

# JERRY PACHECO



**Executive  
Director**

[www.nmiba.com](http://www.nmiba.com)



**President/CEO**

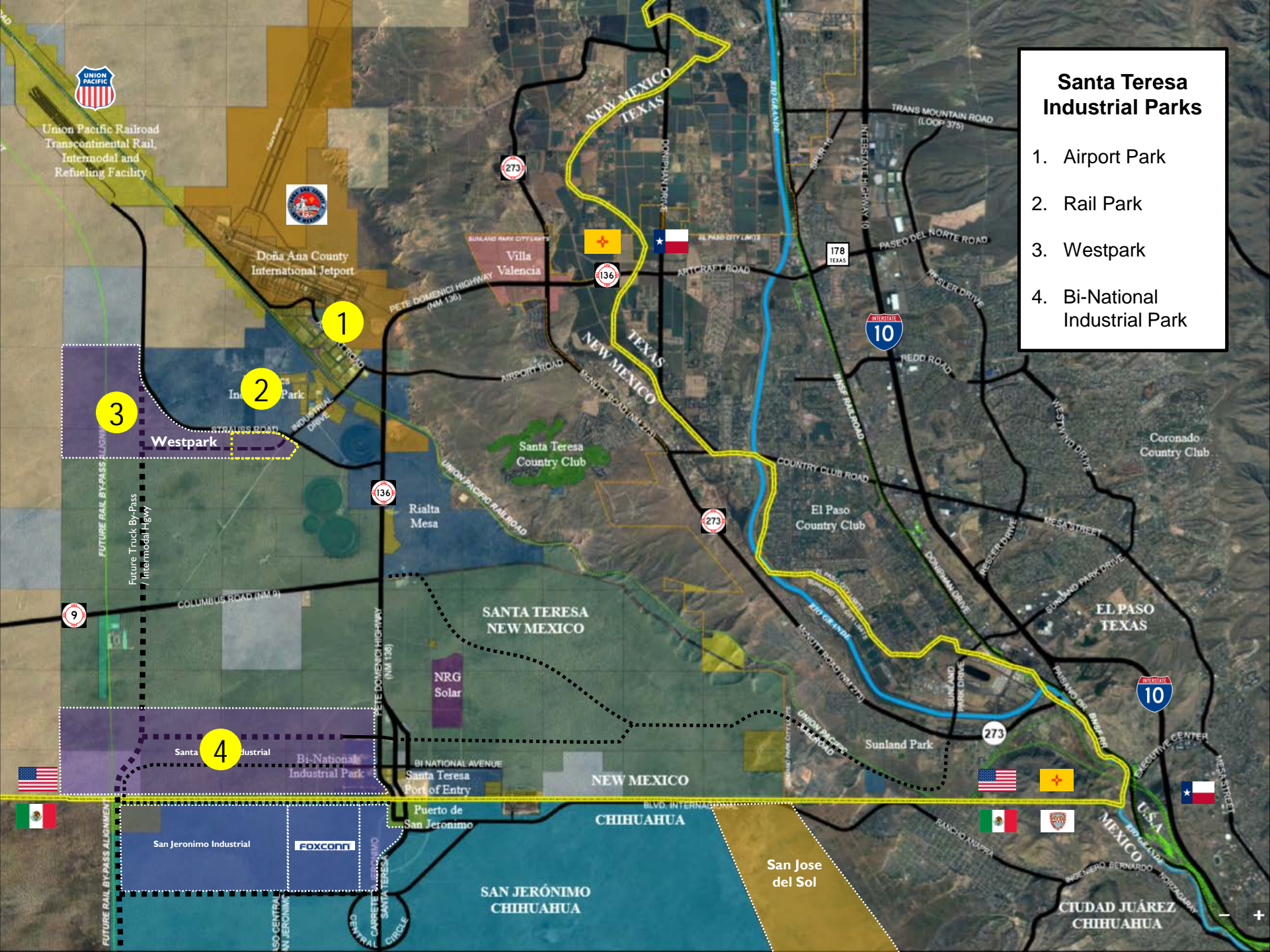
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**Senior Business  
Recruiter**

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# Diversifying New Mexico's Economy



- ### Santa Teresa Industrial Parks
1. Airport Park
  2. Rail Park
  3. Westpark
  4. Bi-National Industrial Park

Union Pacific Railroad  
Transcontinental Rail,  
Intermodal and  
Refueling Facility

Doña Ana County  
International Jetport

1

2

3

Westpark

4

Santa Teresa Industrial

Bi-National Industrial Park

San Jeronimo Industrial

Foxconn

NRG Solar

Puerto de San Jeronimo

BI NATIONAL AVENUE

Santa Teresa Port of Entry

SAN JERÓNIMO  
CHIHUAHUA

San Jose del Sol

USA

Mexico

Mexico

USA

Mexico

USA

Mexico

USA

Mexico

USA

Mexico

USA

# Leading Companies in Santa Teresa and San Jeronimo\*

**FOXCONN**

**nrg**

**COMMSCOPE**

**Continental**

**R.L. JONES**  
CUSTOMHOUSE BROKERS

**Level (3)**  
COMMUNICATIONS

**Sterigenics**

**Transmaritime Inc.**

**NORTHWIRE**  
A LEMO Group Company

**Bilco**

**DELL**

**First Solar**

**UNION PACIFIC**

**Interceramic**

**FedEx**  
Ground

**fxi**

**CN WIRE**  
CORPORATION

**ACMEGROUP**

**GP**

**Georgia-Pacific**

**FRANCIS**  
AVIATION

**RR DONNELLEY**

**Roadrunner**  
Transportation  
Systems

**The Electric Company**  
El Paso Electric

**OMEGA**  
TRUCKING INC.

**J.H. ROSE**  
LOGISTICS

**MCS**  
tabletop & wall decor by design

**STAGECOACH**  
CARTAGE & DISTRIBUTION, LLC.

**MURPAC SERVICES INC.**

**SANTA TERESA SOUTHERN**  
5001 Avenida Credit, Santa Teresa, NM 88008 Ph: (575) 589-1129 Fx: (575) 589-1128

**MONARCH LITHO INC.**

**hp**

**CALSTRIP INDUSTRIES**  
INNOVATIVE STEEL SOLUTIONS

**Expeditors**

**CenturyLink**

**IW**  
**INTERNATIONAL WIRE**

**IDI Gazeley**  
Brookfield Logistics Properties

**Malloy**  
manufacturing  
company

**New Mexico**  
GAS COMPANY

**GTI**  
GLAZ-TECH INDUSTRIES  
DESIGN THROUGH GLASS

**Gamesa**



**tpi**  
COMPOSITES

**DAIWA KASEI** (株) 大和化成工業株式会社

**STANCO**  
ESTABLISHED 1917

\* As of 2Q 2016

# STRATEGIC ADVANTAGE

A map of the Pacific region showing trade routes from Asia to the United States. The map includes labels for various countries and bodies of water. A dashed line indicates a shipping route from the East China Sea, through the South China Sea, and into the Gulf of Mexico. Another dashed line shows a route from the Bering Sea, through the North Pacific Ocean, and into the Gulf of Mexico. The United States is highlighted in green, and Mexico is highlighted in yellow. Two yellow stars are placed on the US-Mexico border, one in New Mexico and one in Texas. The text 'STRATEGIC ADVANTAGE' is written in large white letters on a black background at the top. Below it, the text 'The way goods from Asia enter the US is changing...' is written in yellow on a black background.

The way goods from Asia enter the US is changing...

