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Commercial Real Estate

How an out-of-state developer kept a publicly traded company in New Mexico



Scottsdale headquartered Garrett Development Corp. (GDC) is set to begin development on a new facility for publicly traded and Albuquerque grown company Array Technologies.

GARRETT DEVELOPMENT CORP.



By [Molly Callaghan](#) – Technology and Energy Reporter , Albuquerque Business First
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Scottsdale, Arizona-based Garrett Development Corp. (GDC) is set to begin development on a [new facility](#) for one of Albuquerque's few homegrown, publicly traded companies, Array Technologies, at the end of this month. The \$65 million facility will be ready for move in by Nov. 1, 2025.

Jessica Lawrence-Vaca, Array's chief commercial officer, told Albuquerque Business First finding the right site – coupled with GDC and other partners' willingness to put together this deal – contributed to the company's decision to ultimately stay in New Mexico.

She said Array is "a New Mexico company through and through." The company's first choice was to stay in the state as they were founded in Albuquerque more than 30 years ago, and have had a manufacturing presence here ever since.

Working with partners to find a location to expand meant the company could continue to leverage a knowledgeable employee base without training a new workforce. Lawrence-Vaca said the company also has long-term, strong public partners in the state.

"GDC is heavily invested in the future of New Mexico," said Matt Butcher, executive vice president of GDC. "We own over 53,000 acres of land in New Mexico and have made and continue to make substantial investments in furthering the development of the property to meet the needs of the community and to attract businesses and jobs and to the region," he said, adding that the company's owner, Jeff Garrett, is from Albuquerque and has family in the community.

How local partners and a new market tax credit deal structure kept Array Technologies in New Mexico

Two years ago, Array Technologies considered moving its headquarters outside of New Mexico, according to Butcher, and that's when GDC started chasing this deal.

[Public documents filed with the City of Albuquerque Development Commission](#) in October 2023 confirmed Array had searched for a site in other states.

Markets like Texas and Arizona had readily available facilities the company could move into, but GDC told Array's leadership they would finance the project and build exactly what the company wanted. And when officials from the county, state and Albuquerque Regional Economic Alliance (AREA) heard about the opportunity to keep Array in New Mexico, everyone joined forces to come up with the deal structure to make it happen.

Danielle Casey, AREA president and CEO, told Business First her organization – which is a nonprofit economic development org – helped Array with site selection, workforce, tax analysis and strategic planning on its expansion. According to Casey, the process for companies to find sites in New Mexico begins with either an inquiry that goes through the State of New Mexico or national site selection consultants who call AREA directly. Both happen "all the time," she said.

In the case of Array, the state received the inquiry, specifically [New Mexico Partnership](#), the entity designated by the New Mexico Economic Development Department to be the single point of contact to help businesses move to New Mexico.

When these inquiries are received, information is confidential, including the name of the company. The inquiry discloses what size space the company is seeking, its time frame and workforce needs. Then, they are sent options, associated costs, labor force information and potential incentives to make it a competitively priced project.

It was determined there was not a location within Albuquerque that met Array's needs. The best location was land in unincorporated Bernalillo County, owned by GDC. While beyond city limits, the City of Albuquerque and the County still retained commitments to provide [Local Economic Development Act](#) or LEDA support to make it possible.

Casey also highlighted the work local utilities contributed to the site, including the Public Service Company of New Mexico (PNM).

"It truly shows that it takes a village to get something [like this] done," said Casey, adding that the Array retention and expansion project won the "Urban Project of the

Year" award from the state's economic development association, New Mexico IDEA, in September.



Partners receive the Urban Project of the Year award. Partners include the City of Albuquerque, Bernalillo County, PNM, the New Mexico Economic Development Department and New Mexico Partnership.

AREA

GDC now has a build-to-suit lease with Array. GDC's special purpose entity, GDC Sunshine LLC, will own the property, build it and then lease it to Array Technologies. This is a common practice, according to Butcher. What's not common, however, is how the deal was structured.

First, Enterprise Bank & Trust provided two loans – a standard development construction loan and a source loan. The source loan was provided to the borrower, GDC Sunshine LLC, which does not have a mortgage recorded against the property.

GDC also engaged in a swap agreement on one of the loans from Enterprise Bank, essentially allowing them to lock in a lower fixed interest rate over a 7.5-year term. A swap agreement is a derivative contract between two parties where they exchange the interest rate payments due over the term of the loan from the borrower (in this case, GDC).

The company has taken that money and lent it to three community development entities (CDEs), or new market tax credit lenders. They include one that is locally based, Finance New Mexico, and two Arizona-based CDEs, Dudley Ventures and Prestamos. Those entities have also raised cash via selling new market tax credits to U.S. Bank Corp. and they will collectively take that money and lend it back to the GDC entity that will build, own, develop and lease it to Array.

Those organizations are given tax credits from the federal government, and they use those tax credits to raise money in a new market tax credit loan.

Ultimately, it's a new market tax credit deal, Butcher explained.

