

BORDERPLEX

2025 ASCEND PLAN

Progress report, November 2022
Year 2 of Implementation



THE BORDERPLEX ALLIANCE

Cd. Juárez - El Paso - Las Cruces

STRATEGY TEAM

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INTRODUCTION

This year marks the second year of implementation for the 5-year 2025 Ascend Plan, the Borderplex Alliance's regional economic development strategic plan. The Plan has a total of 139 action items to be completed by 2025 and is led by a two-person strategy team.

To date, 28% of the total plan has been completed and the total number of action items known to be completed is 39. In 2022, the number of action items completed by the Borderplex Alliance strategy team was 12, the number completed by the rest of the BPA team was 6, and the number known to be completed by community partners is 7; a total of 25 action items was completed in 2022. It is likely that more action items have been completed by community partners than what is included in this report; the BPA strategy team will attempt to capture all progress by 2025.

Some of the action items are programs versus initiatives, and so they are ongoing and may span several years, building over time. Much of the focus and purpose of projects led by strategy team in the first two years has focused on business education, supplier development, and professional development.

In 2022, The Borderplex Alliance brought eight companies from the manufacturing and business services industries. The amount of investment from these company expansions was \$37,247,013 and 1,197 jobs were created.

Those companies that expanded in the region are:

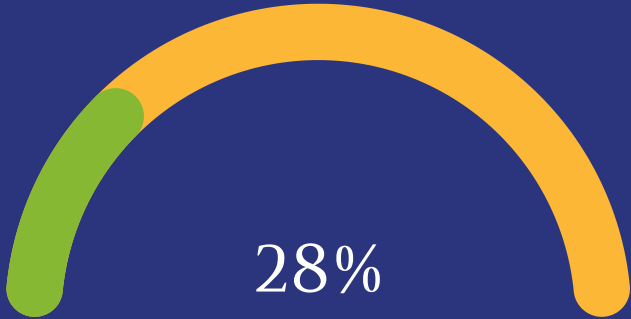
INTRODUCTION

Company name	Industry	Jobs	CAPEX
Makios Technology	Business Services/ IT and Cybersecurity	17	\$1,000,000
Prent Manufacturing	Manufacturing	85	\$10,250,000
FinHabits	Business Services/ IT and Financial Services	40	\$80,000
Weiller Abrasives	Manufacturing	40	-
SumUp	Business Services/ IT and Financial Services	100	\$2,000,000
Transperfect	Business Services	485	\$1,567,013
Schneider Electric	Manufacturing	400	\$16,664,000
Champlain Cable	Manufacturing	30	\$5,686,000

INTRODUCTION

The Strategy Team would like to give a special thanks to our many partners, contributors, and funders who have worked with us to make these programs a success. We would also like to extend our gratitude to those organizations who have aligned their organizational strategies with the 2025 Ascend Plan. Through this collective effort, the community will bring the 2025 Ascend Plan to life.

AT A GLANCE



*Completed of the Ascend Plan 2025 by the BPA team and Community partners**

1,000+

People impacted through the actions of the Ascend Plan 2025

** Based on Action items we have been able to track to date*

Completed

39

*action items completed in the first two years of implementation**

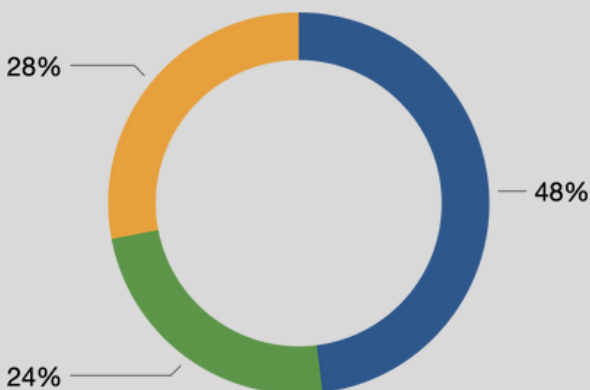
** Action items completed through the BPA team, and includes action items completed by community partners*

25

*action items completed in 2022**

**Includes action items completed by The Borderplex Alliance team and community partners*

Breakdown



- *Action items completed by the strategy team in 2022*
- *Action items completed by the Economic Development team and the Advocacy team in 2022*
- *Action items completed by community partners 2022*

** Based on Action items we have been able to track to date*

PROJECTS IN DETAIL

- STRATEGY TEAM

Action items: 1.3 and 15.2 - Provide short-term and long-term financial literacy education and planning services; work with local financial institutions to provide workshops on financial products and services available locally. Conduct workshops for SMEs to educate them on the financial products and services that are available from local companies as well as how to write a successful business loan application and how to become an exporting company.

