



EDD

ECONOMIC DEVELOPMENT DEPARTMENT

FY25 BUDGET REQUEST & PRIORITIES

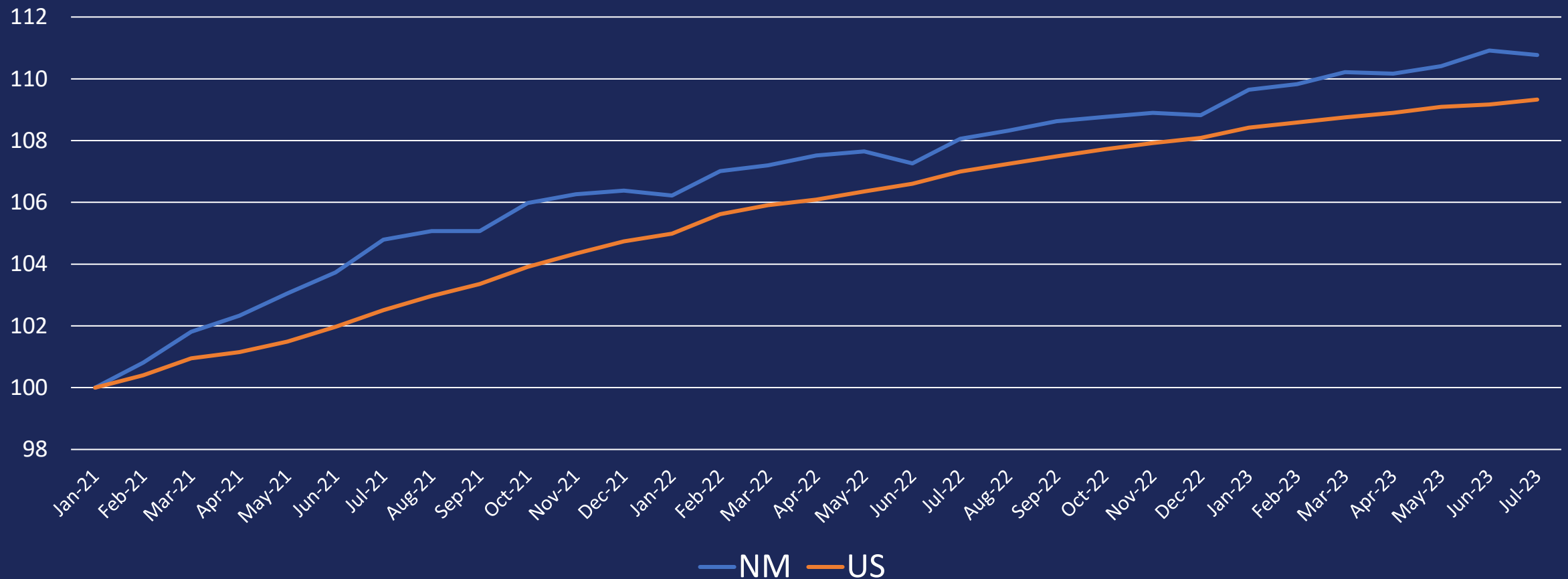
Presentation to the
House Appropriations & Finance Committee
January 12, 2024

Mark Roper, Acting Cabinet Secretary
Amber Dodson, Director, New Mexico Film Office
Karina Armijo, Director, Outdoor Recreation Division

Strong Job Growth



MONTHLY EMPLOYMENT: Index, January 2021 = 100



New Mexico Leads the Nation in Wage Growth*

JTIP Average Wage	
YTD FY24	\$30.34
FY23	\$29.02
FY22	\$23.67
FY21	\$19.22
FY20	\$19.32

LEDA Average Salary	
YTD FY24	\$58,810
FY23	\$46,063
FY22	\$68,447
FY21	\$79,034
FY20	\$53,916

Top 10 States	
New Mexico	6.5%
West Virginia	6.1%
Washington	4.9%
North Dakota	4.9%
Colorado	4.8%
Wyoming	4.6%
Montana	4.4%
Virginia	4.3%
Florida	4.3%
Mississippi	4.3%



EDD and DWS collaborated with Intel on a hiring event in August 2023 which drew over 1,100 applicants.

