



GREATER
ALBUQUERQUE
TRANSPORTATION
AND
LOGISTICS
FEASIBILITY
STUDY

SUMMARY OVERVIEW

Q WHAT ARE OUR BIGGEST STRENGTHS AND ASSETS?

A OUR USUAL ANSWER IS:

- RESEARCH AND DEVELOPMENT
- SANDIA, AFRL, LOS ALAMOS, UNM
- PHDs AND HIGHLY EDUCATED WORKFORCE
- INTEL AND OTHER SEMICONDUCTOR RELATED MANUFACTURERS
- HIGH TECH INDUSTRIES LIKE OPTICS/PHOTONICS, AEROSPACE, BIOSCIENCES, AND RENEWABLE ENERGY

WE KNOW WE'VE GOT THE TECHNOLOGICAL ASSETS BUT...

ARE WE LOOKING AT THE WHOLE PICTURE?

NOW, LET'S TRY THIS AGAIN...



WHAT ARE THE GREATER ALBUQUERQUE AREA'S BIGGEST STRENGTHS/ASSETS?



DID YOU KNOW GREATER ALBUQUERQUE...





HAS AN
INTERNATIONAL PORT OF ENTRY
AND
FOREIGN TRADE ZONE
AT THE
SUNPORT

NM Exports to Mexico 1989 - 2014 (in millions of dollars)

