



FY18 Annual Report

NEW MEXICO *True*
ECONOMIC DEVELOPMENT

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Message from Economic Development Cabinet Secretary Matthew B. Geisel

Dear Friend of Economic Development and Stakeholders:

The '17-'18 Fiscal Year (FY18) was a strong year, not only for broader economic growth in New Mexico, but also for specific economic development programmatic efforts.

As you will see in this report, across the teams at the Economic Development Department, we delivered strong outcomes and results with our programs and tools. We had a record year for both rural job creation and jobs created through LEDA.

Many a time the conversation, or the public perception, around economic development is narrowly focused on "corporate recruitment." Yet it is much more encompassing with active support of existing companies and engendering new business formation.

- **Recruitment:** We celebrated the largest job announcement in nearly a decade in New Mexico. Stampede Meat acquired the old Tyson facility in Sunland Park, which sat vacant for nearly four years. See page 22 for more.
- **Existing Companies:** In FY18, 76% of the companies approved for JTIP were existing firms operating in New Mexico and only two of our 16 LEDA projects were recruitments. The support of existing companies deepens and broadens our economic base. Moreover, much of the Business Retention & Expansion (BRE) effort drives the expansion of homegrown New Mexico firms; 60% of the JTIP recipients were founded right here in our great state.
- **Entrepreneurship/New-Business Formation:** This is at the core of real economic growth. Over the last few years, the Office of Science and Tech has been developing new tools and working closely in the innovation ecosystem. The results and impact are germinating. Read more on page 19.

The support of existing enterprises and new business formations cut across the entire Department. Our MainStreet program squarely spurs economic sustainability and vibrancy. The effect of Film direct spend permeates throughout the communities where productions set up shop. International Trade helps bring new investment and new markets to New Mexico.

In closing, FY18 was a stellar year for Economic Development, in large part, due to the consistency and predictability of the economic development toolbox through the course of Governor Martinez' administration. As we head into the transition, one of my mantras is ABC! Given the results, New Mexico is a good spot to Augment, Bolster and Continue its funding and programmatic support of economic development to better our communities and the lives of New Mexicans.

Matthew B. Geisel
Cabinet Secretary

Maintain the Momentum

Augment, Bolster, Continue

The Momentum gained strength in FY18. The graph at right shows the strong increase in both total jobs* assisted and rural jobs, which exceeded the annual metric.

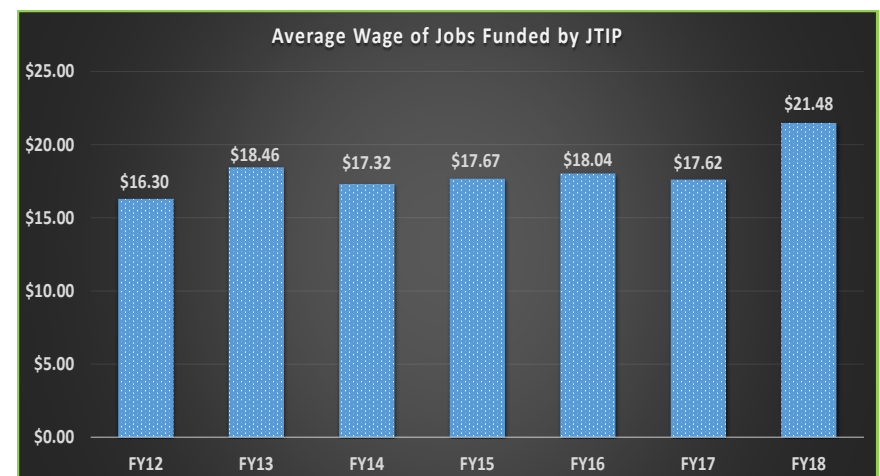
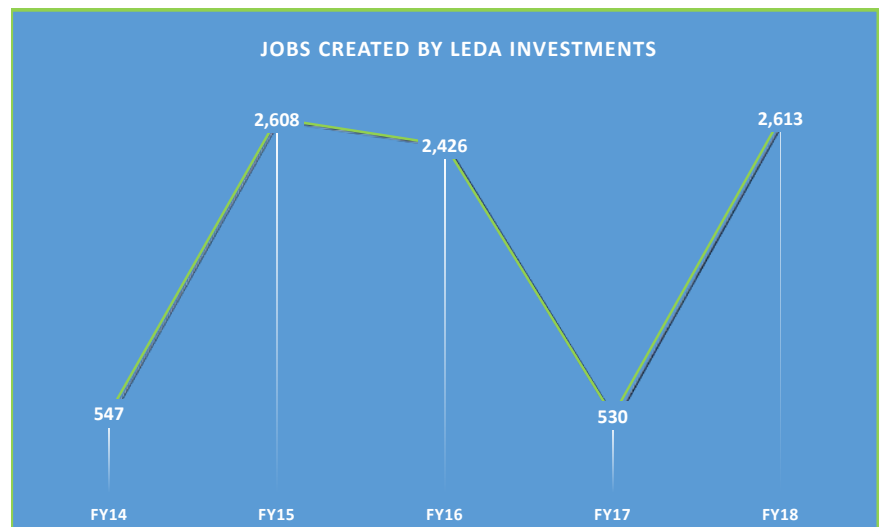
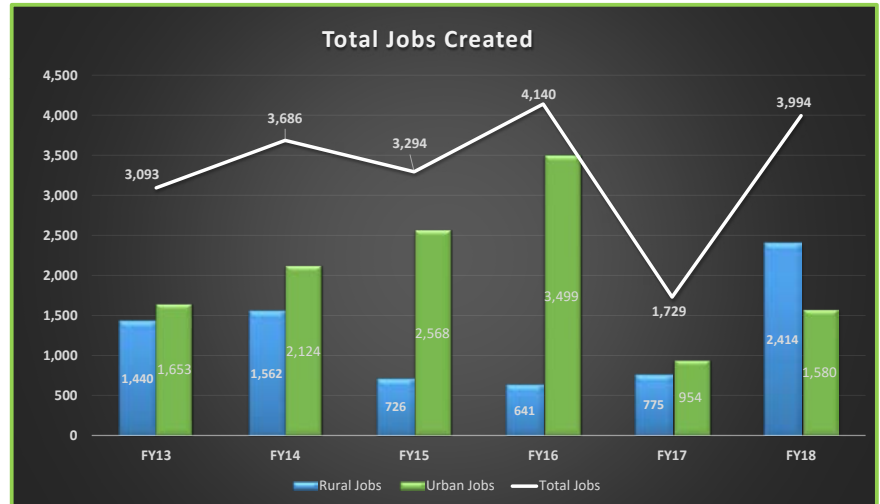
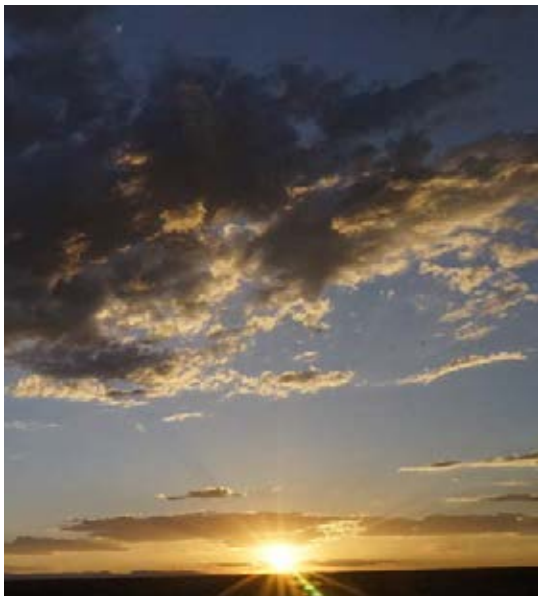
LEDA investments exceeded both job creation and investment metrics for the year. Total jobs assisted by LEDA investments was 2,613, the highest job creation number in five years. The final leveraged ratio was \$36 in private dollars to every \$1 of LEDA funds.

