



## ROUNDTABLE REPORT



For the GGEDC's

2026 Economic Roundtable

# What's in the Financial Toolbox for Building Our Economy?

February 6, 2026

La Fonda on the Plaza

Santa Fe, NM

**Authored by**  
**Bruce Armstrong, Economic Development Manager**  
**Greater Gallup Economic Development Corporation (GGEDC)**  
**and**  
**Jeff Kiely, Roundtable Facilitator**  
**Kiely Consulting**

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**Greater Gallup Economic Development Corporation**  
**102 W. Hill Avenue**  
**PO Box 1795**  
**Gallup, NM 87305**  
**(505) 722-2980**  
**[www.gallupedc.com](http://www.gallupedc.com)**

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\* Click the Appendices to access the respective documents online.

# THANK YOU!

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- **Gold Sponsors:** [BNSF Railway](#), [Tallgrass](#), and the [New Mexico Economic Development Department](#) (a portion of a FY26 NMEDD LEADS Grant);
- **Silver Sponsors:** [Associated General Contractors of New Mexico](#) and [Anchorum Health Foundation](#); and
- **Bronze Sponsors:** [Advanced Air](#), [New Mexico Trucking Association](#), [Gutami USA](#), and [Teraplex Data Centers](#)

The EDC also extends its thanks to each of the [presenters](#) who contributed their expertise and considerable time to making GGEDC's 2026 Roundtable one of its most successful to date:

- [Tommy Haws](#), GGEDC Board President
- [Patty Lundstrom](#), GGEDC Executive Director
- [Jeff Kiely](#), Consultant/Moderator
- [Tim Gourley](#), PE, Gutami USA/Keynote Speaker
- [David Buccholtz](#), Senior Counsel, Taft Law
- [Harry Relkin](#), Principal, Sage Land Solutions
- [Melinda Allen](#), President & CEO, The New Mexico Partnership
- [Isaac Romero](#), Deputy Cabinet Secretary, New Mexico Economic Development Department
- [Marquita Russel](#), CEO, New Mexico Finance Authority
- [Mark Valenzuela](#), Managing Principal, Bosque Advisors
- [Ryan Mast](#), Senior Infrastructure Partner, Sustainability Partners

GGEDC applauds its small, incredibly productive [staff](#): Executive Director [Patty Lundstrom](#), Economic Development Manager [Bruce Armstrong](#), Office Manager [Dellancia Tsosie](#), Economic Development Associate [Leonardo Espino](#), Intern [Mercades Brieno](#), & longtime consultant [Jeff Kiely](#).

We also extend a very special thanks to two hugely impactful [volunteers](#): [Matt Robinson](#), Tourism & Marketing Manager at the City of Gallup, for his invaluable service in videotaping the event; and to [Brandon Howe](#), Deputy Director, Northwest New Mexico Council of Governments who facilitated the registration of the Roundtable participants.



## EXECUTIVE SUMMARY

On February 6<sup>th</sup>, 2026, in the La Terraza Room of La Fonda on the Plaza in Santa Fe, about 60 local and State civic leaders gathered for the 17<sup>th</sup> Economic Roundtable hosted by the Greater Gallup Economic Development Corporation (GGEDC). This year's roundtable was entitled: "What's in the Financial Toolbox for Building Our Economy?"

The urgency of this topic was driven home by the emergence of new opportunities for official designation and funding of Trade Ports in New Mexico as the result of the passage in the 2025 New Mexico Legislature of House Bill 19, the *Trade Ports Development Act* and the companion bills Senate Bill 169, the *Strategic Economic Development Site Readiness Act*, and 2026 Senate Bill 270, the *Utility Pre-deployment Initiative*. These landmark legislative actions all come with funding that can be deployed to qualifying trade port districts and development sites.

The GGEDC and its partners working on the Gallup-McKinley TradePort recognized that several high-quality plans were now in place based on the work of expert consultants funded under a series of planning grants by the New Mexico Department of Transportation – but it was clear that the initiative was moving quickly from the Planning phase to the Implementation phase. And therefore, it was time to start financing the developments outlined in those plans, beginning with the critical infrastructure that would ensure our readiness to recruit companies and investments into the community. The local project partners, led by the City of Gallup and McKinley County, moved in Fall 2025 to form the Gallup-McKinley TradePort Authority, appointed members to a Board of Directors, and began taking the tradeport initiative to the "next level" of development.

But where to start? What are all the financial tools and sources that are available? What are the respective roles of local government, State government, and private sector companies? How do we put together Public-Private Partnership (P3) agreements? How should different financing mechanisms be sequenced and stacked along the most effective timeline? How do we ensure that financial investments are properly tied to and coordinated with the strategic economic development initiatives and the infrastructure priorities outlined in the plans? These are the questions that were posed to eight expert panelists at the heart of the 2026 Roundtable program.

In addition to the opening and closing remarks by GGEDC leadership and the keynote address by Tim Gourley of Gutami USA, the Roundtable program of presentations and discussions was organized around two panels: Panel 1 was entitled "Tools of the Trade" and featured David Buchholtz, Harry Relkin, Melinda Allen, and Isaac Romero; and Panel 2 was entitled "Getting It Done" and featured Marquita Russel, Mark Valenzuela, Ryan Mast and Tim Gourley.

Representing many decades of experience in the legal formation and administration of public mechanisms for financing economic development, the Panel 1 experts laid out an array of financial tools currently available, including the Trade Ports Development Fund, Industrial Revenue Bonds, and the Public-Private Partnership (P3) mechanism now authorized as part of House Bill 19, as well as a number of programs administered by the New Mexico Economic Development Department.

The Panel 2 experts expanded on the foundational material laid down by the first panelists, providing an overview of financing tools and programs of the New Mexico Finance Authority, an approach to structuring and "stacking" different financial mechanisms in a way most advantageous to local projects, and looking at the need for sequencing and coordinating the different financing sources in a way that accelerates development, anticipates growth potentials, and optimizes bottom lines, while ensuring sustainability and efficiency of infrastructure facilities over time.

**In his keynote address, Tim Gourley emphasized the following key takeaways:**

- Regions that demonstrate strong public-private coordination, infrastructure readiness, and pro-development leadership are significantly more attractive to global investors;
- In particular, energy-focused P3s can support broader economic development strategies by enabling industrial growth, attracting data centers, strengthening grid resilience, and leveraging private capital to accelerate infrastructure delivery.
- Public-Private Partnerships are powerful tools. When structured properly, they allow communities to leverage private capital, deploy advanced technology, accelerate infrastructure development, and manage public risk.
- The key takeaway is this: governance clarity, policy stability, disciplined documentation, and long-term vision are foundational elements that convert private interest into executed investment.

**Key Panel 1 insights included:**

- **Sound planning** is absolutely essential as the basis for seeking and deploying both public and private financial resources.
- Successful advancement of a TradePort initiative will require:
  - Layered Financing Strategy
  - Proactive Infrastructure Planning
  - Legislative Relationship Management
  - Procurement Efficiency
  - Stakeholder Alignment
- Transformational projects are achievable in New Mexico but require:
  - Sophisticated structuring
  - Coordinated public-private collaboration
  - Early infrastructure planning
  - Clear legislative communication
  - Speed and adaptability

**Key Panel 2 insights included:**

- **Funding is Competitive and Phased** – The Water Trust Board received 114 applications this year, with approximately 80% expected to receive funding. Projects are frequently phased or partially funded, underscoring the need for structured implementation planning.
- **Revenue Structure Must Precede Financing** – Leadership must determine total infrastructure cost and define revenue requirements before pursuing financing. Profit centers should be structured to ensure sustainability and appropriate margin generation.
- **Infrastructure Funding Requires Stacked Capital** – Large scale infrastructure will require a blended approach combining grants, revolving loan funds, capital outlay, and local dollars. Strategic stacking is essential.
- **Advisory Team and Governance Structure Are Critical** – A coordinated advisory team should be assembled early. Clear leadership and defined authority are necessary when multiple funding sources are involved.
- **Market Resilience Depends on Revenue Structure** – Property tax-backed financing remains the strongest and most resilient structure in volatile markets. State-supported revolving funds can mitigate risk associated with less traditional revenue pledges.
- **Infrastructure Innovation Requires Site-Specific Analysis** – Microgrid and renewable energy options may offer advantages, but implementation depends on site conditions and supply chain realities.

## OVERVIEW & BACKGROUND

With its geographically strategic transportation assets, abundant land, and growing emphasis on energy transition and industrial diversification, the Greater Gallup region is well positioned to expand its economy – including advancing the Gallup-McKinley TradePort as a catalyst for long-term economic growth. Achieving this vision, however, requires more than traditional public funding. Public-private partnerships (P3s) and other innovative financing tools available in New Mexico offer a practical and proven pathway to deliver critical infrastructure, attract private capital, and accelerate industrial development while protecting public interests. To the great fortune of Gallup and McKinley County, this year’s Roundtable assembled some of the most knowledgeable and experienced economic finance practitioners around to show us how to make the best use of the tools!

