

Presentation To City Council: Economic development opportunities Associated with the Army Futures Command

Tuesday, October 16, 2018

Work Session

Item 2

Presentation from the Greater San Marcos Partnership regarding economic development opportunities associated with the Army Futures Command, and provide direction to the City Manager.

Purpose:

- To discuss the Army Futures Command announcement and its future implications for the City of San Marcos' economic development efforts.

ACQUISITION, LAND, STRATEGY & POLICY

Army Futures Command: \$100M, 500 Staff, & Access To Top Leaders

"CFTs (Cross Functional Teams) and Army Futures Command will always have a place on my schedule and the chief's schedule," Esper said. Over time, he said, "it becomes a routine... the expectation not just for AFC and the CFTs, but for future service secretaries and future chiefs of staff."

By SYDNEY J. FREEDBERG JR.
on August 29, 2018 at 1:47 PM
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By: Jen Judson August 28

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Context & History:

- In October 2017, the U.S. Army began the search for the headquarters of a new Army command for modernization. Breaking with military tradition, the Army looked for locations outside of D.C. and established military installations.
- A list of 150 cities was narrowed down to five. Other finalist cities were Boston, Raleigh, Minneapolis-St. Paul, and Philadelphia.
- On July 13, 2018, the Army announced **Austin** was selected as the location for its new Army Futures Command (AFC). It's the Army's first major reorganization in 45 years. The command was activated August 24, 2018.
- The Army focused on six major criteria to choose Austin: proximity to science, technology, engineering and mathematics workers and industries; proximity to private sector innovation; academic STEM and research and development investment; quality of life; cost; and civic support.
- Texas State University was part of the Austin Chamber team's regional bid. Mayor Thomaides provided a letter of support, as did the City of San Antonio.

Context & History:

- Army Futures Command will shepherd development of the service's six modernization priorities
 1. Long-range artillery
 2. Next-generation combat vehicles
 3. Future vertical lift platforms (aircraft)
 4. Networks
 5. Air and Missile Defense
 6. Soldier Lethality and Equipment
- AFC will grow to 500 staff and an annual budget of \$100 million, overseeing the service's entire \$30 billion modernization portfolio. AFC's commander is a four-star general, General John "Mike" Murray.
- The Army believes Austin will provide the new command with the tools to be disruptive, innovative and break the entire service out of the archaic industrial age, allowing it to effectively focus on modernizing and preparing for future, more complex operations.

Context & History:

- Mayor Steve Adler and Capital Factory founder & CEO Joshua Baer both describe it as as **economically pivotal** as Austin's landing of MCC and Sematech in the 80's (which are credited with ushering in Austin metro's tech economy).
- Austin and our surrounding region stands to gain many benefits as the Army Futures Command becomes established, the least of which is an influx of high-tech jobs and the distinct designation as the center of the Army's modernization eco-system.
 - Companies and defense contractors will want to locate close to the Army Futures Command.
 - AFC will have personnel at area universities to collaborate on new ideas with students and professors.
 - Available funds for investing in small, medium and large companies with technologies that can change the trajectory for the Army.

Opportunity:

- **Army Futures Command provides a unique opportunity for our region, leveraging our target industry sector of Aerospace, Aviation, Security & Defense.** Greater San Marcos stands to benefit from innovative tech-focused companies interested in partnering with AFC to bring new technology to the battlefield.
 - Attract new tech/advanced manufacturing employers
 - Partner with and commercialize University research
 - Work with local innovators and entrepreneurs on new technologies

Recommendations:

- **GSMP recommends enhancing our existing program of work and budget to initiate a strategic marketing approach (+\$25,000)**
 - Increased marketing and PR efforts
 - Targeted collateral, website enhancements, Google AdWords campaign, PR
 - FAM Tour event to bring vetted prospects to the region.
 - Fully develop brand messaging around “Texas Innovation Corridor”
 - Marketing trip to DC/other locations with Texas State
 - Enhanced relationship/hosted events with GSMP Consultant Pike Powers, LLC
 - Host FAM Tours for AFC leadership