



New Mexico Economic Development Department
FY18 3rd Quarter Performance Report

April, 2018

NEW MEXICO *True*
ECONOMIC DEVELOPMENT

NMEDD FY18 3rd 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

NMEDD programs continue to create new jobs throughout the state.

State LEDA funding of \$550,000 will support the growth of Vitality Works, an Albuquerque manufacturer of herbal and nutraceutical supplements, adding **80 new jobs**. Started in 1982, the company has gradually increased its product line (450 private label products) and market share. The current expansion brings the manufacturing facility to 145,000 square feet and represents an investment of \$7 million. Vitality Works currently has 203 employees.

Formally announced last year, the State will invest up to \$850,000 in Meow Wolf, and the company will create **250 jobs** over the next several years. Meow Wolf was approved for 70 positions at the January JTIP board meeting. The company announced new locations in Denver and Las Vegas last year.

New Mexico MainStreet districts have realized a total of **506 net new jobs** in FY18.

On March 1st Governor Martinez announced the Credit Enhancement Program (CEP), a fund of up to \$5 million to help small businesses grow and thrive by accessing the loans they need to purchase equipment, inventory and other needs. Through the CEP loan applicants may obtain assistance up to 50 percent of the loan's principal value (maximum of \$250,000). The Program is significant because loan proceeds can be used towards any tangible or intangible asset purchase such as construction, renovation or improvements of an eligible place of business, start-up costs, working capital, franchise fees, equipment, and inventory. Funding for the CEP was provided by a grant from the U.S. Treasury Department. The program targets rural areas, but is not exclusive to rural projects.

Angel Investment Tax Credit

In the 3rd quarter of FY18 39 applications were processed for investments in 15 companies. A total of \$325,824.65 in credits were approved. The remaining balance for FY18 is \$1,011,522.09.

Measure	Target	Q1	Q2	Q3	Q4	Total
Total number of jobs created due to EDD efforts	4,500	630	331	993		1,954
Total number of rural jobs created	1,600	350	193	225		768

NEW MEXICO PARTNERSHIP (NMP)

This quarter, there were 10 PROs¹ generated and an additional 12 Leads. Prior years' data essentially did not differentiate between PROs and Leads². On this basis, Q3 FY 2018 (22 PROs and Leads) led Q3 FY 2017 (20 PROs and Leads) by 10%. YTD, FY 18 is 23% above the volume in FY 2017 (59 vs. 48). Going forward, separating PROs from Leads is important to understanding where projects are in the sales cycle, however it also means that we have to combine the two in order to be "apples-to-apples" when comparing to prior years' data.

As of now, NMP has one pending Locate³; however, while there is a signed lease, administrative processes for incentives are not completed, therefore NMP will delay counting this until Q4 so as not to be out of synch with formal announcements.

Phoenix Sales Mission

NMP had several meetings with major site selection consultancies and national brokers. Attending with NMP was Albuquerque Economic Development. A number of follow-up items were requested by those with whom NMP met, including providing details on any available plug-and-play call center/back office space and empty large retail spaces that can be converted, additional detail on specific incentives programs and tax changes, as well as to be informed on an ongoing basis of any available properties.

Detroit and Cleveland Sales Missions

The meetings in Cleveland and Detroit were very productive. NMP delivered updated overview presentations to the consultants with whom they met, which were well received. Representatives from Lea County and Cibola attended the visit. Interest among those NMP met was focused most heavily upon New Mexico as an opportunity for value-added agriculture, manufacturing/industrial, and data centers. NMP is following up with all of the next steps that came out of these meetings.

While scheduling meetings for this sales mission, NMP uncovered a project with one of the companies contacted; a plastics manufacturer looking for a southwestern expansion location. This would likely involve a new manufacturing facility with 100-150K sq. ft. of production space, an additional 150-300k of warehouse space, and ~75 jobs. Prior to the trip, NMP distributed a PRO, received several relevant responses, and was able to meet with the company to provide them a preliminary view of responses. After the meeting, the company provided more detailed employment and investment data and requested an incentive analysis for discussion purposes. The company is currently running the analyses provided to them through their models, and will contact NMP with next steps once that's complete.

¹ Potential Recruitment Opportunity.

² A PRO should have a defined headcount and real estate requirement; a Lead is typically a situation in which the type of operation is known, and there is a definite decision path, however often they have not finalized, or are not yet disclosing, detail around headcount and real estate requirements.