The project has benefitted from \$49.5 million in taxable industrial revenue bonds, or IRBs, \$3 million worth of Local Economic Development Act (LEDA) funds, including \$2.5 million in LEDA funds from the State of New Mexico and \$250,000 from both the City of Albuquerque and Bernalillo County (totaling \$500,000). Bernalillo County is the fiscal agent for all LEDA dollars.

GDC had to deed the property to the County and lease it back from them to facilitate those IRBs, or real property tax incentives.

Then, they take their lease and sublease to Array Technologies.

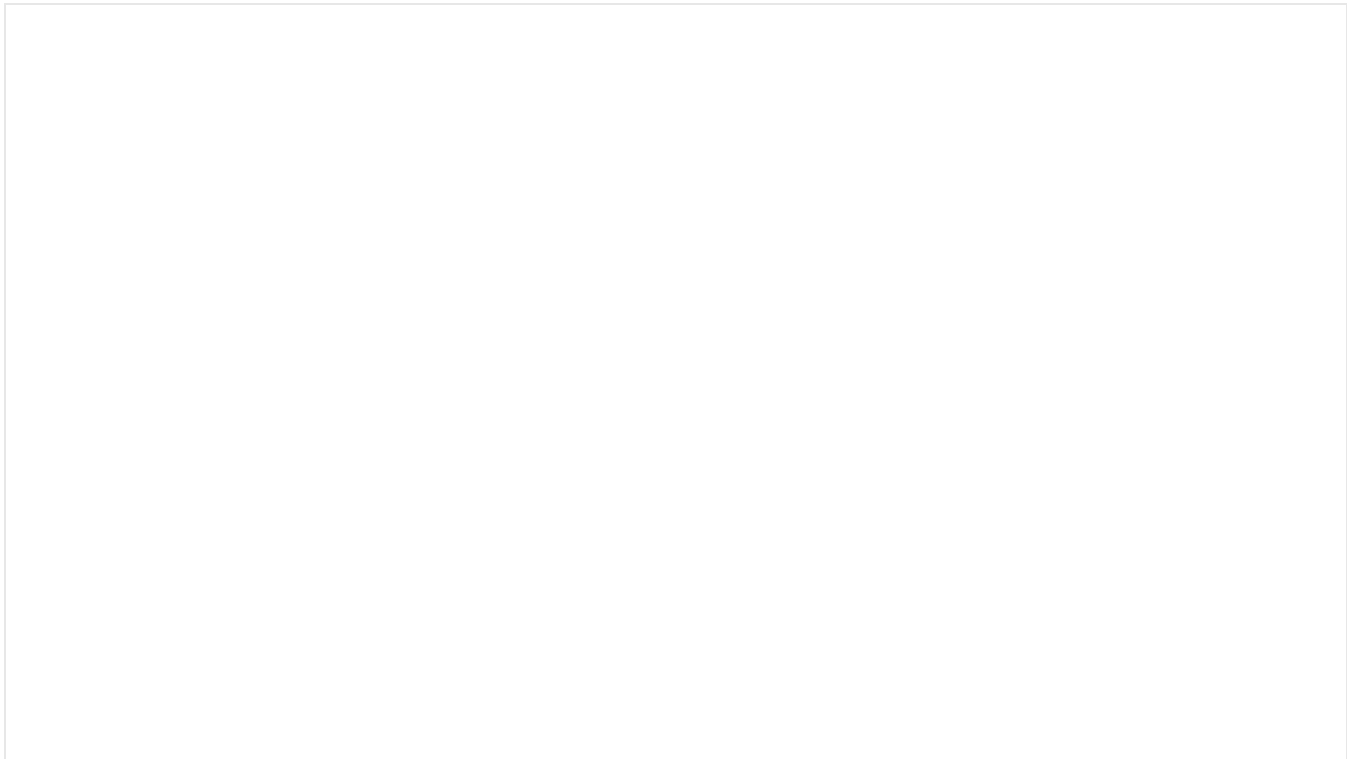
Butcher said this has been "labor intensive." Tina Kelty, GDC associate vice president and designated broker, echoed that pointing out there were about 400 signatures throughout the process that were required.

The signatures were from the CDEs, Enterprise Bank, US Bank, GDC, Array, Bernalillo County and the parties' respective legal counsel. The new market tax credit deal structure and IRBs both added many closing documents that would otherwise not be necessary in a standard transaction.

What Array's Albuquerque facility will be like and when it will be ready

On a 21.5-acre site on the southwest corner of Ladera Drive Northwest and Atrisco Vista Boulevard, Butcher said the company is constructing Array's 216,000-square-foot, class-A manufacturing and warehouse facility. The development will have a 36-foot clear

height and a little over 20,000 square feet of office space, where Array will move its existing operations and employees once construction is complete next year. The company is currently located at 3901 Midway Place NE.



Another view of the rendering for the future Array Technologies facility.

GARRETT DEVELOPMENT CORP.



Having manufacturing space adjacent to Class A office presented unique challenges during planning, like how to keep industrial noise from reaching the office area. On the manufacturing side, Array's distinct equipment – 600-ton presses and saws and cranes had to be accounted for, with specifications engineered and designed to meet the company's needs.