Private investment in New Mexico MainStreet communities was nearly \$54 million.

The Community, Business & Rural Development Team completed 17 successful economic development projects that created new jobs, investment and revenue in New Mexico communities.

JTIP average wage was over \$21 per hour statewide. The annual JTIP retention survey revealed that 84% of trainees were still employed in New Mexico after a year, and 76% have realized an increase in wages.

The Partnership brought 1,415 jobs to the state, a significant increase over the FY17 results of 115.



*The Total Jobs is equal to the total number of new jobs created by the companies assisted by NMEDD programs. Counting by business, rather than program, prevents double-counting.



Office of Science & Technology (OST)

Innovation to Economic Development represents the movement of research born in New Mexico to an entity that takes the research to the commercial marketplace, creating new investment, new jobs and new wealth. In NMEDD's five-year strategic plan, Innovation Creates Diversification, this process was identified as a key catalyst in growing the state's private sector economy. Deploying resources to achieve successful economic growth from new technologies requires specialized assistance at each phase of business growth. NMEDD's Office of Science & Technology has created new programs for the earliest stages to successful commercialization in the marketplace.

Exogenous or Endogenous Growth

Ideas have been important to our economy and lifestyle since someone built the first fire, and possibly before. Think cotton gin, iPhone, etc. When recruiting was thought to be the only path to economic development, ideation was not part of our daily conversations. Recruiting is considered "exogenous" growth because it is an impact to our economy from outside. Economist and Nobel Laureate Paul Romer developed a theory of economic growth with "endogenous" technological change. His endogenous growth theory ties the development of new ideas to the number of people working in the knowledge sector, devoted to R&D. These new ideas make everyone else producing regular goods and services more productive. It is the mission of the Office of Science and Technology to find and identify those cotton gins and iPhones, and make sure they reach the economic development stage where the idea and the company are creating jobs and new wealth. The tools developed by OST support its mission.

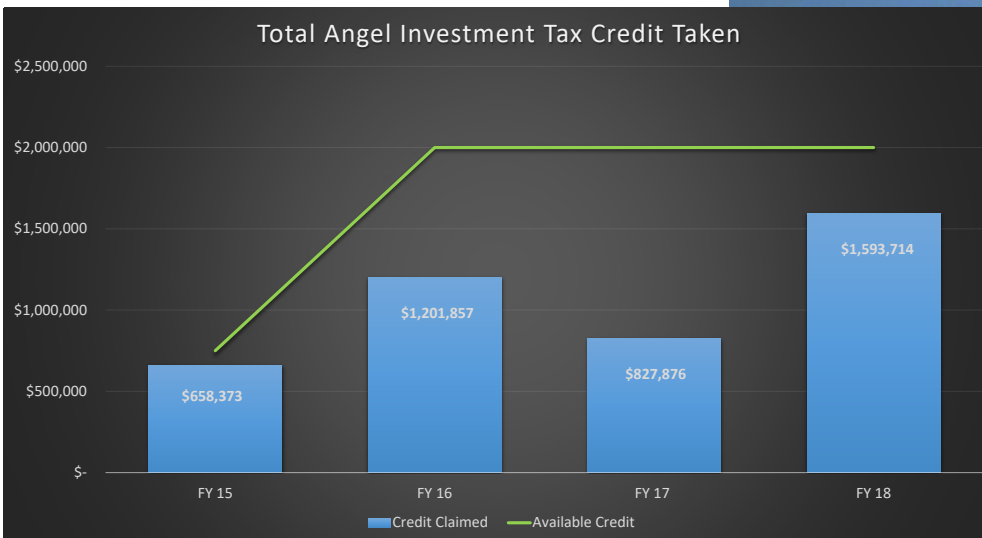
The **New Mexico Catalyst Fund** is a fund-of-funds created to increase seed and early-stage investment in New Mexico. The Catalyst Fund has invested in existing portfolio funds in order to double the private equity available for investment in local startups to \$40 million. Six funds have received matching investment from the Catalyst Fund.

The Catalyst Fund is managed by Sun Mountain Capital in partnership with the State Investment Council (SIC). It was created to address a critical void in early stage seed funding.

- Bayotech was the first homegrown startup to benefit from a Catalyst investment. The company manufactures high-tech nitrogen fertilizer production equipment and received \$2 million. The funds will be used to finish testing and start delivering on commitments worth \$1.5 billion in sales in North America.
- Armonica Technologies, Inc. was the second New Mexico startup to receive a Catalyst Fund investment. The Albuquerque company is focused on building its proprietary long-read DNA sequencing technology. The investment was \$1.5 million.
- BennuBio will receive a Catalyst Fund investment of \$1.5 million and is the third recipient startup. The company is developing a robust flow cytometry instrumentation platform which should be ready for market entry in 2019.

New Mexico Small Business Innovation Research (SBIR) Matching Grants accelerate the commercialization of technologies developed with federal SBIR awards. The competitive program provides matching funds to assist businesses in achieving development and commercialization goals at a faster pace. In FY18 seven companies split \$500,000.

The Angel Investment Tax Credit (AIRC) encourages investment in New Mexico tech startups by providing a 25% tax credit (up to \$62,500) to qualified investors for an investment made in each of up to five New Mexico companies engaging in qualified research. In FY18, 147 individuals invested in 38 companies.



New Mexico Innovation Vouchers are small competitive grants which help early stage tech companies reach market potential. Eligible companies must be affiliated with an approved business incubation program. 21 companies were awarded Innovation Voucher grants in FY18.

The **New Mexico Certified Business Incubator Program** was created in statute in 2005. The legislation created a process and a set of standards to certify business incubator facilities in the state, making them eligible for funding. Seven facilities have been certified since 2005 and each receives a portion of recurring funding provided by NMEDD's budget annually. Collectively, the seven incubators assist over 200 businesses each year.

Once a tech startup reaches the Economic Development phase and begins producing a product, the business may be eligible for both **JTIP** and **LEDA**. Each year both programs assist homegrown technology companies.

INNOVATION VOUCHER AWARDS

1. Omphalos Bioscience
2. YXO Technologies
3. 11 Online
4. TorchBearer
5. Ingenuity Software Labs
6. Woodruff Scientific
7. Inspyrd Products
8. Fablab Hub
9. Rocky Mountain Micro Ranch
10. MB Solutions
11. YeDoma
12. Backyard Farms
13. EcoSeal
14. New Horizon UAS
15. Sustainable Planet Solutions
16. Chronical Cremation
17. BuckleDown Systems
18. Montibon International
19. Pivotal Biotech
20. Ingenuity Software Labs
21. Clearstream Technologies



TECH COMPANIES GROWING WITH JTIP

Advanced Network Management
Descartes Labs
Emerging Technology Ventures
Ideum, Inc.
Lavu
New Mexico Consortium
OpenEye Scientific Software
Optomec
Raytheon Diné
RingIR
RiskSense
RS21, LLC
Sigma Labs
Silent Falcon UAS Technologies
Skorpios Technologies UbiQD
Xpansiv Data Systems

TECH COMPANIES GROWING WITH LEDA

Descartes Labs
Facebook
Lavu
Raytheon ABQ
UbiQD, LLC
Vitality Works

COMPANIES AWARDED SBIR MATCHING GRANTS

Pajarito Powder: Produces advanced Engineered Catalyst Supports (ECSs) for Fuel Cell Electric Vehicles (FCEVs), as well as Precious-Metal Free (PMF) catalysts for other fuel cell applications, at a fraction of the historical cost while optimizing performance.

Specifica: Focuses on providing the next generation of human antibody engineering and discovery solutions. Our discovery technology platform can deliver high-affinity human antibodies with desired characteristics.

Caniv Tech: Studies network data, analyzing them using machine learning to understand their behavior; how the network behaves under different traffic conditions; how the network is configured; and how it can be optimized to adapt to changing conditions.