³ NMP official protocols indicate that counting/announcing locates can occur when the company has leased a facility, purchased a facility or land, or established some other form of commitment/investment in the state to support the project.

Site Selectors Guild Annual Conference

NMP attended the event and made contact with a large number of site selectors from the US and Canada. While this event is meant primarily as a means of continuing to foster existing relationships with those in the advisory community, as a result of one of the sessions NMP is in discussions with one of the attendees about pursuing a natural gas cracker plant in the early stage of being sited.

Data Center World

Data Center World (March) – Representatives from 4-Corners, PNM, and Los Lunas were at the event. Meetings generated well over a dozen contacts to pursue including potential data centers, data center service providers, as well as manufacturing of data center equipment. That follow-up is underway.

Southern Familiarization Tour

This event was held on March 22 and 23 in Ruidoso. Featured at the event were three site selectors, all with significant project pipelines and nationwide practices. Attending were 33 community and state representatives. Unlike in previous events, where communities met in groups with the site selectors, NMP arranged this event so that each community had its own, private meetings with each of the consultants. Overwhelmingly, this new format was preferred and will be utilized during future Fam Tour events.

New Projects

Month	PROs ⁴	Leads	Total
Jan-18	3	3	6
Feb-18	3	3	6
Mar-18	4	6	10
Total Q3	10	12	22

Site Visits

⁴ Potential Recruitment Opportunities; competitive recruitment/expansion projects that include defined headcount and real estate requirements. Leads (many of which in prior years were counted as PROs) lack the necessary headcount and real estate requirements to qualify yet as a PRO. Not included in any of the above numbers are 3 expansions of existing companies that NMP is assisting with.

Month	Site Visits ⁵
Jan-18	0
Feb-18	2
Mar-18	2
Total	4

Q3 Potential Recruitment Opportunities

Sent out Statewide

Fourscore	Direct
Chip	Direct
Bin	Direct
Yard	Direct

Community-Specific

Butcher	Direct
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Specific to Border Region

Yin Yang	Direct
Snooze	Direct
Jump	Direct
Resonator	Direct
Coyote	Direct

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of jobs created through business relocations facilitated by the NMP	2,200	0	0	0		0
Number of potential recruitment opportunities (PROs) generated by Partnership marketing and sales activities	84	18	8	10		36

⁵ Does not include real estate site visits NMP conducted for two existing companies that are expanding.

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 third quarter, 12 of which were founded in New Mexico. Two-hundred fifty new jobs were approved at an average wage of \$29.27 per hour, ten incumbent workers will receive upskills training through Step Up's NM 9000 Certification training and four interns will gain valuable work experience with participating companies.

Twenty-nine jobs were approved for three companies in rural areas including Loving, the Town of Bernalillo, and Santa Clara at an average wage of \$24.68 per hour.

In addition, the Film Crew Advancement Program (FCAP), one of the two JTIP for Film and Multimedia programs, approved three companies to train 33 crew members at an average wage of \$24.75 per hour.

At the end of Q3, there was approximately \$2M available for the remainder of FY18. The project pipeline for the April board meeting amounts to \$1.9M, potentially leaving the program with as little as \$100K through June, 2018. However, with a pipeline of projected disencumbrances amounting to roughly \$1M and access to the \$5M special appropriation for FY19, it is anticipated that the program will have sufficient funds to serve pipeline projects and will not have to shut down between Q3 and the end of the fiscal year.

Companies Assisted by JTIP in the 3rd Quarter	
1. Aviata, Inc.	Albuquerque
2. Bosque Brewing Company, LLC	Bernalillo
3. CSI Aviation	Albuquerque
4. Descartes Labs, Inc.	Santa Fe
5. Lavu, Inc.	Albuquerque
6. Mega Corp	Albuquerque
7. Meow Wolf	Santa Fe
8. National Water Services, Inc.	Santa Fe
9. New Mexico Consortium	Los Alamos
10. Optomec, Inc.	Albuquerque
11. RingIR, Inc.	Albuquerque
12. Rio Bravo Brewing Company	Albuquerque
13. Sendero Midstream Partners	Loving
14. St. Claire's Organics	Santa Clara
15. UbiQD	Los Alamos
16. Verde Food Company	Santa Fe
17. Xpansiv Data Systems, Inc.	Albuquerque

	Target	Q1	Q2	Q3	Q4	Total
Number of workers trained by JTIP	1,850	672	299	297		1,268
Average hourly wage of jobs funded by JTIP	NA	\$19.28	\$18.28	\$29.27		

