

Our Connections,
Your Markets

The Logistics
Industry in New
Mexico





The Borderplex is one of the fastest growing regions on the Mexican border:

- | | | | | | | | | | | |
|---|--|---|---|--|------------------------------------|---|--|--|--|-------------------------------|
| Ranked 8th most friendly tax climate by Kiplinger's | Strategically located in the middle of the southwest and the nation's fastest growing states | No inventory tax and no locomotive fuel tax | The dry, sunny climate means goods move without interruption year-round | Home to the nation's 5th best workforce training program, the Job Training Incentive Program | 400% increase in exports to Mexico | Santa Teresa-San Jeronimo Bi-National Community | Unique logistics infrastructure and access to maquiladora industries | Equidistant to Ports of Houston and Long Beach | Union Pacific Intermodal Terminal and Fueling Facility | 12 Mile Overweight Cargo Zone |
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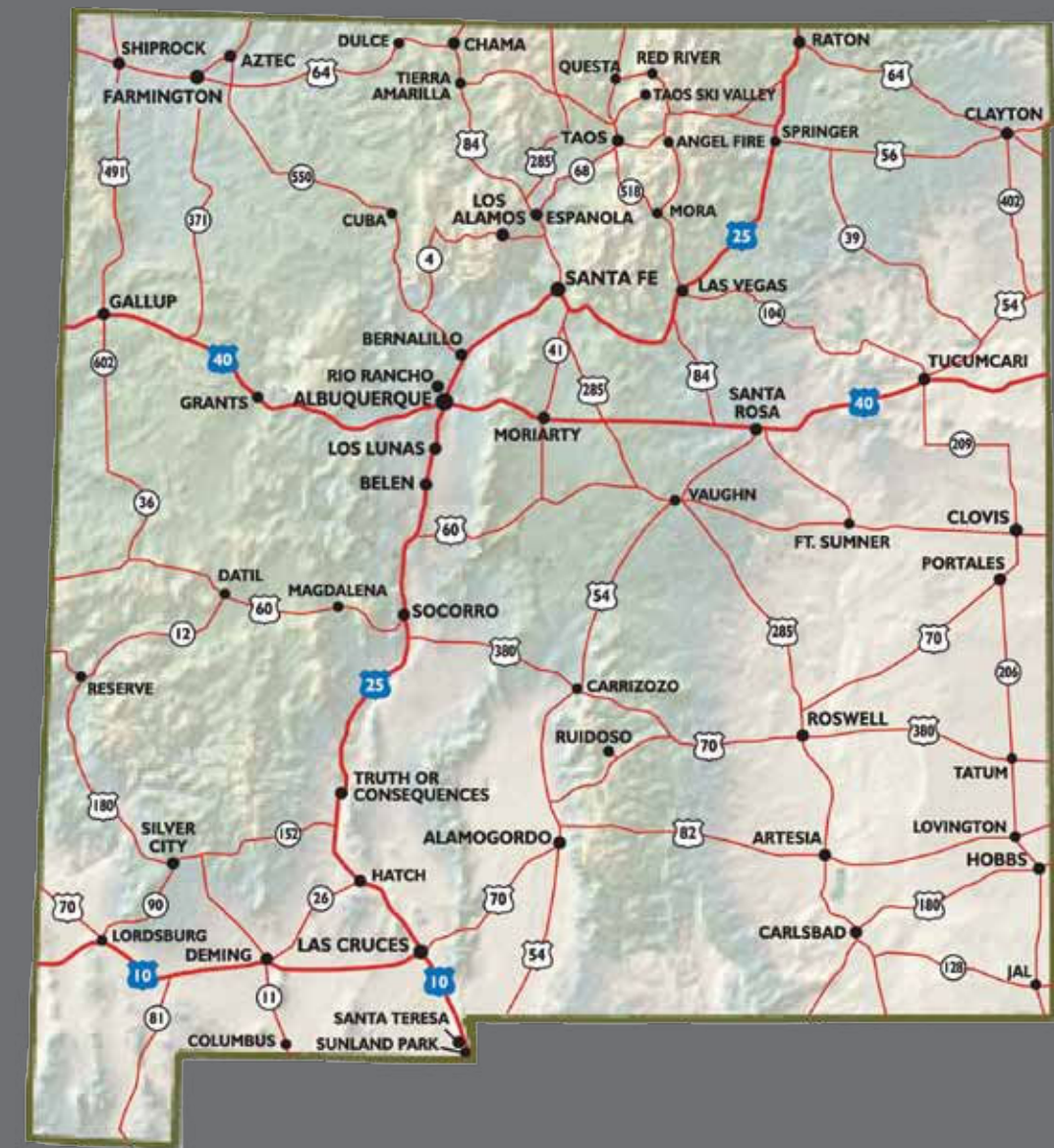
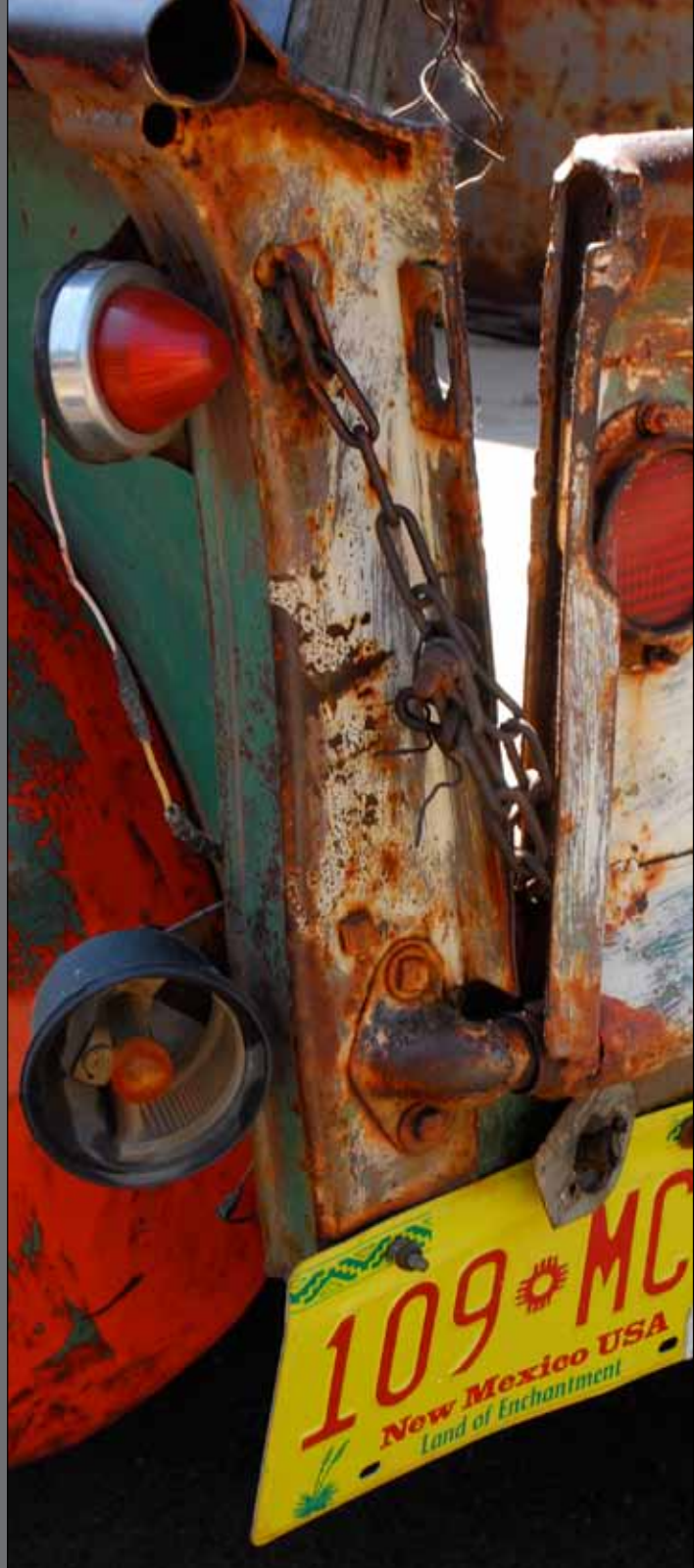
COAST TO COAST INTERSTATE SYSTEM

