

## FY15 Annual Report



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Message from Governor Susana Martinez

We're continuing to see encouraging signs that point to a growing and diversifying private sector. This fiscal year, we saw our strongest employment gains since 2006. Our exports are shattering records. We doubled our exports to Mexico in 2014, and nearly quadrupled them since I took office.

This year, the U.S. Department of Commerce announced that New Mexico leads the nation in export-related job growth at 107 percent. The next state wasn't even close. And the latest data ranks three New Mexico metro areas in the top five for export growth in the nation.

There are important reasons for our continued progress. We've continued to work to make New Mexico more competitive by knocking down regulations that harm businesses, building strategic international relationships, and investing more in our infrastructure. We've also cut taxes 37 times.

Additionally, we've grown the size of our closing fund to \$50 million, made our Job Training Incentive Program (JTIP) more robust by making it permanent and securing an additional \$7.5 million for FY16, and we increased investment in the New Main-Street Program, which supports small businesses and revitalizes our historic downtowns.

CNBC issued its annual rankings of the top states for business, and in 2015, New Mexico jumped 13 spots in just one year. New Mexico tied for the biggest leap in the nation, going from 37th in the country to 24th, and up from 43rd when I took office. As a result of our policies, our export mix is diversifying, just like the way we want it to. That means more New Mexico businesses are exporting more of their goods to more places than ever before

We've been working hard to grow our private sector and be less reliant on the federal government. That's why this year I signed our bipartisan jobs package which contains targeted incentives designed to recruit new businesses to New Mexico. These incentives make it easier for small businesses to get off the ground and grow, expand trade and commerce along our southern border, and increase employment in our technology sector.

We're going to keep doing everything we can to make New Mexico more competitive for manufacturers and other businesses. I've been crystal clear about my vision for New Mexico: I want to create a thriving economy that is as diverse as the wonderful state we call home. I want New Mexico to be a place where our children are safe, well-educated, and capable of finding the job of their dreams.

We're making progress, but there's still more work to do as we continue to build a stronger future for our families and communities.

Susana Martinez  
Governor of New Mexico



Message from Economic Development Cabinet Secretary Jon Barela

New Mexico's private sectors continued to make incredible gains in FY2015. New Mexico exceeded its recently increased job creation target of 3,000 (previously 2,500 in FY14) by 294 jobs for a total of 3,294. The number of businesses expansion assisted by EDD was 36 in urban areas and 16 rural business.

The \$15 million that the Economic Development Department received in Local Economic Development Act (LEDA) for FY15 was instrumental in helping local New Mexico businesses expand and recruit new firms to the state. We are proud to report the department now has \$50 million for FY16 in LEDA to continue to grow jobs and help businesses offset cost of infrastructure tied to job creation. Additionally, the department continues to ensure tax dollars are protected and involved the public in developing guidelines for the LEDA process during a five-city town hall tour.

JTIP is also one of our instrumental tools in developing our workforce and creating jobs. With increased funding and becoming a recurring part of our state budget, this year, JTIP served 59 companies training 2011 jobs New Mexicans, which nearly doubles the state's targets.

Our rural programs are paying great dividends from MainStreet's Historic Theater and the Frontier Community Initiatives to our investments in rural incubators and commercial USDA-certified kitchens helping entrepreneurs develop and sell their products. We've also put together our strategic plan which includes growing innovation, developing the Santa Teresa Borderplex, positioning New Mexico as a center of excellence in water research and technology, building up our workforce and strengthening our emerging and digital industry.

Meanwhile, traditional areas of focus like value-added food production, manufacturing, transportation and logistics remain a priority for the state. These are sectors that have propelled New Mexico to many top national export lists as we've worked to increase trade with Mexico and internationally.

I am encouraged by the growing number of economic-base jobs in New Mexico in our state and our department's role increasing those jobs.

Jon Barela  
Cabinet Secretary  
New Mexico Economic Development Department



New Mexico Economic Development Department  
FY15 Performance Results

New Mexico Economic Development Department						
Performance Measures and Targets	FY15	1st Qtr Results	2nd Qtr Results	3rd Qtr Results	4th Qtr Results	Year-End Totals
Division & Measure						
Office of the Secretary						
Total number of jobs created due to economic development department efforts	3,000	1,084	1,098	282	830	3,294
Number of rural jobs created	1,400	425	40	87	174	726
Total number of jobs filled due to economic development department efforts	1,650	ANNUAL				
Administrative Services Division						
Percentage of vouchers accurately processed within 72 hours	75%					78%
Office of Business Advocacy						
Number of business advocacy cases opened	100	25	28	0	16	69
Number of business advocacy cases solved	50	23	14	20	15	72
Economic Development Division						
Number of total business expansions assisted by the EDD	50	21	11	7	24	63
Number of rural business expansions assisted by the EDD	15	8	3	1	4	16
New Mexico Economic Development Partnership						
Number of jobs created through business relocations and competitive expansions facilitated by the Economic Development Partnership	1,500	10	17	148	47	222
Number of business relocations and competitive expansions facilitated by the economic development partnership	9	1	2	4	1	8
Average annual cost per Economic Development Partnership job announced	\$620	ANNUAL				\$4,189
MainStreet						
Dollars of private sector investment in MainStreet districts (in millions)	\$9	\$1.86	\$2.32	\$2.31	\$3.4	\$9.89
Number of building rehabilitations completed in MainStreet Districts	150	51	37	56	52	196
Financial Development Team						
Number of private sector dollars leveraged by each dollar through the Local Economic Development Act	5 to 1	12 to 1	21 to 1	30 to 1	na	10 to 1
Average annual cost per announced jobs created through the use of LEDA funds	\$5,000	ANNUAL				\$2,523
Number of businesses provided technical assistance resulting in a funding package and job creation	5	0	2	0	0	2
Community, Business, and Rural Development Team						
Number of business retention and expansion surveys completed resulting in a positive outcome such as job creation, retention or business financing	15	5	9	0	7	21
Number of community infrastructure projects moved to financing stage	5	1	1	0	1	3
Job Training Incentive Program						
Number of workers trained by the job training incentive program (JTIP)	1,000	292	213	716	673	\$2,011
Number of rural businesses participating in JTIP	14	5	4	0	9	17
Number of businesses participating in JTIP	40	19	14	8	33	59
Average annual cost per job training incentive program trainee*	\$5,500	\$7,408	\$6,914	\$4,470	\$6,437	\$5,932
Percent of employees whose wages were subsidized by the Job Training Incentive Program still employed in New Mexico after one year	80%	ANNUAL				89%
Average hourly wage of jobs funded by JTIP	\$20	\$15.92	\$16.62	\$18.96	\$16.25	\$17.26
Office of International Trade						
Number of new-to-export (NTE) clients identified and assisted	10	3	2	2	4	11
Number of existing exporters assisted in entering new markets	12	2	3	2	3	10
Film Office						
Number of film and media worker days	200,000	67,729	74,086	68,888	68,755	279,458
Number of films and media projects principally made in New Mexico	60	30	16	9	22	77
Direct spending by film industry productions in millions	\$225	\$52.8	\$76.2	\$86.2	\$73.4	\$288.6
Number of major film productions over one million dollars made in New Mexico	18	7	7	3	8	25
Measures included in the 2014 General Appropriations Act						
Key Measures Reported Quarterly						