A

IS A

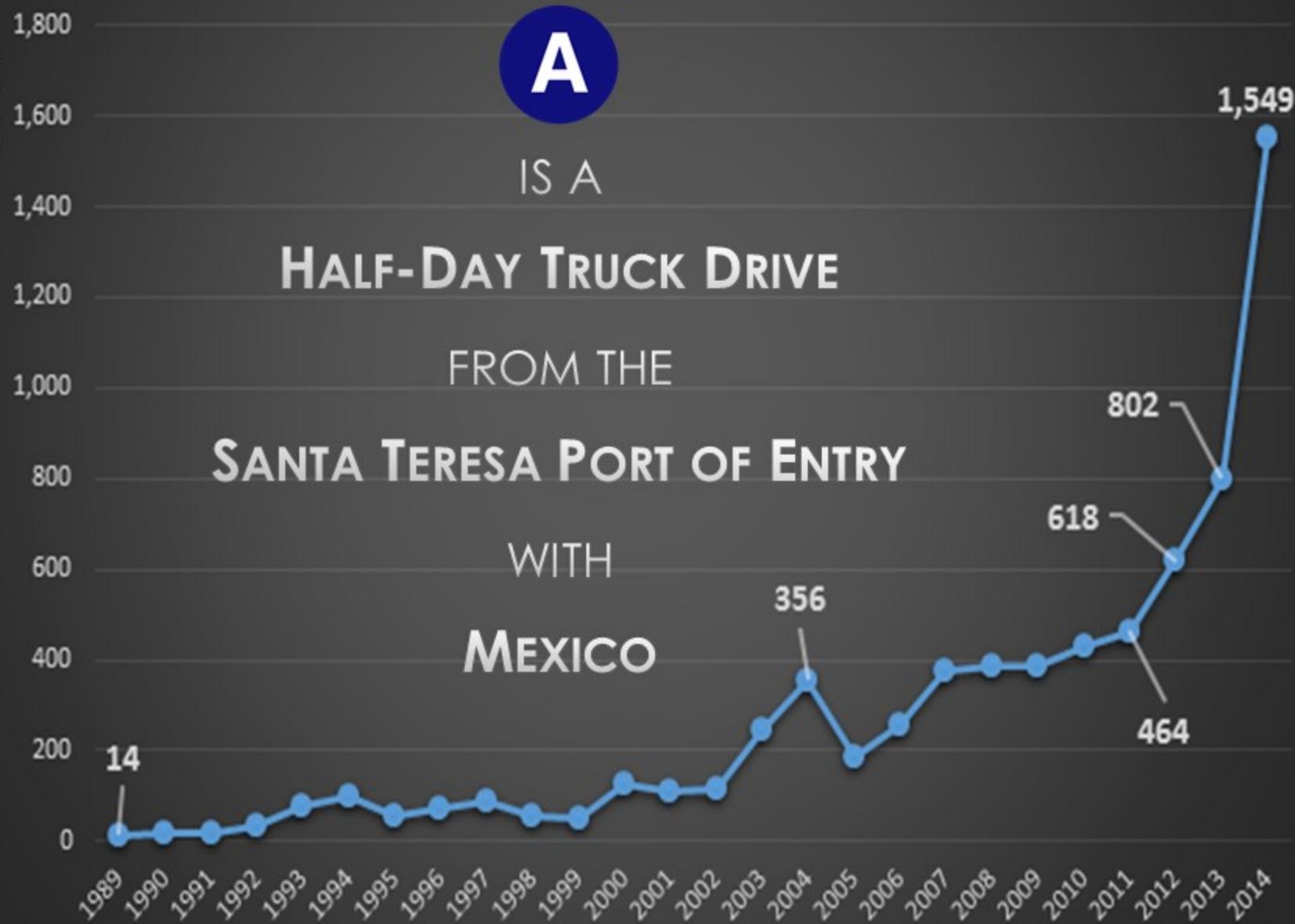
HALF-DAY TRUCK DRIVE

FROM THE

SANTA TERESA PORT OF ENTRY

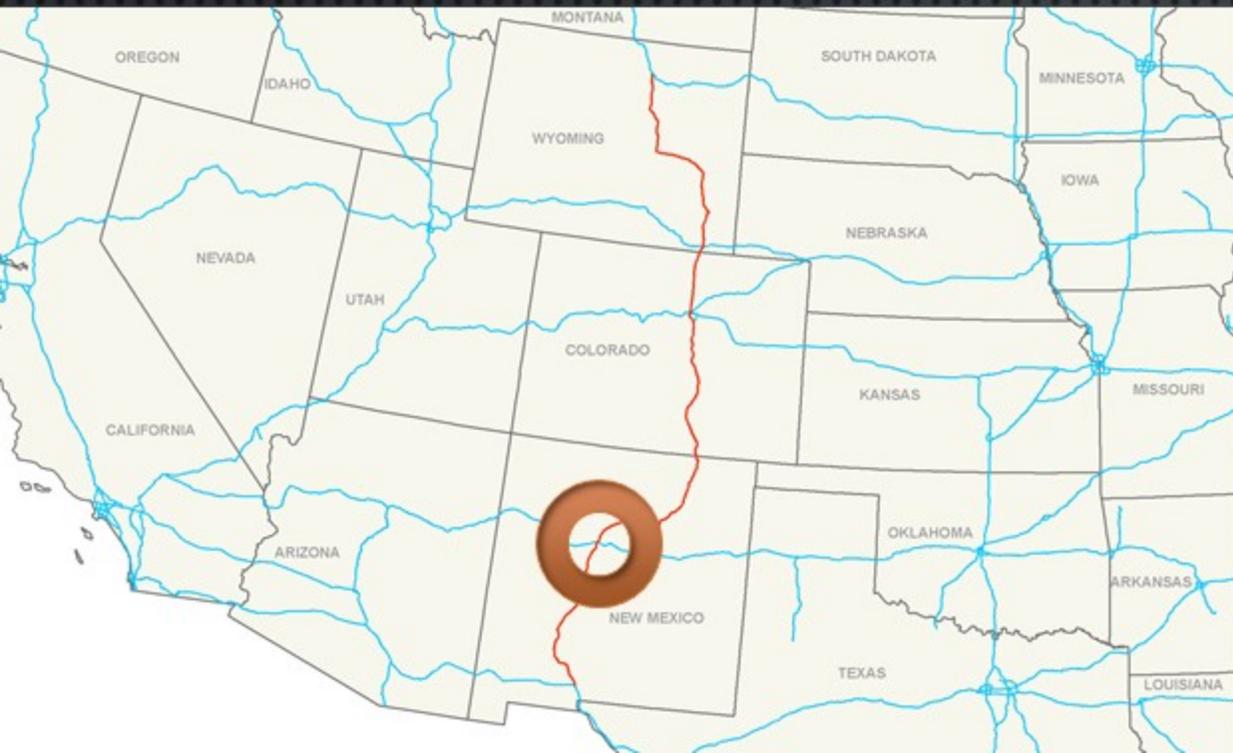
WITH

MEXICO



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SITS AT THE **INTERSECTION** OF TWO OF THE LONGEST
INTERSTATES CONNECTING
MEXICO
TO
CANADA



AND THE **EAST COAST** TO THE **WEST COAST**

A

SITS ON THE BNSF
TRANSCONTINENTAL RAILWAY
EQUIDISTANT
FROM BOTH
THE PORT OF LOS ANGELES
AND
THE PORT OF HOUSTON





ALSO IN OUR FAVOR

- + COMPETITIVE TAX CODE FOR MANUFACTURERS**
- + NO INVENTORY TAX**
- + METROPOLITAN AREA ASSETS (WORKFORCE, QUALITY OF LIFE, ETC.)**
- + NEAR AND RE-SHORING MANUFACTURING TRENDS**
- + RISING LABOR COSTS, GROWING CONSUMER MARKET IN ASIA, AND GLOBAL CHANGES IN LOGISTICS**
- + OUR OWN RESEARCH AND TECHNOLOGY BASE HAS REMAINED ROBUST**

LOOKS PROMISING... SO WHAT'S MISSING?

- WE NEEDED DATA TO IDENTIFY WHAT, IF ANYTHING, COULD BE DONE TO LEVERAGE EXISTING GLOBAL, STATE AND LOCAL TRENDS AND ASSETS TO POSITION GREATER ALBUQUERQUE AS A TRANSPORTATION AND LOGISTICS HUB.



GREATER ABQ TRANSPORTATION FEASIBILITY STUDY

- MANAGED BY THE MID REGION COUNCIL OF GOVERNMENTS
- FUNDED BY:
 - THE CITY OF ALBUQUERQUE
 - BERNALILLO COUNTY
 - VALENCIA COUNTY
 - SANDOVAL COUNTY
 - TORRANCE COUNTY
 - MCCUNE FOUNDATION
 - BNSF RAILWAY



- CAMBRIDGE SYSTEMATICS WAS SELECTED THROUGH A COMPETITIVE RFP PROCESS
- STUDY BEGAN IN APRIL OF 2016 AND WAS COMPLETED IN MARCH OF 2017
- STUDY ADDRESSED AIR, RAIL AND TRUCK FREIGHT

THE PROCESS:

- CONDUCTED OVER 12 MONTHS
- 3 PHASES:
 - DATA GATHERING/SYNTHESIS,
 - COMPETITIVENESS ASSESSMENT,
 - RECOMMENDATIONS/ACTION PLAN
- FUNDING PARTNERS WERE ENGAGED AT KEY POINTS OF THE PROJECT TO PROVIDE INSIGHT AND DIRECTION



WHAT WE DISCOVERED

THE ALBUQUERQUE METRO'S INDUSTRIAL BASE/MANUFACTURING SECTOR IS OUR PRIMARY PROBLEM:

- MOST MAJOR AMERICAN CITIES EXPERIENCED A PERIOD OF BASIC MANUFACTURING AS A CENTER FOR THE PRODUCTION AND EXPORT OF INDUSTRIAL EQUIPMENT AND CONSUMER GOODS.

ALBUQUERQUE IS MISSING THIS PERIOD IN ITS HISTORY.

