for Americas (MCA): VA Wellness Center & Cardwell Biomedical Incubator

Texas Tech University Health Sciences Center

El Paso Department of Public Health
Land Ownership from Anchors

Anchor institutions tend to have uniform ownership over their land, as shown in this map.

In the MCA area, much of the land is owned by anchor institutions such as Texas Tech.

Such ownership allows these institutions to steward development within the MCA area. This reinforces the importance of an investment strategy that can coordinate among these important stakeholders.

Source for Parcel Ownership: Landgrid Data Store.
Job Creation in the Area

The area continues to be an important job maker for the County; the number of jobs increased by 10% between 2010 and 2018.

Investing in the MCA Area will have important implications for employees that live across the El Paso County. Most workers in the MCA Area (96%) lived outside of MCA Zip Code (79905) and commuted in for work in 2018. Around 7% lived outside the County of El Paso.

Business Profile of the MCA Area

The MCA area has a high density of jobs, mostly in the Healthcare cluster. However, the median household income of the area is below the City’s average.

- **290 Businesses**
- **7,680 Employees**
- **6,970 Residents**

Top 4 employers:
- University Medical Center - El Paso
- El Paso Children’s Hospital
- El Paso Department of Public Health
- El Paso Psychiatric Center

Top 5 Industries by Number of Employees:
- Healthcare & Social Assistance: 50%
- Transportation/Warehousing: 6%
- Educational Services: 6%
- Wholesale Trade: 5%
- Manufacturing: 5%

$26,000 Average Wages**
(higher than City avg, $20,100)

*Defined as Census Tracts 30 and 32. **Average wages in the area were estimated by creating a weighted average of wages in the occupations "Healthcare practitioners and technical", and "Healthcare support", the 2 main occupations in the area. Source: ESRI and Data Axle.
The MCA area presents a good mix of local and traded sectors, complimenting the strong presence of the healthcare industry.

Healthcare is a cluster with high-growth potential that can unlock additional opportunities for local-serving industries in areas of the city where the activity is highly concentrated.

Local-serving industries offer important possibilities for small businesses.
Healthcare and Government Led Job Creation

MCA Area Communities

Nearby Residential Neighborhoods

- Three neighborhoods located to the south of MCA’s campus (Della Park, Buena Vista, and Clardy Fox) are located in Census Tracts 30 and 31, which represent areas with relatively high unemployment and poverty rates (more details in the following slides).

Cultural Assets in the Community

- Nearby cultural assets, such as parks, churches and schools are highlighted on the map in the right. These are vital to residing communities and an equitable investment strategy should seek to preserve and enhance these.

*employee count for El Paso Independent School District, which includes Henderson Middle School. Source: interviews with local stakeholders conducted in June and July 2021.
Socio-Economic Indicators of the MCA Area

The MCA area is lagging in most of its socio-economic indicators. The area presents higher poverty and unemployment rates than the city average, and lower median household income and education attainment.

<table>
<thead>
<tr>
<th>Socio-Economic Indicators</th>
<th>Census Tracts - Target Area</th>
<th>City of El Paso</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30</td>
<td>32</td>
</tr>
<tr>
<td>2021 Total Population</td>
<td>4,305</td>
<td>2,665</td>
</tr>
<tr>
<td>% Hispanic Population (2021)</td>
<td>98%</td>
<td>97%</td>
</tr>
<tr>
<td>2021 Median Age</td>
<td>33</td>
<td>41</td>
</tr>
<tr>
<td>2021 Unemployment Rate</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>2021 Household Income**</td>
<td>$22,854</td>
<td>$27,767</td>
</tr>
<tr>
<td>% HH Poverty Rate (2019)</td>
<td>27%</td>
<td>32%</td>
</tr>
<tr>
<td>% Pop Age 25+ with Bachelor’s/Master’s Degree (2019)</td>
<td>8%</td>
<td>7%</td>
</tr>
</tbody>
</table>

* Population per square mile. ** Median Household Income (MHI). Note: the MCA area is located on census tracts 30 and 32. Given our focus on Alameda Ave, we included census tract 31 in this analysis. Source: 2021 ESRI and Data Axle. Source for Map: US Census Bureau, ACS 2019 5-Year Survey
## Housing Indicators of the MCA Area

Monthly median housing costs increased particularly in Tract 32 over the last few years (+17% since 2015) while vacancy marginally decreased (-1%) in the same time period. However, Tracts 30 and 31 (which are more residential) demonstrate weaker market conditions, with decreasing housing costs and increasing vacancy.