New Mexico is served by three interstate highways connecting both coasts and both international borders.

- Interstate 10 from Los Angeles to Jacksonville, FL
- Interstate 40 from Los Angeles to Wilmington, NC
- Interstate 25 from the Canadian to Mexican borders

Goods can be delivered to Texas, Arizona, Colorado, Kansas and Utah within one day, and California markets in two days. The volume of truck traffic into the state translates into low backhaul rates for goods leaving the state.

Destination	Albuquerque	Santa Teresa
Calgary	1,530	1,727
Chicago	1,335	1,527
Ciudad Juarez	274	18
Dallas	643	648
Denver	445	642
Houston	881	758
Kansas City	786	945
Las Vegas	586	729
Long Beach	802	800
Los Angeles	789	797
Matamoros	991	847
Mazatlán	1,091	838
Monterrey	900	741
New Orleans	1,148	1,104
Oklahoma City	541	735
Phoenix	420	424
Salt Lake City	597	857





RAIL SERVICE

New Mexico railroads date back to 1881 when the second transcontinental system was completed between the Atchison, Topeka & Santa Fe and the Southern Pacific met at Deming. Most of the other lines that reach New Mexico did so via branch or secondary lines. One exception was the Chicago, Rock Island & Pacific, which reached New Mexico at Santa Rosa. The former Southern Pacific's Golden State Route extends from El Paso through Carrizozo, Vaughn, Santa Rosa, Tucumcari, and northeast to Kansas City. Santa Rosa is home to a major automobile distribution facility.

Towns that were fortunate enough to be located where the track was laid grew and became prosperous from the commerce delivered by rail. Automobile travel changed that scenario and when goods began to move over the road via trucks the evolution was complete.

Today the primary rail service providers in New Mexico are BNSF and Union Pacific. They intersect in one place in New Mexico, the Town of Vaughn.



BNSF: The TransCon Corridor

BNSF serves 28 states and two Canadian provinces, a total of 32,000 route miles. It operates a multimodal rail yard in Belen, 30 miles south of Albuquerque.

