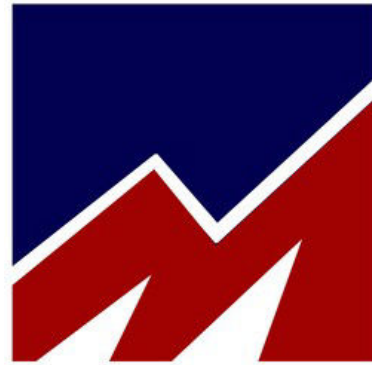




# EDD

ECONOMIC DEVELOPMENT DEPARTMENT



GOVERNOR'S CONFERENCE ON

# Economic Development

September 12, 2023

A photograph of a two-story adobe house with a covered porch. The house has a light-colored stucco finish and several windows with dark wood frames. A decorative geometric pattern is visible on the wall to the right of the porch. The house is set against a clear blue sky.

## OUR MISSION:

Improve the lives of New Mexico families by increasing economic opportunities and providing a place for businesses to thrive.

## OUR PHILOSOPHY

- Invest in disruptive research and innovative companies
- Train New Mexicans for 21<sup>st</sup> Century jobs
- Plan for the next 20 years: targeted growth and economic diversity
- Devote special attention to underserved areas

# Office of the Secretary

- Economists
- Communications & Marketing
- Justice, Equity, Diversity & Inclusion
- General Counsel
- Food & Hunger Agricultural Specialist

## *Administratively Attached Agencies*

Border Authority

Office of Military Planning & Support

Spaceport Authority

Administrative  
Services  
Division

Film Office

Outdoor Recreation  
Division

## Economic Development Division

- Community, Business & Rural Development
- MainStreet™
- JTIP
- Office of Strategy, Science, & Technology
- Office of International Trade

# JEDI: Justice, Equity, Diversity & Inclusion



The JEDI Office staff works to directly address systemic inequities and barriers to entry for New Mexican entrepreneurs and creates and supports programming and business tools to aid the growth of socially and economically disadvantaged businesses.

- Connect minority-owned businesses and community organizations to economic development programs, resources, and opportunities.
- Advocate for historically underrepresented businesses (i.e. Minority, BIPOC, Rural, underserved)
- Help business owners navigate working with the department, state agencies, and more
- Promote accessibility and awareness across department services and divisions
- Support industry growth and exploration for businesses interested in or part of Film, Outdoor Recreation, and Science and Technology sectors
- Business incubator/accelerator certification and expansion (program started in 2005)

[EDD.NewMexico.gov/business-development/jedi/](http://EDD.NewMexico.gov/business-development/jedi/)

# Economists Track Real Growth



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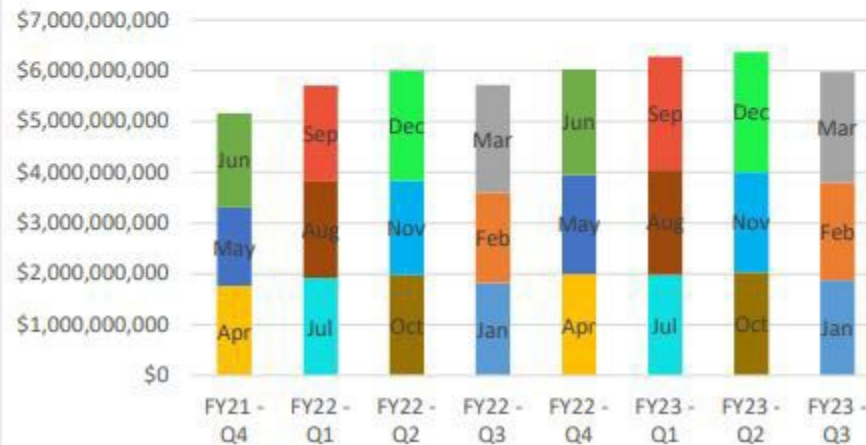
## Quarterly Economic Summary Bernalillo County

Released: June 2023

Prepared by: Joel Salas, Economist; Ryan Eustice, Economist



Chart 1. Matched Taxable Gross Receipts Per  
Quarter



In the third quarter of FY23, 26 of 33 counties saw year-over-year economic growth, averaging 12% growth statewide in matched taxable gross receipts. State gross receipts decreased from the second quarter of FY23. This, however, follows the seasonal trend that the state has experienced historically in Q3. As growth in New Mexico continues, national concerns remain regarding inflation and rising interest rates while labor markets continue to adjust post pandemic.