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

Project	County	Total Private Investment	LEDA Investment	Security	Job Creation	Leverage
Meow Wolf	Santa Fe	\$4,000,000	\$850,000	Letter of Credit	250	4.71
Vitality Works	Bernalillo	\$7,000,000	\$550,000	CD	80	15.56
Total		\$11,000,000	\$1,400,000		330	7.85

FUNDIT

The FUNDIT group reviewed 4 projects including: Tucumcari Great Blocks on Mainstreet, Raton Great Blocks on Historic First Street, Pueblo of Laguna K'waika Master Community Center, and Great Blocks on Mainstreet: Las Vegas. The total amount of financing sought by projects within this quarter was \$14.6M.

FINANCIAL & TECHNICAL ASSISTANCE PROVIDED TO THE FOLLOWING:

1. Zion Affinity Community
2. Sippy and Opals
3. Doghouse PHD
4. Vista Therapeutics
5. NM Film Organization
6. Santa Fe County Fire Company
7. Sane Suite
8. Drought Adaption Industries
9. Catalyst Prep Connect
10. NM School for the Arts

CREDIT ENHANCEMENT PROGRAM

The NM Credit Enhancement Program funded one project in Hobbs: Desert Trails Rentals, LLC DBA Precision NDT. Total project cost was \$130K, with NMEDD's contribution of \$30,000 in pledged collateral. A total of 6 jobs will be created initially because of the business start-up.

WEBINARS

- 3/15/18 LEDA Project Compliance: Jobs Reporting Update (19 registrants)
- 3/8/18 Opportunity Zones (79 registrants)
- 2/1/18 FUNDIT Webinar Series-Exploring Creative Financing Tools for Development Projects (60 registrants).

Registrants included business owners, organizations and local government representatives.

Measure	Target	Q1	Q2	Q3	Q4	Total
Number of private sector dollars leveraged by each dollar through LEDA	12:1	101.41	5.42	7.85		
Number of jobs created through the use of LEDA funds	2,200	450	100	330		880

NEW MEXICO MAINSTREET (NMMS)

Number of Private Building Renovations: 48

Net New Business and Business Expansions: 20

Net New Jobs Created: 106

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.

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 **\$7,510,930** in Private Sector Reinvestment; **48** Private Building Renovations; **17** Net New Business, **3** Business Expansions; and the creation of **106** Net New Jobs in their districts during the third quarter.

Reinvestment, Business, and Project Funding Highlights:

- \$4.3 million in Portales, with a majority of the total going toward the complete renovation of the long vacant and dilapidated Portales Inn. Other significant private sector investments include the building expansion of AMB Nails and \$8,000 in façade improvements to Pebsworth Insurance.
- \$1.4 million in Las Cruces Amador Project, Community Enterprise Center, and Coronado Office.

- \$550,000 in Las Vegas which included interior and exterior renovations of the Castaneda Hotel, and dining and kitchen improvements to the Plaza Hotel.
- Five new business opened up within the Harding County MainStreet district resulting in the creation of 7 new jobs for the community. This includes a new brewery and fencing operation in Mosquero, a well service business and coffee shop in Roy, and a building construct, excavation and grading company in Solano.
- The Clovis MainStreet district reported the opening of 6 new businesses. The Hub Destination; Genius Communications; Still Waters Massage; Mindfield: Scott and Mitch Studio; Just Kilm Me Now; and RnR Tire Express combined to create 9.5 fulltime equivalent jobs.
- Farmington and Alamogordo were each awarded \$50,000 NMFA Local Government Planning Fund grants to complete new Metropolitan Redevelopment Area plans.
- Ten MainStreet organizations (ABQ-Barelas, Carlsbad, ABQ-Downtown, Farmington, Gallup, Las Cruces, Las Vegas, Portales, Silver City, and ABQ-South Valley) brought in an additional \$190,000 in private sector grant dollars to their districts.

Measure	Target	Q1	Q2	Q3	Q4	Total
Dollars of private sector investment in MainStreet districts (in millions)	\$9	\$34,383,993	\$7,113,692	\$7,510,930		\$49

COMMUNITY, BUSINESS & RURAL DEVELOPMENT TEAM

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

FUNDED ECONOMIC DEVELOPMENT PROJECTS RESULTING IN JOB GROWTH, NEW INVESTMENT OR INCREASED REVENUE

1. **TLC – Las Cruces:** Through the assistance of the regional representative, TLC has entered into a lease agreement for the former Sitel Building. TLC has established Las Cruces as the hub for southwest operations and will employ 300 people.