GGEDC’s 2026 Roundtable introduced key P3 concepts and a range of other financing mechanisms available in New Mexico with the aim of helping public officials and potential economic stakeholders understand how the tools can be utilized and combined to support infrastructure, energy, and industrial development throughout Gallup and McKinley County.

Since 2012, the GGEDC, its partners and expert consultants have been working to grow local capacity and forge a system of economic opportunity attractive to new investment and economic-base businesses. Of course, prospects for new development always bring the challenge of meeting the multiple overlapping requirements of businesses, industrial site selectors developers and investors. But now, we also need to become fluent in the “language” of that industrial recruitment world. Among the most insistent requirements is the need for available and development-ready – “shovel ready” – commercial real estate.

Increasingly, business prospects are presenting higher demands for industry-ready infrastructure, especially electric power and water supply. Many state and local governments offer attractive incentives to prospective companies and investors, and some private sector leaders offer benefits that include investments in social and community development, such as workforce housing and childcare facilities. The urgent and ever-present need for new approaches and technologies – innovation! – is and can best be realized through strategic public and private sectors partnerships.

### Why Public-Private Partnerships Matter

Across the United States and globally, demand for new infrastructure has never been greater – particularly for energy, digital, and industrial infrastructure. At the same time, public budgets are constrained, permitting processes are complex, and projects face increasing technical and financial risk. Although private capital is abundant, investors require clear governance, predictable policies, and bankable structures.



“We are at a turning point. Vision is essential. No community advances without knowing where it’s going. You can’t stop every time you face a setback. Vision keeps you moving forward.”

--Patty Lundstrom  
GGEDC Executive Director

**Public-Private Partnerships (P3s)** can be used to bridge this gap. A P3 is a legal and financial mechanism reflecting a long-term contract between a private party and a governmental entity to provide a public asset or service in which the private party bears significant risk and management responsibility and remuneration linked to performance. At their core, P3s align public objectives (such as infrastructure and economic development, resilience, and job creation) with private-sector capabilities in financing, development, construction, and long-term operations. Rather than shifting all responsibility to one side, well-structured P3s allocate risk to the party best able to manage it, creating durable partnerships that sustain investor interest while delivering public value.

## Focusing the Roundtable on Innovative Finance Methods & Tools

Since 2014, GGEDC has hosted Economic Roundtables at least annually as an effective and active means to address specific economic development challenges, launch new initiatives, and educate the public. The roundtables have strengthened partnerships across the public and private sectors while increasing the capacity of City of Gallup and McKinley County officials, businesses, and residents to promote local economic growth and improve the overall quality of life in the Greater Gallup region. Utilizing facilitated discussions and expert presentations, GGEDC's roundtables have fostered greater community understanding of the means to address economic development issues in novel, collaborative ways. GGEDC Roundtables have produced innovative practices and helped drive multiple positive local outcomes.

As the result of the 2025 passage of House Bill 19, the *Trade Ports Development Act* and the companion bills Senate Bill 169, the *Strategic Economic Development Site Readiness Act in the 2025 Legislature*, and Senate Bill 270, the *Utility Pre-deployment Initiative* in 2026, New Mexico Legislature funding has been allocated for deployment to qualifying trade port districts and development sites. The administrator of the new programs, the New Mexico Economic Development Department (NMEDD), recently recognized the Gallup Energy Logistics Park (GELP), which is owned and operated by Gallup Land Partners, as a top five ready-for-development industrial parks in New Mexico. GELP is a centerpiece and catalyst of the recently incorporated Gallup-McKinley TradePort. This means game on! Gallup and McKinley County in collaboration with the State of New Mexico and multiple strategic partners now face a pivotal moment: after at least nine years spent gearing up to compete on a global stage, now we are being called to play for real. When GGEDC Executive Director Patty opened her welcoming remarks at the 2026 Roundtable, the question she posed to the Roundtable participants was, *"Is there anyone in this room who thinks economic development isn't global? Is there anybody here who believes that? Well, that's good. That's step one for us."* She proceeded to stress that "We are at a turning point. Vision is essential. No community advances without knowing where it's going. You can't stop every time you face a setback. Vision keeps you moving forward."

GGEDC and its partners have been advancing the Gallup–McKinley TradePort since at least 2022. With several high-quality plans now completed by expert consultants through New Mexico Department of Transportation planning grants, the initiative is rapidly transitioning from the planning phase to implementation. The focus now is determining costs and financing strategies for the planned developments while ensuring critical infrastructure moves forward and Gallup is prepared to recruit companies and investment. Gallup and McKinley County can now can *Move Forward* together!

This Final Report of the 2026 Economic Roundtable presents and summarizes the critical content provided in each of the presentations and during the two expert panel discussions. Content is presented in the same order as on the Roundtable Agenda.

## INTRODUCTORY REMARKS

### WELCOME & INTRODUCTION

#### Tommy Haws, Board President, GGEDC

Greater Gallup Economic Development Corporation Board President Tommy Haws opened the 2026 Economic Roundtable – the 17<sup>th</sup> Roundtable sponsored by GGEDC over the past 13 years – by welcoming the gathered participants on behalf of the GGEDC Board and staff. He noted that this sort of event is held every year, with an annual roundtable held in Santa Fe in conjunction with the Legislative Session, as well as occasional other roundtables held locally. The purpose is to bring together citizens, leaders and partners to learn collectively about ways of improving the Gallup-McKinley County economy.



Mr. Haws provided a brief overview of the work of the GGEDC, recalling that it was formed in 2012 as a nonprofit economic development organization (EDO), outside of government and with a private sector board. This agency was created to devote itself totally to building up the economic base of the Greater Gallup region, building on the community's local assets focused on energy, transportation and logistics. In the 14 years since then, we've seen a lot of changes in the economy, so we have had to anticipate, adapt and respond to those changes.

Mr. Haws indicated that this economic development effort involves a lot of work across many different areas, including keeping a finger on the pulse of the economy, building up contacts and working relationships, retaining and expanding existing businesses, keeping an eye for challenges to address and opportunities to pursue, and recruiting new industry into the community. In recent years, all of this effort has coalesced into some big and bold initiatives, now centered around the Gallup-McKinley TradePort project.

**"Many excellent plans have been drawn up... The challenge now is execution. We need to bring those plans into reality!"**

**-- Tommy Haws**

Regarding the main focus of today's roundtable, Mr. Haws discussed the many excellent plans that have been drawn up, with the help and collaboration of the Legislature, the State Department of Transportation, McKinley County, the City of Gallup and Gallup Land Partners. We have been able to commission expert consulting assistance to get these plans done. The challenge now is execution – we need to bring those plans into reality. And to do that, we need a strong and diversified portfolio of financial tools and resources. That was the focus of this roundtable: to bring together top experts in

the State and from our portfolio of partners to share their knowledge and experience in economic finance. They will help us all to better understand how to use the various financial tools to bring major economic projects to fruition.

Mr. Haws concluded by expressing gratitude to the corporate sponsors for this roundtable, as well as for the volunteer assistance of local and State partners.

## OPENING COMMENTS

### Patty Lundstrom, Executive Director, GGEDC “Strategic Positioning & the Investment Framework”



- ★ The **framework** is in place.
- ★ The **partnerships** are established.
- ★ The next phase is **execution**.

--Patty Lundstrom

## OVERVIEW

GGEDC Executive Director Patty Lundstrom provided a bold overview of the GGEDC's economic vision. Her key message: ***“Economic development is global, and our region must compete accordingly.”***

Over the past 9 or 10 years, the **Greater Gallup Economic Development Corporation (GGEDC)** has established a structured, data-driven framework to position Gallup and the surrounding region for long-term growth. We are now entering the implementation phase of that work.



## STRATEGIC FOUNDATION

GGEDC's approach is asset-based and data-driven, focused on: transportation and logistics infrastructure; historic trade positioning; industrial site readiness; and workforce and utility capacity. Under the leadership vision of former Mayor Jackie McKenzie, economic development was transitioned into an independent organization to ensure neutrality, long-term continuity, and stronger private-sector engagement. All project evaluation is grounded in measurable return on investment (ROI) and competitive site-selection standards.

## KEY PROGRESS MILESTONES

- ✓ **Infrastructure & Access**
  - State investment in U.S. 491 expansion
  - Industrial corridor improvements (Carbon Coal Road)
- ✓ **Energy Logistics Park (ELP)**
  - Designated by BNSF Railway
  - Recognized by Transatlantic Business Investment Council
- ✓ **Air Service Restoration**
  - Commercial passenger air service reinstated, strengthening rural competitiveness.
- ✓ **Trade Port Leadership**
  - Passage of the Trade Ports Development Act
  - Inclusion of enhanced Public-Private Partnership (P3) authority
  - Positioning as a leading trade port model in New Mexico

## FINANCING STRATEGY

Historically reliant on public funding, the region is shifting toward blended financing models, including:

- Public-Private Partnerships (P3s)
- Leveraged private capital
- Infrastructure-backed financing

All projects must demonstrate clear public benefit and economic return.

