



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 23-621

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- a. Receive an oral report from the University of California Santa Cruz (UCSC) on the Economic Development Administration (EDA) Regional Technology and Innovation Hub Program (Tech Hubs) grant proposal, and
- b. Consider adopting a resolution authorizing the County Administrative Officer or designee to join the Greater Salinas Advanced Air Mobility Coalition being led by UCSC to submit a proposal for the EDA Tech Hubs grant.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive an oral report from the University of California Santa Cruz (UCSC) on the Economic Development Administration (EDA) Regional Technology and Innovation Hub Program (Tech Hubs) grant proposal, and
- b. Consider adopting a resolution authorizing the County Administrative Officer or designee to join the Greater Salinas Advanced Air Mobility Coalition being led by UCSC to submit a proposal for the EDA Tech Hubs grant.

SUMMARY/DISCUSSION:

Economic Development Administration (EDA) Tech Hubs Overview:

The Tech Hubs Program is an economic development initiative designed to drive regional technology-and innovation-centric growth by strengthening a region's capacity to manufacture, commercialize, and deploy critical technologies. This program will invest directly in regions with the assets, resources, capacity, and potential to transform into globally competitive innovation centers in approximately 10 years while catalyzing the creation of good jobs for workers at all skill levels.

The Tech Hubs Program will bring together a wide array of public, private, and academic partners into a collaborative consortium focused on regional economic development needs and unique growth opportunities.

The Tech Hubs Program was enacted as a part of Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act of 2022 (as the Regional Technology and Innovation Hubs Program). The statute authorized \$10 billion for the program over five years. As part of the FY 2023 Consolidated Appropriations Act, Congress appropriated EDA \$500 million to launch the program.

The Tech Hubs Program seeks to ensure that the industries of the future start to grow and remain in the United States. This program will invest in U.S. regions that are focused on technologies within or

across key technology focus areas.

On May 12, 2023, the Economic Development Administration (EDA) published the Tech Hubs Phase 1 Notice of Funding Opportunity (NOFO) - the first of two phases. EDA will designate at least 20 Tech Hubs across the country and will separately award approximately \$15 million in strategy development grants to accelerate the development of future Tech Hubs. The Tech Hubs designation will be a widely recognized indicator of a region's potential for rapid technology - led economic growth.

Greater Salinas Advanced Air Mobility Coalition Proposal:

The emerging industry of advanced air mobility (AAM) and Electric Vertical Takeoff and Landing Aircraft (EVTOLs) is changing the world at a rapid pace, with varying form factors of aircraft enabling myriad new applications and industries. The form factors of aircraft range from consumer drones designed as children's toys to multi passenger all-electric aircraft and hydrogen powered commercial airliners, all designed to revolutionize air transportation.

For a variety of reasons, the greater Salinas Metropolitan Service Area (MSA) has become the nascent hub for several AAM manufacturers in the United States, leading to the highest concentration of AAM & EVTOL testing and manufacturing in the US, all within a 30-mile radius of downtown Salinas. An advantage of this region is the number of small under-utilized municipal airports within a two-hour drive of San Francisco and Silicon Valley and the fact that airspace over largely agricultural land and former military installations are less regulated. The region also has a diverse topography, with immediately proximate deep ocean and near shore marine environments, coastal wetlands, arid and warm-temperate mountain ranges, and extensive diversity in agriculture crops, all serving as testing grounds for the development of vertical industries utilizing AAM technologies. Underlying all these environmental factors is the 100+/- mile distance from Silicon Valley and the SF Bay area, which makes this region ideal for the merger of human talent, a safe environment to iterate with new airborne technologies, and proximity to elite research universities such as UC Santa Cruz, UC Berkeley, and Stanford.