<table>
<thead>
<tr>
<th>Housing Indicators</th>
<th>Census Tracts - Target Area</th>
<th>City of El Paso</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30</td>
<td>31</td>
</tr>
<tr>
<td>2019 Total Housing Units</td>
<td>1,247</td>
<td>975</td>
</tr>
<tr>
<td>2019 Median Monthly Housing Cost</td>
<td>$435</td>
<td>$427</td>
</tr>
<tr>
<td>2019 % Owner Households</td>
<td>41%</td>
<td>63%</td>
</tr>
<tr>
<td>2019 Residential Vacancy Rate</td>
<td>12.8%</td>
<td>9.8%</td>
</tr>
<tr>
<td>2019 % Burdened by Housing Costs*</td>
<td>37%</td>
<td>33%</td>
</tr>
<tr>
<td>2019 % HH with at least one 65+ adult</td>
<td>46%</td>
<td>43%</td>
</tr>
<tr>
<td>2019 % HH with at least one child**</td>
<td>30%</td>
<td>24%</td>
</tr>
<tr>
<td>2019 Average Household Size</td>
<td>2.96</td>
<td>2.76</td>
</tr>
<tr>
<td>2021 Average Home Value***</td>
<td>$134,515</td>
<td>$73,088</td>
</tr>
</tbody>
</table>

---

* “Burdened by Housing Costs” refers to those who spend more than 30% of their monthly income on housing costs. ** “Child” is defined as a person under 18 years of age. *** 2021 Average Home Value is sourced from 2021 Data Axle and ESRI Business Analyst. Source: Source for all other data in this table is US Census Bureau, ACS 2019 5-Year Survey.
Place-based Incentives for the MCA Area:

- **Tax increment Reinvestment Zone #6 (TIRZ):** gives more flexibility to the local government to pay for improvements that will draw private investment to the area;
- **Transit Oriented Development (TOD):** incentives target properties that propose a mix of uses or single residential uses;
- **SmartCode:** offers potential economics with city council approval;
- **Census Tracts** where the area is located (3000 and 3200) fall under both Opportunity Zones and Qualified Census Tracts.

Source: Medical Center of the Americas Foundation’s Report July 2021; ESRI and Data Axle; Source for Map: US Census Bureau, ACS 2019 5-Year Survey
Investment Strategy to Leverage Federal Funding
To help cities maximize the impacts of federal investments, Nowak Metro Finance Lab has developed a cluster-focused, place-based Investment Playbook highlighting five dimensions of focus. **To fully maximize the benefits of recent federal funding, El Paso should use these dimensions to guide planning and development in key city nodes.**

- **Entrepreneurship**
  - Enhance access to entrepreneurial support and private capital that has a long-term commitment to the neighborhood.
  - Boost demand for local businesses through anchor procurement and supplier diversity.

- **Innovation**
  - Connect with universities, companies and investors to promote R&D and commercialization.
  - Build out space for innovators and inventors to prototype and ideate, particularly in sectors connected to the region’s strengths.

- **Community Regeneration**
  - Regenerate corridors, rebuild community anchors, and revitalize neighborhoods and its small businesses.
  - Endow locally-run organizations with ability to create, capture, and deploy value for local priorities.
  - Create accessible pathways to homeownership and renovation for underserved residents.

- **Workforce Development**
  - Grow incomes and assets of residents with jobs in growing industries, equipping them with marketable skills.
  - Create a talent pipeline through partnerships between schools, universities, and local employers.

- **Infrastructure**
  - Enhance activity nodes with strategic investments in energy and transportation infrastructure.
  - Build out digital infrastructure (broadband) so it’s accessible to all residents and businesses.

Overview: Match Local Uses with Potential Sources

The main component of this investment strategy involves identifying needed investments (referred to as “local uses”) within the five key dimensions. The goal of this strategy is to match these investments with key federal sources that can maximize the impact of the project.
The MCA Foundation identified specific projects that are in the pipeline, which the Nowak team then categorized according to the equitable investment strategy laid out. The projects highlighted in blue represent shovel-ready investments that the MCA Foundation that should be prioritized for investment.

