

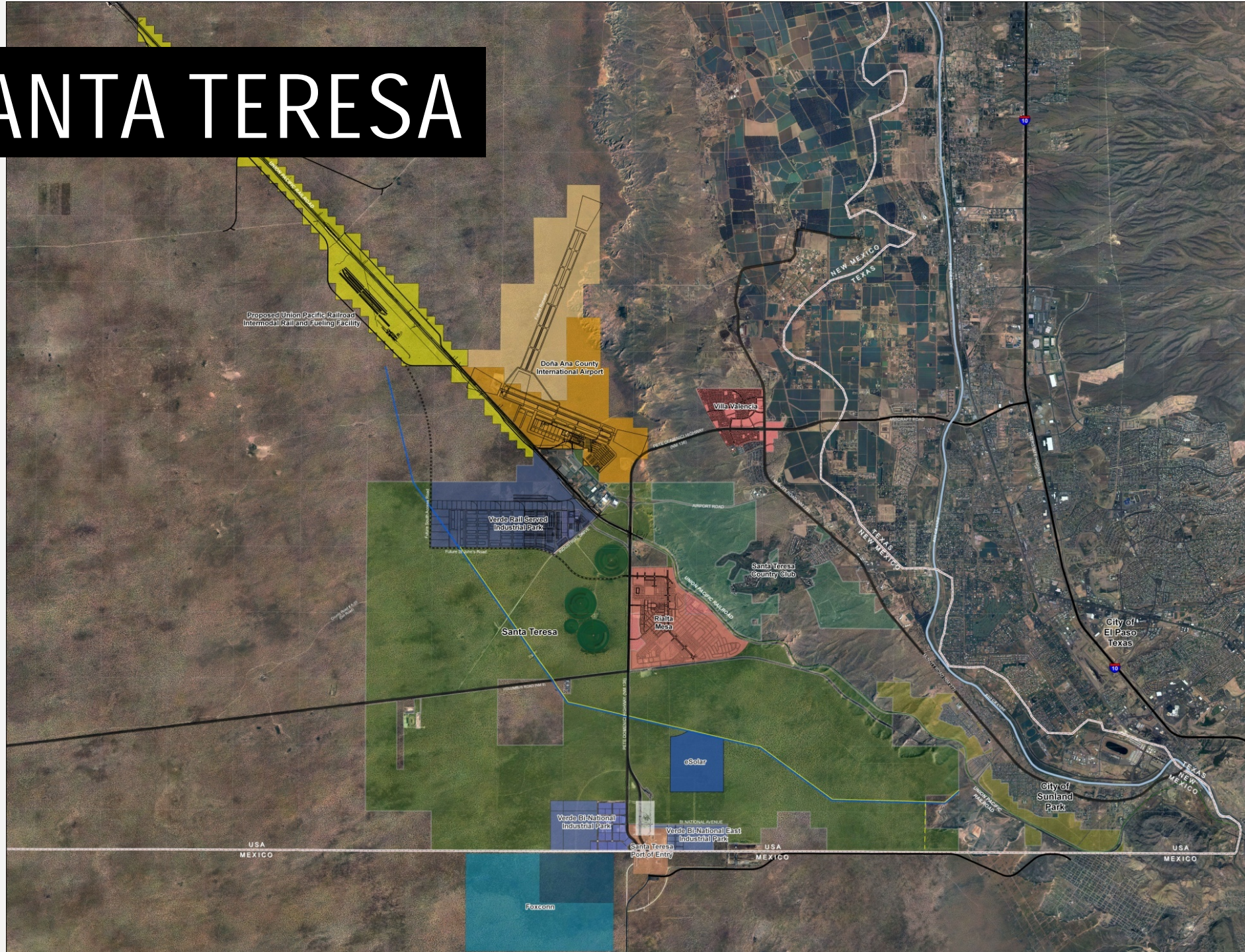
# SANTA TERESA

NEW MEXICO'S  
STRATEGIC ADVANTAGE

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# SANTA TERESA





# NEW MEXICO RECENT TIMELINE

## 2012:

*NM led the nation* in export growth percentage (42%)  
Exports to Mexico up 33% (\$464M to \$618M)

## 2013:

Overall exports down 9% (\$2.96B to \$2.71B)  
Exports to Mexico grew 33% (\$603M to \$802M)

## 2014:

NM exports increased by 39% (\$1B to \$3.789 ):  
*NM led the nation* in export growth percentage to Mexico  
in 2014 (93%: \$800.7M to \$1.55B)  
*Las Cruces MSA led nation* in increase of exports during last  
three years (210%: \$433M to \$1.346B)

## 2015:

NM's exports down 1%  
Exports to Mexico up 9% (\$1.55 billion to \$1.7 billion)

## 2016:

Exports rose 11.9% in 1<sup>st</sup> quarter 2016 compared to 1<sup>st</sup>  
quarter 2015  
Exports to Mexico rose 39.6% to \$457 billion

