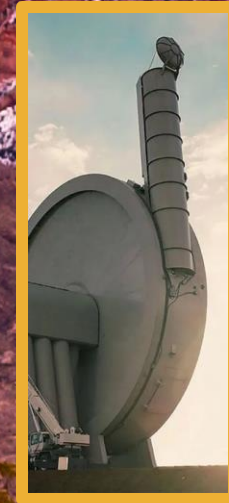
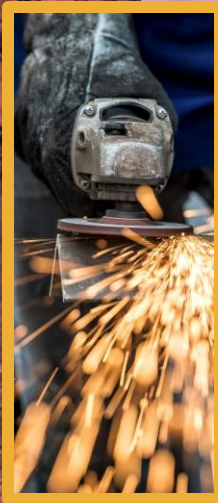


# NM BORDERPLEX

LAS CRUCES • DOÑA ANA COUNTY



THE CASE FOR INFRASTRUCTURE SITE READINESS



## MVEDA Mission



Growing the wealth of Doña Ana County through the creation of economic-based career opportunities for its residents.



MVEDA is a

## **FULL-SERVICE**

501-c-3 economic development organization

Formed 1994

## **VALUE PROPOSITION:**

Private/Public Org.

Diverse Board Leadership

Staff has 40+ years of experience

Operating Budget: \$1,165,000

Leveraged funding



## Onshoring/Nearshoring

- Supply Chain Disruptions
- Geopolitical /Friend Shoring
- Rising Costs of Production & Transportation
- Proximity to U.S. Consumer
- CHIPS, IRA, etc. Encouraging Domestic Production

## Food Logistics

- Rise in online retail forcing new distribution models and special facilities
- Cold Storage & Existing Processing Facilities Outdated
- Access to bi-national agricultural commodity supply
- I-10, I-25, Port of Entry, Rail offer unique market solutions

## Growing North South Trade

- Mexico attracted \$29 billion in FDI (1<sup>st</sup> half of 2023), up 5.6% over 2022
- 2023 - U.S. trade with Mexico surpassed China as the country's number-one trade partner.
- 20% of all US-Mexico Trade goes through the Borderplex Region
- Logistic flows through S.T. Port of Entry



## Rise of Mega Projects

- Fueled by Technology - Advanced Manufacturing/Automation/AI
- Increased CapX psf due to specialized equipment
- Escalating Power Requirements (25+ MW becoming the norm)

**MEGA PROJECT**  
**1000+ Employees**  
**500,000+ sf Facility**  
**\$250m CapX**



### Industrial Facilities in Short Supply

- Low Vacancy Rates: Last 3 years, industrial vacancy rates dropped to lowest in over 40 years (4%).
- Hyperactivity in industries as EV, semi conductors, clean energy has severely depleted inventory for quality sites
- What is left requires lengthy and costly improvements for larger scale projects
- Vacancy Rates Rising: Still traditionally low at 5.6% but have been rising as construction starts rise
- **End Users forced to build ground-up facilities until construction catches up (on infrastructure ready sites)**



- Access to U.S. Consumer
- Proximity to Raw Materials/Goods
- Shortening Supply Chains
- Multi-Modal Logistics Network
- Bi-National Manufacturing Strategies





## 58 of 99 Projects – Manufacturing & High Tech

### 24.1%

were related to Advanced mfg.

Fueled by international on-shoring trends

### 57%

require infrastructure improvements \*

### 20.7%

were related to Value Added Ag

*Cold Storage and Food Processing*

### 0%

require infrastructure improvements \*

### 24.1%

were related to MEGA Projects

500+ Jobs, 500,000+ S.F.,

### 66.7%

require infrastructure improvements \*

### 6.9%

were related to Data Centers

Fueled by the growth of Artificial Intelligence

### 100%

require infrastructure improvements \*

### 13.8%

were related to On-Shoring

Fueled by international on-shoring trends

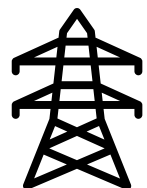
### 60%

require infrastructure improvements \*

## 10,190 Potential Lost Jobs



## 58 of 99 Projects – Manufacturing & High Tech



**55%**

\* 11 Projects – Electrical Infrastructure  
(Over 15 Megawatts)



