



New Mexico Economic Development Department  
FY18 2nd Quarter Performance Report

January 31st, 2018

**NEW MEXICO** *True*  
**ECONOMIC DEVELOPMENT**



# NMEDD FY18 2nd 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

Two companies that successfully commercialized technologies from Los Alamos National Laboratory are expanding. Descartes Labs will invest \$4 million to renovate a new headquarters location in Santa Fe, matched by a State LEDA investment of \$500,000. The company will create 50 new jobs. UbiQD will invest \$1 million to expand their headquarters and manufacturing facility in Los Alamos, matched by a State LEDA investment of \$125,000. UbiQD will create 20 new jobs with the expansion. In addition to the State LEDA funding, the City of Santa Fe has committed \$100,000 in LEDA funds to Descartes and Los Alamos County has provided \$325,000 in LEDA funding to UbiQD.

The New Mexico Partnership participated in five marketing events in the cities of Richmond (Va.), Houston, Seattle and Los Angeles. There were two site visits during the quarter.

In November Governor Martinez announced the latest expansion of Facebook's Los Lunas Data Center. Four more buildings and an investment of over \$1 billion will support thousands of construction jobs until at least 2023. Facebook will add nearly 1.8 million square feet to the Data Center, for a total of nearly 2.8 million square feet for the entire campus.

The Village of Los Lunas reports that as of December 2017 cumulative gross receipts tax revenue compared to the prior year is *up \$4.4 million, or 72.5%*.

Both companies have utilized the Job Training Incentive Program (JTIP) to expand their workforce. NMEDD has previously awarded Descartes Labs \$297,757 to support employee training for 10 jobs at an average wage of \$62.50. UbiQD has received \$202,594 to support employee training for 11 jobs at an average wage of \$34.43.

In December New Mexico MainStreet (NMMS) was awarded a \$35,000 grant from USDA to fund in-depth rural economic development services in the communities of Belen, Las Vegas, Raton and Tucumcari. These four municipalities are participants in the Great Blocks on MainStreet initiative.

Great Blocks on MainStreet starts with the design of public infrastructure improvements and the work will be conducted to help ensure that the public infrastructure investments catalyze private sector investment in businesses and buildings to revitalize the local economy. In the first half of FY18 NMMS districts report a total of \$41.5 million in private sector investment, 148 private building renovations, 278 net new jobs and over 24,000 hours of volunteer support.

Measure	Target	Q1	Q2	Q3	Q4	Total
Total number of jobs created due to EDD efforts	4,500	630	331			961
Total number of rural jobs created	1,600	350	193			543

## NEW MEXICO PARTNERSHIP

This quarter saw slower than typical volumes of new potential projects (8); not atypical during the holiday season. However, our sales mission and trade show activity was robust (5 events) and efforts to leverage those events to create new projects in coming quarters are underway. In addition, three large-scale marketing campaigns aimed at the advisory community were conducted (each targeting ~400 contacts). These campaigns focused on highlighting available value-added agriculture facilities in the state, providing an overview of the Gallup Energy Logistics Park, and publicizing Facebook's decision to commit to all subsequent phases of the Los Lunas datacenter project.

### Industrial Asset Management Council (October 8 – 11, Richmond, VA)

The IAMC Fall Forum is a networking opportunity to meet a variety of site selectors and real estate professionals and increase the number of advisory relationships we have. We made several contacts during the show, and will work towards developing these into long-term relationships.

### Breakbulk (October 17 – 19, Houston, TX)

Given the recent destruction/disruption in Houston as a result of the hurricane, attendance was down sharply at Breakbulk; however, even in light of that we confirmed eight meetings/events. There are several leads that resulted, and one has already been converted to a prospect, and another has the potential near-term to convert to a prospect.

### CoreNet Global Summit (November 5 – 7, Seattle, WA)

This event brings in leading commercial real estate brokers, corporate real estate executives, and site selection consultants representing a wide range of industries. We were able to make relevant contacts at the event, which could pay future dividends. In addition to the Partnership, representatives from NMEDD, MVEDA, AED, and EDC of Lea County also attended.