Secretary Barela with Francis Bee of Gallup MainStreet, Gallup Mayor Jackie Kinney, Rep. Sandra Jeff to celebrate New Mexico MainStreet's "Shop MainStreet" shop local holiday campaign

Office of the Secretary

Introduction:

*The New Mexico Economic Development Department (NMEDD) annual report informs our constituents, legislators and the Governor as to how and where NMEDD resources are allocated to accomplish our statutory directive to create new jobs. It is intended to provide transparency, accountability and flexibility.*

Vision for New Mexico:

*All New Mexicans are afforded economic opportunities.*

Mission:

*Enhance and leverage a competitive environment to create jobs, develop the tax base and provide incentives for business development.*

Performance Measure	Target	Year-End Total
Total number of jobs created due to economic development department efforts	3,000	3,294
Number of business advocacy cases solved	50	72
Total number of business expansions assisted by the EDD	50	63
Number of rural business expansions assisted by the EDD	15	16

Key Initiatives

2015 Legislative Success: Making New Mexico More Competitive

**LEDA Funding**– Thanks to the leadership of Gov. Martinez, Secretary Barela and bipartisan members of the Legislature, New Mexico now has the largest “closing fund” since the Local Economic Development Act (LEDA) was created in 1994. The Economic Development

Department's LEDA program assists new and expanding businesses offset costs associated with infrastructure for job-creating projects. During the 2015 Regular Legislative Session \$37.5 million was dedicated to the program and an additional \$12.5 million was added to the fund during the 2015 Special Session for a total of \$50 million. Secretary Barela embarked on a five- city LEDA Town Hall to involve the public in developing guidelines for the allocation of LEDA funds.



AerSale CEO Nick Finazzo, Gov. Martinez and Roswell Mayor Dennis Kintigh announced 50 new jobs in Roswell





**Capital Outlay** – Governor Martinez signed capital outlay legislation that includes \$45 million for major, critical highway infrastructure projects, which will lay a stronger foundation for long- term economic growth. The legislation includes more than \$8 million for critical highway infrastructure improvements in and around Santa Teresa’s booming borderplex.

**Corporate Headquarters Single Sales Factor** – As part of jobs package passed during the 2015 Special Session signed by Gov. Martinez, headquarter facilities located in New Mexico can now elect a single sales factor apportionment when calculating New Mexico corporate income tax liability. The bill effectively reduces the tax for companies with limited sales but significant property and payroll in New Mexico. This will help retain and attract headquarter operations to the state.

**Gross Receipt Tax Deduction for Photonics, Directed Energy & Satellites** – New Mexico has now leveled the playing field when it comes to attracting directed energy and satellite-related technologies and projects eligible for funding by the U.S. Department of Defense. This gross receipts tax deduction will promote new and sophisticated technologies, enhance the viability of directed energy and satellite projects, attract new projects and employers to New Mexico and increase high-tech employment opportunities.

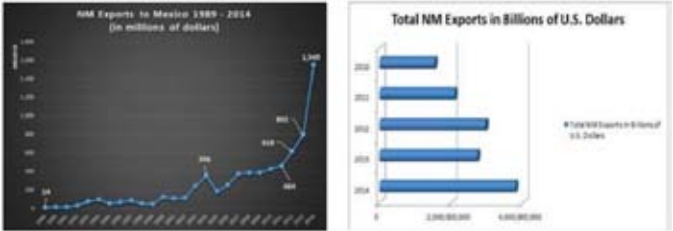
**Angel Investment Tax Credit Expansion** - Angel investors provide capital to start-up companies commercializing research and development into marketable products. Governor Martinez signed legislation that increases the total amount of annual credits that may be issued from \$750,000 to \$2 million, clarifies the number of investments that may qualify, extends the sunset provision and increases the carry forward to five years.

**Technology Jobs and Research Tax Credit** – This bill combines two existing tax credits and amends current qualifying criteria to provide additional benefit and allow for greater participation. This credit enhances the productivity of firms operating in New Mexico and is available for research and development expenditures. Additionally, small firms with 50 or less employees will receive additional benefit.

**Technology Research Collaborative (TRC)** – The budget passed in 2015 invests \$300,000 in the TRC. The TRC is dedicated to the advancement and commercialization of university and laboratory research for job creation and economic growth across the state. TRC is developing a plan and operating concept, and evaluating approaches and projects for funding. Projects considered are those

that represent a prospect for rapid commercialization and/or show collaboration between a national laboratory and a research university and a New Mexico business.

**Record-Breaking International Export Growth**



**New Mexico Leads Nation In Export Job Growth** – In FY15, the U.S. Department of Commerce announced that New Mexico leads the nation in export-related job growth at 107 percent, well ahead of the next-closest state, Louisiana, at 66 percent. In the last five years, local jobs supported directly and indirectly by state exports to other countries grew from about 8,000 in 2009 to 16,500 in 2014.

**No. 1 State in Growth to Mexico** - The U.S. Department of Commerce also announced that New Mexico doubled exports to Mexico in just the last year alone -- increasing from \$800,738,418 to \$1,548,524, 970. This increase was the most of any other state in the U.S. Since Gov. Martinez took office in 2011, exports to Mexico have quadrupled.

