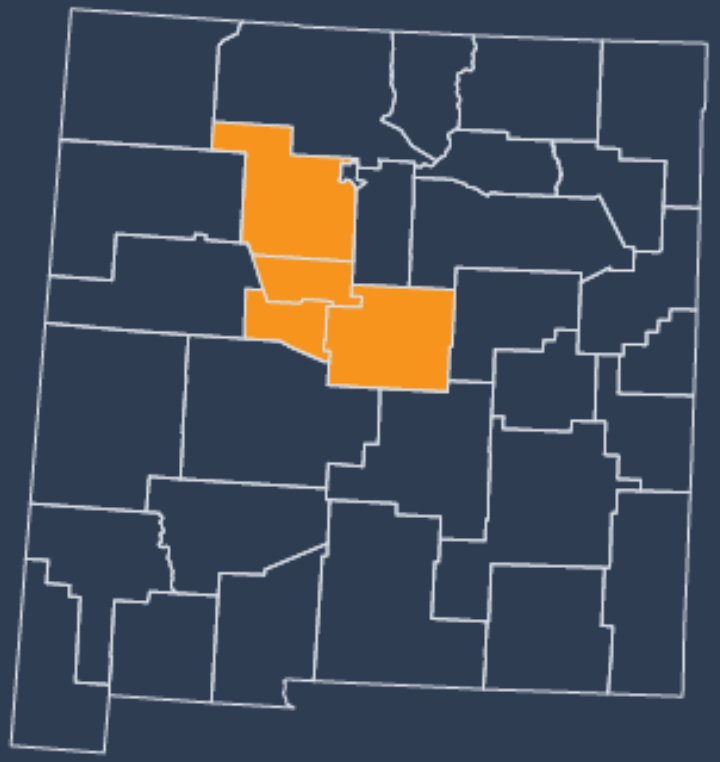
Albuquerque Regional Economic Alliance

Update and Recommendations

AS PRESENTED TO THE LEGISLATIVE FINANCE COMMITTEE JUNE 16, 2022

Supporting the Region



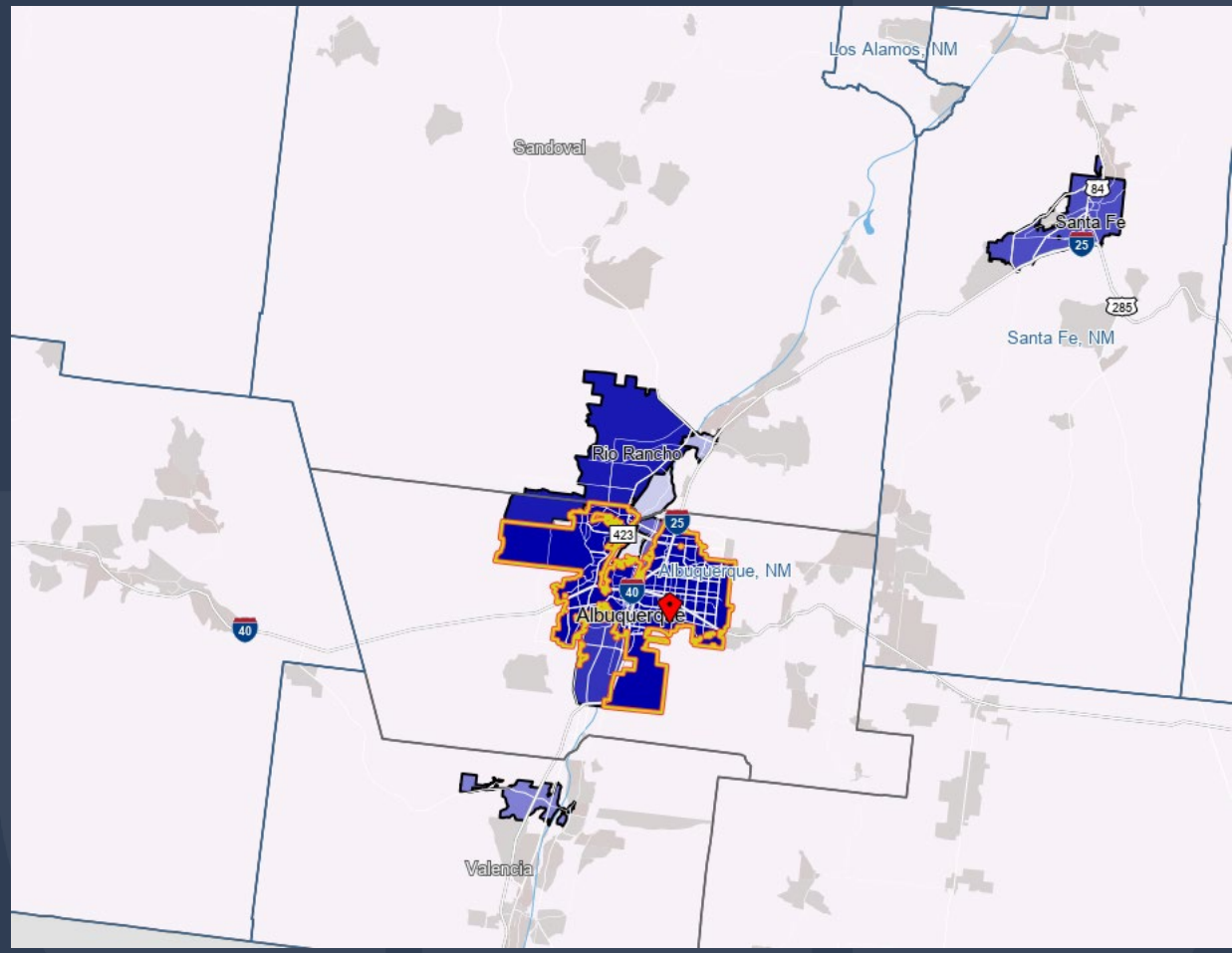
- Nonprofit organization
- Servicing **Sandoval, Valencia, Torrance and Bernalillo** Counties with **impact and connectivity opportunities** beyond these specific boundaries
- **45-member board** of directors + advisory councils

AREA
Albuquerque Regional Economic Alliance

Economies are Regional

WHERE PEOPLE WORKING IN THE CITY OF ALBUQUERQUE LIVE	SHARE
City of Albuquerque	60.9%
City of Rio Rancho	8.6%
Santa Fe	1.7%
Village of Los Lunas	1.1%
ALL OTHERS	27.8%

Source: US Census On The Map 2018, https://onthemap.ces.census.gov/



AREA's Core Service Areas

Regional, data driven value proposition development, **research and labor analytics**

Site selection support, incentive analysis and project advocacy

National consultant and multiplier **marketing, cold lead generation**

Existing business growth support and market intelligence

Regional **workforce strategies and talent** attraction

Policy analysis and toolkit development to **enhance competitiveness**

Membership engagement and programming

Research and Data Services

ECONOMIC IMPACT ANALYSIS AND METRO COMPARISON MODEL

Hosting and maintaining an economic impact model custom to areas in the region and a metro comparison model allows AREA to produce impact reports for all projects and analyze return on investment for local incentives.

GIS BASED BUSINESS DATA TOOLS, ZOOM TOURS & COMMERCIAL REAL ESTATE LISTINGS

Website hosting and maintenance cost to provide a trackable, regional promotional tool with integrated data sets and sources, along with social media management and tools. Community-specific level data and comparisons available for all jurisdictions in region.

ABQsites.com

GRANULAR LABOR AND COST OF LIVING ANALYSIS AND CUSTOM LOCAL DEMOGRAPHICS

Using EMSI, AREA can analyze labor, job posting, demographic, industry and occupational trends to the 6-digit NAICS code level for any geography in a 10-state region. Cost of living C2ER database provides cost comparisons to articulate value proposition to prospects.

