

Lithium Valley Recompete Project

Overview:

Imperial Valley, soon-to-be “Lithium Valley”, will drastically shift the regional workforce landscape from one dependent on crops and agriculture to a technology and innovation-based economy, while alleviating economic disadvantage and environmental injustice. This region, bearing lithium crucial for Electric Vehicle (EV) batteries, isn’t only essential for the U.S.'s clean energy future but is a lifeline for its communities and families experiencing generational poverty. Currently, Imperial County’s economy is dire, with 45% of its populace out of the workforce and an unemployment rate hovering at 20%. The Lithium Valley Recompete Project is not an option; it’s a necessity. The project is a pivotal response to Imperial’s economic plight, aiming to leverage its lithium reserves while addressing the urgent need for employment and economic stability. The comprehensive initiative outlined in the proposal integrates education, training, infrastructure development, and community support to successfully assist a region in responding to immediate shifting industry demands and ensure rapid job creation.

The Lithium Valley Recompete Project promises rapid linkages to quality jobs and the establishment of stable, long-term employment pathways that the residents of Lithium Valley desperately need. The Policy and Innovation Center (PIC) is spearheading this collaborative effort of Imperial Valley stakeholders, including San Diego State University Imperial Valley (SDSU), Imperial Valley College (IVC), the Imperial County Office of Education (ICOE) the Imperial County Workforce Development Board (ICWDB), the International Brotherhood of Electrical Workers (IBEW), Gafcon and many others, This proposal is enthusiastically supported by United States Congressman Raul Ruiz, California State Senator Alex Padilla, and California State Assemblymember Eduardo Garcia. This collaborative group aims to tackle the region's substantial challenges through research and policy analysis supported by PIC’s partner agency the Brookings Institution, and by fostering partnerships that facilitate solutions across sectors and jurisdictions. This Project is more than an economic blueprint; it's a critical lifeline for the struggling Imperial Valley community. However, without immediate and substantial funding, this vision cannot materialize. The immediate funding will act as a stabilizer, offering relief and financial security to families in the community while laying the groundwork for continuous employment opportunities, skills development, and career growth for residents, as stakeholders work together to access more federal, state and local funding. With transformative power, this project is crucial for not only revitalizing the community but also significantly contributing to the nation’s sustainable energy future.

1.Understanding of regional conditions and needs

California's Imperial Valley, soon to be globally recognized as "Lithium Valley", is anticipated to become a significant source of the lithium essential for EV batteries. The Lithium Valley opportunity lies at the unique intersection of two federal priorities, domestic critical mineral extraction and advanced battery manufacturing for electric vehicles, energy storage, and national defense. The hot brine used to drive geothermal facilities at the Salton Sea Known Geothermal Resource Area (SSKGRA) is rich in minerals - potassium, zinc, manganese, iron, rubidium, and, particularly, lithium. Imperial County has one of the largest brine-based lithium reserves on the planet, capable of producing ~600,000mt of lithium carbonate equivalent (LCE) per year, which more than the 2019 global LCE production total. This transformation positions the economically distressed area to be a central player in the production of EV batteries and a crucial contributor to

the U.S.'s clean energy future. With lithium produced here expected to meet national and potentially a third of global demands, significant employment opportunities will arise, crucially needed in a region with the country's second-highest Prime Age Employment Gap (PAEG).

Three companies are set to hire thousands for lithium extraction, and a forthcoming EV battery factory plans to employ approximately 2,500 workers. These developments promise a surge in quality jobs, vital for a region traditionally economically challenged, marking a significant turn towards prosperity and employment stability for its residents. This project will ensure that Imperial Valley residents are provided with the education, training and supportive services needed to ensure that they can access and retain these quality jobs. With a population of 180,154, the county's unique geographical location presents both opportunities and significant barriers to employment and economic stability.

Local Conditions

As of 2023, Imperial County is home to a diverse population of 180,154 residents, with a significant 82.2% identifying as Hispanic/Latino. Notably, 29.9% of its residents, as of 2022, were born outside of the United States, reflecting the area's rich tapestry of cultural and ethnic diversity. A considerable segment, 39.53% (2023), falls within the prime working age range of 25-54, offering a valuable pool of potential talent and labor for the local economy. However, the county grapples with economic challenges, as evidenced by a median income of \$49.1k (2023), which lags behind the national average by a substantial \$19.9k.

