



New Mexico Economic Development Department FY18 First Quarter Performance Report

October, 2017

NEW MEXICO *True*
ECONOMIC DEVELOPMENT

NMEDD FY18 1st Quarter Performance Report

Mission: Enhance and leverage a competitive environment to create jobs, develop the tax base and provide incentives for business development.

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OFFICE OF THE SECRETARY

Quarterly Highlights

When Facebook chose New Mexico the company purchased enough land to add additional data centers. In July, the company announced it is doubling its investment in New Mexico with a second green data center at the site. Facebook will invest another \$250 million and add 50 more jobs without any additional incentives provided.

Governor Martinez announced Raytheon will expand its Albuquerque facility. The expansion will create 60 new jobs. A state LEDA investment of \$850,000 and a City of Albuquerque investment of \$425,000 facilitated the expansion. Raytheon provides state-of-the-art electronics, mission systems integration, C5I™ products and services, sensing, effects, and mission support for customers in more than 80 countries.

Eighteen communities received LEADS grants totaling \$167,500. Eligible projects fall into the categories of attraction, business retention and expansion, workforce, tech and entrepreneurial support, and real estate. Grant funding per project ranged from \$5,000 to \$12,500. A list of recipients can be found on page 10.

The Catalyst Fund provided a \$1.5 million investment in Armonica Technologies, Inc., the second company to receive assistance from Catalyst. Armonica is an Albuquerque-based company in the development stage, focused on building its proprietary long-read DNA sequencing technology. The company's mission is to become the gold standard of DNA sequencing for precision medicine research applications. The technology is based upon a portfolio of patented and patent pending technologies licensed from STC.UNM.

New Mexico MainStreet announced in August that three partner organizations will receive more than \$300,000 in grants to support the arts in their communities. The funding comes from the National Endowment for the Arts' Our Town Program. The recipients are the City of Albuquerque, the City of Gallup, and Creative Startups partnering with Zuni Pueblo.

Chaves County is now home to a new commercial beef processing facility, USA Beef Packing. The project was made possible through a collaboration of state agencies and local partners. The company is investing \$5.4 million and will create 57 jobs by the end of the calendar year. EDD committed \$400,000 in LEDA funds to make the project possible. The facility will lower costs for local dairy and cattle growers by allowing them to process meat in the state rather than facing out of state shipping costs.

Measure	Target	Q1	Q2	Q3	Q4	Total
Total number of jobs created due to EDD efforts	4,500	630				630
Total number of rural jobs created	1,600	350				350

NEW MEXICO PARTNERSHIP

The New Mexico Partnership generated 18 new prospects in Q1. This represents an increase of two compared to the prior quarter, and it is a 50% increase compared to Q1 of '17. This increase is a trend that the new strategic plan's increased trade show and sales mission schedule, and its greater focus on broader marketing, is designed to continue fostering. In addition to PRO volume, we also had five site visits scheduled for the quarter; though one did have to cancel last minute due to a business matter unrelated to the project. Obviously, the focus now is to keep prospect volume on an upward trajectory, and to convert those prospects into job/investment commitments.

Outdoor Retailer

Attended the Outdoor Retailer Summer Show in Salt Lake City. Accompanying us from the state were Governor Martinez and NMEDD's Cabinet Secretary. We were also accompanied by community representatives from Mesilla Valley Economic Development, Four Corners Economic Development, Cibola Communities Economic Development, Grant County, and Albuquerque Economic Development. We had 30 scheduled meetings and at least three dozen ad hoc meetings. A number of opportunities were identified, both specific company prospects, as well as sectors in the industry to focus upon.

EAA Airventures

We attended EAA AirVenture in Oshkosh, WI in participation with Cibola Communities Economic Development Foundation, Economic Development Corporation of Lea County, and NMDOT Aviation Dept. to promote NM for aviation related opportunities including small aircraft manufacturing/maintenance, and part suppliers. We met dozens of companies, and are actively converting these into prospects.

Chicago Sales Mission

Our team, along with NMEDD's Secretary, and representatives from Albuquerque Economic Development and Mesilla Valley Economic Development, met with 16 consultants representing a wide range of industries including back office, manufacturing and other sector opportunities. We had the opportunity to promote to this important audience at a time when they are seeing some fairly strong project activity.