**40%**

\* 8 Projects Required high water demand  
(Over 500,000 Gallons per Day)



**25%**

\* 5 Projects Required high wastewater demand  
(Over 500,000 Gallons per Day)

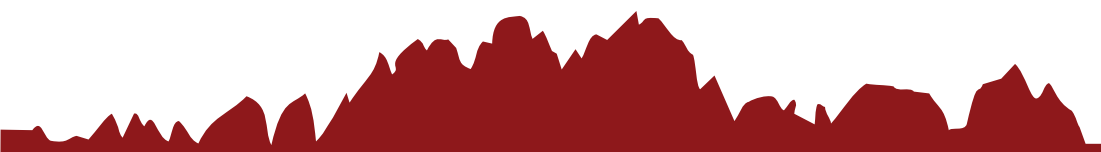
\* Based on projects providing sufficient utility information for analysis





**NM Has Never Been Better Positioned For Industrial Attraction!**

- Some Level of Parity Against other States/Regions
- Infrastructure delivery can concur simultaneously w/construction build-out.
- Window of Opportunity (7 – 10 Years)  
(As industry repositions its facilities, stabilizes supply chains, and industrial developers meet market needs).





## NM Does Not Have a Proactive Approach to Infrastructure Readiness!

- Lack of infrastructure readiness will limit opportunities, especially for underserved rural areas of NM.
- Financial readiness is more often the barrier, not delivery timeline.
- **The States that address infrastructure, site readiness, and speculative development the fastest will be the winners in job creation!**



## 36 States/Locals Have Formal Site Readiness Programs/Funds\*

### **Virginia- \$126 Million**

Discretionary program for infrastructure site assessment and development to promote a competitive business environment. Priorities are to improve project-ready site inventory.

### **Tennessee \$65 Million**

Select Tennessee Site Certification Program ensures sites can be marketed as ready for development with a formal plan/timeline for infrastructure readiness to the site.

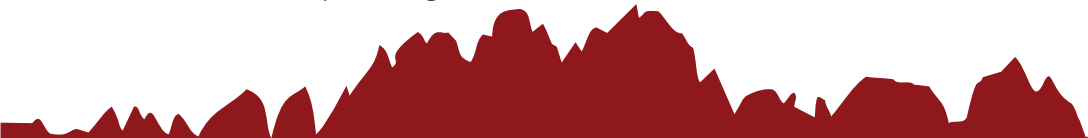
### **Ohio \$50 Million**

The Ohio Site Inventory Program offers grants, low-interest loans to support SPECULATIVE site and building development projects with no identified end user.

### **Michigan \$87.5 Million**

Speculative Building Tax Abatement provides tax abatements on costs of initial construction and finishing costs.

\*AREA Report August, 2024





## TEXAS- Type A & B Corp

Local Sales Tax Dedicated to Economic Development to include infrastructure and building

- Frisco \$34.3m respectively in their Type A and Type B
- McKinney \$22.3m respectively in their Type A and Type B
- Brownsville \$7.3m respectively in their Type A and Type B
- Amarillo \$25.1m in its Type A
- Tyler \$20.5m in its Type B
- Midland \$17.2m in its Type A
- Lubbock \$8.8m in its Type A
- Odessa \$14.4 m in its Type A
- Bastrop \$4.7m in its Type B
- Van Horn \$450k in its Type B
- Georgetown \$3.2m in its Type A
- Sherman \$6.8m in its Type A



## NM Needs an Infrastructure Site Readiness Fund

### KEY COMPONENTS OF A SITE READINESS FUND

1. Clear process with predictable outcome (LEDA is a good model)
2. Timeline for delivery must be clear and articulated.
3. Flexible to meet both infrastructure backbone gaps and identified on-site challenges
4. Flexible to onsite infrastructure solutions (micro-grid & micro-water treatment plants).
5. Flexible Recipient (End User, Utility, Local Gov, Developer Onsite Solution Provider)
6. Dollar level competitive with other states.

### DEVELOPERS ALSO PLAY A KEY ROLE IN INFRASTRUCTURE

1. Incentives to Attract Horizontal/Spec-Development
2. LEDA/IRBs could be play a role
3. NM Enterprise Opportunity Fund could be altered to invite risk capital development.

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## THANK YOU



[NMBorderplex.com](http://NMBorderplex.com)

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