



# EDD

ECONOMIC DEVELOPMENT DEPARTMENT

## FY25 BUDGET REQUEST & PRIORITIES

### Presentation to the Legislative Finance Committee

December 11, 2023

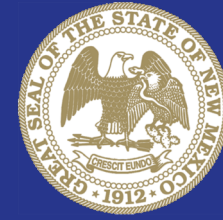
Jon Clark, Acting Cabinet Secretary

Mark Roper, Director, Economic Development Division

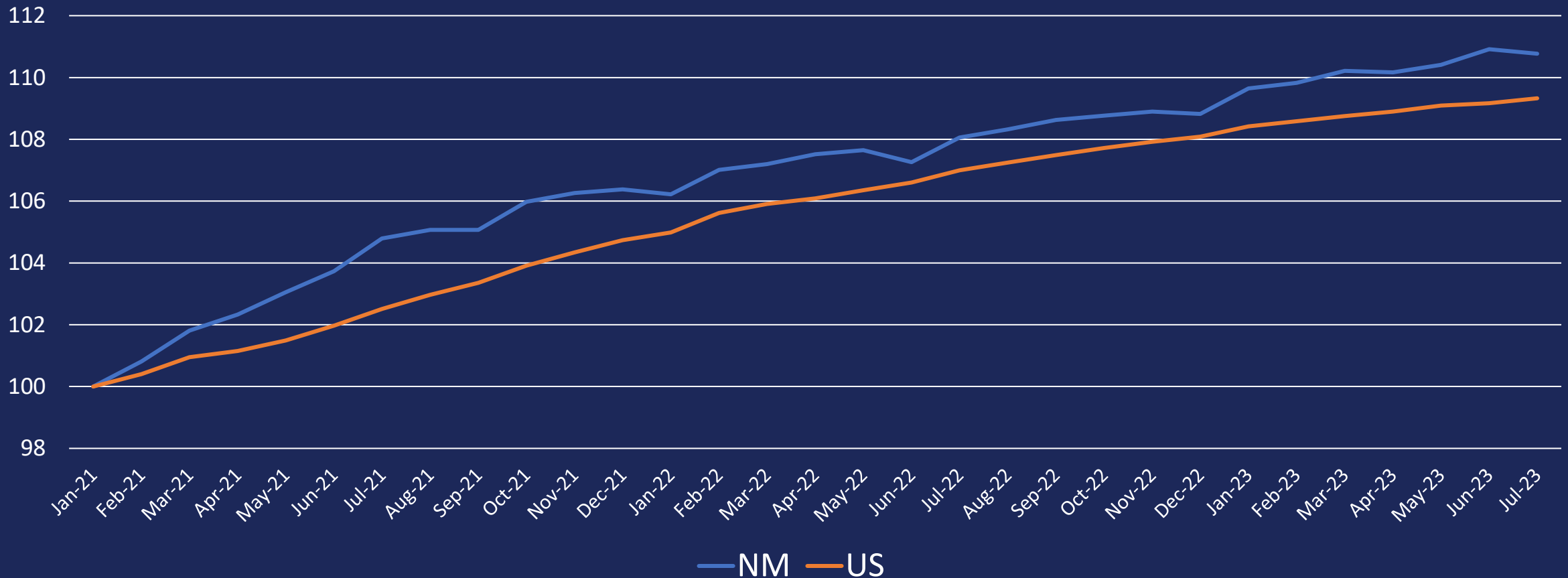
Amber Dodson, Director, New Mexico Film Office

Karina Armijo, Director, Outdoor Recreation Division

# Strong Job Growth



## MONTHLY EMPLOYMENT: Index, January 2021 = 100



# Investing in a Stronger Economy



FY24 GF	FY25 Request GF	GF Increase	GF Percent Increase
19,875.3	23,173.0	3,297.7	16.6%