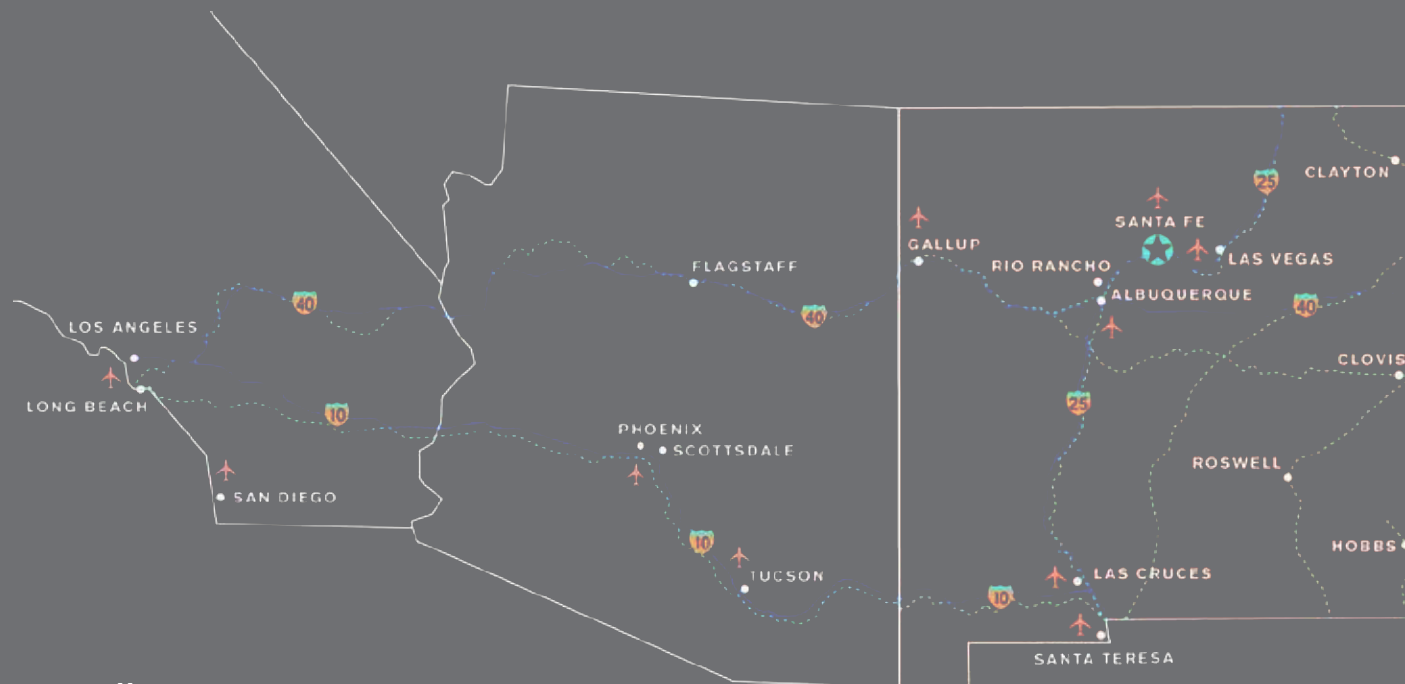
The TransCon is one of the busiest corridors of commerce in the nation. It traverses New Mexico from Clovis to Gallup and from El Paso to Albuquerque. The TransCon covers 13 states with 4,647 route miles. Approximately \$250 million in goods move over the Corridor annually. BNSF is planning to build an intermodal facility along the TransCon Corridor in New Mexico. The State is undertaking a feasibility study to determine the best placement of a rail line from the Four Corners to the TransCon.



Union Pacific: The Sunset Route

Union Pacific (UP) is the largest railroad in North America, operating in the western two-thirds of the United States. The railroad serves 23 states, linking every major West Coast and Gulf Coast port and provides service to the east through its four major gateways in Chicago, St. Louis, Memphis and New Orleans. Additionally, Union Pacific operates key north/south corridors and is the only railroad to serve all six major gateways to Mexico. UP also interchanges traffic with the Canadian rail systems.

The 760-mile UP Sunset Route connects Los Angeles to El Paso, through southern New Mexico, accounting for 20 percent of the railroad's traffic. The route handles marine containers on double-stacked trains, and construction materials, electronics, fabricated metals, plastics, precision machinery, and agricultural chemicals. Approximately 70 percent of the route has been double-tracked.





