



FY17 Annual Report
NEW MEXICO *True*
ECONOMIC DEVELOPMENT

FY17 Annual Report

Table of Contents

3.....	Message from Economic Development Cabinet Secretary Matthew B. Geisel
4.....	Office of the Secretary
4.....	FY17 Highlights
7.....	New Mexico Business Incubator Program
7.....	Small Business Regulatory Commission
8-12.....	Keter Plastics, Facebook, Wholesome Valley Farms, SolAero & RiskSense
13.....	New Mexico Partnership
14.....	FY17 Performance Results
15.....	Companies Assisted
16.....	Rural Focus
22.....	Finance Development Team
22.....	LEDA
22.....	FUNDIT
23.....	Job Training Incentive Program
25.....	New Mexico MainStreet
28.....	Office of International Trade
30.....	Community, Business & Rural Development Team
34.....	State-Tribal Collaboration Act
36.....	Office of Science & Technology
40.....	Film Office



Message from Economic Development Cabinet Secretary Matthew B. Geisel

FY17 was an outstanding year for New Mexico as we worked to create new jobs and make our state a better place to do business. A total of 1,729 new jobs were created as a result of EDD's programs, 775 of those being rural jobs. New partnerships with Facebook, Keter Plastics, Wholesome Valley Farms, and SolAero (to name a few) have brought investment and life changing opportunities to our communities and are helping us create a healthier economy. We are on track to see increased investment, job growth, and the improvement of our workforce in New Mexico.

Facebook continues to invest in New Mexico as they add to the construction of Los Lunas' data center. Facebook is using many local companies as subcontractors adding to the tremendous economic impact of this project. The data center is being powered by 100% renewable energy and the solar farms being built to provide the power are supporting hundreds of construction jobs and bringing millions of dollars in investment to our local companies. This project is producing thousands of long-term construction jobs and hundreds of permanent jobs. We're proud to continue building a strong partnership with Facebook as they grow their investment in our state.

We celebrated the 45th anniversary of the JTIP program in FY17. Since its inception, JTIP has created roughly 40,000 new jobs, with nearly 20% of those coming under Governor Martinez. Since 2011, JTIP has consistently been recognized as one of the top five workforce development programs in the country. JTIP gives residents the opportunity to advance their careers and helps companies fund their expansions.

The Film Office finished FY17 with over \$500 million in direct spending by film companies – exceeding all previous records. They also went above and beyond the year's target for film and media worker days. The Film Office has now enjoyed three record breaking years in a row!

The Office of Science & Technology (OST) worked to grow and diversify New Mexico's economy by developing new programs that support and provide opportunities for New Mexico's innovation based businesses. They provided direct technical assistance to over 50 companies, created business development opportunities for over 100 more, and with our new Catalyst Fund, provided access to over \$40 million dollars of capital to New Mexico's Science and Technology Companies.

New Mexico MainStreet program builds the capacity of our local partner organizations and invests in tools to redevelop and revitalize the economic vitality of downtown districts. These investments have a profound impact on New Mexican communities throughout the state. In designated MainStreet Districts, business development and expansion resulted in the creation of 257 new jobs, most of which are located in rural communities.

I'm happy to report on our new programs and the positive impact they will have on the economy. I am proud of the work that has been accomplished by the Economic Development Department and look forward to another great year.

Matthew B. Geisel
Cabinet Secretary

Office of the Secretary

FY17 Highlights

Eighteen rural communities shared \$170,000 in LEADS grant funding. Final selections were made by the Economic Development Commission.

St. Claire's Organics, a Colorado manufacturer of candy and cough drops, relocated its facility to Santa Clara, in Grant County, creating ten new jobs. St. Claire's products are sold in natural foods and mass market segments both domestically and abroad.

On August 11th New Mexico MainStreet announced that two organizations were selected to receive \$2,500 placemaking grants to help revitalize gathering places in historic commercial districts. The recipients are Embudo Valley Library & Community Center in Dixon, and Manzano Mountains Arts Council in Mountainair.

Unity BPO, a homegrown New Mexico business, will create 300 new healthcare industry jobs in Albuquerque with the ongoing assistance of JTIP. The company will hire skilled chemical analysts with salaries ranging from \$38,000 to \$90,000.

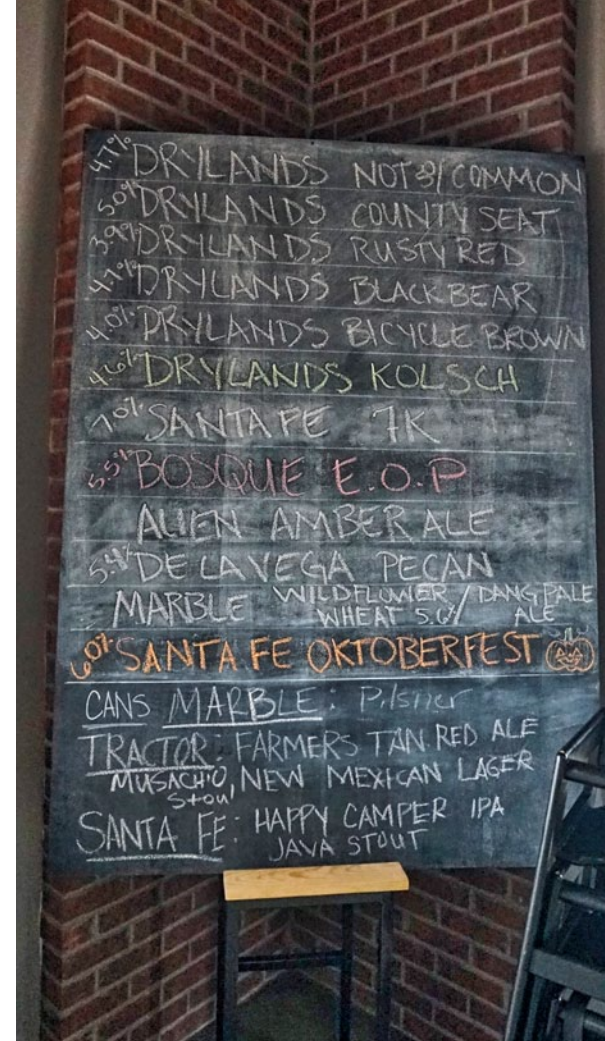
On August 23rd the New Mexico Highlands University Business Hub opened and it was announced that Medicus Billing & Consulting is expanding to Las Vegas creating ten new jobs.

Facebook announced that it has chosen Los Lunas (competing with Park City, Utah) for the location of its newest green data center. The \$250 million facility will receive \$10 million in LEDA funding and will create 50 new jobs.

X2nSat is a satellite communications company expanding into New Mexico, to Las Cruces, with the help of \$300,000 in LEDA funds. The company has operations in California and Georgia. X2nSat provides wireless network, satellite, and other remote communication solutions to clients in a variety of industries. The company will employ 45.

Valley Cold Storage expanded in Santa Teresa, moving into a new 105,000 square-foot warehouse, creating 33 new jobs.

The Catalyst Fund was launched in the third quarter and the first company to receive an investment was announced in the fourth. Bayotech, which manufactures high-tech nitrogen fertilizer production equipment, received \$2 million from the Fund, and will now finish testing and begin delivering on commitments worth \$1.5 billion in sales in North America.



On January 9th Governor Martinez announced that Dean Baldwin Aircraft Painting will be renovating their 165,000 square foot facility at the Roswell International Air Center. The expansion will create 70 new jobs. EDD has committed \$1 million in LEDA funds for the renovation and expansion.

International manufacturer, the Keter Group, has chosen Belen for its newest manufacturing facility. Keter Plastics will occupy the old Solo Cup facility (165,000 square feet) which had been empty for nearly a decade, and acquired an additional 14 acres adjacent to the building for a future expansion of at least 60,000 square feet. EDD will invest \$2 million in LEDA funds and the company will invest \$35 million in the project.

Wholesome Valley Farms will create 90 new jobs with the renovation of an abandoned egg processing facility in Berino.

Long-time New Mexico business, El Pinto, is expanding its manufacturing capacity with the addition of 25 new jobs and 6,200 square feet. The company will invest \$7 million in the expansion and EDD will contribute \$250,000 in LEDA funds.

Truth or Consequences Brewing, a New Mexico startup, will create 9 new jobs. The project represents a \$1 million investment and the company will receive \$125,000 in LEDA funding.

In January, PNM awarded Affordable Solar the \$37 million contract for engineering, procurement and construction of the 30 MW solar generation project for the Facebook data center in Los Lunas. Facebook announced six New Mexico companies who are subcontractors on the massive construction project, adding to the tremendous economic impact.

On February 15th, Governor Martinez announced that SolAero Technologies, a homegrown company, will invest \$10 million to renovate 40,000 square feet of their Albuquerque building to create a vertically integrated solar panel manufacturing facility. With this expansion SolAero will relocate its California manufacturing operations, creating 100 new jobs. SolAero has been assisted with \$182,090 in training funds from JTIP. SolAero began in 1997 as Emcore Photovoltaics with a successful technology transfer from Sandia National Labs.

Second Street Brewery, in Santa Fe, will invest \$1.8 million in a new, expanded tap room and packaging facility that will allow them to distribute their products across the state. The expansion will add 30 new jobs, five of which will be in manufacturing. EDD will invest \$100,000 toward the expansion. Second Street was founded in 1996, the first micro-brewery in the City of Santa Fe.



Drylands Brewing Company is a startup in Lovington which will create 10 new jobs. Drylands will invest \$950,000 in a restaurant, tap house and canning facility in the Lovington MainStreet District. EDD will provide \$100,000 in LEDA funds for the new company. NMMS provided professional assistance to develop the MRA plan making possible the public private partnership between the entrepreneurs and the City, the conceptual design work and a business plan.

Milan-based Mt. Taylor Manufacturing is investing over \$1 million to expand their operations in the (Albuquerque) South Valley. The company currently manufactures lumber, home-heating wood pellets, and mulch. The expansion will create five new jobs and support 43 existing jobs in Milan.

The Film Office finished FY17 with over \$500 million in direct spending by film companies – exceeding all previously-set records. A total of 61 projects were recorded during the year, 52 of those with a budget exceeding \$1 million.



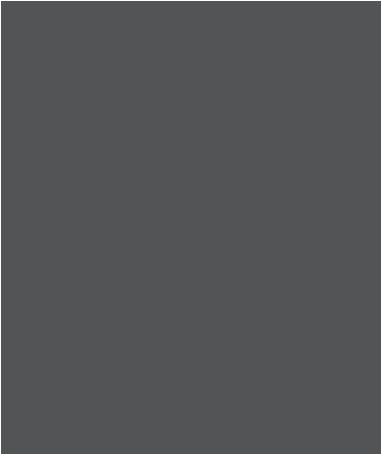
New Mexico Business Incubator Program

NMEDD continues to support seven certified business incubators throughout the state. The department receives recurring funding of \$130,000 which is split evenly between the facilities.

Small Business Regulatory Advisory Commission

The Small Business Advisory Commission was established in statute to provide state agencies with input regarding proposed rules that may adversely affect small business; consider requests from small business owners to review rules adopted by an agency; and review rules promulgated by an agency to determine whether a rule places an unnecessary burden on small business and make recommendations to the agency to mitigate the adverse effects. The Commission considered four proposed rule changes in FY17, all of which were being promulgated by divisions of the New Mexico Environment Department (NMED). Each of the proposed rule changes was found to have no negative impact to small business and the Commission voted to support the changes. The details are provided below.

Department	Date	Regulatory Item	Committee Decision
NMED	3/20/17	Amend 20.277,78,82 NMAC to incorporate a number of new or revised federal air quality rules promulgated under 40 C.F.R Parts 60, 61 and 63 for which NM has been delegated enforcement authority by the federal EPA.	No adverse implications for small businesses- SUPPORT
NMED	3/20/17	Adopt State Plan under the Clean Air Act to implement new federal emission guidelines for existing municipal solid waste landfills.	No adverse implications for small businesses- SUPPORT
NMED	3/20/17	Petition to the Water Quality Control Commission for regulatory amendments to portions of 20.7.5.14 NMAC.	No adverse implications for small businesses- SUPPORT
NMED	1/20/17	Proposed amendments to the Radiation Protection Regulations-20.3.3-20.3.5 NMAC, 20.3.7 NMAC, 20.3.12 NMAC and 20.3.15 NMAC	No adverse implications for small businesses- SUPPORT





Keter Plastics

In 2016 Keter Plastics began looking for a location for a manufacturing facility west of the Mississippi River in response to tremendous growth. In January 2017 Keter announced its decision to locate the manufacturing plant in Belen.

About the Company

- Leading manufacturer of resin-based household and garden consumer products
- Part of the Keter Group – a global enterprise for over 60 years
- Keter Group operates 18 factories and 2 distribution centers in nine countries
- Sales to over 100 countries around the world
- Internationally recognized with product patent and design awards
- Annual sales over \$1 billion and 250 retailers worldwide

In New Mexico

- 175 Jobs
- Positions include manufacturing, distribution, engineers, technical, management
- \$36 million investment to renovate and expand an existing facility
- The old Solo Cup facility had been vacant for a decade
- Building is 160,000 square-feet on 25 acres
- Keter purchased adjacent 14 acres that allows for an expansion of an additional 60,000 square-foot building
- Located adjacent to a BNSF rail line which will be used to bring in 60-100 tons of raw materials every day

Incentives

- LEDA investment of \$2 million
- JTIP – Keter received approval for an initial 57 positions already in 2017
- City of Belen approved an Industrial Revenue Bond (IRB) of up to \$40 million
- Consumables deduction on utilities



Facebook

In September 2016 Facebook announced its selection of Los Lunas, New Mexico for a massive data center. In July 2017, Facebook announced it is doubling its New Mexico footprint.

About the Company

- Founded in 2004
- More than 20,000 employees worldwide
- 1.32 billion daily active users of Facebook
- Data center locations include Prineville, Forest City, Luleå, Altoona, Fort Worth, Clonee, Odense, Papillion and Los Lunas

In New Mexico

- 100 Jobs
- \$500 million investment
- 300 acres & nearly one million square feet in two centers
- \$2 billion economic impact
- 1,000 construction jobs
- \$13 million PNM solar farm on 100 acres

Incentives

- LEDA investment of \$10 million

Potential

- Four more buildings at \$250 million each
- Total investment could reach \$30 billion (including servers and other equipment)



Wholesome Valley Farms

Hill Farms began in 1969 growing wheat and alfalfa. Today it is a diverse operation that is growing rapidly. Co-owner, Jay Hill, is a second generation farmer who owns Hill Farms with his father. Jay also co-owns Organ Mountain Produce, which distributes produce to local restaurants, and he is working with his cousin, TJ Runyan, to open a farm-to-market store, called FARMesilla.

