



## FY17 1<sup>st</sup> Quarter Performance Report





## OFFICE OF THE SECRETARY

### 1st Quarter Highlights

Eighteen rural communities have been selected to share \$170,000 in Local Economic Assistance & Development Support (LEADS) grants funding. LEADS recipients are chosen through a competitive application process. The Economic Development Commission made the final selection of successful applicants.

St. Claire's Organics, a Colorado manufacturer of candy and cough drops, is relocating 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 place-making 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.

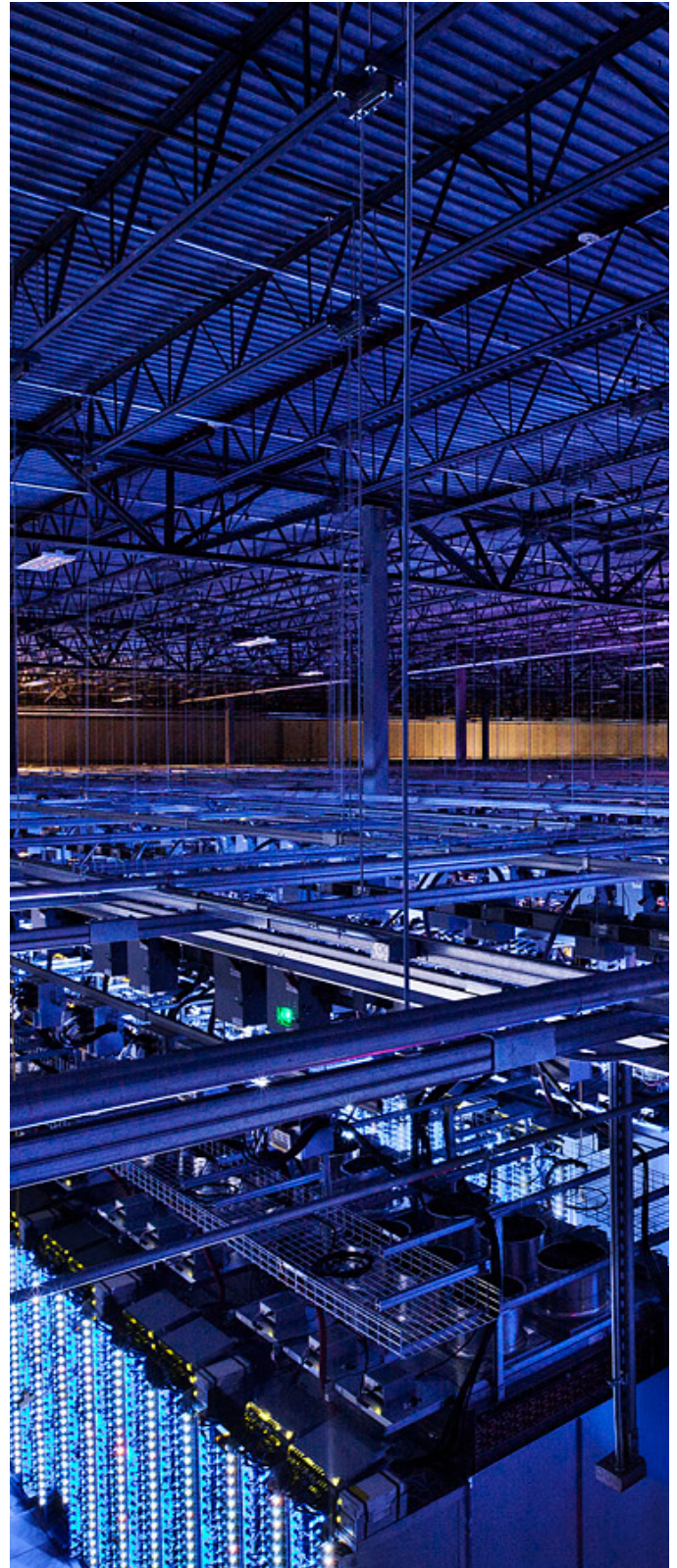
Unity BPO, a homegrown New Mexico business, will create 300 new healthcare industry jobs in Albuquerque with the ongoing assistance of JTIP. The company will hire skilled chemical analysts with salaries ranging from \$38,000 to \$90,000.

On August 23rd Secretary Barela attended the grand opening of the New Mexico Highlands University Business Hub and announced that Medicus Billing & Consulting is expanding to Las Vegas creating ten new jobs.

