

New Mexico's Economic Development Strategy

Economic & Rural Development
Committee

September 12, 2013

Economic Overview

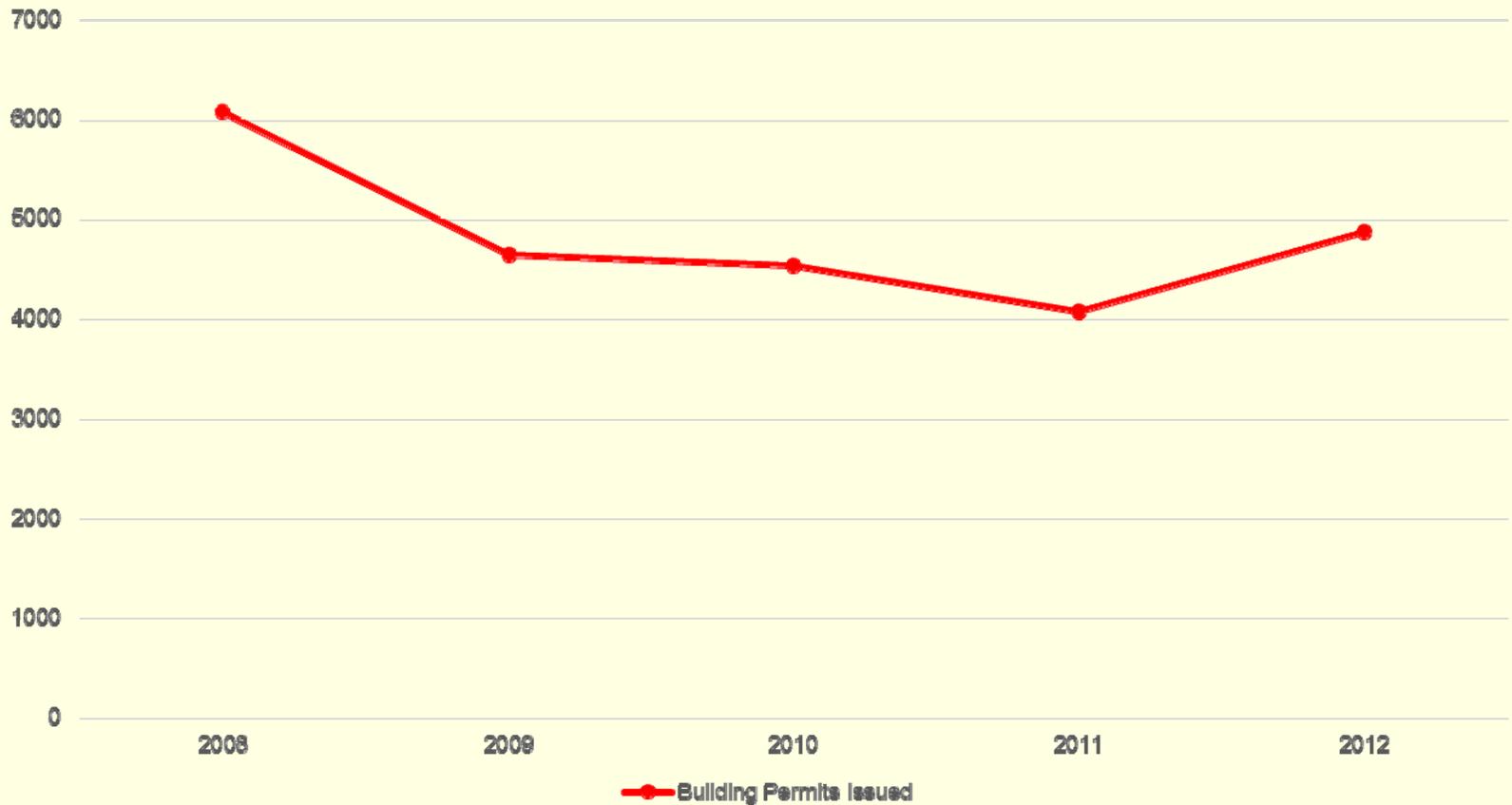
- Over-the-year job growth as of the 4th quarter of 2012 1.6% representing 12,565 new jobs
 - This is the strongest rate of growth since the 2nd quarter of 2007