- MAJOR INFRASTRUCTURE JUST ***PASSES*** THROUGH THE STATE AND THE REST OF NEW MEXICO'S ROAD AND INTERSTATE INFRASTRUCTURE WAS BUILT IN RESPONSE TO MILITARY BASES AND TESTING SITES, MINING ACTIVITIES, AND AGRICULTURE.

WE ARE IN A TOUGH SPOT

- WEAK INDUSTRIAL ECONOMY
 - LIMITED RECOVERY FROM THE RECESSION
 - FLAT EMPLOYMENT
 - MANUFACTURING AND GOODS-PRODUCING INDUSTRIES MUCH LESS THAN NATIONAL AVERAGE
 - HOWEVER, RESEARCH AND TECHNOLOGY BASE IS ROBUST

Employment Trends in Freight-Dependent Industries, 2004 to 2014



OUR ALREADY SMALL MANUFACTURING BASE TOOK A BIG HIT DURING THE RECESSION

- NEW MEXICO'S MANUFACTURING BASE MAKES UP ABOUT 6.5% OF THE STATE'S GROSS PRODUCT, ABOUT HALF OF THE NATION'S 12.5%
- IN 2014, ONLY 4.5% OF MRCOG AREA WORKERS WERE ENGAGED IN MANUFACTURING...COMPARED TO 8.8% IN THE NATIONAL WORKFORCE
- BETWEEN 2015 AND 2015 THE NATION'S EMPLOYMENT IN PRODUCTION OCCUPATIONS DECLINED BY 11.5%. THE MRCOG REGION EXPERIENCED ALMOST **3 TIMES THAT, LOSING 27%**
- THE RECESSION **ERASED OVER 75%** OF MSA'S MERCHANDISE EXPORTS. AS OF 2015, ALBUQUERQUE WAS THE ONLY MAJOR URBAN AREA IN THE SOUTHWEST IN WHICH MERCHANDISE EXPORTS HAD NOT SURPASSED PRE-RECESSION LEVELS.

WHAT WE MAKE ISN'T DIVERSIFIED

- WE ARE **VERY** DEPENDENT ON ONE INDUSTRY:
 - 25% OF MRCOG REGION'S MANUFACTURING JOBS ARE IN **COMPUTERS AND ELECTRONICS**. THIS IS MORE THAN DOUBLE THE NEXT LARGEST SECTOR, FOOD MANUFACTURING.
 - 60% OF ITS MERCHANDISE EXPORTS ARE IN COMPUTER AND ELECTRONIC PRODUCTS AND OTHER FORMS OF HIGH TECH PRODUCTION.

**Albuquerque and Comparable MSA's
Percentage of Change in International
Merchandise Export Volumes
2005-2015**



WE ARE NOT USING OUR OWN INFRASTRUCTURE

ONLY 20% OF MRCOG REGION'S EUROPE AND ASIA EXPORTS GO IN INTERMODAL SHIPPING CONTAINER. ANOTHER EXAMPLE THAT OUR EXISTING MANUFACTURING CONSISTS OF SMALL AND HIGH VALUE GOODS

AIR: MRCOG REGION'S EXPORTS IN 2015 WERE \$1.76B IN 2015. MORE THAN HALF WAS SHIPPED BY AIR CARGO (\$1B)

- HOWEVER, OVER 95% OF NEW MEXICO'S AIR CARGO EXPORTS WERE FIRST TRUCKED TO OTHER STATES.
- THE SUNPORT DID \$12M WORTH OF AIR CARGO IN 2014 AND PROJECTS AN AVERAGE ANNUAL GROWTH RATE OF LESS THAN 1% (.59%).
- AS OF 2014 ABQ HANDLED 56K TONS OF AIR CARGO, ALMOST A THIRD OF PRE-RECESSION LEVELS.
- CURRENT AIR CARGO VOLUME IS TOO SMALL FOR CARRIERS TO ASIA AND EUROPE TO CONSIDER PROVIDING SERVICE FROM THE SUNPORT