MidSchoolMath: Creates alternative curriculum for K-12.
IR Dynamics: Developing a low cost, thermally dynamic, nanoparticle technology that will be incorporated into a variety of products where controlling solar heat gain and infrared reflectivity is a significant advantage.

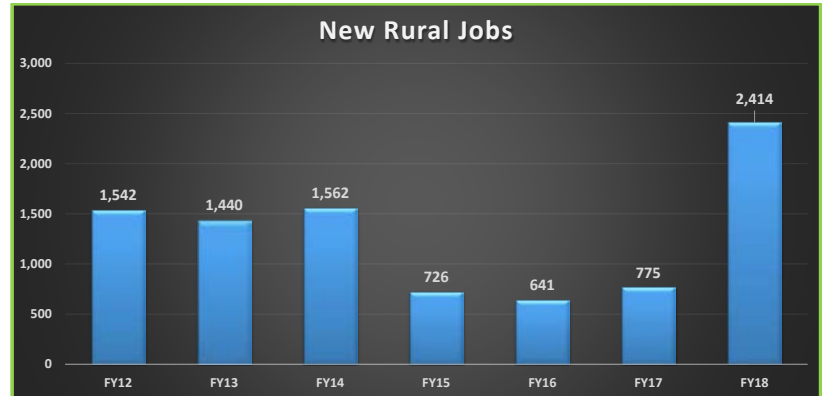
Osazda Energy: Provides materials engineering solutions to improve solar cell and solar module reliability with special metal matrix composites that have been proven to electrically bridge stress-induced cracks that self-heal to regain electrical continuity.

Vibrant Corporation: Provides Process Compensated Resonance Testing (PCRT) services to the aerospace and power generation industries worldwide.

Rural Renaissance – Economic Base Jobs

JTIP ASSISTED:

24 Rural Companies
Average Wage of \$17.46
\$4.6M Obligated to Rural Companies
693 Trainees
Rural Payroll of \$17M



LEDA RURAL OUTCOMES

	Q1	Q2	Q3	Q4	FY18 TOTALS
# of Rural Projects	3	1	0	4	8
Rural LEDA Investment	\$1,400,000	\$100,000	0	\$4,455,000	\$5,955,000
Rural Private Investment	\$260,300,000	\$250,000	0	\$82,545,000	\$343,095,000
# of Rural Jobs	277	30	0	1,443	1,750

Rural Companies Served by JTIP

Amfabsteel, Inc.	Town of Bernalillo
Bosque Brewing Company	Town of Bernalillo
CIG Logistics	Loving & Jal
Compass Components	Deming
Emerging Technology Ventures	Alamogordo
Ideum, Inc.	Corrales
Jack's Plastic Welding	Aztec
Keter Plastic	Belen
Montell Fabrication & Rebuild	Deming
Noisy Water Winery & Cellars	Ruidoso
NM Solar Group	Alamogordo
Old Wood, LLC	Las Vegas
Open Loop Energy, Inc.	Farmington
PESCO, Inc.	Farmington
Phat Steel, Inc.	Town of Bernalillo
PPC Solar, Inc.	Taos
PreCheck, Inc.	Alamogordo
Raytheon Diné	Navajo Nation
Ready Roast Nut Company	Portales
Sendero Midstream Partners, LP	Loving
Southwest Cheese Company	Clovis
St. Claire's Organics	Santa Clara
Universal Sheets, LLC	Santa Teresa
Visual Impact PrePrint, LLC	Santa Teresa

RURAL LEDA PROJECTS

RURAL LEDA PROJECTS		JOBS
USA Beef Packing	Chaves	57
PESCO	San Juan	170
Facebook #2	Valencia	50
PreCheck, Inc.	Otero	30
Agmechtronix	Grant	23
Corrugated Synergies International	Dona Ana	120
Leprino Foods	Chaves	5
Stampede Meat	Dona Ana	1,295

Less than \$6 million in LEDA funds catalyzed \$343 million in private investment, in rural communities alone. The cost per rural job created was \$3,403. A total of 1,750 rural jobs created with a total payroll estimated to be \$60M (Average salary for rural LEDA projects- \$34,314). Rural PIT taxes collected (assuming 3% PIT rate) \$1,801,458 per year.

Rural Renaissance – Downtown

Rural New Mexico MainStreet communities realized

- \$48 million in new private investment
- 882 private building rehabilitations
- 462 new businesses & 83 business expansions
- 1,824 net new jobs
- 154,279 volunteer hours – cleaning, painting
- \$1.58 million in private sector grant funds leveraged

Frontier Communities Initiative – FY18 Communities

Cimarron — Placemaking Project. Landscape design and planning assistance for Cimarron's Santa Fe Trail Scenic Byway project along US HWY 64.

Conchas Dam — Building Rehabilitation/Adaptive Reuse Project. Concept design and rehabilitation plan for the Historic Conchas Lodge that has been vacant since it closed in 2005.

Rodeo — Design/Building Rehabilitation Project. Architectural and design assistance to support the preservation and restoration of the deteriorating historic adobe building that currently houses the Chiricahua Gallery.

Taos Pueblo — Placemaking Project. Creation of a business hub at the Taos Pueblo Red Willow Center that includes an open-air market and demonstration area for both tribal and non-tribal member arts and craft vendors.

New Mexico MainStreet has completed more than **24 frontier community projects in 20 communities** through the Frontier Communities Initiative. Current participants are selected through a competitive application process for economic development projects within a town center, village plaza, courthouse square or commercial historic corridor. Selected communities receive professional technical assistance from New Mexico MainStreet to develop, implement, and complete their proposed projects within 12-18 months



Taos Pueblo

	Private Sector Investment	Number of Private Building Rehabs	Net New Businesses	Private Business Expansions	Net New Jobs Created	Number of Volunteer Hours	Private Sector Grant Dollars
FY18	\$19,450,435	229	88	14	376	38,485	\$475,522
FY17	\$12,128,717	183	77	21	329	27,389	\$87,734
FY16	\$6,422,097	146	119	16	440	28,206	\$666,457
FY15	\$7,439,048	189	97	13	402	30,030	\$163,910
FY14	\$2,652,842	135	81	19	277	30,169	\$190,105
5-Year Totals	\$48,093,139	882	462	83	1,824	154,279	\$1,583,728



Shuler Theater Restoration Completed

The Shuler Theater, in Raton, was built around 1912-13 as a City Hall and auditorium complex and is listed on the State Register of Historic Properties. The theater is a traditional vaudeville house and performing arts stage, but it was originally built to present movies as well as live performances. In fact, thousands of films have been shown in the space since 1915, though the theater has not been equipped to show first-run films since the early 1950s. That all changed on November 3rd, 2017, when the Shuler Theater was reopened for screening first-run movies after the installation of new digital projection and sound equipment.

The revitalized theater serves as a business anchor in downtown Raton. Funding includes \$80,000 in NMMS Public Infrastructure Funding in 2015 to aid in restoration of the theater, \$100,000 in LEDA funding from NMEDD to install the digital projection and sound equipment, and \$10,000 from New Mexico Gas Company for a digital sound system and surround speakers to support the completion of the project.

Projects like the Shuler are part of the larger planning and envisioning process of Raton MainStreet that includes their participation in the NMMS Great Blocks on MainStreet initiative that will revitalize three core blocks in the district to stimulate private reinvestment and the completion of MRA and Cultural Economic Development Plans. The plans identified Creative Placemaking, innovative entrepreneurship, and the celebration of local arts, culture, and history as primary economic development strategies for the district.

Three New Arts & Cultural Districts Endorsed

State-authorized Arts & Cultural Districts receive incentives such as assistance with developing cultural plans and enhanced historic tax credits for the rehabilitation of historic structures within the district. The first two pilot districts were authorized in 2008, with additional communities added in 2014. New Mexico now boasts a network of 11 Arts & Cultural Districts. The Arts & Cultural Districts Program is a joint effort of several state agencies and private entities.