Economic Overview

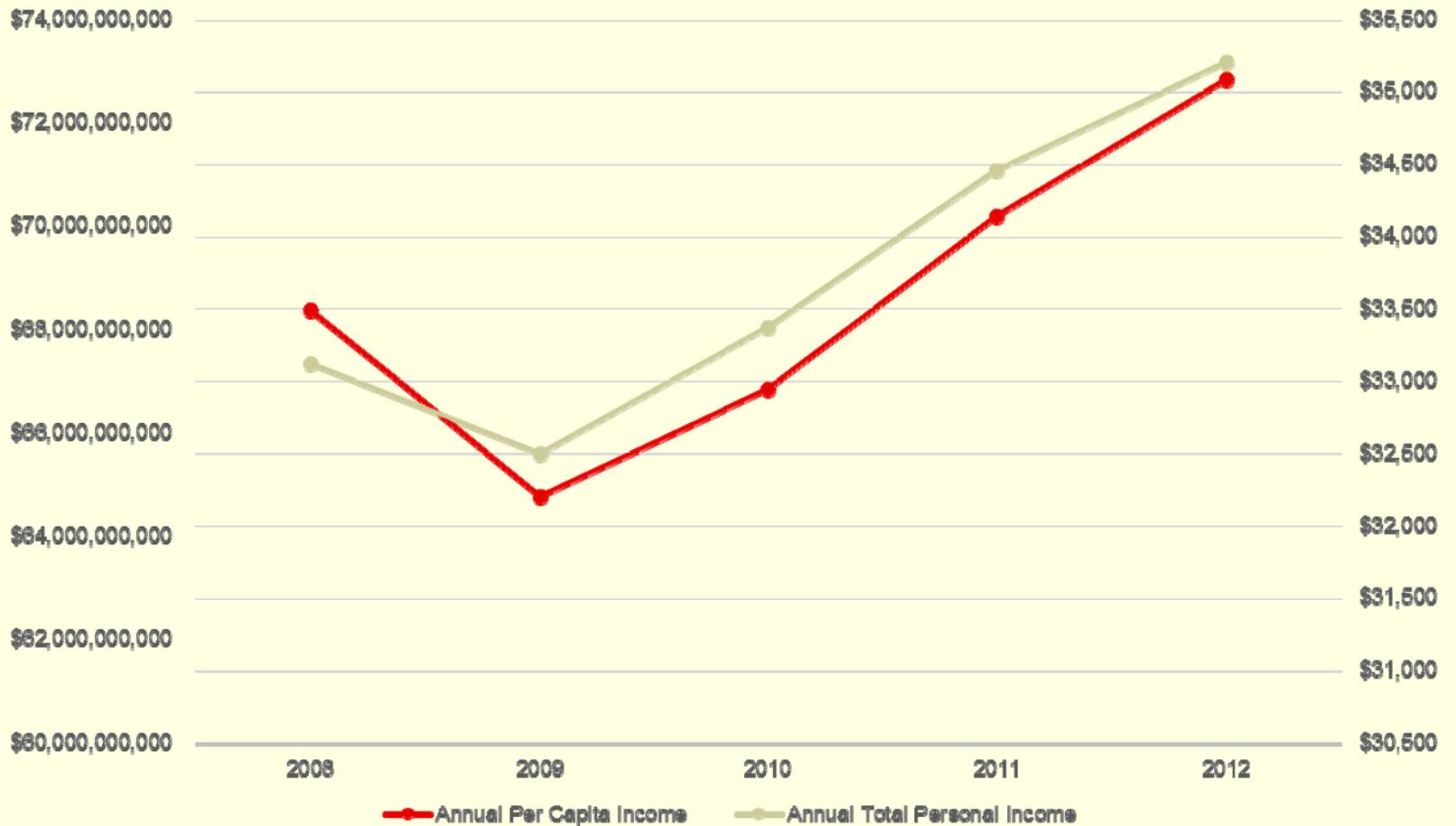
- Strongest growth sectors
 - Mining: 9.1%
 - Financial Activities: 6.4%
 - Leisure & Hospitality: 5.1%
 - Transportation & Warehousing: 4.6%
 - Information: 4.5%
 - Construction: 3.7%
 - Positive job growth after 18 consecutive quarters of declines—a very positive sign of recovery

Economic Overview

NM Annual Building Permits Issued



Economic Overview



Achievements

- In FY13, EDD programs created 3,093 jobs, exceeding its target of 2,500
 - Created 1,440 rural jobs, exceeding its target of 1,100