ABQ.org/SizeUp

LEAD GENERATION AND PROSPECTING TOOLS FOR NEW OPPORTUNITIES

AREA subscribes to data sets such as external market lists, D&B, Site Selector Contact Database, Fortune 500 and Inc. 5000 for lead generation purposes for the region. In addition, hosting of virtual and in person familiarization tour with regional focus.

COMPANY ANALYSIS AND VETTING, HIRING ASSISTANCE

In depth data pull on a prospect or existing company to determine validity and likelihood of locating in the region.
Once located in the community, AREA hosts an online JOBS board to support business workforce recruitment needs.

ABQ.org/jobs

AREA's role in business development projects

CONFIDENTIALITY

Control of communication is critical to a successful transaction

PROVIDER OF DATA AND RESEARCH

Demographic, workforce, housing, economic impact, education & training, incentives analysis and advocacy, market comparison…

LIAISON TO PUBLIC SECTOR

EDDs, Utility Providers, Planning, etc.

LOCATION AGNOSTIC

The Switzerland special forces team for regional economic development

RELATIONSHIP DEVELOPMENT

AREA Board

Ambassadors

Higher Education

Investors

national connections

INCENTIVE BENEFITS ANALYSIS

Preliminary project vetting and analysis on potential incentive opportunities, and the NEED for their use

POST TRANSACTION SUPPORT

Business start-up services after locating:

talent recruitment assistance

go to market partnerships

public relations

AREA

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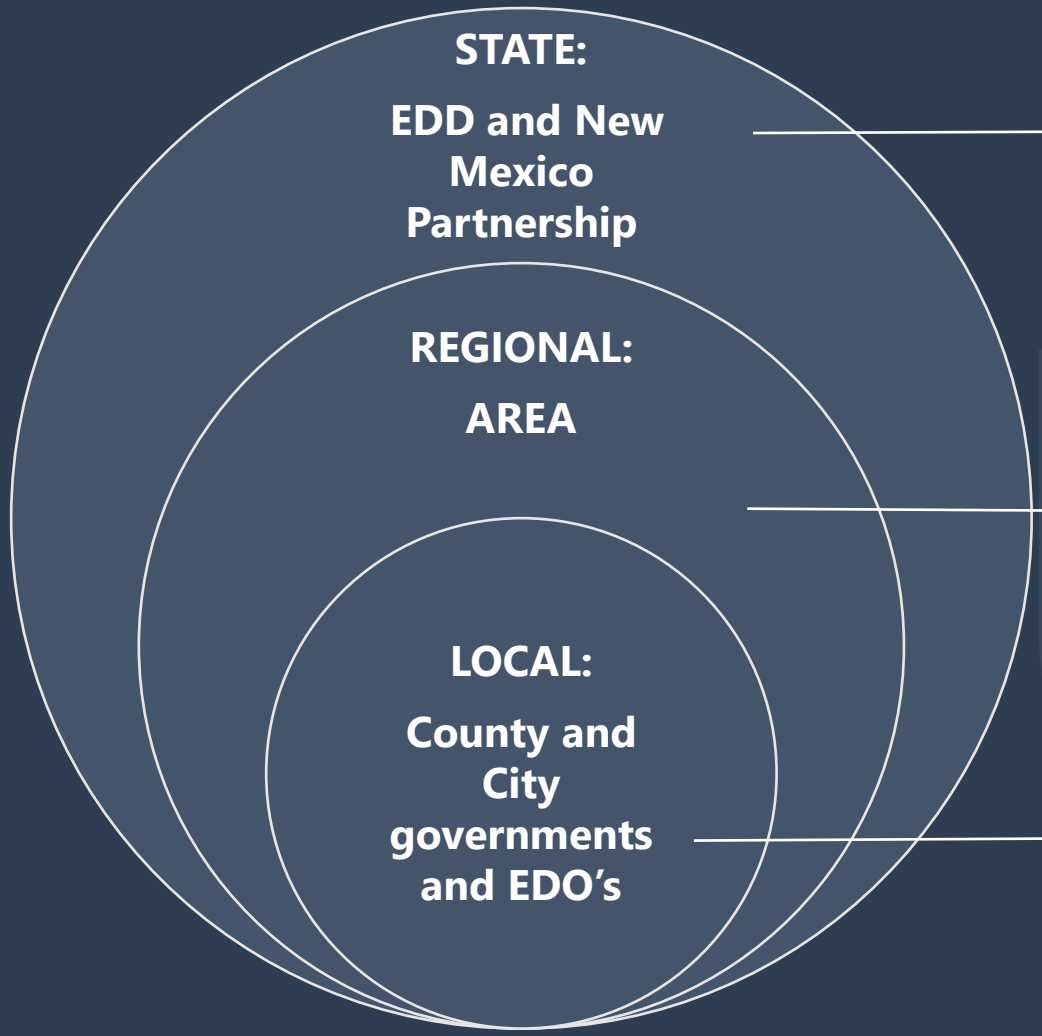
Collaboration, not duplication, is critical



