

2019



 **VIDEO GAME**  



 **PRODUCTION** 



 **IN**      



 **NEW MEXICO**  



## THE WALKTHROUGH

When it comes to growing a business, most companies wish they could have a walkthrough; a map that tells them where to go, what to do, and what they will need to be successful. In today's rapidly changing business climate, **deciding where to grow can seem daunting. New Mexico wants to make this decision simple for you.**

Why do companies continue to choose New Mexico as the place they call home? Could it be because of our talented workforce? Yes. Is it because it costs less – often 25% – 35% less – to hire that workforce here than it does in many high cost Metros? Certainly. Perhaps it's because of our world-class research institutions? That too. What about our Film and Media Tax Credit that rebates companies up to 25% of all video game production costs? Absolutely!

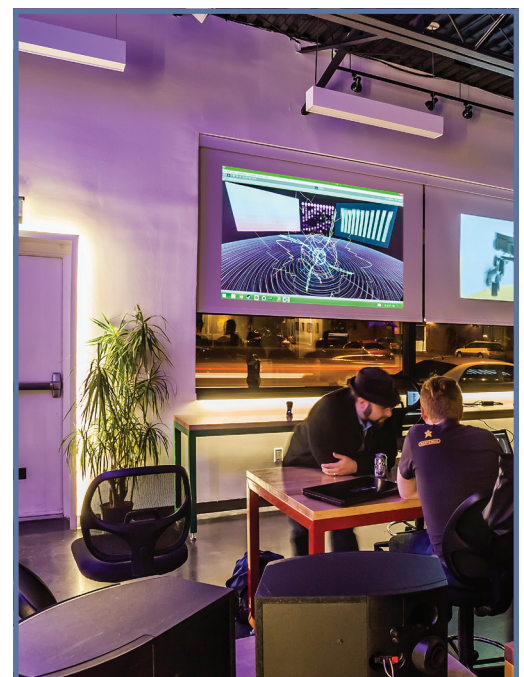
**Our Film and Media Tax Credit applies to most forms of digital media, INCLUDING VIDEO GAMES.** It's just one of the many reasons that digital media companies love New Mexico. This refundable tax credit puts cash back in the hands of companies so they can continue to grow successfully. That incentive, combined with already dramatically lower operating costs in New Mexico, means **a company can save half (or more!) of what it would cost to operate in southern California or Seattle** and still get access to top-tier talent.

And yet, there is something more that makes New Mexico the ideal choice for so many companies. It's the same reason we are called 'The Land of Enchantment.' It's because there is something magical here.

New Mexico's Film and Media Tax Credit refunds up to

**25%** 

of all video game production costs.



## OUR TECH ECOSYSTEM

New Mexico is home to a vibrant and diverse technology community with strong pools of both experienced and entry-level talent. Our tech ecosystem is composed of a diverse range of companies; everything from small, innovative start-ups to large-scale enterprise technology operations. We also have cutting-edge R&D and scientific institutions. These resources put companies on a fast track to success.

New Mexico is home to several well-established technology companies including Facebook, Intel, General Dynamics IT, Rural Sourcing Inc., and Lavu.



Intel has called New Mexico home since 1980. They have more than 1,100 employees currently manufacturing microprocessor technology used to power data centers and hundreds of millions of smart and connected devices worldwide.



In 2016, Facebook started construction on a new state-of-the-art 2.8 million square foot data center in the Albuquerque Metro area and will invest over \$1 billion in that facility.



Lavu, which has become a world leader in point-of-sale technology, was started here in New Mexico, and remains headquartered here today.

**New Mexico is not only about large tech companies. We also have rapidly expanding tech startups that create and attract talent. Some recent examples include:**



**RS21**, a data science company, is investing \$2 million to renovate its headquarters in Albuquerque and will hire 80 more employees, growing to a total of 110.



**Descartes Labs** is using its proprietary data-refinery and cloud-based supercomputing technology to make major leaps forward in satellite imagery processing. They recently invested \$2 million to expand and improve their headquarters in Santa Fe, where they will grow to 105 employees by adding 50 new jobs.



**3D Glass Solutions** fabricates electronic systems and devices using photo-definable glass ceramics. They are expanding their headquarters in Albuquerque and creating 139 new jobs, bringing their total to 154 employees.



**Ideum** makes interactive multitouch tables and video display walls for museums, businesses, and institutions worldwide. They are expanding to a new office and hiring 12 more employees, bringing the total to 57 employees.



**Indica Labs** generates software development for cancer research and other medical applications. They recently announced plans to grow their staff from 16 to 74 by hiring 58 new employees.