RAIL: \$8.5B OF FREIGHT INTO NM, \$8.1B NEVER STOPS

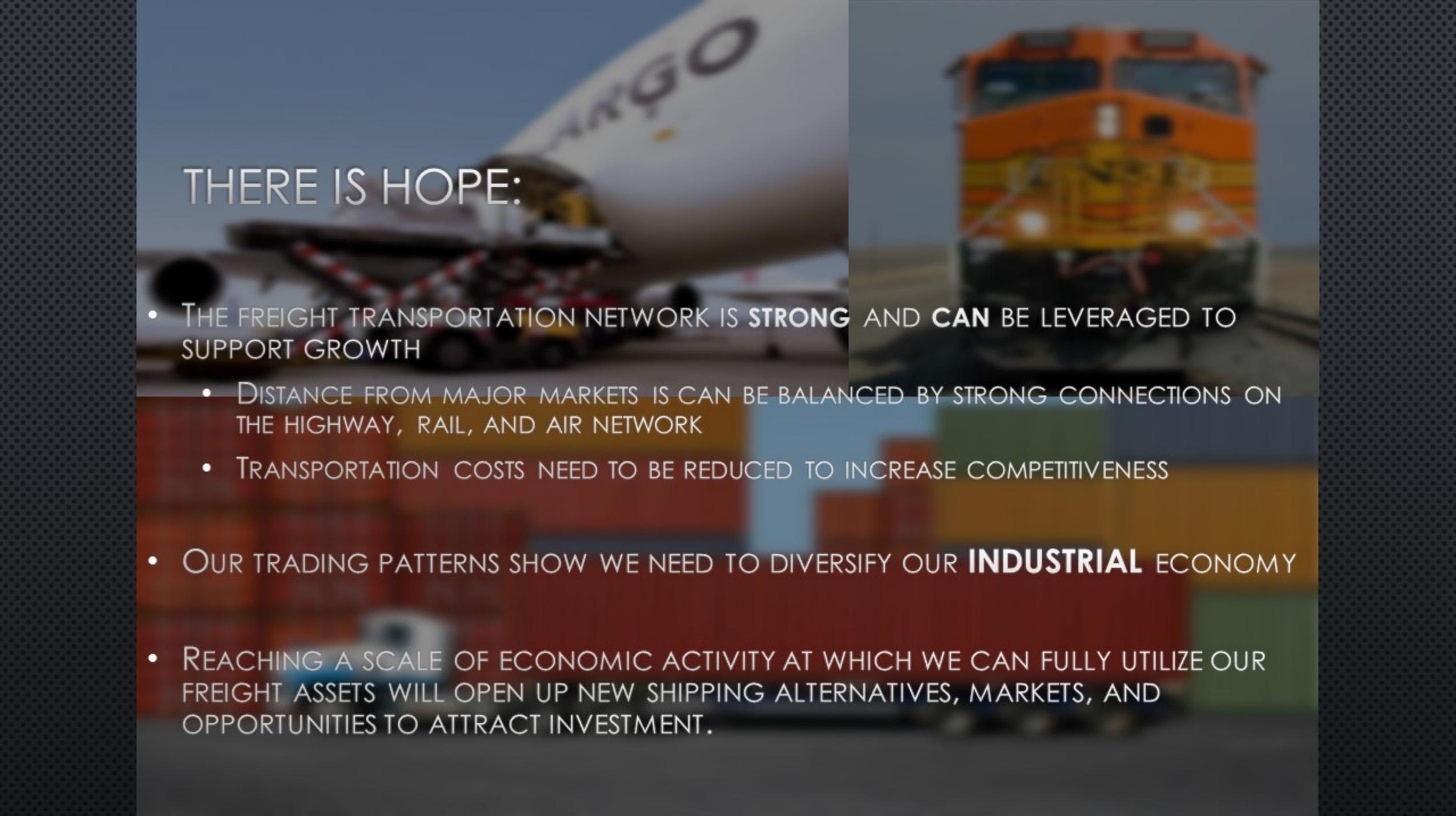
- 88% OF NEW MEXICO'S RAIL TRAFFIC DOES NOT ORIGINATE NOR END IN NEW MEXICO (BY TONNAGE). 95% BY TOTAL VALUE.

RAIL IS A “CHICKEN OR EGG” SCENARIO

- THE ALBUQUERQUE METRO CURRENTLY DOES NOT HAVE OUTBOUND RAIL INTERMODAL SERVICE
 - INTERMODAL (SEALED CONTAINERS) SERVICE ALLOWS FOR DIRECT POINT A TO POINT B SHIPPING WITHOUT STOPS.
 - WE ARE CURRENTLY BEING SERVICED THROUGH AMARILLO AND EL PASO WITH PRODUCT BEING TRUCKED TO/FROM ALBUQUERQUE
- A FULL UNIT TRAIN WOULD BE REQUIRED FOR BNSF TO ENTERTAIN OPENING INTERMODAL SERVICE IN ABQ.
 - CURRENTLY WE ONLY HAVE ONE INTERMODAL LANE FROM CHICAGO TO ABQ, BEING UTILIZED BY UPS.
 - CURRENT BNSF FACILITIES IN THE MRCOG REGION CANNOT HANDLE A MILE LONG UNIT TRAIN. THE TRAIN MUST BE BROKEN DOWN INTO SECTIONS AND THEN SENT UP TO THE INTERMODAL SERVICE AREA IN ALBUQUERQUE.
- WE MUST **GREATLY** INCREASE OUR PRODUCTION **OUTPUT** TO MAKE THE CASE FOR AN INVESTMENT IN INTERMODAL INFRASTRUCTURE/SERVICE. AT THE SAME TIME, WHILE WE HAVE ACCESS TO THE TRANSCON, WE CANNOT RECRUIT LARGE USERS THAT NEED INTERMODAL SERVICE.

WE ARE A TRUCKING STATE

- TRUCK TRANSPORTATION SAW A 30% INCREASE OVER THE LAST 10 YRS
- ALL MAJOR FREIGHT DEPENDENT INDUSTRY IN NEW MEXICO RELIES AT SOME POINT ON TRUCK SERVICE—WHICH WE DO WELL.
- GASOLINE, MINERALS AND FOODSTUFFS HAVE BEEN THE COMMODITIES MOST TRANSPORTED BY THIS MODE.
- **NONETHELESS, FREIGHT IS STILL EXPENSIVE IN ALBUQUERQUE BECAUSE:**
 - TRUCKS AND CONTAINERS COME FULL AND LEAVE EMPTY, FORCING THE SHIPPER TO PAY FOR THE EMPTY RETURN TRIP
 - LACK OF INTERMODAL SERVICE FORCES SHIPPERS TO PAY DRAYAGE TO GET TO OTHER MARKETS WITH FULL INTERMODAL SERVICE.



THERE IS HOPE:

- THE FREIGHT TRANSPORTATION NETWORK IS **STRONG** AND **CAN** BE LEVERAGED TO SUPPORT GROWTH
 - DISTANCE FROM MAJOR MARKETS IS CAN BE BALANCED BY STRONG CONNECTIONS ON THE HIGHWAY, RAIL, AND AIR NETWORK
 - TRANSPORTATION COSTS NEED TO BE REDUCED TO INCREASE COMPETITIVENESS
- OUR TRADING PATTERNS SHOW WE NEED TO DIVERSIFY OUR **INDUSTRIAL** ECONOMY
- REACHING A SCALE OF ECONOMIC ACTIVITY AT WHICH WE CAN FULLY UTILIZE OUR FREIGHT ASSETS WILL OPEN UP NEW SHIPPING ALTERNATIVES, MARKETS, AND OPPORTUNITIES TO ATTRACT INVESTMENT.