Month	Projects	Site Visits
July 2017	6	0
August 2017	7	3
September 2017	5	1

FY18 1st Quarter Potential Recruitment Opportunities (PROs)

July:

- Project All (Border/BIA)
- Project Lake (Distributed via email on 7/18)
- Project King of the Road (Border/BIA)
- Project Mega (Border/BIA)
- Project Sim (Collaborating with prospect to finalize detail before distributing statewide)
- Project First Aid (Collaborating with prospect to finalize detail before distributing statewide)

August:

- Project Shell(Border/BIA)
- Project King (Border/BIA)
- Project Haul (Border/BIA)
- Project Delilah (Border/BIA)
- Project Fast Lane (Border/BIA)
- Project Flare (Competitive expansion (via contract manufacturing) of local ABQ company)
- Project Resin (Distributed via email on 8/29)

September:

- Project October (Directive by prospect to focus on ABQ and Gallup only)
- Project Haze (Directive by prospect to focus on ABQ only)
- Project Topaz (Distributed via email on 10/10)
- Project Cajon (Border/BIA)
- Project HQ2 (Consensus decision to put forward ABQ and Border options for Amazon state proposal)

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of jobs created through business relocations facilitated by the NMP	0					0
Number of potential recruitment opportunities (PROs) generated by Partnership marketing and sales activities	18					18

ECONOMIC DEVELOPMENT DIVISION

JOB TRAINING INCENTIVE PROGRAM

Twenty businesses were approved by the JTIP board in the first quarter. Five-hundred forty-nine new jobs at an average wage of \$19.28 per hour were approved and 51 incumbent workers will receive upskills training through Step Up.

FY18 Goals & Objectives

Goal 1: Increase company participation in JTIP

Objective:

- Promote JTIP in every region of the state, partnering with the CBRDT Regional Reps, the FDT and local and regional economic development organizations

Goal 2: Increase company participation in rural locations

Objectives:

- Work with the JTIP Board to amend JTIP policy to expand eligibility for companies in rural locations
- Deploy additional JTIP FTE to all rural regions of the state to:
 - Market and promote JTIP and Step Up in rural areas, partnering with CBRDT Regional Reps, the FDT and local and regional economic development organizations
 - Develop and maintain marketing materials specifically targeting rural companies
 - Assist qualified rural companies through the JTIP application process
 - Assist approved rural companies throughout the JTIP project period with project administration, including required reporting and compliance procedures

Two-hundred sixty-one jobs were approved for companies in rural areas including Bernalillo, Alamogordo, Las Vegas, Belen, Farmington, Loving, Jal and Taos at an average wage of \$17.75 per hour. These jobs account for 48% of the total JTIP jobs approved in Q1. Funds allocated to the rural projects represent 52% of the total funds approved in Q1.

The Film Crew Advancement Program (FCAP), one of the two JTIP for Film and Multimedia programs, was approved to train 72 crew members at an average wage of \$21.70 per hour.

In FY 2017 the JTIP board added New Mexico 9000 Certification Training as an eligible training activity under JTIP's enhanced skills training program, Step Up. New Mexico 9000 Certification Training provides new and expanding industries statewide the tools and training to become more competitive. ISO 9001:15 is a quality management standard recognized by more than 170 countries and required by most major companies and governments in the United States, Mexico, Canada, Europe and Asia of its suppliers. New Mexico 9000 Certification Training provides training specific to assist New Mexico businesses in becoming prepared for ISO9001:15 registration, and other Quality Management Systems, which provide the following benefits to businesses:

- **Cost savings** - International Standards help optimize operations and therefore improve the bottom line

- **Enhanced customer satisfaction** - International Standards help improve quality, enhance customer satisfaction and increase sales
- **Access to new markets** - International Standards help prevent trade barriers and open up global markets
- **Increased market share** - International Standards help increase productivity and competitive advantage
- **Environmental benefits** - International Standards help reduce negative impacts on the environment

The New Mexico Manufacturing Extension Partnership was approved for JTIP funding to provide New Mexico 9000 Certification Training to eight New Mexico companies in FY17. The project was very successful and demand is growing as a result. The New Mexico Manufacturing Extension Partnership was approved for another round of JTIP funds for New Mexico ISO 9000 Certification training in Q1 to provide training in three focus areas of the ISO standard to 16 companies. Of the 51 Step Up trainees approved in Q1, 42 will be participating in the New Mexico 9000 Certification Training.