2. Drought Adaptation Industries (DAI) – Tularosa/Alamogordo: Through the assistance of the regional representative and the Finance Development Team, DAI was able to grow from their garage in Tularosa into larger manufacturing space in Alamogordo. The City of Alamogordo provided LEDA funding to assist in the acquisition of the manufacturing space, which resulted in 5 additional jobs.
3. TLC – Alamogordo: Through the assistance of the regional representative, TLC received \$1 million in LEDA funding from the City of Alamogordo for TLC's location into a vacant mall space. The company will create 200 jobs at this location.

Other Activity During the Third Quarter:

Region 1

One company (Bosque Brewing) received JTIP funding totaling 20 positions.

Three companies have been identified as being JTIP eligible and have plans for expansion that could also utilize LEDA. AmfabSteel Inc. is once again on the JTIP board meeting agenda for April 13th.

Region 2

One of the region's LEDA projects was completed in the 3rd quarter, Meow Wolf in Santa Fe. The regional rep assisted in getting final paperwork through the local government fiscal administrator.

Seven companies have been identified as JTIP eligible and all are expected to make application in the 4th quarter.

One tribal entity has been identified as a potential manufacturing opportunity that is expected to add 5 -10 jobs.

One company has been identified as a Credit Enhancement Program candidate.

Region 3

There are six active LEDA projects in this region. Of those six, five are expected to be finalized in the 4th quarter. The regional representative is also working additional recruitment projects that have the potential to close within this fiscal year.

Three new companies have been identified as JTIP eligible. Of those, two are expected to make application in the 4th quarter.

Region 4

Family members from the CS Ranch in Cimarron have purchased the historic Cimarron Stage Stop, also known as the Cimarron Mercantile Company. Through the assistance of the regional representative funding has been secured through USDA and State Preservation Tax Credits. Once the building is rehabilitated, the company may add jobs. This is a great retention project.

Region 5

This region has fourteen active LEDA projects (previously funded). Three new LEDA projects are expected in this fiscal year.

The Team member met with eighteen economic-based businesses in the region; out of those, one has been identified as a possible LEDA project and all are potential JTIP applicants.

The regional rep is also working two projects that originated as PRO's generated by the Partnership.

Region 6

This region has four active LEDA projects. One, Fatman's Beef Jerky in Hagerman, closed out successfully in the 3rd quarter.

Four new LEDA projects have been identified. Two of these are expected to be finalized in the 4th quarter of this fiscal year, and two are expected to be completed by the end of the calendar year.

Through the assistance of the regional representative, Sippy and Opal's Ice Cream & Sweet Treats was able to identify additional funding resources for their Main Street shop in Roswell. This may result in additional jobs.

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	3		10

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.

New Mexico Innovation Vouchers

The New Mexico Innovation Voucher program provides small competitive grants that enable businesses to meet strategic business development goals. During the 3rd quarter 25 applications were received and three awards were made. By offsetting the cost of services, Innovation Vouchers enabled awardees to hire NM student interns, file patents, launch marketing campaigns, scale-up manufacturing, and build prototypes. Thus far, the \$56,000 invested in companies through the Innovation Voucher Program has directly resulted in seven new products entering the market, 11 new jobs, 11 retained jobs (that otherwise would have been lost), \$30,000 in new sales and revenue, four paid student internships, and over \$1 million in non-state funded follow-on investment for awardees.

The most common NAICS code of the awardees is 541714; Research and Development in Biotechnology. This is followed by 33911: Medical Equipment Supplies and Manufacturing. This indicates that New Mexico is home to a number of nascent biotechnology, bioscience, and health companies which are actively growing.

SBIR Matching Program

The SBIR Matching Program provides matching funds for business development to companies with active federal SBIR grants. In the second quarter of FY18 four awards were made. All awardees are meeting their agreed upon milestone and completing activities such as prototype development and increasing sales. One company, Pajarito Powder, LLC, has successfully completed all their activities. As a direct result of the SBIR Matching Program, this company brought their next product to market and received more than \$100,000 in a round of VC investment for future growth.

Technical Assistance to NM Companies

During the 3rd quarter the OST provided direct assistance to 31 companies. Generally, assistance focused on providing feedback on Innovation Vouchers and helping companies refine funding requests and identify sources of funding. However, other activities include working with companies to identify programs within the state (such as JTIP) to help them grow.