### Seattle Sales Mission (November 8 – 9)

We conducted a Governor-led sales mission with major corporations and met with an active project that is in the process of finalizing their site location decision/strategy. We identified a number of possible opportunities. In particular, two companies expressed interest in deployment of shared services functions. In addition, one of our corporate meetings in the industrial/commodities sector had to cancel their appointment, but indicated a possible warehouse/distribution opportunity for New Mexico, and we are scheduling a follow-up discussion. This sales mission was also attended by representatives from MVEDA and AED.

### Los Angeles Sales Mission (December 13 – 14)

Conducted two luncheon presentations to over a dozen consultants and venture capital/private equity investors during which the Partnership, Sec. Geisel, and Keith Gardner gave an overview

of New Mexico’s key advantages for business. In addition, conducted a dinner meeting with senior principals from Virgin Galactic to discuss upcoming plans/timeline for launch operations in New Mexico.

\*Two additional site visits were scheduled but were canceled by prospects due to business issues unrelated to their consideration of New Mexico. Those are in process of being rescheduled.

**New Potential Projects (PROs) (Total = 8)**

Month	Projects
October 2017	4
November 2017	3
December 2017	1

**Site Visits\*\* (Total = 2)**

Month	Site Visits
October 2017	1
November 2017	0
December 2017	1

Potential Recruitment Opportunities (PROs) Detail
<b><i>Sent Out Statewide</i></b>
Aviate
Loading
Inspirit
<b><i>Community-Specific</i></b>
Renaissance (3 Communities)
Mr. T
<b><i>Specific to Border Region</i></b>
Reflection
Crystal
CS

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of jobs created through business relocations facilitated by the NMP	2,200	0	0			0
Number of potential recruitment opportunities (PROs) generated by Partnership marketing and sales activities	84	18	8			26

## ECONOMIC DEVELOPMENT DIVISION

### JOB TRAINING INCENTIVE PROGRAM (JTIP)

#### 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

Seventeen businesses were approved by the JTIP board in the second quarter. Two-hundred seventy new jobs at an average wage of \$18.28 per hour were approved, one incumbent worker will receive upskills training through Step Up and two interns will gain valuable work experience with participating companies.

One-hundred seventy-four jobs were approved for companies in rural areas including Corrales, Aztec, Navajo Nation, Portales, Alamogordo, and Clovis at an average wage of \$15.14 per hour. These jobs account for 64% of the total JTIP jobs approved in Q2. Funds allocated to the rural projects represent 55% of the total funds approved in Q2.

In addition, the Film Crew Advancement Program (FCAP), one of the two JTIP for Film and Multimedia programs, approved five companies to train 26 crew members at an average wage of \$22.02 per hour.



<b>Companies Assisted by JTIP in the 2nd Quarter</b>	
Cable One	Rio Rancho
Ideum	Corrales
Jack's Plastic Welding	Aztec
Lily Barrack, LLC	Albuquerque
New Mexico Consortium	Los Alamos
NM Solar Group	Albuquerque
NM Solar Group	Alamogordo
NICOR, Inc.	Albuquerque
Open Loop Energy, Inc.	Farmington
Raytheon	Navajo Nation
Ready Roast	Portales
Rural Sourcing	Albuquerque
Silent Falcon UAS Technologies	Albuquerque
Southwest Cheese	Clovis
Stubbs Engineering	Las Cruces
Vitality Works	Albuquerque
Wood Design	Santa Fe
Xpansiv Data Systems, Inc.	Albuquerque

<b>Measure</b>	<b>Target</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
<b>Number of workers trained by JTIP</b>	1,850	672	299			971
<b>Average hourly wage of jobs funded by JTIP</b>	NA	\$19.28	\$18.28			\$18.95

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.

LEDA

Three projects were completed during the quarter – all business expansions. Descartes Labs and UbiQD are both startups utilizing New Mexico technologies. PreCheck located in Alamogordo in 2006 and has grown steadily with the assistance of both JTIP and LEDA for the last 11 years.