## INVESTMENT TARGET AND ECONOMIC IMPERATIVE

The GGEDC and its TradePort partners are pursuing up to **\$200 million in combined public and private investment** to support:

- Industrial expansion
- Trade and logistics growth
- Job creation
- Tax base stabilization

Recent losses of major economic-base employers underscore the urgency of diversification and strategic repositioning. Our response leverages existing assets, infrastructure, and long-standing partnerships. Gallup serves as a regional trade hub for a broad geographic area, making economic resilience and revenue stability critical.

## FORWARD MOVEMENT

As we move into execution, the Gallup-McKinley TradePort Board and stakeholders seek public and private support for:

1. **Innovative Finance** – Endorsement of blended financing and P3 strategies
2. **Designation** – Continued advancement of Gallup-McKinley TradePort designation
3. **Priority Coordination** – Investment prioritization and alignment
4. **Promotion** – Ongoing State and regional advocacy

## CONCLUSION

After a decade of planning, legislative groundwork, and infrastructure development, GGEDC is positioned to move from foundation-building to capital deployment and measurable growth.

The **framework** is in place. The **partnerships** are established. The next phase is **execution**.

## ROUNDTABLE PROCESS:

### Jeff Kiely, Kiely Consulting

Roundtable Facilitator Jeff Kiely explained this year's format -- somewhat different from past roundtable structure. In addition to opening and closing remarks by the GGEDC leadership and the keynote presentation by Tim Gourley of Gutami USA, this roundtable would be centered around expert panels: four panelists in each of two panels:



- Panel 1 was entitled “Tools of the Trade” and featured David Buchholtz, Harry Relkin, Melinda Allen, and Isaac Romero
- Panel 2 was entitled “Getting It Done” and featured Marquita Russel, Mark Valenzuela, Ryan Mast and Tim Gourley.

Each panelist would be given 10 minutes to provide an overview of their specialized topic, and then all of the panelists would be invited to respond to questions from the audience and to add points of emphasis or clarification as needed. Roundtable participants would be offered the opportunity to write and submit their questions on index cards and/or to raise their hands for comment during the open discussion time.

Mr. Kiely acknowledged that this roundtable would be jam-packed with very valuable information from the top experts in the field of economic finance, and for most of the participants the information would be relatively new and complex. It was the hope of the organizers that the panel format would provide an effective balance of presentation and discussion.

## KEYNOTE PRESENTATION

### Tim Gourley, Gutami USA

***“Public-Private Partnerships in Energy & Infrastructure:  
Lessons from 15+ years of Global P3 Experience”***

### PURPOSE AND CONTEXT

Tim Gourley is a Physical Engineer in his fifth year with Gutami USA, providing various technical and regulatory services to promote Gutami's projects – particularly focused on a portfolio of community solar projects in New York and Maryland.



Established in 2006 and headquartered in the Netherlands, Gutami is a renewable energy firm that specializes in the development, financing and construction of renewable energy assets worldwide. It develops and invests in sustainable energy solutions. The company has expressed active interest in development opportunities in New Mexico, and in the Greater Gallup region in particular. Mr. Gourley complimented the Greater Gallup EDC, its partners and the community for the substantial work done to build the economy and attract new investment.

Mr. Gourley served as the panel's private sector expert, bringing extensive on-the-ground development experience to the table and offering perspectives on what private sector companies need in order to locate their facilities and operations.

Mr. Gourley provided key insights from a global renewable energy developer regarding the structure, risks, and opportunities associated with Public-Private Partnerships (P3s), particularly in the energy and resilient infrastructure sectors. Communities across the United States are facing rapidly growing demand for energy, digital infrastructure, and resilient power systems. At the same time, public budgets are constrained. Private capital is available, but it requires predictable governance, clear risk allocation, and bankable project structures. Well-designed P3s can bridge this gap.

## WHY P3s MATTER NOW

P3s are increasingly important for delivering next-generation infrastructure, including:

- Utility-scale and community solar projects
- Battery storage and hybrid energy systems
- Microgrids and resilient infrastructure
- Energy supply for data centers and industrial facilities

Resilient infrastructure—capable of maintaining power during outages—has become a critical economic development tool. Businesses and institutions are willing to invest in reliability; provided projects are structured to ensure long-term performance. This underscores the need for sound planning, clear governance structure, and a commitment to completing a project in a way that

## WHAT PRIVATE INVESTORS LOOK FOR

From the private capital perspective, four conditions significantly increase the likelihood of investment:

- Clear Governance Structure – Defined roles, decision-making authority, and conflict resolution mechanisms.
- Stable Policy and Permitting Environment – Predictable processes at local, state, and federal levels.
- Bankable Financial Framework – Transparent risk allocation and credible long-term revenue streams (e.g., Power Purchase Agreements).
- Strong Local Leadership – Demonstrated commitment, long-term planning, and responsiveness from public partners.

Investors evaluate risk relative to expected return. Political uncertainty, unclear authority, or shifting priorities can materially increase perceived risk and reduce project viability.

## COMMON CHALLENGES IN P3 PROJECTS

Experience across global markets shows several recurring obstacles:

- Complex or lengthy procurement processes that erode momentum
- Multiple public stakeholders without clear decision authority
- Political turnover or shifting priorities during development
- Overly rigid contracts that prevent adaptation to new technology
- Incomplete documentation, creating financing risk at later stages

From the private side, development costs are incurred well before financial close. If projects stall or reset due to policy or political changes, those upfront investments may not be recoverable.

## RECOMMENDED FRAMEWORK FOR LOCAL GOVERNMENTS

To position projects for success, local governments and development organizations should:

- Establish a clear governance and decision-making hierarchy early
- Define shared objectives and measurable milestones
- Maintain predictable timelines and avoid unnecessary delays
- Allocate risk transparently between public and private partners
- Plan for long-term operations and maintenance—not just construction
- Document all approvals, permits, and decisions from day one

Momentum matters. Projects that move efficiently from concept to structured agreement are more resilient to political change and market fluctuations.

## STRATEGIC IMPLICATIONS FOR ECONOMIC DEVELOPMENT

Regions that demonstrate strong public-private coordination, infrastructure readiness, and pro-development leadership are significantly more attractive to global investors

In particular, energy-focused P3s can support broader economic development strategies by enabling industrial growth, attracting data centers, strengthening grid resilience, and leveraging private capital to accelerate infrastructure delivery.

## CONCLUSION

Public-Private Partnerships are powerful tools when structured properly. They allow communities to leverage private capital, deploy advanced technology, and accelerate infrastructure development while managing public risk.

For community leaders to embrace, the key takeaway is this: governance clarity, policy stability, disciplined documentation, and long-term vision are the foundational elements that convert private interest into executed investment.

## EXPERT PANELS

### PANEL 1. TOOLS OF THE TRADE

#### “Innovative Finance for Sustainable Economic Development”

David Buchholtz, Taft Law

*“Overview of Public-Private Partnership and Economic Development Financing Tools in New Mexico”*



### OVERVIEW

The presentation by Senior Counsel **David Buchholtz** of Taft Law, based on his many decades of involvement and leadership in the legal design of public financing tools for economic development in New Mexico, provided a high-level overview of the principal statutory tools



available in New Mexico to structure public-private partnerships (P3s) and finance economic development projects. The goal was to familiarize Roundtable participants with the most commonly used mechanisms, how they function, and how they may be layered together to support strategic projects. This summary is not intended as legal guidance but as an executive-level briefing to support policy and project discussions.

### CORE ECONOMIC DEVELOPMENT TOOLS

#### Industrial Revenue Bonds (IRBs)

Industrial Revenue Bonds (IRBs) are frequently referenced but often misunderstood. Despite the term “bonds,” IRBs are primarily a **tax abatement mechanism**, not a traditional government-backed financing tool. Key Features:

- **Property tax abatement** for up to 30 years (typically with negotiated payments in lieu of taxes, or PILOTs).
- **Exemption from gross receipts and compensating taxes** on equipment and certain project-related purchases.
- Approved at the **local government level** (municipality or county).
- The government does **not** pledge its credit or repay the bonds; it serves as a conduit to deliver tax benefits.

IRBs are valuable for capital-intensive projects such as manufacturing, logistics, and renewable energy facilities. They are discretionary and must demonstrate public benefit to secure approval.