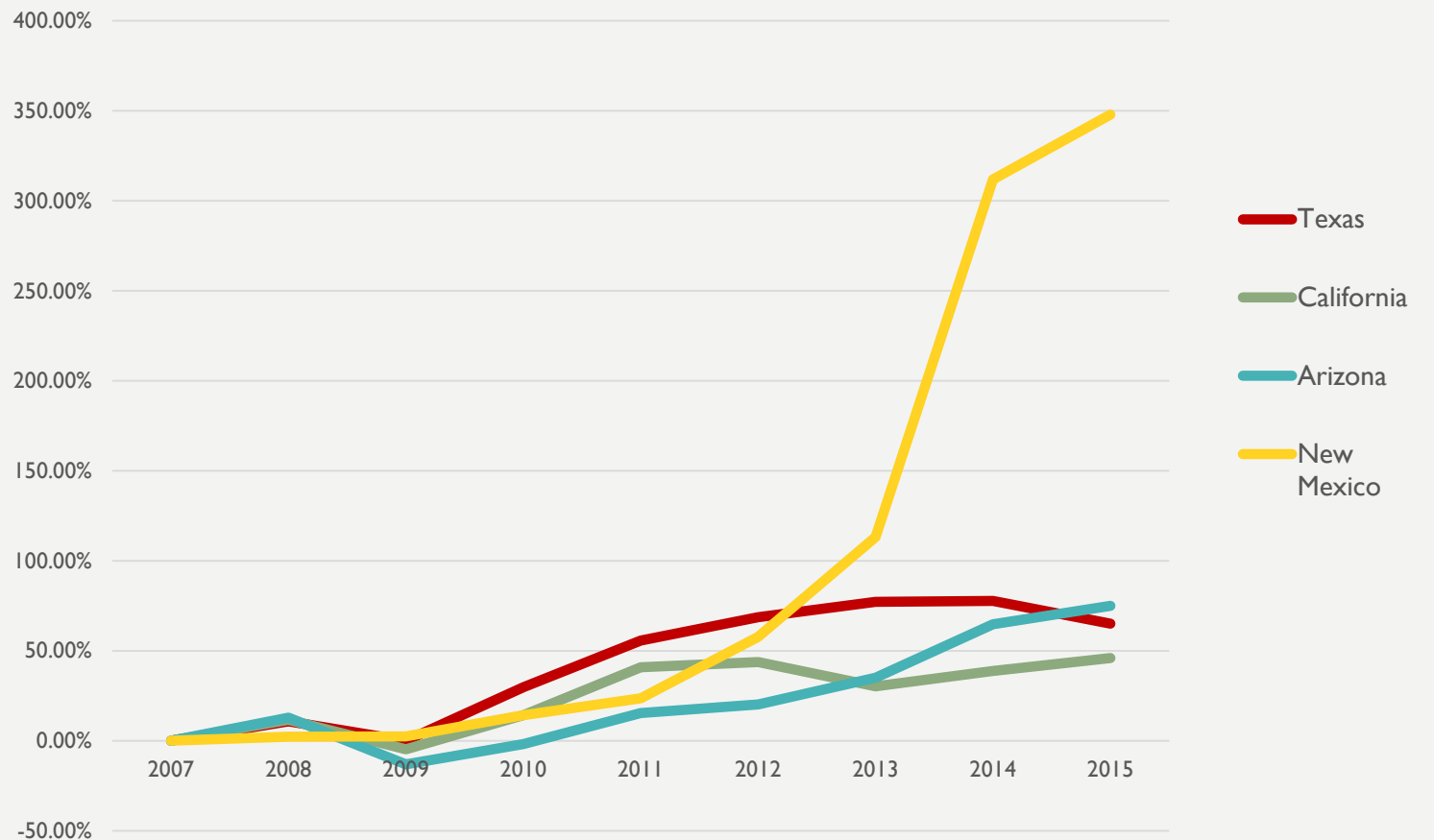
# NEW MEXICO

Even though NM's exports to Mexico are lower than the other border states, NM's export **growth** to Mexico is far outpacing our neighbors.

Since 2007, Texan exports to Mexico have increased 65%, California 46%, and Arizona 75%.

**NM has seen our exports increase almost 350%.**

## Percent Change in Trade With Mexico Since 2007



# NEW MEXICO TOP EXPORTS TO MEXICO

What is driving this rise?:

- Transportation equipment (61.4%)
- Electrical Equipment/components (26.4%)
- Computer/electronic Products (20.8%)

*Note: NM's top exporter to Mexico is not Intel.*

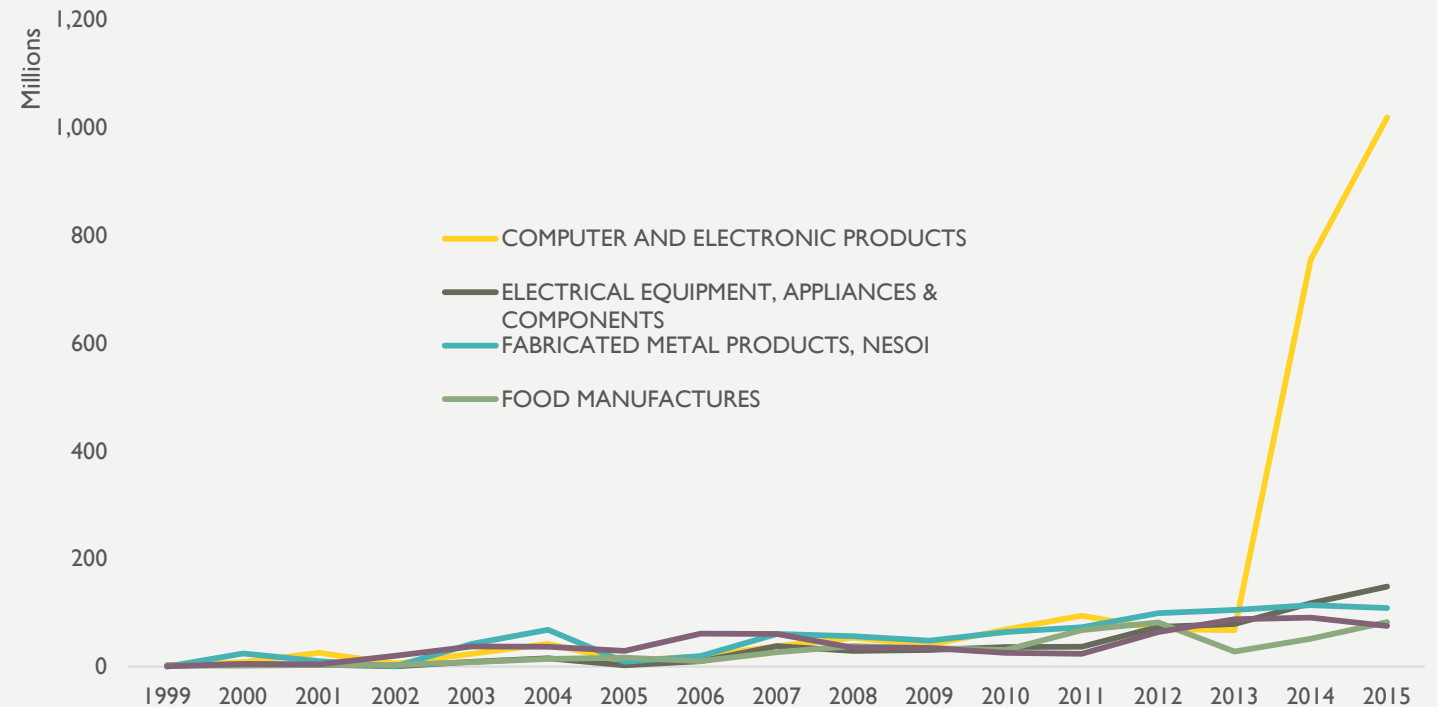
NM's 2015 Exports to Mexico By Category	1,683,243,530
COMPUTER AND ELECTRONIC PRODUCTS	1,018,266,754
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	148,698,050
FABRICATED METAL PRODUCTS, NESOI	108,471,600
FOOD MANUFACTURERS	82,904,687
TRANSPORTATION EQUIPMENT	75,509,108
PLASTICS & RUBBER PRODUCTS	69,292,554
MACHINERY, EXCEPT ELECTRICAL	45,934,127
PAPER	31,429,402
CHEMICALS	28,653,269
PRIMARY METAL MFG	14,383,697