Companies Assisted by JTIP in the 1 st Quarter	
CIG Logistics	Jal
CIG Logistics	Lovington
CSI Aviation	Albuquerque
Emerging Technology Ventures	Alamogordo
Iterative Consulting	Albuquerque
Keter North America	Belen
Lavu, Inc.	Albuquerque
NICOR, Inc.	Albuquerque
Old Wood, LLC	Las Vegas
Optomec, Inc.	Albuquerque
Passages International, Inc.	Albuquerque
PESCO, Inc.	Farmington
Phat Steel, Inc.	Bernalillo
Paradise Power Company	Taos
RiskSense, Inc.	Albuquerque
Safelite Solutions, LLC	Rio Rancho
Sigma Labs, Inc.	Santa Fe
Skorpios Technologies	Albuquerque
UbiQD	Los Alamos
United Poly Systems, LLC	Albuquerque

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of workers trained by JTIP	1,850	672				672
Average hourly wage of jobs funded by JTIP	NA	\$19.28				

FINANCE DEVELOPMENT TEAM (FDT)

FY18 Goals & Objectives

Goal 1: Deploy capital outlay funding to attract capital investment and job creation for communities through LEDA

Objectives:

- Encourage more communities to adopt the local option gross receipts tax (GRT) or municipal/county GRT increment. This team will make presentations to 10 communities about the importance of adopting these tools.
- All funded LEDA projects with final approved documents will be made available online for transparency.

Goal 2: Identify New Mexico businesses with expansion potential and assist them in creating jobs by structuring financing assistance programs.

Objectives:

- Pursuant to SWEDFA, provide and submit economic development determinations for the New Markets Tax Credit, Collateral Support, and Local Government Planning Fund Programs.
- Pursuant to EB5 policy, provide TEA designation certifications and/or letters of support to EB5 Regional Center applicants that are qualified.

FUNDIT assisted six community projects. Organizations which presented projects included: South Valley Economic Development Center, Coronado Soil and Water Conservation District, New Mexico School for the Arts, Explora, Luna Community College, and Santa Fe County.

Two informative webinar sessions were hosted during the quarter through FUNDIT's educational webinar series. Approximately 121 participants from around the state attended the webinars which included small business owners, local governments, economic development agencies and nonprofits.

Titles for the two webinars were *Finding Money for Your Community's Projects: How to Improve Your Approach* and *New Mexico Broadband Discussion*, which featured Gar Clarke of the Department of Information & Technology. Feedback from participants was extremely positive and participants were excited to take knowledge gained in the webinars back to their communities to aide them in their project development.

One of FUNDIT's projects has been selected as a semi-finalist in the National Development Council's Academy Awards for Innovative Public Infrastructure Financing. The project which was selected was The Grant County Regional Water Project which involved constructing a fresh water system for 11 communities in the SE region of the state which will bring water to 20,000 people.

FUNDIT has finished and presented a "Funding Resource Map" which depicts funding sources available to communities in easy to understand, searchable categories for economic development and infrastructure projects. The map can be found at: <https://www.ristraprograms.com/fundit>.

The FDT met with 14 businesses to assist them with their financial needs. The FDT discussed financial opportunities and programs which could help them expand, start or hire new employees.

1. NGV, Santa Teresa
2. ABC Chimney Sweep and Consulting, Santa Fe
3. Fix My Roof, Santa Fe
4. Truth or Consequences Sierra Vista Hospital, Truth or Consequences
5. High Five Construction, Albuquerque
6. Resin Partners
7. Vanessa Roanhorse (Start-up EDA), Albuquerque
8. Sierra Vista Farms, Velarde
9. Coyote Sage Farm, Tierra Amarilla
10. Growing Opportunities, Alcalde
11. Sterling Metrics, Albuquerque
12. Golden Zone, Tularosa
13. Woodruff Scientific, Santa Fe
14. Pet Suites, Santa Fe

LEDA

Four projects were finalized for LEDA during the first quarter. In July Facebook announced an expansion which will double the square footage, jobs and investment provided in the initial announcement.

Project	County	Total Private Investment	LEDA Investment	Security	Job Creation	Leverage
USA Beef Packing	Chaves	\$5,000,000	\$400,000	Security Interest/Lien	57	12.5
Raytheon ABQ	Bernalillo	\$15,700,000	\$980,000	Surety Bond	46	16.02
PESCO	San Juan	\$5,300,000	\$1,000,000	Letter of Credit	170	5.3
Flagship Foods ABQ #2	Bernalillo	\$2,500,000	\$550,000	Letter of Credit	113	4.55
Subtotal		\$28,500,000	\$2,930,000		386	9.7
Facebook Bldg. #2	Valencia	\$250,000,000	----	Corporate Guaranty	50	
Total		\$278,500,000	\$2,930,000		436	95

Important Note: \$10 million in LEDA funds were allocated in FY17. No new LEDA investment has been made. With its announcement to add a second building and create 50 incremental jobs, Facebook's total investment will now be \$500,000,000 with total employment of 100. This is an incremental investment of \$250,000,000 and 50 additional jobs.