Imperial County is caught in the crosshairs of environmental hazards and crippling poverty, with its residents bearing the brunt of these challenges daily. Per the Employment Development Department (EDD) September 2023 data, the community experiences an unemployment rate that is consistently higher than national and state averages hovering at close to 20% and a Lightcast Q3 2023 summary shows that approximately 55,000 residents have left the workforce altogether (45% of working age population), reflecting a dangerously distressed labor market. Furthermore, the county exhibits stark rates of poverty (23%), with many families struggling to meet basic needs, highlighting a desperate call for robust economic revitalization and job creation strategies.

In addition, the area is sorely deficient in essential infrastructure and resources, including healthcare facilities, exacerbating the vulnerabilities of its residents. Access to reliable and quality educational institutions is uneven, placing significant segments of the population at a disadvantage and hindering their ability to acquire the necessary skills and qualifications for better employment prospects. The housing market in Imperial County presents its own set of challenges, with the median home price standing at \$340,000 as of 2023. The limited availability of affordable homes and rental properties further compounds the difficulty for residents in securing cost-effective and decent living arrangements.

Employment Barriers and Job Quality

Imperial Valley faces dire educational challenges with 29% of residents lacking a high school diploma and only 15% possessing a Bachelor's degree or higher, restricting access to stable jobs and deepening economic struggles for residents. According to the Migration Policy Institute, approximately 9,000 prime-age unauthorized residents live in the county, which also presents other unique employment barriers. Additionally, primary industries including education, family

services, and crop production, provide inconsistent employment. Notably, the significant crop production sector offers mainly seasonal jobs, leading to frequent unemployment spells. Extreme summer temperatures further complicate the employment landscape, especially in outdoor jobs, creating hazardous conditions and limiting work hours.

Prime-Age Employment Gap

Imperial County faces an urgent and acute employment crisis that necessitates immediate intervention, as evidenced by its alarming unemployment rate of 19.7% in August 2023, a figure that has been steadily climbing from 18.0% in July 2023 and an average of 17% in 2022. This rate not only drastically eclipses the August 2023 California unemployment rate of 5.1% and the national rate of 3.9% but is also the second-highest 24-month unemployment rate nationwide, surpassed only by a small town in Alaska with a population of around 6,000 people.

Despite witnessing a marginal job increase of 2.9% (from 70,750 to 72,833) from 2017 to 2022, Imperial County's employment growth significantly lags behind the national growth rate of 3.8%. Even more distressing is the declining labor force participation, which slid from 59.6% to 58.1% within the same period, highlighting a disconcerting trend of workforce disengagement. The situation is particularly precarious for the county's prime-age workforce, with unemployment rates skyrocketing to 26.53% for individuals aged 25-34, 21.34% for the 35-44 age bracket, and 19.56% for those between 45 and 54 years old. This employment disconnect disproportionately affects the Hispanic community that forms the majority of the County's demographic, suffering from a staggering unemployment rate of 75.91%. Most alarmingly, there has been a mass exodus from the labor force, with 45% of residents aged 16 and above – amounting to 55,690 individuals – completely leaving the workforce.

2. Strength of Strategy and Quality of Potential Investments:

Our strategy for Lithium Valley focuses on quality jobs through education, workforce training, infrastructure development, and community support, prioritizing rapid linkages of workers to job opportunities. This is essential in a region where 23.5% of people live below the poverty line, and the unemployment rate is consistently high. Immediate employment will be facilitated through accelerated ESL courses to swiftly transition non-English speakers into the workforce, addressing significant language barriers. Support centers in El Centro, Brawley, and Calexico will offer comprehensive services for workers and their families to remove persistent barriers to employment, ensuring stability and retention.

This project will expand the High Road Construction Careers (HRCC) Pre-Apprenticeship Program, proven effective in transitioning individuals into stable, unionized construction careers. This expansion is critical for Imperial Valley, providing immediate access to training and employment in construction, with promising family-supporting wages. This action is expected to have a significant positive impact on the local economy and residents' financial stability. Through apprenticeships with the Electrical Training Institute (ETI), workers can quickly begin earning wages while engaging in on-the-job learning. With the emergence of this new industry, there will be an increasing need for cybersecurity roles. Additionally, there will be an increased need for healthcare workers at all levels. To support these employment initiatives, policy adjustments such as streamlined certification for union jobs, employer incentives for hiring program graduates, subsidized training programs, and support for small businesses are anticipated. These policy

changes are designed to remove employment obstacles, fast-track training programs, and streamline job placement.