About the Company

- Hill Farms totals 900 acres of fresh produce, feed crops & livestock
- Crops include pecans, pinto beans, onions (sweet, hot, red, white & yellow), red and green chile, and seasonal vegetables
- Beef: select your cow (grass- or grain-fed) and it is delivered to your butcher

About the Project

- Wholesome Valley Farms is renovating an old egg facility and converting into seed drying warehouses and green houses
- Private investment of \$12 million
- 90 full-time jobs in Berino by June 2022
- \$33 million economic impact over 10 years
- Remediation of high nitrate levels on the water table left by the chickens

Incentives

- LEDA investment of \$620,000



SolAero Technologies

SolAero is a homegrown company started in 1997 with technology from Sandia National Laboratories. This expansion project is a result of a contract with OneWeb Satellites. OneWeb will be a constellation of low earth orbit (LEO) satellites. The constellation will be a global gateway to affordable Internet access worldwide.

About the Company

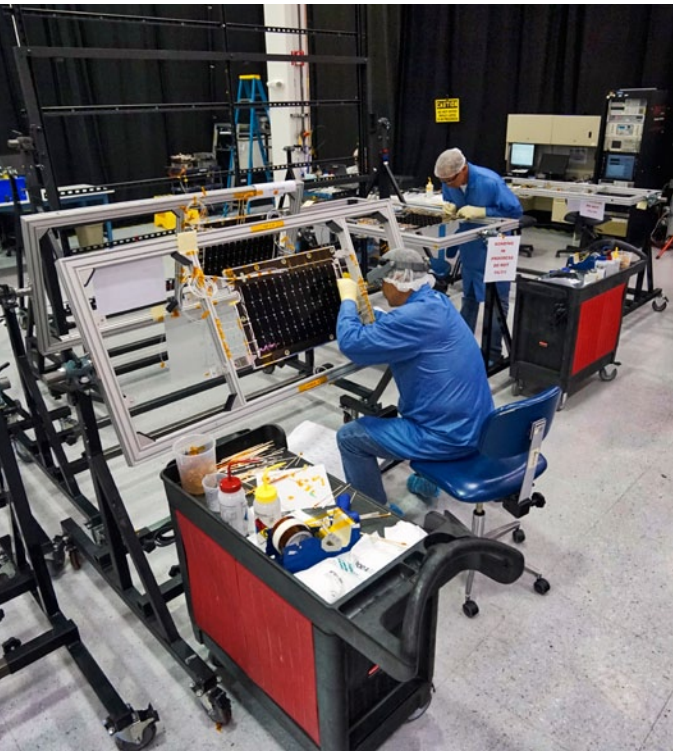
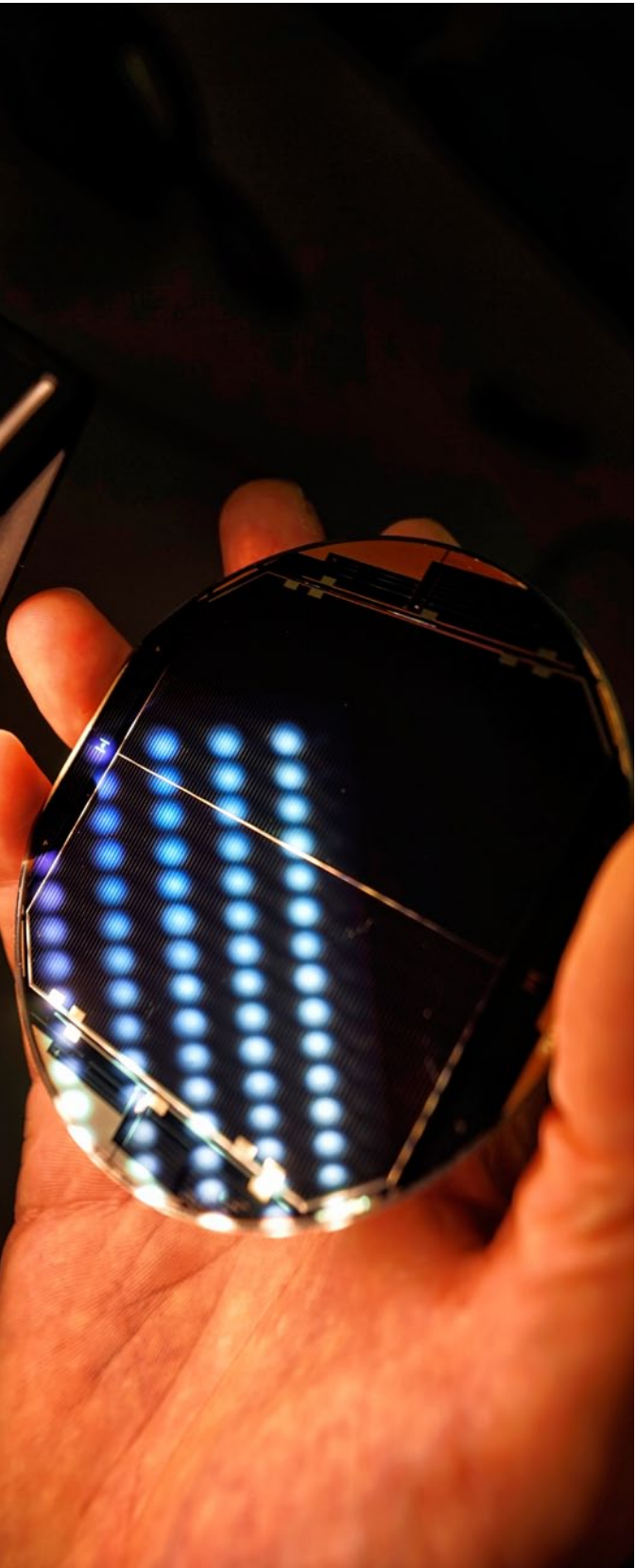
- SolAero started 20 years ago with two people.
- It is now one of the world's leading manufacturers of highly efficient radiation hard solar cells, Coverglass Interconnected Cells (CICs), and solar panels for space applications.

About the Expansion

- 100 new high-tech jobs
- \$10 million private investment
- 40,000 square foot building renovation creating a vertically integrated solar panel manufacturing facility

Incentives

- JTIP commitment of \$182,090 for new employee training



RiskSense, Inc.

RiskSense came to existence in May of 2015. The company was initially called CAaNES LLC, and is a spin-off of the New Mexico Institute of Mining and Technology in 2006. Over the years, RiskSense realized that their findings and expertise could serve a broader set of customers and the SaaS platform was launched in 2012.

About the Company

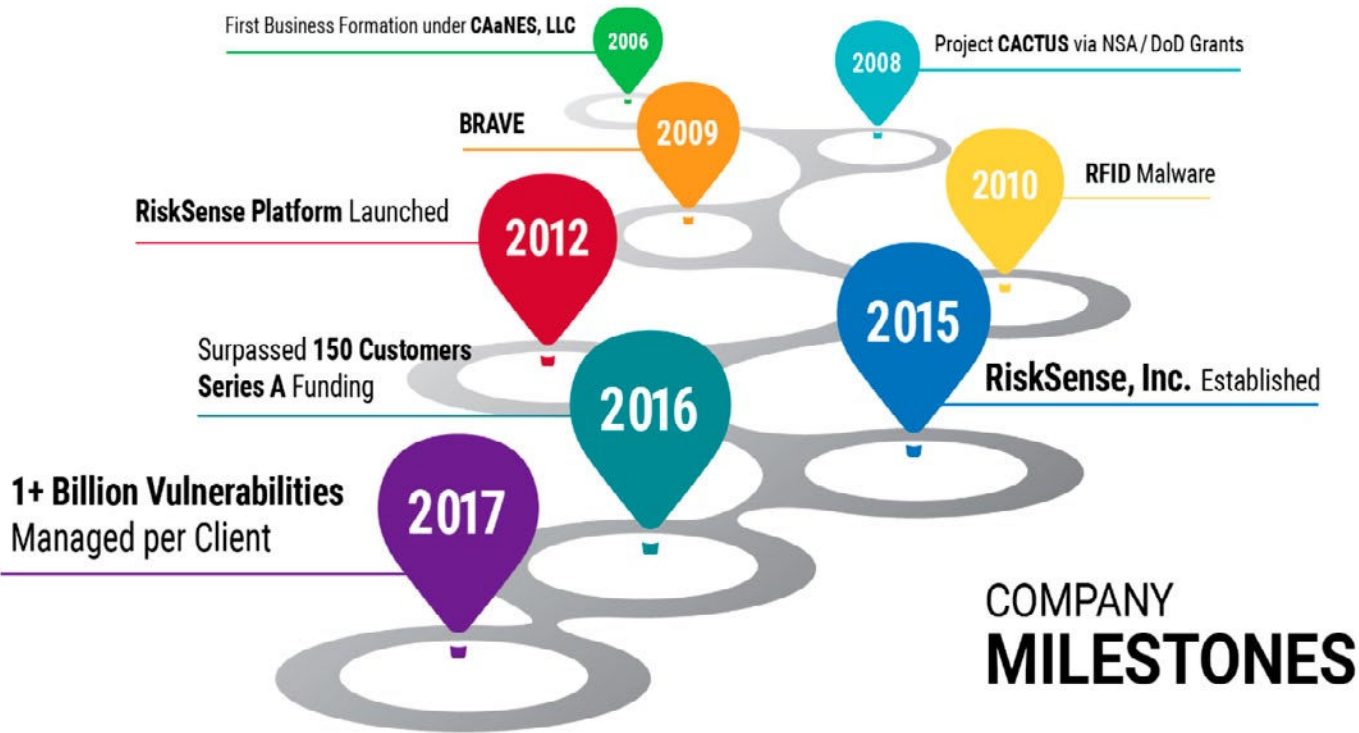
- Pioneer and market leader in pro-active cyber risk management.
- RiskSense enables enterprises and governments to reveal cyber risk, quickly orchestrate remediation, and monitor the results.
- The RiskSense Platform transforms cyber risk management into a more pro-active, collaborative, and real-time discipline across a growing attack surface.
- Counting more than 150 enterprises and government organizations in their client base, varying in both size and industry.
- Offices in Albuquerque, Silicon Valley, and sales offices across the country. Approximately 100 employees, nationwide.
- Raised its Series A financing in the beginning of 2017 with 5 total investors: CenturyLink, EPIC Ventures, Jump Capital, Paladin Capital Group, and Sun Mountain Capital.

In New Mexico

- 76 Jobs in one location (Albuquerque, NM)
- Positions include software engineering, software developer, cyber security analysts, accounting, human resources, customer success and sales.

Incentives

- In 2015, LEDA funding of \$100,000 for an expansion.



New Mexico Partnership

Early in FY2017, the NM Partnership's Board of Directors undertook a search for new leadership; and a new President & CEO was hired and put in place in late November. Incoming leadership, the staff, and the Board have undertaken a holistic approach to greatly increasing performance in FY2018. A comprehensive review of existing operations was performed, challenges identified, and a new strategic plan and aligned budget developed, reviewed by the Board, and approved as of June 2017. As part of this, staffing vacancies in marketing, business development, and administrative roles have been filled; bringing the Partnership back to full staffing for the first time in more than three years. Additionally, three Board vacancies have been filled, and a candidate to fill a final vacancy is in the process of being approved.

The review of existing operations indicated that the pipeline of prospects being generated was not deep enough and, further, this was an issue common among economic development organizations across the state. Root causes identified include:

- 1) A severe deficit of awareness about New Mexico among business decision makers outside the state.
- 2) Lack of systematic efforts to generate and publicize high-impact, positive messaging about New Mexico.
- 3) Funding levels for economic development in the state remains at a deficit relative to competitors.

The new strategic plan put in place for FY2018 was developed specifically to respond to these challenges.

- 1) Expanding traditional high-touch sales activities (e.g., trade shows, sales missions, relationship building) that have been effective throughout the Partnership's history is a priority. Thirty such events are scheduled for FY18; 43% more than in FY17. Another highly- experienced VP of Business Development was added to the team in early FY18 to support this expanded agenda.
- 2) A much higher volume of prospects, beyond what such sales activities alone can provide, is necessary. Therefore, marketing strategies are being implemented which leverage earned media, PR, social media and other digital marketing techniques to reach a much broader audience of decision makers and opinion influencers. To accomplish this, a new VP of Marketing was added to the team toward the end of FY17, and the FY18 operating budget allocated to marketing (not including compensation for that VP staff member) is 140% of the FY17 spend.
- 3) Other changes being implemented include a focus on promoting near-term opportunities that leverage underutilized assets, targeted industry activities being fine-tuned in order to maximize outcomes, as well as ensure broad applicability across the range of both urban and rural communities in the state, and approaches that are scalable and thus enhances resource efficiency are being given top priority.
- 4) To facilitate accomplishing all of this, in the context of budget limitations and deficits relative to competing states, the strategic plan and budget were developed with the objective of ensuring that the Partnership remains continually mindful about avoiding mission creep, and focuses what resources it does have on core sales and marketing activities.

Numbers

- 4 Locates & 1 Expansion
- 115 Total Jobs
- 64 Potential Recruitment Opportunities

New Companies Located to New Mexico:

- Facebook - 50
- Master Immediate Supply - 5
- Gamesa - 25
- R. L. Jones - 20

One Expansion:

- Twin Cities - 15

Marketing Activities

Trade Shows

- Breakbulk Americas (Logistics)
- IAMC Fall Forum (Real Estate Professionals & Site Selectors)
- Economix (Economic Development Professionals)
- CoreNet Global Summit (Corporate Real Estate Executives)
- MRO Americas (Aviation)
- AUVSI (Unmanned Systems)
- Global Petroleum Show
- SelectUSA (Foreign Direct Investment)
- Expo West Natural Foods Show
- Site Selectors' Guild Annual Conference
- EAA AirVenture (Aviation)
- Outdoor Retailer