*Percent change in average weekly wages by state, total covered, June 2022 to June 2023 (Source: US Bureau of Labor Statistics)

Investing in a Stronger Economy



FY24 GF	FY25 Budget Recommendations GF		Difference	GF Percent Increase
	Executive	LFC		
19,875.3	23,683.8*	23,025.6*	658.2	




Both totals include Legacy Fund (1875.0) in ORD

INCREASES TO BASE BUDGET:

- ❖ Three FTEs for the Economic Development Division (LFC – one FTE)
- ❖ Two FTEs for the Film Division & Media Arts Collective (LFC - one FTE for Film Office)
- ❖ One FTE for Creative Industries (both)
- ❖ \$300K Media Arts Collective operations (LFC - \$0)
- ❖ \$500K Creative Industries grants (LFC - \$200K)
- ❖ \$100K Restore the NM Partnership budget to \$1M (LFC - \$0)
- ❖ \$67.3K increase in fixed costs (both)

SPECIAL APPROPRIATION REQUESTS

	Executive	LFC
LEDA	\$25M	0
JTIP	\$3M	0
Media Arts Collective (thru 2026)	\$4M	0
Clean Energy Marketing	0	0
International Business Attraction	\$1.5M	0
High-Tech Startup Grants	\$2M	0
Healthy Food	\$1M	0
NSF State Match	\$20M	0
ORD Trails+ Grants	0	\$10M



No Maxeon Solar
No Intel expansion
No assistance for
Noisy Water Winery



LEDA balance = \$18M

Potential project in coming months = \$12M

Pipeline of projects = \$65M

LEDA: Return On Investment (ROI)



- ❖ EDD annually collects actual real-time data from LEDA recipients.
 - ❖ This data is compared to the projected numbers.
 - ❖ Fiscal return on investment includes GRT, PIT, and CIT for the state and GRT and property tax for local governments.
 - ❖ These numbers are compared with LEDA and the sum of all incentives invested.
 - ❖ Incentives include LEDA, JTIP, High Wage and Rural Jobs Tax Credits, and the Manufacturers' Investment Tax Credit.
- LEDA fiscal ROI to the State = 35%
 - All incentives fiscal ROI to the State = 9%
 - LEDA fiscal ROI to the city, county, and state = 320%
 - All incentives fiscal ROI to the city, county, and state = 232%



Rural Impact

- Arcosa Wind Towers
- Little Toad Creek Brewery & Distillery
- Taos Pueblo Economic Development Center
- Syzygy Tile
- Franklin Mountain Packaging
- Hota Industrial Manufacturing

Arcosa Wind Towers

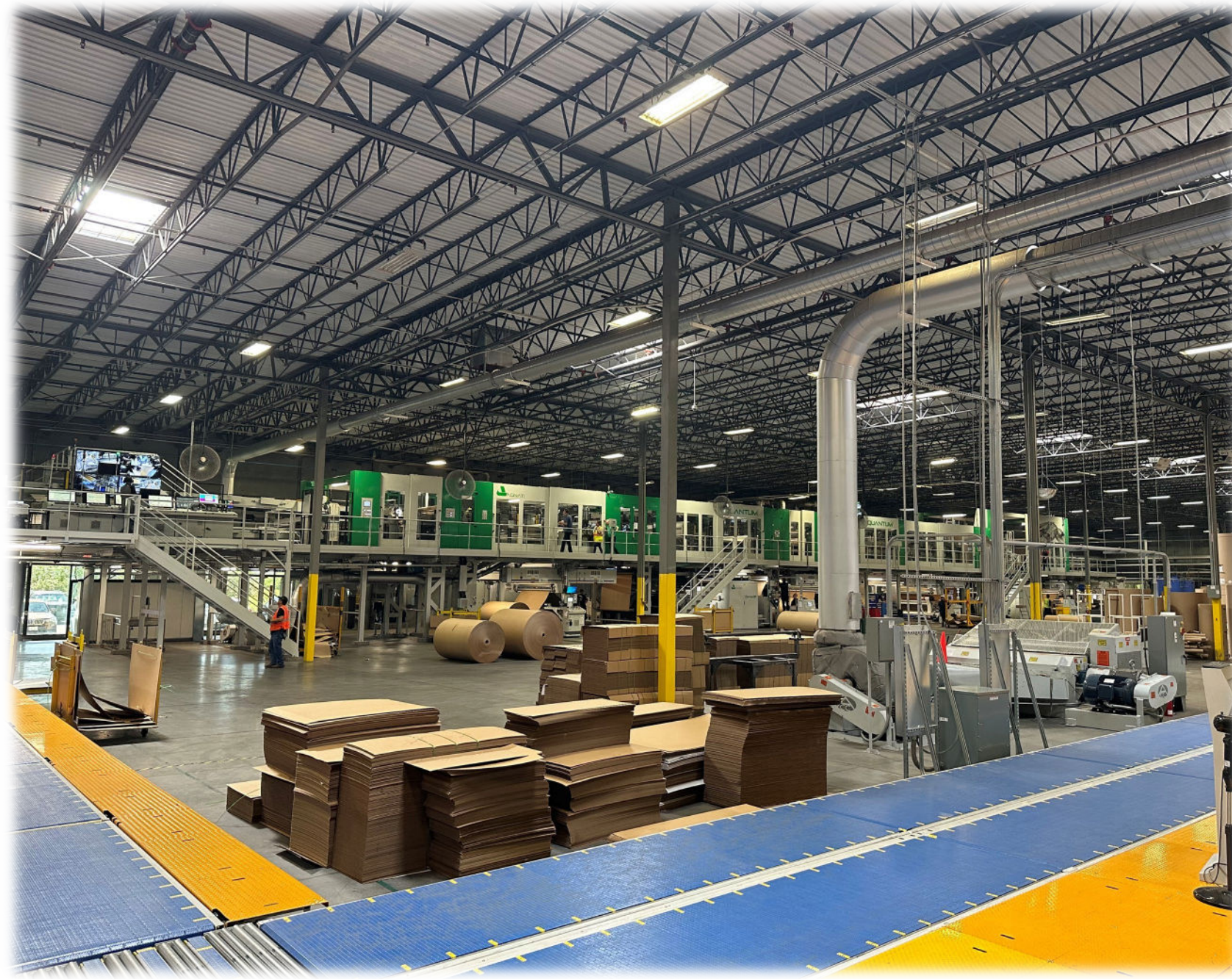
Dallas-based Arcosa, Inc. will operate a wind tower production facility in Belen