# STRATEGIC ADVANTAGE UNION PACIFIC'S SUNSET ROUTE



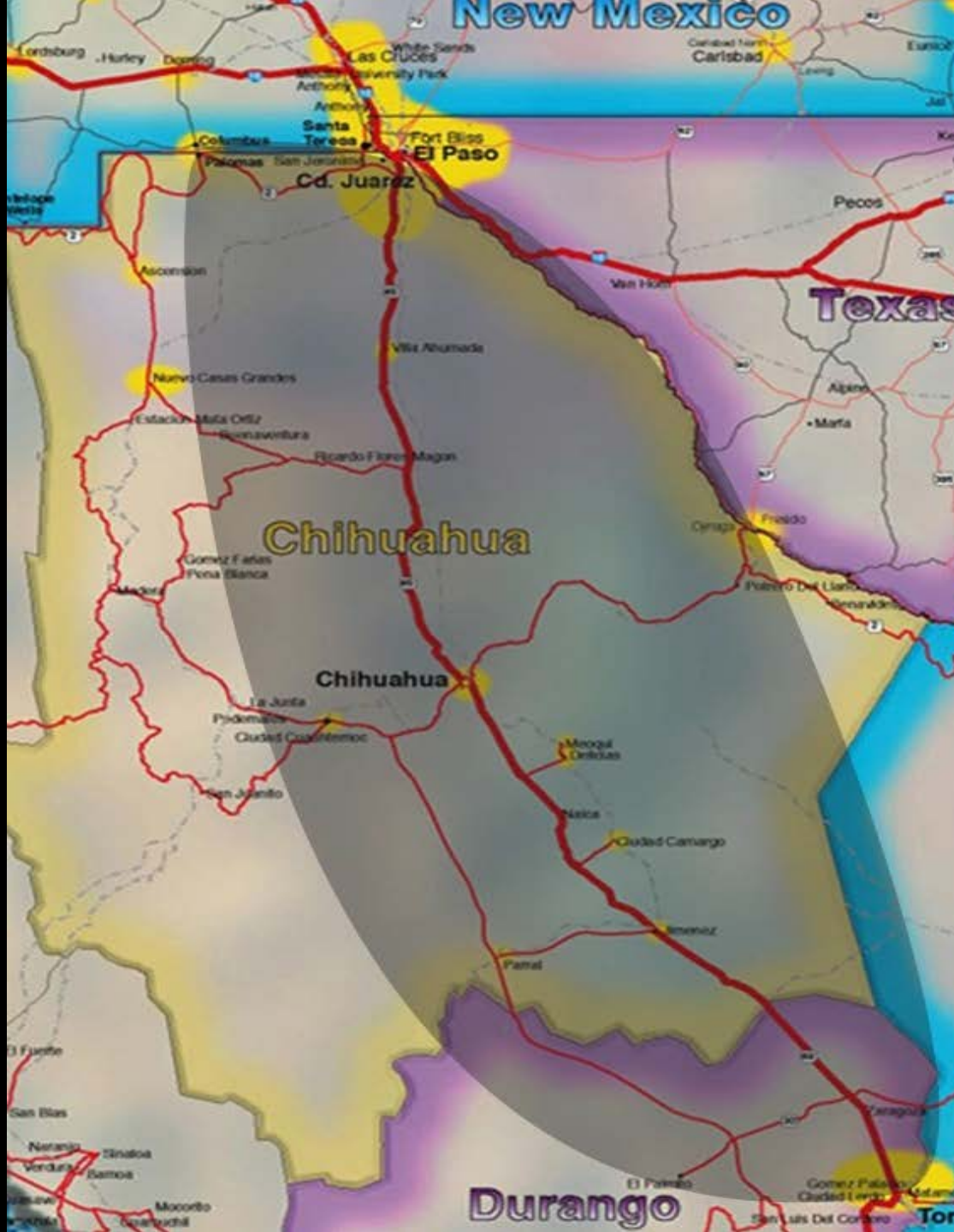
# STRATEGIC ADVANTAGE



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.



Companies that are located in the shaded areas of Chihuahua and Durango are likely to use the STPOE or the El Paso ports.

The suppliers that would serve these maquilas are prospects for New Mexico.





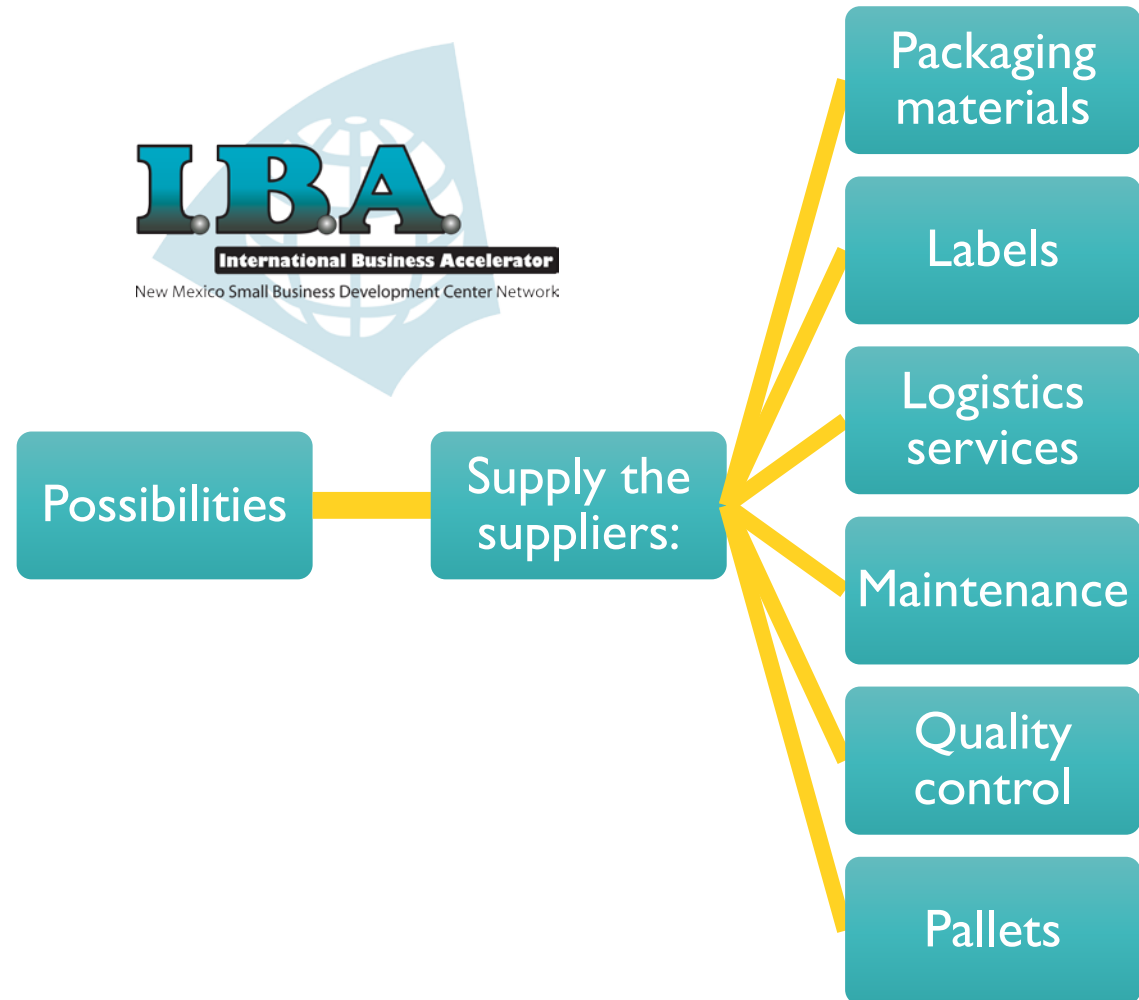
# STRATEGIC ADVANTAGE

## BUILDING NM'S SUPPLIER BASE

Through the IBA/NM Partnership **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.

1<sup>st</sup> five successes:



# "SUPPLY THE SUPPLIER" SUCCESSES:

1) Master Immediate Supply: (Mexican company established warehouse in ST and will hire 5 people)



# "SUPPLY THE SUPPLIER" SUCCESSES:

2) Watson Hopper (Hobbs): contract to produce 400 mobile solar power generators – retention of 10-12 jobs.



# "SUPPLY THE SUPPLIER" SUCCESSES:

## 3) Applied EHSD, LLC

OSHA compliance, safety training, assessments, and audits

Will start work for RL Jones in Santa Teresa Airport Park

Currently in negotiations with other Santa Teresa industrial base companies



# "SUPPLY THE SUPPLIER" SUCCESSES:

- 4) Blackbird Property Services (Santa Teresa): Landscaping and property maintenance in the Santa Teresa industrial parks.



# "SUPPLY THE SUPPLIER" SUCCESSES:

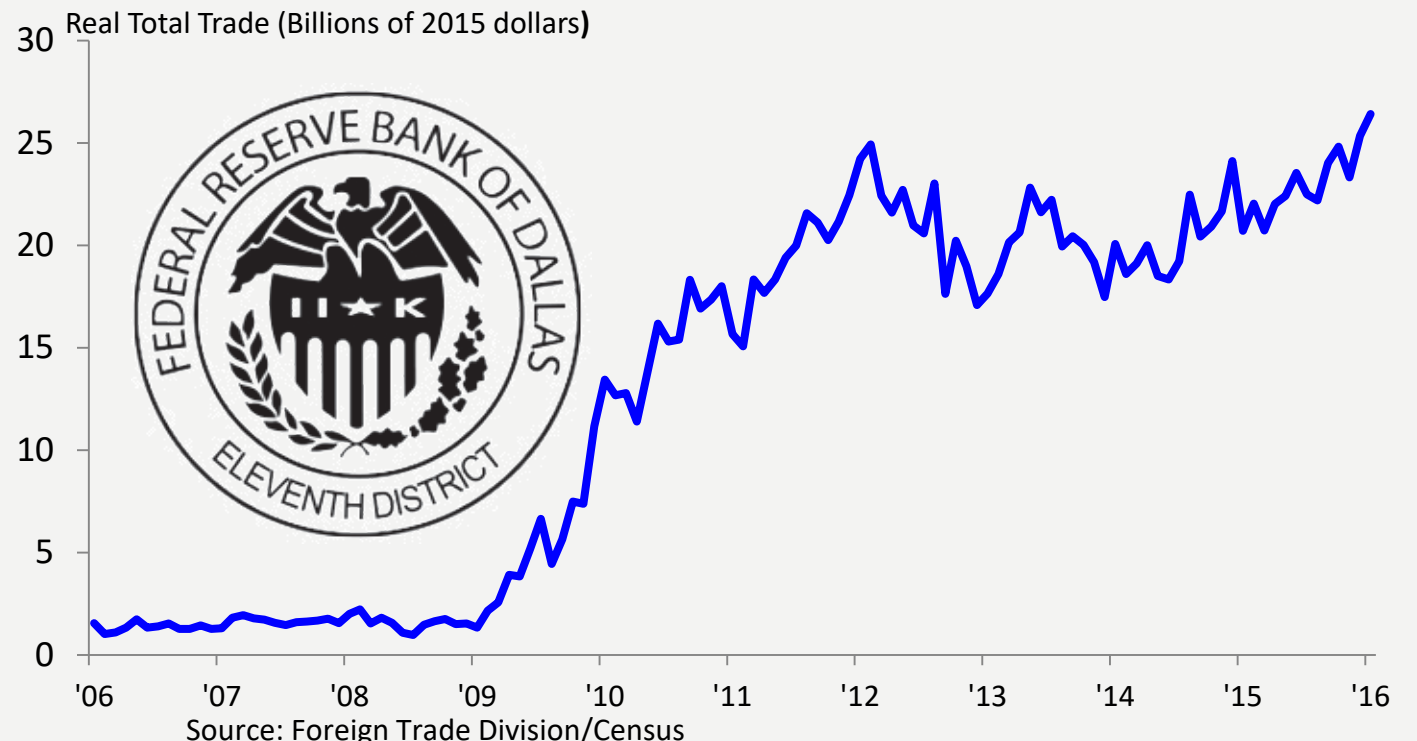
5) ACT Enviro of Chaparral, NM does handling and disposal of hazmat materials. Through the program it has begun handing materials for TPI Composites, located in the Santa Teresa Intermodal Park.