But that ~100-mile distance between the SF Bay area and Salinas is also vast in terms of commute time, culture, educational typologies, and culture. The Salinas Valley is a largely Latino region, comprised of smaller municipalities that orbit the city of Salinas, population ~160,000. Until 1994, the only public higher education institutions in Monterey and San Benito Counties were California Community Colleges (CCCs). With the closure of Fort Ord in 1994, \$2B in economic impact disappeared from Monterey County, the loss of which is still felt deeply in the communities that served and abutted Fort Ord. One of the municipal airports involved in the coalition and two of the universities are proximate to former military lands still designated as EPA Superfund sites; and the poverty rates in the three counties surrounding Salinas are amongst the highest in California.

The Salinas Valley Advanced Air Mobility Coalition (SVAAMC) proposes to overcome these challenges and advance the region by coalescing the collective energy of three of the U.S.'s leading transportation based AAM manufacturers, the largest concentration of marine science research facilities in the world, six of the world's leading research universities, a diverse coalition of largely

Latinx workforce initiatives, the US military, several of the world's leading agricultural companies and all regional California Community Colleges (CCCs) in transforming this loose confederation of collaborators and competitors into a next generation Tech Hub centered in the greater Salinas MSA region.

The foundation of this vision is underway, with Joby Aviation, Archer Aviation and Wisk Aviation all testing and prototyping passenger AAMs at Salinas, Marina, and Hollister municipal airports, with smaller scale AAM piloting programs at CCCs, extensive marine science mapping and climate research initiatives within the Monterey Bay region (less than 20 miles from Salinas), and large-scale application of a variety of AAMs in various agricultural applications, utility infrastructure inspection, marine and coastal wetlands research and public safety initiatives.

In all these domains the greatest needs are workforce education and the creation of cross-sector standards for manufacturing, piloting, servicing, and charging these AAMs. Some of this work has begun via philanthropic funding, with an Irvine Foundation funded effort to upskill Salinas Valley workers into aerospace workers. The DART/Joby Advanced Manufacturing Apprenticeship Program (AMAP) has already demonstrated a 90% success rate in converting apprentices to full-time aerospace manufacturing workers. The program is on track for a second funding round and expansion in 2023-2025. An obvious need to meet the AAM workforce needs within the region, is the expansion of private workforce initiatives into large scale career development programs within public education. To this end, in the greater Salinas MSA, all four CCCs, Hartnell, Gavilan, Cabrillo and Monterey Peninsula College have committed to working with these leading AAM manufacturers to build specific curricular components into their degree and certificate programs.

The initial focus of this workforce coalition is the construction of a next-generation workforce training facility focused upon AAM manufacturing and infrastructure needs. The University of California, Santa Cruz, has a 170-acre site (UC MBEST) that directly abuts FAA regulated land at Marina Airport, making this an ideal site to develop the advanced manufacturing and service training required by this new industry. This site is located less than 10 miles from downtown Salinas and Highway 101, less than 3 miles from the shoreline of Monterey Bay and is surrounded by agricultural land ideal for testing aircraft. The proposed use of grant funds for the Salinas Valley AAM Tech Hub application has five primary components:

- Building a next generation workforce training center at UC MBEST, focused on the needs of the AAM industry, that can accelerate learning of the new skills needed for this industry by a larger number of workers.
- Convening and collaborating with AAM companies and California Community
- Colleges to create a common curriculum to be delivered at regional CCCs, further accelerating the growth of the AAM workforce.
- Working with emerging commercial sectors utilizing AAMs to facilitate dialogue, provide management training, and assist in securing financing for promising companies through access to early stage and mainstream venture funding.
- Development of a series of apprentice and internship programs paid and unpaid, to integrate and accelerate on the job training with AAM companies.

Legistar File Number: 23-621

Economic Development has reviewed, provided input and is being requested to be part of the coalition in order to meet the requirements of the grant application. It is anticipated that staff time will be required, but no further financial impact to the county.

OTHER AGENCY INVOLVEMENT:

Staff has consulted with County Counsel. The resolution is supported and recommended by the Economic Development Committee.

FINANCING:

Adopting this resolution has no financial impact.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The proposed recommendation supports the Board of Supervisors Strategic Initiatives.

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments:
Board Report
Resolution