Linking Transportation, Logistics, and Economic Development in the Albuquerque Region

presented to
Association of Metropolitan Planning Organizations

presented by
Cambridge Systematics, Inc.
Elaine McKenzie, PhD

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Project Sponsors and Team Members

New Mexico Mid Region Council of Governments (MRCOG)
» In partnership with:
  ▪ City of Albuquerque
  ▪ Bernadillo, Sandoval, Torrence, and Valencia Counties
  ▪ BNSF
  ▪ Other local agencies

Cambridge Systematics Team
» Global Logistics Development Partners (GLDP)
» Center for Neighborhood Technology (CNT)
MR-COG Transportation and Logistics Hub Study - Objectives

- Understand existing and emerging freight, industry, and logistics trends
- Assess the region’s economic competitiveness against national and New Mexico peer regions
- Identify transportation and/or economic development investments to enhance regional development
- Develop strategies to position the MR-COG region as a transportation and logistics hub
3-Stage Study Approach

- Gather Data, Review Existing Studies, Conduct Interviews
- Understand Regional Infrastructure, Industries, Supply Chains
- Identify Target Industries & Opportunities
- Benchmark Regional Competitiveness
- Develop Future Scenarios
- Plan for Action

Potential Scenarios

- Key Corridor Focus: I-25 & I-40
- Rail Focus: BNSF Transcon line
- Regional rail opportunities
- Industry Focus: Natural Resources
- Industry Focus: Advanced Manufacturing
- Border Focus: Support Growth in Santa Teresa
- Border Focus: Workforce Opportunities
Regional Context
Regional Context - Infrastructure

- **I-40 and I-25**
  - 400+ miles away from major markets

- **BNSF Transcon Line**
  - Line haul does not stop in ABQ; limited intermodal service

- **Albuquerque International Sunport (ABQ)**
  - Limited domestic, no international connections
Regional Context - Economy

- Heavily impacted by recession
- Losing freight-related jobs faster than the national average
- Regional % employment in manufacturing is only ½ of the national average
- Isolated, mid-sized market with small producer/consumer base

![Employment Percent Change Chart]

- National
- New Mexico
- MRCOG
ABQ has been challenged to attract goods-producing or moving industries.

- Transportation infrastructure is adequate – there are no glaring deficiencies
- **Transportation costs to the region are higher than average** –
  - Lack of goods moving outbound via truck
  - Minimal rail and air service and connections

The region doesn’t have a clear “product”

- Has poor recognition to most investor audiences
- Strength in R&D and federal labs, some legacy tech manufacturing
- Labor supply is adequate but depth is a concern
Study Methodology
Methodology Overview

Assess Transportation Assets

Economic Competitiveness Assessment
» Benchmarked the MR-COG region against competitor regions
» Illustrates how various location factors influence location decisions
» Provides basis for compelling reactive and proactive business propositions
» Is based upon a range of data sources & prevailing industry knowledge

Land Use and Policy Analysis
» Focus on identifying potential opportunities
Competitiveness Model Framework

Sector Choices and Project Scenarios

Transport Economics Factors

Land Economics Factors

Specific Project Investment Scenario

Cost + Time + Reliability

Infrastructure/Business Environment
Competitiveness Case Study: Aero/Defense Systems

A California privately held aerospace engineering company that designs, develops and manufactures specialty custom air moving systems for the aerospace and defense industry. Interested in relocating their corporate headquarters and manufacturing operations out of California. They also have an operation in the UK.

**Project:** Lease of a 50,000-60,000 SF existing building and will invest $7.5M in plant and equipment

**Development proposition:** None, searching for an existing building

**Jobs:** 53 jobs created over a 5 year period, will include engineers, machinists & senior executives with an average salary of $68,000

**Raw materials sourced:** Various, throughout the US

**Markets served:** Global

**Modes used:** Truck and air. Products primarily shipped by integrators

**Competitors:** ABQ; Phoenix, AZ; Wichita, KS; Charleston SC
## Competitiveness Case Study: Aero/Defense Systems

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<tr>
<th>Aerospace/Defence Manufacturing Site Decision Factors</th>
<th>Albuquerque NM</th>
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<td><strong>Competitiveness Score</strong></td>
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Land Use Analysis

- Identified vacant / underutilized parcels
- Assessed sites
  - Access to transportation
  - Utilities
  - Existing building condition
- Identified actions to make sites more attractive to developers
Findings / Implementation
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 (e.g., 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

• **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
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
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

BNSF CERTIFIED SITE
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