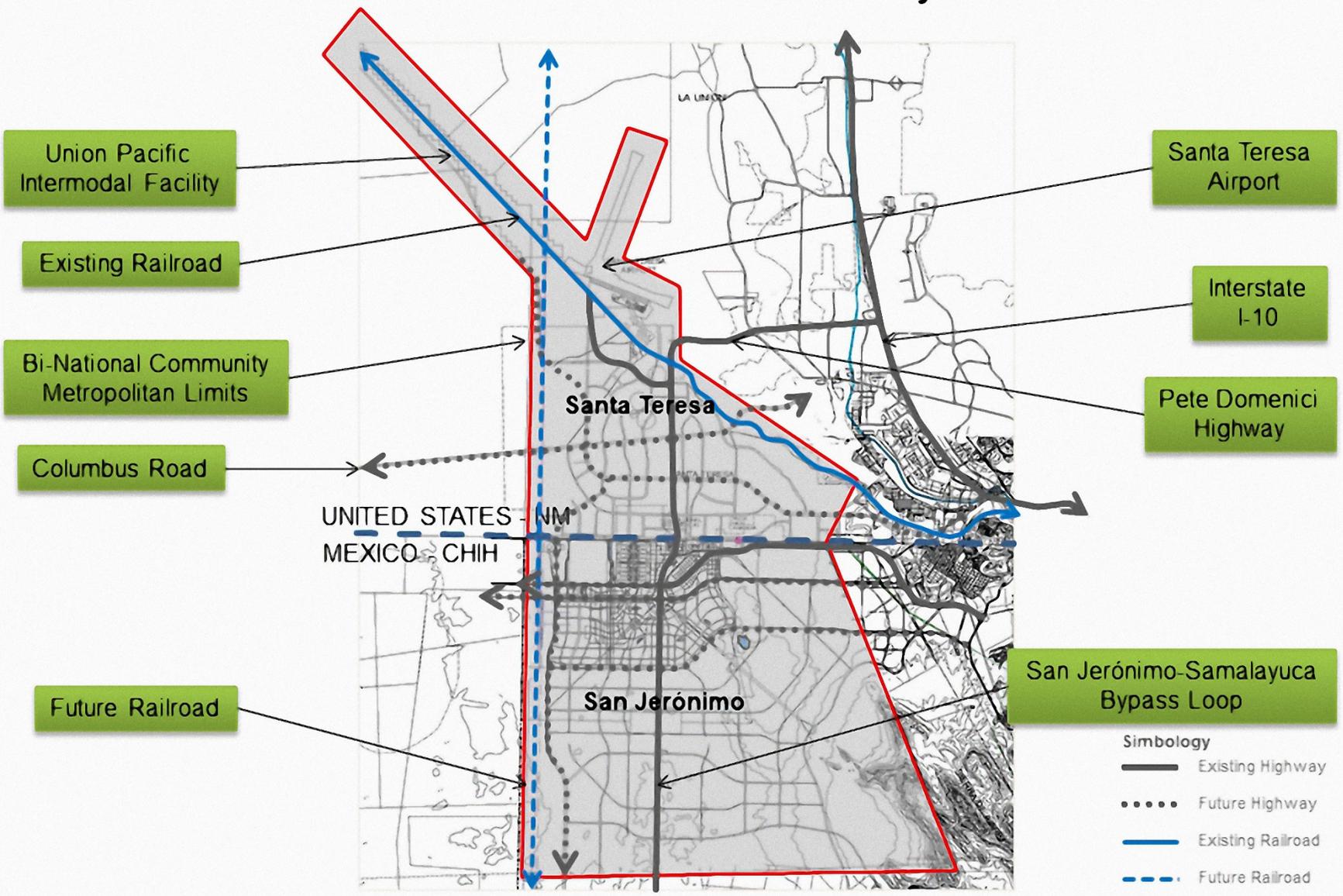
Achievements

- Companies moved to or expanded in the Borderplex
 - Bizlink
 - Ferza
 - JH Rose
 - L & M Radiators
 - TE Connectivity
 - Southwest Steel Coil
 - Mallory Metal Products
 - Morrison Express
 - Ironhorse
 - Southwest Steel Coil
 - W Silver Recycling
 - Twin Cities

Achievements

- Other major company announcements
 - Solaro Energy
 - Sitel
 - Alliance Data
 - Stolar Research
 - Heritage Home Healthcare
 - Western Baking Company
 - Martinez and Sons Processing
 - Fatman's Beef Jerky
 - Lowe's
 - L&M Radiators
 - FRST

Bi-National Community



Achievements

- Record growth in exports from the state –\$3.2 billion in 2012
 - 31 international trade transactions completed for New Mexico companies by Office of International Trade
 - The Business Roundtable projects that this international trade supports 218,000 jobs in New Mexico
 - According to U.S. Department of Commerce estimates, international trade has supported 18,000 jobs since 2011.

