

EDD News

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Friends of Economic Development:

Happy Holidays! As we come to the close of another year and make a transition, I would like to take a moment to look back, and look ahead across the Economic Development horizon in New Mexico.



Looking Back:

- First, I am very proud of the accomplishments, traction and wins on the economic development front over the past two-plus years. One does not do it alone nor in a silo. As such, I would like to express my gratitude to the team at EDD as well as the collaborators across the State.
- Second, the dialogue and understanding of our programmatic effectiveness is evolving positively. New Mexico, like many locales, seems to have had a historical tendency to discuss economic development in the context of corporate recruitment. In actuality, it is so much more; the 3-legged stool is a tried, true and tested framework; and, the reality is our programs are making a difference across all three legs of BRE/retention & expansion, new business formation/start-ups and recruitment.
- Third, we are wrapping up a very solid first half FY19, which follows a strong FY18. So far, in FY19, we have rolled-up 2,209 jobs and in FY18, we created 3,994 jobs. We garnered two green ratings in [the LFC scorecard](#) for both the ED and Film Divisions. In the spirit of the three-legged stool, a significant percentage of our activity is helping homegrown New Mexico businesses scale: 67% of JTIP and 65% of LEDA companies are New Mexico homegrown -- just like green chile.
- Rather than citing companies herein, I invite you to click through to our [website](#) to peruse [press announcements](#), [case studies](#) and/or the [annual report](#) for some highlights.

Looking Ahead:

- **"Consistency and Predictability"**: In the '13-'15 timeframe, Governor Martinez prioritized **business climate reform and economic development funding**. Governor Martinez championed tax reform that eliminated GRT pyramiding for manufacturers and enacted single sales factors for corporate income tax apportionment for headquarters operations and manufacturers to put New Mexico on a more competitive foot with western and peer states. We, too, prioritized funding for JTIP and LEDA. These actions form the **foundational underpinnings of New Mexico's economic resurgence**.
- **"ABC" - Augment, Bolster and Continue**: In my final months, I have

encouraged the policymakers and stakeholders to look to augment, bolster and continue the funding of economic development programs. The *"continue"* refers to JTIP, LEDA and tax policy improvements. The *"augment"* and *"bolster"* encompasses other core areas and programs that have been under-resourced due to budget constraints (i.e. MainStreet and the Offices of Science & Tech, International Trade).

- *"And not Or"*: I, too, have encouraged folks to consider expansion of economic development efforts in the context of *"and"* rather than *"or."* First, think about the 3-legged stool, the supporting foot-pegs are the *"and."* An uneven stool wobbles; you need all three legs to be strong. In a broader sense, it is dilutive - even destructive - to pit programs and funding against one another. This is not to say that ineffective programs should not held accountable, but rather to put forward that we should not undermine effective existing programs to launch new ones.
- *Credit and Fiefdoms*: There is an adage in Commercial Real Estate, *"be a credit-giver, not a credit-taker."* Let us embrace that a rising tide floats all boats higher and knock down the walls that fiefdoms erect. We are all too under-resourced to not align ourselves to row in the same direction.

In my first bullet point, I expressed my gratitude to collaborators across the economic development landscape. I would like to reiterate my utmost appreciation for the team at EDD. While you may drive me crazy from time to time, I admire you all, individually and collectively.

Next, I would like to **thank Governor Martinez as well as the Chiefs of Staff**. You entrusted in me a big responsibility and gave me the platform to do some of the most meaningful work of my life. Moreover, you prioritized economic development and diversification. Through the course of three economic headwinds, the **broader New Mexico economy has become more resilient and is growing:**

- ~63,000 private sector jobs have been created
- Job growth is now 2.3% (up from -0.4% in January 2011)
- Nearly half as many New Mexicans are unemployed
- Private nonfarm wages and salaries have increased \$5.1 billion
- Per capita personal income has grown 17.3%