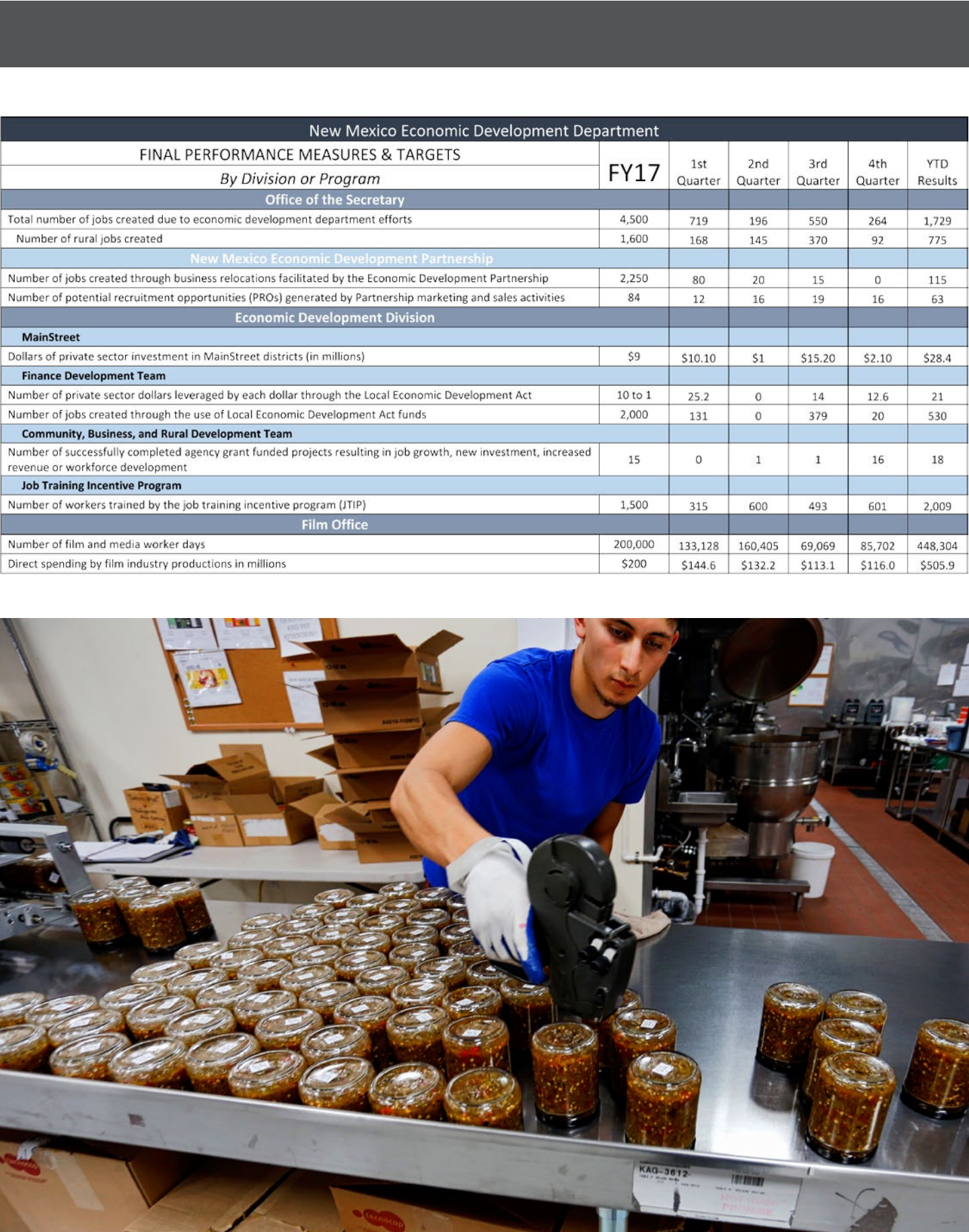
Sales Missions

- Phoenix
- Boston
- Atlanta & South Carolina
- Chicago (twice)
- Dallas
- Portland & Seattle
- D.C. & Virginia
- Cleveland & Detroit
- Northern California

Two Familiarization Tours with Site Selectors

Southern New Mexico in February

Northern/Central New Mexico in June



FY17 FIRST QUARTER COMPANIES ASSISTED										
DATE	COMPANY NAME	TYPE OF COMPANY	LOCATION	TYPE OF PROJECT			NUMBER OF JOBS			PROGRAM SUPPORT
				RELOCATION *	NM EXPANSION	START-UP	RURAL	URBAN	TOTAL	
7/8	Vitality Works	manufacture medicinal supplements	Albuquerque		x			8	8	JTIP
7/8	NICOR Lighting	manufacturing	Albuquerque		x			13	13	JTIP
7/8	Descartes Labs	artificial intelligence technologies	Los Alamos			x		3	3	JTIP
7/8	Convergys	customer service center	Rio Rancho		x			100	100	JTIP
7/25	St. Claire's Organics	organic food processing	Santa Clara	x			10		10	LEDA/CBRDT
7/28	Unity BPO	healthcare IT infrastructure	Albuquerque		x			300	300	JTIP
8/12	Qynergy Corporation	tech-based advanced manufacturing	Albuquerque		x			3	3	JTIP
8/12	Boese Brothers Brewery	food processing	Albuquerque			x		1	1	JTIP
8/12	Insight Lighting	manufacture LED light products	Rio Rancho					1	1	JTIP
8/12	Plenish	private label skin care products	Taos		x		8		8	JTIP
8/12	Lavu	point of sale software application	Albuquerque		x			16	16	JTIP
8/12	New Mexico Milling	food processing	Navajo Nation			x	19		19	CBRDT/JTIP
8/12	Positive Energy Solar	solar photovoltaic design & installation	SF,ABQ, LC					17	17	JTIP
8/12	Optomec	advanced manufacturing equipment	Albuquerque		x			1	1	JTIP
8/12	UBiQD	manufacture quantum dots	Los Alamos		x			14	14	JTIP
	McClintic RDM	advanced manufacturing	Albuquerque		x			10	10	LEDA
8/23	Medicus Billing & Consulting	medical customer service/billing	Las Vegas		x		10		10	JTIP
	Master Immediate Supply	sell parts and machine components	Santa Teresa	x			5		5	NMP
	Gamesa	wind turbine staging & distribution	Santa Teresa	x			25		25	NMP
9/9	Clock Shark	GPS technology-based applications	Albuquerque			x		9	9	JTIP
9/9	CSI Aviation	aviation logistics	Albuquerque		x			10	10	JTIP/CBRDT
9/14	Facebook	green data center	Los Lunas	x			50		50	LEDA/NMP
9/30	Niagara Bottling	drinking water bottling facility	Los Lunas	x			41		41	LEDA
10/14	X2nSAT	satelite communications services	Las Cruces	x				45	45	LEDA/CBRDT
1st Quarter Totals				6	13	4	168	551	719	
FY17 SECOND QUARTER COMPANIES ASSISTED										
10/14	Alstate Steel, Inc.	metal fabrication	Albuquerque		x			15	15	JTIP
10/14	MrOwl.com	internet technology development	Albuquerque			x		1	1	JTIP
10/14	Little Toad Creek, LLC	micro brewery	Silver City		x		6		6	JTIP
10/14	P4Q Electronics	engineering & manufacturing	Albuquerque		x			3	3	JTIP
10/14	American Gypsum, Inc.	gypsum wall board products	Bernalillo		x		28		28	JTIP
10/14	SK Infrared, LLC	infrared imagers & detectors	Albuquerque		x			1	1	JTIP
10/14	Ryan, LLC	global tax services	Albuquerque		x			2	2	JTIP
10/14	BabyPage, LLC	online publishing	Albuquerque		x			4	4	JTIP
10/14	Mako Medical Laboratories	nationwide laboratory services	Albuquerque		x			4	4	JTIP
10/14	Whoo's Donuts	food processing	Santa Fe		x			10	10	JTIP
10/14	Century Automotive Services	finance and insurance	Albuquerque		x			11	11	JTIP
10/14	Old Wood, LLC	wood flooring manufacutring	Las Vegas		x		15		15	JTIP
12/5	Valley Cold Storage & Distribution	distribution	Santa Teresa		x		33		33	LEDA
12/9	Amfabsteel	fabricate architectural steel	Bernalillo		x		43		43	JTIP
	R.L. Jones	logistics	Santa Teresa	x			20		20	NMP
2nd Quarter Totals				1	13	1	145	51	196	
TOTAL JOBS AT MID-YEAR					26	5	313	602	915	
FY17 THIRD QUARTER COMPANIES ASSISTED										
1/9	Dean Baldwin Aircraft Painting	airplane painting	Roswell		x		70		70	LEDA
1/12	Keter Plastics	advanced manufacturing	Belen	x			175		175	LEDA
1/13	Phat Steel, Inc.	steel fabrication	Bernalillo		x		11		11	JTIP
1/13	Affordable Solar Installation	renewable energy	Albuquerque		x			10	10	JTIP
1/13	CSI Aviation	aviation logistics	Albuquerque		x			15	15	JTIP/LEDA
1/13	RiskSense, Inc.	cyber security	Albuquerque		x			8	8	JTIP
1/13	Century Automotive Services	finance and insurance	Albuquerque		x			5	5	JTIP
	Twin Cities	logistics and distribution	Santa Teresa		x		15		15	NMP
1/23	Wholesome Valley Foods	food processing	Berino		x		90		90	LEDA
1/30	El Pinto	food processing	Albuquerque		x			25	25	LEDA
2/10	Vitality Works	wellness products	Albuquerque		x			10	10	JTIP
2/10	Meow Wolf, Inc.	multimedia exhibits	Santa Fe		x			7	7	JTIP
2/13	T or C Brewing Company	food processing	T or C			x	9		9	LEDA
2/15	SolAero Technologies Corp.	advanced manufacturing	Albuquerque		x			100	100	LEDA/JTIP
3rd Quarter Totals							370	180	550	
FY17 FOURTH QUARTER COMPANIES ASSISTED										
4/14	Silver Leaf Farms	organic greenhouse	Corrales		x		2		2	JTIP
4/14	Paradise Power	energy	Taos		x		5		5	JTIP
5/12	NM Consortium	life sciences	Los Alamos		x			1	1	JTIP
5/12	Vitality Works	manufacture vitamins & supplements	Albuquerque		x			16	16	JTIP
5/12	Aero Mechanical Industries	manufacturing	Rio Rancho		x			6	6	JTIP
5/12	UBiQD	manufacturing	Los Alamos		x			5	5	JTIP
5/12	Fiore Industries	engineering, directed energy	Albuquerque		x			5	5	JTIP
5/12	IntelliCyt Corporation	manufacturing	Albuquerque		x			6	6	JTIP
5/12	Southwest Labs	medical sample screening	Albuquerque		x			7	7	JTIP
5/12	Meow Wolf, Inc.	manufacturing	Santa Fe		x			26	26	JTIP
5/12	Plenish	organic skin care products	Taos		x		7		7	JTIP
5/12	Descartes Labs	artificial intelligence technologies	Santa Fe		x			6	6	JTIP
6/9	Amfabsteel, Inc.	steel fabrication	Bernalillo		x		32		32	JTIP
6/9	PPC Solar	solar panel installation	Taos		x		6		6	JTIP
6/9	Southwest Cheese	food processing	Clovis		x		27		27	JTIP
6/9	Affordable Solar Installation	solar panel manufacturing	Albuquerque		x			52	52	JTIP
6/9	Advanced Network Management	information technology	Albuquerque		x			7	7	JTIP
6/9	Washington Federal	financial services	Albuquerque		x			25	25	JTIP
6/9	Sundance Pools	manufacturer swimming pools	Alamogordo			x	3		3	JTIP
1/6	Second Street Brewing	food processing	Santa Fe		x			5	5	LEDA
6/15	Drylands Brewing	food processing	Lovington			x	10		10	LEDA
6/28	Mt. Taylor Manufacturing	wood pellets	Albuquerque		x			5	5	LEDA
4th Quarter Totals							92	172	264	
YEAR END TOTALS							775	954	1729	
*Relocation = company moved to New Mexico from another state; NM Expansion = New Mexico company expands here (creates new jobs) with NMEDD assistance										

Rural Focus

Every program at EDD has an impact in rural New Mexico. Rural projects can offer fewer jobs and less investment, but that is not always the case. Four of the seven rural projects in FY17 represented the highest private investment numbers of the year: Niagara Bottling, \$23 million; Facebook, \$250 million (now \$500 million); Wholesome Valley Farms, \$12 million and Keter Plastics, \$35 million. The level of investment is important for many reasons, and typically means the company has no plans to leave the community for many years to come. The economic impact of these projects includes payroll, income and property taxes, and gross receipts generated by new disposable income. Gross receipts tax revenues support community services.

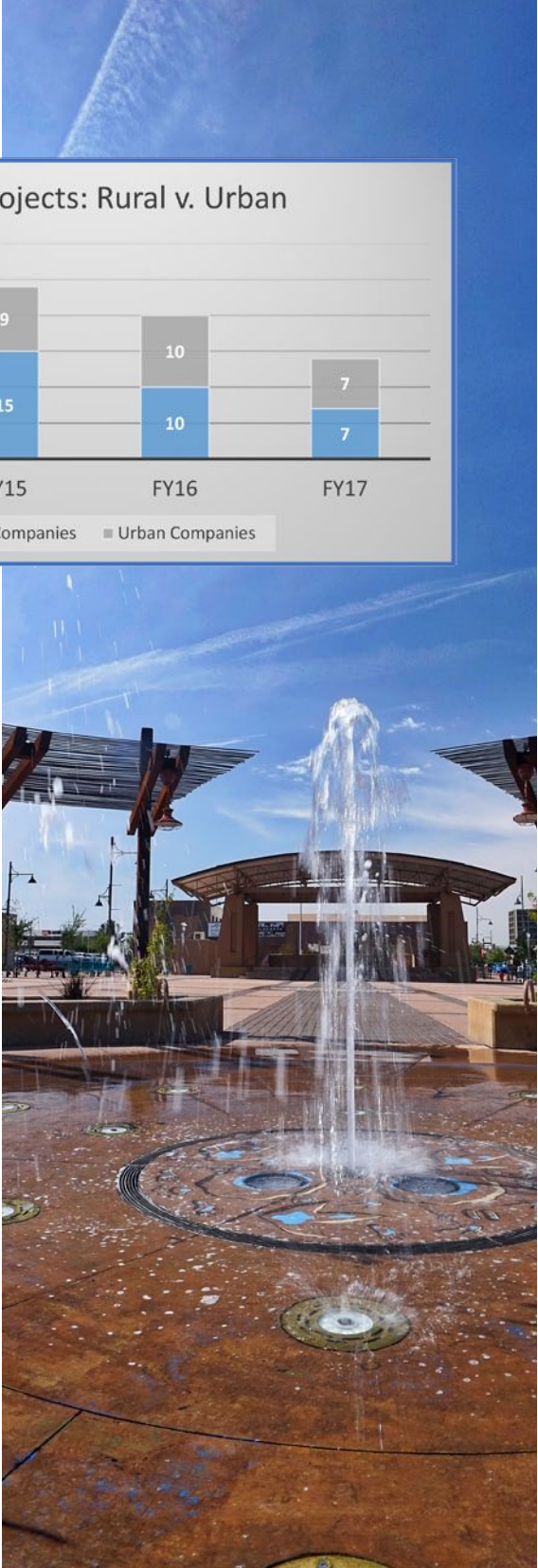
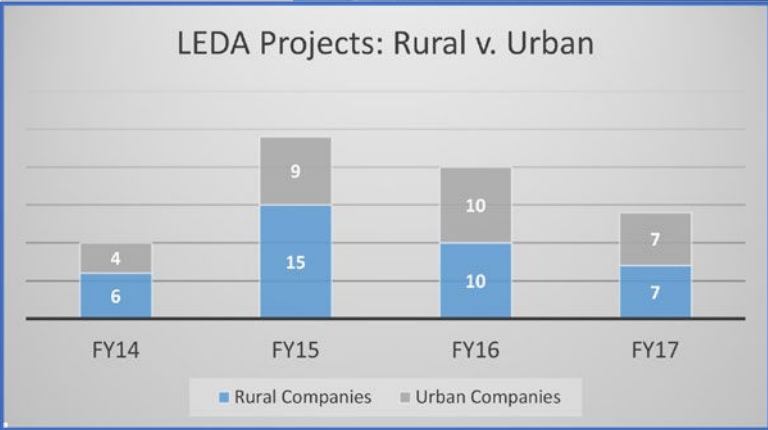
Beyond the really large projects are the small companies that have a tremendous impact in their communities. Often these companies provide the only economic base jobs available. This means the job is supported by funds generated out of state. These jobs typically offer promotion and higher wages, supporting families that choose to stay in rural areas.

