



New Mexico Economic Development Department

FY2013 Annual Report

PERFORMANCE MEASURES REPORT
& PROGRAM HIGHLIGHTS



Cover photos:

(Top Left): NMEDD Cabinet Secretary Jon Barela at the opening of the new Martinez and Sons Processing facility in Las Vegas.

(Top Center): Governor Susana Martinez and NMEDD Cabinet Secretary Jon Barela at the site of the new Solaro Energy facility in Socorro.

(Top Right): NMEDD Cabinet Secretary Jon Barela (r), on the Santa Teresa Southern Railroad LLC, a short line railroad owned by IronHorse Resources, Inc.

(Bottom Left): Zuni dancer at the ceremony for newly inducted MainStreet Community, Zuni Pueblo. (photo courtesy of Elmo Baca)

(Bottom Right): Scene from The Lone Ranger, starring Johnny Depp, which was filmed in New Mexico. (photo courtesy of Walt Disney Pictures)

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TABLE OF CONTENTS

2.....	A Message from Governor Susana Martinez
3.....	A Message from Cabinet Secretary Jon Barela
4.....	FY13 Performance Results
5.....	Office of the Secretary
5.....	Key Initiatives
7.....	Company Stories
7.....	State Data Center – Commercial Real Estate Site Finder
7.....	Five-Year Plan for Strategic Economic Growth
8.....	Program Highlights
8.....	New Mexico Development Corporation (New Mexico Partnership)
10.....	Economic Development Division
18.....	New Mexico Film Office
20.....	New Mexico Border Authority
22.....	Office of Military Base Planning & Support
22.....	New Mexico Spaceport Authority
23.....	FY13 Companies Assisted in Creating Jobs



Susana Martinez
Governor of New Mexico

FY13 was a great year for New Mexico as we continued to push many key initiatives to make our state more competitive and friendly to job creators. We achieved a legislative victory during the 2013 session which makes New Mexico more competitive with neighboring states by lowering the cost of doing business here.

The "New Mexico Jobs Package" passed with overwhelming bi-partisan support. It was called by a longtime Democratic state senator and chairman of the finance committee "the closest thing we've had since I've been here to true, total tax reform."

Since its passage we have already experienced an increase in interest in our state from industry leaders and site selectors around the country.

We also forged a strong relationship with our southern neighbors in Chihuahua, Mexico to plan the largest, most sophisticated, master-planned community that will encompass the communities of Santa Teresa, NM and San Jerónimo, Chihuahua at the border. Through our efforts this will become the largest inland port in North America and will attract investments and jobs to New Mexico from around the world.

This year we also became 1st in the nation in terms of export growth and doubled our international exports since the time I took office. We will continue to push international trade, as it creates 6,000 jobs for every \$1 billion in exports.

According to the Department of Workforce Solutions and the U. S. Bureau of Labor Statistics, the New Mexico economy added 12,565 new jobs in year-over-year growth from the fourth quarter of 2011 through the end of 2012. This represents a growth rate of 1.6 percent. New Mexico has not achieved employment growth of this level since the fourth quarter of 2007.

We are making great progress in our effort to create opportunity and prosperity for New Mexicans. It is an effort that does not happen overnight but by putting in place the right policies and programs, as we are doing, I look forward to a bright future for our state in the coming years.

Susana Martinez
Governor of New Mexico



Jon Barela
Cabinet Secretary
New Mexico Economic Development Department



New Mexico had what shaped up to be a very good year in FY 2013. In addition to lower unemployment rates and several months of continuous job growth, we saw positive economic indicators such as a rise in home sales and construction picking back up. Our exports to Mexico reached an all-time high at the end of 2012 with a 33 percent jump from \$464,545,999 the prior year to \$617,609,684. We are on track to have another record-breaking year in exports to our southern neighbor by the end of 2013.

The mining sector continues to be one of the strongest contributors to growth in New Mexico, adding 2,050 jobs or 9.1 percent over the same time period. The average weekly wage in this sector is \$1,415, which is one of the highest in the state. It is also a source of jobs for our rural communities. Mining is expected to remain a growth sector through 2013 according to the University of New Mexico's Bureau for Business and Economic Research.

The construction sector finally returned to positive job growth after 18 consecutive quarters of declines. Construction added 1,507 jobs representing 3.7 percent growth and a very positive sign of economic recovery for New Mexico.

In 2011, Governor Martinez signed into law the Border Jobs Package which led to the location of the Union Pacific Intermodal Facility in Santa Teresa and the creation of a Six-Mile Overweight Cargo Zone. As a result we are experiencing unprecedented growth in the New Mexico Borderplex with new companies continuously locating in its proximity. This growth is also a contributor to the increase in our state's transportation and warehousing sector. This has been one of the best performing sectors for the past two years with an increase of 4.6 percent.

Despite the loss in jobs due to federal government jobs cuts, we have worked diligently to diversify and expand our private sector. We expect even more private investments to continue to offset federal job losses thanks to the tax reforms enacted this year.

Additionally, to provide a boost to our rural communities we launched the MainStreet Historic Theater and Movie House Initiative to bring businesses and jobs back to traditional areas of commerce. As part of this program, the Luna Theater in Clayton was a recipient of new digital movie equipment. The restored historic theater, built in 1916, is now able to project first-run movies where no less than 60 families visit in a weekend to enjoy a Friday or Saturday evening instead of traveling miles away to see a movie. I am thrilled to report we also established the first-ever Native American Main-Street program in the country at the Pueblo of Zuni which has brought a sense of pride and excitement to the community and state.

I am proud of the work that has been accomplished by the Economic Development Department and look forward to another great year.

Jon Barela
Cabinet Secretary
New Mexico Economic Development Department

New Mexico Economic Development Department
FY13 PERFORMANCE RESULTS

<i>Division & Measure</i>	<i>Target</i>	<i>1st Quarter Results</i>	<i>2nd Quarter Results</i>	<i>3rd Quarter Results</i>	<i>4th Quarter Results</i>	<i>Final Year-End Totals</i>
Office of the Secretary						
Percent of performance measure targets in the general appropriation act that were met	85%					66%
Number of rural & urban jobs created	2,500	1,090	1,215	389	399	3,093
Number of rural jobs created	1,100	248	703	248	241	1,440
Number of urban jobs created	2,000	842	512	141	158	1,653
New Mexico Economic Development Corporation (Partnership)						
Number of jobs created through business relocations facilitated by the Partnership	2,200	100	25	0	119	244
Number of company relocations (NMEDP)	12	2	1	0	3	6
Number of leads created through the EDP	405	104	138	143	107	492
Average annual cost per EDP job created	\$500					\$2,582
Economic Development Division						
Jobs created by business expansions	600	147	78	237	91	553
Number of business expansions	40	14	10	18	15	57
Number of urban business expansions	32	10	8	13	9	40
Number of rural business expansions	12	4	2	5	6	17
MainStreet						
Number of communities participating in MainStreet	25	23	23	23	23	23
Jobs created by MainStreet	600	126	197	117	89	529
Dollars of private sector investment in MainStreet districts	\$9 million	\$4,865,239	\$3,415,466	\$14,081,511	\$350,446	\$22,712,662
Number of new businesses in MainStreet districts	140	30	31	21	20	102
Number of building rehabilitations completed in MainStreet Districts	150	31	30	24	1	86
Financial Development Team						
Number of capital outlay projects funded	12	1	0	3	4	8
Number of projects prepared for Smart Money and Collateral Support Program	20	2	5	3	6	16
Number of businesses provided technical assistance in creating a funding package request and referred to the appropriate funding agency	5	15	18	23	5	61
Amount of new investment as a result of the Angel Investment Tax Credit	\$10 million	\$264,890	\$663,396	\$754,224	\$367,000	\$2,049,510
Community, Business, and Rural Development Team						
Number of certified communities	40	23	23	23	23	23
Percentage of CCI communities with completed community profiles and a land and building inventory populated on EDD's web site	100%	66%	66%	66%	100%	100%
Job Training Incentive Program						
Number of workers trained by JTIP**	1,000	450	67	256	71	844
Number of rural companies participating in JTIP	8	5	3	6	4	16
Number of businesses participating in JTIP	25	15	11	23	15	49
Average annual cost per JTIP trainee	\$2,500					\$7,910
Average wage of jobs funded through the Job Training Incentive Program	\$16/hr	\$15.12	\$35.02	\$17.79	\$23.82	\$18.46
Percent of employees whose wages were subsidized by the job training incentive program still employed by the company after one year.	60%					72%
Office of Business Advocacy						
Number of business advocacy cases opened***	100	17	15	22	21	75
Number of business advocacy cases solved	30	10	11	17	24	58
Office of International Trade						
Number of new-to-export (NTE) clients identified and assisted	10	3	3	0	3	9
Number of existing exporters assisted in entering new markets	10	2	3	3	6	14
Number of international trade transactions	30	0	16	7	8	31
Number of businesses trained by NM9000 quality management standards	10	0	3	0	4	7
Film Office						
Number of media industry worker days	150,000	59,560	38,656	54,180	64,065	216,461
Economic impact of media industry productions in New Mexico, in millions	\$300	\$135.6	\$90.0	\$198.0	\$217.5	\$641.1
Number of films & media projects principally photographed in New Mexico	85	14	15	10	14	53
Number of major film productions made in New Mexico greater than 1 million dollars	17	5	4	4	8	21
Number of workshops to train film crew technicians to serve the industry	6	1	1	0	2	4
Number of production companies participating in the Film Crew Advancement Program (minimum of 8 trainees per company)	8	2	4	2	2	10
Administrative Services Division						
Number of payment vouchers accurately processed within seventy-two hours of receipt	75%					75%
Measure included in the General Appropriations Act						
NOTE: When the total year-end number differs from the sum of the four quarters it is generally due to service provided to the same company twice or similar.						
***OBA audited its cases files and revised the number of cases opened in quarters one and two.						