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.

DEFENSE INDUSTRY ADJUSTMENT PROGRAM

This program is dedicated to assisting New Mexico-headquartered DoD-dependent companies diversify their revenue base. The project began close out in Q3, including the launch of the "NMDEC.net" web portal (where businesses can go for information on businesses opportunities and assistance in entering markets which are not dependent on DoD funding), editing the final draft of the Asset directory and supply chain map, and the final review of the SWOT analysis.

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.

Three New Mexico companies participated in the Shot Show in Las Vegas, Nevada with support from the State of New Mexico STEP Grant. Hollow Point LLC and SF Stone Works of Santa Fe and Falcon Industries of Moriarty have been active participants in the premier show in Las Vegas, Nevada for the sports industry.

The aforementioned NM companies were also approved for the IWA Outdoor Show in Nuremberg, Germany from March 9-12, 2018. All three companies have reported an increase in sales from their participation in both events and have tallied a combined \$1 million in sales generated at these trade shows.

Etkie, Inc. a woman owned business based in Tijeras, NM, participated in Paris Fashion Week 2018 (again) to showcase their unique jewelry designs. The company was assisted by the NM STEP Grant and reports over \$250,000 in sales generated from participation in this important fashion event.

Pajarito Powder, an Albuquerque based company specializing in advanced fuel cell technologies, was supported by the Office of International Trade for the International Fuel Cell

Technology trade show in Tokyo, Japan for the 3rd consecutive year. The company has expanded to over 20 employees based on their success and the interest generated at this important trade event.

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.

Recruitment for the Food and Hotel Asia Show, April 23-28, 2018 in Singapore, includes four companies interested in expanding their range of food products to one of the most important food industry shows in Asia, serving both the institutional and private markets. Vara Wines (Native Grown, LLC), Cervantes Food Products, Villa Myriam and Chef Eddie Adams Cajun Flavors will be introducing their unique product range to the Asian marketplace. Two of the companies are women-owned businesses which lends support to our mandate from the SBA to promote woman-owned businesses.

Foreign Direct Investment discussions centered on the Republic of Ireland through the Web Port Agency. NMEDD will host meetings with companies in Dublin, Ireland to discuss locating US production and distribution facilities in New Mexico. OIT has been assisted in this effort by Southwest Cheese, which is owned by Glanbia, an Irish dairy products company.

OIT organized the first Export Finance Workshop in conjunction with U.S. Bank, the U.S. Small Business Administration, the Albuquerque Bernalillo Trade Alliance and the Export Import Bank of Dallas, Texas. The workshop will be free of charge for NM exporters interested in learning financing alternatives to fund their export growth. The workshop will be held during the 2nd week of June 2018.

OIT initiated recruitment of New Mexico companies for the Trade Mission to Chile and Peru, scheduled for October 13-20, 2018 to promote NM products in the areas of infrastructure, alternative/renewable energy, mining equipment and supplies, environmental products.

New Mexico Film Office (NMFO)

The New Mexico 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 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.

FY18 Measures & Results	Q1	Q2	Q3
Direct Spend into NM Economy (in Millions)	\$55.7	\$42.5	\$56
Number of Projects over \$1M (total budget) in Production	8	9	13
Worker Days (crew size x days employed)	57,104	46,061	65,349

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 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 third quarter production realized an increase in the amount and type of projects across all platforms.
Current TV series: **Better Call Saul** Season 4 (AMC), **Roswell** (pilot) (CW), **Snatchers** Season 2 (Verizon go90), **Succession** Season 1 (HBO), **Too Old To Die Young** Season 1 (Amazon), and **Cosmos: Possible Worlds** Season 2 (Fox/National Geographic).
Current features include: **Running with the Devil** (Warner Bros.) and **The Goldfinch** (Warner Bros.)

Independently produced projects include: ***Score Wars Documentary and Score Wars Live Streaming*** event (*Twitch/Meow Wolf*), ***The Short History of the Long Road*** (feature) and ***Santa Fake*** (feature).

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 third quarter: three (3) companies qualified for FCAP with thirty-three (33) resident participants at an average wage of \$24.75 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 monthly 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 third quarter: the division launched the monthly educational speaker series which covers all topics relevant to the film and media industry. Attendees will have the opportunity to learn more about the resources the NMFO can provide and how the community can work with the film and television industry in NM. January's topic covered the division's "Incentive Program" with 34 attendees; February's topic covered "Breaking into Background" with 55 attendees and March's topic covered "New Mexico Business – Doing Business with the New Mexico Film Industry" with 55 people.

