



**BORDER  
INDUSTRIAL  
ASSOCIATION**

**2016 ANNUAL REPORT**

## **Letter from the Chairman**

Dear Border Industrial Association Members and Colleagues:

Since it was founded, the Border Industrial Association (BIA) has strived to make the industrial base in the Santa Teresa region more attractive for existing businesses to expand, and for the recruitment of new industries. During the past seven years, we have rapidly become the largest and most effective industrial advocacy organization in New Mexico. We are fully vested in making our region the most dynamic manufacturing and logistics base on the U.S.-Mexico border. During 2016, we continued to develop our strategies and continued our role as the link between the private and public sectors in order to further development and to create jobs on New Mexico's border with Mexico.

The BIA thanks all of our members and colleagues who so unselfishly gave their time, energy, and knowledge to make 2016 one of our most successful years to date. We will work harder next year to make 2017 even more prosperous.



A handwritten signature in black ink, appearing to read "A.E. Sierra". The signature is stylized and fluid, with a long horizontal stroke at the bottom.

Alexander E. Sierra  
BIA Board Chairman

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## **BIA Board of Directors**

Alexander E. Sierra – Chairman

Gilbert Mesa – Chairman-Elect

Jack Brown – Secretary

James Robinson

Juan Massey

Joshua Orozco

Jerry Pacheco – President/CEO

Guillermo Lopez – Treasurer

Chris Lyons

Giovany Danel

Hildeberto Moreno

In 2016 the BIA welcomed Giovany Danel of Union Pacific and Hildeberto Moreno of IDI Gazely as new board members. The BIA also said goodbye to Miriam Kotkowski of Omega Trucking, Arik Kotkowski of the Santa Teresa Shortline Railroad, and Ed Camden of Southwest Steel Coil as outgoing board members. We thank them for their selfless service to the BIA which helped make the organization what it is today and helped make Santa Teresa a better place for business.

## **New BIA Members**

Businesses and individuals that joined the BIA in 2016:

Gilbert Mesa, PE

Indesa

Dona Ana Community College

Smith and Aguirre

Master Immediate Supply, LLC

Valley Cold Storage Transportation, LLC

Spice Trucking, Inc.

TPI Composites

Hotel Encanto

New Mexico Gas Company

Centipede Tool, LLC

Bohannan Huston, Inc.

Advanced Network Management

El Paso Freight Services

Wet n Wild

Citizens Bank

The BIA's membership reached 115 members in 2016 making us the largest industrial advocacy group in New Mexico.

## **BIA-Supported Projects**

In 2016, BIA members saw the completion of two new buildings, the beginning of two more buildings, a rail extension, additional acres of storage, and the establishment of operations in Santa Teresa.

### **MCS Frames**

MCS completed and inaugurated a new 215,000-square-foot distribution center in the new Santa Teresa Westpark.



*MCS Frames*

### **Omega Trucking**

Omega Trucking established their new five-acre logistics terminal in the Santa Teresa Intermodal Park.



*Omega Trucking*

### **FedEx Ground**

The construction of the 215,000-square-foot FedEx Ground distribution center/cross dock in the Santa Teresa West Park. The construction on this project is expected to be completed sometime during the first quarter of 2017.



*FedEx Ground (rendering)*

### **Valley Cold Storage**

The construction of a 96,000-square-foot cold storage warehouse by Valley Cold Storage. This facility is expected to be completed in mid-2017.



*Valley Cold Storage (rendering)*

### **Santa Teresa Shortline Railroad and IDI Gazeley**

The addition of 6,400-linear-feet of new rail by Santa Teresa Shortline Railroad and IDI Gazeley in the Santa Teresa Intermodal Park.



*New Track in the Santa Teresa Intermodal Park*

### **Moreover**

TPI/Gamesa added 53 new acres of storage for wind blades in the Santa Teresa Intermodal Park.

Master Immediate Supply established an industrial supply warehouse in the Santa Teresa Airport Park.