(Far Left): Governor Martinez signs the New Mexico Jobs Package Bill as NMEDD Cabinet Secretary Jon Barela and other dignitaries look on.
(Left): Cabinet Secretary Barela speaks at the New Century Economy Summit.

OFFICE OF THE SECRETARY

Introduction

The New Mexico Economic Development Department (NMEDD) Annual Report informs our constituents, legislators and the Governor as to how and where NMEDD resources are allocated to accomplish our statutory directive to create new jobs. It is intended to provide transparency, accountability and flexibility.

Vision for New Mexico:

All New Mexicans are afforded economic opportunities.

Mission:

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

FY13 Office of the Secretary Performance Measures

FY13 Job Creation	Annual Target	Year End Results
Total number of jobs created due to economic development efforts	2,500	3,093
Rural Jobs Created	1,100	1,440
Urban Jobs Created	2,400	1,653

KEY INITIATIVES

2013 Legislative Success: New Mexico's New Tax Structure

In April, Governor Susana Martinez signed the New Mexico Jobs Package into law. This tax reform bill will increase New Mexico's competitiveness when recruiting new industry to our state as well as reflect the state's image as a cost-effective place to do business. Business taxes affect an array of business decisions: job creation

and retention, plant location, competitiveness, the transparency of the tax system and the long-term health of the state's economy.

The New Mexico Jobs Package was developed from the New Century Economy Summit, which was held in October 2012. The Jobs Package includes the following changes to New Mexico's Tax Policy:

CORPORATE INCOME TAX REDUCTION

Governor Susana Martinez signed into law a 22 percent reduction in the corporate income tax. The corporate income tax rate will be reduced from 7.6 to a top rate of 5.9 percent by January 1, 2018. The reduction will position New Mexico's CIT rate below the national average.

SINGLE SALES FACTOR

Governor Martinez also signed into law the enactment of a single sales factor for manufacturers without an investment threshold in New Mexico. This will phase in over a five-year period to 100 percent beginning at 50 percent in taxable year 2014. The law will abate the state corporate tax liability for most manufacturers and eliminates any penalties or obstacles for new investment.

GROSS RECEIPTS TAX (GRT) EXEMPTION FOR MANUFACTURERS AND CONSTRUCTION PROJECTS

In 2012, Governor Martinez enacted a law to eliminate gross receipts taxes levied on consumables used in the construction or manufacturing process. There will no longer be a GRT imposed on various goods and services required to make a final product such as industrial gases or electricity. This went into effect July 1, 2012. Receipts from selling tangible personal property may be deducted from gross receipts or from governmental gross receipts if the sale is made to a person engaged in the business of manufacturing.

Thriving Borderplex

The New Mexico Borderplex is experiencing strong growth due to the construction of the Union Pacific Intermodal Rail Facility and Governor Martinez signing into law the Border Jobs Package, which includes the locomotive fuel tax deduction and the creation



(Far Left): Governor Martinez and Chihuahua Governor César Duarte at the signing of the bi-national border industrial community agreement.
(Left): The 100-year-old Luna Theatre in Clayton was the first to receive funding from the Historic Movie Houses Initiative.

of an overweight cargo zone. It is also home to many established logistics parks with rail spurs located in and around Santa Teresa and Interstate 10 (connecting the east and west coasts). The region has a moderate climate averaging 340 days of sunshine and low humidity.

Governor Martinez signed an agreement with Chihuahua Governor César Duarte to develop a master plan for a bi-national border industrial community to take advantage of the growth on both sides of the border with the Foxconn plant in San Jeronimo, Mexico. The Foxconn plant produces 55,000 Dell computers a day, and is located near the \$400 million Union Pacific intermodal facility in Santa Teresa. This will be a one-of-a-kind industrial park on the border that offers unique assets to competitively locate advanced manufacturing companies from around the world.

To support the rapid growth in the border region, Governor Martinez and Cabinet Secretary Barela focused on investing in critical infrastructure needs. \$5.3 million was allocated to upgrade the Santa Teresa water and wastewater systems in order to accommodate growth in the area. Governor Martinez also appropriated \$3.2 million, legislators \$600,000, and NMEDD contributed \$955,762 in funding from its Local Economic Development Act program for the improvements. In addition, \$350,000 in capital outlay funding was appropriated for the construction of the Santa Teresa Port access road, dedicated to routing northbound shipments from Mexico through New Mexico.

In FY13, the New Mexico Borderplex experienced an influx of companies relocating or expanding in the Santa Teresa area. The increase in new business was due in part to their proximity to Union Pacific and the passage of the six-mile overweight cargo zone bill that allows overweight trucks into the zone to unload and transfer goods in New Mexico. Those new companies are: **Ferza** (30 jobs), **Bizlink** (70 jobs), **Ironhorse** (12 jobs), and **Santa Teresa Southern Railroad, LLC** (15 jobs). In addition, several expansions occurred including: **JH Rose**, **Mallory Metals** and **Southwest Steel Coil, Inc.**, all expanding by 20 jobs each.

New Mexico MainStreet: Promoting a Rural Revival

In FY13, the New Mexico MainStreet Program kicked off two new initiatives and also dedicated the Zuni Pueblo as an official New Mexico MainStreet community.

Zuni Pueblo became the first Native American community to be designated a National Trust Main Street community in the country. Under the leadership of Cabinet Secretary Barela, the designation served as a groundbreaking step towards preserving New Mexico's rich heritage and fostering economic development in a unique cultural context. In its first year, Zuni Pueblo MainStreet has achieved a great deal, including formalizing the organization with a board of directors and committees, bylaws, and articles of incorporation, in addition to holding the First Annual Zuni Pueblo MainStreet Festival in May and beginning a landmark design project.

Frontier Communities: Rural economic development is a key initiative for Governor Martinez and Cabinet Secretary Barela to promote the overall economic success of the state. The Frontier Communities Initiative was established by the New Mexico State Legislature and signed into law by Governor Martinez in April 2013 to promote job creation in "frontier" communities, defined as having a population of less than 7,500 residents. The initiative is a community economic development partnership coordinated through NMEDD's MainStreet Program. The following communities were selected to receive assistance from the Frontier Communities Initiative: Carrizozo, Columbus, Hurley, Madrid, Historic Route 66 (Moriarty section), Santa Clara and Wagon Mound.

At the end of FY13, Cabinet Secretary Barela kicked off the **Historic Movie Houses Initiative**, an investment in rural downtown theaters to upgrade movie equipment and make infrastructure improvements. The first theater to receive funding for this initiative was the nearly 100-year-old Luna Theatre in Clayton, which will transform it into an advanced digital cinema while preserving and restoring historic architectural details.

(Far Right): Governor Martinez and Cabinet Secretary Barela at the groundbreaking of the new Stolar Research facility in Rio Rancho.
(Right): Governor Martinez and Cabinet Secretary Barela at Heritage Home Healthcare announcement in Las Cruces.



COMPANY STORIES

New Mexico celebrated several business relocations, expansions and private-sector job growth during FY13. New companies include: **Solaro Energy**, a solar product manufacturer relocating its headquarters from California to Socorro (100 Jobs); **AirUSA**, an aviation company, relocating its headquarters from Illinois (200 jobs); and **Western Baking Company**, a Mexican cookie and cracker producer, creating up to 500 jobs in Alamogordo. **Heritage Home Healthcare** located a regional headquarters in Las Cruces (100 jobs). **Alliance Data** moved into the call center facility previously occupied by Victoria's Secret in Rio Rancho, retaining 350 jobs. The Job Training Incentive Program (JTIP) provided funds to train the employees for Alliance Data.

New Mexico companies currently expanding include: Raton-based **Stolar Research** to Rio Rancho, creating 50 new high-wage jobs; **Lowe's Customer Support Center** adding 300 jobs in Albuquerque, and **L&M Radiators**, which recently moved nearly 200 jobs to Las Cruces, is already adding 50 more.

HT MicroAnalytical Inc., a microfabricated switch manufacturer based in Albuquerque, recently renovated its facility and hired five new employees, receiving JTIP funding to assist with training costs.

Rural New Mexico saw two major announcements at the end of FY13. **Martinez and Sons Processing** celebrated the opening of their new facility in Las Vegas, and the creation of 12 jobs, with a ribbon cutting ceremony in June. The company will receive \$75,000 in Capital Outlay funds through the Local Economic Development Act (LEDA). **Fatman's Beef Jerky** announced an expansion and the grand opening of a new facility in Hagerman, New Mexico. The Roswell-based beef jerky producer expanded from nine to 17 full-time employees and has plans to hire an additional 10 employees over the next year to meet growing customer demand.

See pages 23 and 24 for a complete list of companies assisted in creating new jobs during FY13.

STATE DATA CENTER Commercial Real Estate Site Finder

An important new tool was added to the State Data Center this year, representing a substantial investment for NMEDD. SiteFinder is a searchable database of commercial real estate properties presented on a GIS platform with several map overlays of information. The commercial listings are provided by the *Commercial Association of Realtors New Mexico*. Users can search for properties based on type, sale or lease, location, price and size. A color flyer may be downloaded on any selected property. The Map View provides demographics and the location of research centers, post-secondary institutions, airports, railroads and highways. The tool is an essential component in recruiting new business to the state by offering this conveniently-located, valuable information to site selectors on our website. It is the first time the department has offered a database of properties in more than a decade.