## INCREASES TO BASE BUDGET:

- ❖ Five FTEs for the Economic Development Division
- ❖ Five FTEs for the Film Division & Media Arts Collective
- ❖ Two FTEs for Creative Industries
- ❖ \$1M for JTIP to continue to increase recurring funding
- ❖ \$300K Media Arts Collective operations
- ❖ \$500K Creative Industries grants
- ❖ \$200K Restore the NM Partnership budget to \$1.1M
- ❖ \$67.3K increase in fixed costs

## SPECIAL APPROPRIATION REQUESTS:

- ❖ \$30M for LEDA
- ❖ \$5M for JTIP
- ❖ \$4M Media Academy operations in FY25-FY26
- ❖ \$2M Clean Energy Marketing Campaign
- ❖ \$4M International business marketing & recruiting
- ❖ \$2M High-Tech Business Startup grants and technical assistance
- ❖ \$1M Healthy Food Financing Initiative grants
- ❖ \$20M State match for \$160M NSF grant
- ❖ \$89,672.90 - Deficiency Fund 02800 – Audit 2022 (Deficiency from prior administration)

# 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**

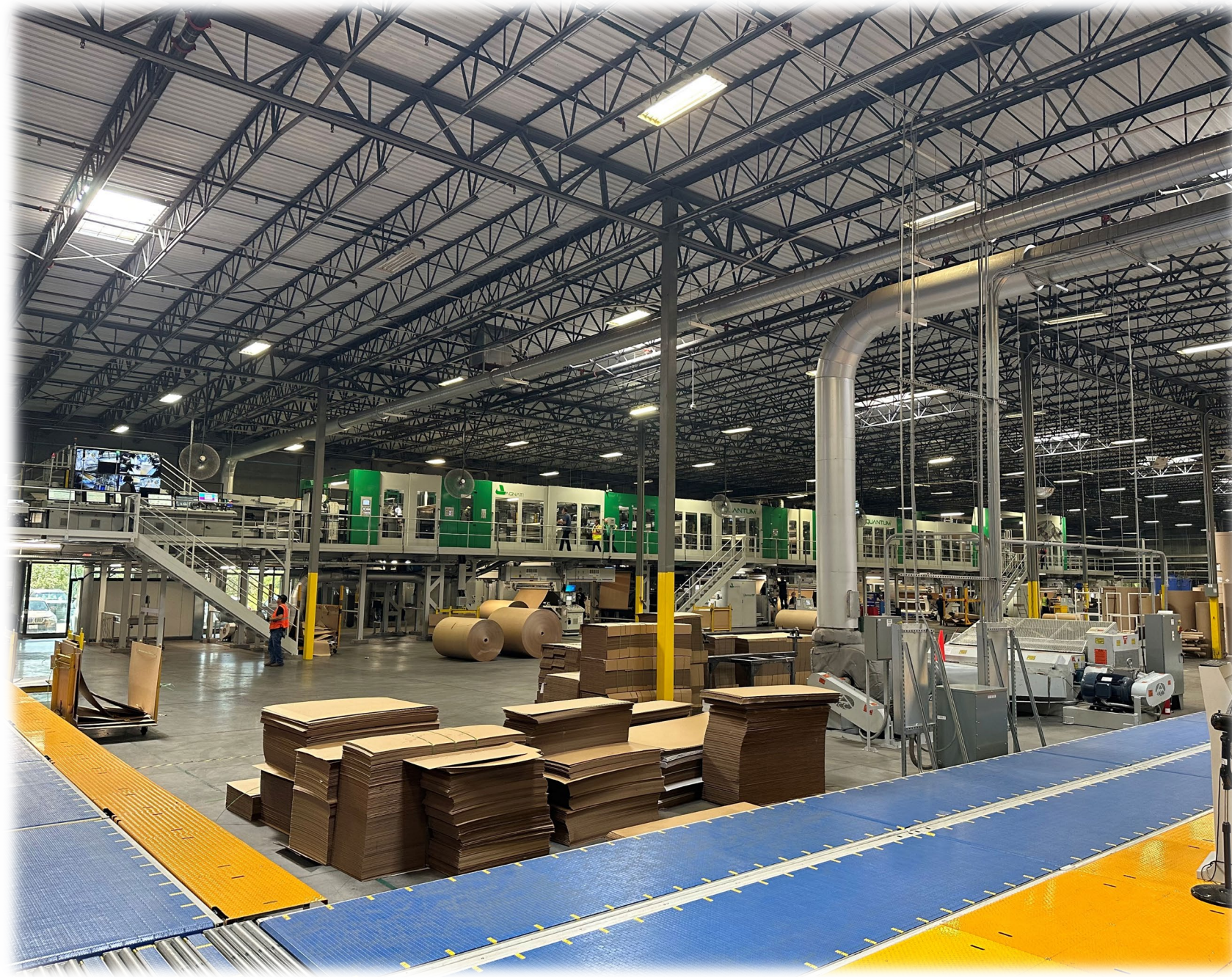