## **BIA-Supported Infrastructure Projects**

- Establishment of a permanent BIA office located at 2660 Airport Rd., Suite 780, Santa Teresa, NM 88008.
- The successful BIA lobbying of \$200,000 from the New Mexico Legislature on behalf of the Camino Real Regional Utility Authority for water system updates in the industrial parks.
- Successful awarding of \$1.8 million through Local Economic Development Act funding to construct a new water well that will serve the growth in our industrial base. The BIA has guaranteed the creation of 200 new jobs in the Santa Teresa industrial parks as a condition for receiving this funding.
- Preservation in the 2016 special legislative session of \$8.2 million dollars acquired by the BIA in the 2014 special legislative session for the reconstruction of Airport Rd. and Industrial Ave. – construction is expected to begin in summer 2017. As these projects are being designed, the BIA is working with Dona Ana County to repair both roads until new construction commences.
- Continuing work with the Elephant Butte Irrigation District to launch a desalinization pilot program in Santa Teresa. Ensuring sufficient water capacity for future development remains a BIA priority.
- Taking the lead in working with Mexican and U.S. federal officials to remove a newly installed speed bump on the San Jeronimo side of the Santa Teresa Port of Entry that impeded southbound gooseneck and flatbed traffic.
- The BIA assisted New Mexico DOT with its Santa Teresa Border Area Transportation Needs Assessment and Strategic Plan. The \$40 million project to replace the asphalt on Pete V. Domenici Highway with concrete is expected to begin sometime in mid- to late-2017.

## **The Santa Teresa/San Jeronimo Port of Entry**

The BIA worked with the New Mexico Economic Development Department to complete the 559 Reimbursable Programs application in order to request extended commercial northbound hours (8:00 pm to 12:00 am, Monday through Friday) at the Santa Teresa Port of entry. The BIA is working with the public and private sectors to secure the necessary funding to pay for extra personnel hours for this extension. The launching of the extended northbound commercial hours is planned for March 2017.



*The Santa Teresa Port of Entry*



*Yadeneiro Hernandez (left) and Ray Provencio*

On February 24th, the BIA hosted a Q&A panel discussion with Santa Teresa Port of Entry Director Ray Provencio and San Jeronimo Port Director Yadeneiro Hernandez. BIA members were given the opportunity to direct questions and concerns to both administrators at the monthly BIA meeting.

## Public Outreach

Early in 2016, the BIA installed a BIA billboard promoting the Santa Teresa region in the El Paso International Airport. Thousands of Southwest Airlines passengers view this sign monthly as they fly into and out of this airport.



*BIA Billboard at the El Paso International Airport*

In 2016, the BIA conducted a workforce skills and production input survey, which will be used to work with agencies such as Dona Ana Community College to improve skills of local employee prospects for the jobs being created in the Santa Teresa region. Based on the production inputs being consumed in the Santa Teresa industrial base, the BIA has helped launch the “Supply the Suppliers,” program in which suppliers throughout New Mexico are being identified to explore supply opportunities in Santa Teresa. Based on the promise of this program, the BIA was awarded a \$50,000 economic development grant by the New Mexico Gas Company to help with travel and event costs throughout the state.



*BIA/DACC Cookout*

The BIA held an informational cookout at the BIA's Airport Rd. offices to promote more awareness in the industrial base for Dona Ana Community College's training programs.

With the safety of students in mind, the BIA successfully spearheaded the initiative to remove the flow of commercial trucks near the Santa Teresa High School. At the BIA's behest, Dona Ana County's Board of Commissioners passed this ordinance in early 2016.

The BIA continued to support the Santa Teresa Charitable Foundation, which to date has donated more than \$240,000 to the Gadsden School District for the Honors Programs in the local elementary schools, college scholarships for high school seniors, funding for field trips, and uniforms for economically challenged students.