FIVE-YEAR PLAN FOR STRATEGIC ECONOMIC GROWTH

This year NMEDD began the process of developing a long-term plan for economic growth in a rapidly changing competitive global economy. Priorities for the plan were established in a long process of discussions with constituents, communities and partners. These priorities include sustainable rural communities, taking full advantage of the opportunities at the Borderplex, creating a Business Resource Center, collaborating with other organizations to ensure access to workforce development, developing the film industry and the emerging media sector, expanding the state's business recruiting program, evergreen funding for critical NMEDD programs, investing in research critical to the state's future, and improving New Mexico's ability to move new technologies to job creating businesses. The Economic Development Commission oversees the creation of the plan and approves the final recommendations, which will ultimately be presented to Governor Martinez.



(Far Left): Cabinet Secretary Barela, along with Governor Martinez, announces New Mexico's ranking of #1 in the nation for export growth.
(Left): Desert Paper and Envelope, one of many companies assisted by the Office of Business Advocacy.

PROGRAM HIGHLIGHTS

International Trade Export Numbers Soar

The strategy for the Office of International Trade has been to focus on countries and regions experiencing fast economic growth and countries that currently have Free Trade Agreements (FTAs) with the United States that allow the importation of New Mexico products and services at low tariff rates.

After the economic downturn in 2008-2009 and the subsequent global economic slowdown, New Mexico exports have been on a consistent path of growth, last year achieving a record of \$2,979,958,233. New Mexico led the nation in export growth for 2012, increasing merchandise exports by 42 percent over 2011. New Mexico was one of only 11 states to achieve double-digit export growth and led the next-highest growing state by six percentage points. This is a historic high for New Mexico exports and an expected increase in potential as the New Mexico economy diversifies.

An example of this export growth is in the growth of processed foods, paced largely by the dairy industry, causing exports of processed food products to soar from \$26 million in 2005 to over \$179 million in 2012. Exports of machinery have doubled from \$77 million in 2005 to over \$178 million in 2012. Exports of electrical equipment and components soared from \$19 million in 2005 to over \$79 million in 2012. Exports of fabricated metal products have also experienced a sizable increase from \$43 million in 2005 to over \$230 million in 2012.

In addition, New Mexico's 2012 exports to Mexico were up 33 percent over already record-high export numbers in 2011. New Mexico went from being ranked 38th to 2nd nationally over the past two years. In addition to focusing on building infrastructure at the Borderplex and enacting policies like the Six Mile Overweight Cargo Zone to help exporters on this side of the border, the International Trade Office has been active in organizing trade missions to Mexico.

Note: Source of export data can be found at: <http://export.gov/NewMexico/>

The Office of Business Advocacy Assists in the Creation and Retention of More Than 1,000 Jobs Over Two and a Half Years

The Office of Business Advocacy (OBA) successfully assisted more than 200 businesses in breaking through regulatory and licensing hurdles. These efforts led to the creation and retention of more than 1,000 jobs. The OBA offers a unique service for businesses looking for help navigating through regulatory and permitting issues at both state and federal levels. OBA staff works as an intermediary between the business and regulatory agency on a case-by-case basis to resolve various issues.

Since January 2011, the OBA worked 221 cases across the state, becoming a go-to resource for businesses. OBA's ability to research, track down answers and identify solutions has proven invaluable to small businesses. The issues OBA works on vary from how to appeal a federal highway sign ordinance to researching and creating legislative reform to aid in streamlining permitting processes.

Department Unveils New Look

During FY13, NMEDD redesigned both its logo and website to aid in the recruitment of businesses to the state. The new logo aims to give the department a fresh look and stand out among other economic development agencies. The new website includes new content and a new design.

NEW MEXICO DEVELOPMENT CORPORATION (NEW MEXICO PARTNERSHIP)

The New Mexico Partnership generated new momentum in FY13, filling the project pipeline with new, re-tooled business development and marketing activities. The latter half of the fiscal year showed a marked increase in new prospects after the passage of the 2013 tax reform package which will reduce the state's corporate income tax rate by 22 percent. Based on the identification of seven target

(Far Right) The new Southwest Steel Coil, Inc. facility is under construction in Santa Teresa, thanks to assistance from the New Mexico Partnership.
 (Right) Cabinet Secretary Barela and Governor Martinez welcome Mallory Metal Products, Santa Teresa Southern Railroad, LLC and Southwest Steel Coil, Inc. to Santa Teresa.



industry sectors, the New Mexico Partnership attended 12 trade shows throughout the year:

- International Manufacturing Technology Show..... Chicago
- Association of Unmanned Vehicle Systems International. Las Vegas
- Pure Energy Expo and Conference. Clovis
- Intersolar North America. San Francisco
- CORENET Global Summit. Orlando
- International Economic Development Council Houston
- International Asset Management Council. Omaha
- International Symposium for Personal Commercial Spaceflight. Las Cruces
- National Business Aircraft Association. Orlando
- Unmanned Aerial Systems TAAC. Albuquerque
- ProMat (Logistics Industry). Chicago
- International Asset Management Council. Charleston
- National Association of Broadcasters. Las Vegas
- Gas and Oil Expo. Calgary

Sales missions were conducted in a number of major markets, calling on both corporate executives and site selection consultants: Northern California, Denver, New Jersey/New York, Houston, Washington D.C./Maryland/Northern Virginia, Atlanta/Greenville, Southern California, Phoenix, Cleveland/Detroit, Dallas, Chicago, and Boston. About a dozen different local economic development organizations participated in both the trade shows and sales missions, including one Pueblo.

The New Mexico Partnership ended the year having assisted in the creation of 284 jobs representing six new business relocations and two competitive business expansions (see table).

Month	Business Relocations	Type of Company	Location	Jobs
Sept	Bizlink	Electronics	Santa Teresa	70
Sept	Ferza	Logistics	Santa Teresa	30
Oct	Criterion Systems	IT defense contractor	Albuquerque	25
May	CMP	Metal recycling	Chaparral	15
June	Santa Teresa Southern Railroad, LLC	Logistics	Santa Teresa	80
June	Federal Rated Securities Technologies	Robotics	Alamogordo	24
Total Jobs				244
Month	Business Expansions	Type of Company	Location	Jobs
June	Southwest Steel Coil, Inc.	Steel products	Santa Teresa	20
June	Mallory Metal Products	Metal fabrication	Santa Teresa	20
Total Jobs				40

FY13 New Mexico Partnership (NMP) Performance Measures

FY13 NMP	Annual Target	Year End Results
Number of leads created through the NMP	405	492
Number of jobs created through business relocations facilitated by the NMP	2,200	244
Number of business relocations facilitated by the NMP	12	6
NMP annual cost per job	\$500	\$2,582/job



(Far Left): In FY13, Intellicyt Corporation of Albuquerque received assistance from Economic Development Division's Job Training Incentive Program (JTIP). (Left) Ideum, Inc. of Corrales received assistance from three of the division's programs: JTIP, the Office of Business Advocacy and the Office of International Trade.

ECONOMIC DEVELOPMENT DIVISION

The mission of the Economic Development Division is to assist local communities and businesses to retain and create higher quality jobs, develop thriving communities and create an exemplary quality of life for all New Mexicans. The Economic Development Division is NMEDD's largest division, consisting of the Finance Development Team; the Community, Business and Rural Development Team; New Mexico MainStreet; the Job Training Incentive Program; the Office of Business Advocacy and the Office of International Trade. The teams work together to collectively contribute to job creation and business expansion goals.

FY13 Economic Development Division Performance Measures		
ED Division FY13	Annual Target	Year End Results
Number of jobs created through business expansions	600	553
Number of business expansions	40	57
Number of urban business expansions	28	40
Number of rural business expansions	12	17

Division Highlights in FY13

- The Economic Development Division as a whole assisted in the creation of 553 jobs and 57 business expansions, 17 of which were in rural areas of New Mexico.
- Business expansion assistance increased by 63 percent from FY12 to FY13.
- Rural business expansions increased by 54 percent from FY12 to FY13.

- New Mexico MainStreet reports \$22.7 million in private sector investment in MainStreet Districts. There were 102 new businesses which created 529 jobs within the MainStreet districts.
- The Finance Development Team established an EB5 policies/procedures guide that was approved by the Governor's Office.
- The Finance Development Team processed 38 Angel Investment Tax Credit applications in FY13 for a total of \$2.4 million in new investments and \$328,000 in tax credits.

Rural Economic Development Council

In October 2012, Cabinet Secretary Barela appointed the Rural Economic Development Council (REDC), which existed in the agency as the Rural Development Response Council in the 1990s. The purpose of the Rural Economic Development Council is: to establish a formal platform to identify issues and challenges affecting rural New Mexico; advocate for sustainable growth in rural communities; support programs; and collaborate on policies which positively impact rural areas. REDC will provide training for rural community leaders and address training gaps which may exist within the economic development community throughout the state. REDC has met in locations around the state including Moriarty, Santa Fe, Truth or Consequences and Albuquerque. Several priorities thus far have been identified by the REDC:

- Training of city/county leadership (public officials) about the importance of economic development and training of economic development practitioners on an ongoing basis
- Infrastructure development
- Strategic use of capital outlay

Finance Development Team (FDT)

The Finance Development Team assists new and existing businesses by providing financing tools available within New Mexico. Through the FDT, companies are provided detailed information on tax incentives and financial assistance programs. The main task is to assist with financial packaging (debt/equity) and/or accessing capital through commercial lenders, micro-lenders and Certified Development Corporations. FDT also facilitates the use of financing programs such as LEDA/capital outlay, New Markets Tax Credit,

(Far Right): CSP-assisted Bicycle Technologies International in Santa Fe;
(Right): Governor Martinez tours the new Lowe's Customer Support Center in Albuquerque.