Project Description: The Borderplex Alliance partnered with Lift Fund and Pioneers 21 to hold a business financial literacy forum on April 5, 2022 at Pioneers 21. The topic was on the Five C's of Credit. The forum featured experts from four institutions who approach lending in various ways, and included Lift Fund, Raiz (formerly TFCU), Western Heritage Bank, and the U.S. Small Business Association. The event was held as both a business education event and as a test to gauge the small business community's interest in having a longer training program on the topic.

Objective: Increase small and medium sized enterprises' financial literacy and increase businesses' access to financial resources.

Key Outcomes

4

panelists

3

partners

20

attendees

Action Items: 2.4 - Build business retention and expansion professionals' capacity for effective business consulting through professional development training.

Project Description: Professional development training was conducted throughout 2021 and 2022 through the Business Retention and Expansion Community of Practice (BRE COP). In 2022, five courses were taught, and 48 participant hours were logged for courses focused on business continuity. Courses provided: Business Continuity/Continuity of Operations Overview, Defining Cyber Risk for Business, Policies and Procedures, Execution, Training, and Exercises, and Developing a Cyber Program. BRE COP members have access to a Business Retention Community of Practice Library with training recordings and instructor PowerPoint presentations.

Objective: Increase information sharing and increase community leaders' ability to make data-driven, high impact solutions for companies and industries.

Key Outcomes

5

courses

48

*participant
hours*

1

*Resource
Library*

Action items: 2.2. and 2.3 - Collectively research and share data on business needs. Use economic impact analyses, surveys, interviews and focus groups with businesses, and other economic research. Publish the group's data analysis and recommendations for the community to act upon in support of businesses. Publish this white paper quarterly, or on a monthly basis during more severe economic downturns (including for the duration of the COVID-19 pandemic).

Project Description: The BRE Task Force was created in 2021 and continued into 2022 with an emphasis on professional development training for BRE professionals in west Texas and southern New Mexico. A BRE Newsletter was launched in September 2022 that enables local BRE professionals to share relevant information to help one another achieve success in serving companies.

Objective: Increase information sharing and increase community leaders' ability to make data-driven, high impact solutions for companies and industries.

Key Outcomes

2

BRE Newsletters

10

Active members

Action Items: 20.2 - Start a Collaborative Innovation Forum to highlight R&D in the region and foster collaboration. Include diverse stakeholders, e.g., academia, industry, and government.

Project Description: Completed 3 tech forums in 2022. First, BPA held a BluVector-sponsored forum on cybersecurity at The Plaza Hotel. Panelists were representatives from The FBI, CISA, BluVector, and Datamark. The next forum, held at Pioneers 21, focused on EV Energy Solutions and featured speakers from the El Paso Electric Company, Schneider Electric, and ASPIRE (a national EV research organization). The third forum focused on EV Batteries and featured speakers from Los Alamos National Lab, the company CBMM, and American Battery Factory. This event led to a meeting with an EV company CEO to discuss expansion to the region.

Objective: Improve workforce system response time to business needs related to technology adoption and increase number of patents by creating forums for sharing ideas.

Key Outcomes

3 Tech Forums

80 participants

10 Expert panelists

Action items: 21.1 - Build a regional manufacturing talent pipeline program based on the Arizona Advanced Technology Network; offer Industrial Technology certificates from the National Institute of Metalworking Skills (or Mexican equivalent) and an Associates of Applied Sciences in Automated Industrial Technology (or equivalent). Use a common third-party vendor for equipment along with common course titles, descriptions and numbering systems.

Project Description: An Industry 4.0 for Manufacturers pilot training program was held by The Borderplex Industry 4.0 Consortium, comprised of The Borderplex Alliance in the project manager role, along with Boost Human, Texas Manufacturing Assistance Center, Mechatronics Automation, and IoTCo as the trainers. The training was held at the UTEP campus from July 19th through July 21st, with a total duration of 9 hours. There were 14 students from across the region who represented a range of backgrounds, primarily manufacturing professionals. Topics: Introduction to industry 4.0 technology for manufacturing, Automation, Artificial Intelligence, Virtual Reality, Augmented Reality and Mixed Reality.

Objective: Improve workforce system response time to business needs related to advanced technology adoption.

Key Outcomes

3

states represented

7

organizations represented

14

Participants

Action Items: 22.1 and 24.4 - Create an online directory of suppliers to encourage more regional sales. Build an online platform with a directory of (aerospace) suppliers and original equipment manufacturers (OEM) to allow regional companies to find each other.