**New Mexico Shatters International Export Records** - New Mexico’s international exports shattered records as the state continues efforts to diversify the manufacturing sector which translates to new jobs for New Mexico workers. Total exports of New Mexico products set another all-time high in 2014 at \$3,788,924,922, an increase of more than \$1 billion over 2013 figures. Additionally, New Mexico's exports are more diverse and more businesses are exporting to more countries than ever before.

**New Mexico Cities Rank 1st, 2nd and 5th in Export Growth** – According to the U.S. Department of Commerce, in 2014, Las Cruces led the nation in export growth, with a 211 percent increase from 2013. Farmington ranked no. 2 in the nation for growth and Santa Fe was fifth fastest growing export metropolitan area in the U.S.



**Booming Borderplex**

**Border Overweight Cargo Zone Expansion** – In 2015 Gov. Martinez signed in to law an expansion of the overweight cargo zone surrounding New Mexico’s ports of entry with Mexico from six to 12 miles. This eases the transport of goods between Mexico and New Mexico by allowing heavier loads to enter the state and trucks to unload cargo in New Mexico before shipping elsewhere.

**Binational Community** – Gov. Martinez and Secretary Barela continue talks with Mexican counterparts on development of the first-of-its-kind master-planned community on both side of an international border. The binational community encompasses Santa Teresa on the New Mexico side and San Jeronimo on the Chihuahua side, and is designed to be the “Gateway of Trade for the Americas.” Whether it is water or roads, the Martinez Administration has pushed for key investments each year in infrastructure around the border. The binational community relies on shared planning of infrastructure with the state of Chihuahua.

**Infrastructure Funding** – Governor Martinez, Secretary Barela and members of the Legislature secured \$8 million for critical highway infrastructure improvements in and around the Santa Teresa Borderplex.

**New Industrial Space** – Industrial parks that were empty four years ago are now completely full and construction of a third industrial park, Westpark, began in March 2015. Westpark is located by the Union Pacific Intermodal Facility.

**Cross-border Relations** – As further evidence of cooperation between Mexican governments and the state of New Mexico, Governor Martinez and Secretary Barela were invited by Chihuahua Governor Cesar Duarte for an announcement with Mexican President Enrique Peña Nieto in the city of Chihuahua to announce the completion of an \$800 million highway bypass road that will help improve the movement of goods between Chihuahua and New Mexico’s border. Not only does it help the booming borderplex in Santa Teresa, but shows that Mexico is just as committed as Governor Martinez and her administration is to fostering trade and economic growth across the border.

**Border Zone Trade Support GRT Deduction Expansion** – New Mexico extended the deduction for new trade support companies operating in the border zone with Mexico by continuing the credit through December 2020. Logistics and transportation companies located within 20 miles of a port of entry may qualify.





Gov. Martinez with employees from Tucumcari Mountain Cheese to announce 20 new jobs

### Rural Renaissance

Governor Martinez and Secretary Barela remain committed to growing New Mexico's rural economy by investing in several innovative programs that are yielding results and helping revitalize our rural communities.

**Community Commercial Kitchens** – Community commercial kitchens not only provide an opportunity for food entrepreneurs to develop and create new products but several companies have expanded outside the kitchens, creating fulltime sustainable jobs. This year, Secretary Barela announced **\$42,000** for four community kitchens located in **Taos, Gallup, Silver City** and **Espanola**. Additionally, **Las Vegas, Anton Chico, Raton, Ribera** and **El Morro Valley** received technical assistance from NMSU Arrowhead Center in determining a business model for a potential commercial kitchen in each area.

**Historic Theaters Initiative** – Since Secretary Barela created the Historic Theaters Initiative in 2013, communities that have participated are experiencing an increase in visitors and business in local downtown commercial districts. In FY15, **five theaters** received LEDA funding as part of the Historic Theaters and Movie Houses Initiative: the **Silco in Silver City**, the **El Morro in Gallup**, the **Lea in Lovington**, the **Shuler in Raton**, and the **Lyceum in Clovis**. The funding provides for a digital conversion to show modern films in the new format and preservation of the historic theaters. Additionally, Sec. Barela set aside \$1 million in LEDA funds for the Historic Theater program for FY16.

**Rural Business Incubation** – NMEDD and the state's five certified business incubators launched a pilot effort to assist rural communities considering some form of entrepreneurship program. Each incubator mentored a community with a unique incubation project. **WESST Enterprise Center** assisted the **Village of Los Lunas** with a preliminary business incubator feasibility study. The **Pueblo of Zuni** is considering an "arts center" which would combine a co-working space with a training facility and is being mentored by the **Santa Fe Business Incubator**. **New Mexico State University Arrowhead Technology Incubator** assisted **Emerging Technology Ventures** and **Otero County** as they develop a new facility to serve the growing UAS cluster there. The **City of Aztec** acquired a building which will be a combined co-working space and downtown Mercado, and was assisted by the **Enterprise Center at San Juan College** in developing policy and client services for the facility. **Las Vegas/San Miguel County** is hoping to partner with **Highlands University** in the renovation of a residence hall into a business incubator and co- working space to be utilized by students, professors and new business startups.



Secretary Barela, Gov. Martinez and Mayor R.J. Berry join Flagship Food Group to announce it's locating in Albuquerque, creating 300 new jobs

**LEADS Program** – LEADS (Local Economic Assistance and Development Support) is a new program for 2015 which helps fund business expansion, retention and startup activities. There is an emphasis on projects that can help recruit, retain or create jobs in economic-base industries; develop the tax base; or encourage business development. In its first year, NMEDD awarded 15 communities \$176,200. **Off the Road Website** – The website, re-launched in February, features cultural and heritage resources in 28

MainStreet and nine Arts & Cultural District communities throughout the state. The site provides a one-stop shop for residents, visitors and potential tourists who have specific cultural interests, such as WPA & New Deal projects, and will plan a trip to New Mexico around visiting these sites.

### New Website and Business Resource Center (BRC)

In April NMEDD launched a new website design. The site was built so that constituents can quickly find the resources and information they seek, and is the first EDD site accessible from a mobile device. The site includes the new **Business Resource Center (BRC)**.