## TALENT (AKA THE NEW MEXICO CHARACTER CLASS)


We all know that you don't grow a business in single-player mode. Whether your company is looking for mages, warriors, rogues, or all of these, chances are good we have them. **Our rich talent pool, combined with a diverse tech ecosystem, makes New Mexico a unique place for a company to thrive.**


Every tech company has different needs when it comes to hiring employees and this is where New Mexico shines. By offering an experienced local talent pool, along with the ability to attract talent on a global scale, New Mexico provides a unique place; one that allows companies to thrive.


### EXPERIENCED TALENT (AKA THE WIZARDS)




 Companies love their access to our experienced technology workforce; the state's high concentration of science and engineering talent, combined with **15,000 people employed in IT jobs today**, allows companies to find and hire the perfect team.

 For highly specialized talent, we're virtually unbeatable. The State is home to a host of cutting-edge R&D institutions, including **two Department of Energy National Labs** - Sandia National Laboratory and Los Alamos National Laboratory - which **employ approximately 24,000 people combined**.


 And it's not just technologists, scientists, and engineers; **New Mexico has been a mecca for artists since early 20th century**. Our state has a pool of well-trained artists from a variety of cultural backgrounds, providing your company with access to a rich, diverse community of creative talent.


 Our talent pool is not just local. When you need to hire nationally, or globally, you're in a place that has a **decades-long proven track record of drawing talent from around the world**.

 Finally, all of this comes at a very reasonable price tag! New Mexico has compensation costs consistently below the national average, allowing companies to hire top-tier talent while keeping costs manageable. **We often approach, or even exceed, cost savings of 30% compared to high-cost states against which we compete.**

### ENTRY-LEVEL TALENT (AKA THE NOVICES)



 New Mexico has a wealth of top-quality recent graduates to help fill any entry-level needs a company might have.

 We have over **133,000 students enrolled in our public institutions**. This is almost 7% of the state's entire population and almost **40,000 of these are full-time students enrolled in our top-tier research universities**.

 New Mexico has some of the most competitive wages in the U.S., allowing employers access to an entry-level workforce with less overhead.

## EDUCATION

Education is just one of the many ways that New Mexico nurtures our talent. While we don't technically have a school for mages, we do have the next best thing: a multitude of schools that focus heavily on Science & Technology. Our top-tier universities produce talent in a variety of tech-relevant programs. These universities have strong computer science programs as well as programs specifically focused on game design and development.

### UNIVERSITY OF NEW MEXICO (UNM)

UNM, located in Albuquerque, is New Mexico's flagship university and has over 26,000 students enrolled annually. UNM is ranked in the top 100 graduates schools for its Computer Science, Engineering, and Fine Arts programs by U.S. News and World Report.

**UNM offers a multi-disciplinary Cinematic Arts program focused on film, gaming, and animation.** Through their Interdisciplinary Film & Digital Media (IFDM) model, students are given the necessary creative and technical skills to apply digital technologies in innovative and productive ways. Established in 2005 under the State of New Mexico's Media Industries Strategy Plan (MISP), students interested in game design, engineering, filmmaking, animation, visual effects, audio production, graphic design, screenwriting, journalism, multimedia, or business, can obtain a degree that can be customized to meet a variety of interests and needs.



### NEW MEXICO STATE UNIVERSITY (NMSU)

NMSU, located in Las Cruces, with a total enrollment of over 14,000, is home to the Creative Media Institute (CMI) program which offers a Bachelor of Creative Media degree. CMI is a **dynamic cross-disciplinary program that prepares students for 21st century jobs in digital gaming, filmmaking, animation and visual effects** by focusing on the art, craft, and business of storytelling. The program was rated a Top 50 Public Animation School Program in the U.S. by Animation Career Review. Forbes recognized NMSU as one of America's Top Colleges in 2018.



### NEW MEXICO TECH

New Mexico Tech, located in Socorro, is among the nation's top science and technical universities. It is in the **Top 1% nationally in Mathematics, Top 2% in Mathematics and Statistics, Top 2% in Computer and Information Sciences, and Top 5% in Electrical Engineering.** Overall, Tech ranks No. 1 in New Mexico, No. 2 in the Southwest, and 31st nationally among all public universities. (College Factual, 2018).

## ART & DESIGN COLLEGES

New Mexico is known for its art. Perhaps, that is because all of our **top universities offer art programs and we also have several specialized art schools** throughout the state. Santa Fe University of Art and Design, Southwestern University of Visual Arts (SUVA), and the Institute of American Indian and Alaska Native Culture (IAIA) are just a few of many art programs available in New Mexico. These programs help supply high-quality, artistic talent – including a robust supply of digital artists – to companies across the state.