*Sunland Park Elementary School Students with new uniforms donated by the Santa Teresa Charitable Foundation*

## **BIA Hosted Events**

- Governor Martinez on May 19 for the ribbon cutting of the MCS Frames building.
- Lt. Governor John Sanchez on August 11 for a meeting with BIA members.
- Governor Martinez on December 5, for the groundbreaking of the Valley Cold Storage warehouse.
- Senator Tom Udall's Legislative Director Andrew Wallace in Santa Teresa



*Governor Susana Martinez at the Valley Cold Storage groundbreaking*

- Senator Martin Heinrich's Chief of Staff Joe Britton in Santa Teresa
- House Minority Leader Rep. Brian Ego
- Mexican Ambassador to the U.S. Carlos Sada for a tour of Santa Teresa
- Newly elected Governor of Durango Jose Rosas Aispuro Torres
- Newly elected Governor of Sinaloa Quirino Ordaz Coppel
- Juarez Mayor Armando Cabeda for a tour of Santa Teresa
- Aristoteles Nuñez, Director of SAT (Mexican Customs), for a tour of Santa Teresa
- Mexican Consul of El Paso Marcos Bucio for a tour of Santa Teresa
- Newly elected Dona Ana County Commissioners Isabella Solis and Ramon Gonzalez for a tour of Santa Teresa

## **Other Events**

- Representing the BIA's industrial base at both the 2016 Regular and Special Legislative Sessions.
- The BIA hosted and testified in front of the Legislative Jobs Council on August 18 at the Gadsden School District Headquarters in Sunland Park.
- The BIA testified in Santa Teresa to the New Mexico Financial Oversight Committee in Santa Fe on progress in Santa Teresa.
- Meeting with Governor Susana Martinez several times during the course of the year to discuss future infrastructure needs and initiatives.
- Meetings with multiple state legislators and representatives of the state's congressional delegation to discuss strategies and policies.
- Working with Customs and Border Protection and the state's congressional delegation to shift the export of used vehicles to Mexico from the Santa Teresa Port of Entry to the new Tornillo Port of Entry.

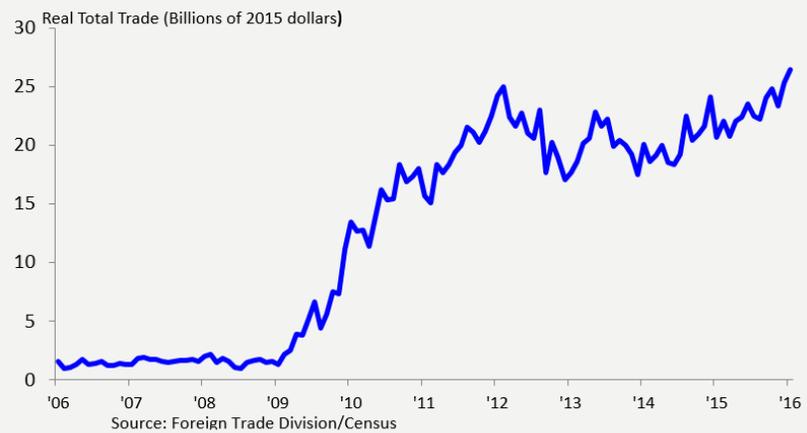
## Graphs

The following graphs highlight the impact that the Santa Teresa industrial base is having on New Mexico's export trade figures, particularly those with Mexico:

# NEW MEXICO

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

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.



The value of trade passing through the Santa Teresa Port of Entry is approximately 26 times what it was in 2009.