The BRC is a one-stop-shop for all New Mexico businesses who are starting or growing their business. The BRC features a searchable directory of business development programs and services. It also highlights NMEDD's business development programs: the Job Training Incentive Program, Finance Development, ISO 9000 training, the statewide business retention and expansion (BRE) program, International Trade and the Office of Business Advocacy.



Rep. Jane Powdrell Culbert, Governor Martinez with SambaSafety CEO Richard Crawford and RiskSense founder Mark Fidel and CEO Dr. Srinivas Mukkamala to announce 70 new high-wage jobs between the two firms

### FY15 Business Highlights

Manufacturing continues to be a major priority for the Economic Development Department because of the significant benefit to New Mexico's economy. Jobs in manufacturing generate new dollars and investment from outside the state, supporting non-economic base retain and service businesses. In FY15 the Economic Development Department helped the following manufacturers expand and locate across New Mexico: **Flagship Food Group**,

a food processing company which is creating **300 jobs** in **Albuquerque**; **Santa Fe Brewing Co.**, creating **105 jobs** in **Santa Fe**; **New Mexico Food Distributors** creating **80 jobs** in **Albuquerque**; **United Poly Systems**, a high density polyethylene pipe manufacturer, creating **30 jobs** in **Albuquerque**; and **MCS Industries**, a leading U.S. manufacturer of picture frames, creating **20 jobs** in **Santa Teresa**.



First Gentleman Chuck Franco, Gov. Martinez, Secretary Barela and Comcast officials announce 450 new jobs in Albuquerque

Rural areas also saw a boost in manufacturing with **CGS Group**, a firearms manufacturer, creating **50 jobs** in **Artesia**; **Taos Mountain Energy** an organic energy bar manufacturer, creating **15 jobs** in **Questa**; **Preferred Produce**, a controlled-environment greenhouse production facility, creating **10 jobs** in **Deming**; **Tucumcari Mountain Cheese**, creating **20 jobs**; **AerSale**, a supplier of aftermarket aircraft, engines, OEM material and asset management services, creating **50 jobs** in **Roswell**; **Accurate Machine & Tool**, a custom machining and tool manufacturer, creating **250 jobs** in **Los Lunas**; and **Aircraft Technical Support**, an international aviation service and support company, creating **140 jobs** in **Roswell**.

New Mexico also welcomed new jobs from **Convergys**, a customer management firm, which added **250 jobs** in **Rio Rancho** and **200 jobs** in **Las Cruces**; **SambaSafety** a driver risk management and driver risk assessment software company that added **40 jobs** in **Albuquerque**; **RiskSense**, a company that specializes in network security assessments, incident response and mitigation and digital forensics, creating **30 jobs** in **Albuquerque**; **New Mexico Transloading**, a multipurpose transloading facility, that is creating **200 jobs** in **Albuquerque**; mass media company





**Comcast**, adding **450 jobs** in **Albuquerque**; Canadian-based **S&P Data**, a company who provides customer support and data analysis to Fortune 500 companies worldwide, creating **450 jobs** in **Rio Rancho**; and **Seamless Medical Systems**, a **Santa Fe**-based startup developing an iPad-based system to replace paper intake in doctors' offices, creating **30 jobs**.

Office of Business Advocacy

The Office of Business Advocacy (OBA) was established as an initiative of Governor Susana Martinez and Secretary Barela in 2011 to help business owners to break through regulatory roadblocks and red tape at the local, state and federal level. OBA provides businesses assistance with permitting, licensing and inspections. The goal is to help businesses who would not otherwise be able to spend their own time or hire an accountant, lobbyist or lawyer to resolve their issues. As regulatory issues decrease under the leadership of Governor Martinez, this year, the OBA merged with the new Business Resource Center to proactively assist entrepreneurs who want to plan, start or expand their business.

Performance Measures	Targets	FY15 Total
Number of cases opened	100	69
Number of cases closed	50	72

Economic Development Division

The mission of the Economic Development Division is to assist local communities and businesses in retaining and creating better jobs, resulting in thriving communities and an exemplary quality of life for all New Mexicans. Economic development is accomplished through business recruitment, expansions and start-ups.

Performance Measures	Targets	FY15 Total
Number of total business expansions assisted by the EDD	50	63
Number of rural business expansions assisted by the EDD	15	16

The Economic Development Department assists new and expanding businesses through seven programs. **MainStreet**

**and the Arts and Cultural District Program** focus on downtown revitalization and growing New Mexico's diverse creative economy. The **Finance Development Team** builds financial packages for businesses and communities. The **Job Training Incentive Program (JTIP)** trains workers for new jobs. The **Community, Business and Rural Development Team and Tribal Liaison** assist communities in building their capacity and increasing their competitiveness for economic growth. The **Office of International Trade** assists New Mexico businesses in building their revenue by accessing new global markets and the new (LEADS) program provides grants to assist communities create jobs, develop the tax base and encourage business development, The **ISO 9000** program helps small business offset cost of ISO Training.

Local Economic Assistance & Development Support (LEADS)

This year NMEDD evolved the former Certified Communities Initiative into Local Economic Assistance & Development Support (LEADS). In the process of developing the department's five-year plan we heard from our rural communities that they wanted a more project-based program that was not focused on recruiting and sales. LEADS is an outcome-based grant program that provides flexibility in the type of projects funded as long as there is a quantitative outcome anticipated. The Local Economic Assistance & Development Support (LEADS) Program is a competitive process whereby eligible entities applied for a grant to assist their communities create jobs, develop the tax base and encourage business development. NMEDD received 29 applications-- requesting a total of \$410,000. **Fifteen projects** were eventually selected for a **total of \$176,200 in funding**. These projects represent a strong variety of marketing and attraction; business retention & expansion; workforce; entrepreneurial/training hubs; and real estate projects. Ninety-one percent of the funding will benefit rural and frontier areas of the state (**34% Frontier and 57% Rural**).