- The division also hosted the annual Education Summit, attended by 50 people (33 educators). Secretary Barbara Damron was the Keynote Speaker, the topics of discussion were Dual Credit/Articulation and Workforce Economic Development. A follow-up meeting is scheduled for November.
- The division continues to send out a monthly newsletter to over 5,000 subscribers highlighting events, liaisons, podcasts and production information.
- The division had working interns on “Roads and Rivers” and a Toyota commercial.
- Guests on the division’s Filmcast podcast included: Color Circuit - Dylan Ray Garcia & Scott Brown; Jo Edna Boldin, Casting Director; Production Designer Nathally Botelho; Sol Acting Academy - Chris Ranney & Ron Weisberg; and Lara Dale - Foley Artist.
- The division has begun planning the 2018 Annual Film and Media Conference to be held in November: date and location to be determined.
- 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.

NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT FY18 COMPANIES ASSISTED										
Q1 DATE	COMPANY NAME	TYPE OF COMPANY	LOCATION	TYPE OF PROJECT			NUMBER OF JOBS			PROGRAM
				RELOCATION	EXPANSION	START-UP	RURAL	URBAN	TOTAL	SUPPORT
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
				RELOCATION	EXPANSION	START-UP	RURAL	URBAN	TOTAL	SUPPORT
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
MIDYEAR TOTALS				3	18	1	193	138	331	
Q3 DATE	COMPANY NAME	TYPE OF COMPANY	LOCATION	TYPE OF PROJECT			NUMBER OF JOBS			PROGRAM
				RELOCATION	EXPANSION	START-UP	RURAL	URBAN	TOTAL	SUPPORT
	Meow Wolf	multimedia exhibits	Santa Fe		1			250	250	LEDA/JTIP
	TLC Associates	customer service center	Alamogordo	1			200		200	CBRDT
	TLC Associates	customer service center	Las Cruces	1				300	300	CBRDT
1/12	Aviata, Inc.	internet solutions & software dev	Albuquerque		1			5	5	JTIP
1/12	Rio Bravo Brewing Company	craft beer	Albuquerque		1			2	2	JTIP
1/12	National Water Services	water filter systems	Santa Fe		1			1	1	JTIP
1/12	Bosque Brewing Company	craft beer	Bernalillo		1		20		20	JTIP
1/12	NM Consortium	life sciences research	Los Alamos		1			10	10	JTIP
1/12	Lavu, Inc.	point of sale software application	Albuquerque		1			68	68	JTIP
1/12	Mega Corp.	manufacture transportation products	Albuquerque		1			13	13	JTIP
9-Feb	CSI Aviation	aviation logistics	Albuquerque		1			14	14	JTIP
9-Feb	Verde Food Company	food processing	Santa Fe		1			10	10	JTIP
9-Mar	Optomec, Inc.	advanced manufacturing equipment	Albuquerque		1			7	7	JTIP
9-Mar	Xpansiv Data Systems	software development	Albuquerque			1		8	8	JTIP
	Drought Adaptation Industries	manufacture ag products	Alamogordo		1		5		5	CBRDT
	Vitality Works	wellness products, supplements	Albuquerque		1			80	80	LEDA
Q3 TOTALS				2	13	1	225	768	993	

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	331	993		1,954
	Total number of rural jobs created	1,600	350	193	225		768
	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		0
	Number of potential recruitment opportunities (PROs) generated by Partnership marketing and sales activities	84	18	8	10		36
EDD	Dollars of private sector investment in MainStreet districts (in millions)	\$9	\$34	\$7.11	\$7.50		\$41.4
	Number of private sector dollars leveraged by each dollar through LEDA	12:1	101.4	5.42	7.85		77.57
	Number of jobs created through the use of LEDA funds	2,200	450	100	330		880
	Number of funded economic development projects resulting in job growth, new investment, or increased revenue	15	3	4	3		10
	Number of workers trained by JTIP	1,850	672	299	297		1,268
	Average hourly wage of jobs funded by JTIP	No target	\$19.28	\$18.28	\$29.27		
FILM	Number of film and media workers days	230,000	57,104	46,061	65,349		168,514
	Direct spending by film industry productions (in millions)	\$260	\$55.7	\$42.50	\$56		\$154.2