# MEAT AND POTATOES

The Lion's share of the state's exports to Mexico is comprised of industrial inputs/components that New Mexico's industrial base is exporting to Mexico's maquiladora industry.

- Computer and Electronic Products
- Electrical Equipment, Appliances & components
- Fabricated Metal Products
- Food Manufactures

**75% of of Santa Teresa's industrial space and jobs are in manufacturing.**



# NEW MEXICO

- 45% of NM's total exports originate in southern NM and are accounted for by Santa Teresa's manufacturing base
- Most of Dona Ana County's exports go to Mexico – most exports originate in Santa Teresa (more than \$1B+ comes from Santa Teresa)
- More than \$2 to 2.5 billion of products crosses the Santa Teresa Port monthly – A few years ago this was \$1 billion per year.

# NEW MEXICO THE "INTEL" EFFECT

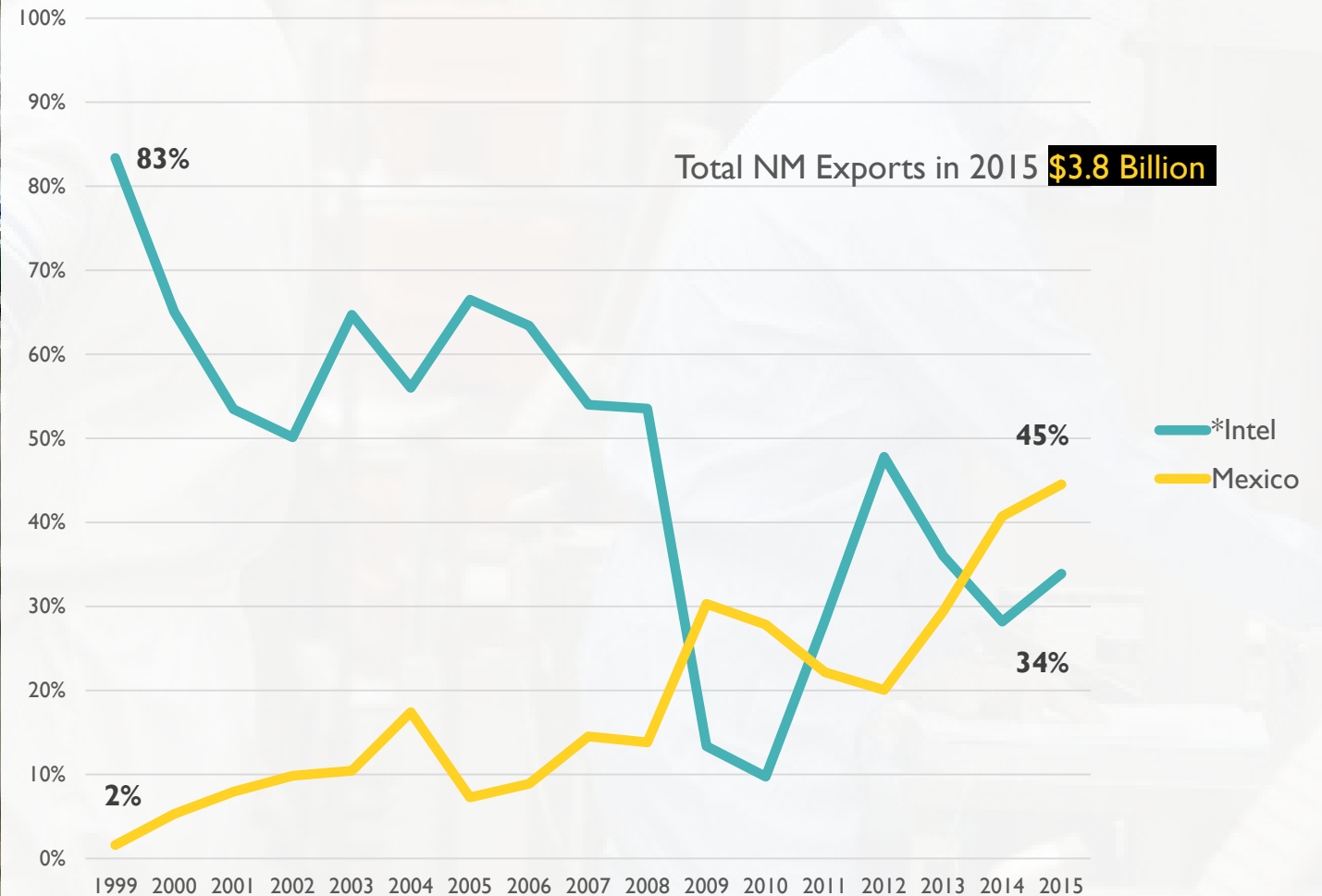
Until recently, Intel has accounted for up to 60% of NM's total exports

Intel is now accounting for between 30% and 35% of total state exports

Exports to Mexico now routinely surpass Intel's exports.