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of private sector dollars leveraged by each dollar through LEDA	12:1	95				
Number of jobs created through the use of LEDA funds	2,200	436				436

NEW MEXICO MAINSTREET (NMMS)

The New Mexico MainStreet program had a very successful first quarter working with local affiliate

FY18 Goals & Objectives

Goal 1: Stimulate private sector reinvestment into the built environment within MainStreet districts.

Objective: Provide professional, technical assistance in practical design and planning practices, engineering and finance, implemented through a Metropolitan Redevelopment Area, MainStreet Façade Squads, MainStreet “PlaceMaking,” Great Blocks on MainStreet, and Public Infrastructure reinvestment.

Goal 2: Grow new businesses in downtown areas.

Objective: Provide technical assistance on entrepreneur development, economic vitality, business retention and expansion, and recruitment: accessing financing tools, accessing incentives, and grants from foundation partners.

Goal 3: Complete building rehabilitations in MainStreet districts to support business expansion, business start-ups and entrepreneurial ventures and furthers the ability of the local organization to market the district as a destination for residents and visitors.

Objective: Provide assistance to MainStreet organizations’ façade renderings, historic preservation treatments, accessing revolving loan fund for building rehabs, access to historic preservation tax credits, local LEDA funds, HUD, EDA and CDBG grants.

programs and local government partners. NMMS builds capacity for local economic revitalization and re-development efforts, enhancing the entrepreneurial and business climate of local MainStreet districts, and creating thriving places throughout the State of New Mexico. Local MainStreet programs reported **\$34,383,993** in Private Sector Reinvestment; **87** Private Building Renovations; **47** Net New Business and Business Expansions; and the creation of **57** Net New Jobs in their districts during the first quarter.

Project Funding Highlights:

- Private sector reinvestment in MainStreet District’s and private building renovations for the first quarter were largely driven by the continuing revitalization trend in Downtown Albuquerque MainStreet district that reported 21 rehab projects totaling \$31 million in reinvestment dollars.
- The Raton MainStreet district’s new brewery and pub, Colfax Ale Cellar, completed \$300,000 in

rehabilitation to the historic 1908 building.

- Clovis MainStreet benefits from seven private building interior and exterior improvements that total \$76,600.
- Six new businesses opened in the Las Cruces MainStreet district. The Dragonfly farm to table restaurant brings 20 new jobs to the community. The five new apparel stores and art galleries bring 12 new jobs.
- While Portales MainStreet saw two businesses close, they were more than replaced by five new businesses. The new dog grooming, dance studio, taekwondo, law office and hair salon establishments provide 8 jobs.

Measure	Target	Q1	Q2	Q3	Q4	Total
Dollars of private sector investment in MainStreet districts (in millions)	\$9	\$34,383,993				\$34.3

COMMUNITY, BUSINESS & RURAL DEVELOPMENT TEAM

Three projects were successfully funded and started in the first quarter.

FY18 Goals & Objectives

Goal 1: Support economic growth and diversity by identifying and assisting new and existing businesses with the potential to create new jobs and investment.

Objectives:

- Continue the Business Retention and Expansion (BRE) Program; identify businesses not previously surveyed and continue relationships with economic base companies throughout each region
- Provide technical assistance to business startups and entrepreneurs, ensuring they receive the mentoring necessary for economic growth and sustainability
- Assist in recruiting new businesses through the PRO process with the Partnership or small, target-based local or regional marketing programs
- Improve marketing and outreach efforts

Goal 2: Increase the capacity of communities and regions to identify and realize their vision for economic prosperity

Objectives:

- Provide training on EDD and stakeholder programs and services
- Facilitate strategic planning
- Assist in branding and marketing plan development
- Facilitate the adoption of LEDA and the local option gross receipts tax

Goal 3: Assist communities in developing and funding projects that will result in economic growth in the community or region

Objectives:

- Provide technical assistance to communities or regions resulting in the identification of projects that will facilitate economic growth
- Identify resources and technical assistance necessary to implement projects