BORDERPLEX

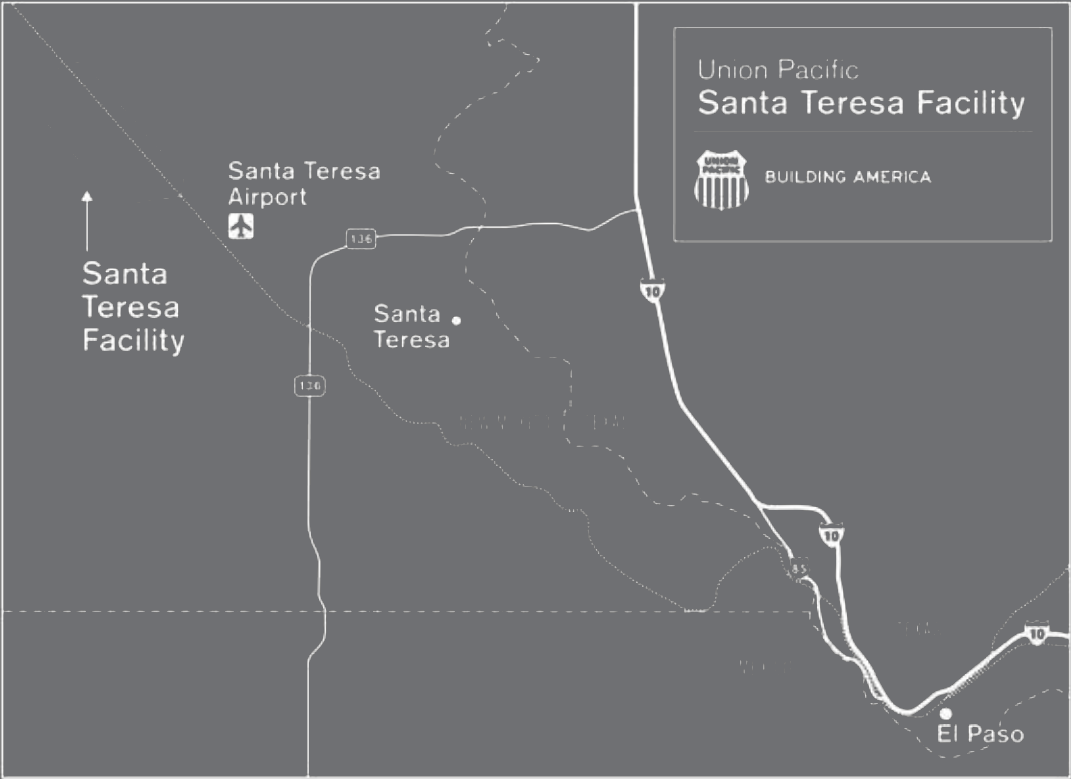
The Borderplex is one of the fastest growing industrial areas in the southwest U.S., spurred by the construction of a world-class intermodal facility, a location equidistant to the ports of Long Beach and Houston, proximity to the largest maquiladora manufacturing facility on the Mexican border, and New Mexico's competitive business climate. Exports and imports through the Santa Teresa Port of Entry (POE) have grown from \$1 billion per year to more than \$1.3 billion per month. Between 1998 and 2001 more than 2 million square feet of industrial space was built to accommodate maquiladora-related industries, including suppliers, distribution centers, and logistical enterprises. Over 700,000 square-feet of industrial space has been occupied over the past 3 years and there is plenty of room to grow.



Union Pacific Santa Teresa Intermodal Terminal

In 2014 Union Pacific opened its new \$400 million, 2,200 acre intermodal facility on the Sunset Route near the Santa Teresa International POE. The new facility is located just west of the Santa Teresa Airport and includes fueling facilities, crew change buildings, locomotive inspection tracks, an intermodal ramp, a switching yard and 200 miles of track. The intermodal block swap/switching yard incorporates the latest engineering techniques for improved efficiency and throughput. Companies began locating near the UP Santa Teresa Intermodal Terminal before it opened.

In 2009 Taiwanese manufacturing firm Foxconn established Mexico’s largest maquiladora operation immediately south of the Santa Teresa POE in San Jeronimo. The Foxconn facility is 1.6 million square-feet on 600 acres. The plant assembles 55,000 computers daily for the Dell Corporation. The computers are shipped throughout North America.





Customs and Border Protection (CBP) Pre-Clearance Project

San Jeronimo has been chosen by CBP as one of three pilot programs on the U.S.- Mexico border for the pre-clearance of cargo. CBP is in the process of working with Foxconn to establish a CBP office in Foxconn's San Jeronimo facility in order to clear Customs on the Mexican side of the border.

Overweight Cargo Zone

Established in 2011, the overweight cargo zone allows overweight Mexican trucks (up to 96,000 pounds) into a 12 mile zone north of the Santa Teresa POE. The establishment of the zone has generated interest by commodities companies that do not have to unpack their shipments when crossing into the U.S. to meet the 80,000 pound maximum weight in this country. Not having to reduce or touch the shipment until it reaches its final destination within the zone results in substantial savings. The permit is \$250 annually and is applied to a single truck, giving companies the flexibility to pay for only the trucks that will travel in the zone rather than paying for their entire fleet.



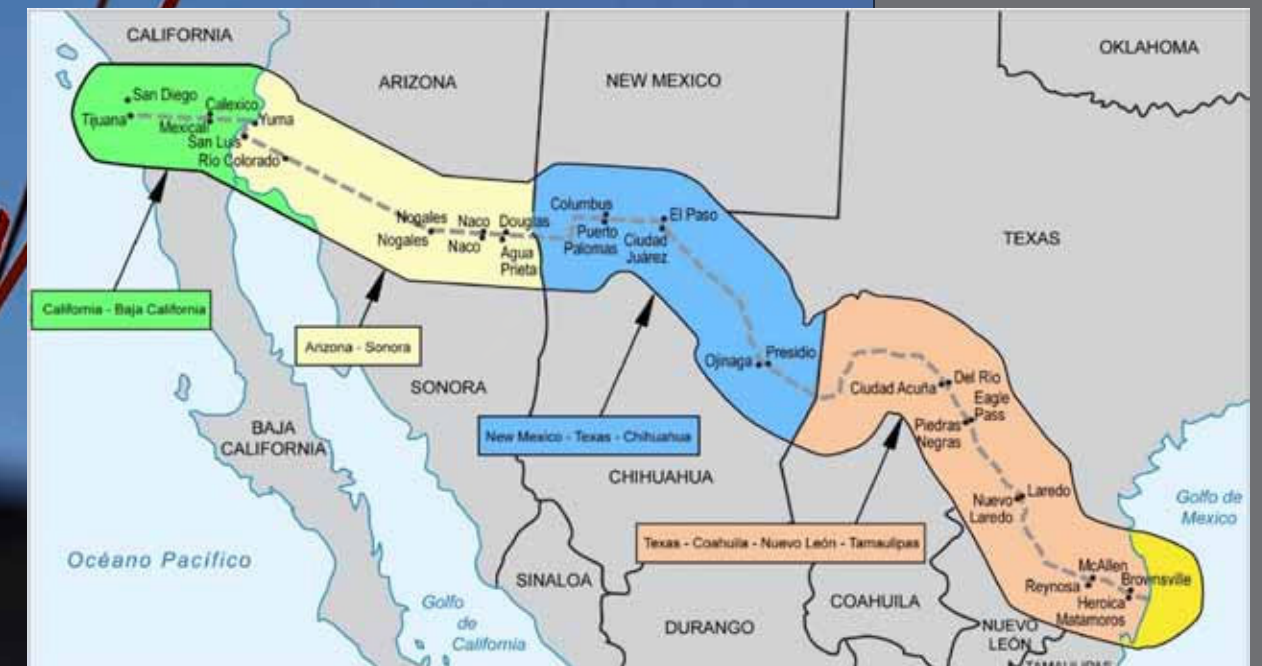
12 Mile Overweight Cargo Zone - Santa Teresa, NM