In closing, we have tons of adages, clichés, quips and platitudes (you knew that already if you have ever seen one of my presentations) in economic development. In this case, I would say a body in motion stays in motion. Too many times, New Mexico has started, stopped, paused, re-started its economic development efforts. Whether there is a recession coming or not, **New Mexico is well poised to ABC/Augment, Bolster and Continue its economic development efforts to drive an even greater level of effective outcomes** over the next decade. Economic Development is a **long-game and we have laid a steady, solid foundation over the past eight years for the body to stay in motion.**

Respectfully and humbly yours,

Matt Geisel



NMEDD Unveils an Opportunity Zones Story Map

The New Mexico Economic Development Department has added a new economic

development tool on its website, the Opportunity Zone "[Story Map](#)," which provides information and photos of the development potential of each of the state's 63 Opportunity Zones. NMEDD has worked with the Earth Data Analysis Center at UNM to create the map, which can be found on NMEDD's website, www.GoNM.biz.

The Story Map is a living document that will be updated as projects attract investment and as subsequent projects evolve over the life of the Opportunity Zone program.



As an example, the Carlsbad Department of Development (CDOD) is in search of a firm or individual(s) to purchase and finish a commercial real estate property along the Pecos River.

New Mexico communities are already enthusiastic about the map:

"The NMEDD Opportunity Zones map is a great

resource for cities to leverage easy to use, interactive resources that feature plans to help facilitate connections to deals. We feel very confident that our City has a committed partner to showcase our census tracts to the right local, regional and national funding candidates."

-Rich Brown, City of Santa Fe - Office of Economic Development

"NMEDD's Opportunity Zone map is a great new way for marketing New Mexico to investors. Now they get a look at the variety of great properties across the state with excellent financial income and growth potential."

-Deirdre Firth, City of Albuquerque- Economic Development Department

The Community, Business & Rural Development Team is working within their respective regions to collect information on each Zone. Find your Team member [here](#). You may also submit your information to Ryan Eustice, who worked with UNM to create the map, RyanT.Eustice@state.nm.us.

A LITTLE HISTORY

The Tax Cuts and Jobs Act of 2017 created the **Opportunity Zones** program, which provides for the governor of each state to nominate certain census tracts as "Opportunity Zones." The purpose of the program is to provide tax advantages to attract capital investment into economically distressed areas. NMEDD worked with each of New Mexico's 33 counties to create the list of eligible tracts. On April 19, 2018, Governor Martinez submitted 63 census tracts to the Department of the Treasury to be designated as Opportunity Zones. One month later the Treasury Department designated the 63 tracts submitted.

Two International Companies Choose New Mexico

Backed by an elite group of Taiwanese manufacturing entrepreneurs and investors, **Admiral Cable** has chosen to build a new 65,000 SF facility in Santa Teresa. The company manufactures assembled electrical cords and power supplies and plans to be operational in 2020. Admiral Cable will invest \$50 million in the new facility and plans to eventually expand to 175,000 SF. The project will create 342 new jobs, supported by a LEDA investment of up to \$3.92 million. [Read more.](#)

Korean nitrile glove manufacturing company, **Rhino Health**, will build a 124,000 SF building in Church Rock, on the Navajo Nation. The company will invest \$49 million and create 350 new jobs. Rhino Health LLC is a US-based company with global management team from a leading Korean rubber conglomerate, Jungwoo Rubber &

Two Homegrown Companies Create One Big Success Story

PESCO's core business is manufacturing process equipment for the oil and gas industry. In 2017 the company expanded, adding 170 new jobs. The company announced a second expansion on December 17th in Farmington. PESCO will invest \$7.5 million in expanding their main facility by 20,000 SF, creating 180 new jobs, bringing their total headcount in San Juan County to over 550.