USDA and SBA loan programs, IRBs and other various programs. This fiscal year, 61 businesses have received technical support from the Finance Development Team. FDT compiled 18 incentive analyses and 10 economic impact analyses in FY13, tailored to the individual business or project.

Technical assistance from the Finance Development Team varies per project and consists of interpretation and analysis of applicable tax credits and incentives, economic impact analyses and financial analyses. Such requests come from "regional representatives," municipalities and economic development organizations. FDT also compiles a financial analysis for all JTIP applicants. This year FDT reviewed financial documents for 49 participating companies and 60 projects, with the FDT producing a detailed financial analysis for each project.

This year FDT acquired the duties of administering the Angel Investment Tax Credit, which includes establishing a record keeping system for 23 angel funded companies to process 38 investor applications and issued Tax Credit Certificates with a value of over \$357,000.

COLLATERAL SUPPORT LOAN PARTICIPATION PROGRAM

The development of the Collateral Support Loan Participation Program (CSP) stemmed from the State Small Business Credit Initiative, provided through the Small Business Jobs Act of 2010, in which New Mexico received \$13,168,350 from the U.S. Department of Treasury. This year CSP deployed \$1.8 million in participation loans to four small businesses statewide, creating a total of 82 direct jobs.

The unique aspect of the Collateral Support Loan Participation Program is its "collateral enhancement" structure which efficiently lowers the interest rate paid by the business and mitigates the bank's risk by purchasing a portion of the bank's loan, often in a subordinated collateral position.

The Finance Development Team promoted CSP in FY13 through a series of statewide presentation workshops held in Albuquerque, Santa Fe, Hobbs, Las Cruces, Gallup, Las Vegas, Artesia, Silver City, twice in Roswell, Farmington and Raton. FDT's role is to identify business development prospects that are a fit for the program when financing is needed.

During FY13, CSP approved and closed four projects:

- Bicycle Technologies International – 36 jobs created
- Cantor Properties
- STAR Cyroelectronics – 5 jobs created
- Haciendas at Grace Village – 41 jobs created

From an appropriation made in 2011, the following projects completed the scope of work identified in the LEDA/capital outlay award:

Project	Location	Amount
Martinez Meats	Las Vegas	\$70,000
Roswell Rail	Roswell	\$99,000
Luna Theater	Clayton	\$100,000
TE Connectivity	Santa Teresa	\$400,000
Lea County Industrial Park	Hobbs	\$500,000
Border Industrial Association Interconnect/Transmission	Doña Ana County	\$955,762
Lowes Customer Service Center	Albuquerque	\$150,000
CFV Solar	Albuquerque	\$51,000



Two successful New Mexico MainStreet projects in FY13 included (Far Left) design and engineering work on the historic Raton depot area and (Left) an extensive assessment of the Lyceum Theater in Clovis.

New Mexico MainStreet Program

Utilizing the MainStreet Four-Point Approach®, a proven economic revitalization strategy developed by the National Main Street Center, Inc., the New Mexico MainStreet Program (NMMS) is part of an economic development network of more than 43 states, 19 urban and county programs, and 2,000 communities across the country. Created by state statute in 1978, NMMS was launched in 1984. The National Main Street Center, Inc. accredits and licenses NMMS after a successful state program biennial assessment. Within each of the local MainStreet districts, the local MainStreet organization (of district stakeholders organized as a 501c3) works in partnership with the municipality. NMMS assists property and business owners to rehabilitate buildings, address infrastructure needs, fund capital improvements, and market and promote the district as a destination for locals and visitors alike. This comprehensive economic development approach creates an environment to attract new businesses and entrepreneurs and results in job creation and private reinvestment in the district. Local NMMS affiliates receive services, resources and technical assistance from the state and national Main Street programs.

During FY13, NMMS Districts saw \$22.7 million in private sector investments and 111 building rehabilitations. NMMS programs logged 28,121 volunteer hours, valued at \$495,492 (\$17.62/hour for New Mexico Independent Sector Volunteers).

FY13 New Mexico MainStreet Performance Measures		
NMMS FY13	Annual Target	Year End Results
Number of Jobs created by NMMS	600	529
Number of communities participating in NMMS	25	23

SOME SUCCESSFUL NEW MEXICO MAINSTREET PROJECTS FROM FY13 INCLUDE:

- Partnering with the University of New Mexico School of Architecture Design Planning Assistance Center, NMMS conducted an extensive assessment of both the Lyceum Theater in Clovis and the Princess Theater in Tucumcari. The process included addressing opportunities for the facilities within the context of the community's resources, conducting community outreach and a visioning process for the potential adaptive reuses of the theater while preserving the intrinsic historic qualities and characteristics of the structures.
- Clayton MainStreet completed Curb Appeal projects on three Main Street buildings. The event also included a "Tactical Urbanism" project on the Luna Theater, transforming the street in front of the theater from an array of unsightly orange barrels to re-purposed stock tanks brimming with flowers.
- The Town of Silver City utilized a New Mexico MainStreet capital outlay award and municipal funds to purchase the historic Silco Theatre, completing the first phase of efforts to rehabilitate the building for use as a multi-purpose theater and cinema.
- The City of Roswell and MainStreet Roswell completed a Master Plan for their MainStreet District, utilizing New Mexico MainStreet capital outlay funds.
- The City of Portales and Portales MainStreet completed the Depot Focus Area Project, utilizing MainStreet capital outlay funds to conduct planning, design, rehabilitation cost estimates, a cultural resources survey, and an historic marker for the Portales Railroad Depot.
- The City of Lovington and Lovington MainStreet completed the Central Plaza Design and Planning project, utilizing MainStreet capital outlay funds for planning, design, environmental and cultural resource studies for the redevelopment and historic preservation of Lovington's Central Plaza.
- The City of Raton and Raton MainStreet completed design and engineering work for the historic Raton Depot Area, using New Mexico MainStreet capital outlay funds.
- The Village of Corrales and Corrales MainStreet completed the

Current New Mexico MainStreet communities include Roswell (Far Right), and Carlsbad (Right).



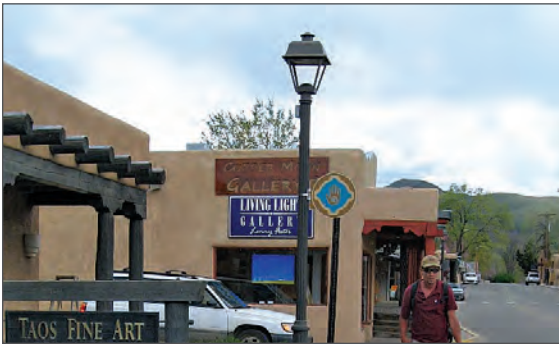
Pedestrian Pathways Project using New Mexico MainStreet capital outlay funds for design and engineering of pedestrian paths through Corrales' MainStreet District.

FY13 Participating New Mexico MainStreet Communities

- Artesia
- Belen
- Carlsbad
- Clayton
- Clovis
- Corrales
- Deming
- Downtown Action Team - Albuquerque
- Farmington
- Grants
- Las Cruces
- Las Vegas
- Los Alamos
- Lovington
- Nob Hill - Albuquerque
- Portales
- Raton
- Roswell
- Silver City
- Taos
- Truth or Consequences
- Tucumcari
- Zuni Pueblo

New Mexico MainStreet™ Statistics Quantify the Impact of Downtown Revitalization

Number of Net New Businesses	102
Number of Private Business Expansions	28
Number of Private Building Rehabilitations	111
Number Receiving Design Assistance	8
Private Sector Reinvestment	\$22,712,662
Number of Public Sector Improvements	40
Public Sector Improvement Dollars	\$6,020,722
Number of Public/Private Projects	13
Public/Private Project Dollars	\$27,500
Number of New Buildings	8
New Building Dollars	\$42,480,865
Net New Jobs	529
Number of Public Sector Grants	22
Public Sector Grant Dollars	\$105,273
Number of Private Sector Grants	30
Private Sector Grant Dollars	\$179,076
Number of Special Events	172
Special Event Direct Profit Dollars	\$94,563
Number of Promotions	67
Promotions Direct Profit Dollars	\$17,093
Number of Housing Units Rental	61
Number of Housing Units Owner	0
Volunteer Hours	28,121
Buildings Purchased	32
Building Purchase Price	\$7,686,780



(Far Left): Taos Arts & Cultural District.
(Left): The Town of Clayton is one of many communities that received funding from the Certified Communities Initiative in FY13.

THE ARTS AND CULTURAL DISTRICT PROGRAM

The Arts and Cultural District (ACD) Program mission is to create district destinations that support local cultural and art entrepreneurs by increasing cultural and heritage tourism.

FY13 ACD Program Accomplishments:

- In FY13, the ACD Program developed a collaborative website: www.nmartsandculturaldistricts.org. The website promotes all six ACD districts: *Las Vegas, Taos, Los Alamos, Silver City, Albuquerque Downtown Action Team and Raton*.
- The six ACD districts filed a successful joint application to the New Mexico Tourism Department for a Cooperative Marketing Grant. They were awarded \$30,000 to conduct collaborative marketing and promotional efforts.
- Las Vegas ACD hosted its first annual signature event, the Meadow City Music Festival, a two-day event with free musical entertainment at Plaza Park.
- Silver City ACD hosted its first annual signature event, the Clay Festival, a celebration of clay, its history, and its cultural impact, where locals and visitors experience artist workshops and sales, lectures, demonstrations, films, archaeological tours and various social events.
- The Town of Taos completed a Cultural Plan for the Taos Arts and Cultural District, utilizing New Mexico MainStreet capital outlay funds, and the City of Albuquerque partnered with the Downtown Action Team to complete a Cultural Plan for the Central Arts District.