#### LOCAL ECONOMIC DEVELOPMENT ACT (LEDA)

The Local Economic Development Act (LEDA) authorizes public investment directly into private-sector projects for land, buildings, and infrastructure. LEDA projects are evaluated based on job creation, capital investment, and broader economic impact. The Act was established following voter approval of an exception to the Anti-Donation Clause of the New Mexico Constitution. Key Features:

- Provides direct public funding support for qualifying projects.
- Requires adoption of a local LEDA policy ordinance.
- Often paired with State “closing fund” participation by Economic Development Department.
- Frequently used in conjunction with IRBs.

## **PUBLIC IMPROVEMENT DISTRICTS (PIDS)**

A Public Improvement District (PID) is a special assessment district typically used in real estate development. Key Features:

- Imposes an assessment (similar to a property tax) within a defined district.
- Funds public infrastructure only (roads, utilities, drainage, etc.).
- Widely used in residential and mixed-use developments.

PIDs create a dedicated funding stream for infrastructure improvements benefiting properties within the district.

## **TAX INCREMENT DEVELOPMENT DISTRICTS (TIDDS)**

Tax Increment Development Districts (TIDDs) capture the growth in tax revenues within a designated area. Key Features:

- Establishes a “base year” tax level.
- Redirects the incremental increase in gross receipts or property tax revenues to fund public infrastructure.
- Does not impose a new tax; instead, it reallocates growth.
- May involve city, county, and potentially state participation.

TIDDs are particularly effective in commercial or mixed-use developments where tax base growth can be projected.

## **METROPOLITAN REDEVELOPMENT AREAS (MRAs)**

The Metropolitan Redevelopment Act allows governments to designate redevelopment areas and use tax increment mechanisms to fund improvements.

Recent legislative updates expanded the statute to include gross receipts tax increment authority. MRAs are generally more government-driven and aimed at redevelopment of designated areas.

## **EMERGING AND STRATEGIC TOOLS**

### **Trade Port Framework and P3 Authority**

Recent legislation created a Trade Port framework that includes explicit public-private partnership (P3) authority. This represents a significant policy development by formally embedding P3 concepts into state statute. The Trade Port model provides:

- A structured approach to logistics and trade-oriented development.
- Expanded financing and partnership flexibility.
- Administrative oversight through the Economic Development Department.

This framework is still evolving but represents an important new strategic tool.

### **Site Readiness Act**

The Site Readiness Act provides support for preparing development-ready industrial sites. Key Features:

- State-level coordination through the Economic Development Department.
- Focus on infrastructure, planning, and certification to improve competitiveness.
- Intended to accelerate recruitment and reduce project timelines.

## Role of the New Mexico Finance Authority

The New Mexico Finance Authority (NMFA) is the state's primary capital financing entity and plays a central role in administering and structuring many of these programs. NMFA:

- Facilitates financing structures.
- Supports infrastructure funding.
- Works in coordination with state agencies and local governments.

NMFA's role is critical in aligning statutory tools with practical financing execution.

## STRATEGIC CONSIDERATIONS

- ✓ **Tools Are Layered, Not Isolated** – Projects may combine IRBs, LEDA, PIDs, TIDDs, MRAs, and Trade Port authorities to create comprehensive financing structures.
- ✓ **Public Benefit Is Essential** – All mechanisms require a demonstrable public benefit—job creation, infrastructure improvement, tax base expansion, or redevelopment impact.
- ✓ **Early Legal and Financial Structuring Is Critical** – Successful implementation requires experienced counsel and coordination among local government, state agencies, and private stakeholders.
- ✓ **Legislative Innovation Continues** – New tools are still being developed. Strategic engagement in legislative processes can expand future capacity.

## CONCLUSION

New Mexico's economic development framework provides a flexible and evolving set of financing and partnership tools. When structured effectively, these mechanisms can:

- Leverage private capital,
- Deliver public infrastructure,
- Stimulate job growth,
- Strengthen the tax base, and
- Advance long-term economic resilience.

Awareness by TradePort stakeholders and strategic alignment around these tools will be critical as future projects move from concept to execution.



## Harry Relkin, Sage Land Solutions

### *“P3s: Strategic Framework, Authorities & Keys to Success”*

#### OVERVIEW

The presentation by **Harry Relkin**, Owner/Principal at Sage Land Solutions, based also on his many decades of involvement and leadership in the legal design of public-private partnership tools for economic development in New Mexico, provided key insights regarding the structure, legal framework, and strategic value of Public-Private Partnerships (P3s) in New Mexico. He outlined how P3s function, recent statutory developments, the respective roles of public and private partners, and the conditions necessary for successful implementation.



#### THE P3 MECHANISM

Public-Private Partnerships are structured collaborations between governmental entities and private developers or investors to achieve shared objectives such as economic development, infrastructure delivery, housing production, and renewable energy development. P3s may be structured either:

- As a **separate legal entity** formed jointly by public and private participants; or
- As a **contractual relationship** defining roles, risk allocation, and financial participation.

Recent action by the 2026 New Mexico Legislature under the Trade Port framework (*House Bill 19*), championed by Rep. Patty Lundstrom, expressly authorizes the formation of a distinct public-private entity. This represents a significant structural evolution in New Mexico's economic development toolkit. While implementation details (tax treatment, liability structure, governance implications) continue to evolve, the authority provides enhanced flexibility for complex development initiatives.

#### APPLICATIONS OF P3s

P3s are particularly effective in projects requiring substantial coordination, capital investment, and infrastructure integration. Common applications include:

- Industrial and trade-oriented development
- Affordable and workforce housing
- Large-scale land development
- Renewable energy projects
- Mixed-use and master-planned communities

Historically, P3 models have enabled major projects in renewable energy and large-scale real estate development where coordination between public land, infrastructure investment, and private capital was essential.

## INTEGRATION WITH FINANCING & REDEVELOPMENT TOOLS

P3s are most effective when layered with existing statutory financing mechanisms. These may include:

- Metropolitan Redevelopment Areas (MRAs)
- Tax Increment Financing (TIF)
- Tax Increment Development Districts (TIDDs)
- Public Improvement Districts (PIDs)
- Industrial Revenue Bonds (IRBs)
- Local Economic Development Act (LEDA) funding

Recent statutory enhancements have strengthened redevelopment authorities by expanding tax increment tools and broadening qualifying criteria (including housing shortages). These updates allow greater flexibility in financing both public infrastructure and, in certain circumstances, private infrastructure or workforce-related initiatives. When properly structured, these tools:

- Improve development quality
- Reduce long-term public infrastructure liabilities
- Align infrastructure timing with private construction
- Strengthen overall project feasibility

## ROLES AND CONTRIBUTIONS

✓ **Public Sector Contributions** – The public sector may contribute:

- Land (including long-term ground leases)
- Entitlements and regulatory approvals
- Infrastructure participation
- Access to statutory financing tools
- Enforcement of public benefit requirements
- Economic recruitment assistance through organizations such as the New Mexico Partnership

Public participation ensures alignment with community priorities, public benefit delivery, and long-term accountability.

✓ **Private Sector Contributions** – The private sector typically provides:

- Equity and debt capital
- Development expertise and project management
- Horizontal infrastructure delivery (roads, utilities, drainage)
- Vertical construction (industrial, commercial, residential)
- Market-based execution and efficiency
- Recruitment of tenants and end users

Private partners are driven by risk-adjusted return. Profitability is a prerequisite for sustained private participation.

### ✓ **Alignment of Incentives**

Successful P3s require clear acknowledgment of differing but complementary motivations:

- **Private Sector:** Risk mitigation, cost control, entitlement certainty, infrastructure support, and profit.
- **Public Sector:** Economic development, tax base growth, public infrastructure, housing production, and community benefit.

Failure to align these incentives will result in project instability or failure. Viewing P3s solely as subsidy vehicles undermines long-term success. Instead, they must be structured as true partnerships with shared risk and shared reward.

## **CRITICAL SUCCESS FACTORS**

- ✓ **Upfront Due Diligence** – Financial feasibility, legal structure, infrastructure capacity, and political context must be thoroughly vetted.
- ✓ **Strong Legal and Governance Structure** – Clear documentation defining roles, risk allocation, and public benefit metrics is essential.
- ✓ **Political Stability and Continuity** – Projects often extend beyond election cycles. Changes in leadership must preserve established agreements to maintain investor confidence.
- ✓ **Mutual Understanding of Realities**
  - Financial reality: Projects must “pencil.”
  - Physical reality: Infrastructure and site constraints are non-negotiable.
  - Legal reality: Regulatory navigation is complex.
  - Political reality: Public projects inherently involve public accountability.

## **STRATEGIC PERSPECTIVE**

When structured effectively, P3s combine the ingenuity, efficiency, and execution capability of the **private sector** with the civic purpose and long-term stewardship of the **public sector**. This combination can deliver outcomes neither sector could achieve independently. Conversely, poorly structured partnerships—where incentives are misaligned or expectations unclear—risk underperformance, conflict, and reputational harm.