Project Description: A list of hundreds of suppliers from El Paso, Las Cruces, and the State of Chihuahua were compiled from an online, AI-driven database Gazelle.ai; further, contacts were collected from a range of partners including the Texas Manufacturing Assistance Center (TMAC). The Borderplex Alliance then formed a partnership with TMAC to begin helping local suppliers sign up on the U.S. Air Force – created buyer/supplier connector platform called Sustainment.tech. To date, 46 companies have been contacted, from which 10 have already enrolled. The effort to enroll companies on Sustainment.tech continues.

Objective: Increase sales opportunities for regional suppliers.

Key Outcomes

10

*Suppliers on
Sustainment.tech*

1

*Major Buyer,
U.S. Air Force*

Action items: 23.2 - Create a business-to-business matching program, leveraging the proposed online directory of suppliers. Develop a marketing and sales plan to highlight specific clusters and businesses with strong differentiating qualities, e.g., use of sustainable practices and the achievement of quality certifications.

Project Description: A buyer-supplier matching program was created called the Borderplex Buyer-Supplier program. The program has developed 4 partnerships with companies, resulting in one partner event and one personalized buyer-supplier event. Further, a survey tool was created to gather more information about suppliers and confirm their interest in buyer-supplier program opportunities.

Objective: Increase sales opportunities for regional suppliers.

Key Outcomes

4

buyers

35

Verified suppliers

29

Supplier opportunities

Action Items: 29.1 - Form a resilient workforce system policy committee to build a more resilient workforce system.

Project Description: The Future of Work Committee created a 49-page report with a set of strategic recommendations for building a more resilient and globally competitive regional workforce system. BPA has distributed the Report directly to approximately 500 people and has an outreach and social media strategy that will last through the end of 2022. A Letter of Commitment to adopt the recommendations is part of the outreach and tracking strategy. To date, six organizations have signed a letter agreeing to adopt 26 recommendations.

Objective: Increase coordination between business and education and workforce entities to create an agile workforce system that easily adapts to new and shifting industry demands.

Key Outcomes



Action items: 25.3 - Launch a dedicated news source that researches and highlights potential business opportunities in the region related to new developments in the aerospace industry.

Project Description: The Supplier Brief was launched in 2022 and advertises business opportunities, export and certification resources, and relevant news. Three Supplier Brief publications have been made. Industry information on EV and Aerospace have been included in the Brief.

Objective: Increase local knowledge and business opportunities by creating new institutional resources to support entrepreneurs.

Key Outcomes

3

Briefs

395

opens

PROJECTS IN DETAIL - BPA ECONOMIC DEVELOPMENT AND POLICY TEAMS PROGRESS

Action items: 19.5 - Build a digital inclusion coalition to align all digital inclusion initiatives, providing support for the organizations through shared resources, policy advocacy, and funding.

Project Description: In 2022, in partnership with the El Paso Community Foundation, BPA staff formed a 501(3) nonprofit organization called Borderplex Connect to support all digital inclusion initiatives in the El Paso/Las Cruces region. This nonprofit provides administrative support for many efforts of several different organizations beginning in 2020. Further, the BPA strategy team is part of the founding board of directors.

Objective: Increase the number of households and businesses with connectivity

Key Outcomes

1

New organization formed

13

Partners

25

Projects

Action Items: 18.2 - Attract fintech startup companies that can partner with financial institutions to expand their digital services.

Project Description: In 2022, with an investment of \$2,000,000 and the creation of 100 jobs, the fintech company SumUp moved to El Paso. SumUp is a global financial technology company that supports more than 3.5 million merchants in over 30 markets worldwide and operates a product suite of tailor-made business tools created specifically for the micro and nano segment.

Also, with an investment of \$80,000 and the creation of 40 jobs, the company Finhabits established at El Paso. Finhabits is an automated investment app offering accounts for Spanish- and English-speaking clients.

Objective: Increase presence of small IT firms and data centers by capitalizing on strengths in cybersecurity and AI talent, friendly business environment, and land availability.

Key Outcomes

2

*Fintech
companies*

\$2,080,000

CAPEX

140

Jobs

Action items: 18.5 Conduct business retention and expansion efforts targeted at small firms in potential niche IT clusters such as cybersecurity, automated biomedical research, fintech, ag tech, and telehealth.

Project Description: Through an ABM targeted marketing campaign the BPA staff has been targeting industries in healthcare and technology. Also, the team has attended several events in which they have met with companies in these fields and have successfully attracted to the region the company Makios Technology, that focuses on Cybersecurity, IT Services and Software Development. They also attract and help with incentives negotiation for the Fintech companies SumUp and Finhabits.