"Intel Exports" are estimated by combining the majority of NM's exports to China, Costa Rica, Ireland, Israel, Malaysia, the Philippines, and South Korea

\*Intel and Mexican Exports as a Percentage of the Total  
1999 - 2015

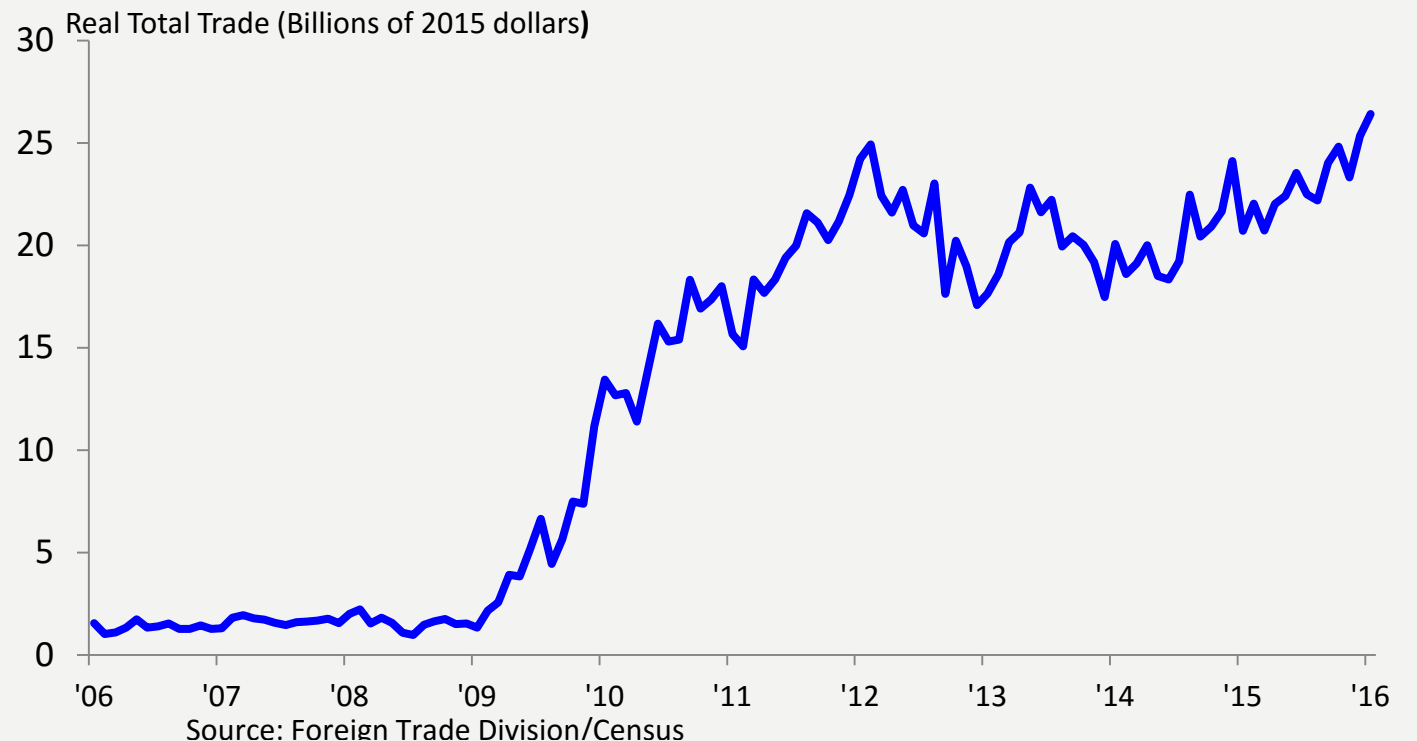




# NEW MEXICO

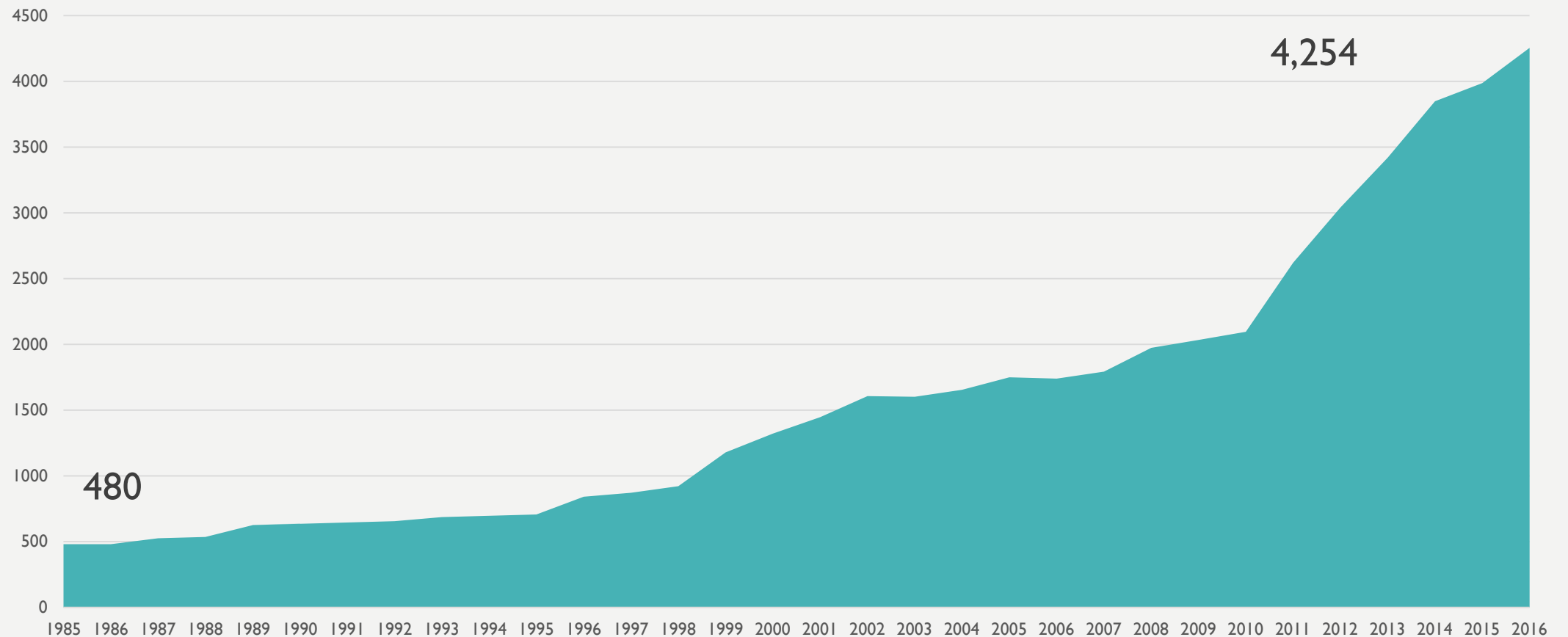
The Federal Reserve Bank of Dallas has recognized New Mexico's exports to Mexico as a major economic driver in our region. The following graph was presented at a Fed Board meeting during an economic update where Santa Teresa was the only bright spot in the region.

## A RISING STAR: SANTA TERESA (*FEDERAL RESERVE*)



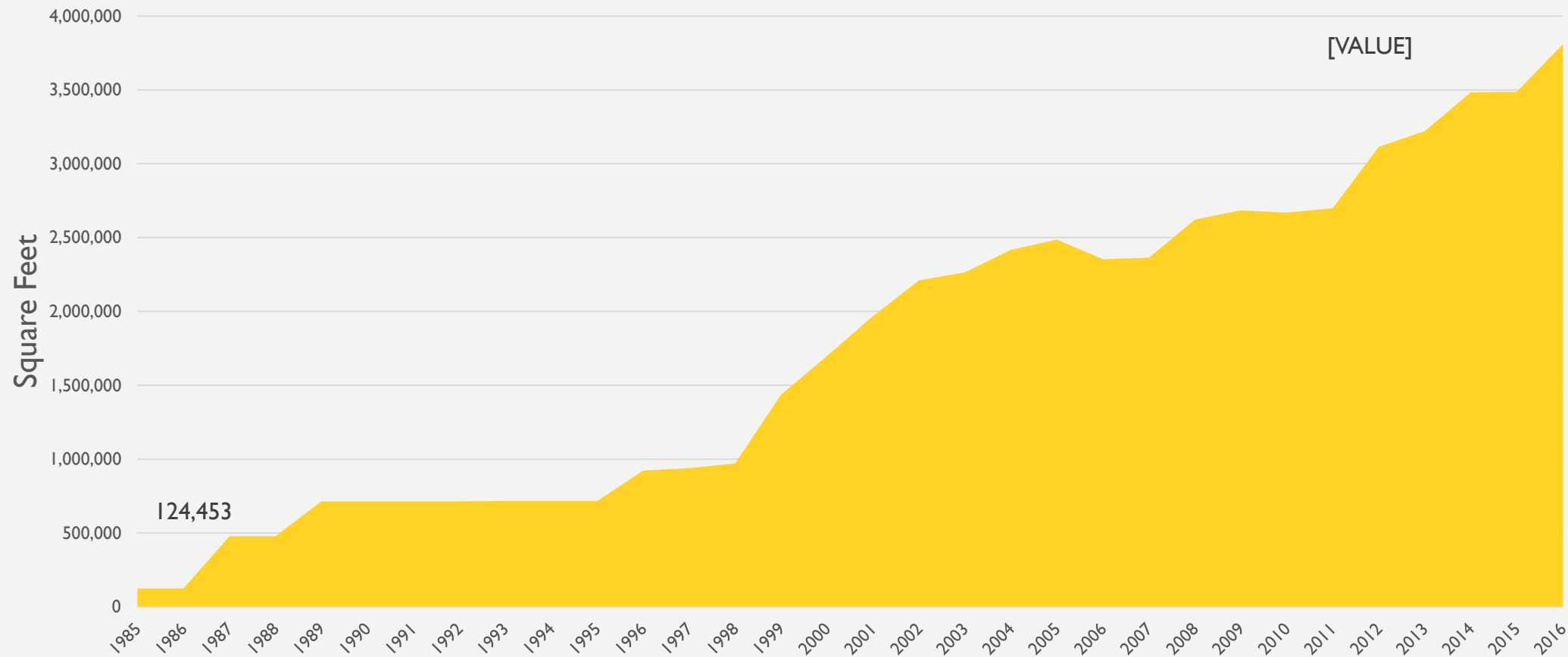
# SANTA TERESA INDUSTRIAL JOB CREATION

1985 - 2016



# SANTA TERESA TOTAL OCCUPIED SPACE

1985 - 2016





# SANTA TERESA WESTPARK

6,400 linear ft. of new rail line recently installed

Rail Park

53 new Acres of windblade storage

# SANTA TERESA RAIL PARK



Santa Teresa Terminal Office Complex

Union Pacific Santa Teresa Intermodal Facility



Dona Ana County International Jetport

Airport Park

Westpark

Planned Westpark Avenue (2015)

FedEx Grounds

MCS

Valley Cold Storage

Santa Teresa Southern Railroad

Stagecoach Trucking, ERO Services, Omega Trucking, Stagecoach Trucking, Ironhorse, Tranload facility, J.H. Rose, Monarch Litho

Industrial Road

Trans-Maritime

Tyco

CN Wire, Northwire, Intersteel Wire, Southwest Steel Coil, Georgia Pacific, Foamex



(7 miles)

Pete V. Domenici Highway

Strauss Road

Strauss Road





## FedEx Ground

Distribution Center – 215,000 s.f.