Funding from various sources, including private and public partners and grants, is crucial. This funding will not only sustain but also expand our employment initiatives, providing more extensive support to workers and families in Lithium Valley.

Project initiatives include educational and training programs with a commitment to employment upon completion, collaboration among regional stakeholders, co-investment in reskilling programs, and partnerships establishing employment pathways. With approximately 4,000 small businesses in the area and 31% of families spending half of their income on rent, our plan is not only supportive but necessary for economic growth and stability. The proposed initiatives, led by PIC, address the unemployment crisis in the Imperial Valley, promising immediate and long-term employment while fostering an inclusive and supportive employment ecosystem for the region's economic revival.

Anticipated EDA Investments, including Roles and Responsibilities: A consortium of local institutions, businesses, unions, and community organizations will execute these interventions, each bringing its expertise and resources. The proposed interventions will be spearheaded by a steering committee comprising representatives from each of the below participating entities, ensuring accountability, coordination, and effective implementation.

Through the Phase 2 NOFO, we intend to seek EDA funding for a series of vital projects, which, although subject to further refinement, presently include:

1. **North Pointe Community Hub - \$18M:** Gafcon North Pointe Project: Gafcon, an equity-driven firm that manages complex development and construction activities for private and public clients, will create a mixed-use initiative in the City of Imperial to include the following businesses that will generate more than 600 jobs: -
 - Labor Hub/Vocational Campus – An innovative approach to co-locate multiple labor training and apprenticeship programs with academic partners. This Campus will include the IBEW, ICOE providing education and training to Adult Workers and ICWDB
 - SDSU IV Professional Skills Development Center- expand English as a Second Language (ESL) and workforce training classes, with a special focus on career navigation and diverse training programs. It also includes a Medical Administrative Assistant training program
 - 108-room hotel with extended stay for regional workers to attend trainings at Labor Hub
 - Federally Qualified Health Center (FQHC) known as Innercare, to include:
 - Innercare PACE – Program for All-Inclusive Care for the Elderly
 - Ambulatory clinic and pharmacy
 - Circle K gas station, convenience store, and car wash
 - 18,000 SF fresh food market- the first in the City of Imperial
 - Approximately 180 units of senior and affordable housing with wraparound services operated by Jamboree Housing Corporation, a leading developer in affordable housing that provides childcare and after-school programs
 - Potential municipal use including a Police Station and Recreation Center
 - An onsite childcare facility

2. **Workforce Development & Community Outreach - \$10M:** ICWDB will purchase and retrofit 2 mobile career centers to meet people who have left the workforce where they are at and increase staffing at Americas Job Centers of California (AJCC's) in El Centro, Brawley, Imperial, and Calexico to rapidly connect residents with open jobs. Imperial is the 87th largest county in the USA (out of 3,124 counties) with large areas of agriculture in between communities, so this mobile operations is critical to meeting people where they are.
3. **Innovative Support Services - \$10M:** Given the size of Imperial County and the location of the extraction facilities in a desolate area of the North End funding will be allocated for transit services to lithium extraction sites, with shuttles reducing traffic and facilitating access to good jobs. Collaborative efforts with community-based organizations will provide supportive services, including childcare and living stipends, transportation, funding for tools and work boots, and other essentials so people can secure work and remain employed.
4. **Small Business Support - \$3M:** The Small Business Incubator will have a special focus on supporting education and training for childcare providers to increase the number of high-quality childcare centers and in-home providers to meet the needs of the expanded workforce and provide quality jobs. Additionally, there will be a focus on creating a food truck industry to serve Lithium Valley workers and truck drivers. (it is estimated that 100 trucks/day will come in and out of each lithium extraction site.)
5. **School District Infrastructure Expansion- \$10M:** Brawley Union HS District - STEM Facility: The school district will build a state-of-the-art STEM facility at Brawley High School to nurture future innovators and scientists that will contribute to Imperial's clean energy economy. Both Imperial Valley College (IVC) and SDSU have received funding to build STEM facilities, so this building will serve as the entry point for STEM Education, creating a STEM Pathway from high school to terminal degree, and eventually Lithium Valley. Further, solving the program of PAEG requires eliminating new entrants, when current unemployed PAEG individuals become employed through these efforts, are immediately replaced by new entrants into this classification the coalition has not reduced the total number of unemployed PAEG, so stopping the influx of new entrants in critical to solving this program and that solution begins with addressing education and training in younger individuals.
6. **Education and Training - \$8M:** IVC Initiatives: This financial support facilitates the introduction of various educational programs, including certificate offerings, Associate Degrees, and a Bachelor's Degree in Industrial Management. Responding proactively to the needs and requests of lithium extraction employers in the region, the college is launching new courses related to lithium technology. These courses encompass training for roles such as Plant Operator, Instrumentation Technician, and Chemical Laboratory Technician. Additionally, the initiatives also support pathways in medical assistants, nursing, and cybersecurity. High school students have the opportunity to dual-enroll, allowing them to commence their tertiary studies while completing their secondary education, thus providing a streamlined approach to career progression in these vital fields.
7. **Marketing & Recruitment - \$2M:** The Lithium Valley Marketing Campaign is designed to promote the region as a desirable living, working, and family-raising location, with additional efforts aimed at decreasing the PAEG. IHeart Media has pledged a dollar-for-dollar match for all on-air advertisements and is excited to promote job postings, hiring fairs, educational opportunities, etc.
8. **Management & Oversight - \$4M:** This funding will allow PIC to hire a Recompete Plan Coordinator and Core Team, providing resources for program management, continuous data-