# Little Toad Creek Brewery & Distillery

- 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**

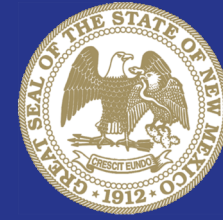


# Taos Pueblo Economic Development Center

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



### 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

*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



# 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 Request	Difference
200 Personnel	2,870.5	3,458.6	588.1
300 Contractual	1,709.0	1,709.0	
400 Other Costs	8,502.7	9,409.7	907.0
<b>TOTAL</b>	<b>13,082.2</b>	<b>14,577.3</b>	<b>1,495.1</b>

## 200 Personnel:

- One FTE for MainStreet
- One FTE for assistant team lead for regional reps
- One FTE for the Office of Strategy, Science & Technology
- Two FTEs for Agriculture Entrepreneurship and Healthy Food Financing

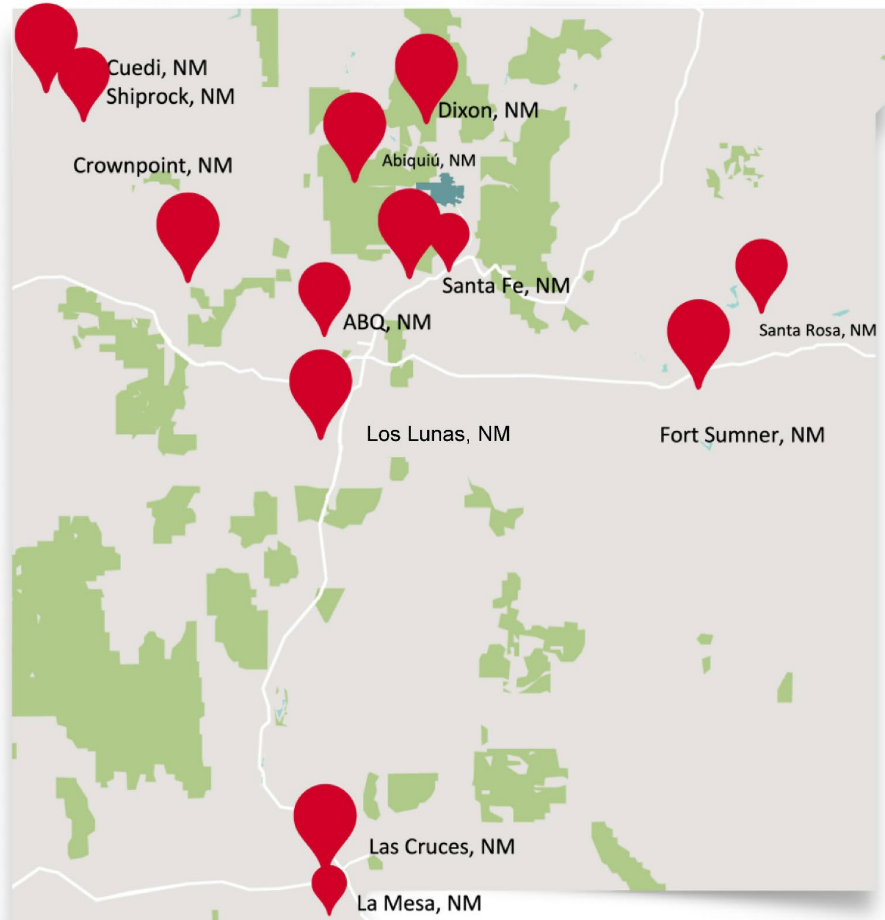
## 400 Other:

