


Innovation & Expertise on the Border



Moderated by
Able Rodriguez

UNIVISION

presented by

THE PASO del NORTE GROUP

UTEP

Pablo Salcido • Joyce Wilson • Peter Cooper

RCIC

cognent

Ebetuel "Beto" Palleres • Martín Paredes

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Emerging El Paso Market

Technology Challenge for our Economy

- Fact: Our regional economy has transitioned into technology and services.
- Fact: Per capita income and El Paso's education level continue to lag.
- El Paso's income level is 67 percent of the U.S. average in 2005, while Texas was at 94 percent.
- El Paso was at 64 percent of the U.S. average in both 1995 and 1980.
- The lack of progress in relative per capita income can be examined from many directions: the mix of high- and low-wage industries in the city, the low educational achievement level of the workforce or the sustained out-migration of high achievers."
- We must now take advantage of our growth in healthcare, services, future combat systems development, international trade and other technology related industries

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Technology Highlights in our Economy

Healthcare


- 8 of the top 20 fastest-growing occupations between now and 2014 are in healthcare, and the industry is also expected to lead in new wage and salary job creation
- Texas Tech-El Paso has a new 4-year Medical School with its first entering class in 2009;
- 500 doctors, scientists, researchers, teachers, lab and other technicians, support and administrative staff over two years;
- UTEP Nursing School... a total investment of just under \$90 million.
- Thomason Hospital, our local public hospital is undergoing a \$134 million expansion;
- The Medical Center of the Americas is now under development in the Thomason and Texas Tech Corridor
- Tenet is completing its \$143 million, 100-bed acute care hospital on the east side to complement its facilities at Providence and Sierra.
- El Pasoans are going to vote on a \$150 million bond issue next month on a Children's Hospital at Thomason Hospital;
- Juarez is building 2 new private hospitals with over 150 beds
- Recruiting for MD's, nurses, health professionals, researchers, technicians, is at an all time high.

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Engineering and the Sciences

- UTEP is upgrading its Engineering and Sciences facilities infrastructure with an investment of \$130 million;
- Total engineering school enrollment 244
Hispanic engineering school enrollment 67
27.5% Hispanic graduate enrollment
- Total postgraduate degrees earned 153
36 Postgraduate degrees earned by Hispanics
23.5% of postgraduate degrees earned by Hispanics
- As a topnotch and nationally recognized engineering school, our local technology firms can reap the benefits of having a steady stream of engineers, scientists, researchers, technicians, is at an all time high.

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School District Investment

- El Paso school districts are generating close to \$1 billion in bonds for new school and infrastructure construction; from Canutillo and Tornillo, to Socorro, Ysleta and El Paso ISD's.
- Investment in our public education infrastructure, from satellite campuses in technology, health care, international baccalaureate, Law Enforcement and Criminal Justice is building a work-force ready to move into a university setting and participate in emerging career paths.

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Regional Water Technology Water is Economic Development

- Our PSB, with technological advances, is moving ahead with real economic development incentives.
- The new \$87 million Kay Bailey Hutchison desalination plant will produce 27.5 MGD of additional capacity and help preserve existing potable groundwater.
- The Desalination Plant will supplement 25% of overall supplies
- TechH₂O Center (\$8M facility) will promote educating citizens about the value of water... especially in a desert environment.
- The northeast master development plan will infuse \$100 million into infrastructure, and over \$2 billion in residential and commercial development of 3,300 acres over the next 10 years.

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Fort Bliss and Future Combat Systems

- According to the Institute for Policy and Economic Development at UTEP, between 2006 - 2013, Ft. Bliss will add \$210 million in new property tax income to the economy with a total \$21 billion economic impact over that same period.
- El Paso and Ft. Bliss are the DOD's leaders in developing, testing and deploying the new technologies required in the field
- The net population increase through 2011 will be close to 45,000 people.
- A \$350 million inner loop is being built to accommodate the massive Ft. Bliss expansion.
- 41,600 jobs will be added to the market.
- Thousands of homes and a commercial mall are being built on base to accommodate incoming families, "This is the largest transformation of an installation in the Department of Defense", according to Col. Robert Burns, Fort Bliss garrison commander. .
- New weapons systems, their testing environment and related technology contracts and jobs have begun to impact our economy.
- The U.S. Army plans to station a 500-engineer battalion at White Sands in June 2008.
- 60% of military personnel will require 8,500 new units in off-base housing.