## Valley Cold Storage & Transportation

Cold Storage/Distribution Center –  
103,000 s.f. expandable to 303,000 s.f.



**TPI**

**New wind blade storage area - 53 new acres (more than 100 total)**

August 2016: Wind blades beginning to arrive at the newly constructed storage area



# STRATEGIC ADVANTAGE

## A SHORTER SUPPLY CHAIN

Major manufacturers in Mexico are demanding that their suppliers be closer.

This is creating a double benefit in that manufacturing is moving back to Mexico to be closer to the US market and suppliers are moving to the border states to be closer to their buyers.

# STRATEGIC ADVANTAGE



Our geography gives us the opportunity to supply the Mexican Maquila Industry

Chihuahua is Mexico's largest exporter at about \$45 Billion in annual exports – more than 10 times that of NM.

Chihuahua has one of the largest manufacturing sectors in Mexico.



# STRATEGIC ADVANTAGE UNION PACIFIC'S SUNSET ROUTE



# STRATEGIC ADVANTAGE

...UP invested \$400+ million in Santa Teresa to take advantage of our geography and this change in logistics.

Mexico and Chihuahua are investing in the region as well.





# SANTA TERESA UNION PACIFIC

70 Miles of track

\$500 Million Investment

600 Jobs

Recruitment Opportunities

Logistics

Manufacturers

Support

Residential and Commercial Opportunities

# SANTA TERESA FOXCONN

Largest maquila in the 45-year history of the industry.

Assembly of Dell computers – 55,000 per day

9,700 employees – approximately 300 northbound trucks through STPOE

Eventually: 3 million square feet/20,000 employees

Just announced that it is shutting its Juarez HP operations down and moving them to San Jeronimo

