



Fast Facts:

Industrial Site Selection in Mexicali, Mexico

LOOKING FOR A MANUFACTURING SITE

Identifying and leasing the ideal industrial site for manufacturing operations in Mexico is an important key to successfully achieving nearshore production goals. The border city of Mexicali, Mexico has been home to U.S. and international companies operating in Mexico

for over 60 years. It is an ideal location with a high safety rating, easy access to border four crossings, three airports, two ports and train service. Additionally, Mexicali has an educated, stable workforce and complete communications and utilities services.

This guide is an overview of the types of facilities and services in Mexicali for manufacturing operations. It also includes a general timeline for setup.

UNDER-ROOF INDUSTRIAL SPACE

There are 25 Industrial Parks in Mexicali encompassing over 21,800,000 square feet. The majority are located in gated industrial parks, and the rest are secured, stand-alone buildings. The buildings fall into Class A, B and C offerings (described below according to NAIOP guidelines).

CLASS A

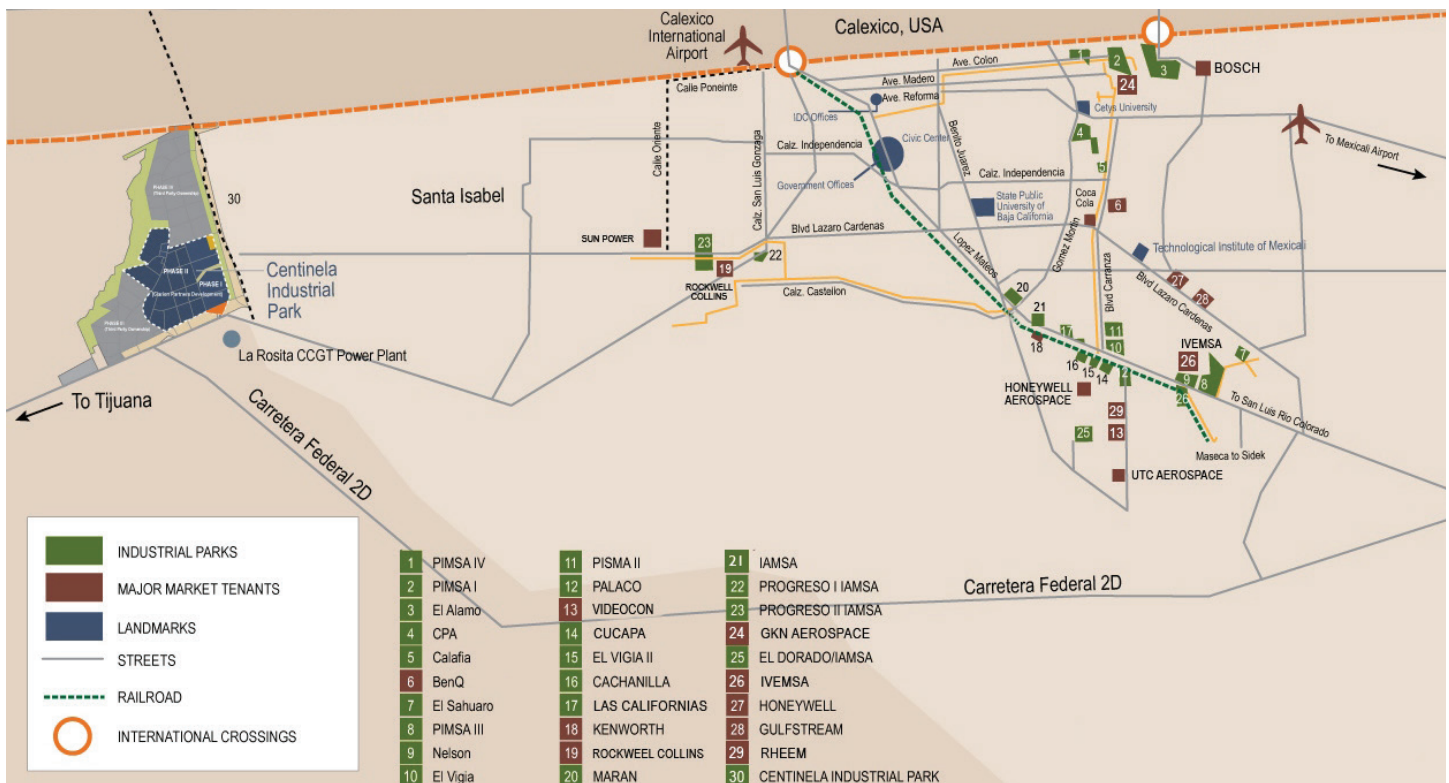
Class A buildings represent the newest and highest quality buildings in the market. Building systems (mechanical, HVAC, elevator and utility) have capacities that meet both tenant current requirements as well as anticipated future needs. Building services are characterized by above average maintenance, management and upkeep. Buildings must exhibit more than one of the characteristics but need not exhibit all of the characteristics to be considered Class A. *Leasing cost: \$0.33 - \$0.38/sq. ft.*

CLASS B

Class B buildings are a little older and feature quality management. This type of building is recommended for processes such as casting, forging and machining. With minimum improvements and renovations these buildings can return to Class A status. Building systems (mechanical, HVAC, elevator and utility) have adequate capacities to deliver services currently required by tenants. Building services are characterized by average to good maintenance, management and upkeep. *Leasing cost: \$0.28 - \$0.33/sq. ft.*

CLASS C

Class C buildings are older buildings and often need major improvements, however they are still functional and structurally sound. Building systems (mechanical, HVAC, elevator and utility) have capacities that may not meet current tenant needs. Building services are characterized by the existence of below average maintenance, management and upkeep. These buildings generally depend chiefly on a lower price to attract tenants. *Leasing cost: \$0.25 - \$0.28/sq. ft.*





UTILITIES

Water service, sanitary, sewer, natural gas, electricity and communications are generally readily available at any industrial park, and throughout the city of Mexicali. As well, most Industrial Parks have the capacity of adding additional required utilities sought by companies like HVAC, FM approved Fire Protection systems, Mechanical systems, etc.

Blackouts are not an issue in Mexicali as power is generated from the Cerro Prieto Geothermal Plant, the 2nd largest in the world, connected to InterGen and Sempra Energy producing 2,285MW. The city also has an abundant and continuous water supply guaranteed by the Colorado River supplying 1,850 million m³ per year. Communications systems (satellite, data transmission, telephone lines and internet) are provided by the private sector and offer have quality and competitive costs for world-wide connectivity.

Companies leasing a vacant building will have to contract for these services. Both Industrial Park and Shelter companies facilitate establishment and management of the majority of these services making setup and ongoing operations run smoothly.

TIMELINES

While it is possible to lease a building in as little as two weeks if required, in general, timelines to lease depend on a number of factors. The most important factor is reaching an agreement on general lease conditions. Most conditions are pre-established by landlords but tenants have the right to change them according to their own company needs. General leasing contracts range from 5-10 years.

Another key factor in leasing negotiations are Tenant Improvements. These are improvements required by tenant that are not included in base rent but are essential for their operation. These costs can be absorbed by the landlord and then added to the base rent, or they can be paid by tenant directly upfront. Industrial parks can conduct appraisals for additional improvements needed at no extra cost.

Most utilities services can be set up within a month or less with the exception of electrical service which can take up to 2 months to establish once the lease has been signed.

SITE SELECTION ASSISTANCE

In selecting a site companies often work directly with the industrial park developer and a services provider such as a shelter company. They are experts at helping foreign companies navigate through local, state and federal requirements for both setup and ongoing operations. For specific questions or more detailed information please contact:

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