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Emerging El Paso Market

The Paso Del Norte Region

- Juarez is at full employment. The 3rd generation of Maquilas continues to evolve. Maquilas are run and managed, by Mexican Plant Managers, Controllers, Operations, Engineers and software developers, Technology, Marketing, Administration and HR professionals;
- A stronger Juarez middle class means more entrepreneurs and purchasing power in the region;


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Emerging El Paso Market

Technology and Entrepreneurship


- From Future Combat Systems to Healthcare
- UTEP and Texas Tech to the MCA
- RCIC to technology development
- Master Planned Communities
- Water technology and managed growth
- Juarez role as a major player on the global stage
- International trade and security
- Las Cruces development as a retirement center...
- The Paso Del Norte region has hit full stride in its development process with technology at the core. As business leaders we must forge and hire our graduates who will be prepared to participate in this new economy. It can't and won't happen without our commitment to our human capital, our labor force and the next generation of technology entrepreneurs.


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Public/Private Leadership by Example



 Joyce Wilson



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Crossing the Digital Divide



Downtown El Paso

 Peter Cooper




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Business Incubators

What is the ETF?

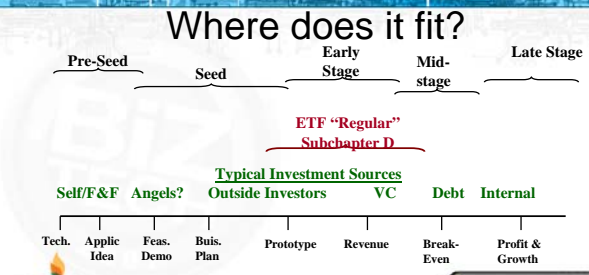
- **Creation**
 - Texas Legislation / \$200 M fund
- **Purpose**
 - Accelerate Economic Growth in Texas
 - Develop the Technology Sector
- **Strategy: Three Pronged**
 - Promote Commercialization of Technology
 - Foster World Class University Research
 - Develop High Tech Entrepreneurship

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Business Incubators

Where does it fit?



The diagram illustrates the stages of business incubation: Pre-Seed, Seed, Early Stage, Mid-stage, and Late Stage. Below these stages, typical investment sources are listed: Self/F&F, Angels?, Outside Investors, VC, Debt, and Internal. Milestones are also indicated: Tech. (Idea), Applic. (Demo), Feas. (Plan), Buis. (Prototype), Revenue (Break-Even), and Profit & Growth. A red box highlights 'ETF "Regular" Subchapter D' under the Seed stage. The RCIC logo is in the bottom left, and 'Ebetuel Pallares' is in the bottom right.


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Business Incubators

What is the RCIC?

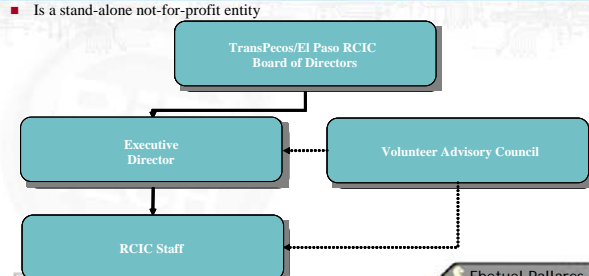
- **Mission**
 - To promote, support and improve technology transfer in the region and to demonstrate its benefits globally through education, advocacy, networking and communication.
- **Vision**
 - To provide a collaborative environment where government, academia and industry accelerate the commercialization of research and development efforts for the manufacture of relevant real or intellectual products in the Trans-Pecos/EI Paso region and thereby expand the regional economy to benefit citizens.