# 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

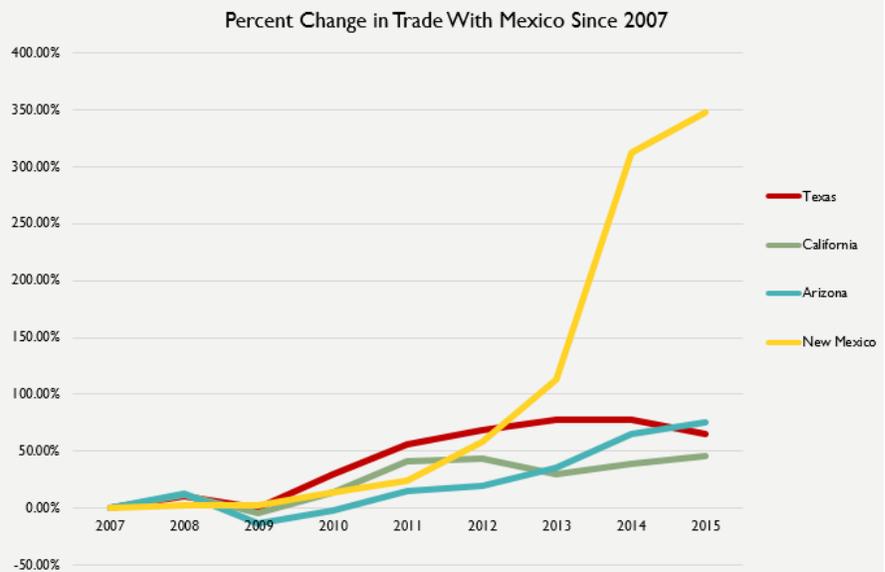
The tremendous growth in the Santa Teresa industrial base is responsible for New Mexico leading the nation in overall export growth in 2012, and overall export growth to Mexico in 2014. Because the Santa Teresa industrial base is counted as part of the Las Cruces Metropolitan Statistical Area, Las Cruces led the nation in the increase of exports from 2011 to 2014.

# 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%.**



Since 2007, New Mexico leads all border states in percentage of export growth to Mexico.

## NEW MEXICO TOP EXPORTS TO MEXICO

What is driving this rise?:

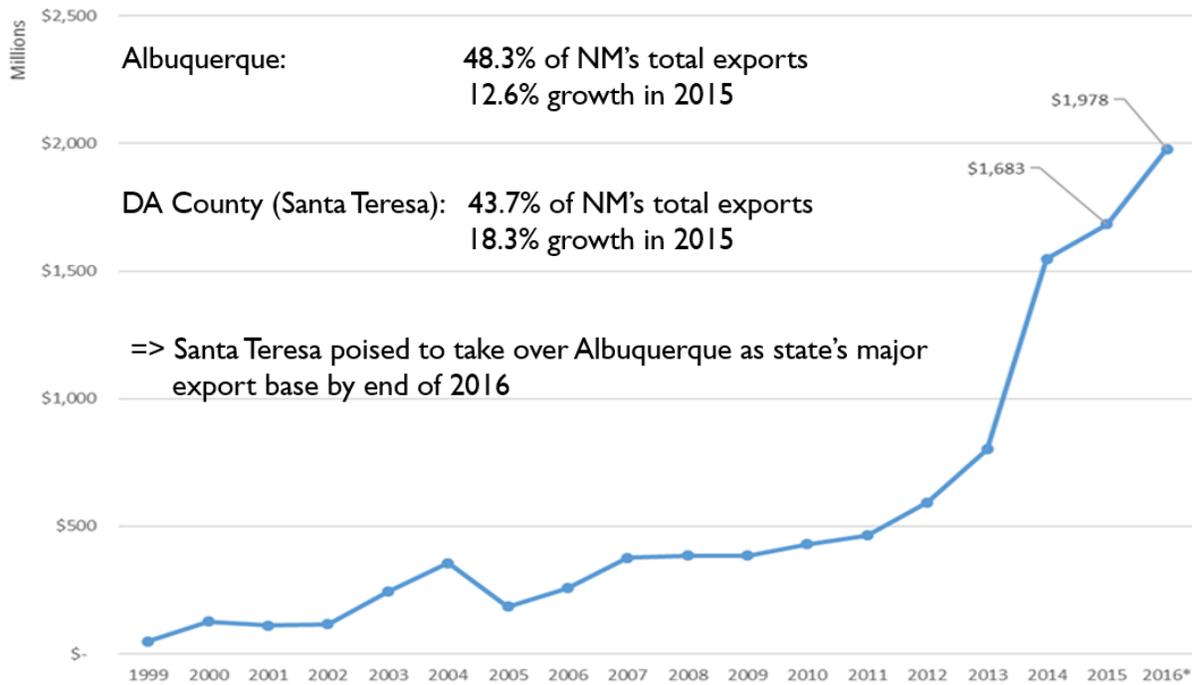
- Transportation equipment (61.4%)
- Electrical Equipment/components (26.4%)
- Computer/electronic Products (20.8%)

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 MANUFACTURES	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

The bulk of New Mexico's exports to Mexico consist of production inputs for the automotive, aerospace, and consumer products sectors in Mexico's maquiladora industry.