# 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*)



## 75 % OF BILATERAL LAND TRADE IS DONE BY THE TEXAS BORDER PORTS

2015 Rank	Port	Total Trade (Bil. \$)	Share of Total (%)
1	Laredo - Texas	197.63	43.3
2	El Paso - Texas	68.91	15.1
3	Otay Mesa - California	42.63	9.3
4	Hidalgo - Texas	29.17	6.4
5	Nogales - Arizona	27.31	6.0
6	Eagle Pass - Texas	26.07	5.7
7	Santa Teresa - New Mexico	21.98	4.8
8	Calexico-East - California	16.25	3.6
9	Brownsville - Texas	14.29	3.1
10	Del Rio - Texas	5.05	1.1
	Other	7.38	1.6
	<b>Total</b>	<b>456.67</b>	

Source: Bureau of Transportation Statistics, US Department of Transportation.



# 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 3% in 1<sup>st</sup> half of 2016 compared to 2015

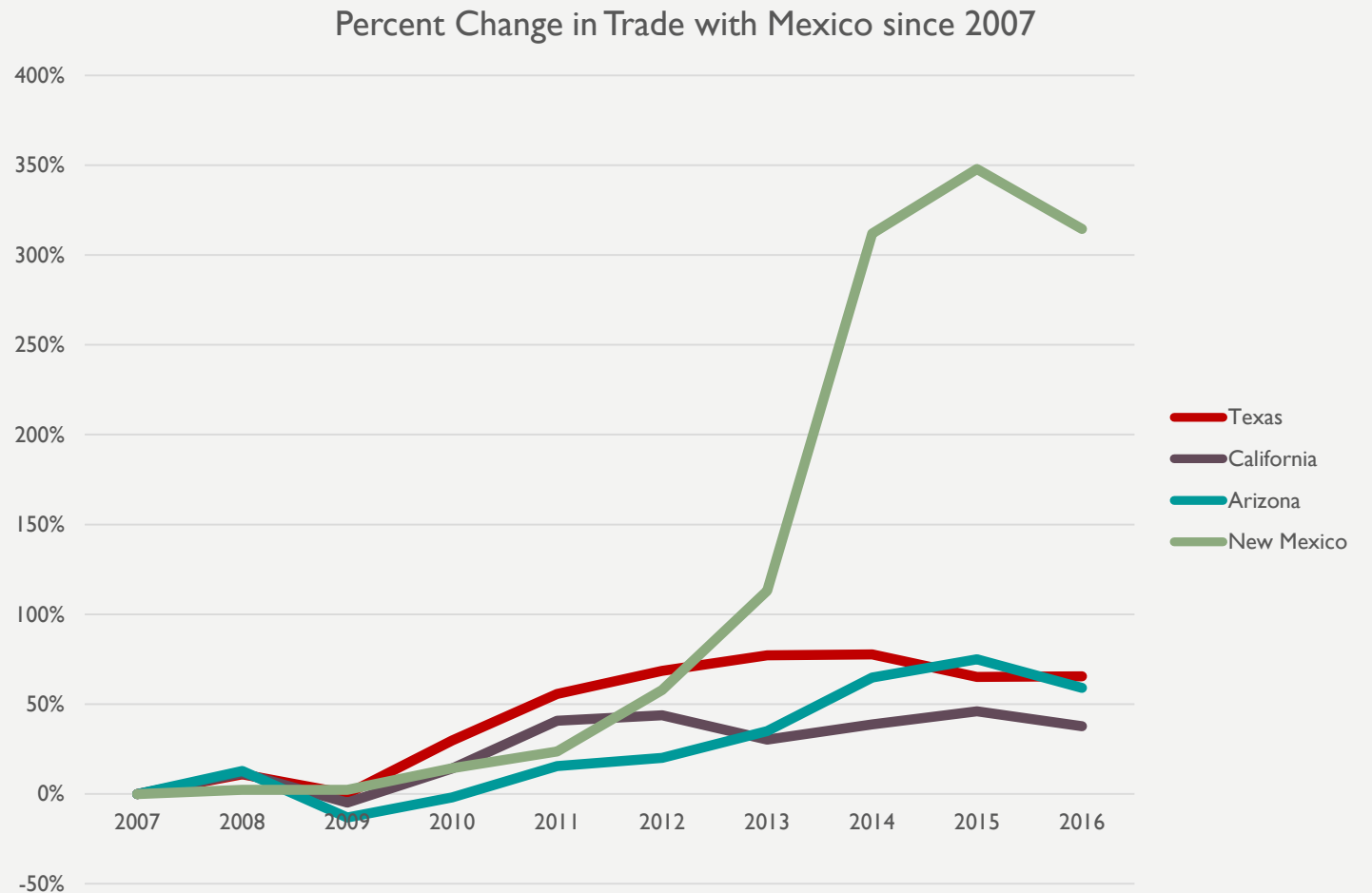
Exports to Mexico rose 18% to \$457 billion

# NEW MEXICO

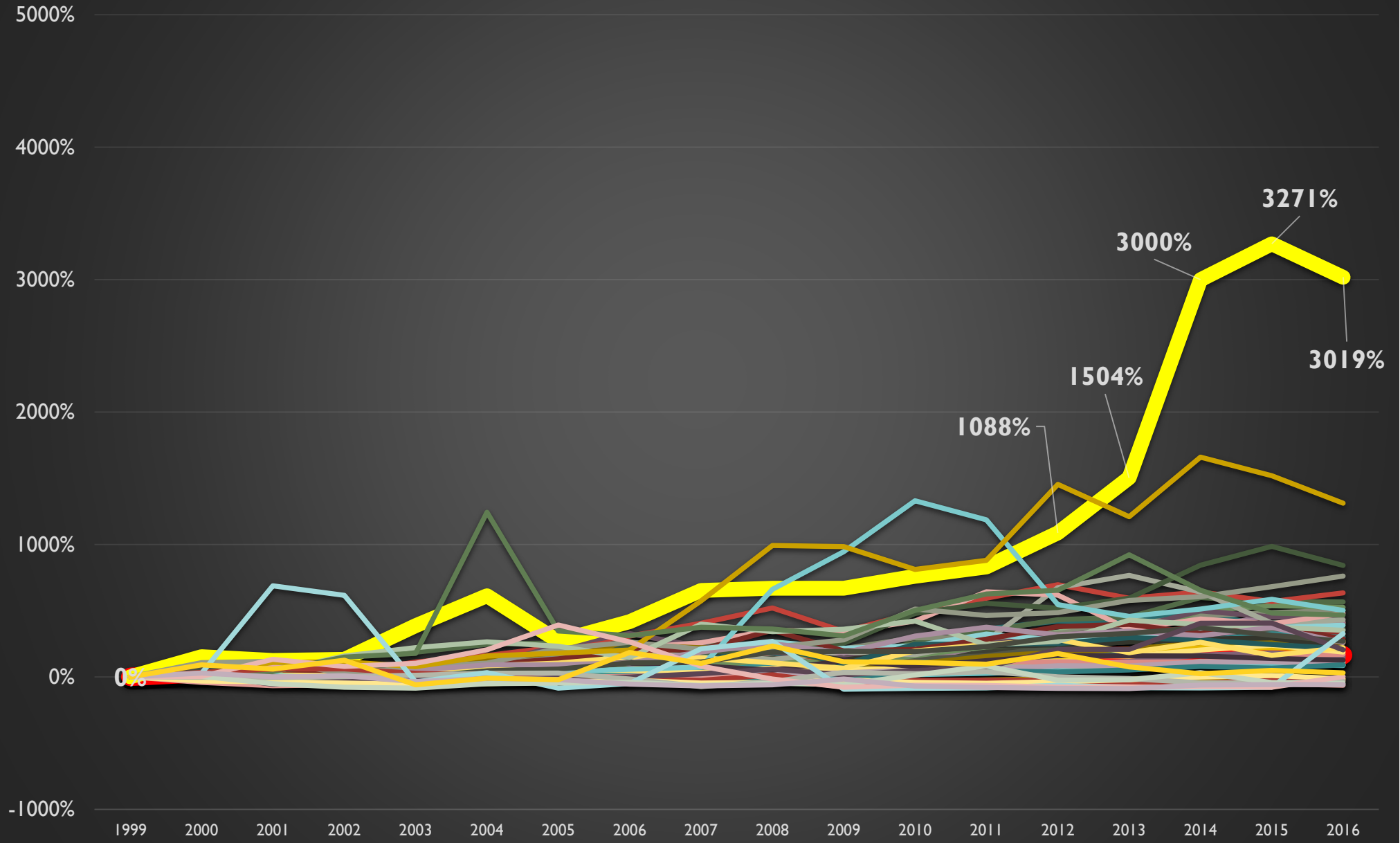
Even though NM's exports to Mexico are lower than the other border states, NM's export **growth** to Mexico is far outpacing our neighbors.