<table>
<thead>
<tr>
<th>MCA Initiatives</th>
<th>Specific Projects</th>
<th>Entrepreneurship</th>
<th>Innovation</th>
<th>Community Regeneration</th>
<th>Workforce Development</th>
<th>Infrastructure</th>
<th>Total Cost (in millions $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCA Innovation Center Developments</td>
<td>Transnational Research Center; Regional Research Database; Nurse Innovator Program; Investor Education and Development; Ecosystem Support; Proof of Concept Funding; Devise - Product Realization Hub;</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
<td>$34.5</td>
</tr>
<tr>
<td>Development &amp; Recruitment of Manufacturers and Suppliers</td>
<td>Relocation and Expansion Grants; Borderplex Supplier Taskforce; TMAC Manufacturing Certification and Training; Company Support for Investment in Talent</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td>✔</td>
<td>✔</td>
<td>$11.5</td>
</tr>
<tr>
<td>MCA Campus Infrastructure Improvements</td>
<td>Utilities; Beautification; Safety; Connectivity</td>
<td></td>
<td>✔</td>
<td></td>
<td></td>
<td>✔</td>
<td>$30.0</td>
</tr>
<tr>
<td>Ecosystem and Talent Assessment, Mapping, and Development</td>
<td>Centers of Excellence; Cluster Economic Impact; Corporate Fellows</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td>$53.0</td>
</tr>
<tr>
<td>Virtual Life Sciences Training</td>
<td>Digital Content and Platform</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$10</td>
</tr>
</tbody>
</table>

Source: MCA Foundation, July-August 2021
Neighborhood Investments Needed

The Nowak team additionally cataloged other investment needs described by various local stakeholders*.

<table>
<thead>
<tr>
<th>Investment Needs</th>
<th>Stakeholders’ highlights</th>
<th>E</th>
<th>I</th>
<th>CD</th>
<th>WD</th>
<th>IN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Placemaking challenges. Lack of parking space crow</td>
<td>Redevelopment efforts in the area should take into account their impacts on the area’s small businesses and its residents.</td>
<td></td>
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<tr>
<td>out traffic and also clients for small businesses</td>
<td></td>
<td>✔</td>
<td></td>
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<td></td>
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<tr>
<td>(Alameda Ave &amp; N Piedras St).</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Redevelopment challenges. Vacant buildings and</td>
<td>Local anchors can consider investing in redeveloping older buildings to provide tools and attract people with an entrepreneurial spirit (e.g., co-working and area for the development of new ideas/endeavours related to the healthcare industry).</td>
<td></td>
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<tr>
<td>redevelopment challenges (two large wholesalers for</td>
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<td></td>
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<tr>
<td>sale, hotel being demolished).</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance of cultural assets. Maintain nearby</td>
<td>Putting property out at market value makes it difficult for non-profits to reopen Beall as a community facility (one way could be to lease the building or sell it at less than market value, given that it benefits families in an area which is lagging in many socio-economic indicators). Explore local incentives such as the Infill 380 and the Transit-Oriented Development 380.</td>
<td></td>
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<tr>
<td>cultural assets and necessities that are vital to</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>residing community (Beall Elementary School closed).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public broadband. Lack of broadband and expensive</td>
<td>Explore if Digital El Paso, a public-private partnership collaboration to expand broadband internet access and promote digital inclusion to residents, could play a role in this area (e.g., a pilot), an area with a high share of households without internet access and without computers or tablets.</td>
<td></td>
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<tr>
<td>access that harm the livability of this underserved</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>area, its residents and businesses.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Deteriorating housing. Lack of rehabilitation and</td>
<td>The City is working on an allocation of ~$7.5M** for an RFP associated with home renovation, rehabilitation, and repair in low-income areas. Construction costs are highly relevant in the MCA area; infrastructure revitalization and brownfield/environmental remediation supplements should be important components of redevelopment strategies (to mitigate per unit cost).</td>
<td></td>
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<tr>
<td>renovation for current residents in aging housing</td>
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<td></td>
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<tr>
<td>stock.</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Access to Capital. Lack of capital for both</td>
<td>The survey findings of the Business Assistance Program for the City of El Paso show important short-term capital needs in the area (40% of all businesses receiving financial relief where located in the area from Downtown El Paso to Alameda Ave). Patient capital is required to support MCA efforts underway.</td>
<td></td>
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</tr>
<tr>
<td>community-serving small businesses and budding</td>
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<td></td>
</tr>
<tr>
<td>entrepreneurs.</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial support. Lack of assistance for</td>
<td>Many MCA efforts underway seek to provide support for entrepreneurs and startups in the healthcare industry. Efforts to support local-serving businesses in the area are also needed to inclusive outcomes.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>small businesses and entrepreneurs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: various local stakeholders, listed at the beginning of presentation.** Amount subject to change. Note: (I) Innovation; (E) Entrepreneurship; (IN) Infrastructure; (CD) Community Development; (WD) Workforce Development.