New Mexican Exports to Mexico 1999 - 2016\*



*\*Exports for 2016 are estimated to be \$1.978 billion because data is not available for July 2016 and late. This estimate was calculated by taking available export data through June 2016, which is 17.5% greater than exports for the same time period in 2015. The \$1.978 figure is calculated by increasing the 2015 figure by 17.5%.*

If current export growth trends continue, the Santa Teresa industrial base will replace the Albuquerque metropolitan area as the state's major export base in 2016.

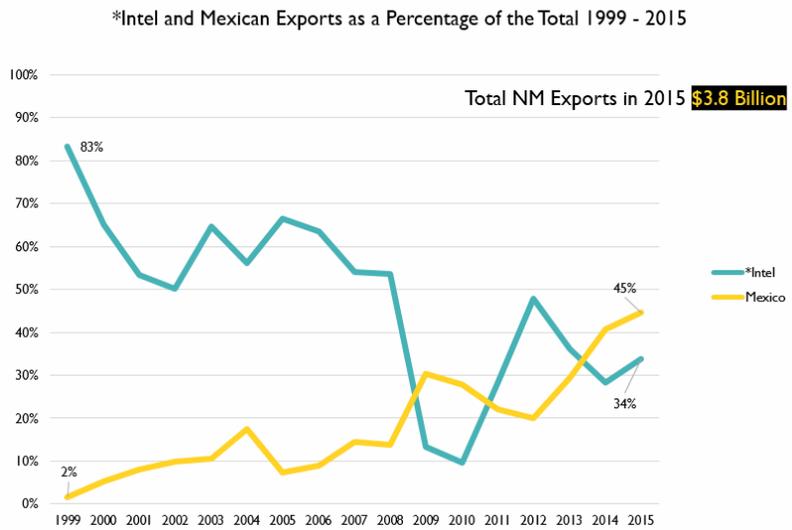
# NEW MEXICO THE "INTEL" EFFECT

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.

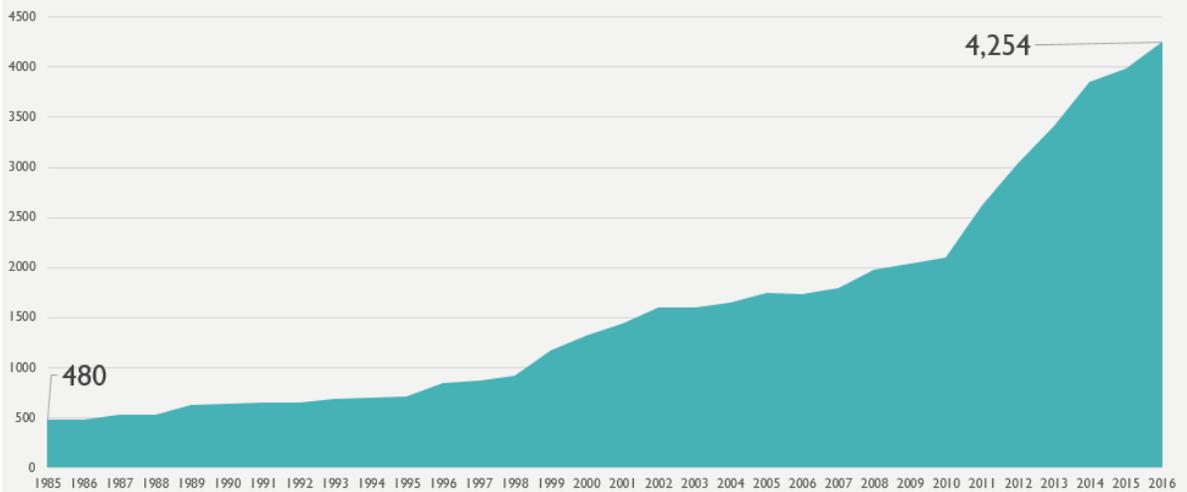
"Intel Exports" are estimated by combining NM's exports to China, Costa Rica, Ireland, Israel, Malaysia, the Philippines, and South Korea



