



THE MJK EL PASO GOOD JOBS PLAN

Converting Already-Funded Growth Into High-Wage Local Jobs, and Making Future Incentive Deals Earn Their Keep

“El Paso already has the investment committed — this plan is about turning it into filled, higher-wage jobs for people who already live here, and making sure the next big deal creates more than fifty jobs before it gets a tax break.”

“El Paso workers earn about two-thirds of the national wage. We just handed out a tax break the City values at up to half a billion dollars for fifty jobs. This plan finishes the manufacturing investment already under construction here — and makes sure the next deal has to earn it.”

Executive Summary

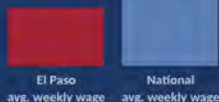
El Paso's unemployment rate was 4.6% in December 2025, flat over the quarter and above both the state and national rates — but unemployment is not the sharpest problem. Wages are. The average weekly wage here is about \$961 against \$1,394 nationally, roughly 69% of the national average, meaning a worker in El Paso earns about two-thirds of what the same work pays elsewhere in the country. That ratio, not the unemployment rate, determines whether a household can absorb a car repair or a property tax increase. Job growth has been real but shallow and volatile: payroll employment grew 0.5% across 2025, then contracted at an annualized 1.9% — a loss of about 1,750 jobs from September through December, with the steepest losses in professional and business services (about 1,050 jobs) and government (about 680) — and where growth occurred it concentrated in lower-wage trade, transportation and services rather than manufacturing. Layered on top is a second problem: announcements that don't convert. Meta's Northeast El Paso data center, scaled from an initial \$800 million commitment to roughly \$14 billion, is projected to become the City's single largest property taxpayer. In exchange for an 80% property tax break the City itself values at up to \$550 million across all phases, the enforceable commitment in the agreement is 50 permanent jobs — measured against the Annual Area Median Wage, precisely the low number the wage problem is about. In July 2026 the project's ownership changed hands, with BlackRock taking an 80% stake and Meta leasing the campus back, without the incentive agreement changing at all.

This plan responds with two pillars, and it is built around El Paso's federal grant history rather than around it. Pillar A converts investment already secured and under construction into filled, high-wage local jobs: the \$40 million Build Back Better Regional Challenge award — \$25 million to the City for the Advanced Manufacturing District on 250 airport-adjacent acres, \$15 million to UTEP for the Innovation Network for Manufacturers — which broke ground on May 6, 2026. That award nearly failed the way the \$160 million NSF Innovation Engine award did, and survived because Council made the City a joint administrator in October 2025; this plan makes joint City administration the default structure rather than a rescue applied under pressure. It also funds the Network Coordinator role locally rather than waiting on a Recompete implementation grant that was awarded elsewhere in August 2024, sizes training capacity to the pipeline that actually exists, funds the childcare, transportation and healthcare access the City's own analysis names as the binding constraint, and publishes filled jobs at a wage floor — not dollars spent or training completions — as the success metric. Pillar B requires jobs-per-dollar accountability in every future Chapter 380 or Chapter 312 agreement: a wage floor modeled on Austin's current program as revised in September 2024, a published jobs-per-dollar ratio scaled to the size of the incentive, clawbacks drafted as repayment with interest that survive a transfer of ownership, and annual public reporting against committed targets. The vehicle is the Chapter 312 guidelines readoption Council already runs every two years. The standard applies prospectively — it cannot and should not reopen the Meta agreement — but prospective is not toothless: it governs any future phase, any amendment a company itself requests, and the reporting requirement can cover existing deals even where their terms cannot be changed.

1. The Problem

THE PROBLEM

\$961 \$1,394



≈ 69%

The sharpest problem is wages. A worker here earns about two-thirds of what the same work pays elsewhere in the country, and that ratio — not the unemployment rate — is what determines whether a household can afford a home, a car repair, or a property tax increase.

Unemployment is real, but not the sharpest problem

4.6%

El Paso's unemployment rate in December 2025 — flat over the quarter and above both the state and national rates. That gap is real but it is not the sharpest problem.

Job growth has been real but shallow and volatile



Where growth has occurred, it has concentrated in lower-wage trade, transportation and services rather than in manufacturing.