driven program evaluation and improvement. This will include the hiring of new local leadership focused on economic opportunity within Imperial County.

For additional local commitments, see the attached Letters of Support.

3. Equity, inclusivity, accessibility, and diversity –

The Lithium Valley Recompete Plan is anchored in equity, inclusivity, accessibility, and diversity (EIAD), with a focus on engaging underserved communities at each stage. Targeting primarily the Hispanic/Latino population which constitutes over 80% of County residents (75% unemployed), the plan also collaboratively works with the Department of Rehabilitation to employ individuals with disabilities in Imperial Valley. The approach involves partnerships and consultations with community representatives, local Community Based Organizations (CBOs) and advocacy groups supporting local underserved populations, ensuring their needs and voices are central to the planning process.

SDSU and PIC are co-conveners of the California Economic Resiliency Fund (CERF) Southern Border Coalition, collaborating with well over 100 local organizations and groups, including those representing LGBTQIA individuals, youth, and farmworkers, to amplify typically underrepresented voices in decision-making processes (SEE Section 6 for more detail). Our coalition members have successfully advocated for and implemented EIAD principles in past initiatives, showing a commitment to social equity and economic inclusion that benefits underserved communities. We are open to forming new partnerships with organizations deeply connected to the communities they serve, even if they are unfamiliar with federal grants. Engaging with grassroots entities provides our project with valuable local insights and also strengthens these organizations through capacity-building and collaboration. The Imperial Valley Recompete Plan goes beyond economic initiatives; it's a commitment to creating an inclusive future where opportunity and growth are available to everyone, regardless of background or identity.

4. Regional assets

Inventory of Regional Assets

1. Educational Institutions:

- IVC, a 2-year community college, is the main college in the region, providing courses and training that help people get jobs in local industries, including special programs on how to operate machinery for lithium technology. IVC recently the Aspen Prize for Community College Excellence, the country's premier award for two-year colleges working to change students' lives.
- The SDSU-Imperial Valley is a College of San Diego State University, a 4-year degree granting institution and part of the California State University system which is the largest university system in the USA. SDSU-IV programs and research opportunities that are designed to fit the job market in the area. They have a unique program with IVC that assists Licensed Vocational Nurses (LVNs) in upskilling to receive their Associates Degree in Nursing and Bachelor's of Science in Nursing (BSNs) while co-enrolling in both programs.
- ICOE offers education for adults, including those who did not complete community college. This program collaborates with lithium companies to offer fast-track certificate programs for jobs in the lithium industry and other related positions.

2. Industries:

- **Agriculture:** The Imperial Valley boasts a rich agricultural heritage, which is the 3rd largest industry in the region currently employing more workers than any other industry and contributing 1/3 (approximately \$2.5 billion) of the county's GDP.
- **Renewable Energy:** Given the geographic and climatic features of the Valley, there is significant potential for the development and expansion of renewable energy projects, including lithium extraction. Three companies, Controlled Thermal Resources, EnergySource, and Berkshire Hathaway Renewables, will soon be hiring thousands of local workers to assist with extracting lithium on a massive scale, and the Statevolt gigafactory will employ close to 2,500 workers to produce batteries from this locally extracted lithium (not to mention the hundreds of workers needed to build this gargantuan facility). Lithium extraction is being guided and funded by state planning efforts, including the extensive Lithium Valley Blue Ribbon Commission, and various efforts underway from state energy agencies.
- **Small businesses:** There are close to 4,000 small businesses in the region, as well as a Small Business Development Center (SBDC), and this Project will contract with these businesses as much as possible

3. Natural Assets:

- **Salton Sea:** As a significant source of geothermal power and potential lithium reserves, the Salton Sea presents opportunities for industry development and job creation in renewable energy and mineral extraction sectors.