Community, Business and Rural Development Team

The Community, Business and Rural Development Team (CBRDT), commonly known as the “regional representatives”, includes the Certified Community Initiative (CCI) and the Tribal Liaison Program. The mission of the team is to assist communities in building their capacity for economic development.

Members of the CBRDT live and work in the six regions identified around the state by NMEDD. This practice truly allows the

community and the department to understand what is best for their economic success.

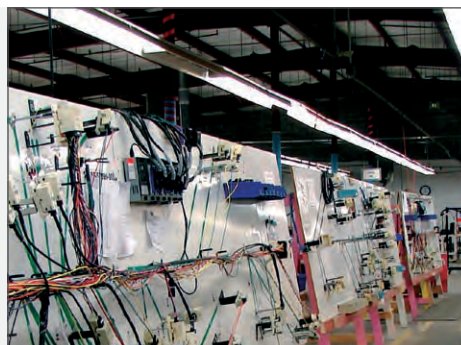
The CBRDT facilitates the establishment of economic development organizations (EDOs) and partnerships. They collaborate, devise, promote and facilitate activities to assist communities in analyzing, organizing and developing their economic potential. Technical assistance is provided to non-profit organizations, private entities and public agencies on economic revitalization and community development. Communities are assisted in identifying funding programs, including federal, state, local, and foundations; along with the process necessary to acquire funding.

The CBRDT assists communities and EDOs with the application process for the Certified Communities Initiative (CCI), passage of the Local Economic Development Act (LEDA) and its related Local Options Gross Receipts Tax. In FY13 the CCI recognized 23 communities/organizations around the state. The CBRDT helps in identifying economic and community development projects eligible for LEDA, providing technical assistance and facilitating the submission of required LEDA documentation, etc., for the NMEDD capital outlay program. The team also facilitates funding opportunities for projects through the NMEDD-Finance Development Team and other sources as appropriated.

The CBRDT also assists communities in the creation of jobs by providing assistance to New Mexico individuals and businesses that are engaged in expansion, retention or start-up activities.

FY13 CBRDT Performance Measures		
CBRDT FY13	Annual Target	Year End Results
Number of Certified Communities	40	23
Percentage of CCI communities with completed community profiles and a land and building inventory population on NMEDD's website	100%	100%

(Far Right) Plenish, Inc., of Taos was approved for funding by JTIP in FY13 as well as (Right) Compass Components in Deming.



Native American entities are provided the same assistance through the Tribal Liaison Program. The team also serves as a resource to the New Mexico Partnership to create jobs through recruitment.

CERTIFIED COMMUNITIES INITIATIVE (CCI)

Communities That Received Funding from CCI in FY13:		
Community	Funding Amount	Purpose of Funding
City of Alamogordo	\$5,000	Strategic Plan
City of Artesia	\$5,000	Website development and tradeshow/sales mission participation
Carlsbad & Eddy County	\$11,000	Targeted marketing to companies in extractive industries sector
Cibola Communities	\$5,000	Website and professional development
Town of Clayton	\$5,000	Website and professional development
Clovis & Curry County	\$11,000	Print media placement, trade show participation and professional development
Deming-Luna County ED Inc.	\$11,000	Print media, sales mission participation and workforce study of Luna County
Estancia Valley	\$15,000	Advertisement, trade show & sales mission participation and professional development
Greater Gallup EDC	\$11,000	Website development, participation in trade shows/sales missions, and advertising
City of Hobbs	\$5,000	Advertising and professional development
Las Vegas-San Miguel EDC	\$11,000	Website development, advertising and professional development
EDC of Lea County	\$13,000	Develop land/building inventory, advertising, trade show participation and economic impact analysis
Village of Los Lunas	\$2,500	Professional development
City of Lovington	\$5,000	SWOT analysis and marketing plan development
Pueblo of Pojoaque	\$5,000	Advertising
Española & Rio Arriba County	\$11,000	RDC provided economic development training for local leaders
City of Rio Rancho	\$5,000	Research, advertising, sales mission
Roswell-Chaves County	\$12,000	Trade show/sales mission participation and advertising
Village of Ruidoso	\$2,500	Brochure development and printing
Sandoval County	\$2,500	Advertising, membership fees and professional development
Santa Fe County	\$2,500	Website development, print and media graphics
City of Santa Fe	\$5,000	Website improvements and brochure development
Southwest COG	\$18,000	Professional development and marketing

TRIBAL LIAISON PROGRAM

The regional representative tasked with focusing on Native American communities serves on the Tribal Economic Development Advisory Council (TEDAC), whose purpose is to gather input from Tribes on existing programs and how effectively they serve the Tribes, Pueblos and Nations.

Job Training Incentive Program

In FY13, the Job Training Incentive Program (JTIP) approved 49 businesses for funding across New Mexico. As a result, JTIP led to the creation of 844 new jobs at an average wage of \$18.46 per hour. JTIP also received \$3 million dollars in funding for its FY14 budget.

The following are a few examples of JTIP's success in funding small businesses in New Mexico:

- **NanoCool/Albuquerque** manufactures temperature-controlled packaging for products which require refrigeration during shipping to various healthcare market segments.
4 jobs – \$20,135.22
- **Plenish, Inc./Taos** designs and creates skincare and color cosmetic products in conjunction with its customers and manufacturing those products under customers' labels. The company's product line includes lip balms, suntan lotions, skin foundations, blushes, concealers, lip glosses and lipsticks. Plenish received JTIP funding twice during FY13 for a total of **6 jobs – \$42,320**
- **Y-Fab/Albuquerque** is a full service fabrication facility that has the capability to provide full service fabrication of Fiber-glass Reinforced Plastic (FRP), carbon steel, and stainless steel piping spools as well as galvanized and stainless steel HVAC. **10 jobs – \$185,874.00**
- **Compass Components/Deming** is a privately-held manufacturing services and distribution corporation. In April 2007, Compass Manufacturing Services (CMS) opened its 40,000 sq. ft. harness manufacturing facility in Deming. CMS specializes in cable, harness and electro-mechanical assembly and system integration. Compass supports a variety of industries



(Far Left) The Medical Resort at Fiesta Park in Albuquerque and (Left) Old Martina's Hall in Rancho de Taos were both assisted by the Office of Business Advocacy in FY13.

in the transportation, semiconductor, capital equipment, and medical markets as well as network and telecom, test and measurement and metal fabricators. **8 jobs - \$76,204**

See table, p.17, for a complete list of companies served by JTIP in FY13.

FY13 Job Training Incentive Program Performance Measures		
JTIP FY13	Annual Target	Year End Results
Number of workers trained by JTIP	1,000	844
Number of rural companies participating in JTIP	8	16
Number of businesses participating in JTIP	25	49*
Average annual cost per JTIP trainee	\$2,500	\$7,910
Percent of employees whose wages were subsidized by JTIP still employed by the company after one year	60%	72%
*Note: The number of businesses participating in JTIP were calculated quarterly. The YTD FY13 number represents the total number of businesses participating (approved) overall. Some businesses participated more than once over the course of the fiscal year.		

Office of Business Advocacy

Office of Business Advocacy (OBA) Mission: Help companies to navigate state government by providing assistance with regulatory, intergovernmental and public policy issues adversely affecting business in New Mexico.

OBA promotes its services through the state's Small Business Development Centers (SBDC), local chambers of commerce and economic development organizations.

In addition to these marketing efforts, OBA implemented a new "Business Visitation Program" to further enhance the direct service provided through Economic Development Division regional representatives. Through this program, OBA informs and works together with regional representatives, not only to generate new case leads, but to maintain the ongoing status of cases within the regional representatives' respective regions.

OBA SUCCESSES IN 2013

- Prior to working with OBA, **Old Martina's Hall** in Rancho de Taos had been denied a permit to sell beer and wine four times. The permit required a variance due to its proximity to a church. OBA worked with the Alcohol and Gaming Division, the church, and village residents on a redesign to the satisfaction of all and the permit was approved.
- The **Medical Resort at Fiesta Park** is a post-hospital rehabilitation facility. OBA worked with both the Regulation and Licensing Division and the Department of Health to insure the timely issuance of needed permits and licenses to avoid costly delays in opening the business, which will ultimately employ 102. \$9.2 million in renovations were completed utilizing New Mexico contractors.

The Office of Business Advocacy tracks job retention and job creation for its own records, but for the purpose of department recording, NMEDD only reflects economic based jobs as required for its overall performance measures.