WHERE WE COMPETE: CHANGES WE CAN MAKE

- WE NEED TO LOWER TRANSPORTATION COSTS AND INCREASING REGIONAL EXPORTS
- WE NEED MORE TARGETED SUPPLY CHAIN FOCUSED BUSINESS DEVELOPMENT STRATEGIES.
 - CLEAR AND SPECIFIC BUSINESS PROPOSITIONS IN KEY SECTORS ARE NEEDED TO MAKE OUR CASE.
- EXISTING DEVELOPED PROPERTY IS OK FOR SMALL DEALS; HIGH SPECIFICATION PROPERTY FOR LARGER SCALE CAPITAL INVESTMENT IS MORE ATTRACTIVE.
- *AIR AND RAIL REQUIRE MORE SPECIALIZED STRATEGIES.*

INCREASING REGIONAL COMPETITIVENESS IS ACHIEVABLE

- FOCUS ON SPECIFIC OPPORTUNITIES (HIGH-VALUE, TECHNOLOGY BASED MARKETS)
 - AUTOMOTIVE SECTOR VALUE-ADDED MANUFACTURING
 - FOOD MANUFACTURING
 - AEROSPACE TECHNOLOGY
 - PHOTONICS-ENABLING TECHNOLOGY APPLICATIONS
 - PLASTICS
 - OTHER INDUSTRIAL/MANUFACTURING OPPORTUNITIES UTILIZING RAIL FACILITY INVESTMENTS
- TO BETTER COMPETE, THE REGION MUST ARTICULATE ITS' STRENGTHS RELATED TO THE SPECIFIC OPPORTUNITIES
 - LAND AVAILABILITY (PREFERABLY SHOVEL READY)
 - LABOR COSTS AND SKILLS
 - REGULATORY ENVIRONMENT

RECOMMENDATIONS HAVE A SHORT AND LONG TERM FOCUS

- **SHORT-TERM DEVELOPMENT OPPORTUNITIES**

- CAPITALIZE ON THE SUNPORT FOR HIGH-VALUE MANUFACTURING AND COMMERCIAL DEVELOPMENT OPPORTUNITIES
- INVEST IN VALUE-ADDED MANUFACTURING AND TRANSLOAD-RELATED INVESTMENTS ALONG THE RAIL CORRIDOR IN BERNALILLO AND VALENCIA COUNTIES.

- **LONGER TERM REGIONAL STRATEGIES**

- DEVELOP AND MAINTAIN A READY AND SKILLED LABOR FORCE, A FRIENDLY REGULATORY ENVIRONMENT AND EXTREMELY WELL-DEVELOPED SUPPLY CHAIN CONNECTIVITY
- SUSTAIN MOMENTUM IN LINKING REGIONAL FREIGHT & ECONOMIC DEVELOPMENT EFFORTS

IMMEDIATE OPPORTUNITY 1: CAPITALIZE ON ABQ SUNPORT

- DEVELOP AN AIRPORT INVESTMENT DISTRICT
 - ALIGN WITH EXISTING INITIATIVES, E.G. INNOVATE ABQ, STC.UNM
 - LED BY THE CITY OF ALBUQUERQUE
- KEY STEPS:
 - BUILD A CORE MARKET PROPOSITION ALIGNED WITH KEY TECHNOLOGY-RELATED SECTORS;
 - DETERMINE THE CURRENT AND FUTURE CARGO DEMAND AND AIR SERVICE REQUIREMENTS;
 - DEVELOP A REALISTIC ON- AND OFF-AIRPORT DEVELOPMENT PLAN; AND
 - CONVENE A STRATEGY SESSION WITH KEY STAKEHOLDERS AND DEVELOP A BUSINESS PLAN.

IMMEDIATE OPPORTUNITY 2: RAIL-FOCUSED INVESTMENT DISTRICT



- ASSESS POTENTIAL OF EXISTING AND PROPOSED RAIL-FOCUSED DEVELOPMENT IN THE REGION
 - EXAMPLE: CENTRAL NEW MEXICO RAIL PARK HAS BROKEN GROUND IN 2016 AND IS A CERTIFIED BNSF SITE
 - OTHER DEVELOPMENT OPPORTUNITIES SHOULD ALSO BE CONSIDERED
 - FACILITATED BY MRCOG TO ENSURE REGIONAL-FOCUSED STRATEGY
- NEED TO CONVENE A STRATEGY SESSION TO:
 - UNDERSTAND CURRENT PLANS AND LOCAL/REGIONAL PRIORITIES;
 - IDENTIFY INITIAL, HIGH LEVEL, INDUSTRY SECTOR TARGETS;
 - ASSESS ROLES AND RESPONSIBILITIES MOVING FORWARD; AND.
 - DEFINE CLEAR PUBLIC-PRIVATE BUSINESS INVESTMENT STRATEGY.

LONGER TERM RECOMMENDATIONS

- **FOCUS AND FORMALIZE REGIONAL PARTNERSHIPS**

- CREATE A FREIGHT AND INDUSTRY COMMITTEE AS PART OF THE TECHNICAL COORDINATING COMMITTEE
 - SERVE AS A FOCAL POINT AND LEADERSHIP OF ECONOMIC DEVELOPMENT INITIATIVES
 - ENSURE ALIGNMENT OF NEW INITIATIVES WITH EXISTING PROGRAMS
 - SERVE AS A LIAISON BETWEEN PUBLIC AND PRIVATE SECTOR PARTNERS
- CREATE A VEHICLE FOR REGIONALLY FOCUSED INVESTMENTS
 - BEGIN BY ENCOURAGING CROSS JURISDICTIONAL INVESTMENTS (EX: CENTRAL NM RAIL PARK)
 - E.G. A JOINT POWERS AUTHORITY (JPA) FOCUSED ON FREIGHT AND INDUSTRIAL PROJECTS
- PRIVATE AND PUBLIC SECTORS NEED MORE FORMAL PARTNERSHIPS
 - FIND OPPORTUNITIES TO PARTNER WITH COCS, MEP, NAIOP, AMONG OTHERS

