Dear Partners, Investors and Stakeholders:

The Economic Development Department recently concluded its second fiscal year since starting operations in October, 2016. Since its creation the department has increased in size now taking into consideration different divisions based on the directive of the court. The major divisions are: Heritage Tourism, Business Attraction, and Business Retention & Expansion. Many of the departmental efforts are led with the use of the Chapter 381 Comprehensive Incentives Policy. This policy, based on local government code, allows the county to enter into contract with private businesses to incentivize using tax rebates for a set number of years.

The department has very capable individuals that specialize in different areas. Their diverse backgrounds allow different ideas to flow and are reflected in the different approaches that are pursued. The team oversees many other individuals and programs such as the Concordia Cemetery, the San Elizario Museum and the El Paso County Historical Commission comprised of 25 commissioners.

The department is consistently striving to adapt best practices and therefore attend multiple seminars and courses to keep up to the newest policies and trends. Most team members are currently pursuing the highly sought out Certified Economic Developer (CeCD) nomination provided by International Economic Development Council (IEDC).

Values & Services

El Paso County’s Economic Development staff can help new and existing firms with general market information, locating office space and serving as a liaison with county government. Specialized marketing staff can assist small, minority and women-owned companies, firms seeking venture capital or international firms wanting to open a location in the U.S. The staff can direct a business to other resources in the county that can help with real estate transactions, veteran services, workforce development and training. Here are other ways we can assist:

- We offer all mentioned services to those who need in English or Spanish.
- We provide tailored market data, as well as current demographic and economic information.
- We point you to resources for your existing business and help you find sources for your expansion.

The services we provide are completely free to the public and potential businesses that are planning to set up shop in El Paso. Along with the services we provide, we are also able to refer you to our partners if we are unable to answer any specific questions.
KEY METRICS

$158 MILLION
In total private investment in Fiscal Year 2017-2018.

419 JOBS
Retained and created for Fiscal Year 2017-2018.

Strategic Actions Impacting Achievement

County/City Application
During 2018, after seeing the need to streamline the incentives process, the County of El Paso, the City of El Paso and Borderplex Alliance, through a collaborative effort, designed and adopted a single incentives application. This provides a faster response time and makes the region a highly competitive market. Since the adoption of the application, communication between the agencies have turned the El Paso region into one single market.

Customized Training
During Fiscal Year 2018, the economic development department issued its first customized training incentive to FiveStar Loyalty. This incentive allows a business to develop a training curriculum with assistance that will enhance its workforce with new skills. Five Star will receive a total of $75,000 in incentives to assist workforce development. FiveStar will create and maintain at least 51 new positions with an overall average annual salary of $40,000.

Business Retention
The Business retention plan was adopted on January, 2018 along with the acquisition of a CRM software. Since the adoption of the plan there have been 24 BRE visits to businesses. This program will serve to identify at-risk businesses, reduce business closures, prevent layoffs, and assist expanding industries.

Economic Excellence Award
The economic development staff was recognized for its economic excellence effort in 2018 by the Texas Economic Development Council (TEDC). The County of El Paso is the first in the region to receive this recognition by the TEDC.
Data shown above includes all existing Chapter 381 Agreements since 2006. Jobs retained are not reflected.

Business Attraction

The business attraction division ensures qualifying attraction projects applying for incentives receive an incentive proposal based on the County’s incentive policy. The proposed incentive package is presented to Commissioners Court for approval of a 381 incentive agreement between the two parties. Preparing a competitive incentive package and incentive agreement is a challenging and rewarding process. Due diligence is critical in order to maintain a fair and clear process at all times.

The business attraction division also works on marketing pieces to be published, regional initiatives to benefit the metro area, and collaborate on strategic goals that benefit the County of El Paso. The County executed an agreement with UTEP for the future MIRO Technology Research & Innovation Acceleration Park at Fabens Airport. Currently, both parties are working together to structure a Master Plan. Also, the Venues Study Services will analyze the various future possibilities for County owned facilities like the County Coliseum.

The business attraction division was able to secure $158 million in private investment into the County through seven separate projects. These projects range in industries diversifying the business sectors in the region.

<table>
<thead>
<tr>
<th>Company</th>
<th>Investment</th>
<th>New Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Walnut</td>
<td>$300,000.00</td>
<td>0</td>
</tr>
<tr>
<td>West Star Tower</td>
<td>$73,000,000</td>
<td>0</td>
</tr>
<tr>
<td>Center at Zaragoza</td>
<td>$20,900,000</td>
<td>0</td>
</tr>
<tr>
<td>WestStar Loyalty</td>
<td>$7,500,000</td>
<td>51</td>
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<tr>
<td>Oil Technologies</td>
<td>$15,000,000</td>
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</tr>
<tr>
<td>South Shore</td>
<td>$8,000,000</td>
<td>10</td>
</tr>
<tr>
<td>UPS</td>
<td>$41,000,000</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$158,275,000</strong></td>
<td><strong>71</strong></td>
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</tbody>
</table>
The County and City of El Paso have been wonderful to work with as they supported our efforts to receive economic incentives.