Customs preclearance project

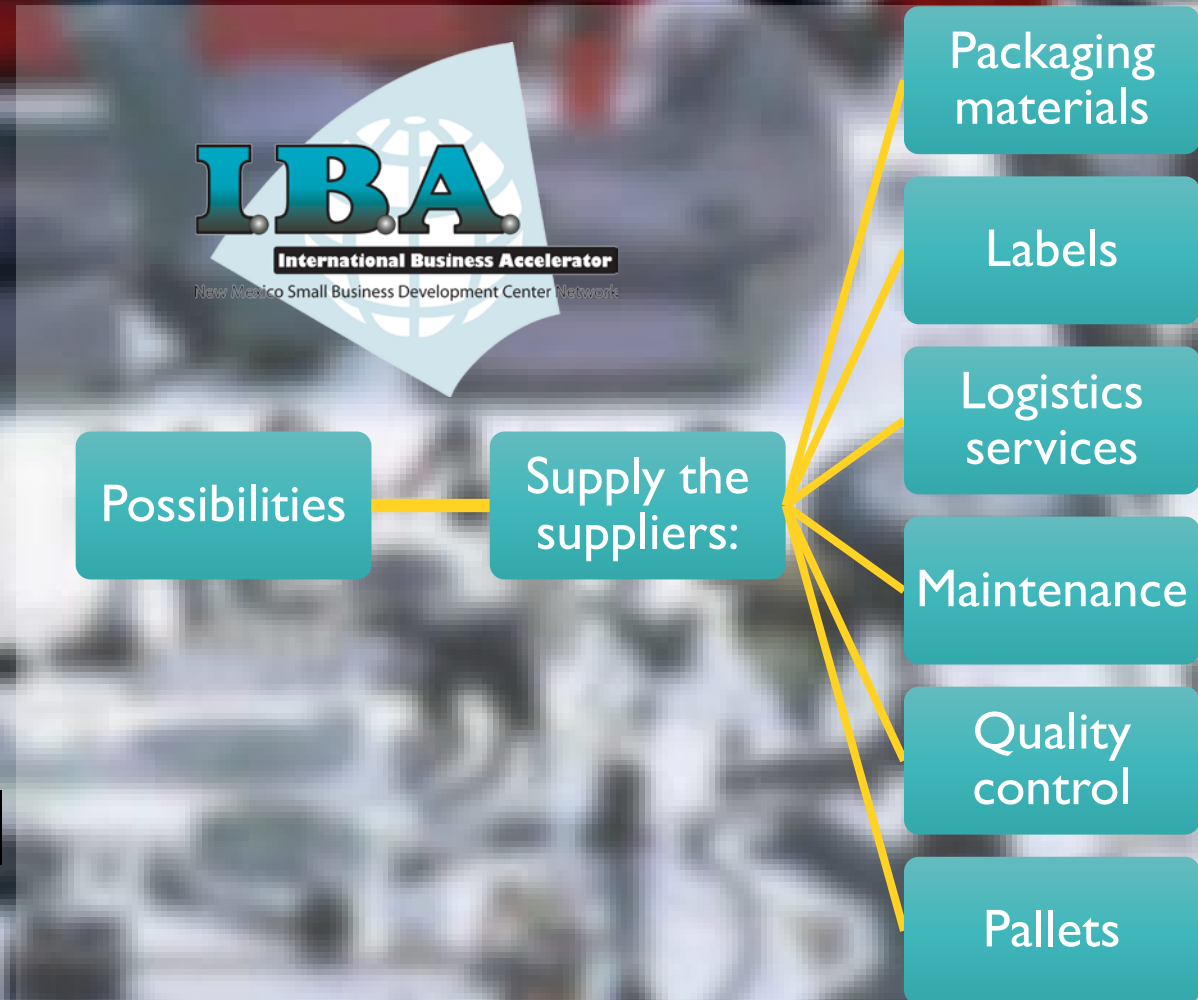




# STRATEGIC ADVANTAGE BUILDING NM'S SUPPLIER BASE

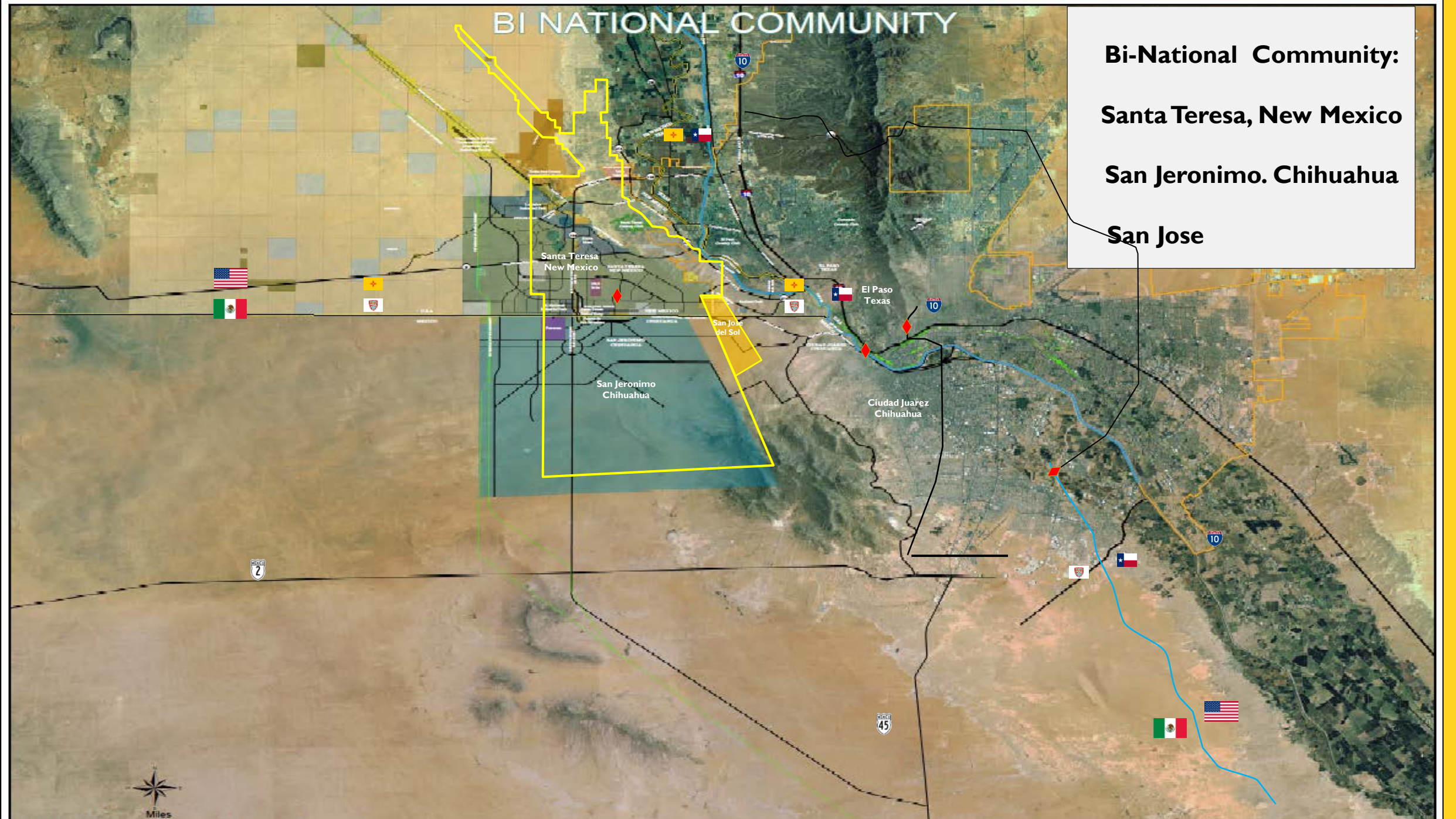
Through the IBA's *Supply the Supplier Program* we can bring the benefits of the border directly to the rest of the state.

Santa Teresa is NM's *Built-in Market* which the rest of the state can use to develop indirect exports.



