



Annexed land for Peru Mill Industrial Park is located North of Interstate Highway 10. Currently zoned D-Industrial, which allows for the construction of a wide range of manufacturing and industrial application.

The proposed Peru Mill Industrial Park has some very significant advantages.

One of the most significant advantages is the availability of rail service to the Industrial Park. Of particular importance is the fact that the site can be served by both the UPRR and BNSF. The dual service from two Class 1 railroads cannot be overemphasized. The competition for services between these two large Class 1 railroads is intense and will lead to favorable and competitive haul rates.

Other significant advantages to the proposed Industrial Park include:

- Available workforce (both skilled and unskilled)
- Available local access to the site (with improvements noted)
- Access to Interstate Highway 10
- Available utilities including abundant water, gas and electric supply (with improvements noted)
- Moderate climate

Currently, the proposed Industrial Park is divided into two industry types, rail and non-rail served. Rail served properties are generally located West of Peru Mill Road and are large plots of property easily served by rail and truck traffic. Non-rail served properties are generally located East of Peru Mill Road.

Industry types that have been identified as being likely candidates for the proposed park include, but are not limited to:

- Cross-dock/transload facilities
- Local or specialized warehousing
- Logistic centers
- Food processing
- Solar energy generation
- Renewable energy projects
- Manufacturing

Basic definition of what is to be achieved by annexation

The City had the foresight to realize that additional lands would be needed for industrial growth and that this industrial growth would have different requirements than could be met by the Deming Industrial Park. Industrial interests had already showed interest in the Peru Mill Road area. These interests had significant land requirements that could not be met in the Deming Industrial Park. Individual requirements varied from 160 acres to 640 acres.

The Peru Mill Road area had been an industrial area in the past and, to a lesser extent, is still an industrial use today. The Luna Energy Facility, the PNM Switching Station and some small commercial operations, the communication tower, are existing examples. Residential and related uses are located around Second Street and Eighth Street in the proposed annexation area. The Peru Mill Road area seemed like the most likely area for industrial development other than the area around the Airport.

In recognition of the desirability of this area for continued industrial development, the City purchased several hundred acres of land in this area, 1,514.5 acres to be exact. The City has expected approximately \$2,200,000 in environmental cleanup work on the Peru Mill site, which is part of the 1,514.5 acres purchased by the City.

The City owns approximately 1,400 feet of rail spur on 19.9 acres of land (Section 28, Township 23 South, Range 9 West) immediately West of the Central Cellular Company site. This rail spur was constructed in 2005 to accommodate a company who leased the property

from the City to store gas line pipes. The City spent approximately \$200,000 on the spur construction including earthwork.

The City also has constructed a water line to serve the Luna Energy Facility. The City ratepayers paid \$690,000 for the water line. In addition, the City provides treated wastewater to the Luna Energy Facility. The City has plans to reconstruct Peru Mill Road and Arrowhead Road adjacent to the Luna Energy Facility to Peru Mill Road. A new gas line will also provide a back-up system to the existing North side system.