



New Mexico Economic Development Department  
Secretary-Designate Jon Barela  
Vision and Legislative Priorities of the Economic  
Development Department  
Economic & Rural Development Interim Committee Meeting  
June 8, 2011

# NMEDD

- The NMEDD consists of 55 employees
- Rearranged some employees and tasks to fit new economic development priorities and to become more efficient.
  - Created the Office of Business Advocacy using existing staff
  - Film Office awaiting new director
  - International Trade now taking on the trade related duties of the Office of Mexican Affairs
  - Because it is a priority; created an Office of Science, Technology and Energy that is housed in the Office of the Secretary
  - Military Affairs
  - Economic Development Division
- Administratively attached departments: Spaceport, Border Authority and the New Mexico Partnership have also undergone restructuring changes.

# Where we are today

- Department/division budgets and where we are today due to HB2
  - FY 10 = \$9,209.5
  - FY 11 = \$7,728.3
  - FY 12 = \$6,520.6
- Two fewer divisions now
  - Permits opportunities for more collaboration – “One ED”
  - Able to re-organize around the LFC directive
- Staffing in FY 10,11,12
  - Lost 4 FTEs due to Reduction in Force – HB2
  - Lost 3 FTEs – no plans to replace
- Strategic planning process – Revisit performance measures
  - Statewide meetings to solicit input with regional EDOs –“What they want from the State Economic Development Department”
  - First effort in more than five years

# Economic Development Priorities

- EDD remains committed to the development of the New Mexico Borderplex
- Promoting an “all of the above” approach for a resurgence of energy production
- Science and Technology - leveraging relationships with the National Laboratories, Universities
- Bring manufacturing to New Mexico
- Success of Spaceport America

# Economic Development Priorities

- Focus on recruitment, retention and expansion
- Reviving the State Data Center, a function of EDD that is required by statute. Will provide county and tax incentive comparisons.
- Office of Business Advocacy was created in January, has opened 42 cases and resolved 17 cases, saving hundreds of jobs in the state.

# Job Training Incentive Program (JTIP)

- In 2011, JTIP has awarded \$1.69 million to create 260 jobs at an average wage of \$21.82.
  - Some of the companies funded are: Hewlett-Packard (Rio Rancho), Louisiana Energy (Eunice), JBC International (Chaparral), and Plenish, Inc. (Taos)
- Awarded in Jan. - \$707,827 for 107 new jobs
- Awarded in Feb. - \$297,749 for 19 new jobs
- Awarded in March - \$250,555 for 31 new jobs
- Awarded in April - \$335,900 for 79 new jobs
- Awarded in May – \$96,383 for 24 new jobs

# Rural Commitment

- Since January:
  - Visited more than 25 rural New Mexico communities
  - EDD was involved in the New Mexico Rural Alliance Rural Economic Development Forum
  - Believe in creating a “rural renaissance” with energy development leading the way

# Rural Commitment

Financial development, examples:

- Taos County
  - Contributed \$218,000 of Local Economic Development Act (LEDA) funds for infrastructure improvements to the Questa Industrial Park. Kit Carson Telecom will lease a newly constructed building within the industrial park as the anchor tenant. Over a period of two years, Kit Carson Telecom will create **36 new jobs**.
- Chaves County
  - Contributed \$218,000 of LEDA funds for the plan, design, and construction of a new building at the Hagerman Industrial Park. Fat Man's Beef Jerky will be housed there and will create **16 new jobs**.
- Harding County
  - Working with the county to prepare its first LEDA application.

# Rural Commitment

- MainStreet New Mexico

- Silver City was recently one of the five MainStreet programs nationwide awarded with the *Great American MainStreet Award* by the National Trust Main Street Center, a first for a New Mexico city in 26 years.
- Since January, completed and closed out six MainStreet capital outlay projects:
  - Walnut Streetscape in Clayton
  - A theatre restoration in Raton
  - Master plans:
    - Carlsbad
    - Silver City
    - Las Vegas
    - Portales
- Graduated three MainStreet communities from “Emerging to “Start-up” status: Deming, Nob Hill, Truth or Consequences.