LONGER TERM RECOMMENDATIONS

- **PURSUE REGIONAL COMPETITIVENESS-ENHANCING POLICIES, PROCESSES, AND INVESTMENTS**
 - POSITION FOR FREIGHT-RELATED GRANT PROGRAMS, E.G. TIGER, FASTLANE
 - SUPPORT LEGISLATIVE AND POLICY REFORM
 - ESPECIALLY PPP ENABLING LEGISLATION
 - STRENGTHEN EXPORT PROMOTION PROGRAMS
 - PROGRAMS IN MINNESOTA, UTAH, IDAHO, AND OTHER STATES ARE FUNDED AT LEVELS MUCH HIGHER THAN MRCOG/NEW MEXICO
 - NEED TO EVALUATE OPTIONS AND BENEFITS TO MAKE THE CASE FOR STRENGTHENING THESE PROGRAMS

LONGER TERM RECOMMENDATIONS

- **ALIGN TRANSPORTATION, INFRASTRUCTURE, ECONOMIC DEVELOPMENT, AND WORKFORCE PROGRAMS**
 - **INDUSTRIAL SITE CERTIFICATION PROGRAM**
 - SITES IN EVERY COUNTY HAVE BEEN IDENTIFIED AS POTENTIALLY VIABLE INDUSTRIAL SITES, BUT MANY NEED STEPS TO BECOME "SHOVEL READY" ("INDUSTRIAL" METROPOLITAN REDEVELOPMENT AGENCY)
 - **ENSURE TRANSPORTATION CONNECTIONS**
 - REGIONAL ACCESS TO JOBS IS IMPORTANT TO SUPPORT AND MAINTAIN GROWTH

LONGER TERM RECOMMENDATIONS

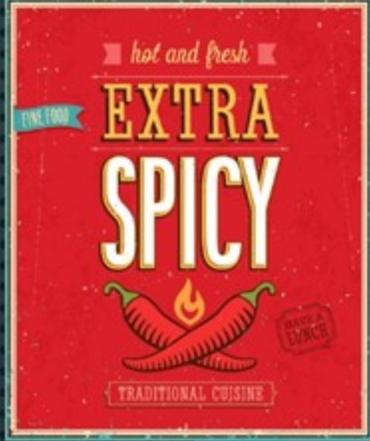
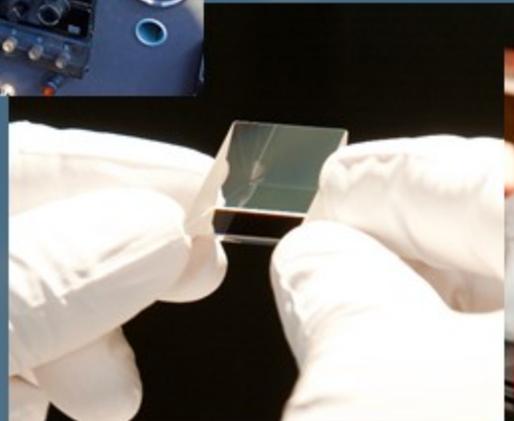
- **A CARGO ORIENTED DEVELOPMENT STRATEGY FOR REAL ESTATE**
- A SUCCESSFUL COD STRATEGY GENERALLY REQUIRES A STRONG COMMITMENT BY LOCAL GOVERNMENT, FULFILLED BY PUBLIC AGENCIES OR AUTHORIZED NOT-FOR-PROFIT CORPORATIONS, TO MAKE LAND SHOVEL READY FOR PRIVATE INVESTMENT.
 - EXAMPLE: IMAGINE AN ALBUQUERQUE METROPOLITAN REDEVELOPMENT AGENCY THAT FOCUSED ON ENCOURAGING THE DEVELOPMENT OF PROPERTIES SUITABLE FOR COD
- THE MRCOG REGION IS GENERALLY WELL PLACED TO PURSUE COD. WE HAVE A COMPACT FORM OF INDUSTRIAL LAND USE, WITH INDUSTRIAL BUSINESSES CLUSTERED AROUND OUR PRINCIPAL FREIGHT TRANSPORTATION ASSETS AND POPULATIONS.
 - THIS HELPS DEFRAY SHIPPING COSTS, AIR POLLUTION, ROAD MAINTENANCE, ETC.
 - IT ALSO PROVIDES MORE ACCESSIBILITY TO WORKERS.
- PER THE STUDY:
 - 1,500 ACRES OF INDUSTRIALLY ZONED AND VACANT OR UNDERUTILIZED LAND IN 27 LARGE SITES.
 - DEVELOPMENT OF THESE PROPERTIES IS A SOUND PLACE TO START TO BUILD THE INDUSTRIAL BASE

COMPETITIVENESS ASSESSMENT

- THE GREATER ALBUQUERQUE METRO WAS COMPARED AGAINST PEER METROS THROUGHOUT THE SOUTHWEST AND SEVERAL INDUSTRY SECTORS WERE IDENTIFIED AS AREAS IN WHICH WE CAN BE VERY COMPETITIVE, THE GOAL BEING TO INCREASE PRODUCTION AND OUTBOUND FREIGHT.
- THE METRO'S EXISTING HIGH-TECH STRENGTHS AND CURRENT SHIPPING PRACTICES SIGNAL THAT AIR CARGO IS THE "LOW HANGING FRUIT" TO PURSUE AS IT RELATES TO INDUSTRY DEVELOPMENT.
- IT IS IMPORTANT TO NOTE THAT THESE ARE SPECIFIC OPPORTUNITIES WITHIN THE SUPPLY CHAINS OF THESE INDUSTRIES AND THAT A LARGE PART OF WHAT MAKES US COMPETITIVE ARE OUR CURRENT HIGH-TECH STRENGTHS AND ECONOMIC DEVELOPMENT INITIATIVES.