THE SECOND PROBLEM: ANNOUNCEMENTS THAT DON'T CONVERT

El Paso knows how to announce large investment deals. It has been less good at making sure they produce local jobs. Meta's Northeast El Paso data center — a project the company has since scaled from an initial \$800 million commitment to roughly \$14 billion — is projected to become the City's single largest property taxpayer.

\$800M

initial commitment

\$14B

roughly, after the company scaled the project

\$550M

up to — what the City itself values the 80% property tax break at across all phases

50

the enforceable commitment in the agreement — permanent jobs

The 50-job floor is measured against the Annual Area Median Wage

The El Paso metro median for all occupations — which is precisely the low number Section 1 is about.

In July 2026 the project's ownership changed hands

With BlackRock taking an 80% stake and Meta leasing the campus back — without the incentive agreement changing at all.

The fix is not to stop pursuing investment. It is to require investment to convert into local jobs, with numbers written into the agreement and consequences if it doesn't. A job creation strategy that only chases announcements will keep reproducing the same ratio.

2. The Goal

THE GOAL

Two pillars, addressing both halves of the problem.

PILLAR A

Convert already-secured investment into filled, high-wage local jobs

El Paso is not starting from zero. Real federal and regional investment in advanced manufacturing and aerospace is committed and under construction. The job is to make sure it turns into El Pasoans working in higher-wage jobs, not funding announcements and training completions.

PILLAR B

Require jobs-per-dollar accountability in every future economic development agreement

Every new Chapter 380 or Chapter 312 deal the City signs should carry an enforceable local-jobs commitment, a wage floor, and a clawback if the company doesn't deliver — the standard toolkit Texas cities already use, applied consistently rather than case by case.

3. What's Already in Motion — Build on This, Don't Duplicate It

WHAT'S ALREADY IN MOTION — BUILD ON THIS, DON'T DUPLICATE IT

A credible plan coordinates with the structures already running rather than creating a competing one.

The Borderplex Alliance

The region's private, nonprofit economic development organization (El Paso, Las Cruces, Ciudad Juárez), handling business attraction, retention, site selection, and regional strategy.

The City's Economic & International Development Department

The City-side counterpart that negotiates and manages incentive agreements, including the City's existing Chapter 380 program.

Workforce Solutions Borderplex

The region's workforce development board, already tracking labor market conditions and running training and placement programs.

Training and education anchors

UTEP, El Paso Community College District, and the Texas Tech University Health Sciences Center at El Paso, plus the Advanced Manufacturing District itself and a U.S. Space Force presence locally.

The Advanced Manufacturing District and the Innovation Network for Manufacturers

Funded by a \$40 million Build Back Better Regional Challenge award made in September 2022 to the West Texas Aerospace and Defense Manufacturing Coalition — one of 21 nationally.

\$25M

to the City, to build the Advanced Manufacturing District on 250 airport-adjacent acres

\$15M

to UTEP, for the Innovation Network

May 6, 2026

the date it broke ground

This is real, active, and under construction. It is the concrete pipeline Pillar A is built around.

THE TWO FEDERAL GRANTS, TOLD ACCURATELY

Any plan built on this pipeline has to be straight about what happened to the money, because the failures are the strongest argument for the safeguards in Pillar A.

The NSF Innovation Engine award is gone — and the reason is noteworthy

\$15M

first two years

\$160M

up to, through 2034
if metrics were met

\$0

ever spent

In January 2024 the National Science Foundation awarded one of ten Regional Innovation Engines grants to the UTEP-led Paso del Norte Defense and Aerospace Innovation Engine. NSF suspended the award in April 2024 while it reviewed the application, and cancelled it in August 2025.

The common shorthand — that the grant was lost because of an internal UTEP dispute — is incomplete. A UTEP internal investigation alleged falsification in the application by the principal investigator. **NSF's own Office of Inspector General, in a report dated July 2025, could not substantiate those allegations and found no evidence to support them.** NSF cancelled the award anyway, having already reallocated most of the funding during the suspension, on the basis that sufficient funds were no longer available for the project as envisioned.