EXAMPLE ROLES:

State level competitiveness and incentive program administration
State-wide strategy and funding
Lead generation marketing

Regional data
Site selection and marketing
Lead generation and proposal responses
Toolkit and competitiveness
Base business growth and market intel

Land use planning, infrastructure
Local target sector focus
Permitting and zoning
Local incentive agreements
Small business retention and expansion

AREA 1.0 STRATEGIC PLAN SUMMARY

TOP BIG GOAL METRIC:

Rank in the top 25% of mid-sized markets in the U.S. for job growth in 5 years.

Vision

The greater Albuquerque region will be known and recognized for having the **highest quality of life and the most diverse and sustainable economy in the US mountain west.**

Mission

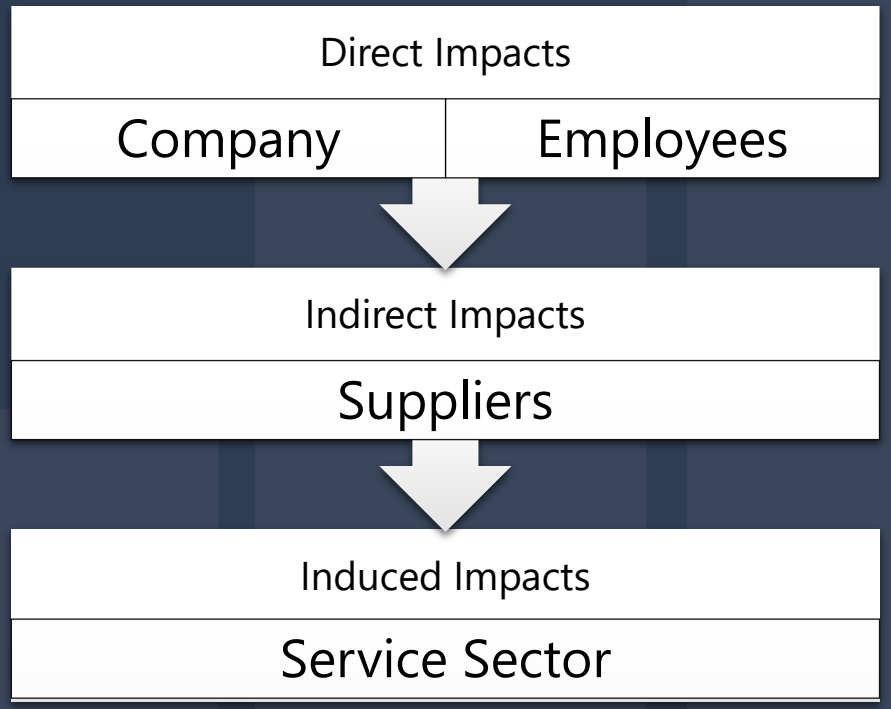
AED **leads and executes strategies designed to grow and diversify the economic base** of the greater Albuquerque region, creating a prosperous, diverse and inclusive economy and **elevating the standard of living for all.**

Aerospace | Biosciences | Renewable Energy
Digital Media & Film | Corporate & Professional Services | Manufacturing

The Impact of Tradable Sector Jobs

Job Types	Additional Jobs for Every 1 Job Created
Professional and technical	4.1
Durable manufacturing	7.4
Information	5.7
Government	0.2
Restaurants	0.2

Source: Economic Policy Institute



For every job created by a company other jobs are created by indirect and induced activities. The number created varies by the industry of the primary job created.