## **CONCLUSION**

Public–Private Partnerships represent one of the most powerful tools available for advancing large-scale economic development and infrastructure initiatives in New Mexico. With enhanced statutory authority, expanded financing tools, and careful partner selection, P3s can:

- Accelerate development timelines
- Leverage private capital
- Deliver durable public benefits
- Strengthen long-term fiscal resilience

Local leadership awareness, disciplined structuring, and commitment to strategic alignment will be critical to maximizing the effectiveness of future P3 initiatives.

## Melinda Allen, New Mexico Partnership *“Economic Development is a Team Sport”*

### OVERVIEW

**Melinda Allen** is President and Chief Executive Officer of the New Mexico Partnership, where she leads the State’s comprehensive economic development marketing and business recruitment efforts. With more than 15 years of experience in economic development, communications, and strategic business growth, Melinda brings deep insight into community and workforce development and corporate site selection.



Ms. Allen provided a comprehensive overview of the state’s business recruitment process, site selection realities, foreign direct investment (FDI) strategy, and the role of incentives in competitive positioning. Her central message: *“Economic development is a coordinated, team-based process requiring infrastructure readiness, credible planning, and strategic use of incentives. There is no ‘silver bullet.’”*

### THE REALITY OF SITE SELECTION

- The Partnership manages 150–200 active projects at any given time.
- Projects typically require 6 months to 3 years before public announcement.
- Companies narrow from 5–10 states to 5–10 sites, and ultimately to 3–5 finalists.
- Each New Mexico site may compete against as many as 100 sites nationwide.

**Critical Insight:** In a recent 394-question RFI, 393 questions focused on site readiness and infrastructure; 1 question addressed workforce.

**Infrastructure readiness**—not incentives—is the first gatekeeper.

### INFRASTRUCTURE IS THE DECIDING FACTOR

Companies prioritize:

- Power capacity and scalability
- Water and wastewater availability
- Site build readiness
- Easements and environmental clarity
- Timeline certainty

If infrastructure is lacking, communities must present:

- A clear funding plan
- A defined approval process
- A realistic construction timeline aligned with company needs

Projects are often lost when infrastructure expansion timelines (e.g., 3–5 years for wastewater upgrades) do not match company schedules (typically 18–24 months).

## FOREIGN DIRECT INVESTMENT STRATEGY

To capture small- and medium-sized international firms (revenues \$5M–\$150M), New Mexico launched the **NMexus Center**—a Foreign Direct Investment accelerator providing:

- Soft-landing office space
- Market entry support
- Commercialization assistance
- Workforce and operational guidance

Results to date:

- 7 announced companies
- \$100 million pledged via Telangana (India) partnership
- 50–60 international companies currently in pipeline
- Strong global engagement momentum

The model reduces risk for foreign firms and positions New Mexico as a competitive North American entry point.

## INCENTIVES: STRATEGIC BUT SECONDARY

New Mexico's incentive portfolio includes:

- Infrastructure grants
- Job training funds
- High-wage job tax credits
- Refundable and transferable tax credits

Competitive advantage: Incentives are generally realizable (companies can actually use them), unlike some states' theoretical credits. However:

- Incentives cannot compensate for a fundamentally flawed site (e.g., no rail access where required).
- Incentives are best used to close competitiveness gaps (utility extensions, transformer upgrades, site improvements).
- They also signal long-term partnership commitment.

## LOCAL COMPETITIVE DIFFERENTIATORS

Beyond financial incentives, companies evaluate:

- Fast-track permitting
- Dedicated project managers
- Responsive inspection processes
- Workforce recruitment support
- Executive relocation assistance
- Community partnership commitment

These factors often determine final selection when sites are otherwise comparable.

## STRATEGIC IMPLICATIONS

- ✓ **Infrastructure Readiness Must Be Prioritized** -- Wastewater capacity, power scalability, and site documentation are foundational.
- ✓ **Planning and Timeline Alignment Are Critical** -- Projects are frequently lost due to approval or infrastructure delays.
- ✓ **Incentives Should Be Used Strategically** – Focus on closing specific competitiveness gaps rather than relying solely on financial offerings.
- ✓ **Community Responsiveness Is a Competitive Asset** – Process efficiency and partnership support can materially impact site selection outcomes.
- ✓ **FDI Represents a Significant Growth Opportunity** – The New Mexico Center model is gaining international traction and may create secondary opportunities for communities statewide.

## CONCLUSION

New Mexico competes in a highly selective national environment. Success requires:

- Infrastructure readiness
- Accurate and credible site data
- Coordinated state and local incentives
- Efficient development processes
- Demonstrated long-term partnership

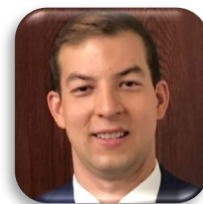
Economic development success is not about one tool—it is about disciplined execution across all fronts!

### Isaac Romero, NM Economic Development Department

*“New Mexico Economic Development Department Initiatives & Strategic Impact”*

## OVERVIEW

Isaac Romero serves as Deputy Secretary of the New Mexico Economic Development Department (EDD). Mr. Romero stated that the Department is focused on a clear mission: **creating pathways to prosperity for New Mexico families**. Recent economic indicators demonstrate measurable progress toward that goal.



According to the Bureau of Labor Statistics, New Mexico ranks:

- #1 in family income growth (past year)
- #3 in job growth nationally

These outcomes reflect coordinated efforts between the Legislature, the Executive Branch, local economic development organizations, and private-sector partners. The state is now building on this momentum through expanded site readiness, infrastructure pre-deployment, strategic incentive deployment, and innovative public-private partnership models.



NMEDD Deputy Cabinet Secretary Isaac Romero presented on New Mexico Economic Development Department programs and resources that support economic development in communities.

## STRATEGIC SITE READINESS (SENATE BILL 169)

In 2024, the Legislature passed **Senate Bill 169**, establishing the *Strategic Economic Development Site Readiness Act* and capitalizing it with \$24 million.

### Key Actions to Date:

- 47 sites evaluated and characterized statewide
- Launch of a public-facing **Site Readiness Dashboard**
- First round of **Strategic Site Certifications** underway
- **Advisory Committee** operational

### Strategic Importance:

- Reduces response time to site selectors
- Improves competitiveness for large-scale industrial recruitment
- Provides transparent data on utilities, infrastructure, and development readiness
- Enables designated sites to apply for funding from the Site Readiness Fund

**Financing** – Once a site is certified, EDD works collaboratively to assemble **financing packages** using:

- Site Readiness Fund resources
- Project revolving funds
- Cross-agency infrastructure tools
- Local and regional economic development partnerships

This structured pipeline ensures New Mexico can compete for major industrial projects requiring speed, certainty, and infrastructure readiness.

## UTILITY PRE-DEPLOYMENT INITIATIVE (SENATE BILL 170)

Traditionally, utilities could not extend power generation or transmission infrastructure without a committed end user. This created competitive disadvantages in large-scale recruitment.

**Senate Bill 170** addresses this barrier by allowing EDD to certify sufficient economic development demand, enabling:

- Pre-deployment of power infrastructure
- Expedited Public Regulation Commission (PRC) processes
- Improved speed-to-market for major industrial users

This tool significantly enhances New Mexico’s competitiveness in energy-intensive industries, including advanced manufacturing and emerging technology sectors.

## LEDA PROJECT PERFORMANCE & ROI

The Local Economic Development Act (LEDA) remains one of the state's most powerful recruitment tools. Recent projects illustrate the scale of return on investment.

### Representative Projects:

Project	Jobs	Economic Impact	LEDA Investment
Pacific Fusion	250	\$1,000,000,000	\$8,000,000
Project Massive Space	200	\$400,000,000	\$3,000,000
Project Ranger	300	\$659,000,000 (10-year)	\$10,000,000

### Aggregate Impact:

Three major companies alone are projected to generate:

- **\$726 million in direct tax revenue over 10 years**
- **Leveraging under \$30 million in state investment**

This represents a substantial public return on deployed capital and demonstrates disciplined, performance-based incentive strategy.

Importantly, these projects succeed because of:

- Local EDO coordination
- Municipal and county engagement
- State Land Office collaboration
- Infrastructure and legal partnership support

Economic development remains a coordinated team effort.

## RECRUITMENT TOOLS: REDA & JTIP

### ✓ REDA (Regional Economic Development Assistance)

REDA remains a critical recruitment tool, though it did not receive new funding in the last cycle. Continued capitalization would strengthen the state's ability to compete in rural and regional markets.

### ✓ Job Training Incentive Program (JTIP)

JTIP reimburses companies up to **90% of wages for newly created jobs during training.**

Key advantages:

- Companies can apply multiple times as they grow
- Encourages long-term expansion
- Reduces early-stage labor cost risk
- Supports workforce development alignment

JTIP remains one of the most flexible and impactful tools for sustained job creation.