San Jeronimo-Santa Teresa Bi-National Community

In 2013 New Mexico Governor Susana Martinez and Chihuahua Governor Cesar Duarte announced plans to collaborate on the development of a 70,000-acre bi-national community, destined to be the most competitive land port in the Americas. The Bi- National Community will be the model of cross-border development on the New Mexico-Chihuahua border, incorporating the largest inland port, coordinated sustainable master plans, foreign trade zones, industrial efficiencies, a secured border region, quality residential living, and joint health care and education programs. This community encompasses more than 70,000 acres, combining truck, rail and air services to destinations worldwide, creating a globally competitive industrial and logistics platform.

Competitive Advantages:

- Equidistant to the seaports of Houston and Long Beach
- Integrated into the Northern Economic Corridor in Mexico
- Connected to Pacific seaports by both rail and highway
- 2,000+ acres of rail-served industrial land
- U.S. Foreign Trade Zone adjacent to Recinto Fiscalizado Estratégico (Mexico) on the border
- Inland port with full intermodal capabilities on both sides of the border



Industrial Parks

Both parks provide easy access to the UP Santa Teresa Intermodal Terminal, both lie within the 12 Mile Overweight Cargo Zone, and both are accessible to two sub-zones of Foreign Trade Zone 197.

Santa Teresa Logistics Park is located adjacent to the Doña Ana County International Airport, the Union Pacific rail line and is just five minutes from Interstate 10. The park consists of 225 acres and two million square feet of industrial space, with three million square-feet planned for new development. The park is served by the Santa Teresa Southern Railroad, connecting to Union Pacific. The four-lane Pete Domenici Highway provides access to both the U.S. and Mexico Interstate Highway systems.

The Bi-National Park at Santa Teresa consists of 230 acres adjacent to the U.S. and Mexico customs facilities at the Santa Teresa International Port of Entry, and the Foxconn electronics plant. Using the Santa Teresa POE eliminates long waiting times associated with border crossings in El Paso and is the fastest route to southeast Juarez via the new four-lane Casas Grandes Highway. Pete Domenici Highway provides access to Mexico I-45 and US I-10.

The Westpark Logistics Center will be the third business park in close proximity to the port of entry and the closest park to the Union Pacific Intermodal Terminal. Phase 1 is 164 acres and 2 million square feet of manufacturing and distribution space. Westpark is planned to be the largest industrial park in the state. The first tenant will be MCS Industries, a U.S. manufacturer of picture frames, currently constructing a 215,000 square foot warehousing and distribution center.

In less than four years, more than one million square feet of industrial space has been filled at Santa Teresa.





Santa Teresa Port of Entry (POE)

Hours: M-F 6 AM to 10 PM;

Commercial Cargo Facility Hours: M-F 8 AM to 6 PM;

Saturday 9 AM to 2 PM

The Santa Teresa POE is the only port in the Paseo del Norte region authorized for oversize cargo shipments. Shorter wait times expedite commerce in a state-of-the-art facility. Customs and Border Protection officers from Santa Teresa process international aircraft operations at the nearby county airport and oversee the Doña Ana County Foreign Trade Zone at the Santa Teresa Industrial Park.