Objective: Increase presence of small IT firms and data centers by capitalizing on strengths in cybersecurity and AI talent, friendly business environment, and land availability

Key Outcomes

2

Fintech companies

1

Technology company

Action Items: 18.1 Attract cybersecurity firms through a marketing campaign that highlights the high demand for cybersecurity talent nationally and the region's oversupply of cybersecurity talent.

Project Description: The BPA staff successfully helped the company Makios Technology to establish in El Paso. The company's investment in the region is going to be \$1,000,000 and they will be creating 17 jobs. Makios Technology is a company that has services in cybersecurity, IT and software development.

Objective: Increase presence of small IT firms and data centers by capitalizing on strengths in cybersecurity and AI talent, friendly business environment, and land availability.

Key Outcomes

1

Company

\$1,000,000

CAPEX

17

Jobs

Action items: 30.1 Market fields with an oversupply of talent to attract suitable companies and develop talent

Project Description: Through the ABM campaigns the following sectors have been targeted: Automotive, Data Centers, Electronics, Finance, Food production, Healthcare, Logistics, manufacturing, Technology, Video games.

Objective: Decrease net migration rates by fostering and inviting environment for skilled workers

Key Outcomes

322 Accounts engaged

392 Accounts reached

1,565 Engaged people

Action Items: 26.1 Advocate for greater public investment in trade infrastructure.

Project Description: El Paso - Juárez Binational Infrastructure Task Force - led by Congresswoman Veronica Escobar. The Task Force was formed to identify opportunities within the Paso del Norte region for dignified and efficient border crossings, cutting-edge infrastructure, and shared spaces for binational collaboration. During their first meeting in March 2022 in El Paso, TX, the Infrastructure Task Force began coordinating their policy priorities such as cross-border investments for land ports of entry, economic development, security, transportation, and other infrastructure.

Objective: Build a sustainable trade infrastructure transportation system by increasing public funding and project oversight and organization.

Highlights

\$12M

In funding announced by Congresswoman Veronica Escobar, for improvements for the Ysleta Port of Entry using the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program.

PROJECTS IN DETAIL - COMMUNITY HIGHLIGHTS

The community at large is working on a variety of projects that align with the 2025 Ascend Plan and are key investments towards building the regional economy. It is impossible to track and list every project happening in the region, and so the following list highlights just a few of the many projects that that the Borderplex Alliance's partners are working, which highlight the 2025 Ascend Plan's overall progress.

Action items: 24.3 Create a marketing plan to attract MRO companies and cybersecurity defense companies based on the availability of talent as well as many federal government customers.

Project Description: Alliance for Regional Military Support (ARMS) Coordinated a delegation of leaders from El Paso and Las Cruces to attend the Association of the United States Army (AUSA) annual conference. During the visit, thanks to the efforts by ARMS, the delegation met with six defense contractors, including those with cybersecurity operations, and various high ranking military officials. The focus of most of these meetings was the possibility of business expansion into the Las Cruces/El Paso area. The Borderplex Alliance scheduled several meetings after the conference to continue economic development opportunities. ARMS, a strategic partner of The Borderplex Alliance, continues to leverage their military contacts to identify business expansion leads in the aerospace and defense industry.

Objective: Create a well-developed value chain to improve sales of local suppliers and increase number of companies that move to the region.

Action Items: 22.1 and 24.4 - Create an online directory of suppliers to encourage more regional sales. This may include advanced features such as direct business-to-business sales and virtual showcasing. Build an online platform with a directory of manufacturing suppliers and original equipment manufacturers (OEM) to allow regional companies to find each other.

Project Description: A locally managed online platform called Samaritan Trade will feature regional suppliers with emphasis on medical device to connect them with buyers especially from the Borderplex region; Connex El Paso is an El Paso-focused online platform for supplier-buyer connections with an emphasis on aerospace and defense. These projects are in addition to the Sustainment.tech platform that is being leveraged by the Borderplex Supplier Association.

Objective: Increase overall sales for regional suppliers and increase products and services sold locally. Improve sales of local suppliers and increase the number of companies that move to the region.

Action items: 31.1 and 31.5 - Align government and private funding opportunities with entrepreneurs who are willing to fill gaps in the supply chain for the target industries. The medical device supplier development program, funded by the City of El Paso, is one such example. Establish a rapid prototyping center where businesses can connect with engineers to solve business problems with technology.

Project Description: The university and the county of El Paso launched the Technology Research and Innovation Acceleration Park, where rocket engine development can take place. Competing with over 500 cities, a 2022 coalition led by the City of El Paso and UTEP was awarded \$40 million in federal funds to advance regional manufacturing, aerospace and defense industries. El Paso was the only city in Texas to achieve this national opportunity.