Project	County	Total Private Investment	LEDA Investment	Security	Job Creation	Leverage
Descartes Labs	Santa Fe	\$4,209,000	\$700,000	Letter of Credit	50	6.01
UbiQD, LLC	Los Alamos	\$550,000	\$125,000	Mortgage	20	4.4
PreCheck, Inc.	Otero	\$250,000	\$100,000	Letter of Credit	30	2.5
<b>Total</b>		<b>\$5,009,000</b>	<b>\$925,000</b>		<b>100</b>	<b>5.42</b>

## FUNDIT

There were two meetings held during the quarter. Three projects were vetted:

- The Hub in Aztec
- Corrales Road Pathway
- Curry County Fairgrounds

FUNDIT hosted a webinar exploring the New Mexico Environment Department’s funding sources with about 50 participants.

### Businesses Receiving Technical Assistance

1. Montibon Provenance
2. The Kombucha Project
3. Cimarron Logging Company
4. Katrina Miracle
5. Lake City Diner
6. USA Beef Packing
7. Drought Adaption Industries
8. Studio Concierge

Plus two business startups.

### Other Activities

- Participated on the Native American Venture Accelerate Board and reviewed 13 project applications.
- Hosted first Rural Efficient Business Program in Taos and had over 20 businesses and service providers attend.

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of private sector dollars leveraged by each dollar through LEDA	12:1	101.41	5.42			77.57
Number of jobs created through the use of LEDA funds	2,200	450	100			550

## NEW MEXICO MAINSTREET (NMMS)

### 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.

**Number of Private Building Renovations: 61**

**Net New Business and Business Expansions: 42**

**Net New Jobs Created: 156**

The New Mexico MainStreet Program in partnership with local affiliate’s and local government partners continues to have a huge impact on building 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 **\$7,133,692** in Private Sector Reinvestment; **61** Private Building Renovations; **42** Net New Business and Business Expansions; and the creation of **156** Net New Jobs in their districts during the Second Quarter.

Reinvestment, Business, and Project Funding Highlights:

- Zuni Pueblo MainStreet reported \$5.6 million in private building rehabilitations this quarter. The majority of that total was for the Zuni Christian Mission School project (\$5.5 million) and the remainder was invested in four smaller repair, painting, signage, fencing and parking lot projects.

- In the MainStreet de Las Vegas district, six buildings saw a total of \$665,000 in improvements that included ongoing rehabilitation of the Castañeda Hotel (\$200,000) and new roofs or roof repairs at the Plaza Hotel, Plaza Antiques, Price's Furniture Warehouse, Douglas Avenue Townhouses, and El Fidel Hotel.
- The Clayton MainStreet district had a net increase of four new businesses (five new businesses less one business closure) that resulted in 19 net new jobs for the community. The new businesses include a spa, two restaurants, a gift boutique, and a fitness gym.
- Grants MainStreet reported 4 new business openings (a bakery, a resale store, an auto repair shop, and a gift shop) that combined to create 10 new jobs for the district.
- Tucumcari MainStreet completed the development of construction documents as part of the first phase of their Great Blocks on MainStreet project that includes streetscape and pedestrian safety improvements for three blocks in the heart of their downtown district that build off the community's railroad and Route 66 history.
- The NMMS Program received a Rural Business Development Grant from the United States Department of Agriculture (USDA) to provide in-depth business development services in the communities of Belen, Las Vegas, Raton and Tucumcari. The project looks to build off of public infrastructure investments through Great Blocks on MainStreet projects by helping to strengthen and protect existing businesses, support business expansions, and recruit potential entrepreneurs in order to create job opportunities and stimulate private reinvestment in the targeted communities.
- Fourteen New Mexico MainStreet Organizations completed projects that leverage technical assistance from NMMS with a combined \$50,000 in grant funds from New Mexico Resiliency Alliance.
  - This work includes: 4 Façade squad projects in Alamogordo, Deming, Roswell, and Lovington; 2 small business development projects in Gallup and Albuquerque's South Valley; 5 placemaking projects in Corrales, Farmington, Harding County, Las Cruces, and Silver City; and 3 organizational capacity building projects in Barelás, Portales, and Zuni Pueblo.