- George Lowen (Center at Zaragoza)

Adopted by County Commissioners on January, 2018, the Business Retention & Expansion Plan defines the program guidelines to support the already existing businesses in the community flourish and expand.

The BRE Plan puts into effect survey business visits, to measure the business climate and respond to their business needs. In addition, to connect businesses to local programs and potentially reduce the risk of closing or relocating.

An Economic Tracking System was required to measure the business climate, track business services, and survey visits. To authorize the license agreement for business relationship management; Synchronist Business Information System Software was attained with approval from Commissioners Court on March, 2018.

Another effort completed was the participation for the local Investment Zone Promotion Program Implementation. Along with the Department Director, presentations were made at council meetings in every municipality on County Tax Incentives including Investment Zones and the BRE Plan.

Ongoing initiatives are to support business development, public programs and new business startups, with the creation of email blast campaigns for the department’s Event Base Contact.
Mission Trail
The Mission Trail Comprehensive Master Plan Update will result in a complete, up-to-date survey of the 9 mile stretch that comprises the Mission Trail from Ysleta through Socorro and San Elizario, Texas. Upon completion of the survey, the research and assessments will be used to create a Master Plan for historic rehabilitation and needed infrastructural improvements to encourage heritage tourism and improve the quality of life for those who reside, work, and own businesses throughout the community.

A public charrette will be hosted at the Ysleta del Sur Pueblo in November. The four day charrette includes an on-site design studio and presentations that will show the public the many different options and possibilities in creating walkable communities for heritage and local tourism. The design studio will give stakeholders, residents, and community organizations the opportunity to assist the consultants with creating a vision that accurately represents the culture and history of the area.

Historic Downtown
The Downtown Historical and Architectural Survey will complete an inventory of all historic assets in Downtown El Paso. The intent of the survey is to complete nomination applications to the Federal National Register of Historic Places on behalf of the Downtown Historic District and many of its important historical and architectural assets.
Oñate Crossing, a national park service Southwest Border Resource Protection Program grant was awarded for the purpose of completing a Historic Structures and Cultural Landscape Report on behalf of Oñate Crossing at Old Fort Bliss and Hart’s Mill.

The two reports are needed as part of a broader, ongoing project that ultimately aims to assess the current status of the site with the intention of rehabilitating it to promote heritage tourism.

El Paso County Historical Commission is a 25 member board comprised of scholars from a variety of professional fields including architectural preservation, education, heritage tourism, media, historians, and cultural and natural resource management—just to name a few. The Historical Commission is charged with providing the County with recommendations and advice with regards to heritage tourism and historic preservation. The Commission operates several sub-committees among a variety of topics. The Historical Marker Committee is one of the Commission’s most active committees, maintaining constant communication with the State Historical Commission and achieving a wide array of subject markers commemorating important sites, structures, events, and important figures in El Paso County history and culture. The Commission works very closely with the State Historical Commission who often requests their input in projects involving Federal Section 106 review or the protection of archaeological resources.

Casa Ronquillo, also known as the Viceroy’s Palace is located in the central village setting of San Elizario, Texas. It is a contributing structure to the National Historic District and is directly adjacent to traditional agricultural lands and the Acequia Madre and Escalda Acequia irrigation canals. Described as “an adobe Estancia in the Mexican Tradition,” it served as the home of San Elizario’s first mayor, Jose Ignacio Ronquillo, during the Mexican Era of the 1930s. In the 1870s, it belonged to prominent businessman Charles Ellis, who was a central figure in the 1877 Salt War.

Through the support of a Texas Preservation Trust Fund grant the County of El Paso, Casa Ronquillo is currently undergoing massive restoration and historic rehabilitation. This project involves the acquisition of the adjacent lands for the purpose of site access and infrastructural improvements, as well as agricultural restoration. The building renovations will include structural reinforcement, roof repair and restoration, wall treatments, period-style flooring, fenestration repairs and glass installation, as well as plumbing and electricity. The County of El Paso envisions this important site as a destination for heritage tourism, as well as a means of improving the quality of life for those who reside and work in the area.
El Paso has seen robust growth in construction, transportation and warehousing, health services, call centers, and finance, insurance & real estate. This is mainly due to the improved business conditions occurring throughout the region.

