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Commercial Real Estate

Leaders say \$100M needed to prepare sites in NM for development



A vacant lot sits at the corner of Vassar Drive and Menaul Boulevard, with a Holiday Inn Express and Suites seen across the street. Leaders in the state want to see more funding set aside to help develop sites for future development.

JACOB MARANDA/ALBUQUERQUE BUSINESS FIRST



By [Jacob Maranda](#) – Senior Reporter, Albuquerque Business First
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A lot more money is needed to help prepare sites across New Mexico for future development. Tens of millions more dollars, in fact.

That was one of the primary points discussed by leaders in the state on Sept. 26, as part of a two-day conference covering economic development work throughout New Mexico.

Danielle Casey, president of the Albuquerque Regional Economic Alliance, or AREA, and Chad Matheson, the Alliance's senior vice president, joined Cassie Arias-Ward, executive director of Deming Luna County Economic Development, for a panel discussion on site readiness strategies in the state.

Allocating more funding for site preparation activities in New Mexico was one strategy discussed by the panelists last week.

Specifically, Casey said at least \$100 million in state-level funding is required for short-term site "pre-development" work. That work could include, she explained, characterizing different types of sites – whether best suited for industrial or office-type development, for instance – and coordination with utility companies in the state to help avoid years-long interconnection or construction delays.

But further than that initial \$100 million allocation, Casey said putting forward "longer-term significant dollars" is important to making New Mexico more competitive in terms of attracting big-dollar private investment. That longer-term funding could range from \$500 million up to \$1 billion allocated over a multi-year period, according to a presentation provided by AREA as part of the panel discussion.

Upwards of 30 states throughout the U.S. have such state-level site preparation funding initiatives. Casey pointed to Michigan, which has [appropriated](#) \$1 billion for site readiness activities in recent years, Tennessee, which has [doled out](#) nearly \$100 million through a Site Development Grant program, and Ohio, which operates a \$750 million All Ohio Future Fund, as a few examples.

"Bottom line, site readiness, when we talk about example programs from other states, we're talking about that characterization fund, pre-development dollars, and then eventually dollars and ways to get full-on public infrastructure in the ground for projects," Casey said.

She added she feels there's "significant support" from economic developers and legislators in the state regarding a site preparation funding bill being introduced during the upcoming 60-day legislative.

In terms of the current status of New Mexico's site readiness, data presented by AREA at the event, shows the Albuquerque market, specifically, lags many other regional markets, including El Paso, Tulsa and Denver, when comparing available industrial inventory, on a per capita basis.

Albuquerque's price per square foot of industrial space, however, is roughly \$11.80, Casey said, based on year-to-date data from the third quarter of 2024 – making the Duke City market the fourth most expensive as compared to 15 other regional markets, only cheaper than Austin, Phoenix and Denver and pricier than markets like Colorado Springs, Tucson and El Paso.

To boost New Mexico's national competitiveness when vying for private development projects, the panelists agreed on three areas for focus and improvement – pre-development activities like site characterization, utility coordination and streamlined permitting.

Rob Black, the newly named state Economic Development Department cabinet secretary, [echoed many of those points](#) when speaking with Albuquerque Business First in early September, shortly after Gov. Michelle Lujan Grisham [appointed him](#) to the cabinet position.