The biggest news of the quarter was undoubtedly Facebook's announcement 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.

Two tech companies, Star Cryoelectronics expanding in Santa Fe, and X2nSAT relocating to Las Cruces, were announced in October but reported by LEDA and counted in the first quarter.

Measure	Target	Q1	Q2	Q3	Q4	Total
Total jobs created	4,500	736				
Rural jobs created	1,600	168				





## NEW MEXICO PARTNERSHIP

The Partnership recruited a new company to the state:

- Facebook selected Los Lunas for a large scale data center representing one of the largest investments in New Mexico in years. Facebook will employ 50.
- Master Immediate Supply is a Mexican company that has leased 2,000 SF in Santa Teresa and will be supplying parts and components regionally creating 5 jobs.
- Gamesa is a Spanish wind turbine that will stage its turbines for shipment in Santa Teresa, creating 25 jobs.

The first quarter was eventful with continued project management work to develop existing projects including five site visits, and outbound marketing and sales activities. A new project was opened in conjunction with an attendee at the Fam Tour event held in June. New Mexico has made the first cut for a 600-employee industrial facility. We are a finalist on two other projects that are considering our state, one a relocation from California, and the other an expanding technology-related opportunity.

Marketing Activities:

- E-mail outreach to executives representing potential expanding/relocating companies in California and Chicago
- Sales Mission to Phoenix with MVEDA and Roswell-Chaves County Economic Development Corporation
- Breakbulk Americas trade show with Gallup EDC (Michael Sage)
- Governor's Boston Sales Mission

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of jobs created by business relocations facilitated by the EDP	2,250	80				
Number of Potential Recruitment Opportunities (PRO) generated by Partnership marketing & sales activities	84	12				





## ECONOMIC DEVELOPMENT DIVISION

The largest division in the department assists New Mexico businesses and communities through its programs. Businesses receive direct assistance from JTIP, Finance Development, International Trade, and the Community, Business & Rural Development Team (CBRDT). Community development programs are provided by MainStreet, Finance Development, and the CBRDT.

### New Mexico MainStreet (NMMS)

Measure	Target	Q1	Q2	Q3	Q4	Total
Dollars of private sector investment in MainStreet districts (millions)	\$9	\$10,140,612				

- 78 Total building rehabilitations
- 37 Net new businesses
- 177 Net new jobs
- One new business, 5 new jobs, and one new building in the Pueblo of Zuni MainStreet District
- 34 building rehabilitations in the Downtown Albuquerque district
- Statewide there were ten promotions in NMMS districts
- Los Alamos MainStreet realized eight new businesses during the quarter



## Job Incentive Training Program (JTIP)

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of workers trained by JTIP	1,500	321				

21 Companies Assisted		New Mexico Milling	Farmington
Boese Brothers Brewing	Albuquerque	NICOR Lighting	Albuquerque
Clock Shark	Albuquerque	Optomec	Albuquerque
Convergys	Rio Rancho	PCM Sales	Rio Rancho
CSI Aviation	Albuquerque	Plenish	Taos
Descartes Labs	Los Alamos	Positive Energy Solar	Multiple
Electronic Tech Services	Albuquerque	Qynergy	Albuquerque
Insight Lighting	Rio Rancho	Rural Sourcing	Albuquerque
Lavu	Albuquerque	UbiQD	Los Alamos
Mako Medical Labs	Albuquerque	Unity BPO	Albuquerque
Medicus Billing	Las Vegas	Vitality Works	Albuquerque



## Finance Development Team

### LOCAL ECONOMIC DEVELOPMENT ACT (LEDA)

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of private sector dollars leveraged by each dollar through LEDA	10 to 1	25.2				
Number of jobs created through the use of LEDA funds	2,000	144				

Company	County	Number of Jobs	LEDA Investment	Private Investment	Ratio
Star Cryoelectronics, LLC	Santa Fe	11	\$100,000	\$500,000	5
Niagara Bottling	Valencia	41	\$500,000	\$23,000,000	46
X2nSAT, Inc.	Dofia Ana	30	\$300,000	\$2,500,000	8.33
McClintic RDM, Inc.	Bernalillo	12	\$100,000	\$1,000,000	10
Facebook	Valencia	50	\$10,000,000	\$250,000,000	25
Totals		144	\$11,000,000	\$277,735,721	25.2