4. Organizations:

- **Local Unions:** With a strong presence in the region, unions are essential partners in workforce training and development, offering apprenticeship and pre-apprenticeship programs. Local unions include IBEW, Imperial County Building Trades, San Diego and Imperial Counties Labor Council, and others.
- **CBOs:** Various CBOs and faith-based organizations play a vital role in community development, support, and advocacy.

5. Targeted geographic approach –

With nearly 10,000 unemployed residents in the Imperial Valley, and 55,000 individuals having exited the workforce, there exists a critical need for job opportunities. Among those unemployed, 67% are aged 25-54. Despite these numbers, the community is eager to engage in work. Our project is a person-centered, targeted workforce approach, providing specific education and training pathways aligned with upcoming opportunities in the burgeoning Lithium Valley, preparing locals for imminent, high-quality job openings. Immediate employment opportunities will arise from our initiatives, notably in construction for infrastructure projects, enabling rapid hiring. Our support for local businesses will expedite the training and employment of childcare workers and truck drivers, crucial roles that support the community's backbone. Moreover, our programs will carve sustainable routes to reliable, quality employment, addressing immediate needs while laying groundwork for long-term, stable careers. Collaboration is imperative. Partners must unite to comprehensively support workers and their families, covering essential needs like housing, food, transportation, childcare, and training stipends. This holistic support is pivotal for not only helping workers secure jobs but ensuring they retain them, providing a stable, supportive environment for employed residents. While good jobs are coming, this project will allow us to ensure that

unemployed and out of the workforce residents are able to remove the barriers that have historically disinvested them from the workforce.

Proposed Interventions:

Our Recompete Plan proposes sustainable interventions for long-term Imperial Valley benefits:

- Lithium Extraction/Processing Training: Prepares locals for lithium industry jobs, leveraging Valley's resources.
- Renewable Energy Training: Focuses on creating expertise for roles in solar and geothermal sectors.
- Small Business Support: Provides financial, technical, and advisory aid to startups, especially in renewables, food service, tech, and human services. Includes incubation and acceleration programs for entrepreneur success.
- Community Initiatives: Engages neighborhoods with support, resources, training, and employment opportunities, raising job and career awareness.
- Job Creation/Placement: Envisions roles in renewable energy, healthcare, and small businesses, from technicians and analysts to managers.
- Regional Intermediaries: Engages entities like development districts and chambers for strategic guidance and success.
- Employer Facilitation: Involves intermediaries to secure employer commitments for quality job hiring.

6. Partnerships and potential commitments –

Partnerships and Potential Commitments for Lithium Valley Recompete Plan

The California Economic Resiliency Fund (CERF) Program is a \$600 million state investment to support inclusive regional planning and the development of high-priority economic development projects that benefit disadvantaged communities, create high-road jobs, and transition the region to a net-zero emission economy, which is in line with the objectives of the this Recompete Plan. San Diego and Imperial counties are combined as the "Southern Border Coalition" and are led by 8 'co-convenors' including PIC, SDSU, Comite Civico del Valle, Imperial Valley Equity & Justice, Imperial Valley Wellness, and San Diego & Imperial Counties Labor Council.

Through convenings and research, CERF will be developing a regional economic development plan for the Southern Border. CERF also includes the engagement of 15 different Sectors, including labor, worker centers, education and training, workforce development entities, economic development agencies, business and employers, government agencies, philanthropic organizations, environmental justice, disinvested communities, grassroots and community-based organizations, Native American tribes, youth, LGBTQIA, and farmworkers.

PIC is so excited to have received support from the following (see Letters of Support for specific commitments): - Assemblymember Eduardo Garcia, Congressman Raul Ruiz, Senator Steve Padilla, Brawley Union High School District, SDSU, IVC, IBEW, Energy Source, Gafcon, Imperial County Workforce Development Board, Imperial County Workforce and Economic Development, Imperial County Economic Development Corporation, the Small Business Development Center, Department of Rehabilitation, NAMI San Diego and Imperial Counties, Imperial Valley Regional Occupational Program, Imperial Printers, and iHeartMedia.