AREA 1.0: Regional Plan for Economic Growth and Resiliency

The Albuquerque Regional Economic Alliance (AREA), in collaboration with area businesses and community leaders, developed AREA 1.0 in response to our region's top economic growth challenges. The five-year plan (2022-2026) includes the following three primary goals and supporting strategies, tactics, and measurable objectives:

GOAL 1

ESTABLISH NATIONAL IDENTITY AS A LEADING LOCATION FOR BUSINESS

[Role: Leader]

GOAL 2

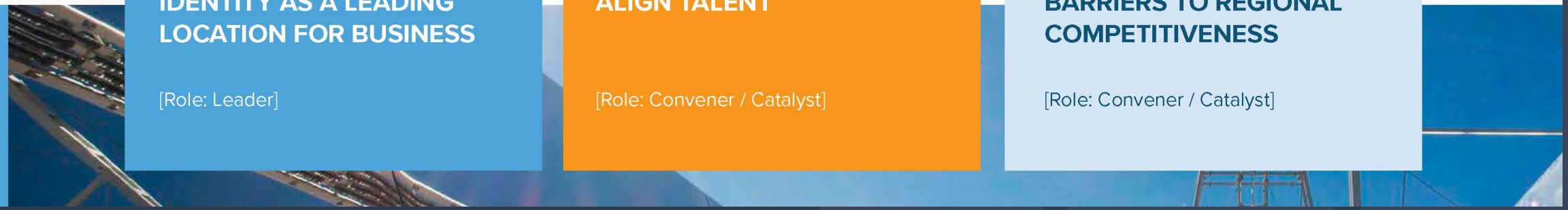
ATTRACT, RETAIN AND ALIGN TALENT

[Role: Convener / Catalyst]

GOAL 3

BREAK DOWN BARRIERS TO REGIONAL COMPETITIVENESS

[Role: Convener / Catalyst]



Competitor Markets Analyzed

CBSA	Total Population	Total Labor Force	Participation Rate
US NATIONAL AVERAGE	329,053,063	167,501,734	63.7%
Albuquerque, NM	**930,990**	**402,474**	**61%**
Boise, ID	795,211	342,125	64.9%
Colorado Springs, CO	778,858	327,420	67.6%
Dallas-Fort Worth-Arlington, TX	7,933,166	3,784,615	68.8%
Des Moines-West Des Moines, IA	726,953	372,347	**71.6%**
El Paso, TX	859,285	347,439	62%
Omaha-Council Bluffs, NE-IA	980,450	499,261	70.7%
Phoenix-Mesa-Chandler, AZ	5,189,204	2,224,122	62.8%
Salt Lake City, UT	1,286,777	608,465	**71.4%**
Tucson, AZ	1,072,544	443,327	58.2%
Tulsa, OK	1,014,348	462,624	**63.9%**

CBSA	Inflow	Outflow	Net Migration (Incl. Foreign)	Net Migration (Domestic Only)	Rate of Growth
Albuquerque, NM	**38,019**	**35,889**	**2,130**	**-1,451**	**0.2%**
Boise, ID	39,164	26,486	12,678	9,559	1.6%
Colorado Springs, CO	72,133	54,889	17,244	10,089	2.2%
Dallas-Fort Worth-Arlington, TX	301,487	217,568	83,919	28,028	1.1%
Des Moines-West Des Moines, IA	33,643	25,192	8,451	6,543	**1.2%**
El Paso, TX	42,393	43,244	-851	-10,713	-0.1%
Omaha-Council Bluffs, NE-IA	39,799	37,908	1,891	-3,310	0.2%
Phoenix-Mesa-Chandler, AZ	229,492	150,659	78,833	48,585	1.5%
Salt Lake City, UT	66,922	57,391	9,531	179	**0.7%**
Tucson, AZ	64,665	46,773	17,892	9,148	1.7%
Tulsa, OK	41,061	38,800	2,261	-1,653	**0.2%**

Source: US Census Bureau, American Community Survey, 2019; Easy Analytic Software, Inc. 2020 edition

What are we up against?