1. The Ribera Commercial Kitchen celebrated its grand opening on September 15th. This \$2 million project was dedicated to Senator Domenici and has received federal, state, county, land grant and private funding. The Regional Rep assisted with the commercial kitchen inspection, permitting, LVSMEDC LEADS funding for sealing the floors, and local government funding through the Rural Commercial Kitchen Initiative. (Outcome: New revenue)

2. Through the assistance of the Regional Representative PESCO, in Farmington, was assisted in an expansion of their current facility that will add 170 jobs and \$5.2 million in capital investment. This will bring their total headcount to 396. Along with LEDA support this project is being funded through local financial institution with the assistance of the Enchantment Land CDC. (Outcome: New jobs and investment)

3. USA Beef Packing, in Chaves County, was successfully funded to revive a vacant facility. Through the efforts of the Regional Representative, along with local officials, partnerships with the New Mexico Environment Department and the New Mexico Department of Agriculture, this company was able to open its facility in 2017. Anticipated initial employment is for 57 employees by 2018. (Outcome: New jobs and investment)

The Economic Development Department has entered into 18 LEADS grant agreements totaling \$167,500. These projects are expected to be completed in quarters 3 and 4 of this fiscal year. Eligible project categories are attraction, business retention and expansion (BRE), workforce development, tech and entrepreneur support, and real estate. Grant funding amounts ranged from \$5,000 to \$12,500.

LEADS Recipients	Project	Amount
Lea County EDC	Attraction/BRE	\$12,500
Mesilla Valley EDA	Attraction	\$12,500
Otero County EDC	Attraction/BRE	\$12,500
Greater Gallup EDC	Attraction/BRE/Workforce Development	\$12,500
Carlsbad Department of Development	Attraction	\$10,000
Clovis Industrial Development Corporation	Attraction/BRE	\$10,000
Four Corners Economic Development	Attraction/BRE	\$10,000
Grow Raton	Tech & Entrepreneur Support	\$10,000
Sandoval County	Workforce Development	\$10,000
City of Tucumcari	Workforce Development	\$10,000
Lovington EDC	Attraction/Tech & Entrepreneur Support	\$10,000
Village of Los Lunas	Attraction	\$7,500
Cibola Communities EDC	Attraction	\$9,500
Guadalupe County	Attraction/BRE	\$7,500
Las Vegas/San Miguel	Attraction/Real Estate	\$5,000
Santa Fe County	Tech & Entrepreneur Support	\$8,000
Village of Santa Clara	Tech & Entrepreneur Support	\$5,000
Southern Luna County	Attraction	\$5,000

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of funded economic development projects resulting in job growth, new investment or increased revenue	15	3				3

OFFICE OF SCIENCE & TECHNOLOGY (OST)

The Office of Science and Technology is dedicated to connecting New Mexican innovations to the market.

FY18 Goals & Objectives

TECHNOLOGY RESEARCH COLLABORATIVE

Goal: To advance New Mexico's Innovation and Entrepreneurial Ecosystem by ensuring that the science and technology pipeline flows freely from innovation to enterprise resulting in the development and retention of technology companies and jobs. The TRC wants to create a state-wide collaborative, startup, and entrepreneurial community that is positioned for expansion and growth.

Objectives:

- Streamline and ease access to innovation from New Mexico's research institutions. This objective advances the creation of technology companies and leverages federal and state research and development
- Ensure seed funds for New Mexico's nascent technology companies. This will support company and job creation and growth
- Leverage federal research funds in New Mexico by bridging the valley of death from research and development to commercialization. This will convert research & development spending in the state to jobs, companies, and economic growth
- Assure the presence of talented technical managers to staff technology companies built on these innovations. This will be achieved through collaboration with NM's educational institutions and will result in job creation.

The FY18 1st quarter activities of the OST focused on the following goals which are also outlined in the FY18 strategic plan.

Ensure access to seed and early stage funding for young and growing science and technology companies. Access to seed funds supports company growth and results in job creation and increased revenue. In order to achieve this goal the OST launched the New Mexico Innovation Voucher program and the Catalyst Fund.

New Mexico Innovation Vouchers. This program provides small (awards are capped at \$2000) competitive grants that enable businesses to meet strategic business development goals. The grants leverage NM's innovation ecosystem by offsetting the cost of services offered by economic development assets to young companies. During the 1st quarter of FY18 six awards were made. Since the program's launch in Q4 FY17 New Mexico Innovation Voucher awardees have brought five new products to market, created eight jobs, and received over \$950,000 in follow on investment from non-state sources.

