

# 2019 SWREDA CONFERENCE

DECEMBER 4, 2019

Jon Clark, Deputy Secretary  
Economic Development Department



**EDD**

ECONOMIC  
DEVELOPMENT  
DEPARTMENT

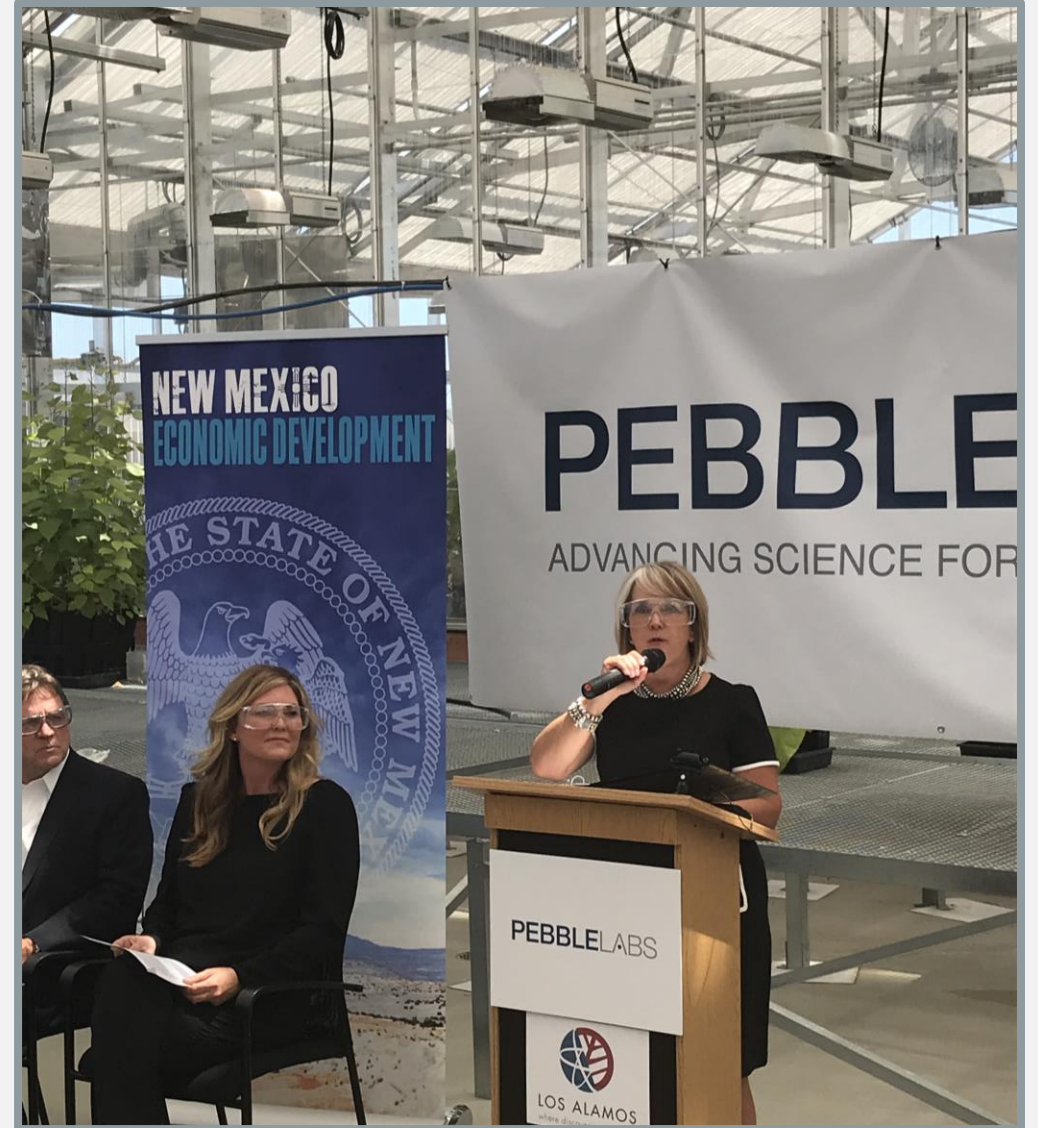
## NEW GOALS

- Wealth Creation for New Mexicans: Higher Incomes, More Investment in the State
- Improved Economic Opportunities for New Mexicans
- Diversify Economy
- Focus on Rural Communities

