



FY16 Midyear Performance Report





Letter from the Cabinet Secretary

Halfway through FY2016, the New Mexico Economic Development Department assisted in the creation of 2,100 jobs. The great news is we still have many, many more job prospects in the pipeline through the end of the fiscal year.

A big factor in New Mexico's economic-base job growth is the state's new competitiveness. In addition to the improvement of New Mexico's overall tax climate and businesses competitiveness, the \$50 million the state invested through the Local Economic Development Act has leveled the playing field with other states. This has put us in the running for several projects and helped land major investments in New Mexico – beating out larger states like Texas and Arizona.

LEDA was also instrumental in helping existing New Mexico small businesses expand. Furthermore, it has allowed us to invest in our MainStreet Historic Theaters Initiative which has been extremely successful in rural downtown revitalization since its launch in 2013.

The Santa Teresa/San Jeronimo Binational Community continues to grow and develop and our Mexico export numbers are leading the nation. This is a result of our focus on investing in infrastructure on the border, increasing New Mexico businesses' exposure to international markets and our innovative approach to working cooperatively with our southern neighbor to increase business.

New Mexico is far more competitive from a business perspective this year than we were five years ago. We look forward to continue the state's 39 months of year-over-year job growth and remain optimistic about the prospects of expanding businesses and relocating companies to New Mexico.

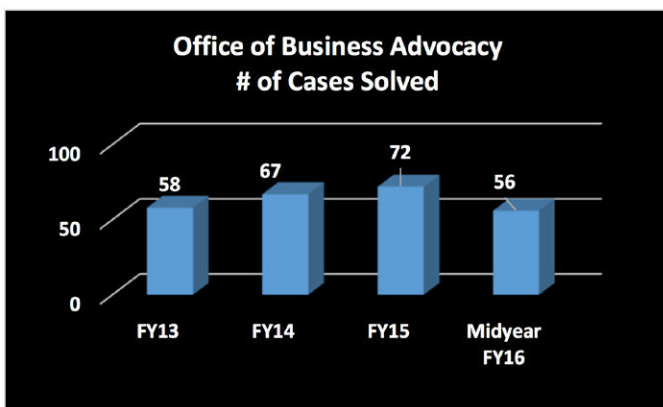
Jon Barela
Cabinet Secretary

Office of the Secretary Job Creation Highlights

- **Skorpios Technologies** will add **300 new jobs** with an average salary range of \$60,000 to \$150,000 in **Albuquerque** over the next few years.
- **National American University** selected **Albuquerque** as the location of its Distance Learning National Operations Center, creating up to **300 new jobs** in Albuquerque.
- **New Mexico Greenhouse Holdings** will create more than **82** new botanist, geneticist and greenhouse jobs in **Mesilla Park**.
- **Rural Sourcing** will create **125 new, well-paying jobs** with emphasis in computer programming in Albuquerque.
- **Ready Roast** plans to create **200 new jobs** in **Portales** as the company expands business from shelling peanuts to eventually producing value-added products.
- **CyraCom** will create up to **100 new jobs** in **Las Cruces** as it expands to meet demand for its translation services by phone, video and on-site at client locations.
- **Sitel** will expand by more than **100 jobs** at its **Las Cruces** facility. The company provides training and ongoing professional development.
- **Little Toad Creek Brewery and Distillery** is expanding its operations in **Silver City**, creating **11 production jobs**.
- **Southwest Cheese** is growing in **Clovis** with **50** new, high-paying positions as the company increases its operational capacity. The company's investment in this expansion is \$140 million.
- **CIG Logistics** is building a state-of-the-art transloading facility for movement of products for the energy industry by rail, adding 20 jobs.
- **Solaro Energy** is adding **25 new jobs** in **Socorro** with the expansion of its manufacturing facility. Solaro manufactures a variety of residential and commercial solar powered lighting and solar-powered attic ventilation products.

Office of Business Advocacy

The Office of Business Advocacy (OBA) resolves challenging bureaucratic, intergovernmental, and public policy problems adversely affecting business in New Mexico. The OBA helps businesses of all sizes resolve their issues with state government. The office also cultivates strategic partnerships with other economic development or business service providers to help businesses in need of services outside of the OBA's scope of work. The OBA is increasing its outreach efforts by traveling the state and speaking at events and meeting with organizations in the Economic Development Department's regions.



Economic Development Division

First Native American State-Certified Business Incubator

Secretary Jon Barela presented the Navajo Tech Innovation Center business incubator in Church Rock with state-certification, making it the first Native American state-certified business incubator in the state. The New Mexico Economic Development Department (NMEDD) will also invest \$18,500 toward the new business incubator. The Navajo Tech Innovation Center includes 27,000 square feet for both the incubator facility and production space next door, with a training room and arts center.

Española Commercial Food Business Incubator

Governor Susana Martinez announced the grand opening of the Northern New Mexico Food Hub's Sostenga Kitchen in Española. The kitchen will serve as a model commercial food business incubator for other communities across the state. The incubator provides guidance to rural job creators on how to start their business and provide them with the tools they need to produce, package, and distribute their products to larger retail markets.