## FY 17 Q1 LEDA PROJECTS PIPELINE

Project #	Industry Sector	Urban	Rural	TBD	# of Jobs	LEDA Request
FY16-01	Advanced Manufacturing	x			50-100	\$500,000
FY16-02	Back Office and Technical Support	x			300-500	\$500,000
FY16-03	Advanced Manufacturing		x		100-200	\$1.5M
FY16-04	Aerospace & Defense		x		50-100	\$500,000
FY16-05	Advanced Manufacturing		x		200-500	\$7.1M
FY16-06	Aerospace & Defense	x			50-100	\$900,000
FY16-07	Value-Added Agriculture		x		10	\$25,000
FY16-08	Back Office and Technical Support	x			300-600	\$5M
FY16-09	Advanced Manufacturing		x		150-250	\$2M
FY16-010	Back Office and Technical Support			x	30-50	tbd
FY16-011	Value-Added Agriculture		x		150-250	\$2M
FY16-012	Distribution, Logistics & Transportation		x		15	\$100,000
FY16-013	Back Office and Technical Support			x	200-500	\$2.2M
FY16-014	Advanced Manufacturing		x		15	\$100,000
FY16-015	Advanced Manufacturing	x			100-200	\$2.5M
FY16-016	Distribution, Logistics & Transportation			x	100-200	\$2M
FY16-017	Back Office and Technical Support	x			200-500	\$500,000
FY16-018	Advanced Manufacturing			x	tbd	tbd
FY16-019	Value- Added Agriculture		x		50-100	tbd
FY16-020	Advanced Manufacturing		x		50-100	tbd
FY16-021	Back Office and Technical Support	x			200-400	\$400,000
FY16-022	Value- Added Agriculture		x		10	\$100,000
FY16-023	Back Office and Technical Support			x	60-120	tbd

### Community, Business & Rural Development Team

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of successfully completed agency grant funded projects resulting in job growth, new investment, increased revenue, or workforce development	15	0				

18 Rural communities were awarded LEADS grants in July, listed below. None of these projects have been completed successfully yet.

City of Aztec	Tech Entrepreneurship & Business Start-Up	\$7,500
Carlsbad Department of Development	Attraction & Recruitment	\$15,000
Cibola Communities Economic Development Foundation	Workforce Development and Solo Worker Program	\$8,000
Clovis Industrial Development Corporation	Attraction and Business Retention & Expansion	\$10,000
Deming Luna County Economic Development Inc.	Real Estate Development and Attraction	\$7,500
Estancia Valley Economic Development Association	Attraction and Business Retention & Expansion	\$7,000
Greater Gallup Economic Development Corporation	Attraction and Business Retention & Expansion	\$15,000
GrowRaton	Tech Entrepreneurship & Business Start-Up	\$7,500
Las Vegas San Miguel County Economic Development Corporation	Tech Entrepreneurship & Business Start-Up	\$5,000
Economic Development Corporation of Lea County	Attraction & Recruitment	\$10,000
Village of Los Lunas	Attraction & Recruitment	\$7,500
Lovington Economic Development Corporation	Real Estate Development and Attraction	\$10,000
Mesilla Valley Economic Development Alliance (Santa Teresa)	Attraction & Recruitment	\$15,000
Otero County Economic Development Council	Attraction & Recruitment	\$15,000
Rio Arriba County	Workforce Development and Tech Entrepreneurship & Business Start-Up	\$10,000
Roosevelt County Development Corporation	Attraction and Business Retention & Expansion	\$10,000
Sandoval County Business Development Division	Workforce Development and Solo Worker Program	\$5,000
Southern Luna County Economic & Community Development Corporation	Business Retention & Expansion and Entrepreneurship Support Program	\$5,000





## **BUSINESS AND COMMUNITY DEVELOPMENT PROJECTS**

### **Region 1**

Navajo Nation - New Mexico Milling contacted the Regional Representative seeking guidance. The Regional Representative assisted them in working with NAPI to reopen the mill. NM Milling successfully applied for JTIP, receiving funding for 19 new employees. The Regional Representative is still in contact with company working on HWJTC and other portions of their project.

### **Region 3**

Albuquerque - Regional Representative worked with CSI Aviation to look at options for them as they had outgrown their leased hangar space at the Sunport. CSI has successfully negotiated a land lease with the Sunport where they will construct a new hangar. They were also approved in September for JTIP funding for 8 jobs.

