

U.S.-MEXICO-CANADA AGREEMENT + I-35 MEGALOPOLIS

Continuing efforts through the U.S.-Mexico-Canada Agreement (which replaced NAFTA) will further enhance the interests of states and international markets in mutually beneficial trade and robust economic growth in the coming years.

International trade and a direct link to Mexico benefit Oklahoma and Texas. The Oklahoma Department of Commerce reported in 2022 that Oklahoma exported \$795 million in goods to Mexico, a 7.2% increase over the previous year and a 28.1% increase over the past decade. Mexico is Oklahoma's second largest export country after Canada. Mexico opened a consulate in OKC in 2023 to aid and facilitate future trade with Mexico.

Some of Oklahoma's overall top exports were industrial machinery and parts, electric machinery, chemicals, and aircraft and spacecraft parts. In total, Oklahoma exported \$6.79B in goods and services in 2022.

Interstate-35 and the international border in Laredo, Texas, are critical connections between the U.S. and Mexico. The I-35 Megalopolis concludes at San Antonio, but I-35 continues southwest roughly 170 miles to Laredo.

At Laredo, it connects to a stretch of road that continues 140 miles to Monterrey, Mexico.

Nearshoring is bringing more manufacturing back to North America and away from a reliance on Asia.

The U.S. Department of Commerce reported that in 2023, Mexico surpassed China as the U.S.'s top trade partner and advanced manufacturing exporter.

This trend of nearshoring production of products and cross-border trade benefits the U.S., Canada, and Mexico. In addition to cost savings, it is a national security issue when North American companies can ramp up domestic production, redirect supply chains, and foster seamless trade.

Commerce further reported that between 2022 and 2023, the value of

goods imported from Mexico increased by about 5% to more than \$475 billion. During that same period, Chinese imports to the U.S. plunged by 23%.

Nearshoring has also necessitated the demand for warehouses, logistics, and manufacturing facilities in border towns. In Laredo, nearly half of all U.S.-Mexico land-based trade passes through the city of 256,187.

That demand is partly driven by complementary manufacturing, where components made in Mexico move across the border for final assembly in the U.S.

Monterrey is the capital in the Nuevo Leon state in Mexico, with 120,000 who work in the auto industry for Kia, Navistar, Mercedes-Benz, CF Moto, and Kawasaki. Home appliance companies LG, Whirlpool, Carrier, and Hisense have a solid regional presence. Bosch has a plan to build an appliance manufacturing plant there.

Mexican officials in Monterrey, the second largest city after Mexico City, report more than 160 industrial parks and a young, highly productive workforce. Monterrey and neighboring Saltillo have a combined 5.8M SF of industrial space.

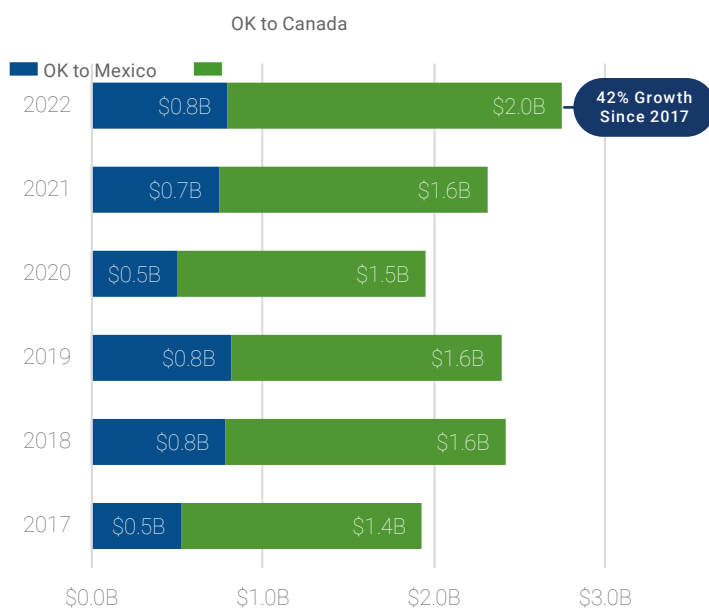
Monterrey connects with the U.S. via road, rail, and air.

The Mexican government has committed more than \$136.46M for infrastructure to support Tesla's planned gigafactory. The overall estimated cost for the Tesla project is \$10B.