Measure	Target	Q1	Q2	Q3	Q4	Total
Dollars of private sector investment in MainStreet districts ( in millions)	\$9	\$34,383,993	\$7,113,692			\$41.4

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

Four projects were successfully funded in the first quarter.

1. Sendoro Midstream Products (Eddy County) – Through the assistance of the Regional Representative Sendoro Midstream has begun construction on a \$135 million cryo plant in Eddy County, this facility will employ 15-20 people and they are currently seeking their

first JTIP application. Additionally, Sendoro is looking to add additional operations in Lea and Eddy Counties. (Outcome: New investment and jobs)

2. TFE, Inc. (Eddy County) – Through the assistance of the Regional Representative TFE, Inc. has successfully expanded their records keeping facility doubling their capacity. In addition, they have achieved NARA approval status making them one of only 33 in the country. This expansion added 2 new positions and has the potential for many more now that they have NARA status. (Outcome: New jobs)
3. Mora Wood Cooperative (Mora)– Through the assistance of the Regional Representative Mora Wood Cooperative funded \$3,700 to purchase 15 acres valued at \$75,000 to be used as a wood industrial park. (Outcome: New investment)
4. Geobrugg (Algodones)– Through the assistance of the Regional Representative, Geobrugg received \$50,000 in local LEDA funding for a \$2.5 million expansion that will add 7 new jobs. (Outcome: New jobs and investment)

#### Other activity during the second quarter.

##### **Region 1**

Five companies received JTIP funding for 115 positions; the Regional Representative assisted three of the companies.

Two new companies have been identified as being JTIP eligible and have plans for expansion.

##### **Region 2**

This region was vacant during the first quarter and was filled and occupied during the last two months of the 2<sup>nd</sup> quarter.

In that time the Regional Representative has identified 4 companies that are considering expansion and anticipate applying for JTIP in the 3<sup>rd</sup> quarter. There are two active LEDA projects that will be approved in the 3<sup>rd</sup> quarter.

##### **Region 3**

There are two active LEDA projects that will be approved in the 3<sup>rd</sup> quarter. There are multiple recruitment projects that have the potential to land within this year.

##### **Region 4**

Through the assistance of the Regional Representative, the Northeastern Economic Development Organization (NEEDO) successfully applied for a Rural Pathways Grant.

The Las Vegas-San Miguel County Solo-Works program graduated 4 trainees and all 4 have been offered employment contracts.

The Raton Convention Center and Coal Camp Commercial Kitchen completed food certification training with 16 individuals.

## Region 5

This region has 13 active (previously funded) LEDA projects and has three potential new LEDA projects that are expected to be completed this year.

During the quarter the regional rep met with over 16 economic-based businesses in the region and out of those, five have been identified as possible LEDA projects and all are potential JTIP applicants.

## Region 6

This region was vacant for all of the 1<sup>st</sup> quarter and was filled and occupied for 2 months of the 2<sup>nd</sup> quarter.

During that time three potential LEDA projects have been identified and at least one is expected this year. Additionally, three businesses that will apply for JTIP have been identified.

## LEADS

The Economic Development department has entered into 18 grant agreements for projects to be completed in FY18 these projects are expected to be completed in quarters 3 and 4 of the fiscal year.

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of funded economic development projects resulting in job growth, new investment or increased revenue	15	3	4			7



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 New Mexico Innovation Voucher Program provides micro-grants of \$2000 to promising nascent companies and leverages NM's abundant entrepreneurial resources. In Q2 six awards were made. 27 awards have been made over the nine-month life of the program. Companies which received Innovation Vouchers have brought five new products to market, created nine new jobs, and raised more than \$1 million in follow-on investment. The Q2 awardees are Ingenuity Software Labs, Woodruff Scientific Inc., Inspyrd Products, The FabLab Hub, Rocky Mountain Micro Ranch, MB Solutions, Backyard Farms, and YeDoma Consultants. These science and technology companies are located from Las Cruces to Santa Fe and focus on technologies ranging from value added agriculture to health care.