The Case of Plenish and JTIP

Plenish/Vapour is a prime example of a homegrown company that has used the Job Training Incentive Program optimally to manage its growth. It is a careful process for a small company to decide when to add new employees that can be sustained.

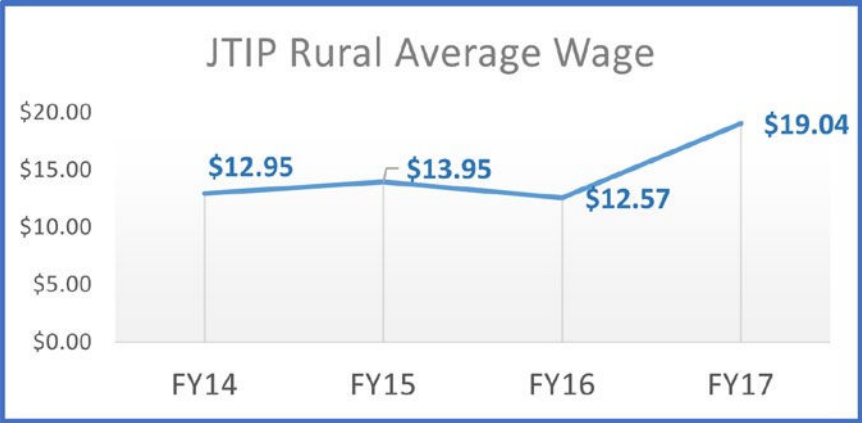
Plenish is a private label cosmetic and skin care company started 16 years ago. The popularity and success of their products led the company to begin selling directly to the public, and Vapour Organic Beauty was started 10 years later. Founders Krysia Boinis and Kristine Keheley bring their specialized, individual talents to the company. Krysia has a knowledge of healing botanicals and blending, and Kristine creates Vapour’s palette of modern, classic Fine Art Infused Color. Their website features the beauty of Taos and both find this area to be an inspirational place to create, as so many have before them. From the Plenish website, “Sustainable wind power provides us with electricity. High elevation, clean air & crisp rocky mountain views spark our creativity & the alpine environment demands performance from our products.”

Over the years, the company has received funding to train 24 new employees, for a total JTIP commitment of \$142,213. Training has led to long term employment for many of their workers. There are 150 products in the line and new workers are trained in each area of the business, including R & D, ingredient sourcing, marketing, and order fulfillment. One early employee started taking phone orders, and eventually advanced to become a sales manager.



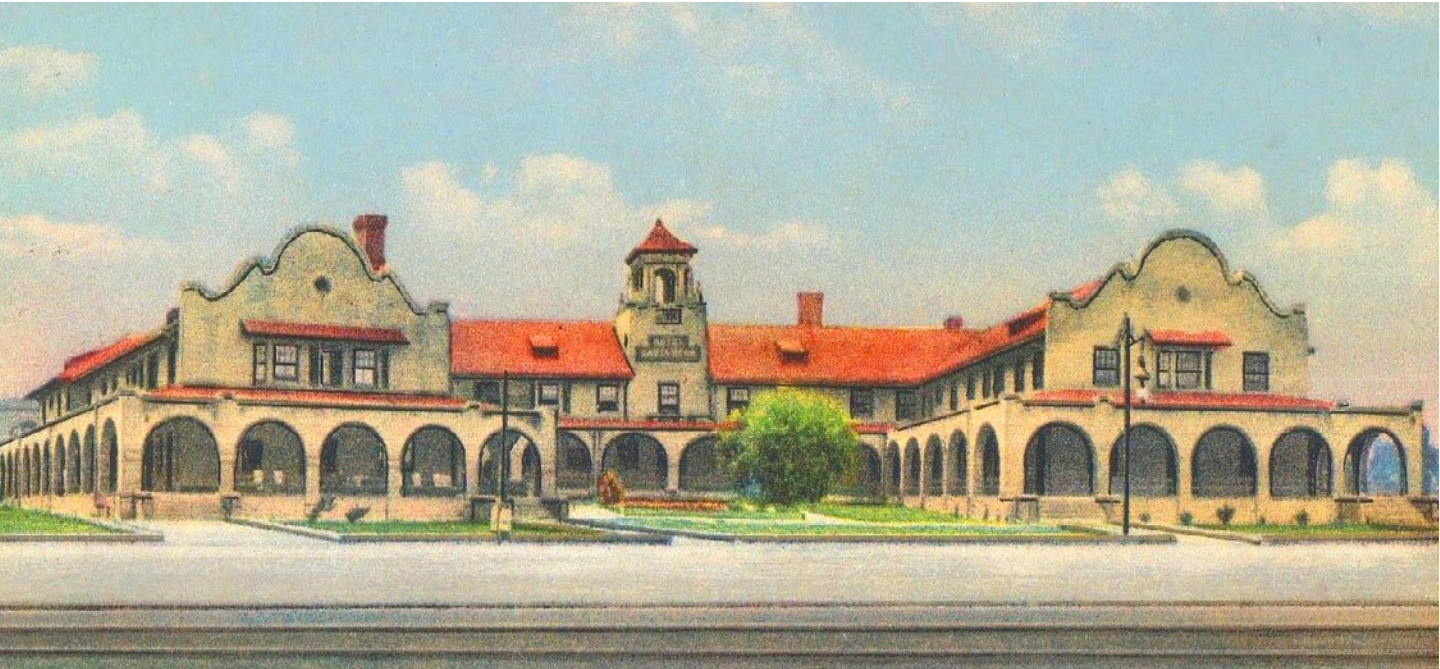
Job Training Incentive Program

Identifying rural companies that have not used JTIP is always a priority. Twenty-four of New Mexico’s 33 counties have an average hourly wage lower than \$19.04. Compare the average of these rural companies versus the average hourly wage in each respective county.



Sundance Pools	\$20.08	Otero	\$16.10
Medicus Billing & Consulting	\$14.50	San Miguel	\$11.98
PPC Solar	\$21.50	Taos	\$14.65
Southwest Cheese	\$21.25	Curry	\$17.35

Source of the County Average Hourly Wages: Quarterly Census of Employment & Wages, Q4 2016, New Mexico Department of Workforce Solutions



Rural New Mexico Companies Grow with International Markets

New Mexico is a patchwork quilt of numerous small, rural communities. Companies located in rural areas face special hurdles and challenges to grow and expand since local markets typically afford only limited opportunities for business expansion.

A select number of New Mexico companies have been meeting that challenge by expanding to global markets and tapping into an increasingly affluent base of consumers abroad.

Two companies in New Mexico merit special recognition for their untiring efforts to launch their products internationally and in the process creating new job opportunities in their respective communities while establishing repeat customers abroad.

Old Wood, LLC is based in Las Vegas, New Mexico and the owner, David Wood, is passionate about wood flooring materials. David has consistently participated in international trade shows sponsored by the New Mexico U.S. Small Business Administration, State Trade Expansion Program (STEP). His dedication to expanding abroad has led to six new jobs in Las Vegas and rapid expansion of product sales to Singapore, Malaysia, South Africa, India and the Middle East. Export sales have increased in direct proportion to their participation in international trade shows. Old Wood will participate in the Osaka Home and Living Show in Osaka, Japan in October and expects to increase their market in Japan for quality crafted, high end wood flooring materials.

Private Label Select, Ltd. is a small company producing a range of organic lip balm and mother-child care products that have enjoyed a brisk demand primarily in Asia. Owner Karl Halpert aggressively participates in cosmetic trade shows in fast growing markets throughout Asia and Europe. Karl has also utilized the STEP Grant program to participate consistently in cosmetic industry trade shows. In the process he has generated sales in Spain, Hong Kong, New Zealand and Australia. International expansion has led to six new hires at his manufacturing facility in Taos, New Mexico.

Both Old Wood and Private Label Select have the unique distinction of being small manufacturing concerns located in rural areas of New Mexico. Their commitment to the international market place has begun to produce dividends and allowed them to diversify their market beyond their local communities. Funding under the New Mexico SBA STEP grant fund, administered by the New Mexico Economic Development Department, helps NM companies to pay for exhibit booth space at major international shows as well as one-on-one consultations to target markets with the best export prospects.

Initial results were slow to develop, but Old Wood and Private Label Select remained fully engaged in locating customers and now their efforts are being rewarded.

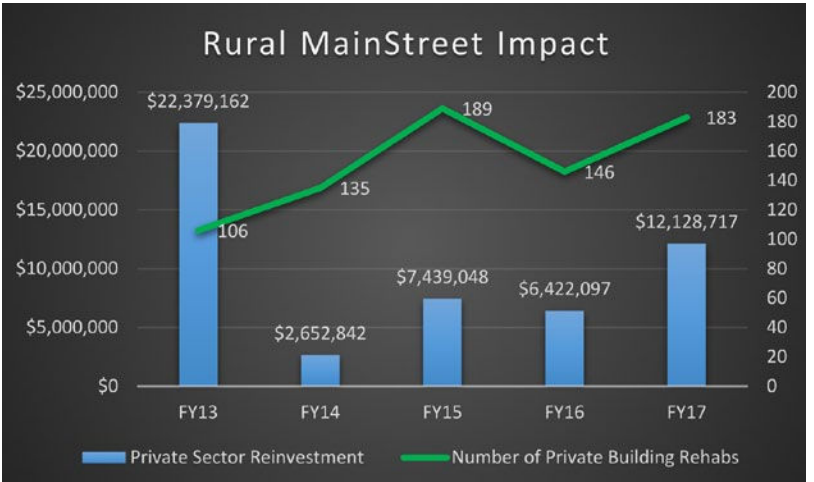
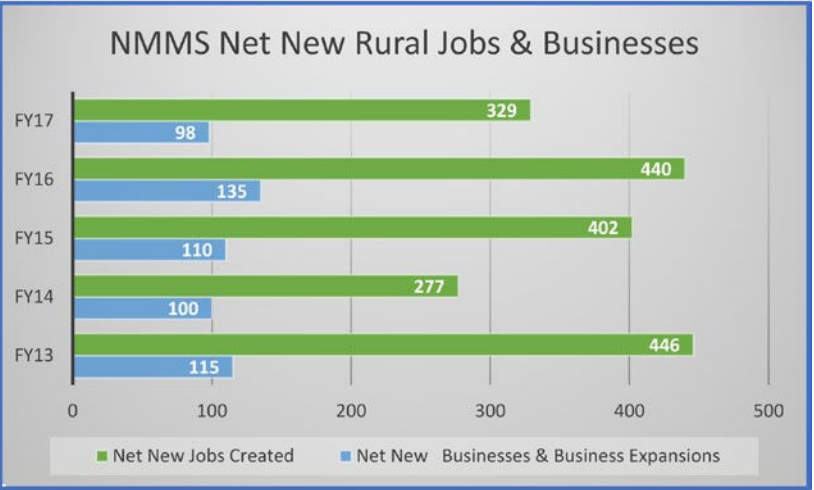
International Trade is one of the best tools for business retention and expansion since a thriving, growing company generates employment and contributes to the economic well-being of New Mexico.



Rural New Mexico MainStreet

Twenty-two of the twenty-eight currently designated New Mexico MainStreet programs are located in rural communities under the federal MSA of 50,000 or less in population. While their downtown districts vary in size and geography, the level of private reinvestment in commercial building stock is often proportionate to the level of investment in public infrastructure, the local assets and resources available to drive community economic re-development, and the dedication and commitment of local MainStreet volunteers who continue to drive revitalization forward. Successful asset-based economic development is dependent on long-term public/private sector partnership including collaborative leadership from both sectors, long-range planning with specific strategic economic transformation goals, and marshaling critical resources that build on a market vision for positive economic impact.

NMMS performance measures show that Designated Rural MainStreet Districts have leveraged a combined \$51,021,866 in private sector reinvestment over the last five years (FY2103 through FY2017). This includes the rehabilitation of 759 commercial buildings that provided opportunities for local entrepreneurs to open and expand 558 net new businesses. Business development and expansion resulted in the creation of 1,894 net new jobs that are a major windfall for rural communities throughout the state. None of this would be possible without the help of local MainStreet volunteers, who leveraged professional services provided by New Mexico MainStreet Revitalization Specialists, and logged more than 140,526 volunteer hours tackling redevelopment and revitalization projects and activities that generated these impressive performance numbers.





Community, Business & Rural Development Team
TRUTH OR CONSEQUENCES BREWING COMPANY

When Marianne Blaue and John Masterson arrived in Truth or Consequences, one of the things they liked was that people are friendly and everyone knows someone who can help. When the couple decided to establish a brewery in downtown T or C, they were soon advised to contact the New Mexico Economic Development Department for help. That initial call resulted in the T or C Brewing Company receiving workforce development funds from JTIP and building and infrastructure improvements via a LEDA investment of \$125,000. It also led to a network of economic development partners coming together for the company and for the community.

- The City of T or C is the electric power provider and reduced rates charged the Brewery, increased the size of water and sewer lines to the property and expedited plan review and inspections.
- The USDA Renewable Energy for America Program reimbursed the company 25% of the cost of the solar PV system.
- T or C has a strong MainStreet organization which was ready to help. MainStreet gathered residents to design and propose façade improvements; hosted events to help with cleaning up the property and contributing renovation work.

The T or C Brewing Company is open for business and already giving back to the community! The Brewery connects with T or C restaurants to deliver snacks and meals to brewery customers. T or C Brewing Company has a strong social media presence which they use to promote other T or C businesses, as well as artists and local events. Marianne and John are quick to talk about all the help they have received from the state and community. Now they refer other businesses to the regional rep who helped them so diligently. The Consequences of business development, is more business development in Truth or Consequences!

LA CASTAÑEDA HOTEL, LAS VEGAS

The Castañeda Hotel was completed in 1898 by Fred Harvey, and was the first of the Harvey House chain of hotels. It has been closed for about four decades. In the days of train travel, La Castañeda, the Alvarado (in Albuquerque) and El Tovar, at the Grand Canyon, were the flagship hotels of the Southwest.

In 2014 La Castañeda and the Plaza Hotel were sold to Allan Affeldt, who restored La Posada in Winslow, Arizona. With a keen understanding of the significance of this property, the regional rep spent many months working with the City of Las Vegas to identify a funding source for the project. When New Mexico programs were not a fit, California New Market Tax Credits provided the solution. Construction will begin in September with \$9 million in funding from Clearinghouse CDFI of California.



Economic Development Division

The mission of the Economic Development Division is to assist local communities and businesses in retaining and creating jobs, resulting in thriving communities and an exemplary quality of life for all New Mexicans. Economic development is accomplished through business recruitment, expansion and start- ups, as well as through economic development capacity building efforts within the local communities.