Columbus Port of Entry

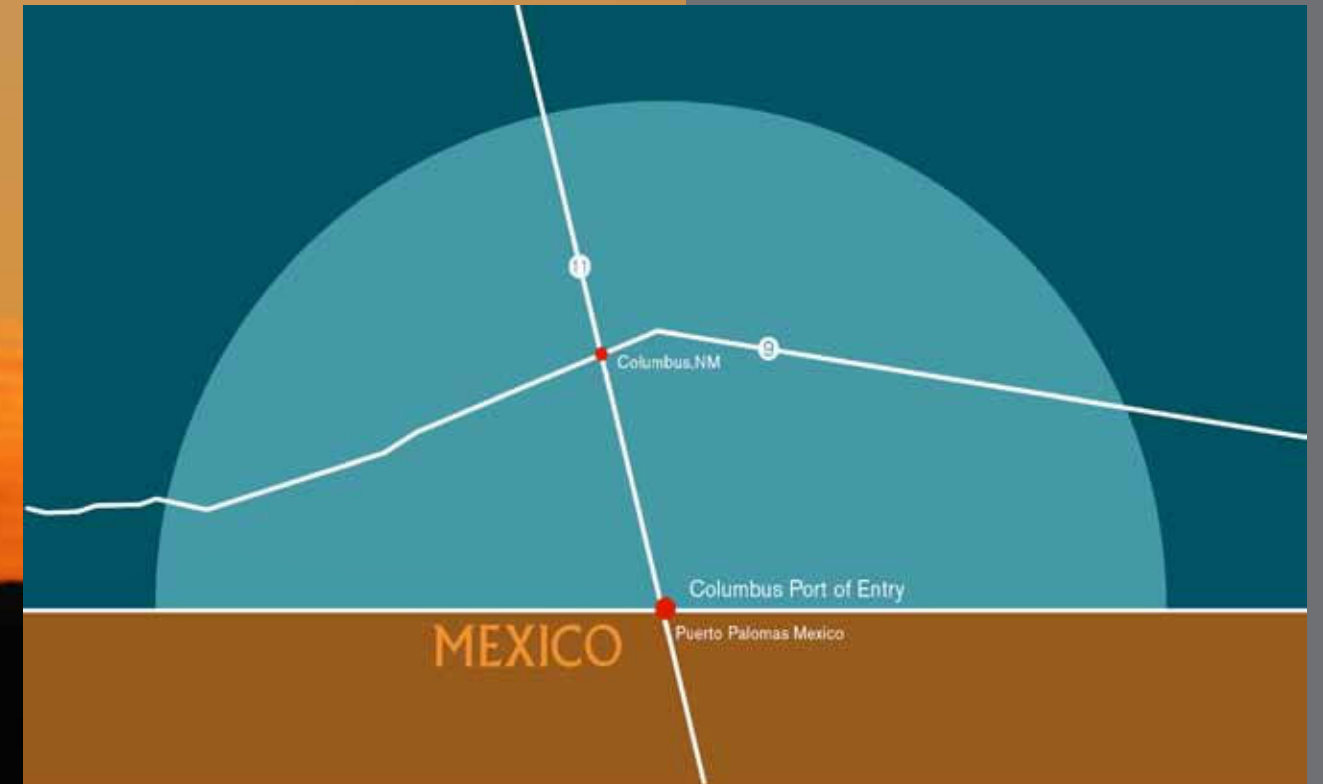
Hours: 24/7

Bordering Palomas, Chihuahua and located within the historic Village of Columbus, the Columbus Port of Entry is approximately 30 miles south of Deming and 65 miles west of the Santa Teresa Port of Entry. The Columbus POE provides commercial services, including Customs Brokers, and both Mexican and U.S. Immigration Services. Columbus has a 12-mile overweight cargo zone north of the POE.

Antelope Wells Port of Entry

Hours: 8 AM to 4 PM, 7 days/week

Located deep in the boot heel of New Mexico, Antelope Wells is open to pedestrians and non-commercial traffic.



12 Mile Overweight Cargo Zone - Columbus NM

AIR SERVICE

More than 60 airports are located throughout New Mexico. Two international airports serve different regions of the state:

- Albuquerque International Sunport provides nonstop service to 23 cities daily via eight commercial carriers. Three cargo carriers serve the airport: Federal Express, DHL, and UPS.
- El Paso International Airport is served by five commercial carriers with nonstop service to 10 cities. It is served by four cargo carriers: Federal Express, UPS, DHL and Cargo Force.

ALBUQUERQUE INTERNATIONAL SUNPORT	NONSTOP SERVICE							
	Alask Airlines	American	Delta	JorBlue	New Mexico Airlines	Southwest	United	US Airways
Atlanta			X					
Baltimore-Washington						X		
Chicago-O'Hare		X					X	
Chicago-Midway						X		
Dallas/Fort Worth		X						
Dallas/Love Field						X		
Denver						X	X	
Houston						X	X	
Kansas City						X		
Las Vegas						X		
Los Angeles		X				X	X	
Minneapolis/St. Paul			X					
NYC/John F. Kennedy				X				
Oakland						X		
Orlando						X		
Phoenix						X		X
Portland						X		
Salt Lake City			X					
San Diego						X		
San Francisco							X	
Seattle-Tacoma		X				X		
St. Louis						X		
Tucson						X		
IN-STATE SERVICE								
Carlsbad					X			
Los Alamos					X			

Source: Albuquerque International Sunport, updated November 2014

EL PASO INTERNATIONAL AIRPORT	NONSTOP SERVICE				
	American	Delta	Southwest	United	US Airways
Atlanta		X			
Austin			X		
Chicago O-Hare					
Dallas/Fort Worth	X				
Dallas Love Field			X		
Denver				X	
Houston Hobby			X	X	
Las Vegas			X		
Los Angeles	X		X		
Phoenix			X		X
San Antonio			X		