This is not a detail. The lesson is not simply "vet grant applications more carefully." It is that a single institution's internal governance dispute was allowed to jeopardize a regional economic asset, and that once federal money is reallocated it does not come back.

The Recompete Implementation grant did not come — and that question is settled

565

applications — an
unprecedented field

22

Phase 1 finalists,
Dec 2023 (incl. El Paso)

6

Phase 2 awards,
\$184M — not El Paso

The City of El Paso led the Borderplex Region Workforce Recompete Plan and submitted a Phase 2 implementation application in mid-2024.

On August 5, 2024, EDA announced six Phase 2 awards totaling \$184 million. El Paso was not among them. The six awardees were Allentown, the North Olympic Peninsula, the Oasis Expansion plan in Puerto Rico, Reinvest Birmingham, the Eastern Kentucky Runway plan, and the Wind River Indigenous-based Economy plan. EDA's published awardee and finalist lists still show El Paso under Finalists.

The program was authorized at \$1 billion but received only \$200 million in appropriations for the 2023–2024 competition, and EDA now labels pre-2025 awards as not necessarily reflecting current investment priorities.

There is no pending decision to wait on. Any plan that treats the Recompete outcome as open is building on a question that was answered two years ago.

What survives from the Recompete work is still valuable and should not be discarded

- An approved Recompete Plan
- A designated executive-level Network Coordinator role housed in the City Manager's Office
- An identified evaluation design with quarterly dashboards and annual reporting
- Hiring commitment letters gathered from local employers
- A documented analysis naming childcare, transportation and healthcare access as the binding constraints on completion and placement

That is a finished planning product the City paid for. Pillar A is about funding the parts of it that no longer have a federal sponsor.

4. Pillar A — Convert the Pipeline Into Filled, High-Wage Jobs

PILLAR A — CONVERT THE PIPELINE INTO FILLED, HIGH-WAGE JOBS

4.0

Keep grant administration under joint City oversight, not delegated to a single institution

This is not a hypothetical safeguard. It has already been tested here. The \$40 million Build Back Better award nearly failed the same way the NSF award did: in June 2025 the Economic Development Administration notified the City that construction had not begun on the funded projects, putting the award at risk, after staffing and capacity at the university centers behind the proposal declined sharply.

In October 2025 Council approved an interlocal agreement making the City a joint administrator with UTEP — the City already held the \$25 million district component directly, and the interlocal brought \$10 million of UTEP's \$15 million programming component under joint administration, with the nonprofit El Paso Makes taking over the Innovation Network for Manufacturers.

A city official put the reasoning bluntly at the time: the City could not afford another federal grant failure, because at some point the region stops getting funded.

That joint-administration model is why the Advanced Manufacturing District broke ground in May 2026 instead of collapsing. Make it the default structure for any future economic development grant, not a rescue applied under pressure.

4.1

Fund the Network Coordinator role locally. The federal grant is not coming.

The City's Recompete plan designated an executive-level Network Coordinator housed in the City Manager's Office. That coordination function — connecting the surviving BBBRC-funded pipeline to actual training and placement — is valuable on its own terms, and the federal implementation grant that would have paid for it was awarded elsewhere in August 2024.

Fund the position in the General Fund at a scale the City can sustain, and treat it as permanent infrastructure rather than grant-dependent staffing. The planning work is done and paid for; letting it lapse for want of a single position wastes it. Council should ask staff for a cost figure and a reporting line in the next budget cycle.

4.2

Size training capacity to the pipeline that actually exists

Tie EPCC, UTEP, and Texas Tech HSC program capacity directly to the specific skill and certification needs of the BBBRC-funded pipeline, not to generic workforce funding. This matters more now than it did when the plan was first conceived: the scope should be sized against the surviving \$40 million program alone, not the combined figure once assumed when the \$160 million NSF award was still live.

Building capacity against a pipeline that no longer exists is how training completions outrun placements.

4.3

Fund the wraparound services the City's own analysis already identified as the binding constraint

Childcare, transportation, and healthcare access are named in the City's own Recompete planning materials as the primary barriers preventing residents from completing training and advancing into higher-wage work. Without them, training capacity does not translate into filled jobs.