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

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



# % Growth of State Exports to Mexico, 1999 to 2016 Using 1999 as a baseline



## Exports of NAICS Total All Merchandise from New Mexico

Partner	2013	2014	2015	2016
World	2,726,138,754	3,801,592,125	3,781,131,998	3,629,286,503
■ Mexico	800,905,402	1,547,963,563	1,683,243,530	1,557,394,229
■ Israel	788,477,431	811,525,168	1,082,894,159	508,046,413
■ China	96,456,470	105,893,888	117,055,255	496,903,967
■ Japan	40,501,184	73,322,025	69,086,548	238,673,950
■ Canada	288,917,465	231,626,013	188,160,713	135,981,117
■ Germany	67,857,697	63,432,417	64,527,211	68,200,218
■ United Arab Emirates	5,450,311	12,130,976	36,112,140	55,308,626
■ Belgium	44,667,235	59,196,098	78,415,158	46,414,155
■ Saudi Arabia	11,796,907	71,952,953	12,597,301	44,720,153
■ Singapore	23,298,559	27,876,771	21,587,223	42,518,287
■ India	19,926,915	25,721,545	23,781,129	38,019,245
■ United Kingdom	37,620,398	30,036,187	32,571,543	36,866,231
■ South Korea	21,232,040	41,746,459	21,395,094	35,465,645
■ Ireland	64,299,308	100,881,314	51,698,949	29,419,264
■ Netherlands	27,198,782	23,460,326	23,590,787	27,271,710
■ Australia	40,398,360	28,831,766	16,257,349	17,658,407
■ France	15,784,535	12,947,102	11,452,543	17,297,575
■ Hong Kong	16,266,685	21,579,949	18,093,316	16,882,261
■ Thailand	15,518,250	21,458,331	18,550,668	15,272,400

# 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%)

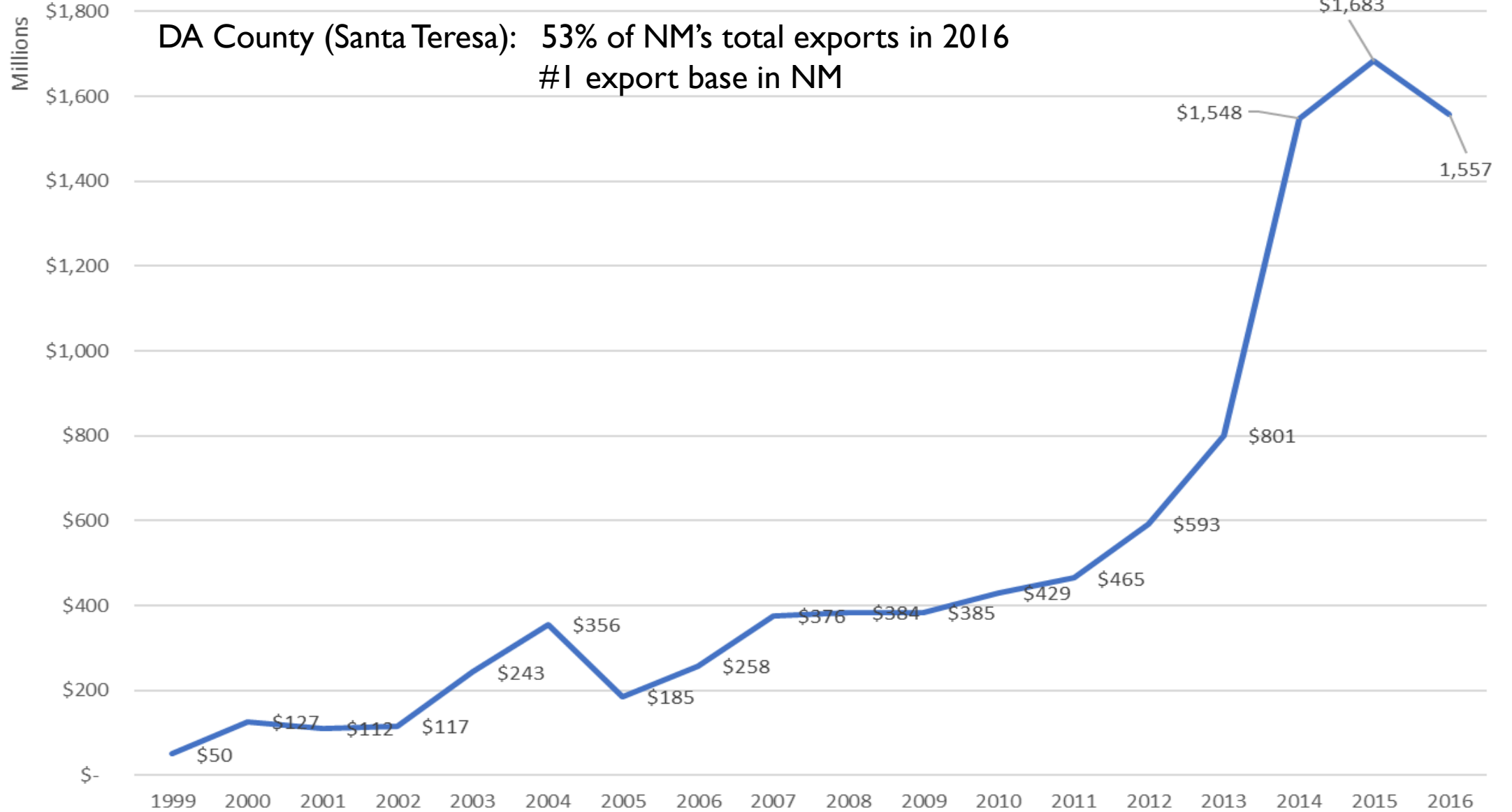
NM's 2016 Exports to Mexico By Category	1,557,394,229
COMPUTER AND ELECTRONIC PRODUCTS	841,429,913
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	162,626,345
FABRICATED METAL PRODUCTS, NESOI	117,418,249
FOOD MANUFACTURES	84,442,344
TRANSPORTATION EQUIPMENT	82,930,126
PLASTICS & RUBBER PRODUCTS	67,638,960
MACHINERY, EXCEPT ELECTRICAL	44,515,717
PAPER	37,401,717
CHEMICALS	28,730,856
PRIMARY METAL MFG	22,310,067

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

# New Mexican Exports to Mexico 1999 - 2016

2016 update

DA County (Santa Teresa): 53% of NM's total exports in 2016  
#1 export base in NM



	1st Six Months of 2017	2014	2015	2016
1 World	1,736,728,289	3,801,606,959	3,781,253,797	3,631,617,039
2 Mexico	810,679,822	1,547,963,563	1,683,307,361	1,557,430,579
3 China	462,799,789	105,893,888	117,055,255	496,775,092
4 Canada	58,757,483	231,626,013	188,254,681	138,726,356
5 Singapore	49,444,618	27,876,771	21,587,223	42,526,959
6 Turkey	36,474,553	6,073,957	8,402,091	6,655,513
7 Germany	34,114,482	63,432,417	64,527,211	68,136,206
8 South Korea	27,840,705	41,746,459	21,395,094	35,503,838
9 Japan	27,220,297	73,322,025	69,086,548	238,673,950
10 Australia	17,233,730	28,831,766	16,257,349	17,658,659
11 Belgium	16,346,859	59,196,098	78,415,158	46,424,864
12 Saudi Arabia	13,832,791	71,952,953	12,597,301	44,720,153
13 Ireland	13,312,561	100,881,314	51,698,949	29,419,264
14 Netherlands	12,955,631	23,460,326	23,590,787	27,271,710
15 United Kingdom	11,849,629	30,036,187	32,571,543	36,866,231
16 Italy	11,801,950	264,129,615	14,361,817	14,091,098
17 France	10,317,642	12,947,102	11,452,543	17,303,875
18 Hong Kong	9,849,042	21,579,949	18,093,316	16,855,362
19 Thailand	9,421,989	21,458,331	18,550,668	15,272,400
➔ 22 Israel	6,765,597	811,525,168	1,082,894,159	508,046,413

