



New Mexico Economic Development Department
JOB CREATION REPORT

FY 2014 Mid-Year





l-r: Cabinet Secretary Jon Barela, Governor Susana Martinez and Chihuahua Governor César Duarte at the Bi-National Community announcement in August, 2013.

LETTER FROM THE CABINET SECRETARY

New Mexico continues to move in a positive direction for private-sector job creation. Halfway through FY14, the New Mexico Economic Development Department assisted in the creation of 1,144 jobs, 685 urban jobs and 459 rural jobs. Nearly half of its yearly target for job creation was met.

Despite the continued loss of federal jobs and investment in our state, which has the highest dependence on federal dollars as noted by the Washington Post (see chart next page), New Mexico's private-sector is leading the way for job growth.

The New Mexico Jobs Bill, passed in the 2013 legislative session, reduces business taxes 22 percent and provides manufacturers the option of paying corporate income tax only on products sold in state. As a result, New Mexico is experiencing an increase in interest from businesses, large and small, nationally and internationally, that now view our state as competitive and welcoming of private investment. The Tax Foundation, an independent nonprofit research organization, recently recognized Governor Martinez for Outstanding Achievement in Tax Reform.

New Mexico's Borderplex is also thriving as more companies move to the area. Governor Susana Martinez remains as committed as ever to the border region as she and her counterpart, Chihuahua Governor César Duarte, announced the first-of-its-kind, master-planned Bi-National Community, which will increase investments in the border area from all over the world.

As we transition from a government-dependent state to one that is driven by people risking their hard-earned capital to invest in New Mexico, we are optimistic for even more growth through the rest of the year as was experienced in the first two quarters of FY14.

*Jon Barela
Cabinet Secretary,
New Mexico Economic Development Department*

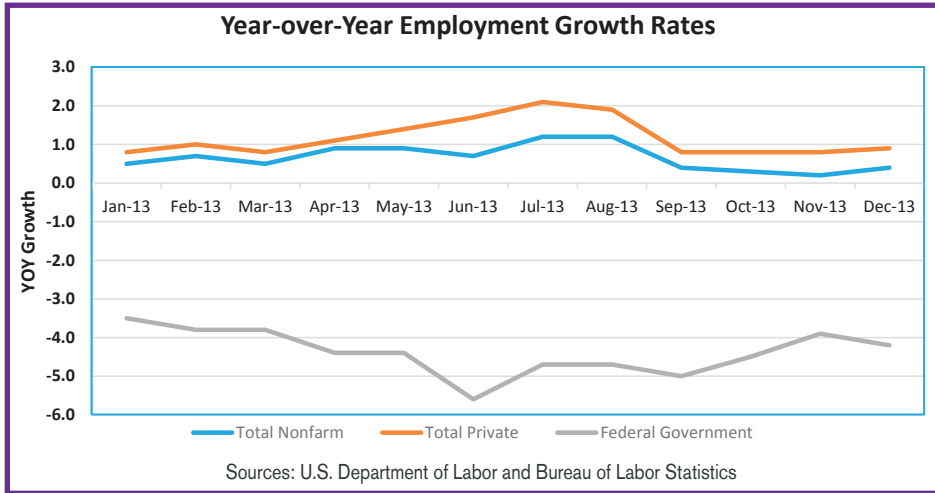
JOB CREATION HIGHLIGHTS

- ▶ **Eclipse Aerospace**, who announced its expansion efforts in December, will add at least 100 new manufacturing jobs over the next two years in Albuquerque.
- ▶ **General Dynamics Information Tech** announced it will add 200 new back-office service representative, supervisor, back-office, quality specialist and training jobs in Las Cruces.
- ▶ **Prime Therapeutics, LLC** created 47 new independent pharmacy benefit manager positions in Albuquerque and will train these new employees with the assistance of the New Mexico Economic Development Department's Job Training Incentive Program (JTIP). The company is also planning on adding an additional 33 jobs in the near future.
- ▶ **AGPower** announced the addition of 20 new jobs in Dexter after Chaves County passed \$20 million in IRBs to facilitate phase one of AGPower's field processing construction.
- ▶ **Leprino Foods**, the world's largest mozzarella cheese producer, added 13 new jobs to support their efforts to expand in Roswell and increase production.
- ▶ **Stewart Industries** is an aircraft salvage and recycling operation with facilities located in Roswell. After receiving FAA C-Check approval and finishing a hangar renovation, Stewart Industries added 50 jobs as part of their aircraft maintenance and repair services.
- ▶ **Dean Baldwin Painting** added 100 jobs in Roswell after starting a \$1.3 million dollar expansion to upgrade its hangar complex.
- ▶ **Canon IT** announced that it is working to staff its new customer support center in Albuquerque by adding 150 positions over a three year period. Operations are anticipated to begin in April 2014.
- ▶ **W. Silver Recycling** announced in August that it will add 20 metal recycling jobs in Santa Teresa.
- ▶ **Twin Cities**, a warehousing, distribution and logistics company, added 50 positions in the first quarter in Santa Teresa.