# EDD Target Industry Sectors



Aerospace



Film & Television



Outdoor Recreation



Biosciences



Global Trade



Sustainable & Green Energy



Cybersecurity



Intelligent Manufacturing



Sustainable & Valued-Added Agriculture

# What is LEDA?

- LEDA is the **Investment** of public monies into a private company to offset costs associated with land, building and infrastructure
- LEDA is an exception to Article 9 Section 14 of the New Mexico Constitution allowing such investments for the **purpose of economic development** and job creation
- LEDA requires that there is sufficient economic impact (**return on investment**, or ROI) to offset the public investment
- LEDA **requires security** (collateral) equal to the amount of the grant award for the purpose of securing clawbacks

# How Does LEDA Work?

- LEDA is a discretionary incentive, the amount of investment is at the discretion of the **Executive (Governor)**
- LEDA is sometimes described as the **deal closing fund**
  - LEDA allows for public monies to be used to reimburse a company for expenses such as land, building and infrastructure (nothing that can be moved out of NM)
- All LEDA projects require a **Project Participation Agreement** (contract)
  - Made between the public entity and the company outlining the company's investment, job creation, capital investment and public investment
  - Including how clawbacks may be applied
- LEDA may only be used for qualified companies in **an economic base sector**



# What is the Benefit?

Annually the New Mexico Economic Development Department updates the LEDA project data with **actual numbers**

This allows for two things to happen:

1. Determine how the project is moving forward compared to projections
2. Determine the actual return on the investment

# What is the Benefit?

## Examples

- Urban project over 6 years
  - \$125,000 LEDA investment
  - Total public fiscal impact  
\$943,290
  - ROI 655%
- Rural project 5 years
  - \$75,000 LEDA investment
  - \$26,920 in other incentives
  - Total public fiscal impact  
\$223,555
  - ROI 119%



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

*1<sup>st</sup> 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
- **\$18M** LEDA investment
- **\$97.5M** annual payroll

# Electronic Caregiver

*Las Cruces telehealth company  
undergoes major expansion on Main  
Street*

- **770** new jobs
- Average salary = **\$53K**
- Annual payroll = **\$40.8M**
- 10-year Economic impact of **\$843M**
- Private investment = **\$17.5M**
- LEDA investment = **\$1M**





# Universal Hydrogen

*Manufactures hydrogen storage modules and airplane retrofit kits toward a carbon-free aviation industry*

- **500** new jobs
- Average salary = **\$51,500**
- Annual payroll = **\$25.7M**
- 10-year Economic impact of **\$700M**
- Private investment = **\$254M**
- LEDA investment = **\$10M**





# Intel

Hiring event August 26 in collaboration with EDD & DWS drew over 1,100 applicants

## *Expansion only:*

- **700** Permanent jobs
- Average salary of **\$140K**
- 10-year Economic impact of **\$3.6B**
- Private investment of **\$3.5B**
- LEDA investment of **\$5M**
- **\$14M in GRT sharing** from New Mexico & Sandoval County





# Rural Impact

- Arcosa Wind Towers
- Little Toad Creek Brewery & Distillery
- Louisiana Pepper Exchange
- Oro LLC
- Franklin Mountain Packaging
- Geobrugg North America



# 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**



# LEDA Rural Infrastructure Fund

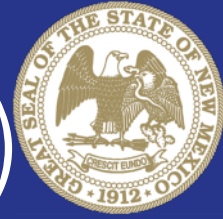


## 5 Projects To-Date

- A waterline at the **Moriarty City Airport** - \$283,000
- \$2.135M for the **Clovis Regional Airport** water transmission extension project
- **Town of Taos** received \$1.7M for a water distribution extension to the Taos Regional Airport
- \$1.8M to extend a natural gas line 11 miles to the **San Juan County Industrial Park**
- \$4M to **McKinley County** for infrastructure development in a 40-acre master-planned industrial park



# JTIP (Job Training Incentive Program)



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## JTIP Overview

JTIP reimburses qualified companies for a portion of expenses associated with training new employees in newly created positions.

- Wage reimbursement for the first 2-6 months on the job at base reimbursement rates depending on location:
  - Urban 50%; Rural 65%; Frontier 75%; with possibility of up to additional 15% reimbursement
- Up to \$6,000 per trainee for customized training at NM Higher Education Institutions
- JTIP eligibility opens up eligibility for the High Wage and Rural Job tax credits.