## FOCUS ON QUALITY JOBS

No Longer Focusing on  
Traditional Call Centers

Average Salary of LEDA  
Projects to Date: **\$61,911**



## TARGET INDUSTRY SECTORS

- Advanced Manufacturing
- Aerospace
- Biosciences
- Cybersecurity
- Film & Television
- Global Trade
- Outdoor Recreation
- Sustainable & Green Energy
- Sustainable & Value-Added Agriculture

# KEY PROGRAMS

## JOB TRAINING INCENTIVE PROGRAM (JTIP)

Reimburses 50 to 75% of a trainee's wages during a training period of up to 6 months

Must be a new, permanent job

Eligible companies are economic base businesses, such as manufacturing or a nonretail service that derives at least 50% of its revenue outside the state

JTIP provides a higher reimbursement for rural jobs:

- Urban: 50% (Albuquerque, Las Cruces, Los Alamos, Rio Rancho & Santa Fe)
- Rural: 65%
- Frontier (<15,000 population), Tribal or Colonias: 75%

JTIP incentivizes high-wage jobs with an additional 5% reimbursement for jobs with salaries above \$60,000 in urban areas, \$40,000 in rural

# LOCAL ECONOMIC DEVELOPMENT ACT (LEDA)

- LEDA History, FY14 – FY19
  - \$83M LEDA funds invested
  - 10,789 jobs & \$2.3B new private investment
  - 52 of 94 projects were rural
  - \$38.2M or 46% invested in rural projects
- Grant to local government to assist a business development project
- Funds land, building, permanent infrastructure
- Project considerations:
  - Level of community impact
  - Rural or underserved areas
  - Increased wages & job creation
  - Significant new capital investment
  - Environmentally sustainable

# COMMUNITY, BUSINESS & RURAL DEVELOPMENT TEAM

## Regional Offices

Access NMEDD programs & resources

Strategic planning

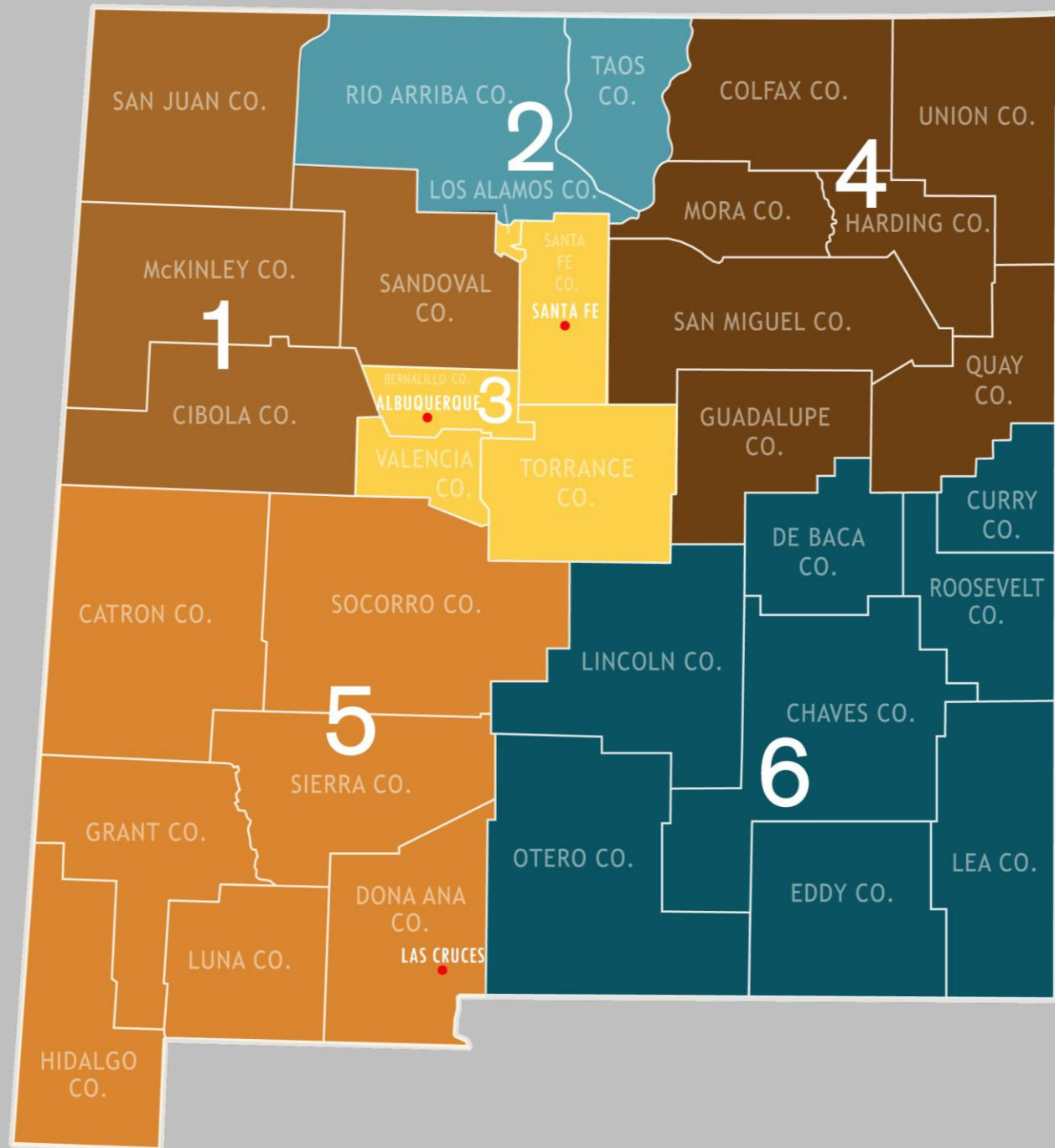
Business retention & expansion program  
development, site visits