Notably, EDA designed the Recompete program to fund exactly these services because they are not activities federal economic development grants have historically covered — which is precisely why, absent that grant, they have no obvious funding home and will not happen unless the City decides they should.

4.4

Publish filled-jobs-at-a-wage-floor as the success metric

Not dollars spent, and not training completions alone. A public quarterly dashboard — jobs filled, starting wage, retention at 6 and 12 months — makes it possible to tell whether the pipeline is closing the wage gap in Section 1 or just moving money. The Recompete plan already specified an evaluation design along these lines, including quarterly measurement and annual public reporting. Adopt it rather than rebuild it.

This is also the mechanism that surfaces failure early. A dashboard reporting zero placements would have made the NSF award's trajectory visible locally long before a federal investigation made it public.

5. Pillar B — Jobs-Per-Dollar Accountability in Future Deals

PILLAR B — JOBS-PER-DOLLAR ACCOUNTABILITY IN FUTURE DEALS

Texas cities already have the legal toolkit for this. The issue in El Paso is not a lack of authority — it is applying the toolkit consistently. Chapter 380 of the Local Government Code (economic development grants and loans) and Chapter 312 of the Tax Code (property tax abatements) both routinely carry performance milestones, wage requirements, clawback provisions, and annual reporting. That is standard practice across nearly every major Texas city, including in El Paso's own existing Chapter 380 program.

5.1

Adopt a wage-floor requirement modeled on Austin's Chapter 380 policy

Austin's Chapter 380 policy requires ongoing City analysis to determine the expected annual average wage for the lowest-paid 10% of local workers from companies negotiating firm-based economic development proposals, and holds proposals to that standard. El Paso can adapt the same mechanic, calibrated to El Paso's own wage data.

Look at the current version, not the 2018 one. Austin revised its Business Expansion Program by ordinance in September 2024, adding a dedicated small-business category with a lower participation threshold and allowing firms that fall just short of the wage threshold to qualify by committing to wage increases through City coaching and training. That flexibility is worth copying: a rigid floor with no on-ramp is the version opponents will caricature.

5.2

Scale the required local jobs commitment to the size of the incentive

Not a flat number regardless of deal size. A \$500 million abatement and a \$5 million grant should not carry the same job-count expectation. Publish the ratio the City is using so it is a known, predictable standard for any company negotiating with the City rather than a case-by-case surprise.

A published ratio also does something a case-by-case approach cannot: it lets residents evaluate a deal at the moment it is announced instead of years later.

5.3

Write enforceable clawbacks into every agreement as standard practice

Clawbacks — recouping incentive value if job or wage targets are not met — are routine boilerplate in Chapter 380 agreements statewide. This is a matter of consistent policy, not new legal risk.

One design warning drawn from experience close to home: a clawback is only as good as the remedy it specifies. An agreement whose sole remedy for underperformance is terminating future benefits does not recover anything already paid. Draft the remedy as repayment with interest, and make it survive a transfer of ownership so a company that sells or restructures the project cannot leave the obligation behind.

5.4

Require annual public reporting against committed targets

For every active agreement, and publish a standing jobs-per-dollar-of-incentive dashboard covering both new and existing deals — the same transparency-by-default approach this project's companion plans apply to infrastructure spending. Existing deals belong on the dashboard even where their terms cannot be changed, because the public record is what makes the next negotiation different.

5.5

Use the Chapter 312 reauthorization cycle as the vehicle

This recommendation is new and it is the most practical route to adoption. Under the Tax Code, a taxing unit may not enter into a tax abatement agreement unless it has adopted guidelines and criteria governing them, and those guidelines are effective for two years before they must be readopted.

That biennial readoption is a scheduled, routine Council agenda item that already exists — and it is the natural place to insert a wage floor, a published jobs-per-dollar ratio, and standard clawback language without needing to create a new process. Direct staff to confirm the date El Paso's current guidelines expire and to bring the revised standards forward with the readoption.