# JTIP Process



## ■ JTIP Staff at EDD

- Determines company eligibility and strategizes timing of application to align with company hiring needs and board meeting schedule
- Provides hands-on technical assistance with online application, which includes a 6-month hiring projection, job descriptions, training plans, budget, and company financials
- Provides ongoing technical assistance with one-year project administration post board approval

## ■ JTIP Board

- Establishes program policy
- Reviews and votes on funding requests monthly
- Assures funds are expended in accordance with NM law

# Finance Development



## STATE SMALL BUSINESS CREDIT INITIATIVE

- ~\$74.5 million ARPA funding to help small business with debt and/or capital
  - \$64.5 million venture capital
  - \$9 million to fund Collateral Assistance Program (CAP)
    - CAP pledges a certificate of deposit as additional collateral to incentivize lenders to extend credit to small businesses.
- \$1.6 million Technical Assistance allocation (2024) to fund assistance to businesses for:
  - Legal
  - Accounting
  - Financial Advisory Services

## OPPORTUNITY ENTERPRISE REVOLVING FUND

Created by the New Mexico Legislature in 2022, the Opportunity Fund provides financing for spec building or renovation projects to increase the inventory of commercial space that will:

- Attract businesses to New Mexico
- Allow existing businesses to expand their operations
- Achieve economic benefits for the state



# COMMUNITY, BUSINESS & RURAL DEVELOPMENT

*This Team of **Economic Development Professionals** work one-on-one with New Mexico businesses and communities assisting them in accessing all of EDD's resources.*

Team Leader: Jennifer Myers

Region 1:

- Lorraine Ruggles (Bernalillo Office)
- Keegan Mackenzie-Chavez (Gallup)

Region 2:

- Peter Mitchell (Santa Fe)
- Paige Ryan (Santa Fe)

Region 3: (ABQ+)

- Yuriria Morales
- Beth Waldrip

Region 4:

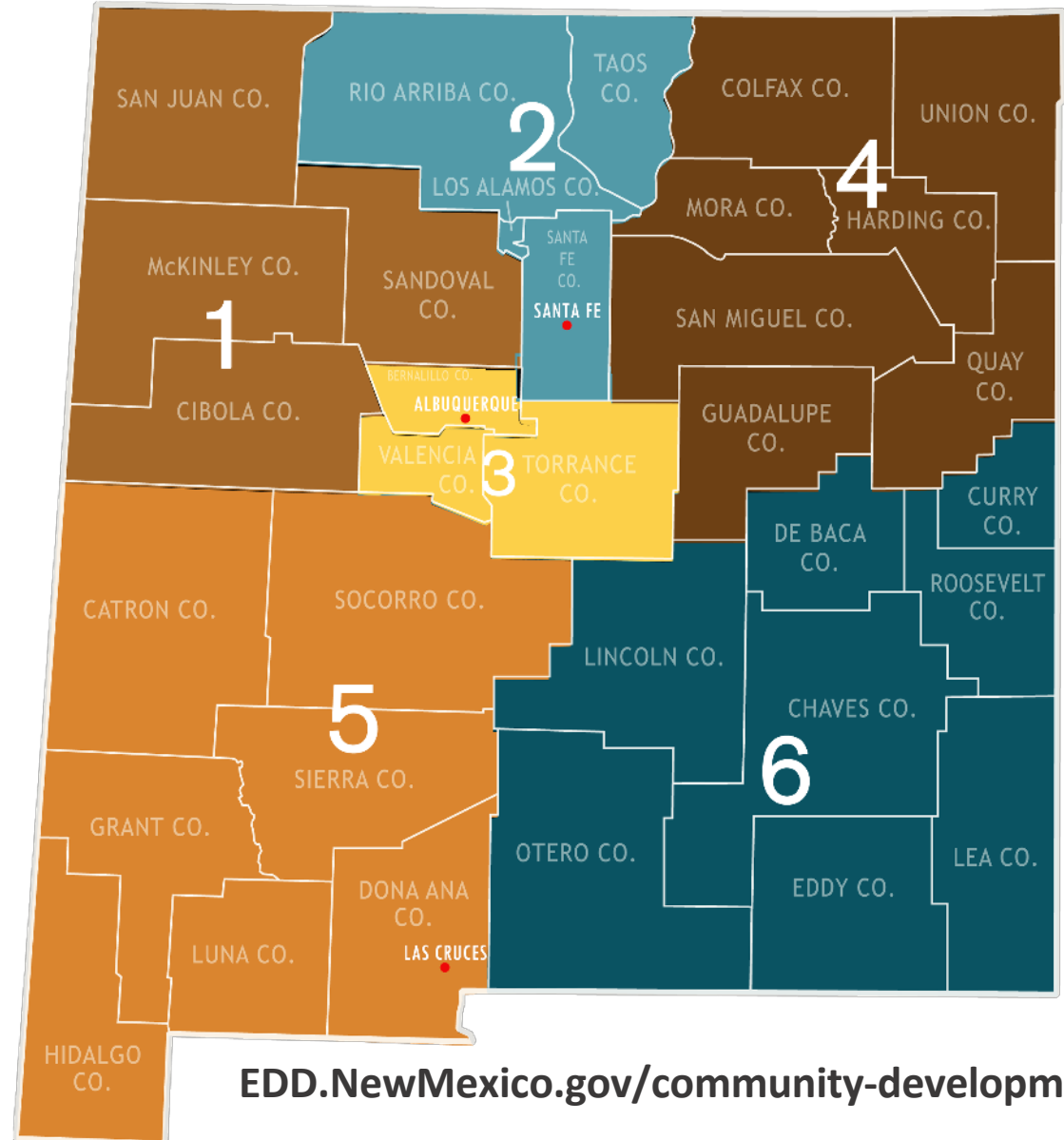
- Tim Hagaman (Mora)