See specific challenges for Hispanic-owned businesses in the Appendix
# Activate Federal Funds to Leverage Private Investments

*In the chart below, the Nowak team identified potential federal sources of funding for needed local uses.*

<table>
<thead>
<tr>
<th>Local Use Dimensions</th>
<th>MCA Area Local Uses</th>
<th>Potential Sources of Federal Funding</th>
</tr>
</thead>
</table>
| **Innovation**       | MCA Innovation Center Developments | ● Economic Development Administration’s Build Back Better Regional Challenge grant  
● Economic Adjustment Assistance grants  
● American Rescue Plan State & Local Fiscal Recovery Funds  
● US Innovation & Competition Act  
● Commerce Manufacturing Extension Partnership |
| **Community Development** | Placemaking challenges  
Deteriorating housing  
Maintenance of cultural assets  
Community health | ● American Rescue Plan State & Local Fiscal Recovery Funds  
● New Market Tax Credits  
● Low Income Housing Tax Credits (for housing projects)  
● Community Development Block Grant  
● Historic Preservation Tax Credits  
● Opportunity Zone funding |
| **Infrastructure** | MCA Campus Infrastructure Improvements  
Redevelopment challenges  
Public broadband | ● American Rescue Plan State & Local Fiscal Recovery Funds for water, sewer, broadband  
● Economic Development Administration’s Build Back Better Regional Challenge grant  
● Dept. of Energy Property Assessed Clean Energy (PACE) financing  
● Infrastructure Investment and Jobs Act: New DOT grants (EV charging stations, SMART and Healthy Streets grants for modern surface transportation and climate resilient development); broadband expansion  
● Community health center modernization/construction (from Reconciliation Bill 2021) |
| **Entrepreneurship** | Development & Recruitment of Manufacturers and Suppliers  
Access to Capital  
Training/Assistance for Entrepreneurs | ● American Rescue Plan State & Local Fiscal Recovery Funds  
● Economic Development Administration’s Build Back Better Regional Challenge grant  
● New Market Tax Credits  
● •U.S. Treasury Dept.’s State Small Business Credit Initiative; $25 B for new SBA 7(a) and 504 loan products and SBIC programs included in the proposed $3.5 T budget reconciliation bill  
● Commerce Manufacturing Extension Partnership |
| **Workforce Development** | Ecosystem and Talent Assessment, Mapping, and Development  
Virtual Life Sciences Training  
Centers of Excellence | ● Economic Development Administration’s Good Jobs Challenge  
● Build Back Better Act: Free community college beginning in 2023-2024, expanded DOL funding (WIOA, TAACCCT reauthorization, apprenticeships, Health Profession Opportunity Grants), direct care workforce investments  
● Workforce Innovation and Opportunity Act (WIOA) programs  
● Workforce training from Reconciliation Bill 2021 |
Development Vision for the Area

In bringing a development vision to fruition, the MCA Foundation and other leaders should ensure the aggregate impact of these investments lead to wealth creation for local residents and the El Paso community.

1. Small businesses, local commercial activity, and other community assets should be supported with capital, included in procurement strategies, and able to build in economic resilience.

2. Public wifi should be established along Alameda Ave.

3. Multiple transit options should exist along major commercial streets, such as Alameda Avenue.

4. Placemaking initiatives should incorporate public art and provide open green spaces to support the well-being of residents and workers in the area.

5. Incoming real estate development and current buildings should promote a mixed-use, mixed-income neighborhood node. Community and cultural assets should be preserved and included in programming for buildings.

6. Aging housing stock should be rehabilitated for current residents, to mitigate against displacement.

7. MCA Innovation Center developments serve as the ground for innovative activities (prototyping, clinical trials, research) within healthcare, advanced manufacturing, and biotech.

8. MCA will launch programs that provide training and support for entrepreneurs (the Devise Product Realization Hub is an example).