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■ Is a stand-alone not-for-profit entity



The organizational chart shows the TransPecos/EI Paso RCIC Board of Directors at the top. Below it are the Executive Director and the Volunteer Advisory Council. The Executive Director oversees the RCIC Staff. The Volunteer Advisory Council also has a dotted line connection to the RCIC Staff. The RCIC logo is in the bottom left, and 'Ebetuel Pallares' is in the bottom right.

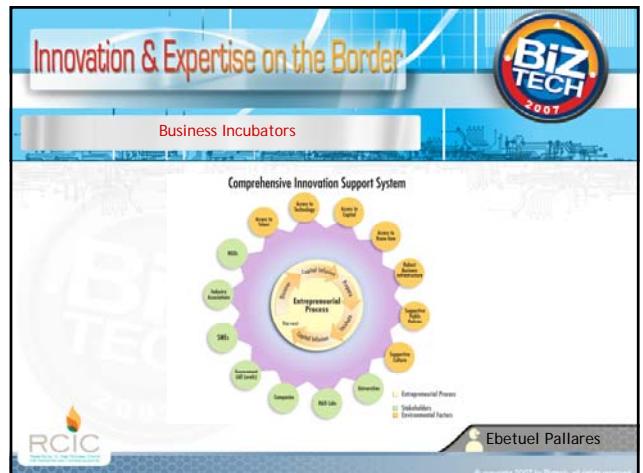
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What are the goals of the RCIC?

- 501 (c) 3 funded with ETF seed capital and sponsorships
- The RCIC has six goals against which to measure its success in the Trans-Pecos/EI Paso region. Those goals are as follows:
 - Economic Growth
 - Business Acceleration
 - Federal Participation
 - Workforce Development
 - Global Competitiveness
 - World-Class Research & Development

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Comprehensive Innovation Support System

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TPEP RCIC Services

- Deal Screening
- Deal Due Diligence
- Access to capital (e.g., CRA and others)
- Preferred service provider network
- Educational component (e.g. IP filing process)
- CXO Academy (management team mentoring and recruiting)
- Deal vetting, management and oversight

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Contact Us

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Regional and Global Opportunities for Small Businesses

It's an exciting time to be an El Paso business!

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We need to change how we think of ourselves.
 El Paso is a leader not a follower when it comes to technology.




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Technology is not a luxury, **IT IS A NECESSITY!**



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Are there business opportunities?

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Geographically we sit right in the middle of the world's largest economy!



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Mexico is the United States' 3rd largest trading partner today!
Canada, not China is number 1!



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Today, Mexico buys more US products than the 4 largest economies in Europe combined!

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México has signed Free Trade Agreements with 40 countries.



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According to Goldman Sachs, by 2040; México will have the 5th largest economy on the planet!

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And where are we? Right in the middle of it all.



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We need to start thinking regionally and globally, not locally.



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Regional and Global Opportunities for Small Businesses

Are there opportunities for small businesses?

YES, if we accept the following:

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Regional and Global Opportunities for Small Businesses


Are there opportunities for small businesses?

YES, if we accept the following:

1. We accept that El Paso offers leaders in technology

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
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Regional and Global Opportunities for Small Businesses

Are there opportunities for small businesses?

YES, if we accept the following:

1. We accept that El Paso offers leaders in technology
2. We accept our neighbors to the south as partners, and

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Regional and Global Opportunities for Small Businesses

Are there opportunities for small businesses?

YES, if we accept the following:

1. We accept that El Paso offers leaders in technology
2. We accept our neighbors to the south as partners, and
3. We embrace technology as a business necessity.

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Regional and Global Opportunities for Small Businesses

What Opportunities?

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Microsoft

\$600 Million in North Carolina

\$550 Million in San Antonio

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Regional and Global Opportunities for Small Businesses

We are technology leaders, we need to embrace technology and we sit on the epicenter to the largest world economy.


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Questions & Answers

Questions & Answers



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