The **Carlsbad Arts & Cultural District** applied as an artisan/arts district and is home to private and cooperative galleries, businesses that provide hands-on training for artists including quilt-making, sewing and painting, as well as the City of Carlsbad Halagueno Arts Park (outdoor performance space and sculpture park), and the Carlsbad Museum.

The **Corrales Arts & Cultural District** is a proposed artisan district that aligns with the existing Corrales Business District and Corrales Road Scenic Byway. The district is linked directly to a Cultural Compound that includes the historic San Ysidro Church and Casa San Ysidro Museum.

The **Farmington Arts & Cultural District** is a proposed artisan district that overlaps with the Farmington Historic Downtown Commercial District and is located in an area the Navajos named "Totah," meaning, "Three Waters," where the Animas, San Juan, and La Plata rivers converge to the south and west of the district.

Growing Our Own Homegrown Case Studies

Descartes Labs

A New Mexico born technology-transfer from Los Alamos National Labs, Descartes Labs was founded in Los Alamos in 2015. This revolutionary company has developed Artificial Intelligence technology that analyzes petabytes of data from thousands of global satellites. Descartes has successfully used the technology to predict crop yields around the world. This unique capability has profound implications in moving global markets, providing predictive analytics for insurers, preventing famines, and tracking climate change. Their technology also has potential applications for defense and intelligence agencies, as well as a myriad of other corporate uses.

Toolbox

- JTIP has allowed Descartes to accelerate their expansion. To date, Descartes has been \$585,256.96 in reimbursements for on-the-job training for 18 positions in both the Santa Fe and Los Alamos offices.
- Descartes is investing \$4M to renovate a new headquarters location in Santa Fe. A State LEDA investment of \$700,000 will support the expansion.



Vitality Works

Vitality Works

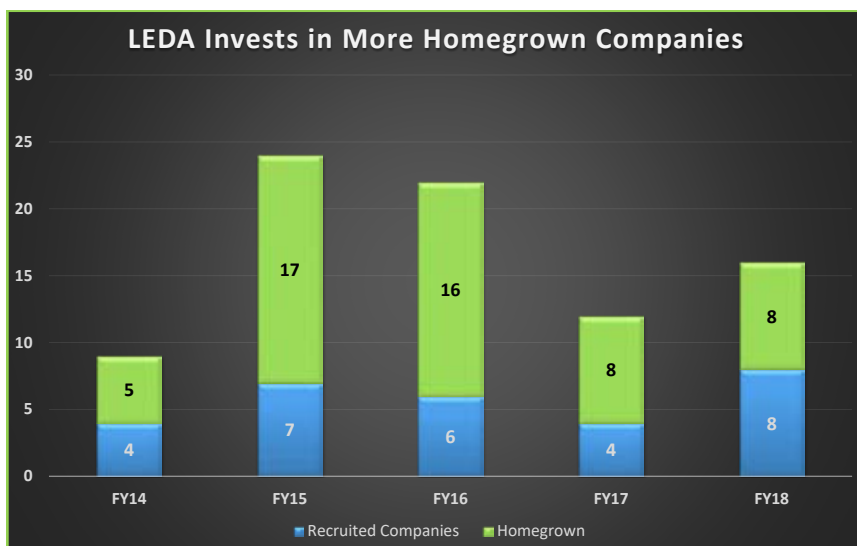
Founded in 1982 as a wellness multi-disciplinary health clinic in Albuquerque, Vitality Works evolved into manufacturing herbal, vitamin and nutraceutical supplements. Founder, Mitch Coven, has since developed and manufactured thousands of formulas for the natural products industry. Vitality Works private labels and contract manufactures for many top national brands and for many national natural product chains across the country.

In 2014, the company had 120 employees when it applied for Job Training Incentive Program (JTIP) for an expansion of 50 new jobs. The company ultimately hired 76 new employees with the assistance of JTIP.

Four years later, in 2018, Vitality Works again approached NMEDD with a planned expansion, adding a 35,000SF facility and 80 new jobs. The expansion represents a \$7 million investment by Vitality Works.

Toolbox:

- LEDA investment of \$550,000.
- Since February 2014, Vitality Works has received commitments from JTIP totaling \$507,832.64 for 91 total jobs.



PESCO

Started in 1970, PESCO remains a family-owned business after nearly 50 years. PESCO serves the on-shore oil and natural gas industry. Ed and Mary Lou Rhodes began their business sharing responsibilities – he provided field service and pump repair, while Mary Lou worked the parts counter. Manufacturing came later when Ed began designing production equipment based on his knowledge and experience. The production side of the business was very successful and PESCO continues to build products which are custom-designed to fit customers' specific needs. One example of this design customization is white coating painted inside a unit so it can be lit up by headlights for nighttime work.

It is not easy to sustain and grow a company that serves a somewhat volatile industry. PESCO has steadily increased its products and services to meet demand and today has international customers in Australia and Latin America. In 2017 the company began an expansion that added 170 employees and \$5.3 million in new capital investment.

Toolbox:

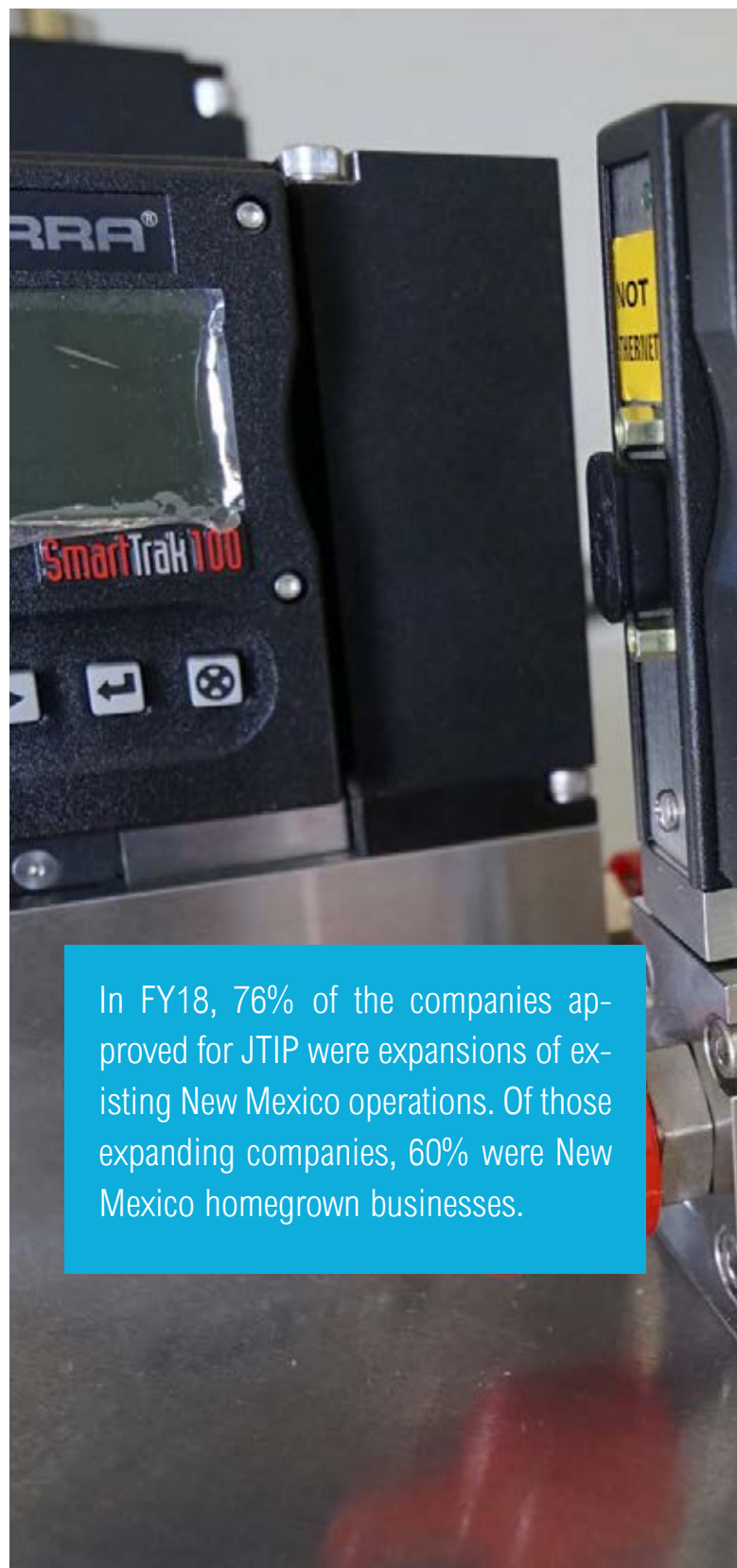
- LEDA investment of \$1 million
- JTIP commitment of \$1,378,554 for 151 new jobs