Intense competition for businesses, jobs, and capital investment

Inadequate supply of talent

Sub-optimal infrastructure and business environment

Just the Facts

- **From 2015-2020, ANNUAL JOB GROWTH in Greater Albuquerque was 0.7%, placing it in the bottom 25% of markets in the nation with a similar population (500,000 – 1 million)**

From 2014-2019, Albuquerque's GDP GREW AT A RATE OF JUST 1.4% - half the average of all U.S. metros

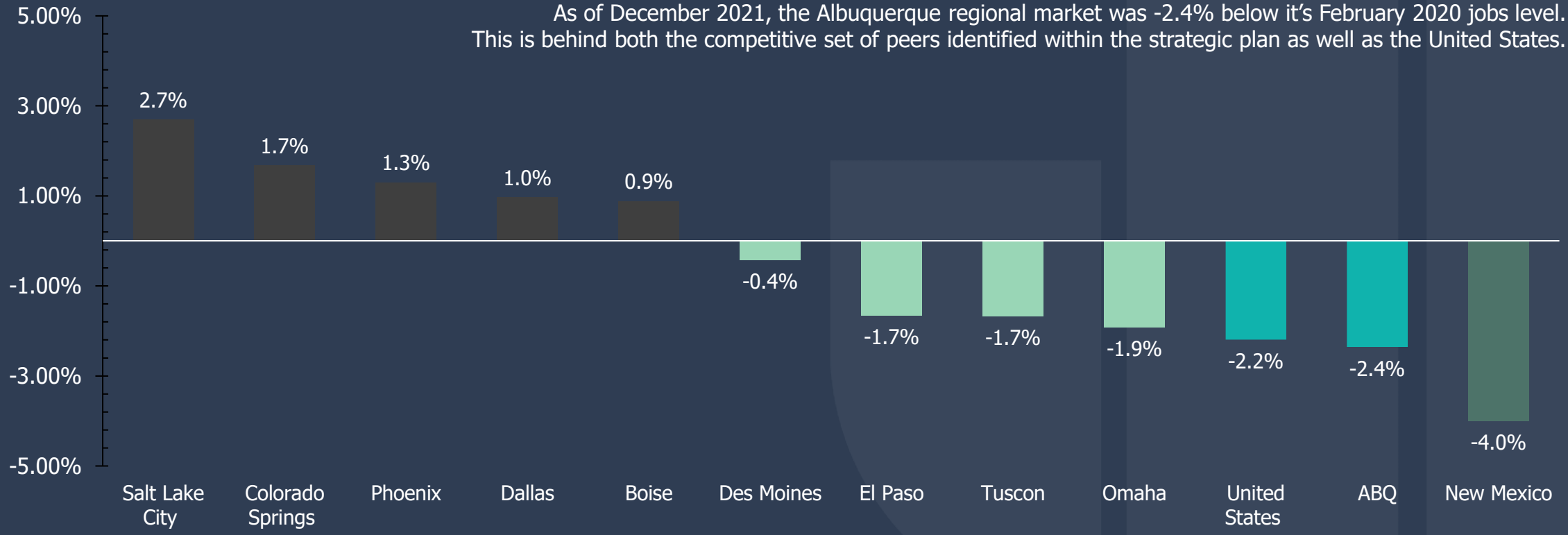
Albuquerque's 2019 GDP PER CAPITA was $43,000 – just two-thirds the average of all U.S. metros and 3rd lowest among identified competitor markets

Covid Jobs Recovery | Albuquerque MSA

December 2021

Percent Above or Below February 2020

As of December 2021, the Albuquerque regional market was -2.4% below it's February 2020 jobs level. This is behind both the competitive set of peers identified within the strategic plan as well as the United States.