The value of New Mexico's exports to Mexico has supplanted Intel-Rio Rancho's worldwide exports.

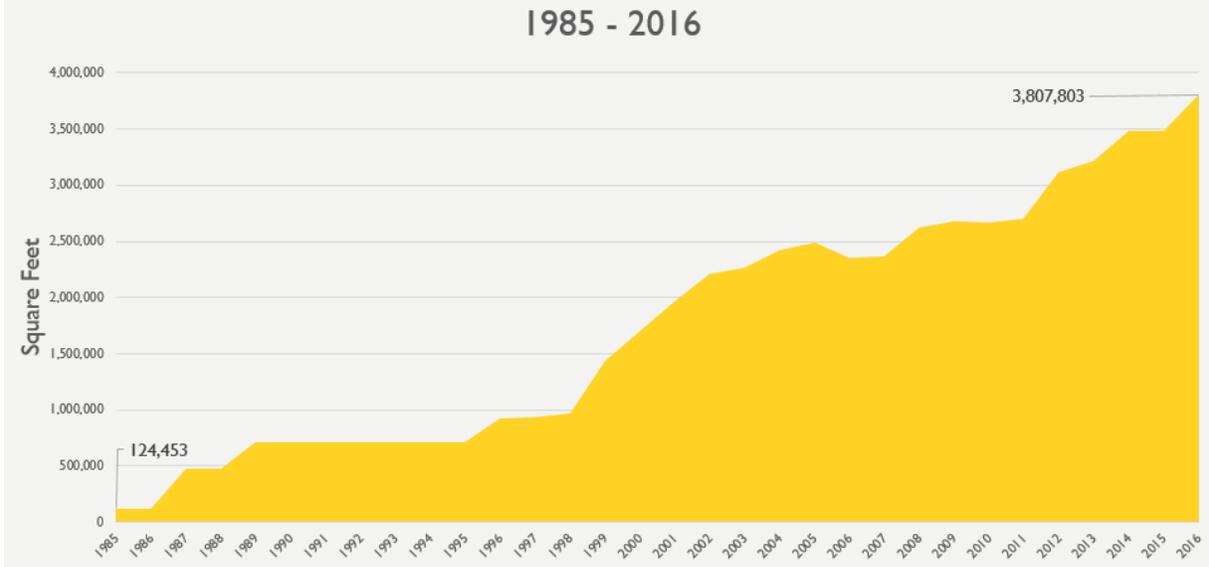
# SANTA TERESA INDUSTRIAL JOB CREATION

1985 - 2016



Since 2002, the industrial job base in Santa Teresa has increased tremendously.

# SANTA TERESA TOTAL OCCUPIED SPACE



Occupied space in Santa Teresa has rapidly risen since the late 1990s.

## Next Year

In 2017, the BIA will continue to focus on our infrastructure and political outreach efforts. Additionally, on January 25, the BIA will host the first annual “Border Day in Santa Fe,” in which our association will host a legislative breakfast, lunch with Governor Susana Martinez, and a cocktail mixer for major stakeholders and elected officials.

Moreover, in 2017 we are planning to establish a Dona Ana County Sheriff’s substation in the Santa Teresa Airport Park in order to provide more security and law enforcement in our industrial base.

The BIA will be featured next year in the Pulso Industrial Nacional – “Directorio Industrial” 2016, which is a major publication that is used in Mexico’s maquiladora industry.