# Rural Commitment

## MainStreet New Mexico, continued

- Graduated Tucumcari from “Start-up” status to “State Certified status.
- Farmington and Downtown Albuquerque secured Community Development Block Grants for façade improvements in their MainStreet districts.
- Façade Squads were completed in Deming and Las Cruces.
- Curb Appeal project completed in Grants.

### **January-March:**

**Net new businesses = 28**

**Net new jobs = 52**

# Rural Commitment

## Certified Communities Initiative (CCI)

- Pueblo of Acoma
  - Governor Randall Vicente accepted a CCI award for \$5,000 in Gallup
- Clayton, Eagle Nest and Springer
  - received 2010 certification
- Village of Hatch
  - received FY 2011 CCI award
- Carlsbad
  - Presented with CCI recertification

# Military Affairs

- Combined economic impact of DOD activities in NM is over \$7 billion.
  - Holloman AFB:
    - The state is working hard to address transition issues such as airspace and range implementation programs.
    - The Commanding General of WSMR is very supportive of Holloman
  - White Sands Missile Range:
    - Was designated as a Center of Excellence for Network Integration;
    - Over the next few months, several hundred Army personnel will be in Southern New Mexico on exercises designed to integrate weapons systems that have been deployed to the theater.
    - The Commanding General of WSMR supports the spaceport program.
  - Kirtland AFB:
    - A robust military installation with various units experiencing growth — the Nuclear Weapons Center, the 58<sup>th</sup> Special Operations Wing, and the 377<sup>th</sup> Air Base Wing, which supports all activities on Kirtland.
  - Cannon:
    - The 27<sup>th</sup> Special Operations Wing at Cannon will eventually have more than 6,000 personnel
    - Their operational units are receiving additional C-130s in the next few years.
    - Cannon experienced some difficulty with its Low Altitude Tactical Navigation Initiative, and the Air Force is establishing a revised program to include extensive community outreach. One of the state's primary issues is continuing to address the expansion of Melrose Air Force Range, and we are making steady progress on this complicated action.
  - Ft. Bliss:
    - Eighty nine percent of Ft. Bliss is in New Mexico.
    - The Army activated the 1<sup>st</sup> Armored Division at Ft. Bliss on May 24. The Commanding General is working closely with New Mexico.

# Spaceport America

- Christine Anderson named executive director of the New Mexico Spaceport Authority. Salary is \$50k less than former spaceport director.
- Spaceport tours commenced in May, allowing visitors to see the vertical launch area, the mission control building, the airfield and the terminal hangar facility.
- Educational opportunities with third annual student launch of experiments from New Mexico and other states on May 20.

# NM Partnership

- Partnership Budget was reduced by nearly 50 percent
- Eliminating unnecessary overhead, rent for office in Albuquerque was \$45k, will move into space in Santa Fe EDD office
- Ending duplicate efforts, such as marketing materials and will work together not independently,
- Re-tool Economic Development Division and NM Partnership to work more closely
- Will laser beam focus on recruitment and assisting rural communities

# Legislative Priorities

- JTIP Funding
- In-state Procurement Preference
- Improve regulatory Environment
- Create a competitive tax environment
- Capital outlay – Infrastructure Development
- Re-tool tax code and regulatory environment
- Restore the state incentives and programs (JTIP, CCI, cooperative advertising)
- Enhance workforce training programs
- Specify “wage” in High Wage Jobs Tax Credit

# Future

- **Goals of the strategic plan**
  - Use the resources we have more effectively
  - Train regional representatives to assist their communities in developing data and research for business development
  - Redesign EDD website
  - Overhaul data center to include more pertinent data to market New Mexico and assist our communities
  - Include database-driven community profiles and land and building inventories
  - Continue rural focus on capacity building