Objective: Increase the number of startups and commercialized innovations.

Action Items: 15.1 Form a committee dedicated to creating trade financing workshops for community development financial institutions and financial literacy programming for SMEs. This committee may be used for additional goals such as identifying burdensome regulations and innovating new technology for business competitiveness.

Project Description: The Mexican Business Council of Foreign Trade (COMCE) has the objective of promoting Foreign Trade, the attraction of Foreign Investment and Technological Development, to promote the development and competitiveness of the State of Chihuahua. They have offered several training during the year to assure companies develop the capabilities to export. The topics covered in this trainings are related to custom formalities and procedures, tariff classification, taxes related to foreign trade / vat, iepe, igi, isan and compensatory fees, free trade agreements and certification of origin, modifications to the general import and export rate (6th amendment), doing business in texas, among others.

Objective: Increase the number of banking and insurance business customers by expanding banks' trade financing capabilities and by building SME's financial literacy.

Action items: 26.1, 26.9, and 26.7- Advocate for greater public investment in trade infrastructure. Invest in autonomous vehicle stations. Support advocacy efforts by the Chambers and others to secure funding for trade-related highway infrastructure projects. Improve all rail service properties and expand current rail infrastructure.

Project Description: The U.S. Department of Transportation announced an award to Doña Ana County in the amount of \$1.1 million to invest in its efforts to plan, implement and operate an integrated logistics hub, being referred to as the Tradeport. This award indicates the federal government's support for the project as a critical national infrastructure asset.

The Tradeport will not only leverage the unique, strategic, intersection of highway, airport, rail, and port of entry at Santa Teresa, but they will plan for future use of clean energy platforms such as electric vehicles and an automated movement of cargo to drive efficiencies. This logistics district will serve both domestic and international supply chain markets and enable regional and local companies to grow and increase regional business competitiveness.

The Tradeport project has already garnered vast regional support from public and private regional partners including the State of New Mexico, Port of Los Angeles, New Mexico State University, the El Paso Metropolitan Planning Organization, El Paso Council of Governments, Union Pacific Railroad, Daimler Trucks, New Mexico Chamber of Commerce, El Paso Electric, the (regional) Borderplex Alliance, the Mesilla Valley Economic Development Association, and the Border Industrial Association.

Objective: Build a sustainable trade infrastructure transportation system by increasing public funding and project oversight and organization.

Action Items: 21.5 - Conduct an analysis to predict new skills needed by 2025.

Project Description: SIDE, SWEM and Competitividad Laboral in Juárez conducted a skills survey to understand the skills needed in the critical positions within the manufacturing companies in Ciudad Juarez. The findings were communicated in a Talent Forum with the participant companies along with the universities to build an action plan to address these skills gaps. This project led to 6 visits by the participating companies to academic institutions, in which the proposed actions were detailed, as well as the construction of a talent strategy model for the state of Chihuahua by Competitividad Laboral, CONREDES and the SIDE. In addition, the Supplier Association sent a skills needs assessment to local suppliers to determine current and future skills needs, and their willingness to provide apprenticeships and internships to support students in manufacturing programs. The purpose of the survey was to inform future education programming.

Objective: Improve workforce system response time to business needs related to technology adoption and increase number of patents by unifying efforts across borders.

CONCLUSION

In addition to the above activities, the Borderplex Alliance team has put a considerable amount of effort into a variety of other areas. Five additional action items not listed above are underway and are expected to be completed in 2023 – 2024, including attracting EV companies to the area, building a regional manufacturing program, and developing a program to leverage skilled immigrants for hard to fill positions.

For example, towards attracting EV companies to the region, The Borderplex Alliance strategy team conducted research on workforce and supply chain issues for EV companies and lithium and rare earth mining activity; this process included meeting with major EV companies to better understand their supply chain and workforce needs. The team held two EV-related tech forums, which resulted in a meeting with the CEO of EV battery company to discuss company expansion in the region. The strategy team also prepared an inventory of regional EV assets to include in marketing materials, presented to the El Paso County Commissioners Court and the MPO to promote pro EV-related policymaking and presented regional information for a group of EV researchers from across the country at an UTEP and ASPIRE-hosted event on November 10, 2022. The whole Borderplex Alliance team also promoted the region as a great place for business expansion during a 3-day visit by a Taiwanese delegation of EV company executives. Results in the form of company expansions may come during the next one to three years.

The Strategy Team and BPA staff will continue to work across industry, education, workforce development and economic development to achieve the actions and goals of the Plan. An assessment of progress towards overarching objectives will begin in 2023.