9. MCA should actively recruit from the community and universities to develop and support manufacturers and suppliers.

10. Specific utility investments within the MCA campus (such as a central campus utility plant) will promote clean energy.

11. Streetscape and roads could be designed for safety and placemaking, while promoting walkability, connectivity across institutions, and traffic for small businesses.

12. Schools and universities should actively recruit within the local community, providing the needed training, education, skill development for residents to engage and lead within growing industries. They collaborate with MCA and others in translational research and commercialization.
The following slides showcase two transformational projects that the Nowak team and MCA Foundation recommend acting upon. Key partners have been identified for the projects, and the Nowak team has outlined potential funding sources for capital and operating expenses.
As an initiative from the MCA Innovation Center, the Devise Product Realization Hub focuses on creating a 25,000 square foot space (around $27.8 million in total cost) for budding innovators and researchers to ideate, prototype, design, and connect with local medical device manufacturers and suppliers looking to expand their capacity.

Project #1: Devise Product Realization Hub

Innovation

Entrepreneurship

Community Development

Source for Image: Trial Site News.
Devise Product Realization Hub

The MCA Foundation identified capital and operational expenses, which Nowak then matched with potential federal sources that can work in tangent with civic and private capital.

### Funding (in millions $)

- **Capital Expenses**
  - Facility Buildout (~25,000 square feet)
  - Fabrication & Manufacturing Equipment
  - Personnel
  - Training
  - Marketing
  - Carrying Costs
  - **Total Capital Expenses** $22.0

- **Operating Expenses**
  - **Total Operating Expenses** $5.8

### Potential Sources of Funding*

- **Federal:**
  - Build Back Better Regional Challenge
  - Commerce Manufacturing & Extension Partnership
  - New Market Tax Credits
  - Energy Investment Credits or Renewable Electricity Production Credits (dependent on energy commitments of developer)
  - Opportunity Zone equity
  - Community Development Block Grants

- **State:**
  - Product Development and Small Business Incubator Fund
  - Capital Access Program

- **Local:**
  - Transit Oriented Development Incentives (Incentive areas located along Alameda Ave. and El Paso Dr. within MCA Area)
  - Infill Development Incentives

- **Conventional loans**
- **Developer equity**
- **Private equity funds**
- **Medical Center of Americas Foundation**
- **TMAC Paso Del Norte**
- **BIO El Paso-Juarez**
- **Fab Lab El Paso**

*Note: This is a speculative list of possible sources and should not be interpreted as a definitive or complete list.

---

Public sources
Civic sources
Private sources
Devise Product Realization Hub

The Nowak team reflected on each dimension of the strategy, with consideration to its capacity for impact and ability to scale that impact, with recommended actions.

**IMPACT OF THE INVESTMENT ON EQUITY**

- **Workforce Development.** Create job training and employment opportunities in the medtech industry at all skill levels.

- **Entrepreneurship.** Provide support and resources to innovators and small, Hispanic manufacturers and suppliers looking to scale up.

- **Community Health.** Address public health concerns and disparities by increasing product development, manufacturing capabilities and clinical trials capacity.

**CAPACITY & SCALABILITY**

- **Borderplex Alliance** will ensure job opportunities go to the Juarez, El Paso, and southern New Mexico residents. Offices in each place allow for regional coordination and outreach. Capacity to work with major corporations, as demonstrated with by three case studies since it’s formation in 2012. Could potentially scale for larger impact with more staff and resources.

- The MCA Innovation Center, BIO El Paso-Juarez and The Bridge Accelerator together have the capacity for significant regional impact in this area. The Bridge Accelerator alone has impacted at least $11.3 million in sales for participating companies and generated 254 new jobs. Regional outreach efforts could potentially be scaled to target more entrepreneurs from disadvantaged groups.

- The MCA has demonstrated capacity and impact on the El Paso community in this area and tracked their impact through the El Paso region. Partnerships with regional stakeholders suggest this effort could be scaled even further for wider impact throughout the region through the creation of a region wide healthcare strategy and Centers of Excellence for research and delivery.

**RECOMMENDED ACTIONS**

- **Supplier Diversity.** Actively recruit diverse suppliers and manufacturers.