Achievements

- In FY13, 49 companies participated in JTIP, exceeding the target of 25—53% increase over FY12
 - The average hourly wage of jobs funded through JTIP was \$18.46, exceeding the target of \$16—14% increase in the average wage over FY12
 - 16 rural companies participated, exceeding the target of 8—77% increase over FY12
 - JTIP policy changed to reimburse up to \$5,000 in wages of interns

Achievements

- MainStreet

- In FY13, 102 new businesses were created in MainStreet districts with \$22.7M in private-sector investment
- Zuni Pueblo is the first Native American MainStreet community in the nation

Achievements

- MainStreet Historic Theater Initiative
 - Silver City: \$137,500 for renovations to Silco Theater
 - Clayton: \$630,000 for renovations to the Luna Theater
 - Two more to come

Achievements

- MainStreet Frontier Communities Selected
 - Carrizozo: Image & Branding and Business Development
 - Columbus/Luna County: Restoration of historic village plaza
 - Hurley: "Placemaking" streetscape for main commercial district
 - Madrid: Business & Entrepreneur Development
 - Moriarty: Streetscape section of historic Route 66 interface with I-40
 - Wagon Mound: Facade squad in commercial district

Five Year Economic Development Plan

- EDD publishes annual plans each year
- EDD is working with ED Commission on Five Year Plan
 - New Mexico SWOT Analysis
 - 2011 Rural Forum in Gallup
 - Meetings with Stakeholders
 - Secretary's Statewide Jobs Tour
 - October 2012 New Century Economy Summit
 - Innovation to Economic Development Focus Groups
 - Rural Economic Development Council, June 19
 - New Mexico Partnership Planning Retreat, June 25
 - Economic Development Commission, July 8 & August 23
 - Councils of Government, February and July
 - Legislative Jobs Council
 - Two public comment hearings before ED Commission

Five Year Economic Development Plan

- EDD and ED Commission in process of drafting plan
 - Establish New Mexico as the premier state nationally for water research
 - Sustainable Rural Communities
 - Small Business Resource Center
 - One Stop Service
 - Borderplex & Logistics Industry Development
 - Moving technology born in NM to job-creating entities

Establish New Mexico as the Premier State Nationally for Water Research

- More than 80 dedicated scientists
- Innovation Center to house water research
- National Labs and NMSU
- EPSCoR/NSF grant
- Economic development incentives for companies creating new technologies
- Create perfect environment to recruit additional scientists in fields of water research
- Forest management

Sustainable Rural Communities

- Statewide Commercial Kitchen Program
- 35 MainStreet Districts and 20 Arts & Cultural Districts in 5 years
- Continue Frontier Communities Initiative
- Statewide business incubation services: co-working spaces, business plan competitions
- Rural Marketing & Recruiting Program
- Strategic infrastructure & workforce development (coordinated with COGs)
- More resources for rural ED organizations
- Rural Downtown Revitalization
 - Capital outlay for priority ED projects in MainStreet district master plans
 - Theaters
 - Double Cultural Property Tax Credit for eligible commercial properties in MainStreet districts and make credit transferrable
 - Commercial kitchens

Small Business Resource Center

- Create a one-stop shop of resources and technical assistance for New Mexico businesses & entrepreneurs
- Work with Office of Business Advocacy
- Training
- Market intelligence/State Data Center
- Financial assistance

Borderplex & Logistics Industry Development

- Bi-national Community
- Continue to recruit companies around UP Intermodal Facility
- Rail bypass project
- Ports-of-Entry infrastructure and services enhancements

Moving Technology Born in NM to Job-Creating Entities

- Balance NM's Reliance on Federal Funding
 - Identify and resolve gaps in the process of moving technology and IP to a level of sustainable job creation and retain these companies in New Mexico.



- This represents a continuum of three discrete categories of activities
- Our process:
 - Review national best practices and studies
 - Conduct focus group discussions and interviews at all levels of the process
 - Make program and policy recommendations to enhance our success rate in moving R & D to gazelles
 - Invest and move forward