- 250 new jobs
- Average salary = **\$50K**
- Annual payroll = **\$12.5M**
- 10-year Economic impact of **\$314M**
- Private investment = **\$60M**
- LEDA investment = **\$4M**



Little Toad Creek Brewery & Distillery

- 3 Locations
 - Silver City
 - Las Cruces
 - Deming
- Assistance from LEDA & JTIP
- **32** total production jobs
- Private investment of **\$4.8M**



Franklin Mountain Packaging

Expanding in Santa Teresa

- Assisted by LEDA & JTIP
- **60** new jobs
- Private investment of **\$8.2M**
- Annual payroll = **\$2.1M**

Taos Pueblo Economic Development Center

Second LEDA Investment on Tribal Land

- Heritage Center & Gateway to the Pueblo
- LEDA infrastructure investment of **\$2.5M**
- Private investment of **\$5.7M**
 - Marriott Hotel(s)
- **100** new jobs



New Mexico is the destination for global business.



Businesses expanding to New Mexico

Maxon Solar, Singapore: 1,800 jobs

Hota Industrial, Taiwan: 350 jobs

Mtex Antenna, Germany: 62 jobs

Star Scientific, Australia: 200 jobs





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Australian hydrogen company outlines US expansion in New Mexico, touts research

NEWS

 Alexandra Taylor  October 26, 2023

SANTA FE, N.M. — An Australia-based company plans to build a campus in New Mexico to expand its research into hydrogen fuel as a heat source for industry, touting a proprietary chemical process without greenhouse gas emissions.



Hota Industrial Manufacturing

Taiwanese company purchased a 30-acre parcel in Westpark Industrial Park, in Santa Teresa

- Hota manufactures gears for automotive OEMs
- **350** new jobs
- Private investment of **\$71.8M**
- Annual Payroll = **\$18.8M**

Singapore-based **Maxeon Solar Technologies** will build a 1.9 million SF complex at Mesa del Sol

1st commercial-scale solar cell manufacturer in the US

Construction will begin in early 2024 on a 160-acre site. The facility will include solar cell fabrication, panel assembly, warehouse, R&D lab, and offices.

- **1,800** new jobs
- **\$2.4B** private investment
- **\$4B** economic impact over ten years

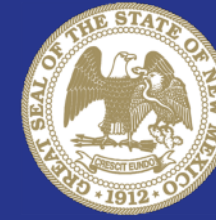


mtex Antenna Technology USA

German antenna and telescope technology company will open a facility in at the Sandia Science & Technology Park in Albuquerque to fulfill obligations to North American customers, including the National Radio Astronomy Observatory (NRAO) and the Smithsonian Astrophysical Observatory in Cambridge, MA.