### **Region 5**

Grant County – Regional Representative assisted the County in applying for and were granted Local Government Planning Funds. Grant County will be updating their full Comprehensive Plan and county management asked Regional Representative to assist staff and the contractor with the economic development element.

Anthony – Anthony was awarded a Local Planning Grant, Regional Representative assisted the City of Anthony in completing an economic development feasibility study to define land use at the recently annexed area so as to maximize industrial development potential. Regional Representative will continue work with the City to coordinate the planning with the developers for a large private project in the adjoining, unincorporated area.

Silver City – Regional Representative worked with St Claire's Organic for over a year as they originally planned to locate in downtown Silver City, but realized that the site would require too much renovation. SBDC and Regional Representative worked with the owner to find an alternative site that allowed them to still be in Grant County. They have executed a land purchase agreement and are in the process of securing LEDA funding.

Dona Ana – Regional Representative worked with X2nSAT as they needed assistance in identifying a project site after being attracted to NM by the Spaceport, but then realizing that they needed to be in a location with more infrastructure already in place. Regional Representative successfully assisted the company in finding a suitable location and they have executed a land purchase agreement and secured LEDA funding.

### **Region 6**

Eddy County – The Carlsbad Department of Development contacted the Regional Representative for assistance on a recruitment project. Eddy County was in a battle with Culbertson County (Texas) for a gas processing facility. Regional Representative assisted the Carlsbad Department of Development in outlining all of the advantages that New Mexico offered over Texas. Enterprise Field Services located in Eddy County south of Loving and completed construction of a \$40 million facility in the first quarter and hired their first 8 employees. Hiring will continue until they reach their full employment of 25.



## New Mexico Film Office (NMFO)

### FY17 1st Quarter Performance Report

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 (3) main initiatives: (1) Recruitment: Television, Feature Productions and Digital Emerging Media Projects/Companies; (2) Workforce Development; and (3) Statewide Industry Outreach.

Measure	Target	Q1	Q2	Q3	Q4	Total
Direct spend into NM economy	\$200M	\$144.6M				
Worker days (crew size x days employed)	200,000	133,128				

### 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 also continues to work towards taking the lead in Emerging Media entrepreneurial opportunities in-state.

### Highlights:

- In the first quarter: It is 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 produc



tion 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. Conference 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.

- For the second quarter: We are excited to begin principal photography on several major TV series *Midnight, Texas* (NBC), a TNT TV pilot, a 10 episode Epix/MGM TV series as well as the continuation of *Godless* (Netflix), *Better Call Saul* Season 3 and major features: a feature sequel to *Sicario* (Black Label Media), *Cliffs of Freedom* (Freedom Films, LLC), and another large budget feature about the Middle East. The student filmmakers are also on fire with all of their fall projects as well as local indie darlings with many short films on the horizon.

## 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.

- For the second quarter: the division will attend the Santa Fe Community College veteran career fair to educate and recruit veterans and reserved component members to Operation Soundstage; the division will coordinate training classes in December.

## 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 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; assisted the 2016 Balloon Fiesta Student Filmmaker Challenge which provides student filmmakers the opportunity to develop short films / digital videos presented by Canon; continuing to coordinate efforts toward the annual Film and Media Conference in November which will provide a wealth of information for filmmakers, crew and emerging media innovators throughout New Mexico.

- For second quarter: the division will host the annual film and media conference in Albuquerque, NM and host the annual film liaison summit. Two (2) NM Filmmakers Showcase winner screenings will take place in Gallup and in Guadalupe County.



## FY17 FIRST QUARTER COMPANIES ASSISTED

DATE	COMPANY NAME	TYPE OF COMPANY	LOCATION	TYPE OF PROJECT			NUMBER OF JOBS			PROGRAM
				RELOCATION*	NM EXPANSION	START-UP	RURAL	URBAN	TOTAL	SUPPORT
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	Dynergy 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			12	12	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			14	14	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
10/13	STAR Cryoelectronics	advanced manufacturing	Santa Fe		x			11	11	LEDA
10/14	X2nSAT	satellite communications services	Las Cruces	x				45	45	LEDA/CBRDT
TOTAL JOBS							168	568	736	

\*Relocation = company moved to New Mexico from another state; NM Expansion = New Mexico company expands here with NM/EDD assistance













1100 St. Francis Drive • Santa Fe, NM 87505-4147 • 505.827.0300 • [www.goNM.biz](http://www.goNM.biz)