RECOMMENDED INDUSTRIES

- FOCUS ON SPECIFIC OPPORTUNITIES (HIGH-VALUE, TECHNOLOGY BASED MARKETS)
 - AUTOMOTIVE SECTOR VALUE-ADDED MANUFACTURING
 - AEROSPACE TECHNOLOGY
 - PHOTONICS-ENABLING TECHNOLOGY APPLICATIONS
 - FOOD MANUFACTURING
 - PLASTICS
 - OTHER INDUSTRIAL/MANUFACTURING OPPORTUNITIES UTILIZING RAIL FACILITY INVESTMENTS



DISTRIBUTION/DISTRIBUTION CENTERS (DCS)

MOVEMENT AND HANDLING OF GOODS FROM POINTS OF PRODUCTION TO SALE AND CONSUMPTION—TRANSSHIPMENT, DCs AND WAREHOUSING. \$1.5 T INDUSTRY; 4.5 M PEOPLE EMPLOYED NATIONWIDE. DCs CAN ALSO PERFORM LIGHT MANUFACTURING VS JUST STORAGE.

- STRENGTHS: IN THE AREAS OF OPERATING COSTS, LABOR AVAILABILITY AND TAX BURDEN, ABQ PERFORMS VERY WELL.
- STRATEGIC NICHE: THE REGION CAN PERFORM WELL FOR SPECIFIC SUPPLY CHAIN LANES, SUCH AS SERVING MARKETS IN OR RECEIVING SUPPLY CHAIN ASSETS FROM TEXAS, ARIZONA AND MEXICO.

FOOD MANUFACTURING

THE FOOD SECTOR COVERS PRODUCTION OF RAW MATERIALS AND PROCESSING INTO FOOD PRODUCTS. IT ALSO COVERS FOOD SERVICE AND RETAIL AND IS ONE OF THE LARGEST IN THE ECONOMY (3RD LARGEST MANUFACTURING SECTORS IN US).

- STRENGTHS: NM SKILLS IN FOOD MANUFACTURING HAS A LOCATION QUOTIENT OF 1.06 SUGGESTING IT HAS A HIGHER PRESENCE THAN WOULD BE EXPECTED. ADDITIONALLY, ABQ SCORES WELL IN PROPERTY PRODUCT AVAILABILITY AND OPERATING COSTS. FEWER REGULATORY CHALLENGES THAN CA.
- STRATEGIC NICHE: ABQ COULD POSITION ITSELF AS A MAJOR-MARKET FOOD CENTER FOR THE LARGE CA MARKET AND SUPPORT A MARKET BASE IN CO AND NORTHERN TX. FOCUS ON HISPANIC FOODS MARKET.

AEROSPACE MANUFACTURING

R&D AND MANUFACTURE OF AEROSPACE SYSTEMS INCLUDING MANNED AND UNMANNED AIRCRAFT, MISSILES, SPACECRAFT, PROPULSION, GUIDANCE SYSTEMS, ETC. A CONCENTRATED, CAPITAL-INTENSIVE INDUSTRY ACCOUNTING FOR THE HIGHEST TRADE SURPLUS OF ALL US MANUFACTURING INDUSTRIES.

- STRENGTHS: LOCATION QUOTIENT OF 2.05 FOR SKILLS IN THE SECTOR. LOW TAX BURDEN. 3PLs AN EMERGING PART OF SUPPLY CHAIN LOGISTICS.
- STRATEGIC NICHE: WHILE AIR CARGO CONNECTIVITY IS A CRITICAL FACTOR AND MOST MAJOR MARKETS ARE OVERSEAS, ABQ CAN COMPETE FOR PRODUCTS WITH DOMESTIC MARKET SUPPLY CHAINS, ESPECIALLY IN TX, AZ, AND CA.

PHOTONICS/OPTICS

SCIENCE OF USING AND CONTROLLING PHOTONS (LIGHT) TO CONVEY INFORMATION. ONE OF THE FASTEST GROWING HIGH-TECH INDUSTRIES GLOBALLY—EXPECTED TO REACH \$979B ANNUALLY BY 2024. PRODUCTS INCLUDE FIBER OPTICS, FLAT SCREEN DISPLAYS, DVDs, SUPERMARKET SCANNERS, MEDICAL OPTICS, ETC.

- STRENGTHS: AMPLE AIR CARGO CAPACITY AT SUNPORT, COMPETITIVE TAX BURDEN, LABOR AVAILABILITY, RELIABILITY WITH FEW WEATHER DELAYS, ETC.
- STRATEGIC NICHE: THE ALBUQUERQUE AREA HAS INVESTED HEAVILY IN THE EDUCATIONAL INFRASTRUCTURE FOR THIS SECTOR AND THE FEDERAL RESEARCH PRESENCE GIVES THE AREA A STRONG BASE. ABQ COULD LOOK AT MANUFACTURE OF OPTICS FOR DEFENSE, HOMELAND SECURITY, AND BIOMEDICAL APPLICATIONS.