Local Economic Development Act (LEDA) Obligations for FY15						
Company or Project Code Name	Industry	Project Description/ Use of Funds	Fiscal Agent	Projected Private Capital Investment (000)	Allocated Amount (000)	Projected Number of New Direct Jobs
Accurate Machine & Tool	Manufacturer	Land acquisition	Los Lunas	\$5,000.0	\$400.0	200
PreCheck	Data center	Infrastructure improvements	Otero County	\$200.0	\$75.0	6
SF Brewing	Food processing	Wastewater treatment/Water	Santa Fe County	\$12,000.0	\$250.0	105
CN Wire	Wire manufacturer	Second tranche from FY14 allocation	Dona Ana County	TBD	\$1,037.0	195
Franco Foods	Food processing	Tenant improvements	Las Cruces	\$3,000.0	\$75.0	50
Certoplast	Manufacturer	Land, building & infrastructure	Las Cruces	\$5,000.0	\$75.0	100
Preferred Produce	Food processing	Greenhouse expansion	Luna County	\$200.0	\$135.0	10
Lyceum, Silco, Lea, Shuler & El Morro Theaters	Historic theater initiative	Digital conversion infrastructure improvements/upgrades	Clovis, Lovington, Raton, Silver City, and Gallup	\$1,500.0	\$600.0	5
Flagship Foods	Food processing	Electrical upgrades	Bernalillo County	\$11,000.0	\$150.0	300
S&P Data	Customer Service Center	Tenant improvements	Rio Rancho	\$5,000.0	\$500.0	425
Strategic Aerospace	Aviation	Taxiway improvements at RIAC	Roswell	\$400.0	\$100.0	25
Comcast	Customer Service Center	Tenant improvements	Albuquerque	\$6,700.0	\$400.0	600
NM Transloading	Logistics	Land, building & infrastructure	Bernalillo County	\$8,000.0	\$200.0	32
Praxair	Industrial Gas provider	Land, building & infrastructure	San Juan County	\$4,244.0	\$200.0	26
Tucumcari Cheese	Food processing	Land, building & infrastructure	Tucumcari	\$4,000.0	\$200.0	10
Risk Sense/Caanes	IT/Emerging media	Tenant improvements	Albuquerque	\$514.0	\$100.0	30
Taos Mountain Energy Bar	Food processing	Tenant improvements	Taos County	\$300.0	\$437.4	15
NM Foods	Food processing	Land, building & infrastructure	Bernalillo County	\$3,500.0	\$125.0	50
CGS	Manufacturer	Land, building & infrastructure	City of Artesia	\$2,595.0	\$250.0	12
Convergys	Customer Service Center		Rio Rancho	\$423.0	\$150.0	250
MCS Industries	Manufacturer	Land, building & infrastructure	Santa Teresa	\$10,763.0	\$125.0	37
Totals as of June 2015				\$67,139.0	\$6,579.7	2,608





FY15 LEADS Recipients	
Greater Springer Area Economic Development Corporation	\$1,200
Village of Los Lunas	\$10,000
Los Alamos Commerce and Development Corporation	\$10,000
Union County Community Development Corporation	\$14,000
Greater Raton Economic Development Corporation	\$15,000
Las Vegas-San Miguel Economic Development Corporation	\$15,000
City of Aztec	\$15,000
Mora County Economic Development Corporation	\$10,000
Sandoval County	\$15,000
Southern Luna County Economic & Community Development Corporation	\$5,000
Mesilla Valley Economic Development Alliance	\$6,000
Greater Gallup Economic Development Corporation	\$15,000
Lovington Economic Development Corporation	\$15,000
Clovis Industrial Development Corporation	\$15,000
Otero County Economic Development Council, Inc.	\$15,000
<b>Total</b>	<b>\$176,200</b>

### Finance Development Team (FDT)

**Local Economic Development Act (LEDA)** – In FY15, NMEDD received \$15 million in Local Economic Development Act funds which was used to create **2,608** economic-base jobs. LEDA helps existing New Mexico businesses expand and recruit new businesses to the state. LEDA is used toward infrastructure.

LEDA Performance Measure	Target	Year End
End Private sector dollars leveraged by each dollar through LEDA	5 to 1	10 to 1
Average annual cost per announced job created through the use of LEDA funds	\$5,000	\$2,523



Gov. Martinez, Sec. Barela join leaders in Valencia County to break ground on Accurate Machine & Tool's new Los Lunas facility and announce 250 new jobs

### Businesses Assisted with a Funding Package and New Jobs

- Two businesses assisted with a funding package:

- New Mexico Transloading received a loan through the Collateral Support Program
- Tucumcari Mountain Cheese received funding through the New Markets Tax Credit



Gov. Martinez and Secretary Barela at New Mexico Transloading's groundbreaking ceremony and announcement of 200 new jobs in Albuquerque

### Job Training Incentive Program

The mission of the Job Training Incentive Program (JTIP) is to assist in the development of New Mexico's economy by providing reimbursement funds to businesses as they create jobs through start-up, expansion or relocation to New Mexico. In FY15 JTIP approved **59 businesses** across New Mexico for funding; 17 of those businesses were located in rural areas. **1,894** jobs were created with an **average hourly wage of \$17.32**.

Performance Measure	Target	Year End
Number of workers trained by JTIP	1,000	2,011
Number of rural businesses participating in JTIP	14	17
Number of businesses participating in JTIP	40	59
Average annual cost per JTIP trainee	\$5,500	\$5,932
Percent of employees whose wages were subsidized by JTIP still employed in New Mexico after one year	80%	89%
Average hourly wage of jobs funded by JTIP	\$20	\$17.26





JTIP Survey Results- Data was analyzed for **414 JTIP** participants which yielded the following information:

	Still Employed in NM	Still Employed with JTIP employer	Increased Average Quarterly Wage*
Total	89%	73%	82%
Manufacturing	88%	76%	82%
Professional Services	85%	69%	80%
Business Services	90%	73%	83%

\* 14% of JTIP employees did not have wages during the year prior to their JTIP participation in our system.

**Sixty-one percent** of employees increased their wages by more than 10 percent, with the average being close to a 300 percent increase in wages. This doesn't include the 14 percent of employees who did not have wages prior to JTIP. Only 12 percent of employees' wages remained stable, changing between -10 and 10 percent; and just 13 percent of employees' wages decreased by more than 10 percent.