The Economic Development Division is comprised of several programs which contribute to the mission of the division. They are: **New Mexico MainStreet**, which includes the Arts & Cultural District (ACD) Program, and the Frontier Communities and Historic Theaters Initiatives; the **Community, Business and Rural Development Team** (CBRDT), manages Local Economic Assistance & Development Support (LEADS), the Business Retention & Expansion Programs (BRE) and the Rural Economic Development Council; the **Finance Development Team** (FDT), which includes managing \$56M in LEDA/Capital Outlay Fund and FUNDIT; the **Job Training Incentive Program** (JTIP), which includes STEP-UP and ISO9000; **International Trade**; and **Science & Technology**, which includes the Technology Research Collaborative.

These programs all contribute to the performance measures as well as to the overall department’s mission.

Rural Economic Development Council

The purpose of the Rural Economic Development Council is to inform the department on the unique needs of rural New Mexico. In FY13, the Council met four times and established the following goals: to formulate state policies that drive rural growth; inform the department as we develop our programs; provide training where needs exist; promote collaboration and cooperation; support regional problem solving; address gaps in rural economic development services and project funding; ensure that rural businesses have access to JTIP, other state incentives, and financial and technical assistance programs.

Goal: Provide a forum for policy discussion and the prioritization of EDD resources

Objectives:

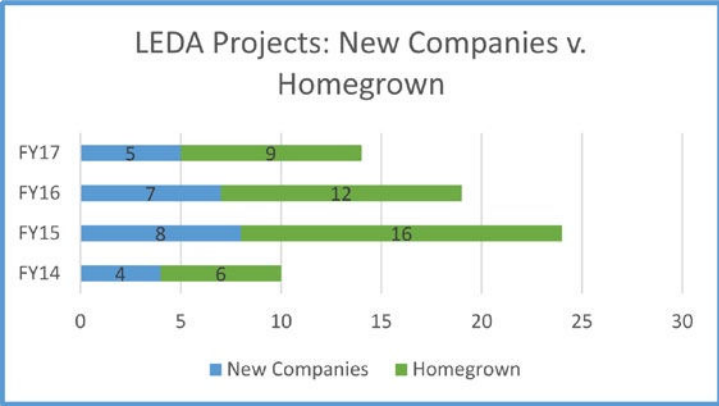
- Ensure active participation by Council members and continue to hold quarterly meetings to solicit ideas from the Council
- Identify two initiatives leading to improved opportunities for rural sustainability



Finance Development Team

LEDA Builds the Business Infrastructure

Created in FY14, LEDA functions as New Mexico’s “deal closing fund.” In the four-year history of the program, \$39.2 million has been invested in nearly 70 projects. Rural locations received 58.8% of that total and 64% of the total number of projects were homegrown New Mexico companies. FY17 saw an even number of rural and urban projects and nearly twice as many homegrown companies as new received funding.



LEDA 1st Quarter FY17					
Company	County	LEDA Investment	Private Investment	Total Jobs	Leverage
Niagara Bottling	Valencia	\$500,000	\$23,000,000	41	46
X2nSAT, Inc.	Dona Ana	\$300,000	\$2,500,000	30	8.33
McClintic RDM, Inc.	Bernalillo	\$100,000	\$1,000,000	10	10
Facebook	Valencia	\$10,000,000	\$250,000,000	50	25
Totals		\$10,900,000	\$276,500,000	131	
LEDA 3rd Quarter FY17					
CSI Aviation	Bernalillo	\$500,000	\$3,087,762	10	6.18
Wholesome Valley Farms	Dona Ana	\$620,000	\$12,000,000	90	19.35
T or C Brewing Company	Sierra	\$125,000	\$999,000	9	7.99
Keter Plastics	Valencia	\$2,000,000	\$35,000,000	175	17.5
Dean Baldwin Aircraft	Chaves	\$1,000,000	\$6,500,000	70	6.5
El Pinto Foods	Bernalillo	\$250,000	\$7,600,000	25	30.4
NM Greenhouse Holdings	Dona Ana	\$150,000	\$850,000	0	5.67
Totals		\$4,645,000	\$66,036,762	379	
LEDA 4th Quarter FY17					
Second Street Brewery	Santa Fe	\$100,000	\$1,850,000	5	18.5
Mt. Taylor Manufacturing	Bernalillo	\$100,000	\$1,000,000	5	10
Drylands Brewing Co.	Lea	\$100,000	\$950,000	10	9.5
		\$300,000	\$3,800,000	20	
FY17 Totals		\$15,845,000	\$346,336,762	530	

New Mexico FUNDIT was created to assist communities in accessing financing from a group of state and federal agencies simultaneously – a kind of speed dating for communities and funders. This collaboration saves time and duplication, improves the effectiveness of project review and support, and ensures strategic investments with public resources.

In February the Creative Station presented to FUNDIT and is now on track to receive funding. Creative Station will renovate and repurpose an existing vacant lumberyard and warehouse in Downtown Gallup. The new space will be used for training, business courses, art classes and a venue for artists to sell their wares. The total cost is about \$5 million.



Job Training Incentive Program (JTIP)

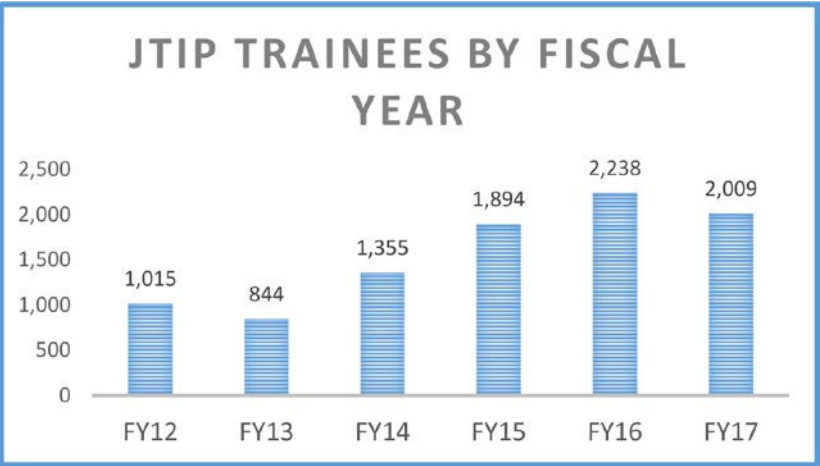
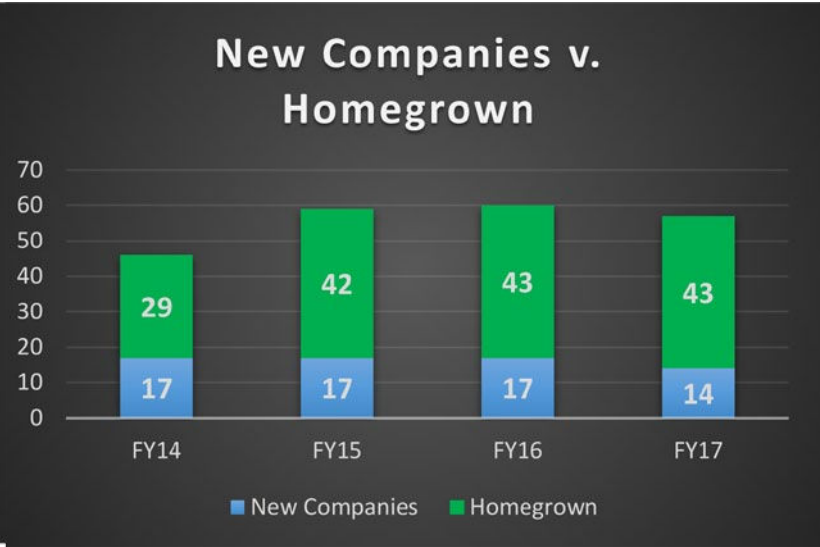
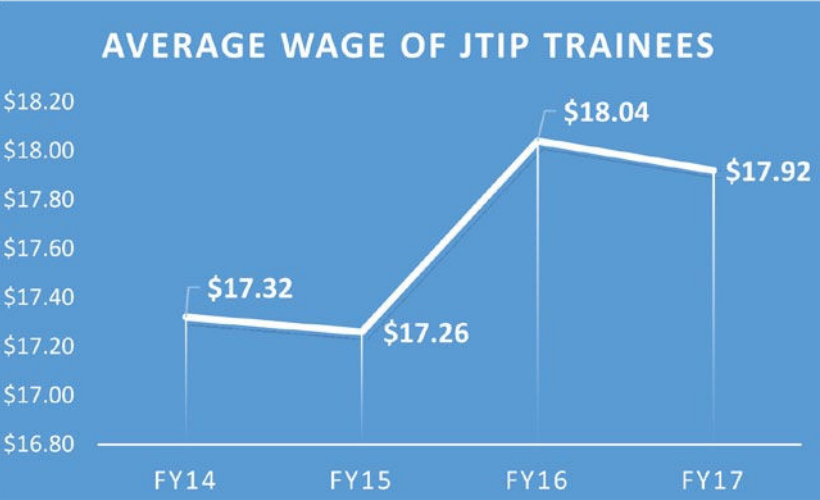
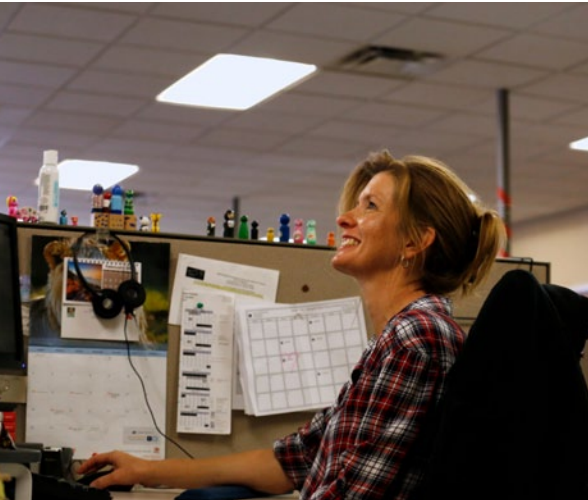
JTIP Builds the Workforce

In 2017 JTIP celebrated 45 years of serving companies – roughly 40,000 New Mexico businesses. The program continues to serve primarily homegrown companies, it is also consistently recognized as one of the best nationally and it plays a key role in successfully recruiting new employers to the state.

According to the New Mexico Department of Workforce Solutions, the average hourly (private sector) wage in New Mexico counties ranges from a low of \$10.35 to a high of \$38.90. Only nine of the state’s 33 counties has an average hourly wage higher than JTIP’s average of \$17.92. (Source: Quarterly Census of Employment & Wages, Fourth Quarter 2016)

JTIP Retention Survey Results

- 86% are still employed in NM
- 50% are still employed with the JTIP employer
- 78% have increased their wages
- 71% have increased their wages by more than 10%



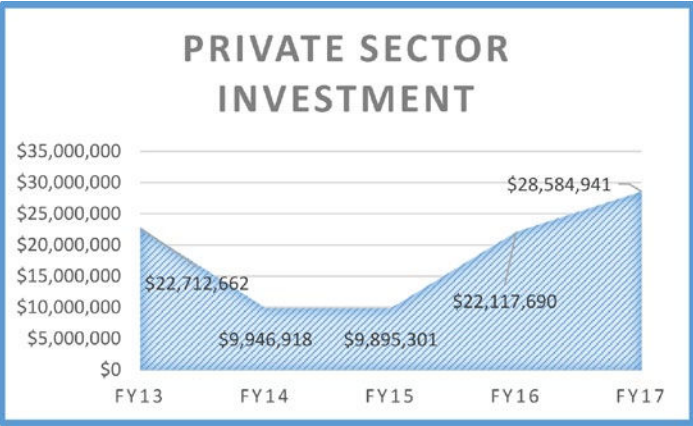
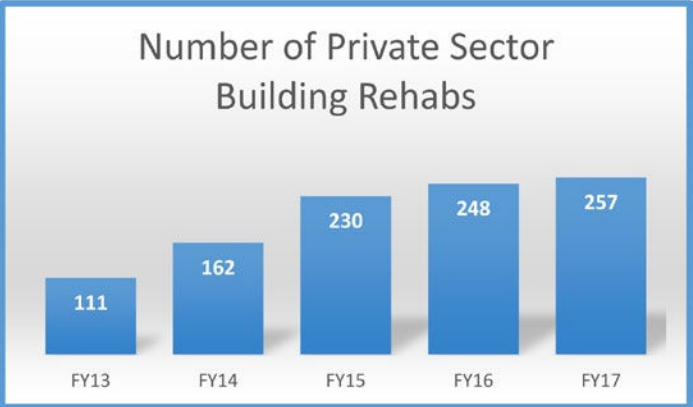
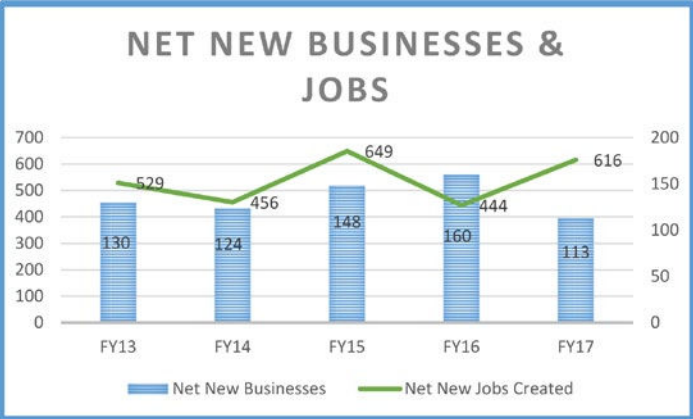
57 companies were served by JTIP in FY17.