Challenges in Mexico include a need for more infrastructure for continued growth, which officials hope will resolve as government officials see the benefit in foreign company investments and nearshoring jobs in Mexico rather than Asia.

Oklahoma's outlook is positive for continued trade and robust growth with its international partners, most notably Mexico and Canada.

OKLAHOMA EXPORTS



FOREIGN INVESTMENT IN OK

COUNTRY	BUSINESS ESTABLISHMENTS IN OK	EMPLOYMENT IN OKLAHOMA
Canada	75	2,706
United Kingdom	67	4,623
Japan	66	3,240
France	55	5,914
Germany	54	2,805
Switzerland	37	2,684
Ireland	22	5,525
Australia	18	1,142
Mexico	17	6,766
Sweden	15	4,270

Geographically positioned in the robust Interstate-35 Megalopolis, Oklahoma is part of the mega-region defined as an area of the United States that includes two or more major metropolitan areas mutually benefiting from economic development, trade, and job creation. **Of the ten mega-regions in the U.S., the I-35 corridor ranked first in population and job growth rates from 2005-2022.**

Oklahoma directly benefits from the I-35 corridor that runs south through Texas to the international border with Mexico. The I-35 Megalopolis officially concludes in San Antonio but the highway continues south to Laredo.

Oklahoma also benefits from the Texas Triangle, a robust three-sided geographic polygon encompassing DFW, Austin, San Antonio, and Houston (although Houston is part of the Gulf Coast mega-region).

I-35 is Oklahoma’s spinal column and nerve center, running the entire state from North to South. It is intersected in OKC by I-40 and I-44 and supported by I-240 and I-235.

In addition to serving Oklahoma, I-35 is a vital piece of all freight movement in the United States, nationally and internationally. It is on the National Highway Freight Network and constitutes about 30% of all Primary Highway Freight System miles in the Sooner State.

Various efforts are in place to widen I-35 to at least six lanes from OKC to the border of Mexico. Texas will expand some critical areas from six to eight lanes.

The Oklahoma Department of Transportation has \$500 million in its eight-year plan to widen and improve specific portions of its 236 miles of I-35. Texas is spending \$2.5 billion for its 503-mile stretch of I-35.

Texas will shoulder most of the \$325 million to build higher-clearance bridges over the Red River, which defines the border between Oklahoma and Texas. Oklahoma will contribute \$34 million. Oklahoma will spend another \$76 million to widen the stretch of I-35 from the bridges to two miles north of the Red River.

ODOT identified the area from mile marker 3 in Love County on the South and mile marker 108 in McClain County on the north (south of Norman) as the top priority for expansion and improvement. That stretch currently carries about 63,000 vehicles per day. Estimates show that number will grow to 100,000 by 2050, with 20% being heavy trucks.

OKLAHOMA CITY QUICK STATS

- OKLAHOMA CITY IS THE 20TH LARGEST CITY IN THE U.S.
- OF 21 METROS BETWEEN 1M AND 2M POPULATION, THE OKC MSA EXPERIENCED THE FIFTH FASTEST PERCENTAGE GROWTH (14%)
- THE OKC MSA IS THE 42ND LARGEST METRO IN THE NATION AT 1.42M (MOVING PAST MEMPHIS)
- OF THE 41 METROS LARGER THAN THE OKC MSA, THE OKC MSA IS GROWING AT A FASTER RATE THAN 2⁄3 OF THEM.

MEGALOPOLIS POPULATION AND JOB GROWTH RANKING

MEGAPOLITAN AREAS	POPULATION GROWTH RANK	POPULATION GROWTH RATE	2022 POPULATION	JOB GROWTH RANK	JOB GROWTH RATE	2022 JOBS
I-35 Corridor	1	31%	20,730,447	1	28%	10,574,670
Valley of the Sun	2	25%	6,024,516	2	23%	2,992,517
Peninsula	3	24%	17,722,685	5	19%	8,243,472
Cascadia	4	23%	9,226,994	6	19%	4,862,537
Gulf Coast	5	22%	15,216,678	4	20%	7,191,612
Piedmont	6	22%	23,542,675	7	16%	11,508,429
NorCal	7	14%	13,947,387	3	21%	6,978,641
Northeast	8	9%	54,609,154	9	8%	28,207,674
Southland	9	9%	24,459,063	8	13%	12,886,612
Midwest	10	3%	41,369,451	10	0%	20,780,344
Megapolitan Total		14%	226,851,072		12%	114,228,530
United States		13%	334,161,482		12%	168,319,669

