



NMIDEA

PROFESSIONAL ECONOMIC DEVELOPMENT ASSOCIATION

SITE READINESS: A CASE FOR BUILDING SITE DEVELOPMENT CAPACITY

Economic & Rural Development & Policy Committee
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New Mexico IDEA, Inc.



WHO WE ARE

New Mexico IDEA is the statewide economic development association with membership from economic development professionals to private sector businesses across New Mexico.

We **provide a forum** for the interchange of ideas, practices, and principles.

We **stimulate cooperation** among economic development professionals and stakeholders.

We **promote economic growth** through advocacy of targeted economic development issues.

We **educate policymakers** about the practice and profession of economic development.

We **upgrade skills and knowledge** needed for success in the economic development profession.

THE CONTEXT

Location strategy is a process used by companies and site selection consultants to determine optimal locations for a company's future facility.

At the most basic level, site readiness helps an underutilized site become a landmark project creating a new pivot point for transformation in a community or become a major industrial redevelopment or transportation connector that spurs investment.

Building capacity to improve site readiness is an important force behind economic development, which leads to jobs, growth of the community, and a more prosperous way of life.





THE SITUATION

However, significant obstacles stand in the way of securing most of those potential investments and jobs:

- 1) a lack of available, ready sites for development;
- 2) the significant cost of public infrastructure needed to serve those sites, eliminating New Mexico from competition with sites in other markets;

The lack of ready real-estate and shovel-ready sites is one of the biggest challenges in economic diversification.

A FIRST STEP: SITE ASSESSMENT

To enhance New Mexico's site readiness a gap analysis of up to 50 developable properties in New Mexico for industry should be conducted that will identify the highest and best use for sites as well as determine the infrastructure need, cost, and development timeline for each.

Ultimately, this will result in data that will allow the state to determine which proactive infrastructure investments will yield the fastest and highest economic impact, and deliver a plan for deployment of resources.





CASE STUDY: VIRGINIA

Virginia Business Ready Sites Program (*\$90 million*)

The goal of the VBRSP is to further business attraction and expansion in the Commonwealth of Virginia through site development. By preparing more competitive project-ready sites, corporate and industrial end-users will be more likely to select Virginia for investment.

The program's goal is to identify, assess, and improve the readiness of potential industrial sites of at least 100 acres in the Commonwealth of Virginia (the "Commonwealth") or 50 acres in GO Virginia Region 1 or 2 for marketing in alignment with the goals outlined in the Governor's economic development plan.

CASE STUDY: VIRGINIA PRIORITIES

Improve Project-Ready Sites

With the ever-changing landscape of product demands and supply chain considerations, market-ready sites are in high demand, driving the need for a strong site inventory

Create “high-win-potential” sites

High-win-potential sites are sites that support demonstrated market demand. These sites are expected to locate a project within 18-24 months, or less, of VBRSP project completion.

Advance Sites from Lower Tiers

The program recognizes the need to develop a robust inventory of sites, which at current state, may vary in the development spectrum.

Focus on Sites with Regional & Statewide Impact

The program aims to fund larger sites (typically on the order of 250 or more acres) given the potential for regional and state-level impact of project wins at larger sites.

Ensure Geographic Diversity

Strives to develop industrial sites across the Commonwealth to ensure that all regions participate in Virginia’s economic growth.

A photograph of two shovels with wooden handles and metal blades, standing upright in a field of dry, yellowish-brown grass. The background shows a line of trees under a cloudy sky.

CASE STUDY: OREGON

Certified Shovel Ready Program:

To address the site readiness, the state implemented a Shovel-Ready Certification Program, which guarantees that certified sites are ready for construction within six months or less and verifies that a site is market-ready and developable.

The state's certification, which is one of the most comprehensive in the country, requires applicants to submit extensive information about a site's utilities (water, electric, telecom, etc.), easements and liens, endangered species, environmental contamination, zones, and a number of other components.

While the process in Oregon can take up to a year to complete, the information collected and verified allows potential economic development projects to reduce the amount of lead time required for due diligence and reduce the start-up cost.

A SECOND STEP: SITE DEVELOPMENT

It is not enough to just conduct site assessment, but New Mexico will have to consider employing capital to both prepare and develop sites statewide to jumpstart New Mexico's site readiness efforts and increase its attractiveness to both recruit and retain employers.

New Mexico needs to make smart, strategic infrastructure investments to advance the site-readiness (developability) of publicly owned land for economic development purposes.





CASE STUDY: NEW YORK

FAST NY Shovel-Ready Grant Program (*\$200 million for both pre-development and infrastructure improvements*)

Pre-Development Grants:

- Working capital grants of up to \$500,000 per site will be awarded to fund the cost of necessary pre-development site planning and reviews for future shovel-ready sites.
- Grants will fund necessary costs to assist grantees in completing pre-development activities, such as those required for FAST NY Shovel-Ready Certification.

CASE STUDY: NEW YORK

FAST NY Shovel-Ready Grant Program

Infrastructure Improvements:

- Capital grants will be awarded to improve the shovel-readiness of existing, mature sites by funding infrastructure improvements such as water, sewer, transportation, electricity, gas and other capital-eligible site improvement costs.
- Competitive grant awards will be available to sites that have substantially met the requirements of FAST NY Shovel-Ready certification.





RECOMMENDATION

Create A New Site Readiness Fund

Dedicated appropriation to build site readiness capacity on publicly owned land

Two primary components for financial assistance:

- pre-development (i.e. design, due diligence, site assessment-- highest and best use, development timeline)
- development (make smart, strategic infrastructure investments to advance developability of publicly owned land for economic development purposes.)

Incorporate appropriate provisions and parameters to ensure geographical diversity so that all regions participate in New Mexico's economic growth.



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