# NEW MEXICO THE "INTEL" EFFECT

**Santa Teresa is Helping to Diversify NM's Economy**

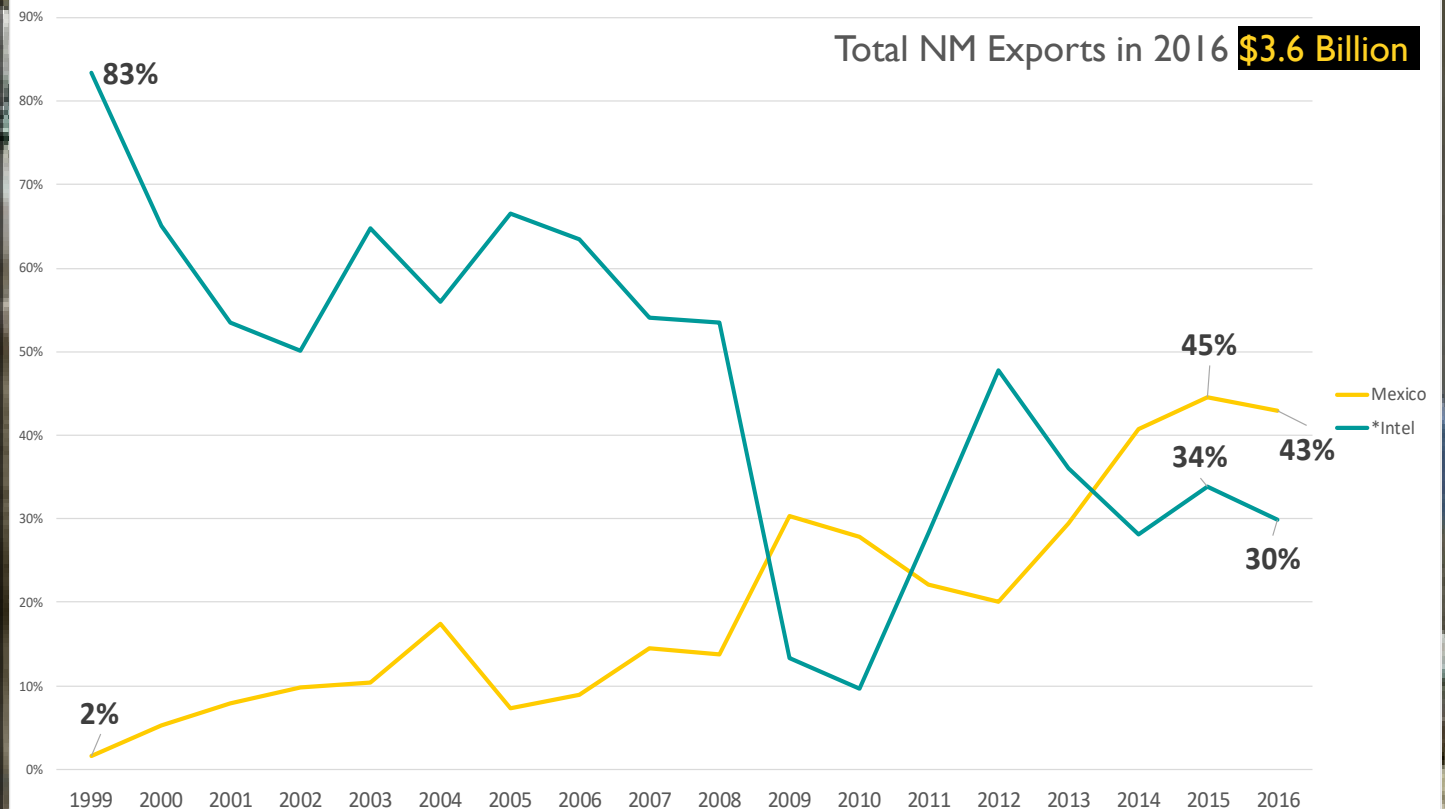
Until recently, Intel has accounted for up to 60% of NM's total exports

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 NM's exports to China, Costa Rica, Ireland, Israel, Malaysia, the Philippines, and South Korea

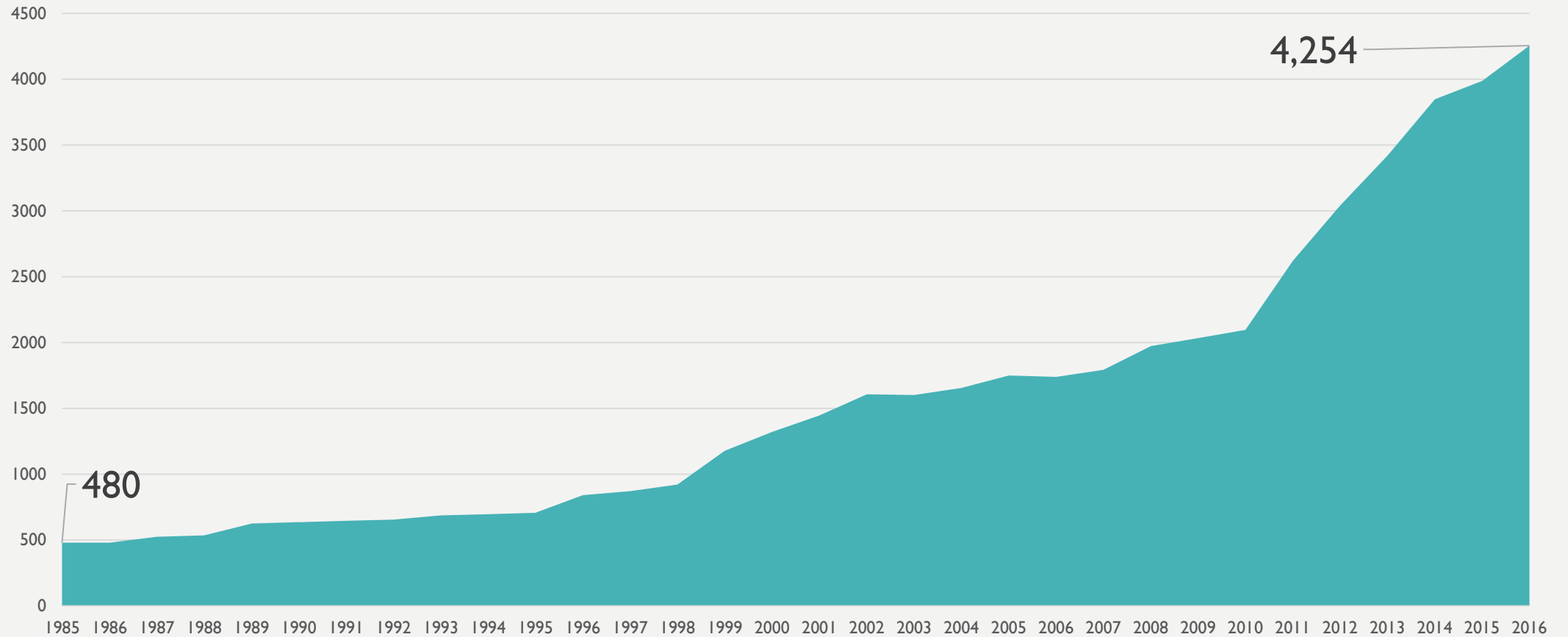
\*Intel and Mexican Exports as a Percentage of the Total  
1999 - 2016