The TRC launched the NM Small Business Innovation Research (SBIR) Matching Grant in Q2. This program leverages \$17 million worth of federal investment in R&D conducted by NM's science and technology companies. The NM SBIR Matching Grant provides small businesses the resources to focus on business development. Four awards were made in the Q2 pilot of this program. The awardees are 1) MidSchoolMath in Taos, 2) Caniv Tech in Bernalillo, 3) Pajarito Powder in Albuquerque, and 4) Specifica Bio in Santa Fe.

In Q2 thirty businesses were provided technical assistance. This included working with the RX Factor to identify financing opportunities in NM and creating an application to the FAA's UAS Integration Pilot Program that incorporates the needs of companies like Silent Falcon and Robotic Skies and will allow them to expand their business offering and customer base.

## 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.

Data collection for NMDEC.net continued in Q2. The website is currently undergoing final testing and will be live in February 2018.

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.

Reinstated the State of New Mexico Taiwan Trade Office and conducted two outreach visits for foreign direct investment recruitment and export promotion. Sec. Geisel focused on exports of natural gas, coal and working with Taiwan technology companies to locate operations in New Mexico.

Extended the State of New Mexico Israel Trade Office for another one-year period to promote NM exports to the Middle East and attract Foreign Direct Investment from Israel.

Completed and submitted a grant proposal for funding under the State Trade Expansion Program of the SBA which awarded NM with \$200,000 for trade promotion activities from Oct. 01, 2017 to September 30, 2018 (with extension to September 30, 2019).

## 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.

OIT sponsored two companies for the Cosmoprof Asia 2017 event in Hong Kong and assisted in outreach efforts to Australian/New Zealand and Malaysian companies at the event.

Exports of sports related products from IWA Outdoor Show and Shot Show reached \$1 million for 3 New Mexico companies sponsored by the Office of International Trade under the STEP Grant.

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

**Results:**

FY18	Q1	Q2
Direct Spend into NM Economy (in Millions)	\$55.7	\$42.5
Total number of Projects in Principal Photography	15	8
Number of Projects over \$1M (total budget) in Production	8	9
Worker Days (crew size x days employed)	57,104	46,061

**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.

**Q2 Highlights:**

- Production pressed forward with ongoing and new projects of all types. Current TV series: *The Brave Season 1* (NBC), *Tremors* (pilot) (SyFy) and local area writer/director Hannah Macpherson’s *t@gged S3* (awesomeness TV). Current indie features/web series include: *Willenberger* (production took over the entire town of Roy, NM), *Big Kill* (western) *Cheerleader Killer* (Lifetime) and *Finding Blackdom* (documentary). Locally produced projects: *Meow Wolf: An Autobiography* (feature documentary on the global art collective sensation), *Arctik* (feature), *Frequent Caller* (feature) and film shorts

*Tumbleweed, Prisoner of Mind, A Good Reason* and the documentary series *America: Out of the Vault*.

**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."

#### **Q2 Highlights:**

- Five (5) companies qualified for FCAP with twenty-six (26) resident participants at an average wage of \$22.02 per hour.

**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.

#### **Q2 Highlights:**

- The division hosted the annual awards ceremony and screening on November 5<sup>th</sup> at the National Hispanic Cultural Center and was attended by almost 100 people; held two screenings for "Just Getting Started" and "Only the Brave" with approximately 130 attendees at each screening; promoted the annual film division at the ESPN New Mexico Gilman Bowl by having replicas of the Breaking Bad RV and Walter White's Pontiac and with an on field appearance with NBC's "The Brave" Anne Heche and her husband, actor James Tupper; registered new film liaisons in Gallup and Grants; recruited film division interns from IAIA, SFUAD and CNM and visited with IAIA's Cinematic Arts and Digital Technology Department.