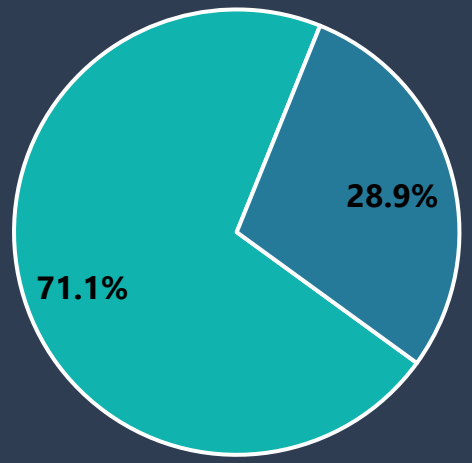


Updates to Market Driven Demand

n=90 | Leads: 64, Open Projects: 26

Deal Stage

42% of Active Leads have come into the pipeline since **January 2022**

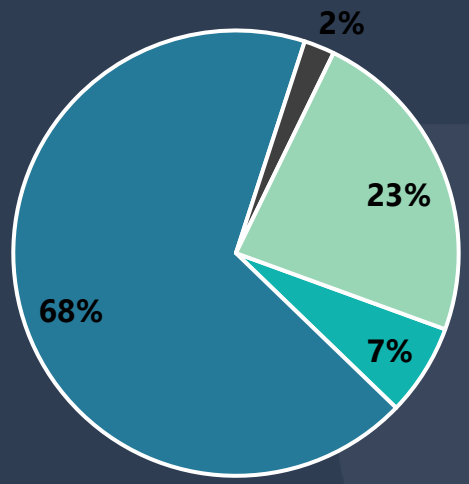


Lead

Open Projects

Projects by Type

68% of active deals represent an attraction project for new investment.



Attraction

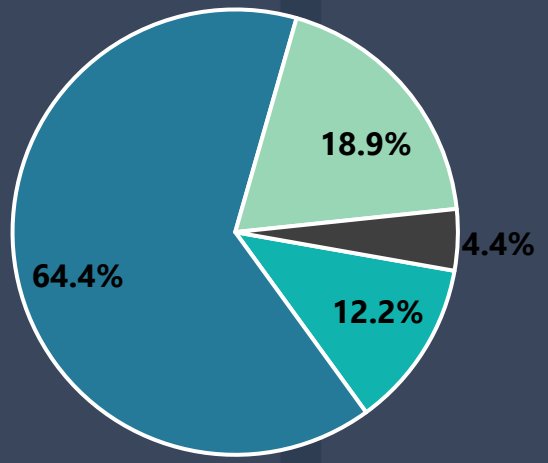
Partner Assist

Expansion

Development

Projects by Industry

64% of active deals fall within a manufacturing or production-based industry.