The Catalyst Fund. The Catalyst Fund is a \$40 million investment in New Mexico's seed and early stage science and technology companies. This fund is made possible by partnership among NMFA, the SIC, and NMEDD.

Currently four NM venture funds have received commitments from the Catalyst fund: 1) Tramway Ventures, 2) Cottonwood Technology Fund, 3) Arrowhead Venture Fund, and 4) ABQid. In total \$6.6 million has been allocated. Two companies have already received investment Bayotech, a chemical

reactor company created using technology licensed from Sandia National Laboratories and Armonica, a genetic sequencing company.

Leverage federal research investment in companies to accelerate commercialization of New Mexico based research and development. Each year New Mexican companies receive over \$17 million dollars of federal investment from the Small Business Innovation Research (SBIR) program. The federal SBIR program provides research and development funding to companies creating technology that has strong commercial potential. In order to leverage this investment in New Mexico the OST created a matching competitive grant program. This program provides companies with business development assistance to accelerate the commercialization of SBIR supported research and development. The New Mexico Small Business Innovation Research Matching program launched September 30, 2017. NMEDD received 42 applications from across the state. All of the companies fell into one of six technology categories: Photonics (including UAS/UAV); Bioscience; Energy; Education; Machine Learning/Big Data; and Additive Manufacturing. All the companies are headquartered in NM and have at least 51% of their payroll in the state. 52% percent of the companies utilize technology licensed from a New Mexico Institution. 20% are female or minority owned businesses. In contrast, only 3% of science and technology companies nationally fall in this category. Only 12% of federal SBIRs are awarded to women- and minority-owned businesses. All the companies pay their employees a high wage for their regions. Finally, these companies give back to New Mexico. The majority of the companies do outreach to schools or offer internships for New Mexico students. Awards are expected to be announced the first week of November.

FY18 Goals & Objectives

DEFENSE INDUSTRY ADJUSTMENT PROGRAM

Goal: Mitigate the risk posed by cuts in federal spending to and strengthen New Mexico's economy by developing and implementing diversification and assistance strategies for companies impacted by reductions in Department of Defense budgets.

Objectives:

- Advance the Virtual Industry commons web portal that serves as a conduit for gathering and sharing information, leveraging assets, and modeling the evolving New Mexico Defense Industry. This will be achieved by continuing data collection and outreach to users
- Implement the adjustment strategies developed in the pilot study at a statewide scale. This will further benefit New Mexico through diversification of the state's economy.

Mitigate risks posed by cuts in federal spending to New Mexico's economy by developing and implementing diversification and assistance strategies for companies impacted by reductions in Department of Defense budgets. Work continues on the first phase of the NMEDD OST Dept. of Defense Office of Economic Adjustment (OEA) Defense Industry Adjustment Grant. The OEA is the Department of Defense (DoD) field organization responsible for supporting state and local governments in responding to major defense program changes. OEA assists states and communities in engaging the private sector in order to plan and develop local adjustment and assistance strategies. The OEA grant program is currently in Phase 1. The deliverables of the first phase are a statewide asset and supply

chain mapping study to identify workforce, technology, and product vulnerabilities and assets currently in the state that can be augmented to develop, implement, and deploy adjustment and diversification strategies and resources and a web portal to connect the defense supply chain with resources available in the state. The OST is actively piloting diversification strategies and applying for additional funding to ensure program sustainability.

Build capacity within the science and technology ecosystem through partnerships with public and private entities and by offering direct assistance to companies. The OST strives to grow the science and technology ecosystem by partnering with other organizations to provide educational and networking opportunities to NM companies and entrepreneurs. For example, the OST worked with NMSU to host as NMSU's AgAssembly--an event dedicated to connecting entrepreneurs, investors, industry, and growers in agricultural technology fields. The OST also serves on the board of the New Mexico BioScience Authority and the steering committee for the New Mexico Energy Roadmap. The New Mexico BioScience Authority, created by statute in 2016, is dedicated to growing the bioscience industry in NM. The New Mexico Energy Roadmap is a plan for the future of energy production, distribution, efficiency, and usage that builds on the 2015 New Mexico Energy Policy and Implementation Plan. Finally, the OST provided direct assistance to 30 companies. Direct assistance included working with companies to identify funding resources, identifying sources of talent, and connecting companies to other organizations in the community who may be of assistance.