PESCO & BayoTech Partner

PESCO is a Farmington-based manufacturer of mining equipment for the oil and gas industry. BayoTech is a startup working to bring to market its technology for low-cost, distributed production of hydrogen and fertilizer products. The company's technology will replace current mammoth, centralized facilities with modular, transportable production units.

The technology was developed at Sandia Laboratories and could allow chemical companies to produce fuel and fertilizer where it is used – at farms, reducing the cost of food production, or next to future filling stations for hydrogen-powered vehicles, replacing carbon-emitting, gasoline-fueled cars. The technology has attracted \$16 million in venture investment since 2016. The global fertilizer market is projected to reach \$152 billion by 2020, according to research and consulting firm, Industry ARC.

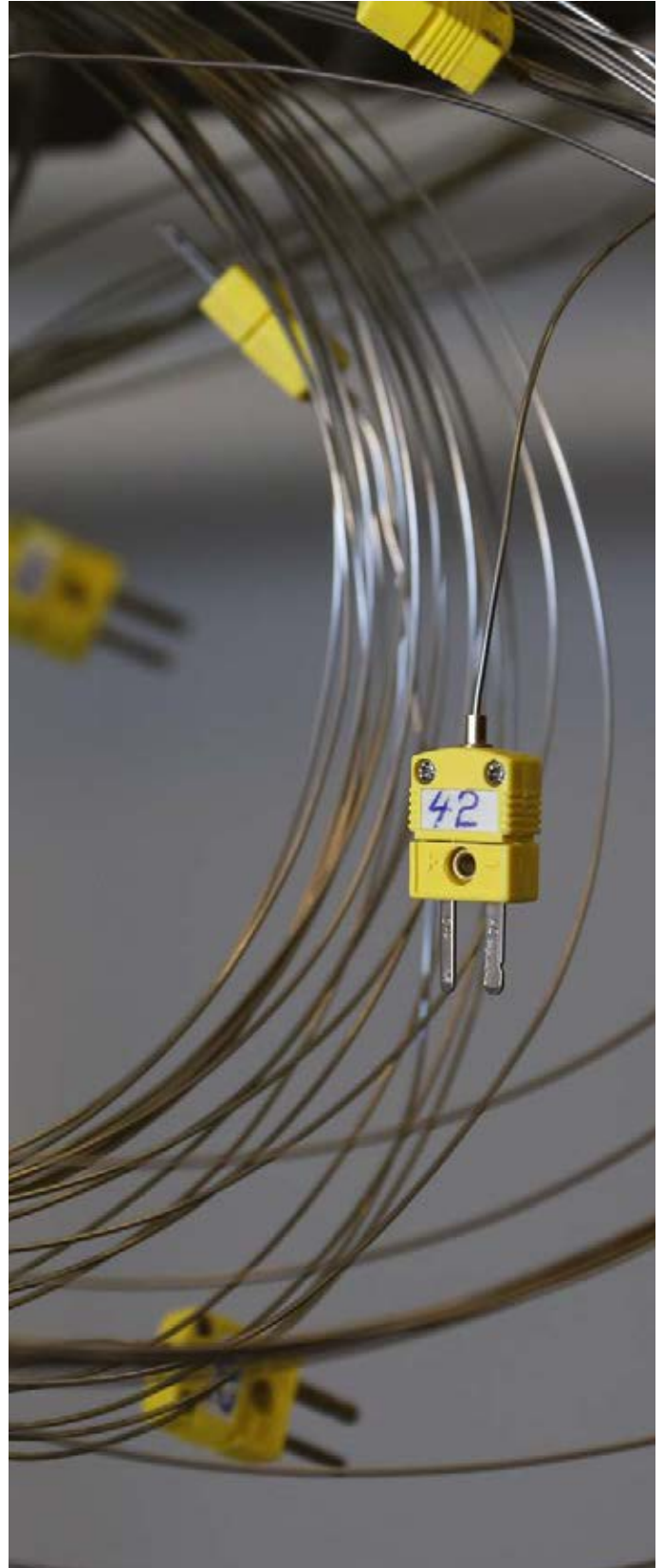
PESCO currently employs 400, of whom 75% are Native Americans. This partnership affords PESCO the opportunity to diversify from the volatility of the oil and gas business. PESCO will produce BayoTech's reactor units could potentially add 100 or more employees at full production.



In FY18, 76% of the companies approved for JTIP were expansions of existing New Mexico operations. Of those expanding companies, 60% were New Mexico homegrown businesses.



Bayotech



Local Impact: The Facebook Effect

TIMELINE

- 2011: New Mexico Partnership cold-called on Facebook in California.
- August 2015: Governor Martinez led a delegation to meet with FB at their headquarters in CA.
- January 2016: State receives RFP and asks Albuquerque Economic Development to manage the project.
- February 2016: Facebook visits New Mexico and met with key local and state officials, touring several sites.
- March 2016: Prospective deal is reached.
- June 2016: The Village of Los Lunas approves up to \$30 billion in Industrial Revenue Bonds for the project identified as Kudu.
- July 2016: PNM applies to the Public Regulatory Commission to build a 30 MW solar farm for the project.
- August 23, 2016: Utah formally announces it is ending its effort to win the project.
- August 25, 2016: Governor Martinez & a delegation meet Facebook officials at their headquarters.
- Simultaneously, the Village of Los Lunas Council unanimously approves several final issues to move the project forward.
- September 2016: Facebook announces first data center in Los Lunas.
- October 2016: Ground is broken for the first data center.
- July 2017: Facebook announces it will double its investment to two data center in Los Lunas.
- September 2017: Facebook announces it will build a total of six (6) data centers on its 330-acre campus in Los Lunas.




104 DIRECT, PERMANENT DATA CENTER JOBS AT AN AVERAGE SALARY OF \$93,000 = \$9.6 MILLION ANNUAL PAYROLL

- The average wage in Valencia County is \$45,000.
- One Data Center job supports .6 additional jobs in the local economy.




UP TO 1,100 CONSTRUCTION WORKERS ON-SITE FOR EACH PHASE

- Includes 350 electricians
- \$1.29 million in PIT taxes annually (wage assumption of \$39,160 per construction worker)



PNM CONSTRUCTS \$45 MILLION SOLAR FARM


- Contract Awarded to Affordable Solar, Albuquerque




LOCAL REVENUE TO THE VILLAGE OF LOS LUNAS & VALENCIA COUNTY

- Estimated GRT to the Village of Los Lunas over ten years = \$57.4 million
- Estimated GRT to Valencia County over ten years = \$26 million

(Source: Economic Impact Study by David Taussig & Associates, Inc.)