Source: El Paso International Airport, updated Nov. 2014

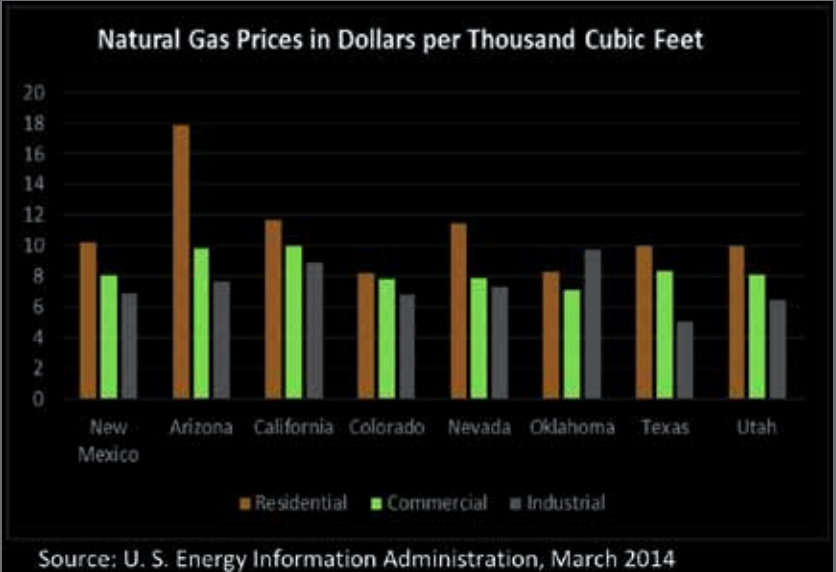
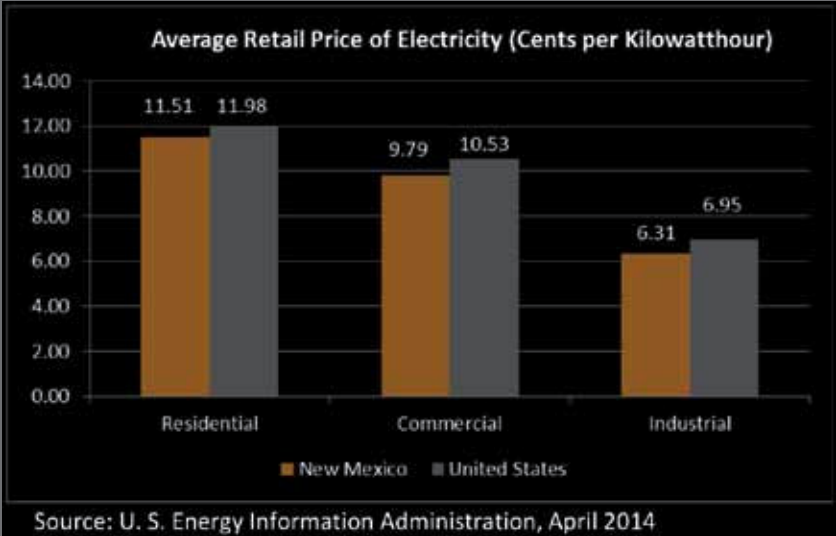
Four regional airports offer commercial air service:

- The Santa Fe Municipal Airport is served by both American and United Airlines. American provides nonstop service to Dallas-Fort Worth and Los Angeles. United provides daily nonstop service to Denver.
- Boutique Air offers direct service between Clovis and Dallas-FortWorth and between Albuquerque and Silver City.
- Lea County Regional Airport inHobbs is served by United with daily flights to Houston.
- Four Corners Regional Airport in Farmington is served by Great Lakes Airlines, a code share partner for United Airlines. Service is available to Denver and Alamosa Colorado, and to Phoenix and Show Low, Arizona.



COMPETITIVE ELECTRIC POWER AND NATURAL GAS PRICES

New Mexico generates about 2.7 times the amount of total energy consumed statewide. Consequently, New Mexico is a large net exporter of energy to Arizona, California, Utah, and Texas. This translates into competitively- priced electricity.



The New Mexico Public Utility Act allows both investor-owned and electric cooperatives to offer a discounted economic development rate to a customer for four years with the possibility of extending it one more year to a total of five years.





WORKFORCE

A strong presence of logistics and distribution companies means a skilled workforce for the industry. Post-secondary college campuses are located across the state and most offer customized training specific to a business' needs. The New Mexico Department of Workforce Solutions offers training and apprenticeships in a number of occupations.

New Mexico's Job Training Incentive Program (JTIP) is one of the most aggressive in the nation. The Program has a 40 year history of assisting businesses with customized workforce training and has trained more than 50,000 participants. JTIP funds classroom training and on-the-job training for newly-created jobs in expanding or relocating businesses for up to six months. JTIP reimburses 50-75% of trainee wages. Custom training at a New Mexico public educational institution may also be covered.

JTIP also offers incumbent training in certain situations when workers need to enhance their skills.

TAX CREDIT INCENTIVES

Rural Jobs Tax Credit

Employers receive a credit of \$1,000 for each qualifying job the employer creates, for four consecutive years in communities of less than 15,000 residents, and two consecutive years in non-MSA communities of more than 15,000 residents.

High Wage Jobs Tax Credit

This credit gives companies who hire employees at salaries of \$28K or higher in rural areas, and \$40K or higher in urban communities, tax credits equal to ten percent of the combined salary and benefits package for the year in which the job is created, and for the three qualifying periods following.

Local Economic Development Act (LEDA)

LEDA and New Mexico's economic development capital outlay program may provide funds for qualified projects that create new jobs and investment in the state.



LIFESTYLE

Few places on earth offer the rich history and cultural diversity found in New Mexico. Native American culture has been present in the state for more than 2,500 years, and is home to 22 Native American tribes. Their rich history is celebrated today in museums, ceremonial dances, arts and crafts, language, and traditional villages. Visitors can celebrate on the pueblos year round during designated feast days, and partake in native homemade cuisine and tradition. The annual SWAIA Santa Fe Indian Market is held the 3rd weekend in August and features more than 1,000 Native artists.

Chaco Culture National Historic Park dates to 850AD and is considered the most exceptional concentration of pueblos in the American Southwest. It is one of only 20 World Heritage sites in the U.S. Chaco is probably the best representation of the first art ever created in New Mexico. Follow the Trail of the Ancients to visit more historic and cultural sites in the Four Corners.