Region 5:

- Louise Marquez (Las Cruces)
- Julia Brown (Las Cruces)

Region 6:

- Jim Lucero (Portales)
- Kevin Wilson (Roswell)



[EDD.NewMexico.gov/community-development](http://EDD.NewMexico.gov/community-development)

# New Mexico

## MainStreet™ (NMMS)

SINCE 1985

- Frontier & Native American Communities
- Urban Neighborhood Commercial Corridor
- Arts & Cultural Districts
- New Mexico Historic Theaters

- 30 Accredited Districts
- 10-Year Performance Metrics (FY2014-FY2023)
  - Private sector investment = **\$228.3M**
  - Private building rehabilitations = **2,520**
  - Net new businesses & business expansions = **1,630**
  - Net new jobs = **6,011**
  - Volunteer hours = **333,270**



## Office of Strategy, Science, & Technology (OSST)

Expanded OSST office with additional staff to increase support capacity for industry & entrepreneurs

Adding **Entrepreneurship Coordinator** to serve as point of contact statewide

C-PACE Program materials now available to counties for opting-in

- ❖ The Commercial Property Assessed Clean Energy (C-PACE) Program provides eligible property owners with access to long-term fixed-rate financing for a range of energy efficiency, renewable energy, water efficiency, and resiliency improvements
- ❖ Counties must pass enabling ordinance – program materials, including sample ordinance language, now available on EDD website
- ❖ EDD RFP currently open for third-party program administrator

New Mexico is a finalist for two major federal funding awards:

- ❖ National Science Foundation Regional Innovation Engine: Space Valley Coalition
- ❖ Department of Energy Regional Clean Hydrogen Hubs: Western Interstate Hydrogen Hub (WISHH)



# International Trade

## SBA STEP Grant Program

- Grants up to \$7,500
- Participation in a foreign trade show or foreign trade mission
- Global website optimization
- International market research & business matchmaking
- Foreign product registration