Local Economic Development Act (LEDA)

In 2015, NMEDD received \$50 million in Local Economic Development Act funds. LEDA helps existing New Mexico businesses expand and greatly enhances our competitiveness to recruit new businesses to the state. Through FY16, \$9,093,463 is allocated to 12 businesses and two theaters to be used toward infrastructure.

COMPANY	LOCATION	LEDA INVESTMENT	PRIVATE INVESTMENT	# OF JOBS ANNOUNCED
Solaro Energy	Socorro	\$250,000	\$5,000,000	25
Rural Sourcing	Albuquerque	\$250,000	\$1,700,000	125
Ready Roast	Portales	\$1,500,000	\$16,500,000	200
Ol Gringo Chile	Las Cruces	\$25,000	\$130,000	10
CIG Logistics	Jal	\$100,000	\$18,000,000	50
Little Toad Creek Brewery & Distillery	Silver City	\$100,000	\$512,000	11
Rich Glo	Roswell	\$75,000	\$835,000	11
Skorpis Technologies	Albuquerque	\$5,500,000	\$16,650,000	300
Flickinger Theater	Alamogordo	\$113,436	\$460,000	2
National American University	Albuquerque	\$500,000	\$10,500,000	300
NM Greenhouse Holdings	Las Cruces	\$250,000	\$6,000,000	82
Odeon Theater	Tucumcari	\$50,000	\$220,920	1
Southwest Cheese	Clovis	\$350,000	\$140,000,000	50
W. Silver	Santa Teresa	\$30,000	\$435,000	4
TOTALS		\$9,093,436	\$216,942,920	1,171



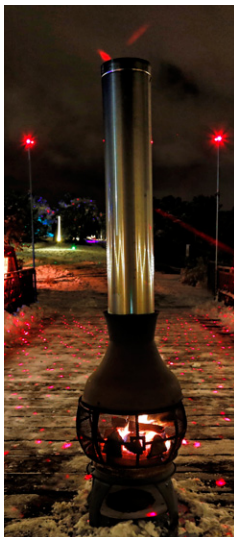
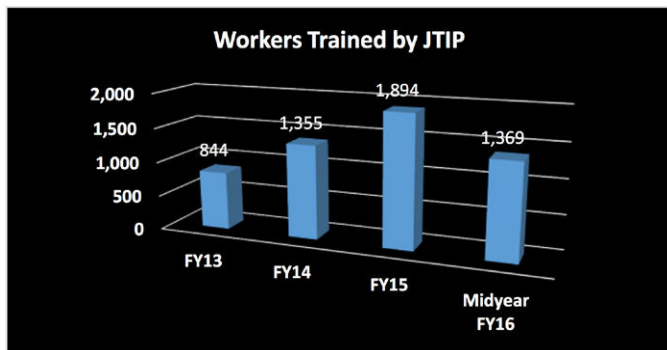
Ready Roast in Portales announces the creation of 200 new jobs in Portales



Governor Martinez, Espanola Mayor Alice Lucero and the Northern New Mexico Food Hub celebrate opening of the Espanola Sotenga Kitchen

Job Training Incentive Program (JTIP)

The New Mexico Job Training Incentive Program has been consistently recognized as one of the best workforce training programs in the nation and remains one of the state's most effective job creation tools. This year NMEDD assisted 42 companies and created 996 new jobs through JTIP.



FY16 Midyear Results:

- 42 Companies Served
- 43% Manufacturing Companies
- 8 Rural Companies
- 1,369 Workers Trained
- 17 Internships

Remaining Funds in FY16: \$837,286

- Total Requests Remaining in FY16: \$2.8 M
- Leaves a gap of **\$2 Million** representing a total of 511 new jobs.



New Mexico Greenhouse announced 82 new export jobs in Mesilla Park

Office of International Trade

The Office of International Trade funded the participation of 10 New Mexico companies to 10 international trade events across Asia, Europe and South America. The New Mexico businesses represent diverse industries such as advanced laboratory equipment, unique flooring materials sourced from New Mexico hardwoods, aviation, water technologies and environmental equipment. The trade events abroad were supported by the New Mexico–U.S. Small Business Administration STEP Grant program and support from our overseas network of trade offices in Brazil and the Middle East.

Overall, New Mexico exports to the world increased to \$3.8 billion, the highest total amount ever recorded. Non-traditional exports of fabricated metal products, machinery and food manufacturers accounted for some of the largest percentage increases to countries such as Japan, Saudi Arabia and Ireland. In some instances there was a five-fold increase within an industry category. New Mexico was awarded another SBA STEP Grant for 2015 to fund trade activities until September 29, 2016.