Manufacturing

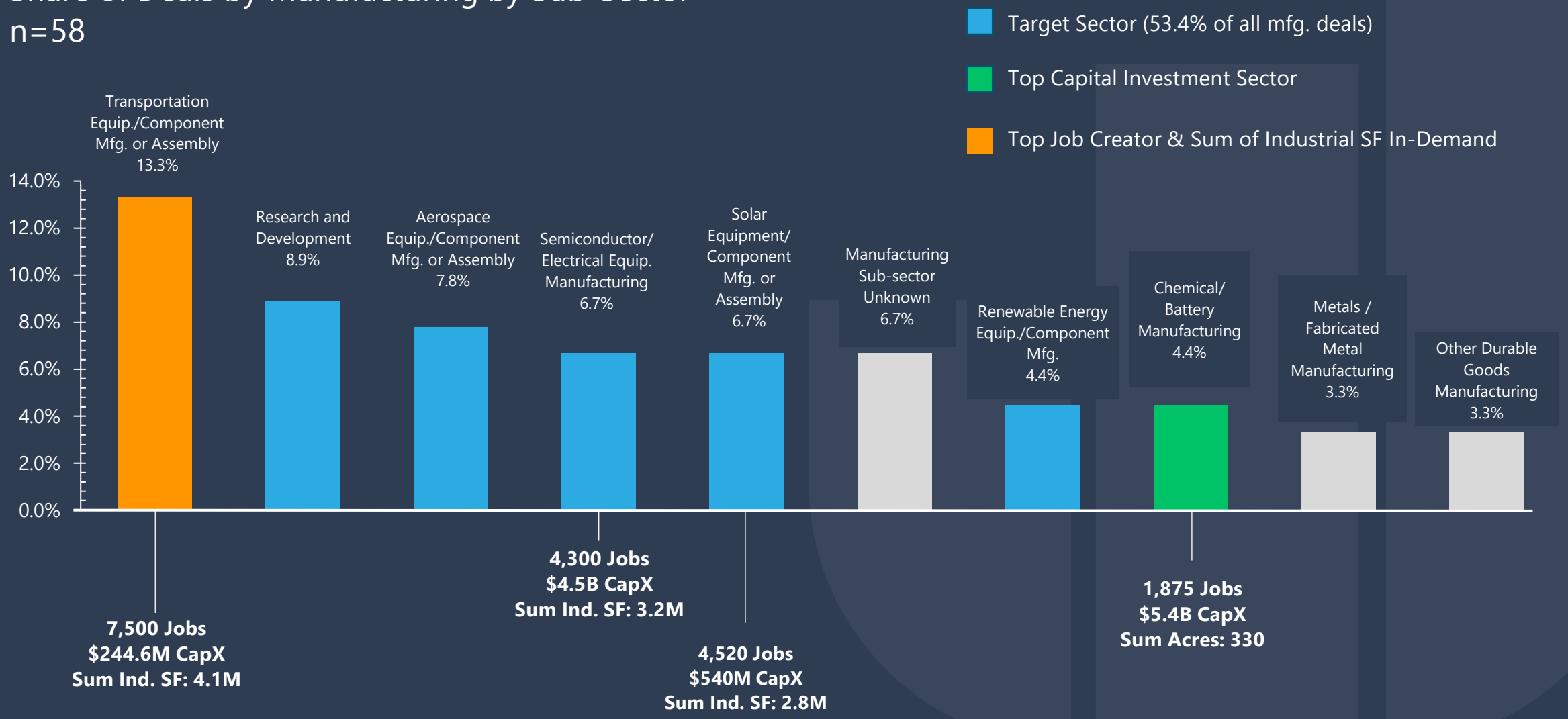
Transportation /Distribution

Office

Industry Unclassified

*Aggregate volume only reflects deals with reported data and are subject to change as data becomes available

DEEP DIVE |
Share of Deals by Manufacturing by Sub-Sector
n=58



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Advisory Councils

Suggestions for advancing NM's economy

1

FUND A TIERED SITE READINESS PROGRAM:

Lack of understanding even of the stage of readiness of sites across the state is a critical deficiency. A program and focuses analysis should be developed asap – approx. $200k.

2

ADEQUATELY FUND ECONOMIC DEVELOPMENT MARKETING:

Wisconsin spends $10.6 million on domestic recruitment of companies (about a 2:1 ration) New Mexico spends about $1 million (roughly the OPPPOSITE).

3

STRUCTURE STATE EDD IN BEST PRACTICES FASHION:

Consider restructure of economic development agencies by mirroring BEST PRACTICES examples to reduce duplicative efforts across the state and focus assistance on rural and underserved areas.

4

ADDRESS ANTI-DONATION CLAUSE:

Create flexibility to reduce time and risk for private investment – allow the public sector to pay for infrastructure on a performance basis where direct return outweighs public investment (Example: Arizona and its Gift Clause)

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THANK YOU.

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