Stats reflect timeframe of 2005-2022
Sources: OKC Chamber of Commerce; Lightcast 2023.2; QCEW; non-QCEW, Self-Employed

OKLAHOMA COUNTIES WITHIN THE MEGALOPOLIS

6

FORTUNE 500
COMPANIES
2023

75%

OF TOTAL STATE
POPULATION
2022

75%

OF TOTAL STATE
BUSINESSES
2022

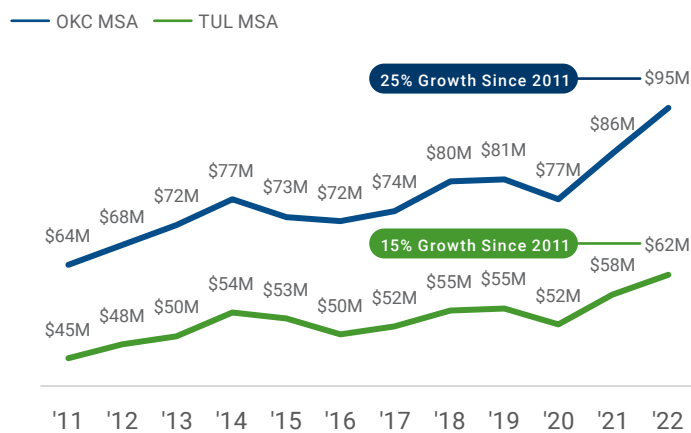
78%

OF TOTAL STATE
EMPLOYMENT
2022

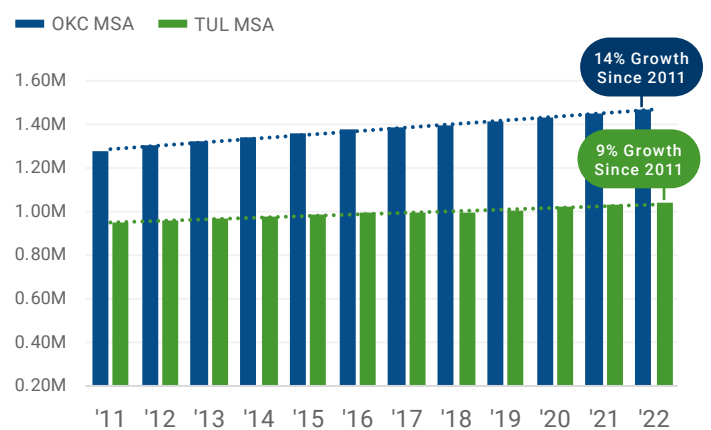
80%

OF THE STATE TOTAL
REAL GDP
2021

OKC | TULSA GDP GROWTH



OKC | TULSA MSA GROWTH



MAJOR EMPLOYERS IN THE OKLAHOMA MEGALOPOLIS

Headquartered, regional headquarters and/or shared service operations

COSTCO

Fortune 500 #12

American Airlines

Fortune 500 #89

Whirlpool

Fortune 500 #203

Hertz

Fortune 500 #435

COX

Regional OK HQ

Love's

OK HQ

AT&T

Fortune 500 #30

NORTHROP GRUMMAN

Fortune 500 #113

CHESAPEAKE ENERGY

OK HQ | Fortune 500 #350

NGL Energy Partners LP

OK HQ | Fortune 500 #467

DOLESE

OK HQ

MIDFIRST BANK

OK HQ

DELL EMC

Fortune 500 #34

ONEOK

OK HQ | Fortune 500 #173

Williams

OK HQ | Fortune 500 #370

AMERICAN FIDELITY

OK HQ

Heartland

OK HQ

paycom

OK HQ

BOEING

Fortune 500 #58

devon

OK HQ | Fortune 500 #216

Continental RESOURCES

OK HQ | Fortune 500 #407

BancFirst

OK HQ

HOBBY LOBBY

OK HQ

Pratt & Whitney

Regional OK HQ

ECONOMIC IMPACT | I-35 MEGALOPOLIS CORRIDOR

800+

MILES OF
HIGHWAY

4

STATES

20.7M

POPULATION

36

FORTUNE 500
COMPANIES

11

NATIONAL SPORTS
FRANCHISES