## TRADE PORTS & PUBLIC-PRIVATE PARTNERSHIPS (HOUSE BILL 19)

**House Bill 19** established the Trade Ports initiative and included a **\$50 million special appropriation**.

This program:

- Formalizes public-private partnership (P3) frameworks
- Encourages innovative infrastructure financing
- Supports trade and logistics development
- Aligns industrial growth with long-term strategic infrastructure planning

Current Status:

- Advisory committee established
- Rulemaking in public comment phase
- Trade Port boundary application in development
- Funding application process forthcoming

The Trade Ports model may serve as a blueprint for future P3-driven economic development legislation.

## OPPORTUNITY ZONES

New Mexico has approximately **257 qualifying census tracts** under federal Opportunity Zone guidelines. The Governor may designate **64 zones**.

### Benefits to Investors:

- Temporary deferral of capital gains taxes
- Potential permanent exclusion of gains on long-term investments
- Incentives for real estate and business development in distressed areas

### Timeline:

- Portal open: July 1 – September 30
- Final designation submission deadline: Late September

**Opportunity Zones** create an additional private-capital lever for rural and underserved communities when strategically aligned with state-level incentives.

## BEYOND INCENTIVES: QUALITY OF LIFE AS A COMPETITIVE ADVANTAGE

Increasingly, corporate leadership is evaluating:

- Outdoor recreation access
- Trail systems and natural amenities
- Creative industries
- Community vitality and livability

Recruitment success is not driven solely by financial incentives. A comprehensive value proposition—including lifestyle and workforce attraction factors—is becoming essential.

New Mexico's integrated approach now combines:

- Incentive stacking
- Infrastructure readiness
- Workforce development tools
- Quality-of-life assets

## STRATEGIC TAKEAWAYS

- ✓ New Mexico's economic indicators show measurable upward momentum.
- ✓ Site readiness and utility pre-deployment significantly improve recruitment competitiveness.
- ✓ LEDA investments are delivering high ROI and long-term tax revenue growth.
- ✓ Public-private partnership models (Trade Ports) represent an important structural evolution.
- ✓ Opportunity Zones provide an additional private capital mechanism for distressed communities.
- ✓ Quality-of-life assets increasingly influence corporate location decisions.

## CONCLUSION

New Mexico is transitioning from reactive recruitment to **strategic, infrastructure-backed, partnership-driven economic development**. The alignment of legislative tools, executive leadership, local partnerships, and private-sector engagement is producing measurable results.

Sustained **funding of critical tools**, continued **infrastructure investment**, and proactive **stakeholder coordination** will be essential to maintaining and accelerating this trajectory.

### PANEL 1 RECAP: Q&A and Discussion

*“Tools of the Trade: Innovative Finance for Sustainable Economic Development”*



## OVERVIEW

The first panel discussion provided practical insights into how Public-Private Partnerships (P3s), LEDA funding, PIDs/TIDDs, and procurement reforms can be leveraged to advance large-scale economic development projects such as the TradePort initiative.

The discussion emphasized that successful projects require:

- Structured multi-agency collaboration
- Early infrastructure planning
- Strategic use of state and local financing tools
- Clear communication with legislative stakeholders
- Streamlined procurement processes

The Netflix/Mesa del Sol project was highlighted as a leading example of how layered agreements and coordinated public investment can attract transformational private investment.

## KEY DISCUSSION HIGHLIGHTS

### 1. What a P3 Really Looks Like in Practice

A P3 is rarely a single agreement. Instead, it typically consists of multiple interlocking documents, such as:

- Industrial Revenue Bonds (IRBs)
- Project Participation Agreements (PPAs)
- Development agreements
- Tax Increment Development Districts (TIDDs)
- Public Improvement Districts (PIDs)
- State land leases

### 2. Case Example – Netflix at Mesa del Sol:

- Involved the State of New Mexico, City of Albuquerque, Bernalillo County, State Land Office, and private landowners.
- Required coordination of LEDA funds, TIDD/PID revenues, land leases, and infrastructure commitments.
- Infrastructure financing negotiations centered on control and reimbursement of tax increment revenues.
- The deal required compromise, trust, and alignment among all parties.

### 3. Implication for TradePort:

4. A TradePort project would likely require a similarly layered structure combining LEDA, PIDs/TIDDs, IRBs, land strategies, and private capital.

### 5. LEDA Funding: Structure and Legislative Challenges

#### The Nature of LEDA:

- LEDA is a reimbursement-based grant tool.
- It operates as an exception to the state's anti-donation clause.
- Funds flow through a local government acting as fiscal agent.
- Companies are reimbursed for approved capital expenditures.
- Clawback provisions protect public funds.
- Assets must remain in New Mexico.

#### Decision Criteria:

- 10-year economic impact analysis
- New capital investment
- Public revenue generation
- Negotiated capital need

#### Additional LEDA Options:

- Local gross receipts tax increments dedicated to LEDA.
- For projects exceeding \$350 million, potential gross receipts tax sharing.

**Strategic Takeaway:** Strategic communication with legislative leadership is essential to ensure continued LEDA support for large-scale projects.

## Legislative Roadblock:

- Perceived unspent balances due to timing differences between commitments to companies and encumbrances.
- Communication gaps between executive agencies and legislators.
- House Appropriations removed requested funding despite executive and LFC support.

## 6. Infrastructure Readiness and Competitive Positioning

A central theme is **timing**. Private-sector industrial projects typically operate on 18–24 month timelines. Public infrastructure processes often require 3–4+ years due to:

- Legislative appropriations cycles
- Engineering and design phases; Construction sequencing
- Procurement requirements

Panel guidance:

- Pre-plan infrastructure even if not pre-building.
- Shorten procurement and approval timelines.
- Include industrial expansion in capital improvement planning.
- “You can sell a Plan. You can’t sell Nothing.”

**Strategic Consideration:** Infrastructure planning must precede project recruitment to remain competitive.

## 7. PID and TIDD as Infrastructure Financing Tools

### Public Improvement Districts (PIDs):

- Fund streets, sidewalks, and infrastructure.
- Paid through assessments on property owners.
- Require statutory disclosure to buyers.
- Offer procurement flexibility.
- Shift infrastructure cost to ultimate users.

### Tax Increment Development Districts (TIDDs):

- Capture incremental tax revenues; can support large-scale district infrastructure.

### Bonding vs. Cash Funding:

- Bonding is appropriate when long-term infrastructure is supported by predictable revenue streams. If cash is available, bonding may not be necessary.

**Strategic Takeaway:** PID/TIDD structures may be especially relevant for a TradePort district model.

## 8. Private Capital and Secondary Market Funding

Large-scale project funding often involves:

- Secondary capital markets
- Risk underwriting based on:
  - Strength of agreements
  - End-user commitments
  - Multi-stakeholder support
  - Project viability documentation

Well-documented, viable projects secure financing more efficiently.

**Strategic Implication:** TradePort planning must emphasize complete documentation and stakeholder alignment.

## 9. Procurement Reform and Speed to Market

Panelists stressed that procurement delays hinder competitiveness.

Recent legislative reforms (e.g., Senate Bill 170) have:

- Provided limited exemptions for certain Public Project Revolving Loan Fund projects.
- Created a three-year trial window for expedited approvals.

The broader goal is aligning public-sector timelines with private-sector expectations.

**Strategic Consideration:** Monitoring and leveraging expedited procurement mechanisms could materially impact project feasibility.

## 10. Strategic Implications for TradePort Development

Based on the panel discussion, successful advancement of a TradePort initiative will require:

1. **Layered Financing Strategy**
  - LEDA + PID/TIDD + IRB + Land contributions + Private capital.
2. **Proactive Infrastructure Planning**
  - Engineering and design readiness.
  - Capital improvement integration.
3. **Legislative Relationship Management**
  - Clear communication regarding fund commitments and balances.
4. **Procurement Efficiency**
  - Use of statutory exemptions where applicable.
  - Early legal structuring to reduce delays.
5. **Stakeholder Alignment**
  - City, county, state, landowners, and private investors must operate in coordinated fashion.

## CONCLUSION

The panel reinforced that transformational projects are achievable in New Mexico but require:

- Sophisticated structuring
- Coordinated public-private collaboration
- Early infrastructure planning
- Clear legislative communication
- Speed and adaptability

The Netflix/Mesa del Sol example demonstrates that complex, multi-party deals can succeed when stakeholders align around a shared economic development goal.

## PANEL 2: GETTING IT DONE

### “Fitting the Financial Pieces Together to Fund & Manage Development”

#### Marquita Russel, New Mexico Finance Authority “NMFA: Your Partner in Economic Development Finance”

### OVERVIEW

Marquita Russell is a longtime professional and administrative leader, now CEO, of the New Mexico Finance Authority (NMFA). She outlined the Authority’s role in financing tools for economic development across planning, infrastructure, and private facility development. Her central message: “NMFA does not replace private capital—it enhances and leverages it to make projects viable.”