FY13 Office of Business Advocacy Performance Measures		
OBA FY13	Annual Target	Year End Results
Number of business advocacy cases opened	100	75
Number of business advocacy cases solved	30	58

Companies Served by JTIP in FY13

Company	Approved Budget	Approved Slots	Average Wage	City	County
JackRabbit Systems, Inc.	54,905.28	2	47.12	Santa Fe	Santa Fe
Knockout Mtl Wrx, LLC	9,640.00	1	18.00	Albuquerque	Bernalillo
Compass Components, Inc.	76,204.00	8	16.71	Deming	Luna
IntelliCyt Corporation	66,869.00	4	30.59	Albuquerque	Bernalillo
Beauty Health and Science Innovations, Inc. (BHSI)	245,047.00	35	13.74	Clovis	Curry
Incitor, Inc.	111,550.00	6	29.08	Albuquerque	Bernalillo
CRE-MED	27,610.40	7	15.06	Albuquerque	Bernalillo
Martinez and Sons Processing	49,728.00	8	13.63	Las Vegas	San Miguel
NanoMR, Inc.	5,960.00	1	15.50	Albuquerque	Bernalillo
Lovelace Health System-CBO	116,072.40	22	16.31	Albuquerque	Bernalillo
ClosedWon LLC	69,755.00	4	30.05	Albuquerque	Bernalillo
Western Baking Corporation	95,202.00	36	10.36	Alamogordo	Otero
Ideum, Inc.	123,077.00	7	26.99	Corrales	Bernalillo
ADS Alliance Data Systems, Inc.	1,335,031.42	309	14.65	Rio Rancho	Sandoval
Plenish, Inc.	14,440.00	2	14.00	Ranchos de Taos	Taos
Inject-O-Meter (STEP-UP)	3,000.00	n/a	n/a	Clovis	Curry
CPFD Software, LLC	23,552.00	1	38.47	Albuquerque	Bernalillo
Fair Oaks Farms Brands, Inc.	94,760.00	10	15.75	Dexter	Chaves
Unirac, Inc.	37,299.12	2	31.73	Albuquerque	Bernalillo
IntelliCyt Corporation	8,500.00	1	18.75	Albuquerque	Bernalillo
Exhib-It!	12,631.00	1	19.37	Albuquerque	Bernalillo
MSDSPRO, LLC	18,323.00	1	30.29	Rio Rancho	Sandoval
NanoCool, LLC	5,200.00	1	17.50	Albuquerque	Bernalillo
New Mexico Wineries	62,068.00	11	11.11	Deming	Luna
Bendix King	1,057,590.30	39	47.56	Albuquerque	Bernalillo
HT MicroAnalytical, Inc.	125,687.06	6	37.26	Albuquerque	Bernalillo
NM Consortium	11,999.56	1	19.23	Los Alamos	Los Alamos
Ideum, Inc.	82,703.44	4	28.06	Corrales	Sandoval
Energy Control, Inc.	14,750.88	1	24.04	Rio Rancho	Sandoval
JackRabbit Systems	120,279.12	7	32.60	Santa Fe	Santa Fe
Y Fab	185,874.00	10	33.65	Albuquerque	Bernalillo
Titan Aerospace	135,020.00	7	25.00	Moriarty	Torrance
Martinez & Sons Processing	72,362.88	12	13.01	Las Vegas	San Miguel
P4Q USA	59,212.00	10	15.15	Albuquerque	Bernalillo
National Water Services	6,544.00	1	16.50	Santa Fe	Santa Fe
PureColor, Inc.	7,100.00	1	15.25	Albuquerque	Bernalillo
TriLumina	85,084.00	2	70.00	Albuquerque	Bernalillo
Santa Fe Brewing Company	24,842.00	3	24.04	Santa Fe	Santa Fe
National Water Services	8,140.00	1	17.00	Santa Fe	Santa Fe
Lowe's Customer Support Center	638,403.00	129	16.53	Albuquerque	Bernalillo
Mega Corp, Inc.	79,320.00	12	16.63	Albuquerque	Bernalillo
3R	13,480.00	3	13.00	Albuquerque	Bernalillo
PreCheck, Inc.	264,564.75	41	12.11	Alamogordo	Otero
SKINfrared	18,875.00	1	31.25	Albuquerque	Bernalillo
InfoWhere	36,428.00	1	60.00	Albuquerque	Bernalillo
Still Solutions	32,460.00	2	27.50	Albuquerque	Bernalillo
Sunland, Inc. (STEP-UP)	25,951.43	n/a	n/a	Portales	Roosevelt
NanoCool, LLC	20,135.22	4	14.28	Albuquerque	Bernalillo
Energy Control, Inc.	27,252.16	2	24.86	Rio Rancho	Sandoval
Unirac, Inc.	23,001.98	1	38.47	Albuquerque	Bernalillo
Plenish, Inc.	27,880.00	4	14.00	Ranchos de Taos	Taos
Lavu, Inc.	57,539.20	7	21.87	Albuquerque	Bernalillo
Mt. Taylor Machine, LLC	91,000.00	15	12.50	Milan	Grants
PPC Solar	8,680.00	1	15.00	Taos	Taos
Nuvita	33,172.00	2	28.13	Albuquerque	Bernalillo
SunSpot Solar	16,123.68	1	26.44	Las Cruces	Dona Ana
Bendix King	354,762.88	16	38.91	Albuquerque	Bernalillo
ClosedWon	80,748.24	4	34.86	Albuquerque	Bernalillo
IntelliCyt	69,789.76	4	31.67	Albuquerque	Bernalillo
Santa Fe Door	6,030.40	4	10.72	Albuquerque	Bernalillo
Imagine Education	86,696.00	5	20.60	Taos	Taos
Totals	\$6,675,907.56	844	\$18.46		



(Far Left): Products from Southwest Steel Coil, Inc. in Santa Teresa are exported to Mexico.
(Left): Private Label Select, of Taos, had assistance from both the Office of International Trade and the New Mexico 9000 Program in FY13.

Office of International Trade

The Office of International Trade (OIT) promotes and facilitates the sales of New Mexico goods and services worldwide and supports efforts to recruit foreign direct investment to New Mexico in order to assist the process of job creation, retention and expansion throughout the state.

Part of New Mexico's export growth can be attributed to the success in aiding in the completion of 31 international trade transactions, totaling approximately \$2.3 million in new revenue for New Mexico companies.

- **Basic Dental Implants, Inc.** expanded sales of Biotitanium Dental Implants to Canada by \$50,000.
- **Marpac Industries** shipped \$27,500 of respiratory care fasteners to Dubai, United Arab Emirates with assistance from the New Mexico Middle East Trade Office.
- **Private Label Select, Inc.** participated in the Natural Products UK in London, UK and reports orders for an estimated \$50,000 from Mannings Pharmacies for their line of lip balm and natural organic cosmetics.
- **Ideum Corporation** is working on processing its first order to the Netherlands as follow up to their participation in the Integrated Systems Europe, LLC, event sponsored by the Office of International Trade. The estimated initial sales are \$45,000.

FY13 Office of International Trade Performance Measures		
OIT FY13	Annual Target	Year End Results
International trade transactions	30	31
New-to-export clients identified and assisted	10	9
Number of existing exporters assisted in entering new markets	10	14

ISO 9000

The New Mexico 9000 Program was created by NMEDD to provide training and assistance to New Mexico businesses in preparing for ISO 9001: 2008 certification. This certification is for improving a firm's quality management system. These standards have been adopted by 178 countries and over one million companies worldwide have attained this certification. Businesses need ISO certification to compete globally.

Seven companies graduated from the New Mexico 9000 Program in FY13:

- Private Label Select, Taos
- Bladewerx, LLC, Albuquerque
- Today's Restoration DKI, Inc., Albuquerque
- SuperiAire Technologies, Albuquerque
- Trinitek Services, Inc., Albuquerque
- NM811.org, Albuquerque
- White Sands Research & Developers, Las Cruces

FY13 ISO 9000 Performance Measures		
ISO 9000 FY13	Annual Target	Year End Results
Businesses trained by NM9000	10	7

NEW MEXICO FILM OFFICE

The New Mexico Film Office (NMFO) had a successful year assisting productions with several aspects of their projects, guiding them through the Film Production Refundable Tax Credit incentive program, providing location services, and creating industry job opportunities for New Mexicans. NMFO worked diligently to help connect productions with industry-related organizations, busi-

(Far Right): Robert Taylor in the television series Longmire, filmed in New Mexico. (photo courtesy of Horizon Scripted Television, Inc.)
(Right): Brian Cranston in the television series Breaking Bad, also filmed in New Mexico. (photo courtesy of Frank Ockenfels/AMC)



nesses and communities throughout the state. In addition to legislative amendments to the incentive program, another measure of success came from the noteworthy expansion of several recently developed initiatives. Here are the highlights from FY13:

Production

In the fall of 2012, the New Mexico Film Office director and staff met with over 30 producers, location managers and directors. NMFO also facilitated a meeting with the New Mexico Tax & Revenue Department, major studios and payroll companies regarding the Refundable Film Production Tax Credit. In December, the NMFO director met with studio executives in Los Angeles to continue these conversations. As a result, studios reconsidered New Mexico for additional projects.

Production activity significantly increased in the winter with ten new productions working in New Mexico. There also was a significant increase in inquiries, particularly for location assistance. In March, anticipated legislation passed that makes New Mexico a top contender for the recruitment of a television series outside of Los Angeles and New York. The NMFO director and senior production manager traveled to Los Angeles to discuss these changes with studio executives and Motion Picture Association of America representatives.

To promote New Mexico as a filming location to studios, independent producers and location managers, NMFO attended the Association of Film Commissioners International Locations Tradeshow in June, providing opportunities for in-person meetings about specific projects and the recent tax incentive amendments.

Workforce Development

The Film Crew Advancement Program, available through the Job Training Incentive Program, serves as an incentive for participating companies to provide more job opportunities for New Mexicans in primarily technical film positions.

- In FY13, 10 companies and 71 New Mexicans participated.