OFFICE OF INTERNATIONAL TRADE (OIT)

FY18 Goals & Objectives

Goal 1: Increase the number of companies which are new to export, i.e. companies which have not previously exported and are doing so for the first time.

Objectives: Conduct overseas trade shows and trade missions in accordance with major trends and depending on underlying economic conditions and the importance of the market to New Mexico.

- Host two to three trade shows per geographical region, demonstrating the most economic strength and dynamism and better suited to New Mexico exporters. North American Market – Canada & Mexico; South American Market – Chile, Colombia and Peru; Asia Pacific Region – Japan, China and ASEAN Southeast Asian region; Europe and the Middle East.
- Recruit a minimum of 5 companies per trade show and increase the number of trade shows abroad where New Mexico companies will be represented in order to diversify market exposure and offer greater choice to New Mexico companies.
- Focus on unique NM food and beverage products like the Singapore Food and Hotel Asia event which saw participation by 4 NM companies thereby helping to increase exports of processed, value added food and beverage products to fast growing markets in Asia, Europe and the Middle East.
- Reinstate our former Greater China Trade Office in Taiwan which was in operation since 1991 and produced over \$18 million in export sales for NM companies. Currently, our only overseas trade office is in Jerusalem, Israel and covers the Middle East market region.
- Organize and lead more trade missions with assistance from the US Department of Commerce under the Gold Key Service.

OIT successfully submitted a proposal for continued funding under the U.S. Small Business Administration, State Trade Expansion Program (STEP) that resulted in a new award of \$200,000 for international trade promotion and expansion for the new federal fiscal year from October 01, 2017 to September 30, 2018.

Funded (5) small biotechnology companies under the STEP Grant to participate in a Biotech show in San Diego, California jointly with the NMEDD Office of Science and Technology and the NM Bio Association. Companies were exposed to international clientele to expand business opportunities abroad and develop international business.

Continued successful expansion of trade opportunities for NM companies in rural communities in Taos (Private Label Select, Ltd.) with funding for Natural and Organic Products Hong Kong and (Old Wood, LLC) Las Vegas Flooring Materials show which further expanded sales overseas for both companies.

Reported results by companies participating in the Shot Show in Las Vegas and the IWA Outdoor Show in Nuremburg, Germany continued to build upon sales generated by participating at these events with funding from the STEP Grant for (3) consecutive years and thereby establishing their presence in the market and generating over \$500,000 in annual sales collectively.

FY18 Goals & Objectives continued

Goal 2: Increase the number of companies that have international market expansion as a goal i.e. companies which are currently exporting to one market, but want to export to other markets worldwide. Assuming award of Federal STEP Grant, plus the additional \$100,000 base expansion for International Trade New to market goal: 11 companies. Export Sales: \$1.5 million.

Objectives:

- Conduct seminars and workshops that focus on mechanics of exporting including export finance and letters-of-credit, overseas shipping and logistics, US export licensing regulatory requirements, cultural aspects of doing business overseas, the legal framework overseas, and managing the process of an active, foreign distribution network.
- Work with partners such as economic development organizations, chambers-of-commerce, universities, science parks and foreign government trade promotion entities to recruit attendees to these seminars. Host quarterly workshops and seminars.

Conducted a *Doing Business in Mexico Workshop* jointly with the Albuquerque Hispanic Chamber of Commerce and the Albuquerque Bernalillo County Trade Alliance, with over 25 attendees seeking to export to Mexico.

OIT consulted with 15 New Mexico companies to discuss the benefits of the NM STEP Grant program and qualify them for trade show participation during the new fiscal year, with an aim towards increasing participation by both New to Export and Market Expansion companies.

NEW MEXICO FILM OFFICE

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

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

Quarterly Results:

FY18	Q1
Direct Spend into NM Economy	\$55.7M
Total number of New Projects in Principal Photography	15
Number of Projects over \$1M (total budget) in Production	8
Worker Days (crew size x days employed)	57,104

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

Highlights:

- In the first quarter: production continued to thrive with both local and Hollywood independent films, pilots, web series and episodic TV series. Current TV series and pilots include: *The Brave Season 1* (NBC), *t@gged S3* (awesomeness TV), *Tremors* (pilot) (SyFy), and *Mr. Robot S3* (episode) (USA Network). Current Independent feature films include: Vincent D'Onofrio's directorial debut western, *The Kid*, Dreamland starring Margot Robbie, Netflix's *14 Cameras* (directed and produced by two Santa Fe University of Art and Design (SFUAD) graduates, *The Wave*, 1800's era horror/western, *The Wind* and *Hunted By My Ex* (Lifetime). Locally produced productions included: *Back to Earth* (TV pilot), *Heart of the Gila* (feature), *Numbskull Revolution* (feature) *Nasario Remembers the Rio Puerco* (documentary feature) and music videos *Runaway June "Wild West"* and *Bebe Rexha*.