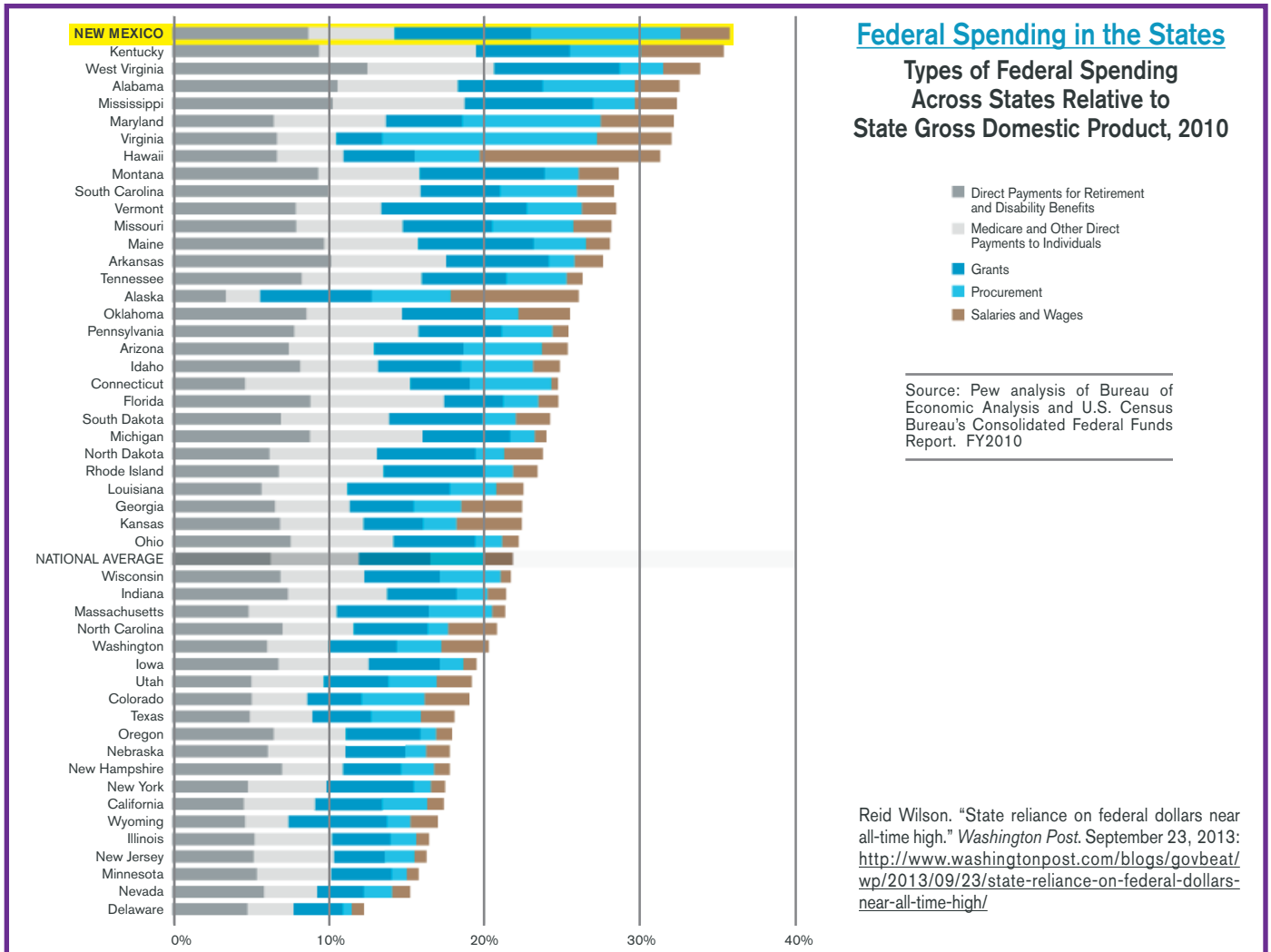
Governor Martinez speaks at Eclipse Aerospace announcement in Albuquerque.