- MCA Innovation Center, BIO El Paso-Juarez, and TMAC have worked to train and certify additional local suppliers. However, this initiative is small. MCA could use this project and its existing partnerships to establish a robust supplier diversity initiative that would create a strong network of resilient local, diverse suppliers. This network would support new product development and manufacture in medtech and other tech areas that could drive the regional economy.
Project #2: Centers of Excellence

The buildout and programming for four Centers of Excellence, which will cost approximately $50 million, will elevate health access and outcomes to improve quality of life and accelerate new economic opportunities in the Paso del Norte region.

- Community Development
- Infrastructure
- Workforce Development

Source for Image: Trial Site News.
Centers of Excellence

The MCA Foundation identified capital and operational expenses, which Nowak then matched with potential federal sources that can work in tangent with civic and private capital.

**Uses**
- Centers of Excellence Facility Buildout
- HC Ecosystem Mapping
- EMR/HIE Projects
- Healthcare Workforce Center
- Access Projects
- Planning & Coordination
- Events & Conferences

**Funding (in millions $)**
- Capital Expenses: $30.0
- Operating Expenses: $20.0

**Potential Sources of Funding***

- **Federal:**
  - Build Back Better Regional Challenge
  - New Market Tax Credits
  - Energy Investment Credits or Renewable Electricity Production Credits (dependent on energy commitments of developer)
  - Workforce Innovation and Opportunity Act (WIOA) programs
  - Opportunity Zone equity
  - Community Development Block Grants
- **State:**
  - Capital Access Program
- **Local:**
  - Transit Oriented Development Incentives (Incentive areas located along Alameda Ave. and El Paso Dr. within MCA Area)
  - Infill Development Incentives
- **Conventional loans**
- **Developer equity**
- **Private equity funds**
- **Medical Center of Americas Foundation**
- **Paso del Norte Health Information Exchange**
- **Workforce Solutions Borderplex**

*Note: This is a speculative list of possible sources and should not be interpreted as a definitive or complete list.
Build on the collaborative efforts in response to COVID-19 by creating an aligned health care governance group that will develop and steward a co-created and co-owned agenda, strategy, and series of initiatives to achieve and sustain our common health, wellness, and economic objectives long-term.

While individual organizations in the region are concerned about health equity issues, no one organization has the resources, political capital, or influence to catalyze the entire community and health care sector to work together for the common good. Families in our community who have resources typically travel somewhere else to meet their most critical health needs. Those without resources settle for lower quality care. Furthermore, MCA believes a healthy, productive community will advance incomes and opportunities for all in the region. We will be able to attract employers with higher wages and skills.

This type of initiative is highly needed to increase personnel retention in El Paso, with local universities standing out for their healthcare programs and professionals. This could potentially scale for larger impact with more staff and resources.

Given the regional nature of the healthcare cluster, this architecture for knowledge generation and sharing in the sector can serve not only El Paso but the region as a whole, coordinating actions, providing strategic guidance, and ensuring that knowledge is shared and well used across institutions in the industry.

Build on the collaborative efforts in response to COVID-19 by creating an aligned health care governance group that will develop and steward a co-created and co-owned agenda, strategy, and series of initiatives to achieve and sustain our common health, wellness, and economic objectives long-term.

The Nowak team reflected on each dimension of the strategy, with consideration to its capacity for impact and ability to scale that impact, with recommended actions.

**IMPACT OF THE INVESTMENT ON EQUITY**

**Workforce Development.** Bolster the local health workforce by attracting, developing and retaining talent in El Paso (including students, health care providers, military personnel, and their partners/spouses).

**Infrastructure.** Create the infrastructure for, and remove barriers to equitable access, maximize data usage and interoperability through a unified effort on Health Information Exchanges.

**Community Development.** Form a stakeholder committee to create a unified and sustainable region health care agenda and strategy that works for all in the community.

**Catalyze Health Equity.** Ensure the region possesses equitable health and wellness services to achieve a better quality of life and economic opportunity.

**CAPACITY & SCALABILITY**

**Centers of Excellence**

**INFRASTRUCTURE**

Create the infrastructure for, and remove barriers to equitable access, maximize data usage and interoperability through a unified effort on Health Information Exchanges.

**COMMUNITY DEVELOPMENT**

Form a stakeholder committee to create a unified and sustainable region health care agenda and strategy that works for all in the community.

**CAPACITY & SCALABILITY**

Build on the collaborative efforts in response to COVID-19 by creating an aligned health care governance group that will develop and steward a co-created and co-owned agenda, strategy, and series of initiatives to achieve and sustain our common health, wellness, and economic objectives long-term.