- 3% of fixed costs
- \$1M for JTIP base increase



# The New Mexico Healthy Food Financing Initiative

## FY23 Projects



GOVERNOR MICHELLE LUJAN GRISHAM  
**FOOD INITIATIVE**  
CULTIVATING A NEW FOOD SYSTEM

*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

- \$1M request from EDD
- Shift from FY23/24 Food Initiative appropriations through DFA

# Film Division Budget Request

Film (P514)	FY24	FY25 Request	Difference
200 Personnel	876.2	1,325.1	448.9
300 Contractual	753.4	1,053.4	300.0
400 Other Costs	78.9	79.6	0.7
<b>TOTAL</b>	<b>1,708.5</b>	<b>2,458.1</b>	<b>749.6</b>

## 200 Personnel:

- Five FTEs: 3 for Media Arts Collective and 2 for the Film Division

**300 Contractual:** \$300.0 Media Arts Collective operations

**400 Other:** 3% of fixed costs



# Program Support Budget Request



Program Support (P526)	FY24	FY25 Request	Difference
200 Personnel	2,418.0	2,518.0	100.0
300 Contractual	1,023.3	1,223.3	200.0
400 Other Costs	682.0	684.5	2.5
TOTAL	4,123.3	4,425.8	302.5

**200 Personnel:** \$100.0 Realign budget from P512

**300 Contractual:** \$200.0 NM Partnership

**400 Other:** 3% of fixed costs

# Outdoor Recreation Budget Request



Outdoor Recreation (P708)	FY24	FY25 Request	Difference
200 Personnel	358.1	358.1	
300 Contractual	125.0	125.0	
400 Other Costs	692.0	2,567.5*	1,875.5*
<b>TOTAL</b>	<b>1,175.1</b>	<b>3,050.6*</b>	<b>1,875.5*</b>

## 400 Other:

- 3% of fixed costs

\*\$1,875.0 from the Legacy Fund

## ORD HIGHLIGHTS:

### Trails+ Grants (Q1 FY24)

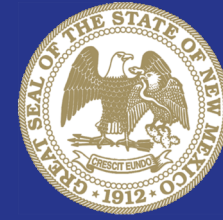
- ❖ \$2,360,289 awarded to 20 projects generating an additional \$1,953,453 in private investment and supporting 250 new outdoor recreation jobs.

### 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



Creative Industries (P709)	FY24	FY25 Request	Difference
200 Personnel	0	250.0	250.0
300 Contractual			
400 Other Costs	0	500.0	500.0
<b>TOTAL</b>	<b>0</b>	<b>750.0</b>	<b>750.0</b>

## 200 Personnel:

- Two FTEs (Division Director and Program Coordinator)
- \$500K for grants



Jon Clark  
Acting Cabinet Secretary  
[Jon.Clark@edd.nm.gov](mailto:Jon.Clark@edd.nm.gov)  
505.476.3747



Mark Roper  
Economic Development Division Director  
[Mark.Roper@edd.nm.gov](mailto:Mark.Roper@edd.nm.gov)  
575.562.0327



Karina Armijo  
Outdoor Recreation Division Director  
[Karina.Armijo@edd.nm.gov](mailto:Karina.Armijo@edd.nm.gov)  
505.690.7897



Amber Dodson  
Film Office Director  
[Amber@nmfilm.com](mailto:Amber@nmfilm.com)  
505.476.5600