# SANTA TERESA INDUSTRIAL JOB CREATION

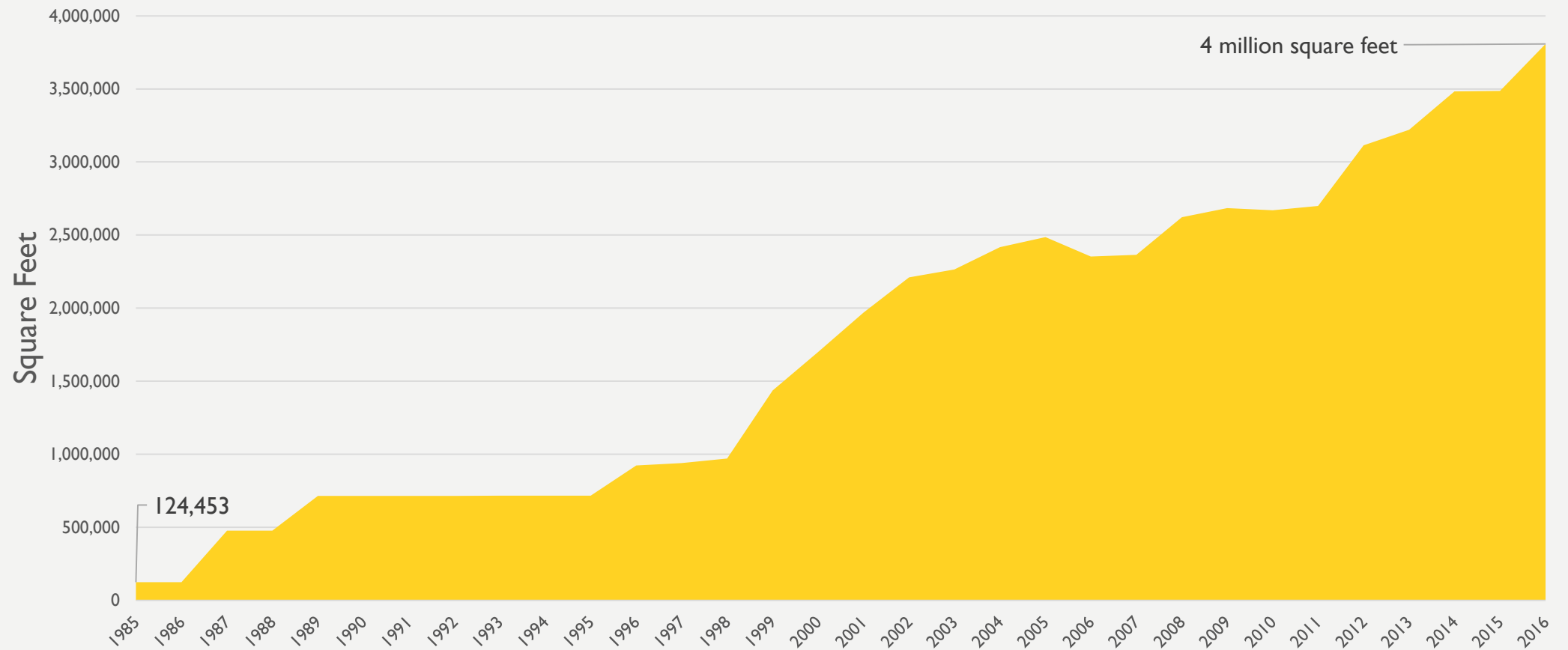
1985 - 2016



# SANTA TERESA

## TOTAL OCCUPIED SPACE

1985 - 2016



# SANTA TERESA WESTPARK

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

Westpark

Rail Park

Airport Park

FedEx Ground

Valley Cold Storage

MCS

53 new Acres of windblade storage

# SANTA TERESA RAIL PARK

1 year old  
500,000 sf of new space



(7 miles)

Union Pacific Santa Teresa Intermodal Facility

Santa Teresa Terminal Office Complex

Dona Ana County International Jetport

Tyco

Airport Park

Acme Mill  
Erickson Metal  
Northwire  
Intersteel Wire  
Southwest Steel Coil  
Georgia Pacific  
Foamex

Glax-Tech

Twin Cities Services

Strauss Road

Santa Teresa Southern Railroad

Industrial Road

Trans-Maritime

Stagecoach Trucking

ERO Services

Omega Trucking

Stagecoach Trucking

Ironhorse

Tranload facility

J.H. Rose

Monarch Litho

Planned Westpark Avenue (2015)

Strauss

Union Pacific Railroad Main Line

# SANTA TERESA | Intermodal Park Rail Spur Extensions

**TPI Composites**  
Rail Spur Extension



**Ferza**  
Rail Spur Extension



**TPI Composites**  
Rail Spur Extension



MCS Frames  
215,000 sf  
(West Park)



Omega Trucking  
Logistics Terminal  
(Intermodal Park)



6,400 New Linear Feet  
Of Rail (Intermodal Park)



**FedEx Ground**  
Distribution Center – 215,000 s.f.



**Cold Storage/Distribution Center –**  
107,000 s.f. expandable to 303,000 s.f.



# Valley Cold Storage



# FedEx Ground



# MORE RECENT PROJECTS:



RL Jones (logistics and customs brokerage):

- 20 new jobs
- 24,000 sf



Twin Cities (Logistics):

- 15 new jobs
- 19 additional acres



# SANTA TERESA

FOXCONN (SAN JERONIMO)

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

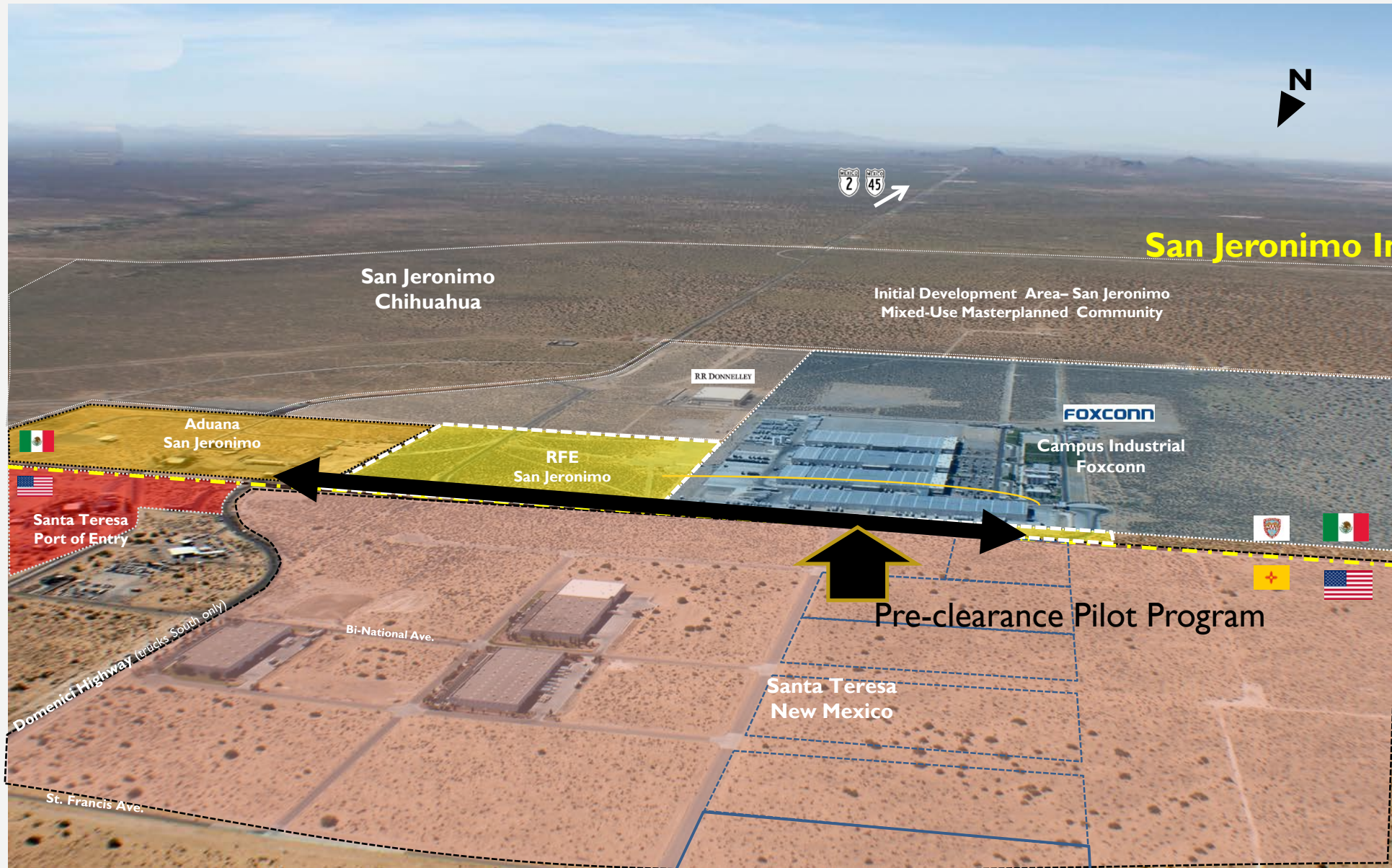
Just announced that it is shutting its Juarez HP operations down and moving them to San Jeronimo

Customs preclearance project



# SAN JERONIMO, CHIHUAHUA

# San Jeronimo Industrial Park





West El Paso Texas

Downtown El Paso / Ciudad Juarez

San Jose

San Jeronimo Chihuahua

Santa Teresa/San Jeronimo Border Crossing

Foxconn Campus

Santa Teresa New Mexico

Westpark Phase I 166-acres

Westpark Logistics Center

Dona Ana County International Jetport

Dona Ana County International Jetport (Future Expansion)

70 Miles of track

\$500 Million Investment

600 Permanent Jobs

Recruitment Opportunities

Logistics

Manufacturers

Support

Residential and Commercial Opportunities

### Santa Teresa Facility - Key Metrics:

Site Acreage: 2,200 acres (11.5 miles long by 1 mile wide)  
 Trackage: 74,000 ft. expandable to 145,000 feet  
 Intermodal Lift Capacity: 225,000 units expandable to 700,000 units  
 Container and Trailer Parking: 1,266 stalls expandable to 4,380 stalls  
 Automated Gate System: 8 lanes expandable to 12 lanes  
 Refueling: First 'run-through' locomotive refueling facility  
 Refrigerated Container and Trailer refueling  
 Initial Phase Opening: April 2014

Santa Teresa Intermodal Facility  
 \$418 Million Investment  
 (Phase I completed May 2014)