### New Mexico MainStreet

Last year, New Mexico's MainStreet (NMMS) Districts **gained 118 new businesses** and saw a net increase of **612 new jobs**. MainStreet Districts also saw **196 private sector** building rehabilitations and **more than \$9.8 million in private reinvestment**. Through the state budget for Fiscal Year 2016, Gov. Martinez secured **more than \$1.2 million** for MainStreet, along with more than \$500,000 in capital outlay funding during the recent special session. The capital outlay bill that the Governor fought to secure, then signed into law, also expands New Mexico's closing fund to \$50 million, up from nearly zero when she took office. **\$1 million** of this is set aside for the valuable MainStreet Historic Theaters Initiative.

Performance Measure	Target	Year End
Dollars of private sector investment in MainStreet districts (in millions)	\$9	\$9.89
Number of building rehabilitations completed in MainStreet districts	150	196

**Seven Communities Reaccredited** - MainStreet celebrated the National Main Street Accreditation of seven New Mexico communities: **Nob Hill, Artesia, Carlsbad, Clovis, Grants, Los Alamos** and **Lovington**. Each year the National Main Street Center and its partners announce the list of accredited programs in recognition of their exemplary commitment to historic preservation and community revitalization through the Main Street Four-Point Approach®. The annual recognition opens up the door to bonus points on grant applications, scholarships for board leaders to conferences and extra consideration in applications for advanced technical assistance.

### Building Rehabilitations

**Historic Bridge Street South Valley** - Completed a seven-building façade squad renovation assisted by community volunteers and a community reinvestment volunteer group from PNM.

**Carlsbad** - Completed a façade improvement program for the Eddy County Beauty College.

**Artesia** - Businesses continued their private investment in Artesia MainStreet real estate. Wells Fargo and Gracie's made \$12,000 in upgrades. McDonald's constructed a new \$1.2 million building.

**Carrizozo** - Finished construction and design for a building in historic Carrizozo's downtown. A private foundation contributed a challenge grant to fund building construction with the Carrizozo Frontier Community responsible for recruiting new businesses to the building.

**Harding County** - MainStreet completed a façade renovation at the Mosquero General Store.

**Lovington** - Four building owners in the Lovington MainStreet district invested in painting and signage projects totaling \$12,700: The Shop, Barks and Bows, The Gym, and Strong Power Electric.

### Arts & Cultural Districts Highlights

**Artesia, Gallup and Mora** - ACD Resource Teams completed three new Arts & Cultural Districts in Artesia, Gallup and Mora.

**Mora** - NMMS partners, the New Mexico Resiliency Alliance, provided a seed grant to Mora County Arts and Culture Compound to develop a youth enterprise program around added value agriculture. That grant was leveraged to receive a grant from Siete del Norte for construction of a solar garden hot house.

### Frontier Communities

**Questa** - The community completed and the village of Questa adopted its Metropolitan Redevelopment Area (MRA) designation report making them eligible for NMFA planning funds, NMFA bonus points for housing funds and CDBG funds for economic development. Questa also received a \$5,000 façade squad and place making grant from NMMS partners' at the New Mexico Resiliency Alliance.

**Magdalena** - NMMS partners, the New Mexico Resiliency Alliance, provided a seed grant for Magdalena's Frontier Project, Cosmos Park.

**Tularosa** - Based on the Revitalization Plan developed by NMMS for Historic Granado Street, Tularosa received a \$600,000 NM Department of Transportation Tap grant for street improvements. Construction and design drawings for the Tularosa Visitors Center were completed also completed. Construction for this center is funded by the Tularosa Foundation.

**Carrizozo** - Carrizozo received a \$2,500 seed grant form New Mexico Resiliency Alliance for façade squad.

### Community Business and Rural Development Team (CBRDT)

Community, Business & Rural Development Team members survey, visit and maintain relationships with the economic base companies in their respective regions. They provide technical assistance that makes expansions happen, including introducing the companies to state incentives. BRE visits resulted in **21 positive outcomes in 14 different** communities across the state.

Performance Measure	Target	Year End
Number of business retention and expansion surveys completed resulting in a positive outcome such as job creation, retention, or business financing	15	21

COMPANY	WHERE	NEW JOBS	PROGRAM	NEW INVESTMENT
PESCO Mt. Taylor Mfg.	Farmington Milan	44	JTIP	New contract with Whole
FLUTE Green Theme Technologies	Alcalde Albuquerque	1 5	JTIP JTIP	
Compass Components	Deming	10	JTIP	
Private Label Select	Taos	10	JTIP	
Rio Bravo Brewing	Albuquerque	2	JTIP	
Samson Equipment	Las Cruces	5	JTIP	
New Mexico Shrimp Company	Las Cruces	1	CBRDT technical assistance	
Aircraft Technical Services	Roswell	44	JTIP	
Rich-Glo Products	Roswell	1	Department of Workforce Solutions	
Tucumcari Mountain Cheese	Tucumcari	20	New Markets Tax Credit	\$4.5 Million
Sustainable Energies	Lovington			Purchased old Lovington cheese plant
AerSale	Roswell		JTIP/Step Up	
Wildflower International	Santa Fe	35	JTIP	
Silver Dollar Racing & Shaving	Maxwell	5	JTIP	
Sigma Labs	Santa Fe	1	JTIP	
Convergys	Las Cruces	200	JTIP	
CGS Group	Artesia	50	LEDA	\$2.5 Million
Spra-Green	Portales	1	JTIP	
Dean Baldwin	Roswell			\$2.5 Million



Office of International Trade

The Office of International Trade (OIT) promotes and facilitates the sales of New Mexico goods and services worldwide and supports efforts to recruit foreign direct investment to New Mexico in order to assist the process of job creation, retention and expansion throughout the state. Trade and Investment Mission Highlights:

- **Stonewerks**, Santa Fe - shipped \$27,000 to France and the UK, both new markets based on participation in the International Outdoor Show in Nuremberg, Germany sponsored by the STEP grant.
- **Pajarito Powders, Inc.**, Albuquerque - reported sales of \$55,000 from participation in the International Fuel Cell Technology Show in Tokyo.
- **Private Label Select, Ltd.**, Taos - reported \$50,000 in floor sales and new contracts to supply Private Label lip balm products to Korea based manufacturer of cosmetic products.
- **Falcon Industries, DBA ErgoGrips**, Moriarty - participated in the IWA Outdoor Classics Trade Show in Nuremberg, Germany and generated \$52,000 in orders for ergonomic gun and knife grips.
- **Intellicyt Corporation**, Albuquerque - participated in the CYTO Trade Show in Glasgow, Scotland and reports sales of \$50,000 of sophisticated cell cytology equipment to the UK, one of the first export orders for the company.
- **Aqua Access**, Albuquerque - assisted by the New Mexico Trade and Higher Education Office in Mexico City to locate a Mexican trading partner with an initial order for \$35,000 in environmental, water purification systems technology.