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: six companies qualified for FCAP with 66 resident participants.

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 hosted the successful annual Film and Media Conference in Albuquerque with over 385 attendees; 25 industry vendors; over 60 panelists and moderators, and three special guests from "The Brave" and "The Kid." The division is prepping for the annual NM Filmmakers Showcase and Awards ceremony in November at the National Hispanic Cultural Center.

NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT FY18 COMPANIES ASSISTED

Q1 DATE	COMPANY NAME	TYPE OF COMPANY	LOCATION	TYPE OF PROJECT			NUMBER OF JOBS			PROGRAM SUPPORT
				RELOCATION	EXPANSION	START-UP	RURAL	URBAN	TOTAL	
7/14	Phat Steel	fabricate architectural steel	Bernalillo		1		7		7	JTIP
7/14	CSI Aviation	aviation logistics	Albuquerque		1			23	23	JTIP
7/14	RiskSense	cyber security	Albuquerque		1			17	17	JTIP
7/14	UbiQD, LLC	manufacture quantum dots	Los Alamos		1			3	3	JTIP
7/14	Optomec	advanced manufacturing equipment	Albuquerque		1			5	5	JTIP
7/14	Emerging Technology Ventures	unmanned aerial systems	Alamogordo		1		2		2	JTIP
7/14	Old Wood, LLC	wood flooring manufacturer	Las Vegas		1		9		9	JTIP
7/14	Passages International	green funeral products	Albuquerque		1			7	7	JTIP
7/18	Facebook	data center	Los Lunas		1		50		50	LEDA
8/10	Raytheon	advanced manufacturing	Albuquerque		1			60	60	LEDA
8/11	Lavu, Inc.	point of sale software application	Albuquerque		1			25	25	JTIP
8/11	Sigma Labs, Inc.	3D printing technology	Santa Fe		1			3	3	JTIP
8/11	United Poly Systems, LLC	pipe manufacturer	Albuquerque		1			11	11	JTIP
8/14	PESCO	manufacturing	Farmington		1		170		170	LEDA/JTIP
8/14	Flagship Food Group	food processing	Albuquerque		1			113	113	LEDA
9/8	CIG Logistics - Loving	logistics	Loving		1		40		40	JTIP
9/8	CIG Logistics - Jal	logistics	Jal		1		15		15	JTIP
9/8	NICOR	manufacturing	Albuquerque		1			10	10	JTIP
9/8	Iterative Consulting	information technology	Albuquerque		1			3	3	JTIP
9/30	USA Beef	food processing	Roswell			1	57		57	LEDA
TOTALS				0	19	1	350	280	630	
Q2 DATE	COMPANY NAME	TYPE OF COMPANY	LOCATION	TYPE OF PROJECT			NUMBER OF JOBS			PROGRAM SUPPORT
				RELOCATION	EXPANSION	START-UP	RURAL	URBAN	TOTAL	

DIVISION	FY18 New Mexico Economic Development Department Performance Reporting						
	MEASURE	TARGET	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD/Final
OFS	Total number of jobs created due to EDD efforts	4,500	630				630
	Total number of rural jobs created	1,600	350				350
	Percentage of previous year's audit findings resolved in one year	100%	Reported at year end.				
NMP	Number of jobs created through business relocations facilitated by the NMP	2,250	0				0
	Number of potential recruitment opportunities (PROs) generated by Partnership marketing and sales activities	84	18				18
EDD	Dollars of private sector investment in MainStreet districts (in millions)	\$9	\$34				34
	Number of private sector dollars leveraged by each dollar through LEDA	12:1	95				
	Number of jobs created through the use of LEDA funds	2,200	436				436
	Number of funded economic development projects resulting in job growth, new investment, or increased revenue	15	3				3
	Number of workers trained by JTIP	1,850	672				672
	Average hourly wage of jobs funded by JTIP	No target	\$19.28				
FILM	Number of film and media workers days	230,000	57,104				57,104
	Direct spending by film industry productions (in millions)	\$260	\$55.7				\$55.7