**"Santa Teresa is the future of our company"**

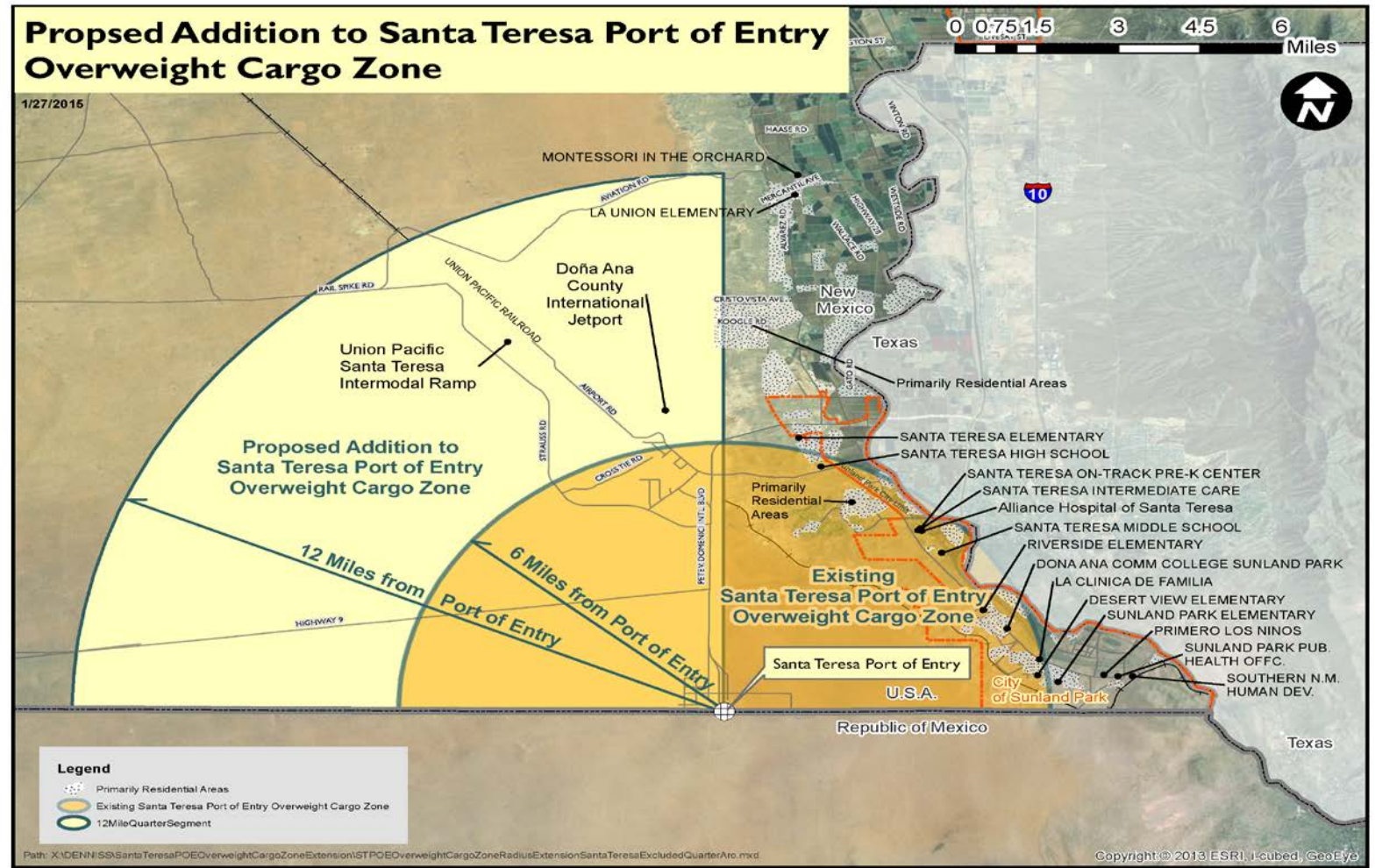
John J. Koraleski  
 Chairman and CEO  
 Union Pacific Corporation  
 CNBC Interview: May 28, 2014

# SANTA TERESA

## Overweight Cargo Zone

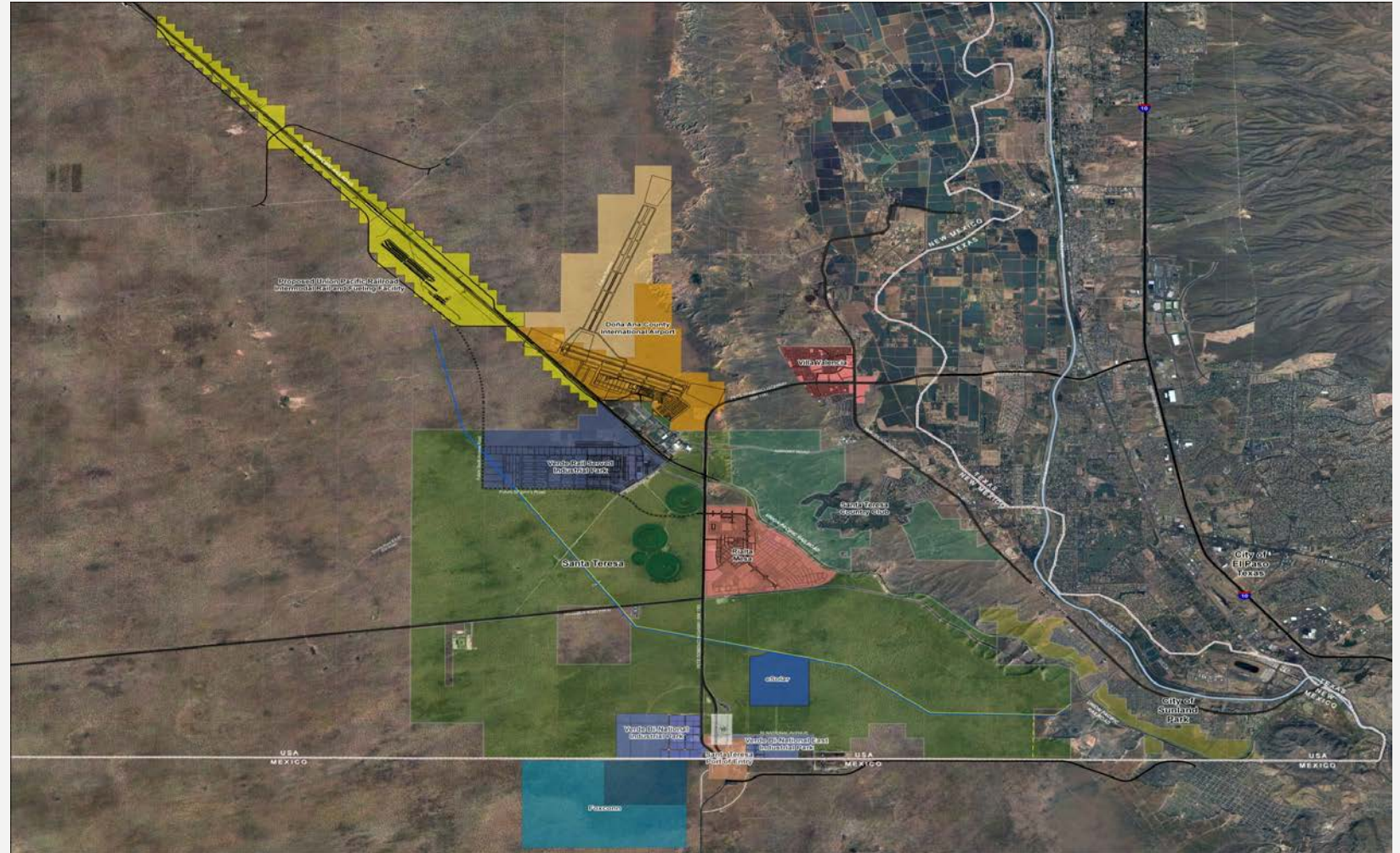
Originally a six-mile half-circle zone extending from STPOE  
Expanded to include a 12 mile quarter-circle zone

**12 companies** have been recruited as a result of this zone  
**606 jobs** are tied to these companies, not including Union Pacific



# INFRASTRUCTURE

- \$8.3 million from capital outlay and \$200k from Dona Ana County to redesign/reconstruct Airport Rd., Industrial Blvd. and Twin Cities Interchange (begins summer 2017)
- \$40 million Pete Domenici Highway reconstruction (begins summer 2017)
- \$12 million upgrades on McNutt Rd.
- \$1.8 million in LEDA funding for new water well
- Approximately 1,500 residential lots being developed in Santa Teresa/Sunland Park