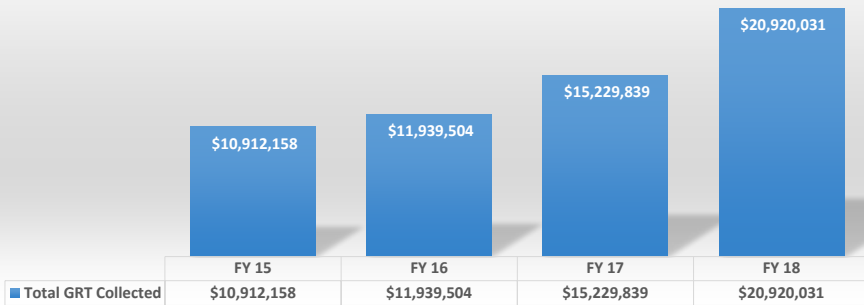


\$1.5 BILLION IN NEW CONSTRUCTION (\$250 MILLION PER DATA CENTER)

- Is greater than the total value of building permits issued in ABQ & Rio Rancho for industrial, office and retail, \$1.023 billion, over ten years.
 - At completion, the total square footage will exceed Coronado Mall + Cottonwood Mall + ABQ Uptown.
- 



Village of Los Lunas Total GRT Collections FY15 - FY18 Actual RP 500 Data



Source: New Mexico Taxation & Revenue Department

CAGR (COMPOUND ANNUAL GROWTH RATE) = 17.67%



New Mexico-Based Facebook Contractors:

- Affordable Solar, Albuquerque
- Baker Concrete Construction, Clovis
- Coreslab Structures, Albuquerque
- Franklin's Earthmoving, Albuquerque
- 814 Solutions, Albuquerque
- Huitt-Zolars, Albuquerque
- Kone Elevators, Albuquerque
- Safety Counseling, Inc., Albuquerque
- Terracon, Inc., Albuquerque
- Western States Fire Protection, Albuquerque

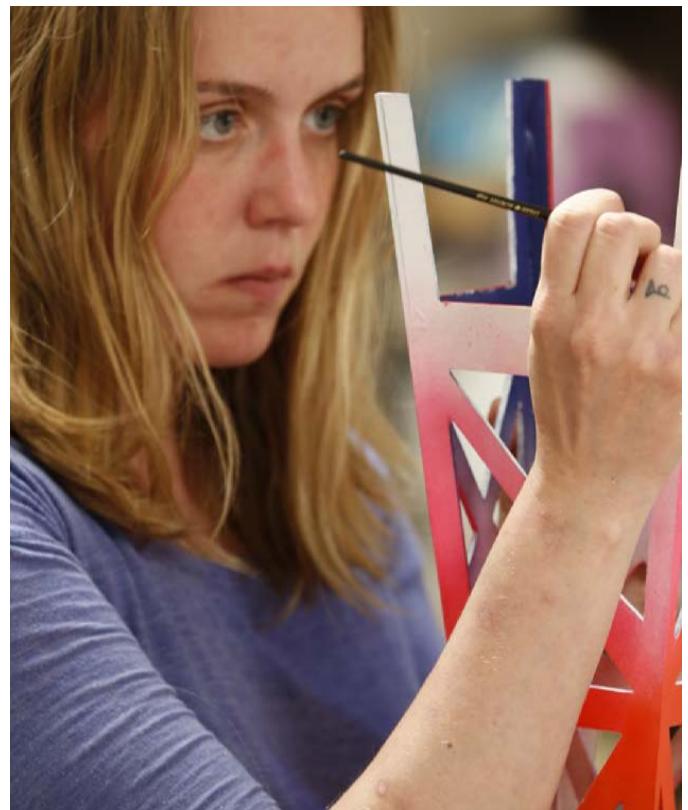
JTIP Impact

Company	City
Advanced Network Management	Albuquerque
Amfabsteel	Town of Bernalillo
Aviata, Inc.	Albuquerque
Bosque Brewing Company	Town of Bernalillo
Cable ONE	Rio Rancho
CIG Logistics	Jal & Loving
Compass Components	Deming
CSI Aviation	Albuquerque
Descartes Labs	Santa Fe
Emerging Technology Ventures	Alamogordo
Ideum, Inc.	Corrales
Iterative Consulting	Albuquerque
Jack's Plastic Welding	Aztec
Keter North America	Belen
Lavu, Inc.	Albuquerque
Lily Barrack	Albuquerque
Mega Corp	Albuquerque
Meow Wolf	Santa Fe
Montell Fabrication & Rebuild	Deming
National Water Services	Santa Fe
New Mexico Consortium	Los Alamos
NICOR, Inc.	Albuquerque
NM Solar Group	Alamogordo & Albuquerque
Noisy Water Winery & Cellars	Ruidoso
Old Wood, LLC	Las Vegas
Open Loop Energy	Farmington
OpenEye Scientific Software	Santa Fe
Optomec	Albuquerque
Passages International	Albuquerque
PESCO	Farmington
Phat Steel	Town of Bernalillo
PPC Solar	Taos
PreCheck	Alamogordo
Raytheon Diné	Navajo Nation
Ready Roast Nut Company	Portales
Resilient Solutions 21, LLC	Albuquerque
Rhodes Group	Albuquerque
RingIR	Albuquerque
Rio Bravo Brewing Company	Albuquerque
RiskSense	Albuquerque
Rural Sourcing	Albuquerque
Safelite Solutions	Rio Rancho
Sendero Midstream Partners	Loving
Sigma Labs	Santa Fe
Silent Falcon UAS Technologies	Albuquerque
Skorpis Technologies	Albuquerque
Southwest Cheese Company	Clovis
St. Claire's Organics	Santa Clara
Stubbs Engineering	Las Cruces
UbiQd	Los Alamos
United Poly Systems	Albuquerque
Universal Sheets	Santa Teresa
Verde Food Company	Santa Fe
Visual Impact PrePrint	Santa Teresa
Vitality Works	Albuquerque
Wood Design	Santa Fe
Xpansiv Data Systems	Albuquerque

FY18 Results

Number of workers trained	1,736
Average wage of jobs funded	\$21.48
Number of businesses participating	58
- Number of company expansions*	44
- Number of Homegrown companies served	35
Total new jobs	1,384
Rural jobs	684
Urban jobs	700
Manufacturing jobs	836
Film trainees	283

**Within JTIP, a company expansion is defined as either a homegrown company that is expanding or a corporate relocation that has exceeded its original, announced job creation commitment.*



Meow Wolf

FY18 LEDA Projects – Q1					
Project	County	Total Private Investment	LEDA Investment	Job Creation	Leverage
USA Beef Packing	Chaves	\$5,000,000	\$400,000	57	12.5
Raytheon ABQ	Bernalillo	\$15,700,000	\$980,000	60	16.02
PESCO	San Juan	\$5,300,000	\$1,000,000	170	5.3
Flagship Foods ABQ #2	Bernalillo	\$2,500,000	\$550,000	113	4.55
Facebook Building #2	Valencia	\$250,000,000	--	50	
Q1 Totals		\$278,500,000	\$2,930,000	450	95

FY18 LEDA Projects – Q2					
Descartes Labs	Santa Fe	\$4,209,000	\$700,000	50	6.01
UbiQD, LLC	Los Alamos	\$550,000	\$125,000	20	4.4
PreCheck, Inc.	Otero	\$250,000	\$100,000	30	2.5
Q2 Totals		\$5,009,000	\$925,000	100	5.42