This expansion diversifies PESCO's manufacturing capacity - the company will now make modular, scalable platforms for the production of hydrogen and nitrogen fertilizer for **BayoTech**. BayoTech spun out of Sandia National Labs and was the first company to receive an investment from the Catalyst Fund. [Read more.](#)

More Homegrown Success Stories

Marty's Meals: Santa Fe pet food company Marty's Meals will expand operations, creating up to 11 new manufacturing jobs. Marty's Meals will also invest over \$2 million over the next ten years to expand to an 8,000 square foot storefront and manufacturing facility which opens in November. [Read more.](#)

Amfabsteel: structural steel fabrication and manufacturing firm amfabsteel will expand operations in Bernalillo and create up to 80 new skilled manufacturing jobs. The company also plans to invest more than \$8 million for the expansion in three years. [Read more.](#)

'Tis the Season to Look. Buy. Give. Shop MainStreet



NMMS kicked off the annual "Shop MainStreet" Campaign to help local communities develop Shop Local strategies to bring more people downtown for the holidays. Shop MainStreet builds awareness of the quality services and retail businesses in New Mexico's MainStreet districts. We know that dollars spent with locally-owned businesses recirculate in the community more than dollars spent in large chain or big box stores.

NMMS has 30 MainStreet Communities throughout the state, many who offer special Shop MainStreet events, such as fun Holiday Open Houses, festive Holiday Parades, visits with Santa Claus, and special markets and gatherings that bring people into the districts.

The Shop MainStreet Campaign connects seasonal events and activities with commerce for local businesses in the districts, highlighting the special

holiday sales and offers available downtown. Many MainStreet districts feature holiday decorations that create a festive feeling for holiday shoppers.

Check out special holiday posters and events that feature the Shop MainStreet logo. And remember to Shop MainStreet. This year's Shop MainStreet Campaign provides tools for you to create unique and engaging events in time for the holiday shopping season. The Shop MainStreet Campaign includes a Shop MainStreet

Why Shop MainStreet First?

1. The brick and mortar small business owners in our community represent the backbone of our local economy. The people who own and operate businesses downtown have deep community roots. They sit next to us at athletic events, coach our kids, and volunteer in our churches and charities.
2. Local businesses generate local jobs. Income to those businesses is returned in the form of salaries, which are spent locally as well. Don't forget all the youth team sponsorships, raffle items, high school scholarships and other investments in our community that are made by local business owners. They contribute because they care.
3. Growth is cyclical. Each time money is spent at locally-owned businesses, more money is available to support other local businesses such as retail stores, movie theaters, auto repair shops, restaurants, health services, etc., and more local jobs are created.
4. Shopping MainStreet is pro-business. It's a great way to support small business owners -- both long-term and new businesses. Whether they are mom and pop coffee shops or locally owned franchises, small businesses are the heart of our communities.
5. Shopping MainStreet is a great way to reinvest into your community. Studies have shown that for every \$100 spent locally, \$68 stays local. For every \$100 spent at a national chain store, only \$43 stays local. The bottom line... shopping MainStreet will keep more of your money in your community.
6. Shopping MainStreet supports local resources. Each time money is spent and re-spent, your city tax base is strengthened to support city resources such as schools, parks, police and fire departments.
7. By Shopping MainStreet you help build your local economy... and improve the quality of life in your community!

New Mexico IDEA Elects Officers & Recognizes Professional Excellence

New Mexico IDEA met on November 13th and 14th at Santa Ana Star Casino Hotel. The meeting includes tours of three local businesses. Topics of discussion included funding economic development, regional economies and goal-setting for the organization.

Newly elected officers are:

- **Eileen Yarborough**,
President
- **Raymond Mondragon**,
President-Elect
- **Richard Anklam**,
Treasurer
- **Melinda Allen**, Secretary



Four awards were presented at the luncheon on the 14th. The well-deserved awardees are:

- **Chase Gentry**, Clovis Industrial Development Corporation, 2018 Dallan Sanders Award: Chase was nominated by the Pattern Energy Group LP for his work on behalf of the Broadview Wind Projects in Curry County. Ward Marshall is Business Development Director for Pattern, "Pattern began developing the

Broadview Wind Projects in Curry County in 2014. From the beginning, we have relied on the help of local experts and stakeholders to move these projects forward. We found ourselves extremely fortunate to enjoy the leadership and initiative taken by Chase Gentry." Mayor Wesley Shafer of Grady stated, "Mr. Gentry has worked closely with the Village of Grady assisting us with an IRB for the construction of three wind farms in Northern Curry County. Mr. Gentry made the process smooth and understandable."

