

June 28, 2023

New Mexico State Legislature 490 Old Santa Fe Trail Santa Fe, NM 87501

Subject: Streamlining the Development Process in New Mexico

Dear Members of the New Mexico State Legislature:

As the President of NAIOP New Mexico, the commercial real estate development association in the state, I am writing to discuss best practices and propose solutions to streamline the development process in New Mexico. Our aim is to foster economic growth, encourage investment, and ensure a more efficient and effective permitting system for all stakeholders involved. Encouraging investment and development within our state is particularly crucial as the state transitions from one dependent upon the extraction of fossil fuels to discovering the next drivers of our state economy, and the time to act is now.

First, we recommend the utilization of third-party review contractors to support the State Review Agencies during the development process. Engaging qualified vendors can significantly expedite procedures such as environmental impact assessments, traffic studies, and other specialized technical evaluations. This would relieve the burden on government agencies, reduce processing times, and enhance the overall efficiency of the development review process.

Second, we strongly suggest the establishment of clear turn-around times for permit and application approvals/denials. Predictability and transparency are essential for developers, investors, and other stakeholders. By implementing specific timelines for decision-making, we can create a more business-friendly environment while ensuring thorough evaluations are conducted. Surrounding states like Texas and Arizona both have established turnaround times which make their states far more appealing to outside investment. Establishing and adhering to these timeframes will provide confidence and clarity for applicants.

To further improve the development process, the formation of cross discipline, pre-application review teams will ensure clarity and expectations earlier on in the process. These teams would consist of representatives from relevant government agencies, such as transportation, energy, building, environmental departments, etc. By engaging with developers and applicants during the initial stages of project planning, potential issues and concerns can be addressed proactively, leading to smoother processes, shorter review times, and more successful outcomes which will encourage more development and lead to more jobs in our state.

Finally, we propose the hiring of a dedicated state employee or team to serve as a project ombudsman or navigator. This individual would function as a liaison between developers and government agencies, ensuring effective communication, assisting with paperwork, and navigating through various processes. This resource will prove invaluable in resolving conflicts between agencies, providing guidance, and expediting the development process.

I would also like to emphasize the role of NAIOP New Mexico as a resource for the state in streamlining the development process. Our organization comprises professionals with extensive expertise in all facets of

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commercial real estate development, from engineers, to architects, bankers and every other profession that touches the development process. We are committed to collaborating with government entities to identify shared ownership in the process, bottlenecks, propose innovative solutions, and offer guidance based on industry best practices. By leveraging the collective knowledge and experience of NAIOP members, we can contribute to the overall success of New Mexico's economic development initiatives.

Thank you for your attention to this matter. I welcome the opportunity to discuss these proposals further and explore ways in which NAIOP New Mexico can collaborate with the state legislature and the governor's office to turn these recommendations into reality. Together, we can create an environment that encourages new investment, economic development, and prosperity for all New Mexicans.

Sincerely,

James K. Strozier, FAICP 2023 Board President

MAIOP New Mexico, the Commercial Real Estate Development Association

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