PRIVATE-SECTOR JOBS GAINED AND FEDERAL JOBS LOST IN 2013



Governor Martinez, Cabinet Secretary Barela and CEO of Prime Therapeutics, Eric Elliot, announce more private sector jobs coming to Albuquerque.

NEW MEXICO IS THE MOST RELIANT STATE ON FEDERAL SPENDING





Cabinet Secretary Jon Barela (speaking) and Governor Susana Martínez (far right) at future site of AGPower field processing in Chaves County.

OFFICE OF THE SECRETARY

The New Mexico Economic Development Department completed its five-year economic development strategic plan titled *Innovation Creates Diversification*. The five-year plan was developed by the New Mexico Economic Development Commission, the Rural Economic Development Council, and included two years of input from statewide and local economic development organizations, Councils of Governments, business and community leaders and the general public. Eight major priorities were identified through this process. The five-year strategic planning process began in 2011 at the Gallup Rural Forum. It also includes ideas from the New Century Jobs Summit held in October 2012, in commemoration of New Mexico's 100th year, where participants from a variety of sectors developed short and long-term goals to transition the state from one dependent on federal spending to one that is diverse and supports jobs for the "new century" in a variety of industries. In addition to focusing on innovation, the plan also covers rural economic development,

PERFORMANCE MEASURE	FY14 TARGET	MIDYEAR RESULTS
Percent of performance measure targets in the General Appropriations Act that were met	85%	Annual
Total number of jobs created due to New Mexico Economic Development Department efforts	2,500	1,144
Total number of rural jobs created	1,250	459
Total number of urban jobs created	1,250	685

building the state's Borderplex and logistics industry, creating a one-stop business resource center, becoming a center of excellence in water research, workforce development, film and emerging media and recruiting new industry to the state.

NEW MEXICO BORDERPLEX

In August of 2013, Governor Susana Martínez and Cabinet Secretary Barela joined Chihuahua Governor César Duarte in announcing the creation of a 70,000 acre, first-of-its-kind, bi-national, master-planned community around the Santa Teresa–San Jeronimo border crossing.

The community has major industrial anchors on both sides of the border – the Union Pacific Intermodal Rail Facility in Santa Teresa and the 640 acre Foxconn manufacturing campus in San Jeronimo, Chihuahua. It will be positioned to attract large, global industrial and commercial businesses, include residential and retail development and incorporate state-of-the-art energy, water and sustainability technologies.



Governor Martínez speaks at Southwest Steel Coil in Santa Teresa, New Mexico. Cabinet Secretary Barela is seated at right.

The Bi-National Community is the model of cross-border development, incorporating the largest inland port to facilitate economic development by consolidating a new industrial, commercial and residential community at the San Jeronimo-Santa Teresa border crossing.

Since the Martínez Administration took office, international exports from New Mexico have doubled and trade to Mexico has hit record levels for the past two years and will set another record this year. Also, numerous companies have located in New Mexico's border region with Mexico and have created several thousand jobs in the state.

ECONOMIC DEVELOPMENT DIVISION (EDD)

EDD has assisted in the creation of 575 jobs via business expansions toward its target of 600. Twenty-five companies have received workforce training funding from JTIP, including seven in rural communities. The Finance Development Team helped two companies identify and secure financing: the Blue Heron Tap Room in Española and Duel Brewing in Santa Fe. Nine Angel Investment Tax Credits have been approved in FY14.

Job Training Incentive Program (JTIP)

The JTIP team continues to market the program to technology-intensive companies in order to create high-wage career opportunities for New Mexicans. In FY14, fifteen of the companies approved for JTIP are technology intensive. JTIP also remains committed to funding training for rural jobs: seven rural companies have participated in JTIP so far in FY14, and twenty-five companies in total have received JTIP funding. The average wage for JTIP trainees in Q1 and Q2 of FY14 was \$22.91.

The JTIP team also rolled out an online application through Salesforce.com. The online application allows JTIP applicants to build their JTIP proposal completely online. JTIP staff has the ability to assist in the process by reviewing draft applications and providing feedback online throughout the process. JTIP staff is fine-tuning the online application process and has begun to develop online reporting and claim processing tools for active JTIP participants with the Salesforce contractor.