The Film Division is preparing for the NM Filmmakers Showcase. Submissions opened mid-December and will close mid-May; the annual Education Summit will take place mid-February and ongoing details are being worked out for the 2018 NM Film and Media Industry Conference in August.

The Film Division announced that the state will be celebrating the 120<sup>th</sup> year of filming in New Mexico with events throughout 2017 – 2018.

**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
<b>TOTALS</b>				<b>0</b>	<b>19</b>	<b>1</b>	<b>350</b>	<b>280</b>	<b>630</b>	
Q2 DATE	COMPANY NAME	TYPE OF COMPANY	LOCATION	TYPE OF PROJECT			NUMBER OF JOBS			PROGRAM SUPPORT
				RELOCATION	EXPANSION	START-UP	RURAL	URBAN	TOTAL	
10/13	Ideum	design & build interactive displays	Corrales		1		6		6	JTIP
10/13	Xpansiv Data Systems	software development	Albuquerque	1				7	7	JTIP
10/13	NM Solar Group	design & install solar panels	Albuquerque		1			10	10	JTIP
10/13	NM Solar Group	design & install solar panels	Alamogordo		1		9		9	JTIP
10/13	Jack's Plastic Welding	manufacturing	Aztec		1		2		2	JTIP
10/13	Cable One	wifi & internet services provider	Rio Rancho		1			9	9	JTIP
10/13	NICOR	manufacturing	Albuquerque		1			4	4	JTIP
11/17	Raytheon Company	advanced manufacturing	Navajo Nation		1		80		80	JTIP
11/17	Wood Design, Inc.	custom cabinetry	Santa Fe		1			5	5	JTIP
11/17	Silent Falcon UAS Technologies	unmanned aerial systems	Albuquerque		1			5	5	JTIP
11/17	Open Loop Energy, Inc.	hydraulic mining equipment	Farmington	1			18		18	JTIP
11/27	Descartes Labs	artificial intelligence technologies	Santa Fe		1			50	50	LEDA
11/27	UbiQD, LLC	manufacture quantum dots	Los Alamos		1			20	20	LEDA
12/8	Stubbs Engineering	structural engineering	Las Cruces		1			2	2	JTIP
12/8	Southwest Cheese	food processing	Clovis		1		24		24	JTIP
12/8	Vitality Works	manufacture medicinal supplies	Albuquerque		1			18	18	JTIP
12/8	New Mexico Consortium	life sciences research	Los Alamos		1			3	3	JTIP
12/8	Lily Barrack, LLC	jewelry manufacturing	Albuquerque		1			5	5	JTIP
	TFE, Inc.	secure records center	Carlsbad	1			2		2	CBRDT
	Geobrugg	fabricate steel wire mesh nets	Algodones		1		7		7	CBRDT
	Sendero Midstream	processing facility	Carlsbad	1			15		15	CBRDT
	PreCheck	investigation services	Alamogordo		1		30		30	LEDA
<b>MIDYEAR TOTALS</b>				<b>4</b>	<b>1</b>	<b>0</b>	<b>193</b>	<b>138</b>	<b>331</b>	



FY18 New Mexico Economic Development Department Performance Reporting							
DIVISION	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	331			961
	Total number of rural jobs created	1,600	350	193			543
	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			0
	Number of potential recruitment opportunities (PROs) generated by Partnership marketing and sales activities	84	18	8			26
EDD	Dollars of private sector investment in MainStreet districts (in millions)	\$9	\$34	\$7.11			\$41.4
	Number of private sector dollars leveraged by each dollar through LEDA	12:1	95	5.4			
	Number of jobs created through the use of LEDA funds	2,200	436	100			536
	Number of funded economic development projects resulting in job growth, new investment, or increased revenue	15	3	4			7
	Number of workers trained by JTIP	1,850	672	299			971
	Average hourly wage of jobs funded by JTIP	No target	\$19.28	\$18.28			
FILM	Number of film and media workers days	230,000	57,104	46,061			103,165
	Direct spending by film industry productions (in millions)	\$260	\$55.7	\$42.50			\$98.2