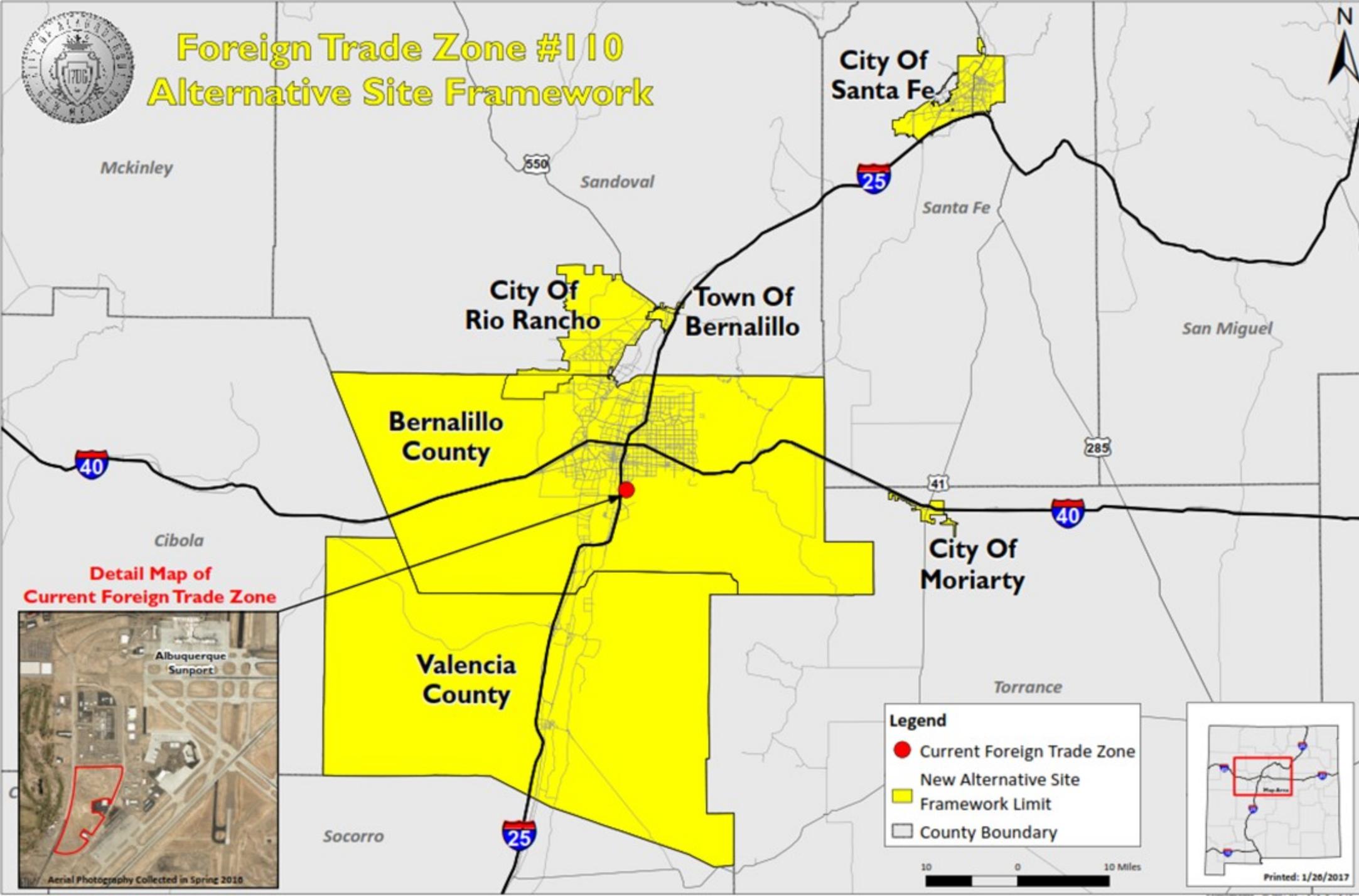
AUTOMOTIVE

THE LARGEST, MOST COMPLEX SUPPLY CHAIN ON THE PLANET. THE OPPORTUNITY LIES IN THE RAPIDLY CHANGING GLOBAL MARKET AND NEW TECHNOLOGY APPLICATIONS IN THE OPERATING SYSTEMS. THE OPPORTUNITY IS NOT IN THE MANUFACTURING OF AUTOMOBILES. NO ONE HAS WON THIS RACE YET.

- **STRENGTHS:** WE ALREADY EXCEL IN RELATED TECHNOLOGIES SUCH AS SENSORS, OPTICS/PHOTONICS, AND CONTROL SYSTEMS. OUR REGULATORY ENVIRONMENT IS ALREADY MORE ATTRACTIVE THAN THOSE OF OTHER STATES USUALLY IN FRONT OF INDUSTRY DISRUPTION.
- **STRATEGIC NICHE:** LEVERAGE GREATER ALBUQUERQUE'S TECHNOLOGICAL STRENGTHS WITH NEW PRO-AUTONOMOUS VEHICLE PUBLIC POLICY TO ENCOURAGE CLUSTERING AROUND THE TESTING AND DEPLOYMENT OF ENABLING TECHNOLOGIES



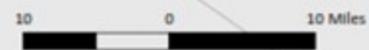
Foreign Trade Zone #110 Alternative Site Framework



**Detail Map of
Current Foreign Trade Zone**



- Legend**
- Current Foreign Trade Zone
 - New Alternative Site
 - Framework Limit
 - County Boundary



EARLY WIN

EARLY WIN

- BERNALILLO COUNTY INVESTED UP TO \$400,000
 - CROSS JURISDICTIONAL INVESTMENT
 - MULTIPLIER EFFECT WILL BENEFIT PEOPLE OF BERNALILLO COUNTY
- 10 YEARS OF CONSTRUCTION
- 8,000 + POTENTIAL JOBS



PROPOSED 1,400-ACRE CENTRAL NEW MEXICO RAIL PARK

Four miles west
of Los Lunas



LET'S GET MORE WINS!

- WE WOULD LOVE TO SEE YOU COME ON BOARD AS A PARTNER
- READ THE WHOLE STUDY AT WWW.MRCOG-NM.GOV
- REACH OUT TO ANN SIMON AT THE MRCOG TO BE INCLUDED IN FUTURE CORRESPONDENCE AND PLANNING MEETINGS:

ASIMON@MRCOG-NM.GOV