Secretary Jon Barela interviewed by CNBC on the Santa Teresa/San Jeronimo Binalonal Community

Community, Business and Rural Development Team (CBRDT)

This Team, also known as “regional reps,” provides technical assistance to the counties they serve. Their key performance metric is “business development projects resulting in a successful outcome such as job retention or creation, new investment, financing or new revenue.” To-date, the Team has generated seven successful projects:

- Plectone, Albuquerque
- Taos Herb Company, Taos
- Old Wood, Las Vegas
- Energy Concepts, Sapello
- Ready Roast, Portales
- Angel Fire Resort
- Rich-Glo, Roswell

New Mexico MainStreet (NMMS)

NMMS is currently celebrating its 30th Anniversary -

- Awarded \$500,000 in NMMS Capital Outlay to seven MainStreet and Arts & Cultural Districts for infrastructure projects in Artesia, Clovis, Grants, Los Alamos, Mora Truth or Consequences, and Tucumcari.
- Considering three finalist: Bernalillo, Questa, and Ruidoso for a competitive process to become a New MainStreet Emerging Community.
- Finalizing two \$50,000 NMFA Local Government Planning Fund Grants for Aztec and Tucumcari to complete Metropolitan Redevelopment Area Plans.
- 7 communities approved for Frontier Projects: Eagle Nest, Mountainair, Santa Clara, Santa Rosa, Springer, Tularosa, and Villanueva.
- Selected 2 New Communities for "Great Blocks on MainStreet Projects": Las Vegas and Tucumcari



Governor Martinez and Secretary Barela with Solaro founder after announcing 25 new jobs in Socorro



Governor Martinez announces Southwest Cheese Southwest Cheese creating 50 jobs and investing \$140 million in Clovis

Historic Theaters Initiative

Secretary Barela created the Historic Theaters Initiative in 2013. Communities that have participated in the program are experiencing an increase in visitors and business in local downtown commercial districts. Secretary Barela set aside \$1 million in LEDA funds for the Historic Theater program for FY16. The funding provides for a digital conversion to show modern films in the new format and preservation of the historic theaters. Two theaters have been completed thus far in FY16 in Alamogordo and Tucumcari.



Office of Science & Technology, Technology Research Collaborative (TRC)

The TRC is dedicated to accelerating the advancement of innovations and job creation in new and existing businesses in New Mexico.

- The TRC actively supported statewide technology commercialization initiatives, including Disruptech with Los Alamos, International Year of Light Conference for Photonics at UNM, Technology Ventures Corporation Deal Stream Summit, and the Small Business Innovative Research grant training and development.
- The State Science and Technology Plan was published in December 2015.



- The TRC contracted three studies to assist in future planning:

- o An evaluation of the projects funded by the former TRC in 2006–2007
- o Technology Research Centers: An Evaluation of State-Funded Programs Moving Innovations to Market
- o Biosensor Commercialization Market and Customer Adoption

- The TRC provided matching funds to secure funding for the DOD OEA grant for an innovation and commercialization pilot program, which will be focused primarily in the photonics sector. That program will start early 2016.

With FY2016 funding of \$300,000 the TRC will fund pilot projects from TRC members, which leverage their current programs and can be scaled up in the future. These pilot programs will contribute to the design of a TRC program unique to New Mexico, one that will be implemented with a high sense of responsibility and stewardship of state taxpayer dollars by requiring milestones and metrics, and measured outcomes and results. Incubator and accelerator programs among the TRC members and across the state have experience, knowledge and material that can contribute to this effort.



Software development company Rural Sourcing Inc (RSI) announces 125 new jobs in Albuquerque



Secretary Barela presented the Navajo Tech Innovation Center in Church Rock with business incubator state-certification



Sec. Barela and Little Toad Creek owners announce creation of 11 manufacturing jobs in Silver City



Gov. Martinez announces National American University selected Albuquerque for its 300 employee national distance learning center

New Mexico Film Office

Last year, the film industry contributed nearly \$290 million into New Mexico's economy last year – the largest economic impact in state history.

The Film Office Announced Several Major Productions and other highlights YTD:

- Graves, t@gged, The Space Between Us, EDGE, The Magnificent Seven, Gold, and Better Call Saul
- Completed a successful annual Film and Media Conference with over 400 participants and 30 panelists
- Hosted a cast and crew screening of The Scorch Trials, presented by Fox Studios with over 200 attendees
- Completed the second phase of the film study reporting the industry has a positive impact on job creation in New Mexico



NMEDD MIDYEAR PERFORMANCE RESULTS

Key Performance Metric	FY16 Target	Q1 Results	Q2 Results	Midyear Totals
Total number of jobs created	4,500	778	1,346	2,124
Total number of rural job	1,750	279	83	362
Number of business advocacy cases solved	65	32	24	56
Jobs created by the NM Partnership	2,000	230	82	312
Number of building rehabilitations completed in MainStreet Districts	160	23	40	63
Private sector \$ leveraged by each \$ of LEDA funds	5:1	17:1	20:1	18.8:1
Number of jobs created through the use of LEDA funds	1,500	421	750	1,171
Number of business development projects resulting in a positive outcome	15	5	2	7
Number of workers trained by JTIP	1,400	627	742	1,369



1100 St. Francis Drive • Santa Fe, NM 87505-4147 • 505.827.0300 • www.goNM.biz