FY13 New Mexico Film Office Performance Measures

FY13 Categories	Annual Target	Year End Results
Direct spend into the New Mexico economy	\$100M	\$213.7M
Economic impact (multiplier of 3)	\$300M	\$641.1M
Total number of projects in principal photography*	85	53*
Number of projects over \$1M (total budget) in production	17	21
Worker days (crew size x days employed)	150,000	216,461

*FY13 totals only include the number of projects that applied for the Film Tax Credit.

The Pre-Employment Workshop Training Program, also available through the Job Training Incentive Program, increases qualified manpower for this industry.

- In FY13, four workshops were conducted and 62 New Mexicans attended.

Initiatives

DIGITAL AND EMERGING MEDIA

In FY13, the New Mexico Film Office created an initial inventory of New Mexico Digital and Emerging Media companies. The information will assist in the development of strategies to access the benefits of these technologies for the New Mexico economy. This initiative will therefore be a priority in the upcoming fiscal years.



(Far Left): Armie Hammer and Johnny Depp in *The Lone Ranger*. (photo courtesy of Walt Disney Pictures)
(Left) Construction continues on the Union Pacific Intermodal Rail Facility in Santa Teresa.

LOCAL OUTREACH

- Town Halls were coordinated providing regional forums, free and open to the public, to discuss industry-related inquiries. They were held in Carlsbad, Clovis and Taos. NMFO also participated in the annual Film & Media Day during the 2013 legislative session.
- NMFO began sending out a published newsletter more than once quarterly. Also in FY13, NMFO's "filmnewmexico" Facebook page exceeded 6000 "likes."
- NMFO presented to the Governor's Council on Film & Media Industries, which will assist NMFO with their educational outreach initiatives.
- NMFO continues to support and grow the Statewide Film Liaison Network. Communities and tribes designate individuals to assist and prepare their area for a variety of industry activities. In July, the annual meeting of liaisons took place at Los Luceros, where eighteen liaisons attended.
- NMFO held the first annual New Mexico Film & Media Industry Conference in Albuquerque this past May. Local filmmakers, crew, producers, and vendors attended and engaged in discussions with renowned industry panelists.
- In the fall, the NM Filmmakers Program began with the Annual Showcase, screening local filmmakers' projects across the state in Albuquerque, Grants, Las Cruces, Portales, Santa Fe and Taos. Next, the NM Filmmakers Experience launched in February with a panel and screening, followed by three additional panels and screenings that wrapped in June.

FILM TOURISM

The New Mexico Film Office and the Cabinet Secretary of Tourism met with major studios in Los Angeles while collaborating to develop a New Mexico "True Adventure" for the release of *The Lone Ranger*. The official Disney international press junket for the film took place in Santa Fe in June. Downloadable Film Tourism maps also became available on the Tourism Department's website. NMFO will continue to assist the Tourism Department with future film-related "True Adventures."

NEW MEXICO BORDER AUTHORITY

Under the leadership of Governor Martinez and Cabinet Secretary Barela, the New Mexico Border Authority (NMBA) has played an integral role in increasing international trade, commerce and border development. The NMBA achieved this by fostering cross-border partnerships and facilitating new infrastructure to support trade and job opportunities.

Border Successes

- In February, NMBA announced record breaking commercial crossing numbers at the border ports of entry for 2012. The Santa Teresa Port of Entry (STPOE) processed 81,339 commercial trucks – 13 percent higher than any year on record. The Columbus Port of Entry processed 10,627 commercial trucks, with 18 percent more crossings than any year on record as well as an 11 percent growth in pedestrians from the previous year. The creation of the Six Mile Overweight Cargo Radius in 2011 has contributed to the growth and increased traffic around the border ports of entry.
- The Santa Teresa Borderplex region has significantly enhanced its role as a growing international trade center, including the opening of the expanded STPOE during the fourth quarter. The expansion will aid in supporting increased commercial and passenger vehicle crossings at this port of entry.
- Governor Martinez celebrated the opening of a short line railroad, Santa Teresa Southern Railroad, that installed 2.5 miles of new track adjacent to the Union Pacific track and constructed a new terminal.

The Santa Teresa Verde and San Jeronimo Industrial Parks, in partnership with Foxconn, will plan the first ever Dual Customs Clearance project. NMBA is proud to partner with this innovative and efficient method to serve commerce at the STPOE, and has been extremely successful in creating regional planning efforts for needed infrastructure at the ports of entry. NMBA obtained over

(Far Right): Governor Martinez and Governor Duarte of Chihuahua at the opening of the expanded Santa Teresa Port of Entry.
(Right) The New Mexico Border Authority in Santa Teresa.



\$400,000 in capital outlay for road improvements, and construction plans have already started for improving the southbound export lane in Santa Teresa.

NMBA continues to work with chile and pecan growers on improving the efficiency and smooth delivery of their products through the New Mexico Ports of Entry. In addition, NMBA assisted Doña Ana county as the fiscal agent for the first ever Hazmat Facility to operate and provide the safety net for companies to locate in the Santa Teresa Industrial Park. The Hazmat Facility compliments the placement of large industrial users in the region.

Traveler Assistance

NMBA provides assistance to visitors arriving at the Santa Teresa Port of Entry. NMBA supported the federal ruling to allow Mexican Nationals to visit 55 miles into New Mexico without the I-94 visa requirement. This ruling is expected to increase the number of visitors that use the New Mexico Ports of Entry.

Santa Teresa Rail Bypass

The rail bypass feasibility study is underway and completion should take two years. The International Rail Bypass and the awarding of almost \$2 million dollars from the U.S. Department of Commerce will make Santa Teresa a premier inland port location and attract companies to San Jeronimo and Santa Teresa Verde Industrial Park.

Border Governors' Conferences

NMBA and the New Mexico Economic Development Department partner for the Border Governors' Conferences. These valuable conferences build mutual relationships that develop needed infrastructure coordination on both sides of the border.

Income Generation

The Border Authority Act empowers NMBA to create enterprise funds, under the authorizing legislation. La Pension parking facility is one example of a revenue producing enterprise that compliments the annual NMBA budget appropriation. NMBA has the authority to charge fees, generate rental income, own water rights and lease

space to businesses. FY13 has been very productive and ended with the NMBA revenue exceeding that of previous years.

Ports of Entry

The New Mexico Ports of Entry had a successful year. Santa Teresa Port of Entry and Columbus Port of Entry enjoyed 11 percent and 18 percent increases, respectively, in vehicle traffic.

- In addition to record commercial vehicle crossings, the Santa Teresa cattle yards had its best year ever, crossing over 475,000 head of cattle.
- The Columbus Port of Entry cattle yards signed an agreement with an Arizona company to manage and operate the cattle crossing at the Palomas-Columbus crossing and expanded their cattle yards on the Luna County side.
- Antelope Wells is ready to announce a ribbon cutting ceremony for the new United States Customs and Border Protection facility. Construction on the Berrendo Road from Mexico is scheduled for late fall of 2013.

FY13 New Mexico Border Authority Performance Measures

NMBA FY13	Annual Targets	Year End Results
Annual trade share of New Mexico port within the west Texas and New Mexico region	5%	8%
Percent of program objectives obtained as a result of direct agency interaction with the border trade community, both public and private sector	90%	90%
Commercial and non-commercial vehicular traffic at New Mexico ports of entry	830,000	1,130,716
Number of coordination meetings with border community leaders, congressional offices, Mexican federal agencies, federal and state agencies or international funding sources to maintain the integrity of the international border in New Mexico	260	300



*(Far Left): Kirtland Air Force Base in Albuquerque.
(Left): Governor Martinez signs the Spaceport informed consent bill into law. At far right is NMSA Director Christine Anderson.*

OFFICE OF MILITARY BASE PLANNING & SUPPORT

Missions of the Office of Military Base Planning and Support:

- Support the federal Military Base Planning Commission
- Work closely with the Congressional Delegation staff on appropriate issues pertinent to New Mexico's military installations
- Work closely with local community-military partnering organizations
- Recommend actions for the Governor and appropriate New Mexico state agencies that contribute to the longevity and growth of New Mexico's military installations.

In FY13, the Holloman AFB transition continued to be a large focus and is considered to be the number one issue facing the state. Military Base Planning Commissioners have participated in sessions with Holloman AFB and White Sands Military Range on this topic, including regional airspace.

In addition, the Melrose Air Force Range expansion saw a successful completion in November. The state provided a gift 'bills of sale' to the Air Force on tenant improvements.

NEW MEXICO SPACEPORT AUTHORITY

The New Mexico Spaceport Authority (NMSA) was successful during the 2013 Legislative Session with the passing of the informed consent bill, which was signed into law by Governor Martinez in April.

In FY13, the Spaceport Authority welcomed Space Exploration Technologies Corporation, or SpaceX, which signed a three-year agreement to lease land and facilities at Spaceport America to conduct the next phase of flight testing for its reusable rocket program. The company will be a new tenant at Spaceport America.

The New Mexico Spaceport Authority hosted a NASA Flight Opportunities Program launch conducted by UP Aerospace, Inc., at the Spaceport America Vertical Launch Complex. This was the first sub-orbital NASA Flight Opportunities Program launch, and the 19th overall launch from Spaceport America.

The sub-orbital sounding rocket launch is part of the NASA Flight Opportunities Program, which is designed to provide suborbital payload launch opportunities for NASA and other government agencies, as well as for educational institutions and the private sector. Some of the Flight Opportunities payload customers for this launch aboard the SpaceLoft (SL-7) rocket include: the Federal Aviation Administration (FAA), the Department of Defense (DOD), NASA, Celestis, Inc. and various schools.