Assistance in passing LEDA ordinance &  
LOGRT

Inform businesses of programs &  
incentives

Assist in responding to potential  
recruitment opportunities

Rural business recruiting





# NEW MEXICO MAINSTREET (NMMS)

- Build capacity for local economic revitalization & re-development efforts
- Enhance the entrepreneurial & creative economy
- Create thriving places in New Mexico

## Other Programs of NMMS:

- Arts & Cultural Districts
- Frontier & Native American Communities Initiative
- Historic Theaters

All 3 of these initiatives are most impactful in rural communities.

5-Year Impact (Statewide - 28 NMMS Districts)		Rural Districts Only
Private Sector Reinvestment	\$124.4M	\$48M
Private Building Renovations	1,172	882
Net New Businesses & Business Expansions	692	545
Net New Jobs Created	2,714	1,824
Volunteer Hours	186,070	154,279

# FILM & TELEVISION

New Mexico's refundable film production tax credit is one of the nation's most aggressive

- 25% of production & postproduction expenses incurred in this state
- Capped at \$110M annually (except film partners)
  - Additional 5% for using a qualified production facility
  - Additional 5% for filming in rural locations
  - Additional 5% for television series
- Maximum credit amount is 35%

Netflix chose New Mexico for its first U.S. production facility in September 2018

- Purchased ABQ Studios
- 1,000 film industry jobs
- \$2.2B economic impact over 10 years
- State LEDA investment of \$10M

NBC Universal announced it has leased a production facility in 2019

- 333 direct jobs
- Average salary \$61,619
- \$500M in private investment
- \$1.9B 10-year economic impact

# SPACEPORT AMERICA



## Virgin Galactic's Gateway to Space

- Launch tourists to near-space
- 600 reservations from 50 countries

## SpinLaunch is building a test facility

- Disruptive launch technology using an environmentally responsible kinetic energy-based launch system

■ August 8, 2019 10:00 PM

■ Updated on August 15, 2019 10:17 AM

Bloomberg QuickTake

## Why Low-Earth Orbit Satellites Are the New Space Race

By Greg Ritchie

Targeting more companies that operate in LEO or low Earth orbit – within an orbit of 2,000 KM or less

# SCIENCE & TECHNOLOGY

- No other state receives more federal non-industry research funds than New Mexico
- The Office of Science & Technology works to facilitate the transfer and commercialization of this research in order to create new jobs and wealth
- No other state has two DOE labs; plus the Air Force Research Lab and White Sands Missile Range
- 3 research universities
- Catalyst Fund invests in venture capital funds, which in turn, invest in New Mexico companies seeking early stage capital
- New Mexico SBIR Matching Grant Program supports businesses engaged in R&D with potential for commercialization; NM program leverages federal dollars to increase the impact of the award

# INTERNATIONAL TRADE

Assists New Mexico companies in accessing international markets

Seeks to attract foreign direct investment to the state

Two international companies located large manufacturing facilities in New Mexico last year:

- Admiral Cable, a Taiwanese company, is manufacturing electrical power supplies in Santa Teresa
- Rhino Health, a Korean manufacturer of nitrile gloves, located on the Navajo Nation near Gallup