- ❖ **62** new jobs
- ❖ **\$16M** private investment
- ❖ 10-year economic impact = **\$182M**
- ❖ Average salary = **\$98,297**
- ❖ LEDA investment of **\$1M**





ED Division Budget Request

Economic Development (P512)	FY24	FY25 Budget Recommendations		Difference
		Executive	LFC	
200 Personnel	2,870.5	3,169.0	3,381.0	212.0
300 Contractual	1,709.0	1,709.0	1,709.0	0
400 Other Costs	8,502.7	8,502.7	8,502.7	0
TOTAL	13,082.2	13,380.7	13,592.7	212.0

Additional FTEs		
	Executive	LFC
MainStreet	0	1
Assistant Team Lead for Reps	1	0
Office of Strategy, S&T	1	0
Healthy Food	1	0

400 Other:

- 3% of fixed costs
- No JTIP base increase

The New Mexico Healthy Food Financing Initiative

FY23 Projects



Investing in NM food supply chain capacity & resiliency through the intersection of economic development and food security for New Mexicans

FY 2023

- 73 applications; total amount requested \$4,884,122.14
- \$510K in 13 competitive grants awarded to a range of food enterprises across the state
- Grant Agreements close Dec. 31, 2023

FY 2024 - Application closed Nov. 13th - under review

- \$950K in funding
- 85 applications; total amount requested \$6,595,889.80
- Prioritizing food retail, aggregation/distribution, processing, NM Grown production

FY 2025

- Shift \$1M in funding from DFA Hunger Initiative to NM EDD.

Executive	LFC
\$1,000,000	\$0

Film Division Budget Request

Film (P514)	FY24	FY25 Budget Recommendations		Difference
		Executive	LFC	
200 Personnel	876.2	1,147.6	975.7	(171.9)
300 Contractual	753.4	1,053.4	753.4	(300.0)
400 Other Costs	78.9	79.6	79.6	0
TOTAL	1,708.5	2,280.6	1,808.7	(471.9)

200 Personnel:

- Two FTEs: \$\$ for one unfunded position and 1 FTE for the Film Division (LFC recommends one FTE for Film Division only)

300 Contractual: \$300.0 Media Arts Collective operations (LFC - \$0)

400 Other: 3% of fixed costs



Program Support Budget Request

Program Support (P526)	FY24	FY25 Budget Recommendations		Difference
		Executive	LFC	
200 Personnel	2,418.0	2,518.0	2,518.0	0
300 Contractual	1,023.3	1,123.3	1,025.5	(97.8)
400 Other Costs	682.0	684.5	684.5	0
TOTAL	4,123.3	4,325.8	4,228.0	(97.8)

200 Personnel: \$100.0 Realign budget from P512
300 Contractual: \$100.0 NM Partnership (LFC - \$0)
400 Other: 3% of fixed costs

Outdoor Recreation Budget Request



Outdoor Recreation (P708)	FY24	FY25 Budget Recommendations		Difference
		Executive	LFC	
200 Personnel	358.1	358.1	358.1	0
300 Contractual	125.0	125.0	125.0	0
400 Other Costs	692.0	692.5	692.0	(0.50)
TOTAL	1,175.1	1,175.6 +1,875.0*	3,050.6*	(0.50)

400 Other:

- 3% of fixed costs

*\$1,875.0 from the Legacy Fund

ORD HIGHLIGHTS:

Trails+ Grants (Q1 FY24)

- ❖ \$2,360,289 awarded to 20 projects generating an additional \$1,953,453 in private investment and supporting 250 new outdoor recreation jobs.

Outdoor Equity Fund

- ❖ \$1,741,499 awarded supporting 54 organizations that will reach 20,892 New Mexico youth.
- ❖ Over 58,000 youth have participated in Outdoor Equity Fund grant programs since its inception in FY21.

Creative Industries Budget Request



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Creative Industries (P709)	FY24	FY25 Budget Recommendations		Difference
		Executive	LFC	
200 Personnel	0	146.1	146.1	0
300 Contractual		0	0	0
400 Other Costs	0	500.0	200.0	(300.0)
TOTAL	0	646.1	346.1	(300.0)

200 Personnel:

- One FTE for the Director position (Executive and LFC)
- \$500K for grants (LFC - \$200)



Mark Roper
Acting Cabinet Secretary
Mark.Roper@edd.nm.gov
575.562.0327



Karina Armijo
Outdoor Recreation Division Director
Karina.Armijo@edd.nm.gov
505.690.7897



Amber Dodson
Film Office Director
Amber@nmfilm.com
505.476.5600