Gov. Martinez with Santa Fe Brewing Company employees to announce LEDA award to assist with expansion and new jobs at its manufacturing facility



Office of Science & Technology

Performance Measure	Target	Year-End Total
Number of new-to-export clients identified and assisted	10	11
Number of existing exporters assisted in entering new markets	12	10

**State Science and Technology Plan** – The New Mexico Economic Development Department has developed a State Science and Technology Plan to capitalize on the presence of three national laboratories, three research universities, state-supported programs, and incentives for technology-based businesses in New Mexico. The plan integrates the operations and funding of NMEDD’s Office of Science and Technology, the Technology Research Collaborative, and the Defense Industry Adjustment Program and is focused on 3 strategic priorities: Grow and diversify existing technology companies, Commercialize technologies and innovations, and Increase research and development in emerging science and technology.



Gov. Martinez announces Canadian company S&P Data locating in Rio Rancho, creating 450 jobs

**Technology Research Collaborative** – Restarted by Governor Martinez and funded at \$300,000 for FY2016, the Technology Research Collaborative (TRC) is dedicated to the advancement of university and laboratory research for job creation and economic growth across the state. “The Collaborative” was initially convened in January of 2015, and has since engaged in additional discussions and a formal strategic planning meeting towards the goal of developing an operations concept and plan. The TRC has completed three studies and reports to support their work: Review of Projects Funded by TRC in 2006 and 2007; Technology Research Centers: A Study of State Programs for Technology Commercialization; and a Bio-Sensor Commercialization Report.

**Defense Industry Support** – NMEDD’s Office of Science and Technology obtained a \$1.4 million grant from the Office of Economic Adjustment. The Office of Economic Adjustment (OEA) is the Department of Defense (DoD)

field organization responsible for supporting state and local governments in responding to major defense program changes, such as sequestration and force reduction, and assists states and communities in engaging the private sector in order to plan and develop local adjustment strategies. The grant will fund Phase 1 of a multi-year Defense Industry Adjustment program, and will be used to survey assets and the defense supply chain in New Mexico to develop an assistance program.



New Mexico Film Office

In FY15, The New Mexico Film Office (NMFO) continued to expand recruitment, workforce and outreach efforts by guiding production companies through the Film Production Refundable Tax Credit incentive program, providing locations services, creating industry job opportunities for New Mexico residents and supporting statewide communities and filmmakers. The office services and connects production companies and industry professionals with organizations, businesses and communities throughout the state.

**Record Year for NM Film** - Upon review of statistical data provided by productions, **FY15 is projected to be a record year for direct spend into the economy since the implementation of the 25% incentive program, totaling \$286.4 million dollars – which is approximately \$10 million dollars higher than the top**



**years of 2008 and 2011.** With five television series in this fiscal year, three of which shot in quarters three and four, it was not a surprise to see that the number of worker days also surpassed the previous top year(s). Additionally, it is important to note that the number of registered **non-major projects**, with budgets less than one million dollars, **had a significant increase in FY15 as compared to previous years.**

**Recruitment** - The NMFO continued to expand recruitment efforts by providing guidance to production companies located world-wide. In addition to general inquiries and subsequent meetings, **over 225 new projects** were logged by the Film Office in FY15. Of the **79 productions** that have come to fruition, an **additional 180 inquiries** have been logged by the division - of which more than **50 received location assistance.** Of the **25 major productions in principal photography** in FY15, eight primarily took place in quarter four, which is considered the busiest quarter each year for the New Mexico industry.

**Film Study** - Phase II of the film study will be completed and will be posted on nmfilm.com, analyzing number of jobs, infrastructure, tourism and education with a final report available within the next two years.

**Workforce Development** - The Film Crew Advancement Program, available through the Job Training Incentive Program, serves as an incentive for participating companies to provide more job opportunities for residents in standard industry crew positions. In FY15, **22 production companies** participated with **182 qualifying residents.** The program also expanded to encourage and include veterans and reserve member components to apply transitional skill sets to this industry in an initiative entitled "Operation Soundstage". Two trainings in FY15 were held with approximately **15 veteran attendees** at each training. There were two Pre-Employment Training Program workshops on special effects and LED grip and lighting which included a total of **45 participants.**

**Initiatives** - The NMFO continued to develop and implement several local outreach and program initiatives in FY15. This includes screenings of local filmmakers' projects, submitted during the division's New Mexico Filmmakers Showcase competition that took place at the Jean Cocteau Theater, Flickinger Center for Performing Arts in Alamogordo and at the Albuquerque Film and Media Experience in Albuquerque. Efforts continue to develop the third annual New Mexico Film & Media Industry Conference, NM Filmmakers Showcase, two Industry town halls, an Annual Film Liaison meeting and an Education Summit for FY16, which provides a

wealth of information for educators, filmmakers, local crew and emerging media innovators throughout New Mexico. Additionally, the weekly radio show, New Mexico Film Works!, went live on FM and the division's Facebook film page surpassed 9400 "likes" reaching approximately 1,500 per day.



### Office of Military Base Planning & Support

The 2015 New Mexico Legislative Session passed a bill to extend authorization of the Office and the Commission through June 2022. The mission of the office is to:

- Support the New Mexico Military Base Planning Commission
- Work closely with the Congressional delegation staff on appropriate issues pertinent to New Mexico's military installations
- Work closely with the local community-military partnering organizations
- Recommend actions for the Governor and appropriate New Mexico state agencies that contribute to the longevity and growth of New Mexico's military installations

In FY15, the Office and the Commission continued to support the Governor regarding the SunZia Southwest Transmission Project in opposing the selection of a route through the Northern Extension Area that negatively impacts the test missions at White Sands Missile Range.

The Commission made support of the Holloman AFB F-16 transition its highest priority—The Air Force completed transfer of F-16 aircraft from Luke AFB and will begin full-scale F-16 student training in fall 2015.