# BI NATIONAL COMMUNITY

**Bi-National Community:**  
**Santa Teresa, New Mexico**  
**San Jeronimo, Chihuahua**  
**San Jose**



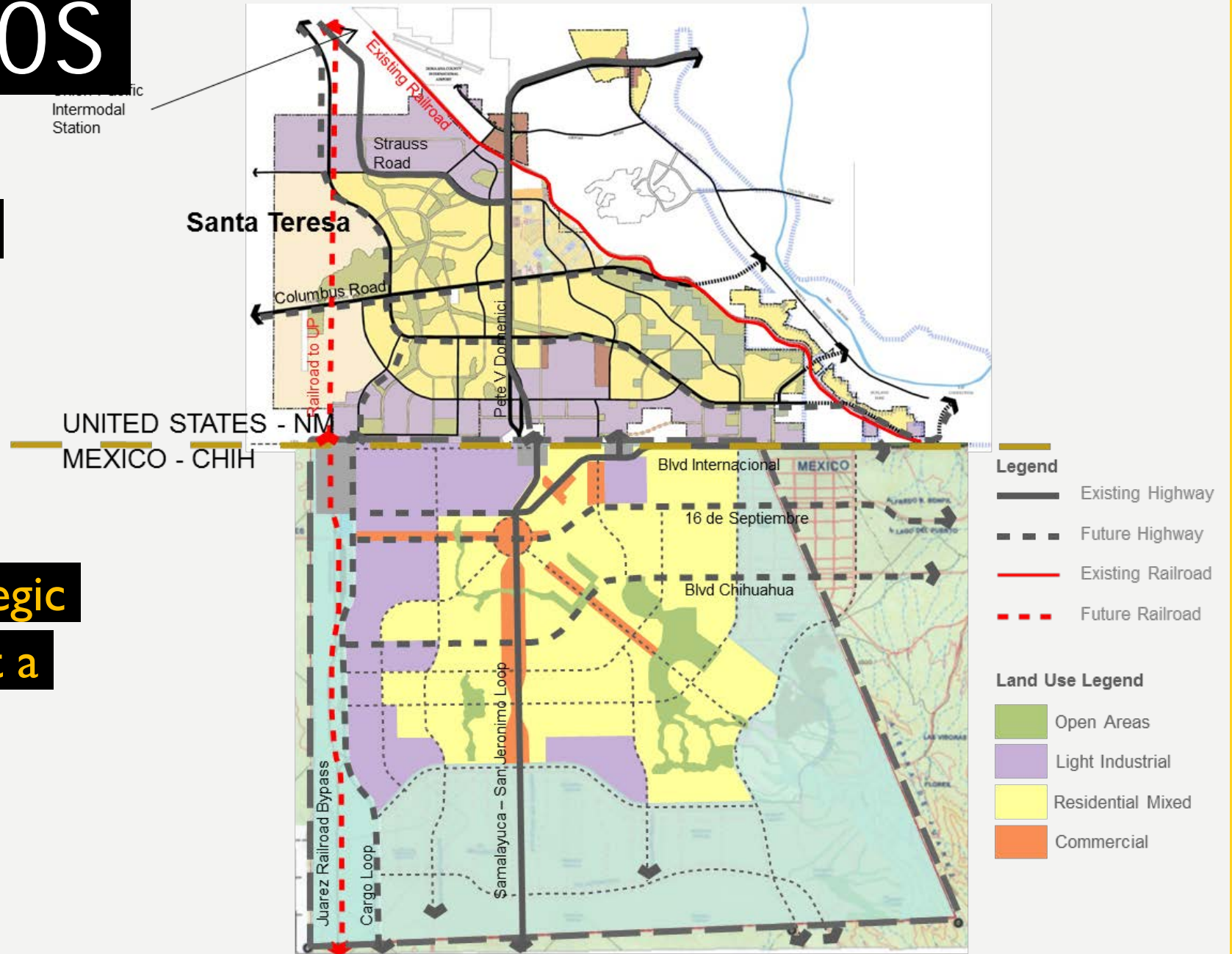
0 1.25 2.5 Miles 5 7.5 10



# LOS SANTOS

The only master planned bi-national community in the world.

This will improve Santa Teresa's strategic advantage from just a great place to do business but also work and play



# THE FUTURE



We estimate growth of 200 to 500 industrial jobs per year assuming:

- Maquiladora industry
- Additional infrastructure
- New spec space in Santa Teresa
- Development in San Jeronimo could lead to additional industrial jobs
- New housing/commercial projects (est. 2016 – could result in 200-500 jobs per year)

Union Pacific Project:

- Currently 300 FT employees
- Within 3-4 years, 600 FT employees
- Block-swap operations in near future (additional employees)
- With Foxconn, huge multiplier effect – (est. 50)



# What's needed to keep Trade/Santa Teresa Growing:

## Short Term:

### **\$50K – Marketing/Recruitment Program**

Funding will allow for the development of marketing materials (print, web, video) promoting New Mexico and Santa Teresa to manufacturers in California. Funding will also allow recruiters from New Mexico to visit and establish relationships with manufacturers in California.

### **\$750K – Extended Santa Teresa Port Hours**

Funding will allow for extended hours at the Santa Teresa Port of Entry removing El Paso's advantage over Santa Teresa. The funding will be matched with \$250K provided by Dell Computers.

### **\$50K – Supply the Supplier Program**

Funding will allow the International Business Accelerator to travel the state looking for companies who can supply the industrial base in Santa Teresa. Funding will also allow the IBA to organize business-to-business meetings between the purchasing managers in Santa Teresa and companies around the state.

### **\$400K – The International Business Accelerator (currently funded at \$160K)**

The IBA is the only statewide trade assistance program helping NM companies and entrepreneurs export their products and services. The fastest and easiest path to diversify and grow the state's economy is by exporting our products and services. The IBA is currently successful at this. Since the program's creation in 2003 the IBA has consulted almost 1,000 companies, helped our clients export \$158,000,000 in goods and services, and helped our clients create or retain almost 850 jobs. However, the IBA is hampered in its efforts because of a small staff. Given more resources we could do a lot more the diversify and grow New Mexico's economy.

## Medium to Long Term:

### **TIDD**

Santa Teresa is looking at creating a TIDD as an alternative solution to fund infrastructure projects over the long term.

### **\$22M – Cross Runway for the Santa Teresa Jetport**

A cross runway is necessary at Santa Teresa's airport to provide an alternative landing strip during times of high winds. A safer landing option will allow for larger aircraft and air cargo to use Santa Teresa. Air cargo will allow Santa Teresa to market itself to companies who require faster logistics.

### **\$15M – Union Pacific Overpass**

One of the Santa Teresa industrial parks only has two roads entering it, one of which crosses UP's rail line. When a train is passing through the area it cuts off half of the access to the industrial park.

### **Rail Bypass**

Supporting the rail bypass which will bring more trains and goods to Santa Teresa will provide more opportunities to Santa Teresa to market itself as a logistics hub resulting in more jobs.