### PLANNING AS THE FOUNDATION

#### ✓ Local Government Planning Fund

- Grants up to \$100,000 every two years.
- Funds preliminary engineering reports (PERs), affordable housing plans, MRAs, PIDs, and TIDDs.
- Often the first step toward larger infrastructure funding.

**Strategic Takeaway:** Communities that invest in planning are positioned to access significantly larger capital programs.

### INFRASTRUCTURE FINANCING TOOLS

#### ✓ Public Project Revolving Fund (PPRF)

- AAA-rated bond program.
- ~90-day closing timeline.
- No underwriting or closing fees.
- Loans of any size (with repayment revenue).
- Up to \$500,000 in disadvantaged funding (0–2% interest) for qualifying communities.

**Competitive Advantage:** Smaller districts can borrow at AAA rates otherwise unavailable in public markets.

#### ✓ Water Trust Board (WTB)

- \$325M–\$400M expected available this year.
- Wastewater now eligible.
- Funding typically structured as 90% grant / 10% loan (0% interest).
- Maximum award approximately \$24.3M.
- Pending legislation would allow “rolling applications,” improving access and responsiveness.

**Strategic Implication:** Significant capital is currently available for water and wastewater infrastructure—critical to site readiness and industrial recruitment.

## PRIVATE FACILITY FINANCING

- ✓ **State Small Business Credit Initiative (SSBCI)**
  - NMFA funds up to 49% of bank-originated loans.
  - 3% interest rate.
  - Single closing with borrower's bank.
  - Effective for facility acquisition and construction.
- ✓ **Speculative Development Financing**
  - Up to \$17.5M per project.
  - For non-owner occupied industrial/commercial facilities.
  - Designed to support spec development.
  - Competitive application (3–4 cycles per year).

**Strategic Implication:** Spec buildings significantly enhance site competitiveness. NMFA provides capital to accelerate this development.

## NMFA ROLE IN PUBLIC-PRIVATE PARTNERSHIPS

- ✓ **NMFA:**
  - Takes subordinated positions when needed.
  - Is not constrained by traditional bank regulatory limits.
  - Expands lending capacity.
  - Reduces project financing gaps.

The Authority's tools can be layered with PIDs, TIDDs, SADs, and other mechanisms to reduce interest costs and improve feasibility.

## STRATEGIC IMPLICATIONS—RECAP

- ✓ **Infrastructure Funding Is Readily Available** – Especially for water and wastewater—key barriers to recruitment.
- ✓ **Planning Unlocks Capital** – Communities without engineering and redevelopment plans are at a disadvantage.
- ✓ **Spec Development Is Financeable** – NMFA tools can support vertical development before tenant identification.
- ✓ **Public-Private Leverage Is Essential** – NMFA's role is to stretch private capital further, not replace it.

## CONCLUSION

NMFA provides a comprehensive financing platform across:

- Planning
- Core infrastructure
- Public-private district financing
- Private facility development
- Speculative building construction

NMFA's AAA-rated structure, grant-heavy water programs, and flexible loan participation position it as a central partner in advancing economic development projects statewide.

## Mark Valenzuela, Bosque Advisors LLC “Structuring Options to Develop Commercial Tradeports in New Mexico”

### OVERVIEW

**Mark Valenzuela**, Owner/Principal of Bosque Advisors and longtime financial advisor to State and local government, presented an overview of project finance and public-private partnership (P3) structuring as applied to trade ports and similar economic development initiatives.



His primary message: **“Revenue drives everything.”** A trade port or infrastructure project must be structured around sustainable revenue streams that support capital investment, allocate risk appropriately, and protect governmental interests.

### PROJECT FINANCE AS THE CORE FRAMEWORK

Project finance is based on the premise that:

- The project itself generates the revenue needed to repay development costs. Revenue streams determine how debt and equity are **structured**.
- Risk and revenue must be carefully allocated between public and private partners.

Within a trade port environment, revenue may come from:

- Cargo handling and logistics fees
- Real estate leasing
- Docking and usage fees
- Parking and ancillary services
- Concession agreements

A diversified revenue base enhances financial viability.

### NATIONAL PORT EXAMPLES

An understanding of trade port finance can be gained by surveying several examples:

- **Port of Oakland:** Primarily containerized cargo revenues; inland logistics shifting value inland.
- **Port of Bellingham:** Significant real estate leasing revenue.
- **Port of Miami:** Cruise docking and substantial parking revenue (\$15M annually).

Key takeaway: Successful ports monetize multiple revenue streams, not just core trade activity.

### PUBLIC-PRIVATE PARTNERSHIP (P3) RISK ALLOCATION

Effective P3 structuring requires addressing:

- Governance and regulatory risk
- Procurement risk at multiple levels
- Financial risk (revenue projections, capital costs, infrastructure funding)
- Operational and liability risk

Balanced transactions typically involve shared risk and shared reward. If all parties are slightly uncomfortable, the deal is often properly calibrated.

## FINANCING STRUCTURE CONSIDERATIONS

Typical tools include:

- Special Purpose Vehicles (SPVs)
- Debt financing
- Equity participation
- Mezzanine financing
- Revenue-sharing agreements

Critical questions include:

- What revenues are pledged?
- How are they defined?
- How is debt repaid?
- What are exit options if the project underperforms?

Legal constraints on governmental equity participation must also be carefully evaluated.

## ROLE OF THE MUNICIPAL ADVISOR

Bosque Advisors serves as a fiduciary to governmental entities, helping to:

- Analyze financial feasibility
- Structure debt and equity appropriately
- Allocate revenue and risk
- Protect public interests in negotiations with private partners

The advisory team—legal, financial, and technical—is essential to navigating procurement complexities and avoiding structural pitfalls.

## STRATEGIC IMPLICATIONS

- ✓ **Revenue Identification Must Precede Financing Decisions** – Clear, diversified revenue streams are foundational.
- ✓ **Risk Allocation Should Be Deliberate and Documented** – Governance, procurement, and liability risks must be clearly assigned.
- ✓ **Infrastructure Costs Must Be Fully Modeled** – Utility extensions and capital costs must be incorporated into feasibility analyses.
- ✓ **Professional Advisory Teams Are Critical** – Financial and legal expertise is necessary to structure viable, defensible agreements.
- ✓ **Exit Strategy Planning Is Essential** – Agreements must anticipate underperformance or structural change.

## CONCLUSION

Trade port and large-scale infrastructure projects are fundamentally revenue-driven financial structures. Successful implementation depends on disciplined project finance modeling, strategic risk allocation, and experienced advisory guidance to protect governmental interests while attracting private capital.

## Ryan Mast, Sustainability Partners “Infrastructure as a Service Model: Strategic Overview and New Mexico Applications”

### OVERVIEW

Ryan Mast serves as Senior Infrastructure Partner in New Mexico for Sustainability Partners, a national public-benefit company providing infrastructure-as-a-service solutions to public entities. Mr. Mast provided an overview and some real-life examples of infrastructure development projects utilizing the Sustainability Partners model. The model is designed to supplement existing public financing tools by reducing upfront capital requirements, transferring construction and performance risk, and ensuring long-term infrastructure sustainability. Sustainability Partners currently operates in ten states, with New Mexico among its top growth markets.



### STRATEGIC RATIONALE

Traditional infrastructure delivery often treats projects as one-time capital events, leading to deferred maintenance, funding gaps, and cyclical reinvestment challenges. The Sustainability Partners model focuses on total cost of ownership, lifecycle planning, and predictable performance over time. Rather than replacing existing financing tools (e.g., bonding, grants, tax incentives, or public-private partnerships), Sustainability Partners supplements these mechanisms by filling capital stack gaps and accelerating project delivery timelines.

### KEY FEATURES OF THE MODEL

- Zero upfront capital cost to public entities.
- Design-build-fund-maintain structure (public entity retains operations).
- Usage-based monthly payments aligned with revenue streams.
- Payments begin only after infrastructure is operational.
- Transfer of construction, performance, and maintenance risk to the private side.
- Built-in maintenance reserves to ensure long-term asset performance.
- Modular system design to scale infrastructure based on actual demand growth.

### CURRENT NEW MEXICO APPLICATIONS

#### a. Roosevelt County – Smart Water Metering

Deployment of a full smart metering system improving revenue capture, water conservation, and operational efficiency while aligning financing terms with asset lifecycles.

#### b. Statewide Fleet Electrification – Price Agreement

Turnkey bundling of vehicles, charging infrastructure, electrical upgrades, and maintenance into a per-mile monthly payment structure. SP assumes capital and performance risk.

#### c. City of Albuquerque – Behind-the-Meter Energy Deployment

6 MW DC solar deployment across seven facilities supporting carbon neutrality goals, while mitigating timing, tax credit, and supply chain risks.