**Cannon Land Acquisition:** In November 2014 the State completed purchase of 600 acres of land adjacent to Cannon AFB to address security and encroachment concerns. The land was deeded to the Air Force.

**Southern New Mexico/El Paso Joint Land Use Study:** The Joint land Use Study (JLUS) of Southern New Mexico/El Paso was sponsored by the DOD Office of Economic Adjustment (OEA) and is the largest of its kind in the country. The Office of Military Base Planning and Support has been involved with this study from inception. The consultant (AECOM) completed the report in January 2015. The study includes participation by the three military bases, counties of Dona Ana, El Paso, Lincoln, and Socorro, cities of El Paso and Las Cruces, BLM, USFS and National Park Service. While City of Alamogordo, Otero County and Sierra counties participated in the study, they are not yet signatories on the Memorandum of Agreement for implementing the recommendations. The JLUS Implementation Committee submitted an application to OEA for a grant to provide a full-time regional planner and partial time grant administrator to implement the recommendations in the JLUS. Additionally, there are five subcommittees formed to address areas of common interest: Airspace, Communication/Coordination, Energy Infrastructure, Local Government Plans, Land Use, Noise Management/Avoidance.





NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT FY2015 COMPANIES ASSISTED IN CREATING NEW JOBS

First Quarter: July 1, 2014 - September 30, 2014

Name of Company	Type of Company	Location	Date of Announcement	Program Assisting Company	Relocations*		Expansions*		Start-Ups*		Total New Jobs	
					Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
Associated Energy Services	transloading & logistics services	Pena Blanca	7/7/2014	NMP		10	5				5	10
Green Theme Technologies	environmentally friendly textile finishing	Albuquerque	7/11/2014	JTIP			1				1	
EcoPesticides International	manufacture pesticides	Albuquerque	7/11/2014	JTIP			20				20	
Sierra Peaks	R&D and production prototyping	Albuquerque	8/8/2014	JTIP			10				10	
NICOR	manufacture lighting	Albuquerque	8/8/2014	JTIP			3				3	
3D Glass Solutions	electronics manufacturing	Albuquerque	8/8/2014	JTIP			12	1			12	1
Imagine Education	software development	Taos	8/8/2014	JTIP			13				13	
CAaNES	cyber security technology	Albuquerque	8/8/2014	JTIP			4				4	
GCC Rio Grande	cement plant	Tijeras	8/8/2014	JTIP			28				28	
J.W. Industries	precision prototyping & machining	Albuquerque	8/8/2014	JTIP			200				200	
Positive Energy Solar	solar panel installation	Santa Fe	8/13/2014	JTIP			5				5	
Accurate Machine & Tool	machine, tool & injection molding	Los Lunas	8/13/2014	OFS/FDT								
Neptune Aviation	aviation services	Alamogordo	8/15/2014	LEDA								
New Mexico Poles	manufacturing	Alamogordo	8/15/2014	LEDA			44				44	
	manufacturing & service oil & gas equipment	Alamogordo	8/15/2014	LEDA			105				105	
PESCO	brewery	Farmington	8/29/2014	OFS/JTIP			425				425	
Santa Fe Brewing Company	customer service center	Santa Fe	9/4/2014	OFS/FDT			1				1	
S&P Data	life sciences technologies	Rio Rancho	9/10/2014	OFS/FDT			1				1	
IntelliCYT	bioimaging detection systems	Albuquerque	9/12/2014	JTIP			1				1	
FLUTe	groundwater assessment	Albuquerque	9/12/2014	JTIP			1				1	
Emerging Technology Ventures	UAV manufacturing	Alamogordo	9/12/2014	JTIP			5				5	
Compass Components	wiring harness manufacturer	Deming	9/12/2014	JTIP			10				10	
Google	UAV manufacturing	Moriarty	9/23/2014	FDT		125						125
Preferred Produce	organic food production	Luna County	9/23/2014	FDT			10				10	
Strategic Aerospace	UAV pilot training	Roswell	9/23/2014	FDT		25						25
TOTALS FOR 1ST QUARTER					0	160	659	245	0	0	659	425

Second Quarter: October 1, 2014 - December 31, 2014

Flagship Foods	food processing	Albuquerque	10/7/2014	OFS		300					300	
xF Technologies	petroleum enrichment	Albuquerque	10/10/2014	JTIP			5				5	
Sarnion Equipment	sports equipment manufacturer	Las Cruces	10/10/2014	CBROD/JTIP			5				5	
Private Label Select	organic cosmetic production	Taos	10/10/2014	CBROD/JTIP			10				10	
PAQ USA Inc.	manufactures printed circuit boards	Albuquerque	10/10/2014	JTIP			15				15	
Rio Bravo Brewing	brewery start-up	Albuquerque	10/10/2014	JTIP					2			2
NGL Energy Partners	energy transportation & logistics	Cibola County	10/21/2014	CBROD/FDT		0					0	
	food processing	Tucumcari	10/22/2014	CBROD			10				10	
Comcast	customer service center	Albuquerque	10/27/2014	OFS			600				600	
Global Fashion Technologies	recycled fibers manufacturing	Belen	10/28/2014	NMP		0						0
	aquaculture	Las Cruces	11/1/2014	CBROD					1			1
New Mexico Shrimp Company	interactive computer-generated exhibits	Corrales	11/14/2014	JTIP			6				6	
Ideum	customized corporate wellness programs	Albuquerque	11/14/2014	JTIP			3				3	
Nuvia LLC	customized systems software for insurance	Albuquerque	11/14/2014	JTIP			1				1	
Still Solutions	logistics & transportation	Albuquerque	12/1/2014	OFS	38						38	
New Mexico Transloading LLC	pipe manufacturer	Albuquerque	12/1/2014	OFS	35						35	
United Poly Systems	food processing	Albuquerque	12/4/2014	FDT			50				50	
New Mexico Food Distributors	logistics services	Albuquerque	12/4/2014	FDT								5
Thrush LLC	steel coil splitting	Santa Teresa	12/10/2015	NMP		5						5
Southwest Steel Coil		Santa Teresa	12/10/2015	NMP								12
TOTALS FOR 2ND QUARTER					373	5	685	32	0	3	1,058	40
MID-YEAR TOTALS					373	165	1,344	277	0	3	1,717	465





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