## THE NEW MEXICO MAGIC



The real magic in New Mexico lies in our ability to **REDUCE COSTS FOR DIGITAL MEDIA PRODUCTION ACTIVITIES BY ALMOST 50%**. New Mexico boasts a uniquely powerful incentive - the Film and Media Tax Credit Program which is applicable to video game production. This program refunds 25% of production costs (including compensation!) spent within the state of New Mexico back to companies.

On top of this incentive, our highly attractive cost structure for compensation and other operating expenses is at or below the national average; and often 25-35% below major industry hubs like Southern California. This cost structure is available in a place that lacks intense competition for even the most highly-in-demand types of talent; making the talent you need easier to hire and easier to retain long-term.

*All of this goes straight to your bottom line; a powerful incentive that rebates 25% of production costs, combined with labor and operating costs that can be 25% less than major high-cost metros, means that you can be saving as much as, and sometimes more than, 50%.*

These kinds of savings are dramatic enough to fundamentally change a company's overall economic dynamics. For early stage companies, this dramatically decreases the burn-rate of capital; allowing more time to be devote to development prior to having to generate revenue or by allowing a company to afford more resources, thus getting products to market faster. This can help a company raise more capital by showing potential investors a far more efficient balance sheet. Established companies have the opportunity to utilize these same savings to achieve a mix of a variety of objectives; increased profitability, lower product prices relative to competitors, freeing up funds to facilitate investment in a broader range of products or updating existing products more frequently.

## OTHER INCENTIVES

As if our Film and Media Tax Credit Program wasn't enough, New Mexico also offers additional incentives that make New Mexico the clear choice for growing your business. Our competitive and groundbreaking incentives allow your company to thrive. These incentives include:

### JOB TRAINING INCENTIVE PROGRAM (JTIP)

Unfortunately, in the real world, you can't spend all day grinding for skill points. JTIP refunds up to 50% of half a year's salary of each New Mexican hired. This means your company can take advantage of New Mexico's world-class talent pool at a discount. For example, if a company hires 10 employees at \$65,000 each, the company will get a cash reimbursement of \$162,000 ( $\$65,000 \times 10 \text{ employees} \times 50\% \times 1/2 \text{ year}$ ).

### HIGH WAGE JOB TAX CREDIT (HWJTC)

Wizards can be expensive. This is why our HWJTC program provides refundable tax credits for higher paying jobs. For every person hired that is paid over \$60k in a metro area or \$40k in a rural area, a company receives tax credits equal to 10% of salary for four years, and all credits that remain after offsetting taxes, comes back to you as cash. This is in addition to the JTIP program, so 10 jobs at \$65,000 = \$260,000 in tax credits. Any amount of this tax credit that isn't needed to offset tax liability is rebated as cash to the company.

### LOCAL ECONOMIC DEVELOPMENT ACT (LEDA)

The State can offer negotiated, discretionary cash grants to offset eligible costs for land, building, and infrastructure expenses.

## OUR FILM AND MEDIA TAX CREDIT IN ACTION

A company located in Southern California or Seattle can wind up paying almost 50% more than the same company located in New Mexico. By moving a business to New Mexico, both your company and your employees can experience a better cost of living and a more favorable mode of doing business.

### CALIFORNIA



### NEW MEXICO



**30%**



**25%**



For every **\$1M** in compensation costs in a high cost location like **Southern California or Seattle**:

Save 30% on labor, reducing compensation costs to **\$700,000**.

Save 25% via the NM Film and Media Tax Credit, saving another \$175,000 and reducing compensation costs to **\$525,000**.

Generate **47%** in total savings vs. Souther California just on compensation. These same kinds of savings can also impact your other costs.





New Mexico is the perfect place for video game companies to call home. With a ready and able workforce with the skills you need, lower-than-average costs, and valuable incentives, you'll be hard pressed to find a reason not to move here. Not only will your employees love our quality of life, your investors will love your bottom line! And that's where the New Mexico Partnership comes in...

The New Mexico Partnership is designated by the State to be your single-point-of-contact for locating and expanding your business anywhere throughout New Mexico. Our team of experts works closely with all of the local economic developers statewide as well as our state and local officials to ensure you have everything you need to succeed.

We're here to provide all the information and support you need to make New Mexico your new home:



Providing data on key business factors.



Delivering personalized briefings, orientations, and site visits.



Organizing strategic meetings with key business and community leaders, policy makers, and government officials.



Executing real estate searches.



Assisting in evaluating and applying for incentives.



Collaborating on media and public relations campaigns.

**We can't wait to introduce you to the Land of Enchantment!**

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