# VISION BUILDING A CITY



# LOS SANTOS

**Santa Teresa**

**San Jeronimo**

**San Jose**

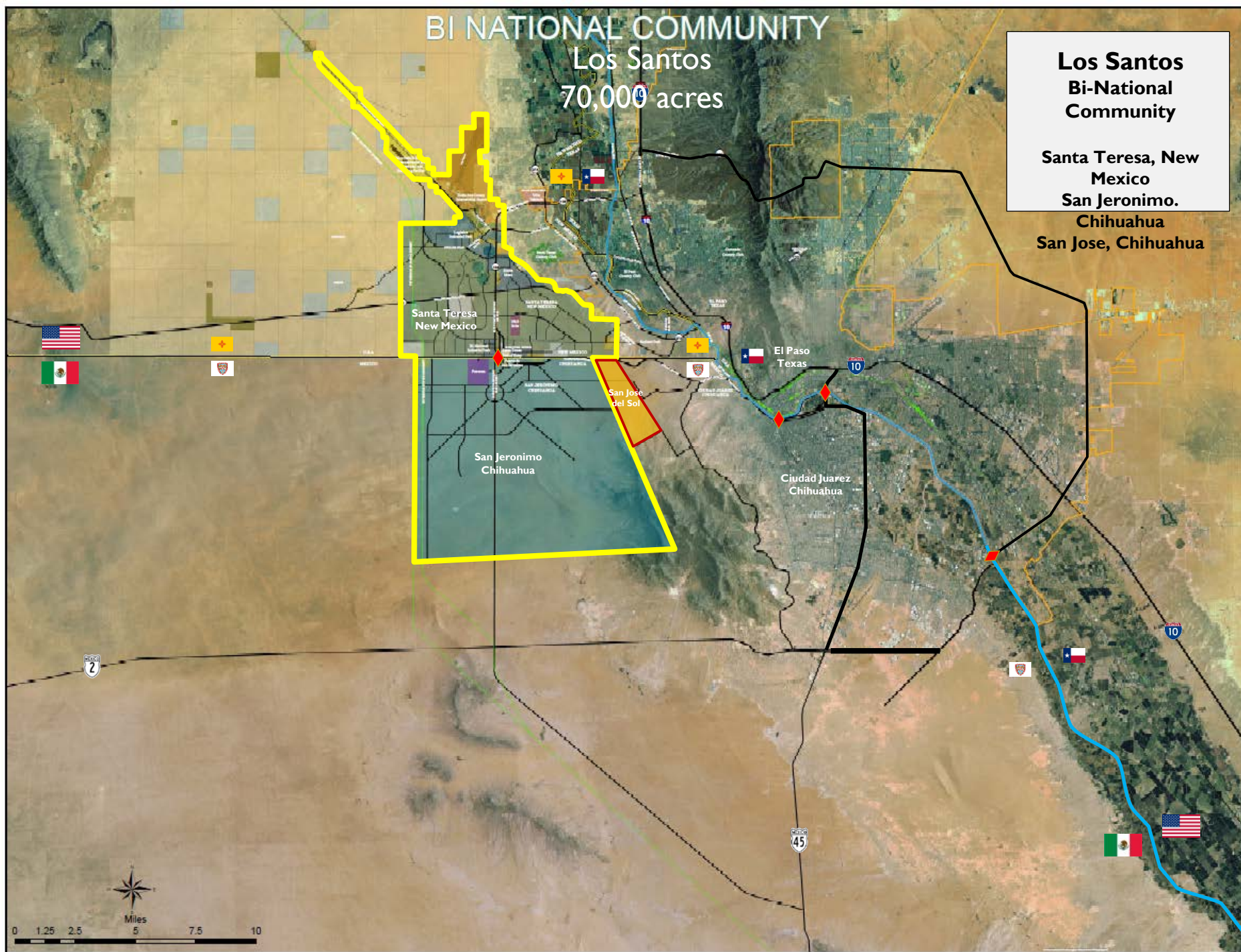


# BI NATIONAL COMMUNITY

Los Santos  
70,000 acres

**Los Santos  
Bi-National  
Community**

**Santa Teresa, New  
Mexico  
San Jeronimo.  
Chihuahua  
San Jose, Chihuahua**

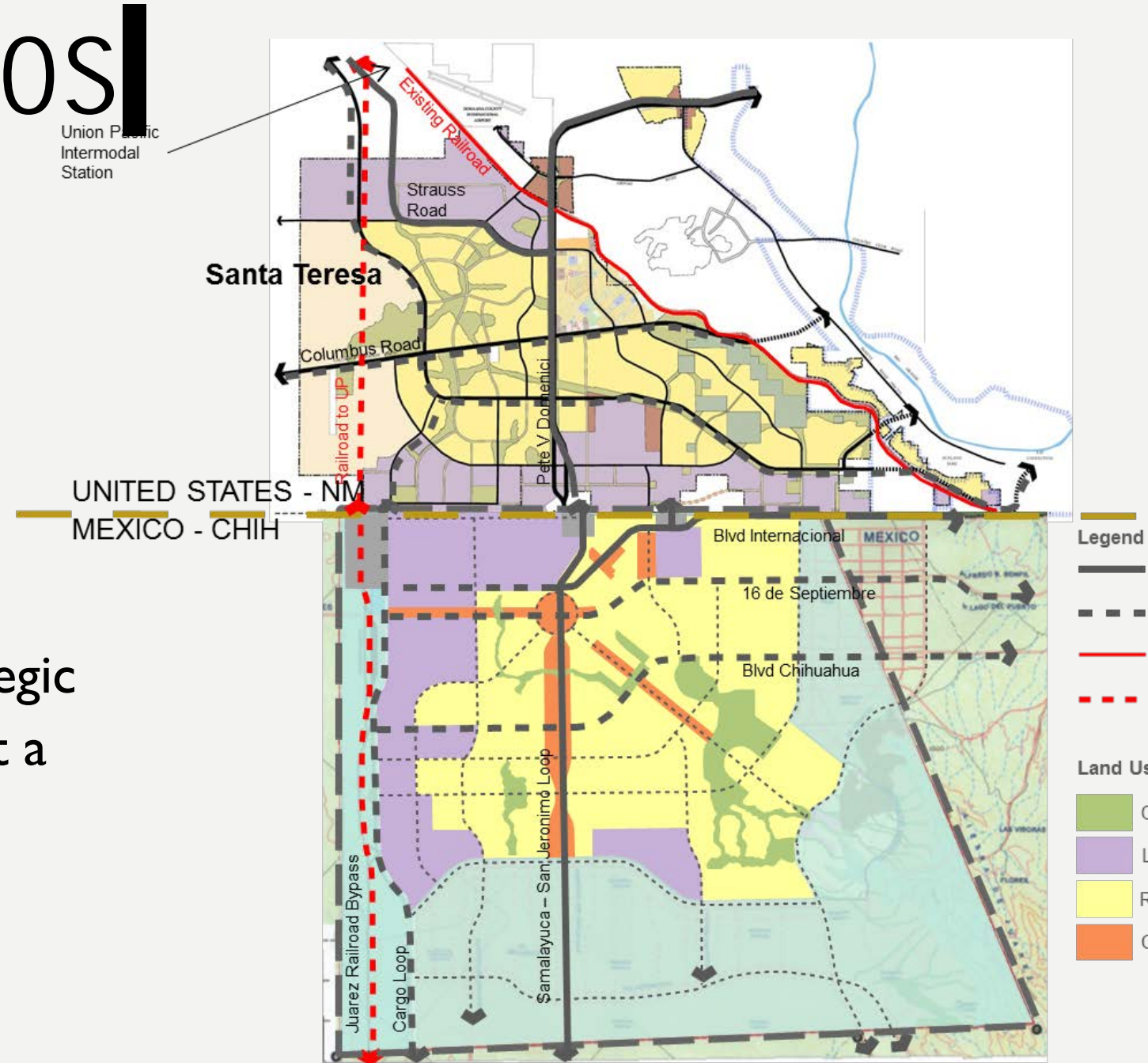




# LOS SANTOS

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.





# hq2 **HQ2COUNTRIES**

The Bi-National Solution for a Multi-National Company

# THE FUTURE

An aerial photograph of a large industrial facility, likely a port or a major distribution center. The facility is filled with numerous shipping containers of various colors (blue, red, yellow, white) stacked in neat rows. Several long, low-profile industrial buildings with grey roofs are visible. In the foreground, there are multiple sets of parallel rail tracks. The background shows a mix of green fields and some distant buildings under a clear sky. The overall scene depicts a busy, large-scale industrial operation.

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)

# THE FUTURE CONTINUED....

- Products/services are traded because it makes economic sense
- At the border, trade is local
- Should NAFTA be reviewed? Yes, in areas such as these:
  - Mexico's Sectoral Program
  - Energy
  - Trucking
- Initially, companies put new projects on ice – now activity is resuming
- Remember: the US and Mexico traded before NAFTA

# 6 POINTS TO TAKE AWAY

Santa Teresa and New Mexico have a strategic logistics advantage based on geography.

Santa Teresa is **ALREADY** growing. It isn't a gamble on hopeful growth projections.

The Santa Teresa industrial base benefits the entire state by creating opportunities for the development of a statewide supplier base.

Santa Teresa (and the Binational Community) is more than just an industrial development; it will be a world class city focused on sustainable living.

Chihuahua is a dynamic and thriving economy, with a growing and cosmopolitan middle class. We can use our proximity to Chihuahua as a major driver for New Mexico's future growth.

The private sector in Santa Teresa, San Jeronimo, and San Jose are working together to build a one-of-a-kind community (Los Santos) that can attract investment from around the world from the top manufacturers to the ultimate benefit of all of New Mexico.

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