*STEP Trade mission to Bucharest in September*



### Taipei Office

**FDI:** 3 companies have located at the Borderplex

# Film Office

## FY23 Metrics:

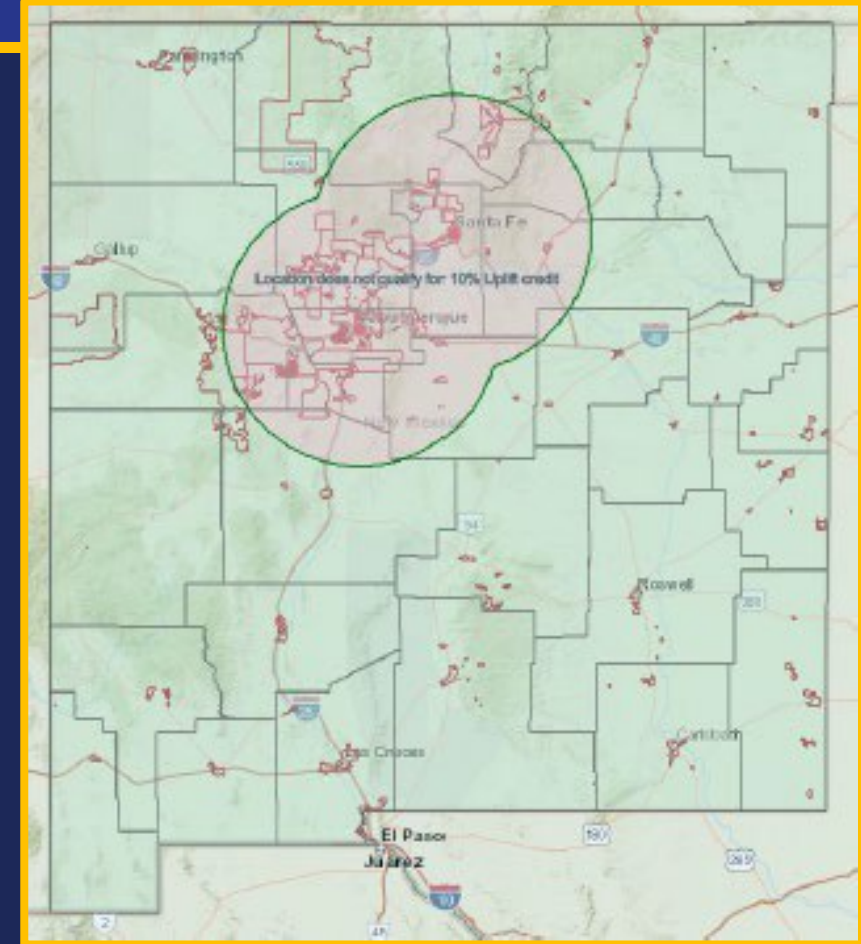
- 82 productions
- Average NM production budget = \$9.6M
- Direct spend = \$794.1M
- Estimated 8,000 jobs
- Total wages paid to New Mexicans = \$152.2M
- Median wage = \$73,860



County	Notable Productions
Chaves	Baron and Toluca, Lonesome Soldier
Colfax	Peace River
Dona Aña	Knight, The Locksmith, Wanted Man
Eddy	Wild West
Grant	Talwag NM Tourism
Lincoln	Best Man, 13 Fanboy
Los Alamos	The Brave Season 1
Luna	Creed 2
McKinley	Dark Winds, Silt, Belly Encounter
Otero	Chalk Hill, Infraction
Quay	Next Exit
Rio Arriba	Sojourn
San Juan	Canyon del Muerto
San Miguel	Land of Dreams
Sandoval	Carousel
Sierra	The Warm Season, Cop/Killer
Socorro	The Explosion Show
Taos	Successful Outlaw
Torrance	Messiah
Valencia	Day at the Armory



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Productions have spent more than \$100M in the **Uplift Zone** over the last 5 years.



# Outdoor Recreation Division

[www.nmoutside.com](http://www.nmoutside.com)

## IMPACT

- New Mexico's outdoor economy contributed **2.1% (\$2.3 billion)** to the state's GDP.
- It **employed 28,475** New Mexicans (3.4% of total employment), with **\$1.2 billion in income**.
- State **jobs in outdoor recreation have grown by 18.2%** since 2020 (**5<sup>th</sup> in the nation in job growth**).
- Statewide, **outdoor recreation income has grown 17.3%** since 2020, compared to a 16.2% increase for the U.S.

*(2021 data from the US Bureau of Economic Analysis)*

- **Outdoor Equity Fund:** \$2M in grants to 129 organizations since April 2019
- Outdoor Rec **Accelerator Grants:** 3 grants awarded – 70 businesses trained to-date; new round in 2023
- Outdoor Recreation **Trails+ Grants:** \$7M to 90 projects since it began; 500 new employment opportunities created
- Invested \$297,000 in **Rio Grande Trail Projects**





# EDD FY25 Budget Request



- EDD gets its funding to help economic development in the state from the Legislature
- Through recent funding increases, we have been able to double the size of our Regional Reps team, help outdoor recreation businesses and infrastructure across the state, and improve infrastructure in rural business and industrial parks
- Here are the highlights of our funding request for this upcoming session:
  - Add 12 FTE to better assist businesses, communities, and stand up our new Creative Industries Division
  - Increase recurring JTIP funding from \$6.7 million to \$7.7 million to ensure we have the money year after year to help our businesses grow
  - Add \$500,000 for grants for our Creative Industries Division
  - Add \$300,000 to operate the New Mexico Media Academy to train people entering the film and media workforce
  - Restore funding for the NM Partnership back to \$1.1 million (increase of \$200,000) to recruit companies to the state



# Questions?



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