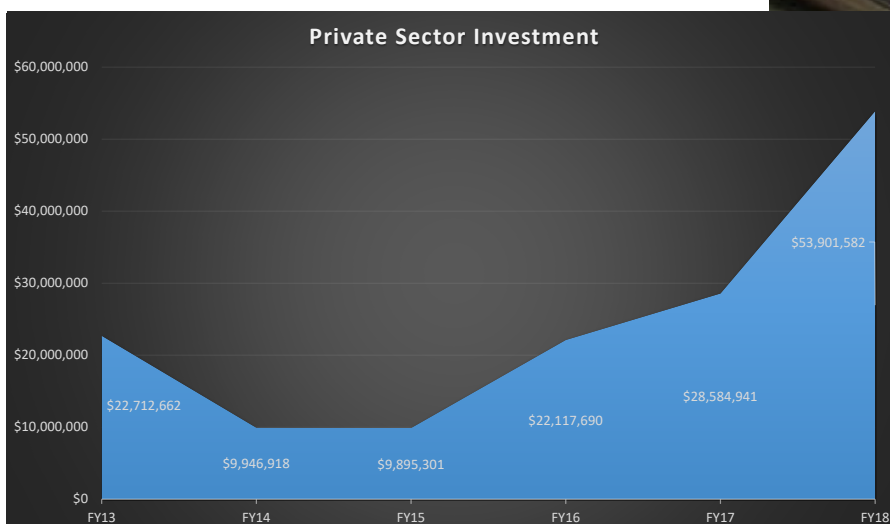
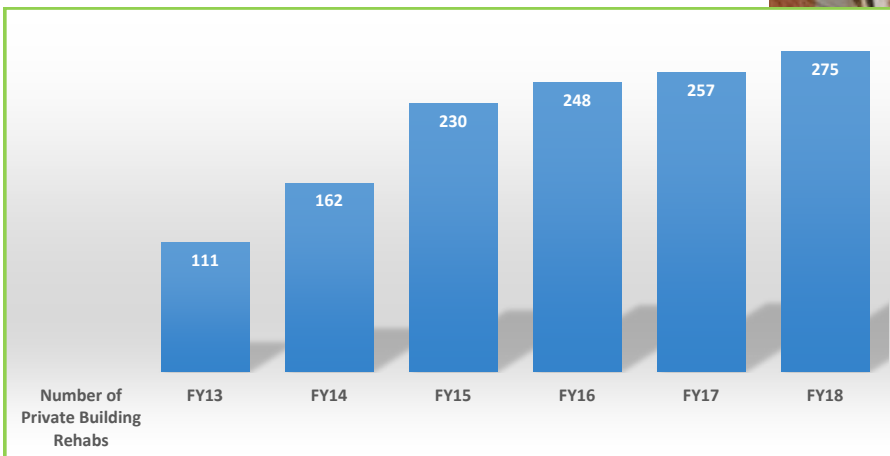
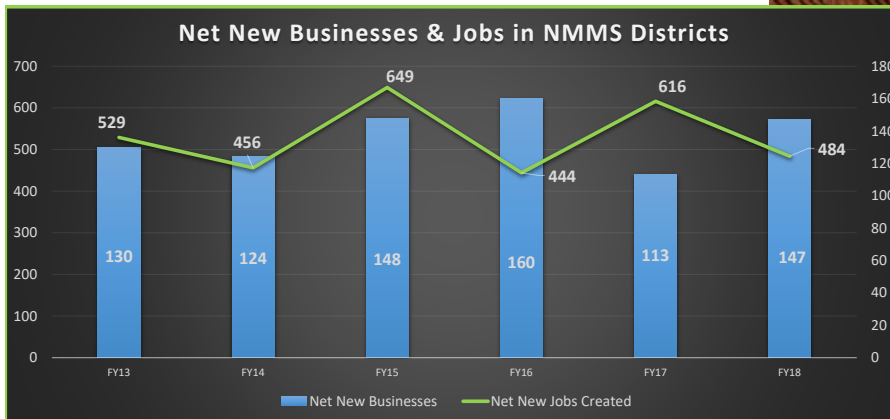
FY18 LEDA Projects – Q3					
Meow Wolf	Santa Fe	\$4,000,000	\$850,000	250	4.71
Vitality Works	Bernalillo	\$7,000,000	\$550,000	80	15.56
Totals		\$11,000,000	\$1,400,000	330	7.85

FY18 LEDA Projects – Q4					
Agmechtronix, LLC	Grant	\$1,545,000	\$250,000	23	6.18
Carenet Health Services	Bernalillo	\$3,000,000	\$636,566	244	4.71
Corrugated Synergies International	Dona Ana	\$30,000,000	\$1,005,000	120	29.85
Lavu	Bernalillo	\$1,670,000	\$270,000	46	6.19
Leprino Foods	Chaves	\$15,000,000	\$200,000	5	75
Stampede Meat	Dona Ana	\$36,000,000	\$3,000,000	1,295	12
Totals		\$87,215,000	\$5,361,566	1,733	16.3

FY18 Totals	\$381,724,000	\$10,616,566	2,613
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New Mexico MainStreet

New Mexico MainStreet is a licensed and accredited program of the National Main Street Center, Inc., a national leader focused on the revitalization of traditional and historic commercial districts. The program is part of a network of more than 43 state coordinating programs and more than 1,600 neighborhoods and communities. MainStreet seeks to improve the “quality of place” in each community it assists. This is accomplished by developing strategies, tools and techniques and implementing them with local partners to transform downtowns, squares and villages into communities where the greatest economic potential and realization can occur. Economic vitality is increased through revitalization and placemaking, resulting in places to live and work that enhance people’s health, happiness, and well-being.



Office of International Trade (OIT)

For the last several years, OIT has relied on federal STEP grants provided by the U.S. Small Business Administration. These funds have allowed OIT to assist New Mexico companies sell their products overseas. Annual returns on SBA funds awarded have risen to average around \$40 for every \$1 awarded under the grant when measured by direct exports.

New Mexico has set records for export growth in the past decade. Building on this success, OIT has begun to try to bring more Foreign Direct Investment to the state. During the year OIT co-hosted with the Office of Science & Technology a New Mexico-Israeli Business Summit with 27 attendees. Five NM companies and five Israeli companies presented. Immediate results include UbiQD finding a partner (SupPlant) to apply for BIRD foundation funding and SciVista lining up three more demos of their product. Participating Israeli companies were Cinema2Go (c2G), Petrus Group, Pro Sight, RealTechnologies Ltd., and SupPlant.

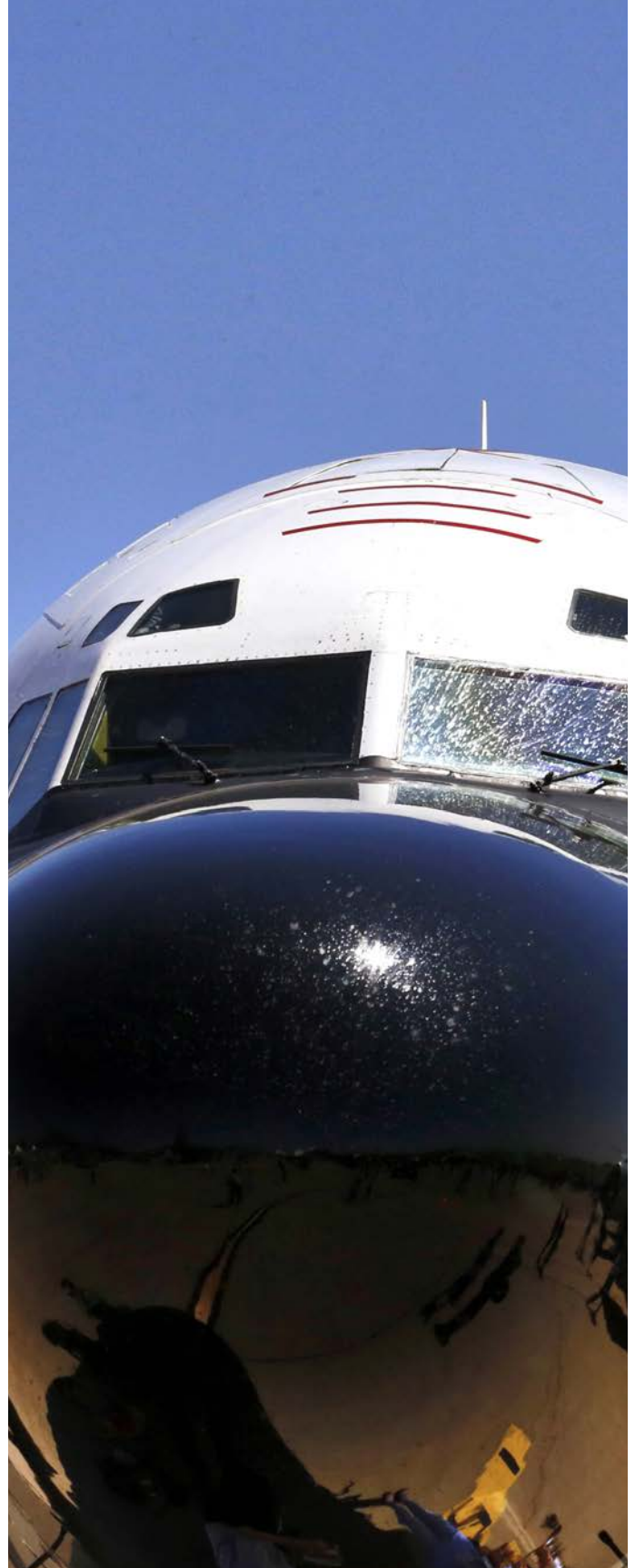
International Sales Facilitated for New Mexico Companies:

Etkie → \$250,000 → Paris Fashion Week

CSI Aviation → \$2.5M → Ghana

Defiant Technologies → \$450,000 → Beijing

Old Wood → \$1M → Kuwait



Community, Business & Rural Development Team (CBRDT)

This Team multi-tasks. Each member is responsible for assisting the communities and economic development organizations in their respective regions, visiting with and assisting economic base businesses, and shepherding every LEDA project from beginning to end. In addition to these duties, Team members are measured by the number of economic development projects they complete which result in a positive impact in the community and region.

Funded Economic Development Projects

Resulting in Job Growth, New Investment or Increased Revenue

1. [Ribera Community Culture Center, Commercial Kitchen](#), opened in September 2017 after years of securing funds and rehabilitation work on the historic Old Ribera School building. *New Revenue*

2. Started in 1970, [PESCO](#) is a family-owned, homegrown business. The 2017 expansion will bring the headcount to nearly 400. The company now serves customers on three continents. *170 New Jobs & \$5.2M in New Capital Investment*

3. [USA Beef Packing](#) chose Chaves County, reviving a vacant facility and providing services to farmers and ranchers who were paying to transport their cattle out of state. *57 New Jobs*

4. [Sendero Midstream](#) will build five new cracking facilities in New Mexico, each at a cost of \$135M. JTIP is supporting the hiring of new employees at an average wage of about \$40/hour. *New Capital Investment & 15 New Jobs*

5. Located in Carlsbad, [TFE, Inc.](#) provides waste transportation, records storage, records management, training and technical services for the U.S. nuclear industry. The company serves the WIPP facility and its recent expansion created two new jobs. *New Jobs*

6. [The Mora Wood Cooperative](#) purchased 15 acres for an industrial park, assisted by the regional representative. The project is intended to catalyze new economic base jobs. *New Capital Investment*

7. Swiss company [Geobrugg](#) is a supplier of high-tensile steel wire safety nets and meshes used to control rock slides and support underground structures primarily for the construction and mining industries. The company received assistance in expanding its office in Algodones. *\$2.5M in New Capital Investment & 7 New Jobs*

8. [TLC Associates](#), an Iowa company, is a contract customer service provider for a variety of industries. Customers include Verizon, DirecTV, AIG, CenturyLink, Bank of America and others. The company opened two New Mexico locations during the year. *In Las Cruces, TLC is occupying the former Sitel site. 300 New Jobs*

9. [TLC](#) also signed a lease and opened a customer service center in a vacant mall space in Alamogordo. *200 New Jobs*

10. [Drought Adaptation Industries](#) is a homegrown New Mexico company that has pioneered a series of products engineered for growing your own food in drought regions on 98% less water. Begun in a garage in Tularosa, the company has moved into a manufacturing space in Alamogordo. *5 New Jobs*

11. [Little Toad Creek](#) first opened a brewery and distillery in Silver City. In 2018 it opened a tasting room in Las Cruces. *\$80,000 in New Capital Investment*

12. [Erickson Metals Corporation](#), headquarter in Connecticut, acquired \$1,000,000 in additional equipment for an expansion of its Santa Teresa location. *3 New Jobs & New Investment*

13. [Callahan West Brewery](#) is a microbrewery that began doing business in the tiny Village of Mosquero in 2018. *\$125,000 in New Capital Investment*

14. [Metal Rain Tanks](#) is a family-owned manufacturing business located in Houston. The owners chose Las Vegas and are in the process of renovating a building they purchased on the Gallinas River near the MainStreet district. They will move their manufacturing operation when the building is completely renovated and will begin hiring then. *\$135,000 in New Capital Investment*

15. [Historic La Cueva Farm](#) purchased the former Salmon Ranch and needed a certified kitchen to process foods grown on the farm. With the help of the regional rep, they began utilizing the Luna Community College Commercial Kitchen to produce jams and jellies which are sold online and in the farm store. *New Revenue*

16. [2NDGEAR](#), based in California, is a leading provider of certified refurbished IT equipment for educational systems. The company chose to expand to Albuquerque and was assisted by the regional representative in receiving JTIP for the new hires. 100 New Jobs - *\$12M Annual Payroll*

17. [Keter Plastic](#) was purchasing wood pallets from Texas until the regional representative identified Riteway Pallet Company, in Albuquerque, as a local source. *New Revenue*

New Mexico Partnership

Two Locates

- Corrugated Synergies International
- Stampede Meat

Trade Shows

- Outdoor Retailer Summer Show
- EAA Airventures
- Industrial Asset Management Council
- Breakbulk
- CoreNet Global Summit
- Site Selectors Guild
- Data Center World
- AUVERSI
- Global Petroleum
- Select USA
- Modex



Stampede Meat

Stampede Meat is investing \$36 million to renovate a 285,000 SF former Tyson plant and upgrade infrastructure. The state will invest up to \$3 million in LEDA funds for the creation of 1,295 jobs. The renovated facility will feature proprietary 360-degree searing and sous vide cook capabilities.

Headquartered in Bridgeview, Illinois, Stampede Meat processes and distributes portioned, marinated and cooked beef, chicken, and other protein products for restaurants, retail, home delivery and other channels. This is the company's first location outside Illinois. New Mexico competed with Texas, Oklahoma and Iowa for the project. This is the state's largest jobs announcement in more than a decade.

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.

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. In FY18 the film division exceeded the worker days' goal of 230,000 by 29,961 days. The total direct spend was below the target of \$260M due to number of factors. As the industry at large transitions from an emphasis on feature film production to more television and streaming programming, the overall budget aggregate is trending towards smaller overall budgets, but longer episodic show runs (hence more worker days).

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. In addition, the program encourages veterans and reserve member components to apply transitional skill sets to this industry in an initiative entitled "Operation Soundstage."

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 division continues to have a strong presence on social media with Facebook, Twitter and LinkedIn. 120 Years of Film in New Mexico is highlighted by daily posts. Events throughout the state included: April: Desert Lights Film Festival; May: NM Filmmakers Showcase Awards Ceremony; June: screenings of *Ideal Home* and *Sicario: Day of the Soldado*; and 120 Years of Film in New Mexico at New Mexico Events throughout the year. The division hosted the Annual Filmmakers Showcase Awards Ceremony on May 19th, the event was well attended with twelve (12)

awards presented including winners of the Best in Show category. This year our Best in Show winner was also the winner of the Student Category. The Showcase had seventy-two (72) entries and eight hundred (800) people voted online for the winner of the Audience Award Category.