COMPANY	LOCATION	COMPANY	LOCATION
Advanced Network Management	Albuquerque	NM Consortium	Los Alamos
Aero Mechanical Industries	Rio Rancho	Old Wood, LLC	Las Vegas
Affordable Solar Installation	Albuquerque	Optomec, Inc.	Albuquerque
Alstate Steel	Albuquerque	P4Q, USA	Albuquerque
American Gypsum	Albuquerque	PCM Sales	Rio Rancho
Amfabsteel	Bernalillo	Phat Steel, Inc.	Bernalillo
BabyPage, LLC	Albuquerque	Plenish	Taos
Boese Brothers Brewing	Albuquerque	Positive Energy Solar	SF, LC, ABQ
Century Automotive Services	Albuquerque	PPC Solar	Taos
Clock Shark	Albuquerque	Qynergy Corporation	Albuquerque
Compass Components	Deming	RiskSense, Inc.	Albuquerque
Convergys Customer Management Group	Rio Rancho	Rural Sourcing, Inc.	Albuquerque
CSI Aviation	Albuquerque	Ryan, LLC	Albuquerque
Descartes Labs	Santa Fe	S & P Data New Mexico	Rio Rancho
Electronic Technical Services	Albuquerque	Safelite Solutions	Rio Rancho
Energy Concepts	Sapello	Silver Leaf Farms	Corrales
Fiore Industries	Albuquerque	SK Infrared	Albuquerque
Insight Lighting	Rio Rancho	Skorpios Technologies	Albuquerque
IntelliCyt Corporation	Albuquerque	SolAero Technologies Corporation	Albuquerque
Lavu, Inc.	Albuquerque	Southwest Cheese Company	Clovis
Little Toad Creek Brewery	Silver City	Southwest Labs	Albuquerque
Mako Medical Laboratories	Albuquerque	St. Claire's Organics	Santa Clara
Medicus Billing & Consulting	Las Vegas	Sundance Pools	Alamogordo
Meow Wolf	Santa Fe	UbiQD, Inc.	Los Alamos
MrOwl.com, Inc.	Albuquerque	Vitality Works	Albuquerque
New Mexico Milling	Navajo Nation	Washington Federal	Albuquerque
Niagara Bottling	Belen	Whoo's Donuts	Santa Fe
NICOR Lighting	Albuquerque		

New Mexico MainStreet

One of the primary tenants of the New Mexico MainStreet program is to help build the capacity of our local partner organizations and invest in redevelopment and revitalization tools that help them bring back the economic vitality of their downtown districts. These investments have had profound impacts on New Mexican communities throughout the state. NMMS performance measures show that Designated MainStreet Districts have leveraged a combined \$93,257,512 in private sector reinvestment over the last five years (FY2013 through FY2017). This includes the rehabilitation of 1,008 commercial buildings that provided opportunities for local entrepreneurs to open and expand 675 net new businesses. Business development and expansion resulted in the creation of 2,694 net new jobs, most of which are located in rural communities. None of this would be possible without the help of local MainStreet volunteers, who leveraged professional services provided by New Mexico MainStreet Revitalization Specialists, and logged more than 168,865 volunteer hours tackling redevelopment and revitalization projects and activities that generated these impressive performance numbers. Revitalization tools included business development strategies, facade improvement programs, image and branding of the district, more than 25 government adopted Metropolitan Redevelopment Plans, and four catalytic Great Blocks on MainStreet redevelopment projects.

Although NMEDD does not count MainStreet jobs towards its performance metrics, new businesses and new jobs are created in these downtown commercial districts. MainStreet contributes to economic growth through many avenues and this is sometimes best told project by project, as in the stories that follow.



**Growing the Creative and Entrepreneurial Economy –
Lovington Drylands Brew Pub**

A vibrant entertainment and night life was one of the key economic development strategies of the Lovington Metropolitan Redevelopment Plan (MRA). The MRA process engaged community members in prioritizing increased business opportunities in the Lovington MainStreet District. A local entrepreneur hearing of this public/private sector commitment by the city and the Lovington MainStreet board asked for assistance. New Mexico MainStreet Revitalization Specialists engaged the city which had vacant property it owned and wanted to develop. NMMS developed a conceptual site plan, a project implementation plan, and business plan with the entrepreneurs to build a pizzeria and brewpub. Additional development planning was also provided through funding from the New Mexico Resiliency Alliance. The City wanted to build off of major public infrastructure improvements in the district that utilized MainStreet capital outlay, and their recent investment in the acquisition and rehabilitation of the historic Lea Theater, which also received state LEDA funds to install digital projection and sound equipment. The City contributed \$200,000 of its own LEDA funding to develop a public/private partnership with the entrepreneurs for property development. The state contributed \$100,000 in LEDA funding for manufacturing equipment. This investment helped the business attract additional financing from private sources and made a soft opening possible in July 2017. Total project construction costs exceed \$950,000. Lovington MainStreet has capitalized on the new property and business by acquiring another grant of \$20,000 for local entrepreneur development and façade restorations and improvements.



Creating Thriving Places – Raton's Historic First Street

Raton became the first Great Blocks on MainStreet project designed to catalyze three core blocks of their MainStreet District. The pilot-project addresses deficiencies identified in their Metropolitan Redevelopment Area (MRA) Plan, which cited failing public infrastructure dating from the early 1900s as a barrier to commercial building redevelopment. Raton MainStreet/ACD partnered with the city to apply for this comprehensive redevelopment program to capitalize on a \$1.4 million appropriation from USDOT to complete a multi-modal transfer station in the rail yard. Construction documents for pedestrian improvements, right of way and safety infrastructure for three blocks adjacent to the rail yard have been completed through funding by NMMS. Most of the funding for the \$1.4 million streetscape revitalization project is now assembled and construction is set to begin in the fall 2017/ spring 2018. Funding for the project includes various local, state, and federal sources. NMMS also completed a 5-year building and business development profile to leverage private sector reinvestment and the district is already seeing positive results. The Great Blocks project, the completion of the multi- modal center, Highlands University establishing a branch with its "Center for Sustainability," the city's renovation of the Wells Fargo post office and acquisition of the Historic Rail Depot from BNSF, grant funding to replace aging storm sewers (\$480,000) and repave historic First Street (\$280,000) have collectively spurred private sector investment confidence and increased commercial building sales, renovations, and new businesses including the historic Marchiando's Dry Goods Store and the historic Palace Hotel.



Engage People, Revitalize Economies – Monte Alto Plaza, Mountainair

The Town of Mountainair received landscape design and placemaking assistance through NMMS's Frontier Communities Initiative to transform an empty lot into a cohesive and walkable space that connects the Salinas Pueblo Missions National Monument Visitor Center, the Shaffer Hotel and the commercial district along Broadway (US 60). NMMS initially worked with the community to develop a Revitalization Plan and conceptual design for the Monte Alto Plaza to support community events, encourage revitalization of existing businesses and entice incoming travelers to the Salinas Missions to explore the town beyond the Visitor Center. Based on the high level of community participation in the design phase and hands on cleanup and build-out of the site, the community received two grants from NMMS funding partners to begin implementing the project. The first was a \$5,000 seed grant from the NM Resiliency Alliance to build a pea gravel walkway and plant heritage fruit trees. The second was a \$15,000 corporate donation from the NM Gas Company to build an entryway, seating, and shade structure. Sadly, some of the excitement was dimmed by a very bad fire that destroyed 3 downtown commercial structures adjacent to the plaza in December 2016. NMMS put together a resource team to evaluate the fire's impacts on the community and work with the town to develop next steps and strategies for addressing the cleanup of the site. Based on recommendations from the resource team assessment and community engagement the town and residents decided to turn a Revitalization Plan for the Monte Alto Plaza into a full Metropolitan Redevelopment Plan that will address the revitalization needs of the whole downtown district.



Office of International Trade

In the past several years New Mexico has led the country in export growth. These exports support jobs, as shown in the graph at right (data provided by the International Trade Administration).

Mexico is the state’s leading trade partner, bringing strong growth around the Santa Teresa Port of Entry.

The Office of International Trade facilitates trade through a number of marketing activities, some of which are described below:

Participated in the CIEPEC Environmental Trade Show June 12-15, 2017 with two New Mexico companies, Flute Engineering and Defiant Technologies. The show generated interest in portable lab analysis equipment for gas, soil and water samples and for flexible liners for water systems. Both technologies are important to solve the massive environmental problems that China is facing with rapid economic growth.

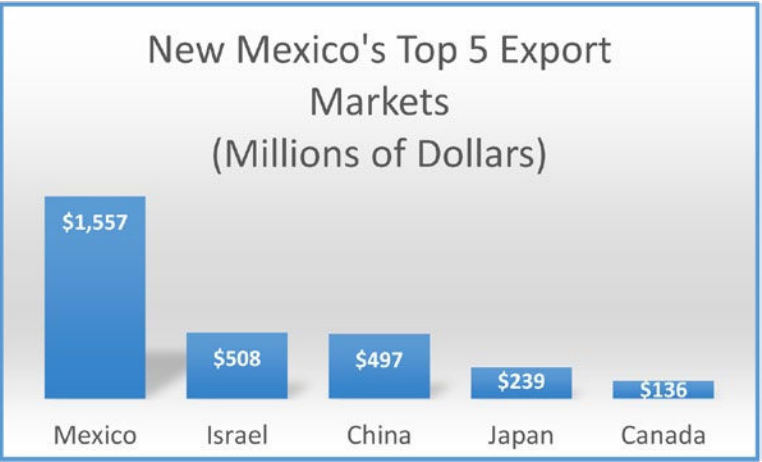
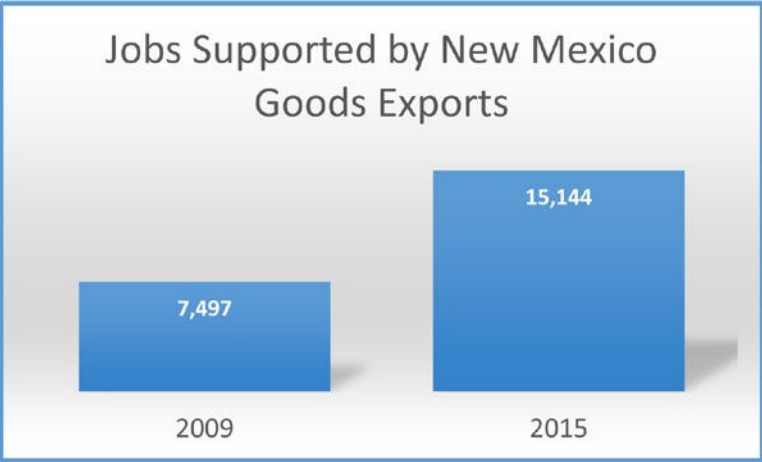
Four New Mexico companies participated in the Food Service Australia Show from May 28-30, 2017 in Melbourne, Australia: Chef Eddie Adams Cajun Flavors, Cervantes Fine Foods, Villa Myriam Coffee and Rio Bravo Brewing. There was interest among several distributors for importing products over the short term since U.S. regional foods are increasingly popular in Australia and the country is already one of the largest importers of specialty coffees and craft beers.

OIT participated in the San Diego Bio Show from June 19-22, 2017 with five New Mexico companies from NM Bio Organization: Clean Spot, Goresuch Design, Sandia Biotech, Imagination Systems, and Agilvax. The Bio Show was accomplished in partnership with the NMEDD Office of Science and Technology in order to showcase new and rapidly emerging biotechnology products to foreign and domestic buyers. Potential sales are still in the negotiation phase, but will have a significant impact on the development of these companies.

OIT attended the Hannover Messe event from April 24-28, 2017 in Hannover, Germany, with three companies: Global Kinetics, Pajarito Powders and Advanced Decon.

The Office assisted a Spanish Environmental Technology mission in April 1-3, 2017 seeking Foreign Direct Investment opportunities in New Mexico. OIT arranged meetings with key state and local government entities and New Mexico environmental companies seeking joint venture partners.

OIT organized an Export Seminar with 15 small and mid-size companies seeking to enter global markets as a form of Market Expansion, and New to Export companies looking for opportunities abroad.



Community, Business & Rural Development Team

Local Economic Assistance & Development Support (LEADS) Program

LEADS is a funding program for economic development projects that produce sustainable outcomes. The funding provided through LEADS is intended to create jobs through recruitment, retention/expansion and startup activities; develop the tax base; or provide incentives for business development. LEADS applications are evaluated based on these objectives.

There were 18 LEADS grants awarded in FY17. It is a goal of the program to fund projects that can generate an outcome within the same fiscal year funds are provided. This can be challenging, particularly when grant funds are used for marketing.

Never-the-less, of the 18 projects, 14 culminated in an outcome as defined by the performance measure language.

1. The Carlsbad Department of Development was awarded \$15,000 for marketing and attraction. They used the funds for the “Eagles for Eddy” business recruitment campaign. The campaign generated 24 companies interested in Carlsbad. From those leads two companies have visited the community five times. Carlsbad is in final negotiations with one of those companies to locate in Eddy County.

2. Mesilla Valley Economic Development Alliance (MVEDA) was awarded \$15,000 for marketing and attraction. MVEDA's marketing efforts resulted in 16 new business leads which the organization converted into five strong prospective projects. Two of those companies have completed site visits thus far.

3. Cibola Communities Foundation was awarded \$8,000 to help create a Solo Works Job Creation Program. At the end of grant period they have served 87 applicants and enrolled 29 candidates; 25 of those candidates received remote work skills training and completed the course requirements. Out of the 25 candidates that completed the training 7 were placed in jobs and 7 more are in the placement process and 4 have established as solopreneurs.
Outcome: 7 new jobs created

4. Southern Luna County Economic and Community Development Corporation was awarded \$5,000 to build a community garden and develop a business training program to help community garden participants develop and market their products. This program successfully trained 129 participants.
Outcome: Workforce Development

5. Clovis Industrial Development Corporation (CIDC) was funded for 3 activities. CIDC attended 5 trade shows.
Outcome: 19 leads were generated and 53 jobs created by Pattern Wind Farm and Siemens support group.



The second activity was to conduct Business Retention and Expansion (BRE) visits. Outcome: From the BRE visits 10 business were positively affected and 176 jobs retained, including:

- David's Firewood (55 FTE): Worked with Rep. Crowder to prevent legislation that would have eliminated the business' ability to export and import wood in and out of New Mexico. David's Firewood has a contract with Wal-Mart and other retail outlets to supply firewood bundles. David's imports raw wood into Clovis and cuts it down, fires it to clean it for bugs and packages the wood for the commercial market.

- Renewable Energy Group (12 FTE): Worked with NM Legislature on two bills related to the 5% Bio-Diesel Mandate which would have impacted REG and potentially eliminated the onsite and trucking jobs related to an expansion. The company owns the Clovis Bio Diesel Facility built in 2008. The facility distributes bio-diesel within New Mexico. CIDC has been working with REG to move forward with an expansion of the facility to manufacture and distribute product from the facility. The facility will employ 48 to 60 FTE once the expansion moves forward.

- Glenco (23 FTE): Worked with Glenco and continue to work with Glenco to expand their operation and retain jobs in Clovis. Glenco is a local company that has been in Clovis for over 40 plus years. They manufacture buildings and are in need of a new building. CIDC has been working to identify land for a new build- to-suit option for Glenco.

- Leslie's Candy (8 FTE): This company is a candy manufacturer in need of a new modern facility with a retail outlet attached. CIDC has been working with the owner to identify sites and options to retain and expand the facility.

- Cummins (37 FTE): CIDC continues to work with Cummins Natural Gas Engines to ensure the Natural Gas Engine Division stays in Clovis and New Mexico. CIDC owns the facility they lease and has maintained a flat lease rate on the facility to ensure that the operating costs are favorable. CIDC has also been working with a group from China to see if there is a new market available for the export of the natural gas engines. Cummins has experienced a decline in sales related to low oil prices. A majority of the engines produced are sold within the oil and gas industry. CIDC is hoping to find additional markets that will help retain the company in Clovis.

- Milk Partners Truck Distribution Facility (41 FTE): CIDC has been working with Milk Partners (DFA) to retain and expand their trucking operations that support the local dairy industry. CIDC expects to announce that the milk group will be consolidating and expanding area trucking operations to save money and add jobs over time. The new facility will include a truck cleaning area and maintenance shop, which is expected to be located directly across the street from Southwest Cheese. The project will include a \$5 million investment.