(l-r) Doris Higginbotham, president of Canon Information Technology; Albuquerque Mayor Richard J. Berry; Governor Martinez and Cabinet Secretary Barela at announcement of new Canon IT Customer Support Center, scheduled to begin operations in Albuquerque in April of 2014.

Finance Development Team

The Finance Development Team assists in the structuring and financing of business start-ups, expansions and/or relocations on a statewide basis and assists New Mexico communities in accessing capital outlay funding to create new jobs.



Governor Martinez and Cabinet Secretary Barela at ribbon cutting ceremony for the newly expanded Roswell Rail Spur.

In September 2013, Governor Martinez and Cabinet Secretary Barela participated in a ribbon cutting ceremony for the newly-expanded Roswell Rail Spur. Last year, the New Mexico Economic Development Department awarded \$99,000 in Local Economic Development Act (LEDA) funds for the repair and expansion of the tracks. The City of Roswell contributed \$101,000 in matching funds and \$70,000 of in-kind services were donated by Xcel Energy and Southwestern Railroad to complete the project. This helped save 17 jobs, create two, and will lead to the potential creation of new jobs as the new spur will allow for private access of the tracks for the loading and unloading of goods.

The Angel Investment Tax Credit assists private investors to help startup companies with access to capital. In FY14 to date, eight companies have benefited from investors investing in their companies. Governor Martinez proposed increasing the investment threshold, allowing for greater private investment in small New Mexico start-ups.

New Mexico MainStreet (NMMS)

NMMS currently serves 47 communities through its multiple programs throughout New Mexico after the addition of four emerging communities in FY14. During the first half of the fiscal year, NMMS received proof of how critical it is to creating an economically viable business environment while preserving local, cultural and historic resources.

In December 2013, Secretary Barela and NMMS hosted a presentation on the findings of a study evaluating the economic impact of the program over the past 28 years. PlaceEconomics, a Washington D.C. based real estate and economic development consulting firm, found strong data indicating that New Mexico MainStreet had above-average gains. Key findings include that for every \$1 the State of New Mexico invested in the MainStreet program, MainStreet districts have seen private sector investment of \$21.89 in building rehabilitation and \$22.55 in new construction; and since the beginning of the program in 1986 through July of 2013, New Mexico MainStreet communities have seen a gain of 3,200 net new businesses and nearly 11,300 net new jobs.

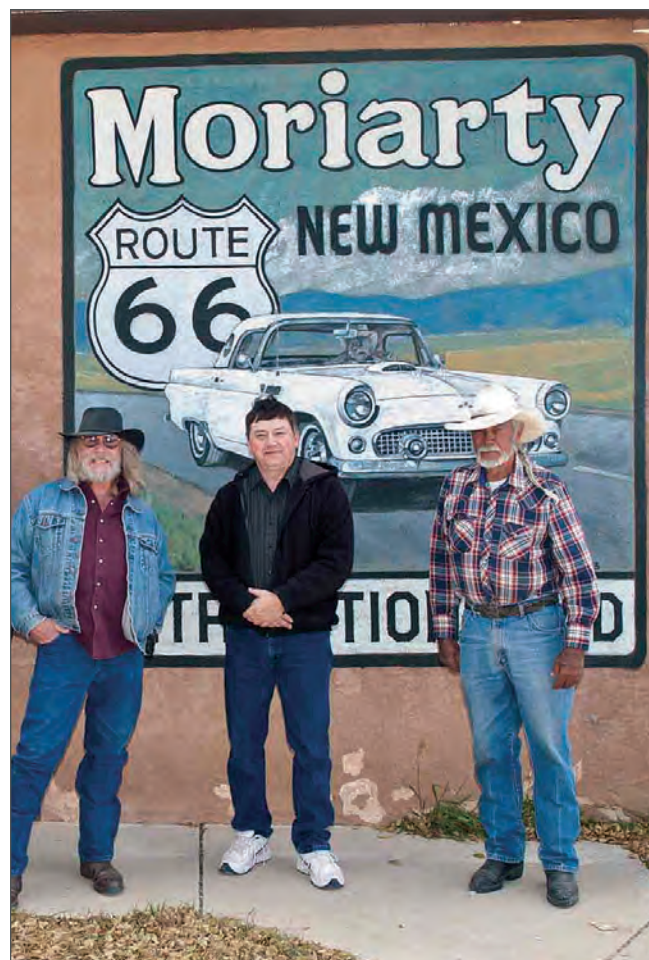


Governor Martinez and Cabinet Secretary Barela (speaking) at announcement of PNM grants to eight NMMS organizations, including Nob Hill MainStreet.