New Mexico Economic Development Department

FY13 COMPANIES ASSISTED IN CREATING JOBS

First Quarter: July 1, 2012 through September 30, 2012													
Name of Company	Type of Company	Location	Announcement	Program Assisting		Relocations*		Expansions*		Start-Ups*		Total New Jobs	
				Company		Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
Intergalactic Bread Company	Bakery	Santa Fe	7/22/2012	OBA				2				2	0
Sitel	Customer service center	Las Cruces	7/22/2012	CBRDT	200							200	0
JackRabbit Systems	Customized software	Santa Fe	7/31/2012	JTIP				2				2	0
Knockout Mtl Wrx	Precision machine shop	Albuquerque	7/31/2012	JTIP				1				1	0
Compass Components	Electronics manufacturing	Deming	7/31/2012	JTIP					8			0	8
IntelliCyt Corp.	Life sciences	Albuquerque	7/31/2012	JTIP				4				4	0
Lovelace Health System CBO	Backoffice Support	Albuquerque	7/31/2012	JTIP				22				22	0
Martinez & Sons Processing	Meat processing	Las Vegas	7/31/2012	JTIP						8		0	8
NanoMR	Medical devices	Albuquerque	7/31/2012	JTIP				1				1	0
Incitor	Biomass fuel development	Albuquerque	7/31/2012	JTIP				6				6	0
Ideum, Inc.	Interactive software development	Corrales	8/20/2012	JTIP				7				7	0
ClosedWon, LLC	Web application development	Albuquerque	8/20/2012	JTIP				3				3	0
Western Baking Corp.	Manufacturing	Alamogordo	8/20/2012	JTIP					19			0	19
Air USA	Corporate headquarters	Albuquerque	9/12/2012	Ofc of the Sec	200							200	0
Bizlink	Electronics manufacturer	Santa Teresa	9/12/2012	Partnership		70						0	70
Ferza	Logistics	Santa Teresa	9/12/2012	Partnership		30						0	30
JH Rose	Logistics	Santa Teresa	9/20/2012	Ofc of the Sec					20			0	20
L & M Radiators	Manufacturing	Las Cruces	9/20/2012	Ofc of the Sec				50				50	0
Plenish, Inc.	Cosmetic product manufacturer	Taos	9/20/2012	JTIP					2			0	2
Alliance Data	Customer service center	Rio Rancho	9/20/2012	JTIP	309							309	0
MainStreet (see quarterly report)			9/30/2012									35	91
TOTALS FOR 1ST QUARTER					709	100	98	49	0	8	842	248	
Second Quarter: October 1, 2012 through December 31, 2012													
Kinesio USA	sports tape manufacturing	Albuquerque			15							15	
Criterion Systems	IT defense contractor	Albuquerque	10/15/2012	Partnership	25							25	
Western Baking Corporation	cookie & cracker manufacturer	Alamogordo	10/19/2012	EDD		500							500
CPFD Software, LLC	CAE software development	Albuquerque	10/30/2012	JTIP				1				1	
Fair Oaks Farm Brands	milk-based products	Dexter	10/30/2012	JTIP					10				10
Lowes	customer support center	Albuquerque	11/13/2012	Ofc of the Sec	300							300	
Unifrac, Inc.	photovoltaic racking systems	Albuquerque	11/21/2012	JTIP				2				2	
Exhib-iti	exhibit & graphic production	Albuquerque	11/21/2012	JTIP				1				1	
IntelliCyt	life sciences technologies	Albuquerque	11/21/2012	JTIP				1				1	
MSDSpro, LLC	software development	Rio Rancho	11/21/2012	JTIP				1				1	
Stolar Research Corporation	homeland security technologies	Rio Rancho	12/13/2012	EDD				50				50	
NanoCool	temperature-controlled packaging	Albuquerque	12/20/2012	JTIP				1				1	
New Mexico Wineries, Inc.	winery	Deming	12/20/2012	JTIP					10				10
Solaro Energy	solar products manufacturing	Socorro	12/20/2012	Ofc of the Sec		100							100
La Puerta Originals	custom doors/gates manufacturing	Santa Fe	12/20/2012	OBA				1				1	
MainStreet (see quarterly report)			12/31/2012									114	83
TOTALS FOR 2ND QUARTER					340	600	58	20	0	0	512	703	
MID-YEAR TOTALS					1,049	700	156	69	0	8	1,354	951	

(cont'd on back)

New Mexico Economic Development Department

FY13 COMPANIES ASSISTED IN CREATING JOBS (cont'd)

Third Quarter: January 1, 2013 through March 31, 2013												
Name of Company	Type of Company	Location	Date of Announcement	Program Assisting Company	Relocations*		Expansions*		Start-Ups*		Total New Jobs	
					Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
HT MicroAnalytical, Inc.	switch manufacturer	Albuquerque	1/11/2013	JTIP			6				6	
NM Consortium	R&D collaborative organization	Los Alamos	1/11/2013	JTIP			1				1	
Ideum, Inc.	design & create interactive exhibits	Corrales	1/11/2013	JTIP				4				4
Energy Control, Inc.	renewable energy products	Rio Rancho	1/11/2013	JTIP			1				1	
Y Fab	plastic fabrication	Albuquerque	2/8/2013	JTIP					10		10	
JackRabbit Systems	Customized software	Santa Fe	2/8/2013	JTIP			7				7	
Titan Aerospace	solar-powered UAV manufacturer	Moriarty	2/8/2013	CBRDT		7						7
Martinez & Sons Processing	Meat processing	Las Vegas	2/8/2013	JTIP				12				12
P4Q USA	solar tracking controller mfr.	Albuquerque	2/8/2013	JTIP	15						15	
National Water Services	water purification systems mfr.	Santa Fe	3/8/2013	JTIP			2				2	
PureColor, Inc.	chemicals coating manufacturer	Albuquerque	3/8/2013	JTIP			1				1	
Trilumina	semiconductor laser manufacturer	Albuquerque	3/8/2013	JTIP			2				2	
Santa Fe Brewing	brewery	Santa Fe	3/8/2013	JTIP			3				3	
NM Wineries	winery	Denning	3/8/2013	JTIP				1				1
Mega Corp. Inc.	specialty hauling equipment mfr.	Albuquerque	3/8/2013	JTIP			12				12	
Real Rock Replications	landscape material manufacturer	Albuquerque	3/8/2013	JTIP					3		3	
Lowe's Customer Service Center	Customer service center	Albuquerque	3/8/2013	JTIP			74				74	
SKINfrared	biomedical diagnostics R&D	Albuquerque	3/8/2013	JTIP			1				1	
InfoWhere	GIS software & data development	Albuquerque	3/8/2013	JTIP			1				1	
Still Solutions	communications hosting systems	Albuquerque	3/8/2013	JTIP			2				2	
Fatman's Beef Jerky	beef jerky production	Hagerman	3/18/2013	CBRDT				7				7
TE Connectivity	distribution facility	Santa Teresa	3/14/2013	Ofc of the Sec				100			100	
MainStreet (see quarterly report)			3/31/2013									117
TOTALS FOR 3RD QUARTER					15	7	113	124	13	0	141	248
Fourth Quarter: April 1 through June 30, 2013												
Name of Company	Type of Company	Location	Date of Announcement	Program Assisting Company	Relocations*		Expansions*		Start-Ups*		Total New Jobs	
					Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
Heritage Home Healthcare, Inc.	regional headquarters	Las Cruces	4/2/2013	Ofc of the Sec	100						100	
Southwest Steel Coil	steel coil slitting	Santa Teresa	4/10/2013	NMP				20				20
Mallory Metal Products	metal fabrication	Santa Teresa	4/10/2013	NMP				20				20
NanoCool, LLC	temperature-controlled packaging	Albuquerque	4/24/2013	JTIP			4				4	
Energy Control, Inc.	renewable energy products	Rio Rancho	4/24/2013	JTIP			2				2	
Unirac, Inc.	photovoltaic racking systems	Albuquerque	4/24/2013	JTIP			1				1	
Plenish, Inc.	Cosmetic product manufacturer	Taos	4/24/2013	JTIP				4				4
Lavu, Inc.	restaurant POS software developer	Albuquerque	4/24/2013	JTIP			7				7	
Mt. Taylor Machine, LLC	machine shop & wood pellet mfg	Milan	4/24/2013	JTIP				15				15
PPC Solar	solar power product installation	Taos	5/17/2013	JTIP				1			1	
GMP	recycling	Chaparral	5/24/2013	NMP		15						15
Santa Teresa Southern Railroad, LLC	logistics	Santa Teresa	6/10/2013	NMP		80						80
Federal Rated Securities Technologies	robotics	Alamogordo	6/10/2013	NMP		24						24
Nuvita	corporate wellness program	Albuquerque	6/20/2013	JTIP			2				2	
SunSpot Solar Energy	design & install PV systems	Las Cruces	6/20/2013	JTIP			1				1	
ClosedWon, LLC	Web application development	Albuquerque	6/20/2013	JTIP			4				4	
IntelliCyt	Life sciences	Albuquerque	6/20/2013	JTIP			1				1	
Santa Fe Door	door & cabinet manufacturer	Albuquerque	6/20/2013	JTIP			4				4	
Imagine Education	software development	Taos	6/20/2013	JTIP				5				5
MainStreet (see quarterly report)			6/30/2013								32	57
TOTALS FOR THE 4TH QUARTER					100	119	26	65	0	0	158	241
YEAR-END TOTALS					1,164	826	295	258	13	8	1,653	1,440

* Relocations are companies moving from another state; Expansions are New Mexico companies creating jobs; Start-Ups are companies getting started in New Mexico



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