6. Artesia Mainstreet was awarded \$7,000 to provide a system of auto-directional wayfinding signs along Main Street, eventually to expand throughout the downtown district. The wayfinding system (auto directional signage) will direct automobile traffic to places of interest in the downtown district. These colorful signs encourage travelers and residents alike to park, walk and stay in downtown Artesia. This project was completed and will result in an increase sales in downtown businesses and increase walking traffic within the downtown district.

Outcome: As a way to measure outcomes the organization will poll the downtown businesses in September 2017 (one month after the entire phase is completed) to determine increases in revenue and gather comments made by visitors and residents.

7. Lea County EDC was awarded \$10,000 to attend 5 trade shows and conduct 2 sales missions. Out of these efforts, over 2,000 contacts were made and one corporate headquarter located in Lea County, Mewbourne Oil. Mewbourne Oil constructed a \$6 million facility and has hired 135 to date.

Outcome: New jobs and investment

8. Estancia Valley Economic Development Association was awarded \$7,000 to attend various economic development trade shows and sales missions. Utilized the LEADS monies to help attract two new wind energy projects:

- The Dunmoor Wind Farm, which will extend from south of Clines Corners to Encino, is braced to have 700 megawatts of capacity and will be located on 70,000 acres of contiguous deeded private land.
- The Valencia Hills Wind Farm, southeast of Duran, will carry 150 megawatts of potential capacity.

These projects will add in excess of \$600,000,000 in capital expenditure in Torrance County. Roughly \$200,000 will be dispersed from the wind project to the county on an annual basis for the next 25 years. This funding is earmarked for future economic projects that are being identified by the Investment Council of Torrance County.

Outcome: New jobs and investment

9. Rio Arriba County was awarded \$10,000.00 to assist the members of the community in an educational program teaching them essentials of starting a business. The program graduated 20 participants in the course which ranged from writing a business plan to marketing and basic business accounting.

Outcome: Training

10. Los Alamos was awarded \$5,000 to help redevelop the Co-Op Tap Room & Brewery. The Brewery is in the downtown district and is key to attracting visitors. The LEADS monies attracted an additional \$10,000 in private investment to the project. The public-private partnership is expected to increase revenue to the Co-Op and will lead to one more employee in the upcoming months.

Outcome: New investment

11. Lovington Economic Development Council was awarded \$10,000 to attend 3 specific trade shows and conduct Business Retention and Expansion visits. As a direct result of the shows 26 leads were generated and as a result of the BR&E visits and partnerships with Lovington MainStreet, one new business was located downtown. The business has created 12 jobs, with plans to expand to 28.

Outcome: New jobs and investment

12. Otero County Economic Development Council was awarded \$15,000 to participate in four trade shows and three sales missions; and to conduct Business, Retention and Expansion visits. The trade shows and sales missions resulted in OCEDC meeting with 35 companies and 38 site consultants. Thus far, two companies have visited Alamogordo and these projects are still active. The BR&E visits resulted in one company expansion, PreCheck added 27 new jobs.

Outcome: New jobs



13. Las Vegas San Miguel Economic Development was awarded \$5,000 to help purchase equipment for the Luna Commercial Kitchen. The kitchen will open on July 26th. Additionally Siete Del Norte has agreed to provide \$15,000 towards the management of the facility. Outcome: Five clients will initially utilize the kitchen resulting in new revenue

14. Grow Raton and the Center of Sustainability was awarded \$7,500 to purchase equipment and furnishings needed to provide business development services along with entrepreneurial training to kitchen users. The equipment has been purchased along with the necessary software to provide the training. The training programs have been identified and curriculum developed and they have identified 6 entities that have signed agreements to utilize the commercial kitchen.

Outcome: New revenue

These community success stories describe how the Team takes a project from start to job creation.

MT. TAYLOR MANUFACTURING, Albuquerque & Milan

Mt. Taylor Manufacturing started the process of purchasing and preparing their South Valley (Albuquerque) location for a business expansion over seven years ago. As they toiled along they did not ask or receive any assistance from an economic development organization during this time. As part of EDD's Business Retention and Expansion program the Team member partnered with Cibola Communities Economic Development Foundation to visit the company at their headquarters in Milan, NM. The expansion and the challenges they were facing was revealed in the visit. This led to a tour of the South Valley facility and a better understanding of the financial constraints the company faced. There is a strong relationship between the headquarters in Milan and the South Valley facility.

The employees at the Milan facility, and the loggers and truckers under contract for the forest restoration project, were at great risk if the South Valley facility was not able to manufacture wood pellets and provide expanded distribution capabilities for the company's other products. It was immediately clear this was not just a potential expansion of five new jobs, the 43 existing jobs in the Village of Milan were at risk without the South Valley facility. The loss of 43 jobs in Cibola County would be devastating.

The \$100,000 LEDA award filled the financial gap and allowed Mt. Taylor Manufacturing to install a fire suppression system, electrical upgrades and a perimeter fence for security and dust mitigation. These improvements allowed the South Valley facility to begin processing wood, generating new revenue for the company and providing their employees with more employment security.

SECOND STREET BREWERY, Santa Fe

Second Street Brewery has begun its third expansion and is now looking to become a regional distribution leader thanks to the company's new canning equipment. The location of the expansion was extremely important to City of Santa Fe and the company. The area where the expansion is taking place falls into a Census Tract that would qualify for New Markets Tax Credits, which require the location to be primarily low to moderate income. Second Street chose this location for many reasons, but one that stood out to the company was creating a cluster of breweries around the area to increase money and investment into the community.

Second Street Brewery anticipates being the anchor tenant for an area that is expected to generate a housing project to attract young and enthusiastic workers to a modern area of the City. Second Street Brewery, along with other companies in the area, are hoping to jump start an economy that has lagged behind others in the State. The nearly \$2 million in private investment should facilitate new development and help the local economy thrive.

STATE-TRIBAL COLLABORATION ACT

Agency Highlights:

MainStreet Program: Through the New Mexico MainStreet Program, the Pueblo of Zuni became the first Native American MainStreet Community in the Country in 2013 (FY 2013). The Regional Representatives and Tribal Liaisons continue to promote this program as well as the Arts and Cultural Districts and Frontier Communities programs.

The New Mexico Film Office(NMFO):The Film Office continues to create and develop new and existing relationships with local communities and industry professionals to disseminate information, to prepare for production requests and to support local filmmakers. In the second quarter, the NMFO's annual Film & Media Industry Conference took place at the Isleta Casino & Resort, providing a variety of compelling topics with an extraordinary array of forty in and out-of-state guest speakers and panelist, and over 400 registrants; a 26% increase compared to 2014. In December, the NMFO also participated in the ESPN's New Mexico Bowl at UNM which included the debut screening of the New Mexico Sizzle Reel, a high energy promo highlighting productions shot in NM. The NMFO also had a celebrity guest appearance from Elise Eberle, New Mexico actor and star of the hit show, Salem. The NM Bowl audience exceeded 50,000 attendees. This quarter also saw the revival of the NMFO Internship program. The on-going program is designed to allow freshman filmmakers the opportunity to have exposure to the inner workings of the NMFO as well as giving them exposure to the 25-30% film tax incentive program. Since the re-introduction of the program, ten students have successfully cycled through the internship program.

Business Incubator Program

The purpose this program is to certify and support business incubation facilities statewide. In October 2015, EDD certified the state's first Native American incubator, Navajo Tech Innovation Center. The Center is managed by Navajo Technical University.

Agency Policy Promoting State-Tribal Relations

In accordance with the State-Tribal Collaboration Act(STCA), the NMEDD policy to promote and assist Native American entities is to utilize the Regional Representative Program. The Regional Representative network that has Native American entities within their service area will assist with economic development projects and initiatives; and then report to the Primary Tribal Liaison (PTL). The PTL will communicate with the Cabinet Secretary through the proper Chain of Command.



The Regional Representative will also consult with other NMEDD programs to determine how best to assist with a Tribal project. NMEDD provides technical assistance through many of the programs.

Training and Employee Notification

In 2009 the IAD and the State Personnel Office (SPO) coordinated research and planned and developed training as required by the STRC. In 2010 the training curriculum and materials were refined and a training model was designed to train state employees on culture and protocols for working with Native American communities. All ED Division staff have completed the Cultural Competency Training.

State-Tribal Consultation, Collaboration, and Communication Policy

The policy of NMEDD is to communicate with Native American communities and entities for economic development via the Regional Representatives under the leadership of the Primary Tribal Liaison.

Native American entities have also been added to the various electronic distribution lists of the department.

The Primary Liaison also maintains an open dialogue with the Economic Development Director for the IAD and follow-up to presenting the State-Tribal Leaders Smart Goal Accomplishments through the Cabinet Secretary.

FY 2016 State-Tribal Leaders Economic Development Smart Goals were: (1) Access to broadband; (2) Vocational training in local tribal communities; (3) Collaborations with tribal businesses; and (4) Increased investments to improve the economic environment. Recommendations were to access broadband through solutions tailored for tribes and regions, and funding for growth and development. Lastly, (5) identify incentive programs and promote these to industry and business.

The first smart goal accomplishment is increased investments to improve the economic environment, accomplished through the collaboration of tribal businesses and the Navajo Nation in support of Raytheon. San Juan County acted as fiscal agent, to access LEDA funds which provided \$200,000 in professional architectural design services. The funds contributed to the retention of 42 jobs and the creation of two new jobs. The Navajo Nation financed and leased 30,000 square feet of new warehouse space at Navajo Nation Agricultural Products Industry (NAPI), south of Farmington.

Raytheon, recently announced an expansion in Albuquerque, signing a lease on 72,000 square feet of space at the Sandia Science and Technology Park.

The second smart goal was accomplished working with the Pueblo of Zuni and Zuni MainStreet. Zuni Pueblo is the first Native American Certified Main Street Program in the Country. The Halona Market Place received financial analysis technical assistance and funding which was used to lease additional office space. On February 2, 2017, ground was broken at Halona Market Place. This 112 -year old trading post/grocer is a family- owned business led by Loren Thomas. USDA is guaranteeing this loan through Pinnacle Bank to build a 20,400 square foot facility which will house a new supermarket and three rental spaces. Pinnacle Bank will provide a \$2,750,000 loan that will retain the existing workforce and expand its food desert program by December 2017.

The third smart goal was accomplished with a \$50,000 New Mexico Planning Grant which was used to complete an Economic Development Comprehensive Land Use Plan for the Pueblo of Picuris. The Tribal Liaison partnered with the Architect/Planner in participating in tribal town meetings, researching data, strategic planning, identifying growth businesses and identifying incentives to improve the economic environment.

Recently the Pueblo has taken ownership of its own renewable energy utility system. The Pueblo is seeking agricultural and enterprise businesses to operate in the communities that serve this historic tribe.

Office of Science & Technology (OST)

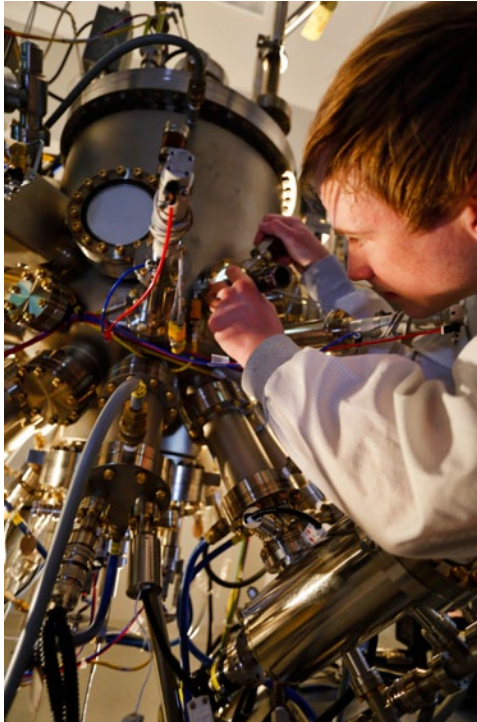
In FY17 the OST worked to grow and diversify New Mexico's economy by developing new programs that support and provide opportunities for New Mexico's innovation based businesses. These efforts were led by the Technology Research Collaborative (TRC) and furthered by the Catalyst Fund and New Mexico's Office of Economic Adjustment Defense Industry Diversification Program.

The Technology Research Collaborative (TRC)

The TRC was created by statute (HB562; 2014) to drive commercialization of innovative technologies from New Mexico's research universities and laboratories. Members of this board represent New Mexico's three federal laboratories, three research universities, and the private sector. The purpose of the TRC is to 1) establish advanced technology centers based on the wealth of scientific and technical talent that exists in New Mexico; 2) develop and create new intellectual property for the state, encourage new opportunities for business and increase jobs; 3) commercialize the intellectual property that is created; and 4) create a workforce to support enterprises based on the intellectual property created. In FY17 the TRC identified gaps in the science and technology business ecosystem that create challenges for business and limit economic opportunity. The board then selected three of these challenges that it could take steps to address. The challenges the TRC choose in FY17 were workforce, access to capital, and opportunities for companies to acquire customers.

Workforce: To address reports of workforce talent lost, that incoming talent and NM graduates struggle to connect with employment opportunities in NM, and that startups and investors struggle to find talent capable of supporting companies, the TRC oversaw the creation of two programs to help strengthen New Mexico's Workforce: The New Mexico Gas Company Innovation Fellowship and the TalentSource Program.

The New Mexico Gas Company Innovation Fellowship: The TRC was awarded a \$100,000 grant from the New Mexico Gas Company to create an Innovation Fellowship. This program is designed to create a pipeline of experienced serial entrepreneurs and strong managers to lead New Mexico's technology companies. The TRC and the staff of the Office of Science and Technology are currently recruiting student fellows from universities and colleges and creating a curriculum. Fellows will then work alongside and within organizations comprising the entrepreneurial ecosystem such as the New Mexico Angels and science and technology start-up companies, themselves. The fellows will gain critical workforce experience and learn the ecosystem. They will provide feedback about the needs of the innovation ecosystem to the Economic Development Department and New Mexico's legislators. This feedback will strengthen the connection between government and the entrepreneurial ecosystem in New Mexico and allow the changing needs of the ecosystem to be more efficiently met. This yearlong fellowship creates a pipeline of qualified employees, who can be further trained using JTIP and converted to permanent positions, to continue to grow New Mexico's science and technology ecosystem.



In FY17 the OST provided direct technical assistance and advice to over 50 companies, created business development opportunities for over 100 more, and helped provide over \$40 million dollars of capital to New Mexico's science and technology companies.



In the long run this program not only creates jobs for New Mexican students, grows the talent pipeline for New Mexico technology companies, but may lead to long term job creation as these fellows contribute to the growth of these companies.

TalentSource: This project is driven by the need to connect local NM talent with the companies, industries and startups that are in need of their expertise. Created in partnership with Los Alamos National Laboratory TalentSource connects businesses, the workforce, and economic development assets via social networks and a series of special events. Begun in response to the expected 1500 employee turn-over at Los Alamos Laboratory over the next 5 years this program focuses on connecting the partners of new LANL employees, retirees, and postdocs with opportunity in NM. In FY17 TalentSource focused on creating the social media strategy and event infrastructure as well as recruiting participants.