5.6

Apply prospectively, and say so plainly

This cannot retroactively fix the Meta agreement and should not try. Reopening a signed deal invites legal and credibility problems of its own, and Council has already declined to pursue termination. The goal is that the next major agreement the City signs does not repeat the same jobs-to-incentive ratio.

Prospective does not mean toothless. Three things are available without touching a signed agreement:

The standard applies to any future phase, expansion, or new project on land outside an existing agreement's boundary

It applies to any amendment a company itself requests

The reporting requirement in 5.4 can cover existing deals even where their substantive terms cannot be reopened

6. Anticipated Opposition — and Responses

ANTICIPATED OPPOSITION — AND RESPONSES

OBJECTION	RESPONSE
<i>"This will scare off the next big investment deal."</i>	Wage floors and clawbacks are standard, publicly documented practice in Austin and other major Texas cities. Companies negotiating in Texas already expect them. What is unusual is a 50-job commitment against an incentive the City values at up to \$550 million — not the accountability tools proposed here.
<i>"Clawbacks just invite lawsuits and never actually get enforced."</i>	Clawback provisions are routine, board-approved boilerplate in Chapter 380 agreements across the state, not a novel legal tool. The real risk runs the other way: agreements that never had enforceable terms to begin with, and whose only remedy is to stop paying benefits the company has already collected.
<i>"Why manufacturing and aerospace instead of a bigger sector like retail or logistics?"</i>	This plan is not picking winners. It is finishing what is already funded. The \$40 million in secured federal investment specifically targets advanced manufacturing and aerospace and is under construction now. The fastest credible path to real wage gains is converting money already committed , not starting a new sector strategy from scratch.
<i>"Didn't El Paso already lose two big federal grants? Why would this be different?"</i>	Yes, and the plan is built around that history rather than around it. The \$160 million NSF award was cancelled in August 2025 after a suspension — with the federal inspector general finding no evidence to support the falsification allegations that triggered it. The \$50 million Recompete implementation application was not funded in August 2024. What survives is the \$40 million Build Back Better award, which is under construction and now jointly administered by the City precisely because single-institution administration proved unreliable. This plan recommends locally funding the coordination role and keeping City co-administration as the default so that nothing critical depends on a single grant clearing.
<i>"Council is already handling this through the data center framework and a community benefits agreement."</i>	Partly, and that is a good sign. But a community benefits agreement is a voluntary side document, and the July 2026 framework covers one industry. The enforceable instrument is the incentive agreement itself , and the standard should apply to every deal rather than arriving after a controversy. This plan generalizes what Council has already shown it is willing to do.
<i>"The City can't afford to fund the coordinator and wraparound services locally."</i>	This is a fair objection and should be answered with a number rather than a principle. Direct staff to cost the coordinator position and a minimum wraparound package, and weigh it against the value of the planning work already completed and the federal award already under construction. If the City will not fund the connective tissue, it should say so openly rather than continue to describe the pipeline as a jobs strategy.

7. Suggested Timeline

SUGGESTED TIMELINE

Now – 2 months	Direct the Economic & International Development Department to draft a Chapter 380/312 wage-floor, jobs-ratio and clawback policy modeled on Austin's current program. Confirm the expiration date of the City's existing Chapter 312 tax abatement guidelines so the policy can ride the readoption. Request a costed proposal for locally funding the Network Coordinator role.
2 – 6 months	Council review and adoption of the updated incentive policy (Section 5), timed to the Chapter 312 guidelines readoption. Program-capacity alignment session with EPCC, UTEP and Texas Tech HSC against the specific skill needs of the BBBRC pipeline. Scope the wraparound-services funding gap identified in the City's own Recompete plan and bring a funding option to the budget process.
6 – 12 months	Launch the public jobs-per-dollar and filled-jobs dashboard, covering existing agreements as well as new ones. Apply the new incentive policy to the next Chapter 380 or 312 agreement Council considers. First quarterly Pillar A reporting cycle — jobs filled, starting wage, retention.
Ongoing	Quarterly dashboard updates. Annual reporting against every active incentive agreement's committed targets. Maintain City co-administration as the default structure for any new economic development grant. Continue pursuing state and federal workforce funding — while keeping the core functions locally funded so they do not depend on it.