# NEW MEXICO OPPORTUNITY ZONES (63)

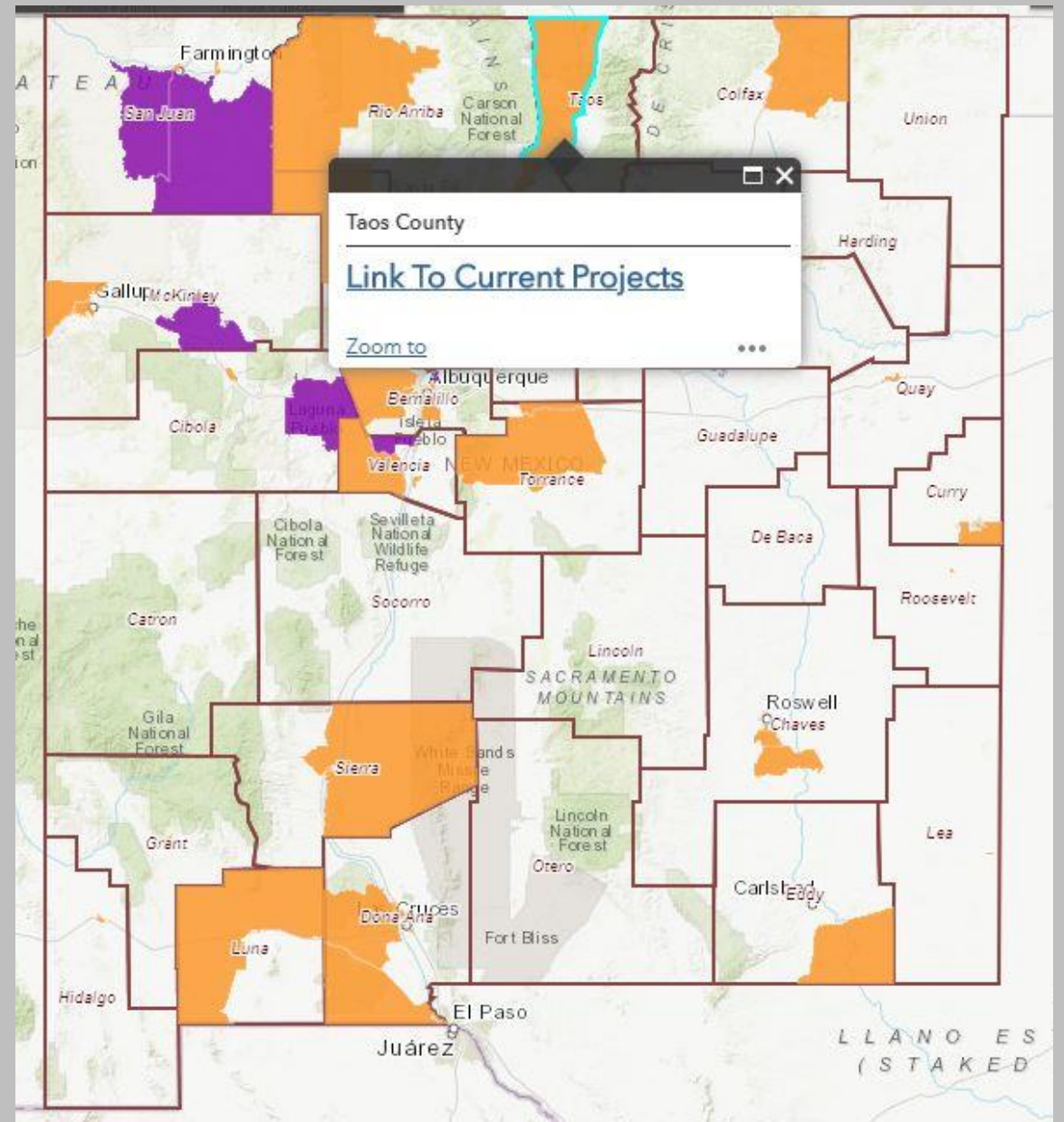
**\$1M Opportunity Zones Jobs  
Bonus**

**Purpose:** invigorate rural, aging  
neighborhoods & vital  
infrastructure

9 target industry sectors

Small window of opportunity

1<sup>st</sup> state to make this commitment



## A FEW SUCCESS STORIES

<b>Company</b>	<b>Location</b>	<b># of Jobs</b>	<b>Economic Impact</b>
Ganymede Games	Las Cruces	51	\$46M
C4 Enterprises	Tierra Amarilla	8	\$33.2M
Rich Global Hemp	Las Cruces	182	\$247M
Pebble Labs	Los Alamos	175	\$1B
Jabil	Albuquerque	120	\$383M

THANK YOU