Access to Capital: Companies need capital to succeed. In FY17 the OST provided two new sources of capital to New Mexico companies: the Catalyst Fund and the New Mexico Innovation Voucher Program. Together these programs created over \$40 million dollars of capital for New Mexican companies.

The Catalyst Fund: A \$40 million investment in New Mexico's seed and early stage science and technology companies. This fund was made possible by a partnership between the New Mexico Finance Authority, the State Investment Council, and NMEDD. The first investments were made in late May 2017. The OST serves on the Catalyst Fund Advisory Board and provides education and networking opportunities to companies and entrepreneurs seeking Catalyst Investment. The Fund is expected to support more than 50 companies in New Mexico by 2020.

The New Mexico Innovation Voucher Program: A competitive grant designed to enable early stage science and technology companies to address unique, pressing challenges and overcome barriers to reaching market potential. This is achieved by providing small amounts of funding at critical moments during company growth. These funds can be used to offset costs for services offered by approved programs allowing companies to focus on and achieve strategic business development goals. The Innovation Voucher program leverages New Mexico's growing science and technology entrepreneurial ecosystem while providing support to the businesses leading the way. During the



4th quarter pilot program 19 awards totaling \$45,000 were made across the state. By offsetting the cost of services offered by economic development assets in the ecosystem Innovation Vouchers enabled awardees to hire NM student interns, file patents, launch marketing campaigns, scale up manufacturing, and build prototypes. Companies receiving Innovation Voucher awards generated over half a million dollars of follow-on investment during the three month pilot. The program will continue in FY18.

Enabling Customer Acquisition: To enable customer acquisition and enable companies to grow their market outside of NM the OST focuses on collaborating with other divisions within NMEDD and across New Mexico’s public and private sectors. Examples of successful collaboration include the BIO International Tradeshow, the Innovate New Mexico Technology Showcase, and Disruptech.

BIO International Tradeshow: The OST partnered with NMEDD’s Office of International Trade and NMBIO, an entrepreneurial support resource, to enable nine companies to attend the international tradeshow. At this show companies met with investors, pitched to an international audience and met potential customers.

The Innovate New Mexico Technology Showcase: This event was co-hosted by the TRC, New Mexico’s federal laboratories, and research universities. The showcase had over 200 attendees and connected New Mexico companies with global industry.

Disruptech: This event co-hosted by the TRC, the New Mexico Angels, The New Mexico Manufacturing Extension Partnership, and Los Alamos National Laboratory (LANL) introduces the latest technology and its investors from LANL to entrepreneurs, investors, and industrial partners. This year’s program drew a crowd of over 150 people.

New Mexico’s Defense Industry Diversification
The OST continued to implement a defense industry diversification program dedicated to assisting NM’s businesses in increasing their commercial revenue in order to mitigate risks posed by volatility in federal funding. Funding for this program is provided by a \$1.6 million grant from the Department of Defense Office of Economic Adjustment. Currently the OST is providing direct business development and strategic planning assistance to 8 companies, continuing work on a strengths, weaknesses, opportunity, and threat analysis of NM’s defense ecosystem, and the creation of a web portal (NMDEC.net). These efforts connect, strengthen, and support the defense community. This web portal is a one stop shop where businesses reliant on defense contracts can go for information on defense industry trends, business opportunities, and assistance in entering non-defense dependent markets. These efforts serve to create a more robust and diverse economy for New Mexico.



New Mexico Film Office (NMFO)

The New Mexico State Film Office is a division of the New Mexico Economic Development Department that serves the film and television industry locally, nationally and internationally. The office's purpose is to market the state to this industry, service the productions and promote jobs for New Mexico residents. The division offers resources to producers, film crew and local filmmakers and works diligently to assist with the scouting of potential filming locations. The division consults with productions regarding the financial aspects of their projects, guiding them through the incentives, such as the 25% to 30% Refundable Film Production Tax Credit and the Job Training Incentive Program for Film & Multimedia. The division also connects productions with the crew, vendor services and film liaisons throughout the state.

The division continues to focus on three main initiatives: (1) Recruitment: Television, Feature Productions and Digital Emerging Media Projects/Companies; (2) Workforce Development; and (3) Statewide Industry Outreach.

FY17	Q1	Q2	Q3	Q4	FY17 Year End Totals
Direct Spend into NM Economy	144.6M	132.2M	113.1M	116M	505.9M
Total number of New Projects in Principal Photography	25	9	11	16	61
Number of Projects over \$1M (total budget) in Production	12	15	13	12	52
Worker Days (crew size x days employed)	133,128	160,405	69,069	85,702	448,304

Recruitment: The division's primary purpose is to market the state to the film & television and emerging media industries, service the recruited productions and companies, and promote job and business opportunities for New Mexico residents. This includes consulting with production and emerging media companies regarding the financial aspects of their projects, and guiding them through the incentives such as the Refundable Film Production Tax Credit. The division also provides direction to companies regarding potential locations on which to film, as well as connecting the productions with the crew, vendor services and film liaisons throughout the state. The division continues to work towards taking the lead in Emerging Media entrepreneurial opportunities in-state.

Highlights:

In the first quarter: It is a banner year so far for NM film and TV. Our highest Q1 ever. We have almost doubled our worker days from last year. Another first, all of



the production studios are booked throughout the fall and winter months which has never happened before in NM. Currently we have major features wrapping up: Hostiles, Granite Mountain, Villa Capri and Woman Walks Ahead. Ongoing TV series: Godless (Netflix), Better Call Saul Season 3 (AMC), t@gged Season 2 (AwesomenessTV), plus many student shorts, indie features such as Galileo (filmed exclusively in Taos), Furthest Witness, Making a Killing, locally produced TV series When Angels Guard Your Every Step for cable international distribution and BioPark for National Geographic Channel, as well as local indie shorts like Leslie, Mrs. Murphy's Confession, Lyra, Scaredy Cat, Why I Run, Diva's Perfect Posse, Cuts, and Broken Sidewalk.

The Director attended the 40th annual Association of Film Commissioners International Cineposium in Atlanta, Georgia. Attendees were from 22 countries and 25 US states were represented during the three-day Building Your Business focused conference. This year's event gave attention to Production Infrastructure - how to build it, maintain it and manage crew development to meet its needs. Senator Christopher J. Dodd, Chairman and CEO of the Motion Picture Association of America, provided the keynote address where he discussed how film commissions have enabled the flourishing of a truly global film and TV business. Industry professionals and government leaders learned about BUILDING the business of TV and film production infrastructure in their respective markets.

In the first quarter, fourth-eight (48) new projects were logged in-progress / in-production

In the second quarter, Film and TV is booming in NM! It's winter time and our state has never seen summer-like numbers in the colder months. The studios are booked to capacity and New Mexico crew and cast are in high demand and working! Currently we have major features wrapped: Logan, Granite Mountain, Cliffs of Freedom and Villa Capri. Major feature films still in principal photography: Soldado (Sequel to Sicario) and Horse Soldiers. Ongoing TV series include: Midnight, Texas (Season 1, NBC), Get Shorty (Season 1, Epix), Monsters of God (TNT pilot), plus many student shorts, indie features such as Rose (filmed exclusively in Truth Or Consequences), Astro (Roswell), Prison Break and Be My Baby (Canadian company that for the first time hired a full New Mexico resident crew from Above The Line to Below The Line jobs).

In the second quarter, twenty-four (24) new projects were logged in-progress / in-production.

In the third quarter New Mexico is smashing records once again with a banner winter into spring season that has kept our crew and actors in production consistently employed. Current features in production: Fast Color, Fatal Mistakes, Highway, In the Middle of the River, Hyde Park, Rust in Peace, Will Gardner and Don't Let Them In. TV series that have wrapped: Better Call Saul Season 4 (AMC) and Mission Control (CBS TV pilot). TV series in production (ongoing and new): Get Shorty Season 1 (Epix), Waco (Spike TV series), The Girlfriend Experience Season 2 (Starz), Longmire Season 6 (Netflix), a soon to be announced Netflix feature, Scalped (TV pilot/Warner Horizon TV) and The Night Shift Season 4 (NBC). As well as many exciting projects from local NM film makers: Engineering Earth (documentary), Holy Traitor (indie), Patriot's Price (indie), Rise of the Phoenix (indie short), Reelz Channel (3 TV shows and national commercials), The Darker Paths (web series) and The End of The Santa Fe Trail (TV pilot).

In the third quarter, fifty-four (54) new projects were logging in-progress / in-production.

The division was nominated as a finalist for "Outstanding Film Commission, 2016" by the Location Managers Guild International (LMGI). The LMGI awards are an internationally recognized celebration of the outstanding creative contributions of location professionals and film commissions from around the world. The LMGI awards pay tribute to contemporary and period film and television, as well as commercial advertising.

The division held a cast and crew screening for "Logan" filmed in northern New Mexico with over 320 attendees along with a welcome and thank you to crew by Karen Mbanefo, Vice President of Production Tax Planning and Incentives for FOX.



In the fourth quarter, production continued to provide a solid film workforce with both local and Hollywood independent films, pilots, TV series and mini-series. Current TV series include: Graves Season 2 (Epix), an NBC television series from the producers of Homeland, ongoing productions of Waco (formerly Spike TV to the newly branded Paramount TV Network series), The Girlfriend Experience Season 2 (Starz), Longmire Season 6 (Netflix), The Night Shift Season 4 (NBC) and a first time mini-series from The Coen Brothers, The Ballad of Buster Scruggs (Netflix). Current Independent feature films include: Arizona, Icebox, Will Gardner, Don't Let Them In, Judgement, Four Corners, Highway and Prolonged Exposure. Locally produced productions included: No Clemency, Changing of The Gods, Final Cutz, Prime Lessons (Amazon educational series), Om + Me (Glamour magazine), Eyes on Unity and KT Diaries (new media, daily fishing/adventure video diary).

Workforce Development: The Job Training Incentive Program for Film & Multimedia (JTIP) provides multiple ways for residents to advance in this industry and to keep talent in-state. The program continues to evolve and expand to meet industry needs. The Film Crew Advancement Program (FCAP) is the division's priority program in training as it provides high-wage job opportunities with production companies where crew can diversify and advance their skill sets increasing retention and continual employment in the industry. As an additional incentive to the film tax credit, productions that hire qualifying, local crew are reimbursed fifty percent (50%) of a qualifying resident's wages for up to 1040 hours. In addition, the program encourages veterans and reserve member components to apply transitional skill sets to this industry in an initiative entitled "Operation Soundstage."

Highlights:

In the first quarter: due to a cut of funds in FY17, the FCAP number of participating production companies and number of participating New Mexico residents has significantly decreased. The division made administrative adjustments to review FCAP applications from production companies with budgets ranging from \$200K to \$3M. The division also limited one (1) FCAP position per department. Three (3) Q1 productions had to decrease the number of trainees by 40 and the division had to decline participation of eight (8) major productions with budgets over \$2M, resulting in an average estimate of eighty (80) potential trainees who were not able to participate in FCAP. Funds may not be available for Q2, Q3 or Q4. Five (5) companies qualified for FCAP with forty-seven (47) resident participants.

In the second quarter: the division attended the Santa Fe Community College veteran career fair and the New Mexico Workforce Connection career fair to educate and recruit veterans and reserved component members to Operation



Soundstage; Four (4) companies qualified for FCAP with thirty-seven (37) resident participants. The division may coordinate training classes in Q3 and Q4.

In the third quarter: five (5) companies qualified for FCAP with thirty (30) resident participants. The division and training contractor held a training class for thirty (30) residents regarding how to handle and organize finances as an independent contractor and as a vendor to maintain continual employment in New Mexico.

In the fourth quarter: four (4) companies qualified for FCAP with thirty-three (33) resident participants. A training class was held for seventeen (17) residents on aerial lift training. Training focused on reviewing OSHA Aerial Lift standards, hazards associated in the operation of Aerial Lifts, inspection of Aerial Lifts, and use and limitations of Aerial Lifts, etc.

Statewide Outreach: There are a variety of ways to work with local communities, schools, filmmakers and chambers in order to assist and promote the industry and the jobs it creates. The five (5) that have been identified by the division to increase the effectiveness of local outreach are (1) expanding upon the Statewide Film Liaison Network that trains designated community members in the production process and encourages filmmaking in rural areas; (2) collaborating Film Tourism efforts to give communities an additional way to market to visitors, to increase economic impact and to benefit from the success of the industry; (3) holding regional meetings and utilizing social media to assist in educating the public on the industry and the division's resources; (4) developing educational networking initiatives to provide opportunities to learn about film and media programs available throughout New Mexico; and (5) expanding on two primary outreach events: the annual NM filmmakers Showcase and the annual Film & Media Industry Conference.

Highlights:

In the first quarter: The division held its fourth annual Filmmakers Showcase at the Hispanic Cultural Center with over one hundred (100) entries. The Showcase is an annual event featuring a vast range of creative talent from New Mexicans around the state; the division co-hosted with SONY a crew screening of "The Magnificent Seven," with approximately 180 attendees in Albuquerque; created a new podcast for the division, "NMFO Filmcast" and conducted the inaugural podcast with actor Robert Taylor; and assisted the 2016 Balloon Fiesta Student Filmmaker Challenge which provides student filmmakers the opportunity to develop short films / digital videos presented by Canon.

For second quarter: the division held its annual Film & Media Industry Conference at the Isleta Casino & Resort with over forty (40) in and out-of-state guest speakers and panelists, over four hundred (400) registrants and over sixty (60) sponsors and vendors. This two-day conference offers New Mexico's film community unique access to panels, dynamic presentations and networking opportunities; the division participated in ESPN's Gildan Bowl at UNM with a debut screening of the new 2017 New Mexico Sizzle Reel, celebrity guest appearance from Benicio Del Toro, who returned to New Mexico to film "Soldado", the follow-up to the blockbuster film "Sicario". The ESPN Gildan Bowl at UNM audience exceeded 30,000 attendees and the division hosted a cast and crew screening of "The Magnificent Seven" with over 250 attendees. In the third quarter, the division will host the annual film liaison summit in Santa Fe and attend the annual film and media day at the roundhouse during the 2017 Legislative Session.

In the third quarter: the division held its Fourth Annual Film Liaison Summit on February 11th and 12th with over 30 Liaisons in attendance for the two day event where Liaisons and the division gathered for informative workshops, networking and relationship building. The Outreach Coordinator and Office Administrator participated in the Institute of American Indian Arts career day where they met with students to inform them of the expanding opportunities and careers in the film and television industry. The Outreach Coordinator and division interns completed a promotional video for NMEDD's LEDA and JTIP programs. Lastly, the Governor's Charity Ball requested assistance in creating a "Call to Action" video for one of the three yearly featured charities. This year we created a video for Lifequest for debut at the 2018 Governor's Ball.

In the fourth quarter: the division is finalizing the agenda and panelists for the annual 2-day Film and Media Conference to be held in Albuquerque in August. The division is also finalizing plans for the annual NM Filmmakers Showcase in September and the annual Education Summit in October.