Governor Martinez, Cabinet Secretary Barela and PNM President and CEO Pat Vincent-Collawn also announced in December that PNM will provide \$122,000 in grants to eight New Mexico MainStreet organizations. Those communities are: **Downtown Albuquerque, Clayton and Union County, Belen, Village of Corrales, Deming Downtown Historic District, MainStreet de Las Vegas, Silver City and Nob Hill MainStreet.**

Frontier Communities

Governor Susana Martinez announced in August that seven rural communities in New Mexico were awarded technical assistance and services from the newly-created **Frontier Communities Initiative**. Signed into law by Governor Martinez in April 2013,



New mural dedication in Frontier Community Historic Route 66 (Moriarty section).

the Initiative is a community economic development partnership coordinated through the New Mexico Economic Development Department's New Mexico MainStreet Program. The following communities were selected to receive assistance from the Frontier Communities Initiative:

- **Carrizozo** – Branding and image development of their historic village commercial center
- **Columbus** – Restoration of the gazebo on the historic village plaza
- **Hurley** – Streetscape in the historic commercial town corridor
- **Madrid** – Business and Entrepreneur development for the historic village core
- **Historic Route 66 (Moriarty section)** – Design pedestrian safety and infrastructure improvements
- **Santa Clara** – “Wayfinding” and image development for the historic village center
- **Wagon Mound** – Facade improvements in the historic village

Arts and Cultural Districts

For the first time since 2009, the New Mexico Arts Commission authorized three new Arts & Cultural District (ACD) programs. **Mora, Gallup and Artesia** were selected after a competitive application and review process. They join Las Vegas and Silver City, authorized in 2007, and Central Arts in Albuquerque, Los Alamos, Raton and Taos, authorized in 2009.



Gallup was selected as one of three new Arts and Cultural Districts by the New Mexico Arts Commission in November, 2013.

Office of International Trade

Using funds from an SBA STEP Grant, the Office of International Trade has provided training and support for four foreign trade missions. The grant provided resources to organize, coordinate, and recruit companies for participation in international trade missions, trade shows and other trade events designed to gain exposure to new clients and establish effective product distribution networks overseas.

Office of Business Advocacy

The Office of Business Advocacy (OBA) enables business owners to break through regulatory roadblocks and red tape. It helps to navigate state government by providing assistance with permitting, licenses, inspections, and taxation issues. It also resolves challenging bureaucratic, intergovernmental, and public policy problems adversely affecting business in New Mexico. The goal is to improve the business climate to facilitate the retention and expansion of New Mexico companies of all sizes, some that would not otherwise be able to hire an attorney, accountant, or lobbyist to resolve their issues with state government. In the first half of FY14, the OBA opened 47 new cases and solved 31 cases.



Cabinet Secretary Barela and Governor Martinez at Twin Cities and W. Silver Recycling jobs announcement in Santa Teresa.

NEW MEXICO FILM OFFICE (NMFO)

The independent film *The Reach* starring Michael Douglas was produced in Farmington and Shiprock in mid-September through late October, 2013. The production employed 160 New Mexico crew members and 60 New Mexico actors and extras.

The New Mexico Film Office has announced eight major film productions through the midpoint of FY14. The FY14 mid-year total of direct spend by film and media industry productions is \$55.3M. New Mexico has seen increasing competition in forty-two other states as well as other countries; however, New Mexico is now considered one of the most competitive in the recruitment of television series.



Robert Taylor, star of the A&E television series Longmire, filmed in New Mexico. Photo courtesy of Horizon Scripted Television, Inc.

Cover photos, clockwise from top left:

1. Governor Susana Martinez, Cabinet Secretary Jon Barela and Rob Perry, Chief Administrative Officer, City of Albuquerque, at Prime Therapeutics jobs announcement in Albuquerque. Photo by Eric Williams.
2. Governor Martinez and Cabinet Secretary Barela at ribbon cutting ceremony for the newly expanded Roswell Rail Spur.
3. New Mexico MainStreet Director Rich Williams (left) at mural dedication in recently designated Frontier Community Historic Route 66 (Moriarty Section).



1100 South St. Francis Dr. Santa Fe, NM 87505-4147 505.827.0300 800.374.3061 www.goNM.biz

This brochure is for illustrative purposes only and is intended to provide a general review of programs and policies described. It is not a contract.

(c) 2014 New Mexico Economic Development Department