- **Eric Montgomery**, MVEDA, 2018 Developer of the Year: Eric took the lead in the Stampede Meat deal in Sunland Park, the largest job-creating project in 20 years in New Mexico. Julie T. Brown, ESQ, is the City Manager of Sunland Park, "Eric's perseverance and dedication resulted in the recruitment of Stampede Meat, Inc." "I have worked with Eric on various deals and he is the consummate professional who deeply cares about New Mexico. The Stampede Meat deal is a testimony to his tenaciousness in bringing new business to our state," said Jerry Pacheco, President of the Border Industrial Association.
- **Dr. Christine Logan**, NMEDD, 2018 Linda Kay Jones New Mexico First Award: In addition to her work with the Community Development Team, Christine has single-handedly taken on the task of helping her fellow Economic Developers achieve certification through IEDC. To help fund the process for these individuals, on behalf of IDEA she applied for and received a grant from New Mexico Gas Company for professional scholarships. Davin Lopez works with Christine in her region, "Christine has been critical in improving the quality of our economic development profession here in New Mexico and for NMIDEA. Additionally, she has extended the professionalism into rural communities throughout southern New Mexico." Steve Vierck said, "The important contributions of Christine Logan to New Mexico Economic Development meet and exceed the high standard required for the Linda Kay Jones award. She has helped all of us to elevate our economic development skills."
- **Barbara Brazil**, retired from NMEDD, 2018 Ben Lujan Public Servant of the Year: Barbara left NMEDD as Deputy Cabinet Secretary at the end of September. Ray Mondragon stated, "Barbara has been an important advocate for NMIDEA and economic development in the State of New Mexico, serving as Deputy Secretary for eight years as a voice for economic developers across our state." IDEA President Eileen Yarborough added, "Deputy Secretary Barbara Brazil has been a tireless advocate for NMIDEA and for economic growth for our State. I congratulate Barbara and wish her well in her retirement."

NMA Ventures Makes First Investment in a New Mexico Company



Catalyst Fund recipient NMA Ventures has invested \$300,000 in Santa Fe-based company Fusion Funnel, LLC. The company is a software-as-a-service company that offers an automated solution for gathering sales intelligence. NMA Ventures funds early-stage, high-technology companies based in New Mexico.

"We are proud to partner with NMA Ventures to continue supporting New Mexico's culture of

innovation," said Economic Development Cabinet Secretary Matt Geisel. "The Catalyst Fund helps our local companies get off the ground and succeed, creating new jobs and opportunities for New Mexicans."

In May, NMA Ventures received a \$1.6 million commitment from the Catalyst Fund. The Catalyst Fund invests in emerging venture capital funds throughout the state. These venture capital funds invest in seed and early-stage technology companies. Sun Mountain Capital is the manager of the Catalyst Fund. Fusion Funnel is the fourth company receiving an investment via funds who received a commitment from the Catalyst Fund - BayoTech, Inc., Armonica Technologies, and AdWallet previously received investments.

Special thank you to the **Santa Fe Business Incubator** for hosting the announcement event! [Read more.](#)

ICYMI: Cummins Inc. Expands in Clovis

Cummins Inc., a global power leader that has a natural gas engine upfit and assembly facility in Clovis is expanding and creating 10 new high-wage manufacturing jobs. Cummins has had operations in Clovis for more than forty years.

Cummins is investing \$2.5 million in its Clovis operations to add a new remanufacturing disassembly, cleaning and inspection line and new equipment as well as expanding its warehouse by approximately 22,000 square feet. Construction began in October of 2018 and will be fully operational in June 2019.

Six Local Companies Receive SBIR Matching Grants

The NMSBIR Matching Grant is a competitive grant that provides matching funds to help science and technology-focused small businesses bring their research and innovation to the marketplace as products and services. The grant provides matching funds to New Mexico companies that have been granted federal SBIR awards.

Congratulations Actoprobe, LLC, Advanced Optical Technologies (AOT), iBeam Materials, Picotek LLC, UbiQD Inc., and Woodruff Scientific. [Learn more about these companies.](#)

Companies interested in applying for the Spring FY19 SBIR Matching Grant Program are encouraged to look for the application in early 2019 [here](#).

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