Spanish colonial culture arrived in the state in the late 1500's, contributing over 500 years of Hispanic influence to the New Mexican way of life. The Annual Traditional Spanish Market displays this influence through food and art in Santa Fe during the summer and in Albuquerque during the winter. The combination of Native and Hispanic elements results in a strong culture found in every aspect of the state from food and fiestas to architecture and art.

The Taos Art Colony and Taos Society of Artists began in 1898 when Ernest L. Blumenschein and Bert Geer Phillips broke a wagon wheel while headed to Mexico to sketch and paint. Both eventually made Taos home and would be joined by many others in the years to come. Taos is still the residence of many talented artists. New Mexico is known as The State of the Arts because it is home to more working artists, open studios, artist-owned galleries, and specialty and artisan-oriented shops than any other state per capita. Visitors can schedule studio tours, which is a great way to explore New Mexico by finding new and traditional art, meeting the artists, and eating local food.

While local events are common, New Mexico has just the perfect environment to host international events every year. Every visitor, no matter where they are from, will find the relaxed lifestyle charm-

ing and endearing, while also experiencing other worlds at their fingertips. The Santa Fe International Folk Art Market is the largest of its kind bringing in cultures from more than 40 countries for over 20,000 visitors to experience at the height of New Mexico's beauty in the summer. Other colorful events include the Roswell UFO Festival, the Great American Duck Race in Deming, the Lincoln County Cowboy Symposium, and Whole Enchilada Festival in Las Cruces.

Visitors are also drawn to the state's many historical sites, museums, and celebrations every year. The State of New Mexico operates eight museums covering a range of interests, from Space History to Folk Art. There are over 40 museums, and hundreds of art galleries throughout the state covering anything from local artisan art to globally-known fine art. Summer is the season for art in New Mexico, including performance art. Thousands come to New Mexico for the Santa Fe Opera season in the world-renown venue that is like no other. The annual Blues Festival held Memorial Day weekend each year draws hundreds of blues enthusiasts to Silver City, a beautiful town in the Gila Wilderness with its own rich history and, today, home to many art galleries. New Mexico's beautiful historic theaters offer a variety of performing arts, symphonies, chamber music, concerts, and plays.

For those who want to experience the beauty of nature, the state operates 36 parks, 3 national parks, and 12 national monuments. The most famous of these is Carlsbad Caverns National Park, with some of the largest underground caves and chambers in the world. During the summer, stay until



dusk and watch as nearly 400,000 bats fly out of the cave for their evening adventure. Nearby Lechguilla Cave, explored to depths of 1,593 feet, is the nation's deepest cave, and the Gila Wilderness, an area of mountainous beauty and ancient cliff dwellings, was the first wilderness area to be so designated by Congress. Viewers will be struck by White Sands National Monument, which is 275 square miles of pure white sand.

Hiking and biking trails are for you to discover from Angel Fire to Las Cruces, or you can rock climb in Diablo Canyon or see the natural sights at Tent Rocks near Cochiti Pueblo. After a long day of outdoor activity, soak in any one of the hot mineral springs throughout the state in Jemez Springs, which offers both hot and cool, primitive and luxurious pools; Truth or Consequences, whose springs heat up to 115 degrees Fahrenheit; or the 145 year-old Ojo Caliente Mineral Springs, which are known for their healing powers.

Boating on any of the 20 lakes in our state parks from Elephant Butte in the south to Navajo Lake in the northwest is a great way to enjoy the fresh air and beautiful scenery, and the quality trout waters of the San Juan River are well known to fly fishermen everywhere. Go rafting or kayaking in any one of New Mexico's rivers, totaling 200 miles of waterway, or dive into the Blue Hole in Santa Rosa, a natural 80 foot deep pool, for scuba diving.

Or if you'd rather take a day trip, nearly any town you visit has its own story of life in the wild 'old west' and getting there is an experience in itself. This is especially true of the many ghost towns you may encounter along any one of New Mexico's 25 magnificent scenic byways, which equal over 2,900 miles across a diverse landscape. You can follow one of these paths to take a tour of Georgia O'Keefe's Ghost Ranch in Abiquiu, then visit the museum dedicated to her life and work in Santa Fe. You can also follow the Film Trails and tour the scenes from films and television shows made in New Mexico.

New Mexico hosts all four seasons and fall is one of the most beautiful. The smell of roasting chile in the air, the taste of freshly picked and roasted pinon, and the golden sight of the aspen leaves changing colors on the mountain tops bring warmth to you as the breeze turns cooler. Fall is also a season for fiestas! The International Balloon Fiesta attracts visitors from all over the world to see the Albuquerque sky decorated with colorful and special-shaped hot air balloons. Santa Fe kicks off the harvest season with Fiestas de Santa Fe and continues the celebration with the Wine and Chile Festival, Hatch hosts their chile festival, and the Whole Enchilada Fiesta in southern New Mexico. This is the 3rd largest event in the state and one of the top 100 events in the nation.

From the stark, arid beauty of southern New Mexico's deserts to some of the country's finest ski slopes located on over 20 mountain ranges, this land of breathtaking contrasts offers a myriad of outdoor activities year-round. Each season New Mexico slopes average 300 inches of snow, the Kachina lift at Taos Ski Valley is one of the highest in North America, and Angel Fire is the only New Mexico resort with night skiing. If you are not a skier, there are plenty of other snow activities inner tubing, snowshoeing, snowmobiling, sleigh rides, ice fishing, and ice skating.





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