Unemployment rates have remained under the 5% for all of 2017 and 2018. Projections for 2019 will maintain such trend as El Paso’s unemployment rates remain slightly above national rates.

While population growth has remained slow for El Paso, this is likely to begin accelerating as the decreased unemployment rate continues to play a significant role in the out-migration effect.

Local universities, are likely to continue seeing an increase in enrollment as regional high schools graduates rise.

The three super sectors in El Paso County that see continued growth through 2018 are: Professional & Business Services, Mining, Logging and Construction, and Education & Health Services.

<table>
<thead>
<tr>
<th>Private Sector Top Employers</th>
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<tbody>
<tr>
<td>Tract Hospitals</td>
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<tr>
<td>Luc Park Primary Medical Center</td>
</tr>
<tr>
<td>ADP</td>
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<tr>
<td>University Medical Center</td>
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<tr>
<td>Abilene</td>
</tr>
<tr>
<td>Texas Tech Medical</td>
</tr>
<tr>
<td>GC Services</td>
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<tr>
<td>Del Sol Medical</td>
</tr>
</tbody>
</table>

$500$  $1,000$  $2,000$  $3,000$  $4,000$  $5,000$  $6,000$
INDUSTRY TRENDS

HOTELS

The downtown area has seen an expansion of new hotels and will continue on this upward trend for the next few years with the addition of three new hotels set to open in 2019, 2020 and 2021. The new hotels will add 517 new rooms to the downtown area and will include a 500-car garage to expand parking options.

In May 2018, downtown El Paso opened its doors in May giving way to the A-loft Hotel as it repurposed a previous office building into an 89-room hotel.

Room nights sold has been the main driver for the increased construction of new hotels and sales are set to continue with this trend well through 2019. Total hotel revenue is projected to pass the $200 million dollar mark in 2019.

Occupancy rates have remained steady and increasing in El Paso County at 67.9% for 2017 and are expected to rise to 68.4% by 2019.

Downtown is not the only region seeing increased sales such as new options for seminars and sporting and entertainment events also positively affect the surrounding hotels in the area near El Paso International Airport and the University of Texas at El Paso.

2017 top performing hotels.

1. El Paso Marriott—1600 Airway Blvd
2. Downtown Doubletree Hotel—600 N. El Paso St.
3. Radisson Suite Inn—1770 Airway Blvd
4. El Paso Embassy Suites hotel—6100 Gateway E.
5. Wyndham—2027 Airway Blvd
6. Hotel Indigo—325 N. Kansas
7. Hampton Inn and Suites—6635 Gateway W.
8. Hilton Garden Inn—6650 Gateway Blvd E.
9. Hyatt Place—6030 Gateway E.
10. Hilton Garden Inn—6650 Gateway Blvd E.
El Paso ranked No. 14 in U.S. Trade Gateway.

County of El Paso, TX

#1 Mexico, $45.01 B

#2 China, $2.27 B

#3 Thailand, $128.9 M

#4 Taiwan, $127.37 M

#5 Philippines, $61.97 M

Total trade in 2017: $76 B

Key Points

El Paso’s top export commodities are: computer chips, gasoline, computer parts, computers, electrical supplies, insulated wire, medical instruments for surgeons, TVs, and parts for electrical supplies.

El Paso’s top imports are: Computers, cell phones, cables, motor vehicles, medical instruments, motor vehicle parts, seats, commercial vehicles, and diesel engines.
CREATING THE EL PASO BRAND

Promoting Incentives
El Paso’s economic development staff led extensive marketing efforts throughout 2018 to multiple organizations and local governments and spread the word on the newly revised incentives policy. The staff met with diverse groups of people from constituents, city leaders, government officials, business owners, realtors, non-profits, and many more to have a better understanding of the county’s efforts to attract new businesses and create new jobs. The efforts led to two more cities within the county to adopt their own incentives policy which would lead combined efforts to recruit more business.

Social Media
Social media efforts were initiated in October, 2017. Growth has remained consistent with an average of 90 new followers each month generated between the two utilized media outlets; Instagram and Twitter.

Website
The County of El Paso re-vamped its website in June, 2018 which gave it a more appealing and user-friendly look. Staff took this opportunity to update much of its information along with the county-wide efforts. The new website design led to an 82% increase in website visits to the economic development portion of the website.

South by Southwest
In a collaborative effort, the County of El Paso, City of El Paso, Borderplex Alliance, City of Las Cruces, University of Texas at El Paso, and several local start-ups attended the trade show held in Austin. The purpose was to expose the El Paso region to potential investors, and attract businesses and expand tourism. The efforts generated 654 new leads and now remain under constant contact regarding investment opportunities and events in El Paso.
COUNTY OF EL PASO
ECONOMIC DEVELOPMENT

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