## ECONOMIC DEVELOPMENT IMPLICATIONS

Infrastructure readiness is a critical factor in site selection and economic competitiveness. The Sustainability Partners model enhances predictability in water delivery, broadband access, energy production, and specialized treatment systems. By accelerating delivery and ensuring long-term performance, communities strengthen their ability to attract and retain investment.

## STRATEGIC CONSIDERATIONS

- ✓ Evaluate where infrastructure gaps may delay economic development opportunities.
- ✓ Consider infrastructure-as-a-service as a capital stack supplement for large-scale or time-sensitive projects.
- ✓ Assess lifecycle cost impacts versus traditional financing models.
- ✓ Explore pilot opportunities in high-priority infrastructure categories (water, energy, broadband, fleet).

## CONCLUSION

Sustainability Partners provides a flexible infrastructure financing and delivery tool that complements existing programs. Its focus on risk transfer, lifecycle management, and predictable deployment timelines aligns strongly with economic development objectives and long-term community stability.

### Tim Gourley, Gutami USA “Brief Reflections”

As the Roundtable’s keynoter, Mr. Gourley referred back to his initial presentation and discussion, indicating that he did not have further information beyond what the top-notch panel provided. He did note that we now have all the essential tools before us, and it comes down to being able to work and solve problems together, put in place what meets the interests of the parties involved, and maintain unified support and leadership.

## PANEL 2 RECAP: Q&A and Discussion

### “Getting It Done: Fitting the Financial Pieces Together To Fund & Manage Development”

## OVERVIEW

Panel 2 focused on financing strategy, governance structure, and infrastructure development pathways for the Trade Port initiative. The discussion emphasized the foundational importance of sound planning, practical sequencing, diversified funding strategies, and risk management.



## KEY TAKEAWAYS

### 1. Funding is Competitive and Phased

The Water Trust Board received 114 applications this year, with approximately 80% expected to receive funding. Projects are frequently phased or partially funded, underscoring the need for structured implementation planning.

### 2. Revenue Structure Must Precede Financing

Leadership must determine total infrastructure cost and define revenue requirements before pursuing financing. Profit centers should be structured to ensure sustainability and appropriate margin generation.

### 3. Infrastructure Funding Requires Stacked Capital

Large-scale infrastructure will require a blended approach combining grants, revolving loan funds, capital outlay, and local dollars. Strategic stacking is essential.

### 4. Advisory Team and Governance Structure Are Critical

A coordinated advisory team should be assembled early. Clear leadership and defined authority are necessary when multiple funding sources are involved.

### 5. Market Resilience Depends on Revenue Structure

Property tax-backed financing remains the strongest and most resilient structure in volatile markets. State-supported revolving funds can mitigate risk associated with less traditional revenue pledges.

### 6. Infrastructure Innovation Requires Site-Specific Analysis

Microgrid and renewable energy options may offer advantages, but implementation depends on site conditions and supply chain realities.

## STRATEGIC IMPLICATIONS

- ✓ Prioritize comprehensive planning and cost modeling.
- ✓ Develop a clear revenue allocation framework.
- ✓ Formalize the advisory team.
- ✓ Prepare a phased funding stack strategy.
- ✓ Clarify governance and leadership structure for implementation.

## CONCLUSION

Successful Trade Port development will depend on disciplined financial structuring, diversified capital stacking, and strong governance. Early planning and revenue clarity will position the project for long-term resilience.

## TAKEAWAYS & NEXT STEPS

The 2026 Roundtable brought to the attention of a broad audience of civic leaders at the local and state levels the array of financing mechanisms that can be tapped and utilized to advance the TradePort initiative and other key economic development in the Greater Gallup region.

### TAKEAWAYS

Underlying all financing efforts, the expert panelists emphasized the following key principles:

- ★ **Sound planning is essential.** Without it, the need for an investment cannot be clearly presented or justified, costs cannot be properly estimated, questions remain unanswered, confidence cannot be built that the project is ready for financial support, and the project organizers cannot ensure their readiness to implement, administer and sustain the development. Planning should assess life-cycle cost impacts and provide for long-term operation and maintenance, and not just construction. As project plans mature, they need to include objectives and milestones that are shared and agreed to between the local organizers and the prospective developer.
- ★ **Readiness for development is critical.** Development projects will have varying levels of demand for functional, reliable and adequate infrastructure, and new companies and investors will be looking for properties that can be occupied and developed within reasonable timeframes. If particular infrastructure is not yet in place, local organizers should have clear plans and timelines for installing it. Infrastructure should also be prioritized based on what private sector companies, investors and site selectors are looking for. Private businesses can be expected to cover most behind-the-fence costs and can also be approached to contribute to the more general outside-the-fence infrastructure that makes the development possible.
- ★ **Strong and unified local cooperation and leadership are important confidence-builders for companies and investors.** Companies seeking to locate their businesses are turned off by local political wrangling, lack of commitment to economic development, and unresponsive decision-makers and agencies. They are interested in community leadership with clear vision, and in timely and efficient processes for getting all necessary documentation, processing and decision-making taken care of. A cooperative leadership structure can ensure that projects move efficiently from concept to agreement to execution. It is also important for the governance and policy structure to be clear, so that decision-points and processes are identified and consistent.
- ★ **New Mexico's economic development framework provides a flexible and evolving set of financing and partnership tools.** Awareness by TradePort stakeholders and strategic alignment around these tools will be critical as future projects move from concept to execution.

When structured effectively, these mechanisms can:

- Leverage private capital,
- Deliver public infrastructure,
- Stimulate job growth,
- Strengthen the tax base, and
- Advance long-term economic resilience.

- ★ Public-Private Partnerships (P3s) represent one of the most powerful tools available for advancing large-scale economic development and infrastructure initiatives in New Mexico. They will be key agreement mechanisms to facilitate development. Properly structured P3s allow communities to leverage private capital, deploy advanced technology and accelerate infrastructure development while managing public risk. But local organizers should be ready to listen to the needs and interests of the private sector prospects, and both sides should proceed toward “win-win” solutions, with risk allocated between public and private partners in a transparent way.

With enhanced statutory authority, expanded financing tools, and careful partner selection, properly structured P3s can:

- Enable industrial growth,
- Deploy advanced technology;
- Attract data centers while strengthening grid resilience;
- Accelerate infrastructure delivery and development timelines while managing public risk;
- Leverage private capital;
- Deliver durable public benefits;
- Strengthen long-term fiscal resilience.

Local leadership awareness, disciplined structuring, and commitment to strategic alignment will be critical to maximizing the effectiveness of future P3 initiatives.

- ★ It's competitive out there! Industrial recruitment is a difficult discipline, requiring constant diligence, focused but generous outreach, and the constant search for “differentiators” in your community that can be clearly communicated. As in fishing expeditions, it takes a lot of casting in order to bring in the prize.
- ★ Successful TradePort development will depend on disciplined financial structuring, diversified capital stacking, and strong governance. Early planning and revenue clarity will position the project for long-term resilience. Securing a financial advisor with proven experience in development finance can be extremely valuable.

## NEXT STEPS

Next steps for the Greater Gallup and its partners may include:

1. Engage local leadership, especially new Mayor Marc DePauli, in the TradePort initiative. Support practical and cooperative plans to move forward on development priorities.
2. Work closely with NMEDD Deputy Secretary Isaac Romero to optimize the use of programs and resources administered by the Department.
3. Continue to differentiate the Gallup-McKinley TradePort from other trade port initiatives in the State. They're each different and offer different scenarios for the trade market.
4. Stay on top of the rules and the application timelines coming out of NMEDD for Site Development and Trade Ports Development Funds. Focus on Gallup-McKinley TradePort District designation and funding from the State, and be prepared to meet application deadlines and requirements.
5. Prioritize the most likely private sector players to locate in the District as anchor tenants.
6. Develop and communicate "economic benefit" scenarios that demonstrate the value of long-term economic investments and show how supplemental public and private investments can limit competition for local government resources.
7. Endorse and pursue blended financing and P3 strategies.
8. Obtain early legal and financial structuring expertise. Successful implementation requires experienced counsel and coordination among public agencies and private stakeholders, disciplined project finance modeling, strategic risk allocation, and experienced advisory guidance to protect governmental interests while attracting private capital.
9. Establish a Finance committee for the TradePort, to include professionals knowledgeable in project and economic finance. Tap external expertise as needed to build strong finance strategies.
10. Ensure leadership consensus on investment priorities and their alignment with economic development strategies.

## APPENDICES<sup>i</sup>

- [Economic Roundtable Agenda](#)
- [Presenter's PowerPoints](#)
- [Presenter's Documents](#)
- [List of Roundtable Attendees](#)
- [Economic Roundtable White Paper](#)

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<sup>i</sup> *Click on the Appendices to access the respective documents online.*