While individual organizations in the region are concerned about health equity issues, no one organization has the resources, political capital, or influence to catalyze the entire community and health care sector to work together for the common good. Families in our community who have resources typically travel somewhere else to meet their most critical health needs. Those without resources settle for lower quality care. Furthermore, MCA believes a healthy, productive community will advance incomes and opportunities for all in the region. We will be able to attract employers with higher wages and skills.

**RECOMMENDED ACTIONS**

**Catalyze Health Equity.** Ensure the region possesses equitable health and wellness services to achieve a better quality of life and economic opportunity.
Next Steps
Short Term Steps

This investment playbook presents immediate next steps that cities like El Paso can take to fully maximize the benefits of incoming federal investment. Projects like the Devise Product Realization Hub and Centers of Excellence exemplify the kind of investments El Paso should be acting on now, as federal money flows in.

Recommendations

- Catalyze investment and development of the Devise Product Realization Hub and Centers of Excellence facility.
- Organize capital stack funding and the necessary stakeholders to launch the identified investments needed in the MCA Area and surrounding neighborhoods.
Long Term Steps

Cities will want to additionally consider what governance structures are needed in the long-term to keep encouraging and sustaining these kinds of developments.

Recommendations

- **Create an intermediary**, such as a community equity corporation, that takes in some of the value appreciation from these developments and feeds them back into the neighborhood to ensure equity remains a priority in the area. Key features would include:
  - Agile private governance
  - Skilled staff leadership
  - Targeted geography
  - At-scale land control
  - Patient local investment
  - Clear mission and priorities
  - Partnership with city government
  - Long-term thinking
  - Sophisticated placemaking
  - Investment in disinvested places
Thank you!
Appendix
History of El Paso City Plans

In 1925 the City Plan of El Paso was adopted. It was the City’s first plan with a comprehensive scope.

In 1962, City officials adopted a new El Paso City Plan. This plan documented progress on many aspects of El Paso’s landmark 1925 City Plan.


The City’s 1999 Plan for El Paso called for the development of special study area plans that deal with unique community and neighborhood issues.

In 2012, Plan El Paso was adopted to integrate social, economic, aesthetic, and environmental issues described within the study area plans.

The 2012 Plan El Paso guides the City’s physical and economic development.

Source: City Plan of El Paso.
City’s Efforts Underway

The City’s and County’s efforts lay the foundations for, through an investment playbook with an strategic focus, maximize the impact of federal funding.

<table>
<thead>
<tr>
<th>Redeveloping and Infilling Less Dense Areas in the City</th>
<th>Encourage the Expansion of Walkable Communities</th>
<th>Attracting Industries with Growth Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infill Development Incentive Policy, targeting the older and less dense areas of the city to develop vacant and underutilized properties within the City limits.</td>
<td>Transit Oriented Development (TOD) Incentive Policy, to link higher-density, walkable neighborhoods to transit stations and corridors.</td>
<td>City of El Paso Economic Incentives Policy promotes selected private firms with potential to spur economic growth and development.</td>
</tr>
<tr>
<td>Note: industrial uses don’t qualify for incentives.</td>
<td></td>
<td>Target industry sectors: advanced logistics and manufacturing, business support services, defense and aerospace, life sciences, and tourism.</td>
</tr>
</tbody>
</table>

### Scoring: Dimensions & Metrics

Dimensions and metrics included in the scoring. For each dimension, we identified metrics that could be incorporated, their sources, and the rationale behind our selection.

| Dimensions | Presence of sectors with growth and innovation potential  
(promising market dynamics) | Potential to impact equity and economic mobility | Presence of anchor institutions and efforts/incentives underway |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric</td>
<td>Rationale</td>
<td>Source</td>
<td>Metric</td>
</tr>
<tr>
<td># of jobs in sectors with growth and innovation potential</td>
<td>Identify areas that offer the potential to tap into long-term growth.</td>
<td>ESRI-Data ADE</td>
<td>Share People of Color</td>
</tr>
<tr>
<td>Built-in customer base</td>
<td>Identify areas with consumer density, needed to sustain local-serving businesses.</td>
<td>ESRI-Data ADE</td>
<td>Poverty Rate</td>
</tr>
<tr>
<td>Number of Building Permits Issued Increased or Decreased Each Year Over Last Five Years</td>
<td>Capture the economic perception of an area, and anticipates future flows of investment.</td>
<td>This information is usually published by local governments</td>
<td>Median Household Income</td>
</tr>
<tr>
<td>Change in Residential Vacancy Rate</td>
<td>Trends showing decreasing vacancy rates suggest that properties in the area are increasingly desirable.</td>
<td>American Community Survey (ACS)</td>
<td>Unemployment Rate</td>
</tr>
<tr>
<td>Change in Commercial Vacancy Rate</td>
<td>Trends showing decreasing vacancy rates suggest that properties in the area are increasingly desirable.</td>
<td>Usually not available</td>
<td>Educational Attainment of Population Over 25</td>
</tr>
</tbody>
</table>