The facility will also have over 250 parking spaces for employees, as well as a truck court and trailer parking for distribution.

It has been set up for second-gen use, to support future uses of the building. Butcher said the considerations that go into this include the site plan and flow of traffic, noting it's important to separate truck and vehicle traffic.

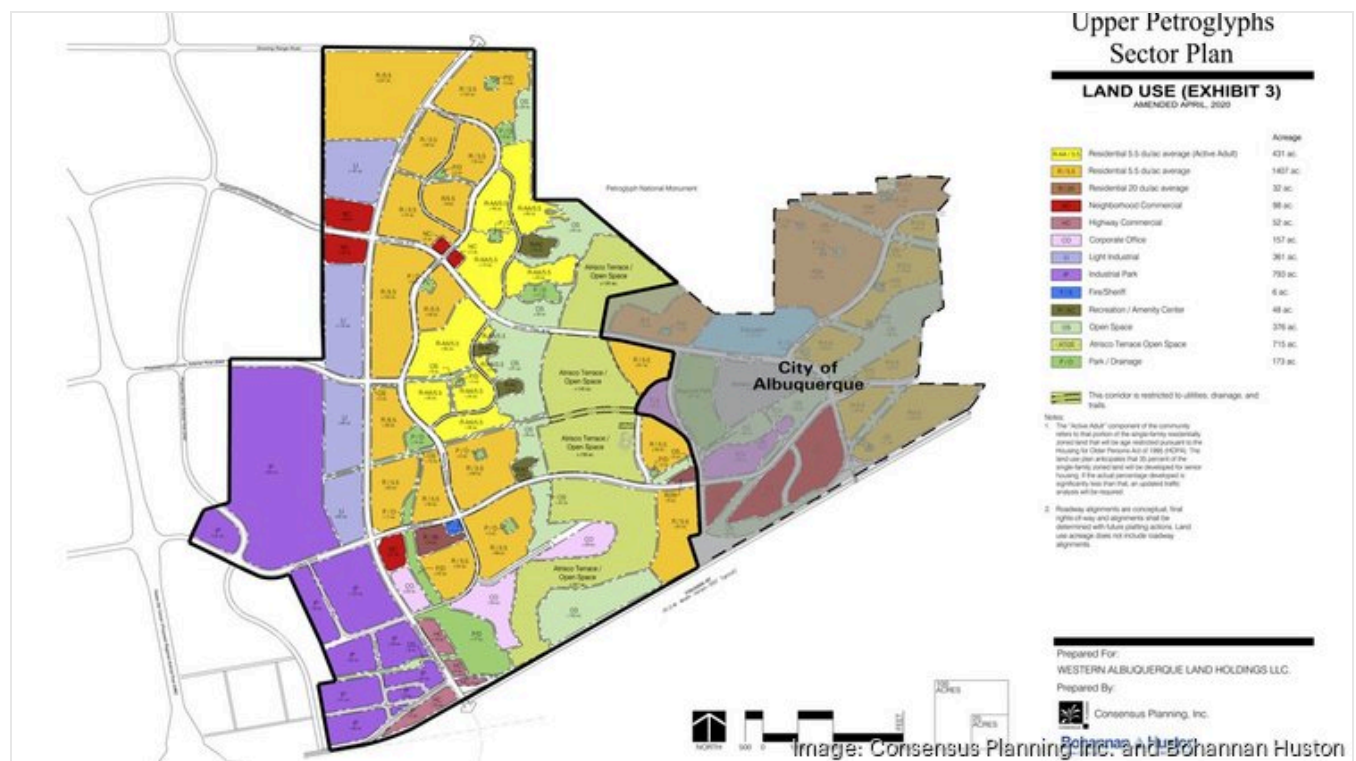
This will be a tilt-up construction panel building, meaning the concrete walls will be formed on site and tilted up with cranes. Then, they put knockouts in them for future doors and access in case they demolish it into multi-tenant use, for example, they don't need to demo the building but can punch out portions of the building to change building use in the future or modify the building for current use.

The building will be [LEED-certified](#) (Leadership in Energy and Environmental Design) including sustainable features that help it achieve that certification such as installing certain lights and levels of insulation.

The team for the project, including GDC, consists of Butler Design Group out of Phoenix, Isaacson & Arfman Inc. – a civil engineering company in Albuquerque, and the contractor is Ryan Companies, a national general contractor based in Minneapolis, Minnesota, which built the [Amazon](#) facilities across from the Array site.

The architectural plan for the facility.

BUTLER DESIGN GROUP INC.



The Upper Petroglyphs Sector Plan map for land use.

CONSENSUS PLANNING INC. AND BOHANNAN HUSTON

GDC previously worked with the developer of the Amazon facility project, BH Devco, and completed entitlement work, installed offsite infrastructure and sold the land.

"We don't succeed unless New Mexico succeeds and we are excited about bring more projects like this the Array project to the community," Butcher said.

Business First asked Butcher if GDC would consider a complex deal like this again. "Absolutely," he responded.

On Oct. 28, Ryan Companies will begin construction, with the goal to deliver a move-in ready facility to Array Technologies on Nov. 1, 2025.