*Anchor Institutions* refers to institutions that contribute to the neighborhood's economic and social development, such as universities, community colleges, hospitals, and healthcare centers.
### Hispanic-Owned Businesses (HOBs) in El Paso

#### Baseline

<table>
<thead>
<tr>
<th>Employer Businesses</th>
<th>Non-employer Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4,400</strong></td>
<td><strong>43,000</strong></td>
</tr>
<tr>
<td>Hispanic-owned employer businesses 2017 (44% of all employer businesses)</td>
<td>Hispanic-owned nonemployer businesses 2017 (80% of all nonemployer businesses)</td>
</tr>
<tr>
<td><strong>-6%</strong></td>
<td><strong>+17%</strong></td>
</tr>
<tr>
<td>Growth in employer HOBs, 2012-2017 (versus +33% for Non-Hispanic employer businesses)</td>
<td>Growth in nonemployer HOBs, 2012-2017 (versus +30% for Non-Hispanic nonemployer businesses)</td>
</tr>
</tbody>
</table>

#### Disparities*

<table>
<thead>
<tr>
<th>Number of Businesses</th>
<th>Business Size</th>
<th>Business Sector**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>8.1</strong></td>
<td><strong>$1.1M</strong></td>
<td><strong>28%</strong></td>
</tr>
<tr>
<td>Hispanic-Owned employer businesses per 1,000 Hispanics</td>
<td>Average Annual Sales from Hispanic-Owned Businesses (1,000s)</td>
<td>Hispanic-Owned Businesses in Low-Wage Industries</td>
</tr>
<tr>
<td><strong>31.9</strong></td>
<td><strong>$2.4M</strong></td>
<td><strong>29%</strong></td>
</tr>
<tr>
<td>Non-Hispanic-Owned employer business per 1,000 non-Hispanics</td>
<td>Average Annual Sales from non-Hispanic-Owned Businesses ($1,000s)</td>
<td>Non-Hispanic-Owned Businesses in Low-Wage Industries</td>
</tr>
</tbody>
</table>

* Disparities are only for employer businesses. Gaps highlighted in red are higher than nationwide. ** Sectoral data is for El Paso, MSA. Low-wage industries include Accommodation and Food Services, Other Services, Retail Trade, and Recreation. ***Accelerate EP, Final Report 2020. Source: 2018 Annual Business Survey (ABS), and 2017 American Community Survey (ACS).

- HOBs were excluded from growing sectors (Professional Services, Information, Other Services, and Health Care).
- HOBs face barriers to scale, mostly in the sectors Manufacturing, Wholesale Trade, Retail Trade, and Administrative and Support.
- The greatest challenges for startups owned by Hispanics are obtaining funding, contracting with government, and hiring and retaining qualified staff.
- Marketing, accounting, and job training are the most demanded trainings by HOBs.

**Source:** Nowak Metro Finance Lab
Federal Source Highlight: Build Back Better Regional Challenge

The Build Back Better Regional Challenge fits well with the goals of the MCA Foundation, which aims to ultimately grow a regional, biomedical cluster in El Paso.

Example Clusters

Manufacturing Cluster ($80M)
- Major City
- Major Industrial Town
- University Town

AgTech Cluster ($25M)
- Rural Communities
- Transportaton Hub

Services Cluster ($50M)
- Capital City
- Major City
- Mid-size Coastal Town
- University Town

Leveraging a BioMedical Manufacturing Cluster in El Paso

- El Paso County
- Las Cruces
- Juarez (Transnational Hub)

University of Texas at El Paso
- MCA Foundation

Texas Tech University Health Sciences Center

Source: Image above is replicated from July 2021 Build Back Better Regional Challenge Webinar Presentation