

ACTION PLAN

| | |
|--------------------------|----|
| Submitted by agency? | No |
| Timeline assigned? | No |
| Responsibility assigned? | No |

Economic Development Department

New Mexico added 36.2 thousand jobs in the second quarter of FY25, a 1.6 percent increase compared to the same quarter in FY24. The Economic Development Department (EDD) reported creating 157 jobs during that same period.

Performance measures in the second quarter, as is usual, were lower than in the first quarter. Total jobs created, jobs created by the Local Economic Development Act (LEDA) and the New Mexico Partnership, buildings rehabilitated through MainStreet, and all performance measures for the Film Office were lower compared to the first quarter. This performance is typical of the agency, as it notes that economic development tends to slow during the holiday season. On the contrary, the Outdoor Recreation Division (ORD) showed strong performance in the second quarter, as the division announced its first and only round of awardees through the Outdoor Equity Fund and trail projects funded through the Trails+ Grant program.

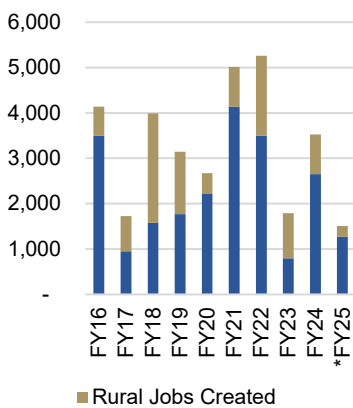
Creating Economic Opportunities

EDD reported supporting the creation of 157 jobs in the second quarter of FY25, a sharp decline from the 1,348 jobs created in the first quarter. These jobs had an average annual wage of \$59.8 thousand—approximately \$7 thousand above the local averages. Of those jobs, 49 were created in rural communities, including White Rock, Roswell, Santa Fe County, and Hobbs. The agency assisted 21 companies during the second quarter. EDD did not announce any Local Economic Development Act (LEDA) projects in the second quarter.

Office of Strategy, Science, and Technology. The Office of Strategy, Science, and Technology (OSST) launched the New Mexico Quantum Technologies Award pilot program to support the growth or relocation of quantum technology companies in or to New Mexico. EDD notes it plans to grant five awards of \$100 thousand. OSST also awarded \$300 thousand to seven technology companies through the Science and Technology Business Startup Grants program. The program aims to assist early-stage technology companies to commercialize technologies. Funding can be used to cover expenses related to business development such as marketing, customer acquisition, patent filing fees, and conference travel. Funding for quantum pilot program and startup grants was provided by the \$5 million recurring increase allocated during the 2024 legislative session. OSST also reports that two companies, Pajarito Powder and Molten Salt Solutions, received funding from non-state sources after receiving funding or technical assistance from OSST.

New Mexico Partnership. New Mexico Partnership supported the creation of 50 jobs in the second quarter following Crawford Hoying's announcement. The Ohio-based developer purchased land in Las Cruces' innovation industrial park to build a cold storage facility. The firm cited the property's proximity to the border, the limited supply of public freezer space in the Borderplex area, the region's agricultural market, and the concentration of food producers as key investment drivers. The developer expects to generate \$120 million in capital investment and over \$3.8 million in gross receipts taxes annually. New Mexico Partnership held five site visits in the second quarter to

Total Jobs Created by EDD



Note: FY25 only includes results the first and second quarter.

Source: EDD

Site Readiness Studies

During the 2024 session, the Legislature appropriated \$500 thousand to EDD for site readiness studies. EDD contracted with Global Location Strategies (GLS) to evaluate 28 publicly owned sites for industrial opportunities. The contractor assessed availability of infrastructure, site constraints, economic development capacity, transportation access, environmental impact, and workforce availability. GLS incorporated fatal flaw analysis, site selection simulations, and economic benchmarking based on labor- and capital-intensive industry requirements. Based on the analysis, GLS identified the following sites as the most ready for industrial development: Clovis Industrial Park in Curry county due to flexible zoning requirements, Las Cruces Innovation and Industrial Park in Dona Ana county due to an excess of utility capacity, and EnergyPlex Park in Lea county due to flexible zoning requirements.

Creative Industries Division

The Creative Industries Division was created in 2023 to support creative industry entrepreneurs, small businesses, and organizations. To date in FY25, the division has assisted 20 entrepreneurs and small businesses. The division is supporting industry with two grant opportunities in FY25—the Season Sponsorship grant program and Business Development and Expansion grant program. For the sponsorship program, EDD awarded seven \$5 thousand grants to in-person events that highlight the state's creativity. Funded events include Los Alamos Arts Council's festival in May and Bear Robe's Native Fashion Week in Santa Fe. For the business development and expansion program, EDD will award seven \$10 thousand grants to existing creative businesses for capacity building, business expansion, and program expansion.

Albuquerque, Rio Rancho, Las Cruces, Gallup, Farmington, and Santa Teresa. The corporation notes having five projects in the pipeline that could create 300 more jobs.

Job Training Incentive Program. The Job Training Incentive Program (JTIP) board approved 22 companies and 352 trainees for funding in the second quarter. Of those jobs, 75 are high-wage positions, of which 92 are urban with annual salaries greater than \$60 thousand and 83 are rural with annual salaries greater than \$40 thousand. The board also approved 21 internships and 14 incumbent workers to receive upskills training. The agency notes that many companies normally slow down hiring efforts in the second quarter due to the holidays and have 397 trainees in the queue for the third quarter.

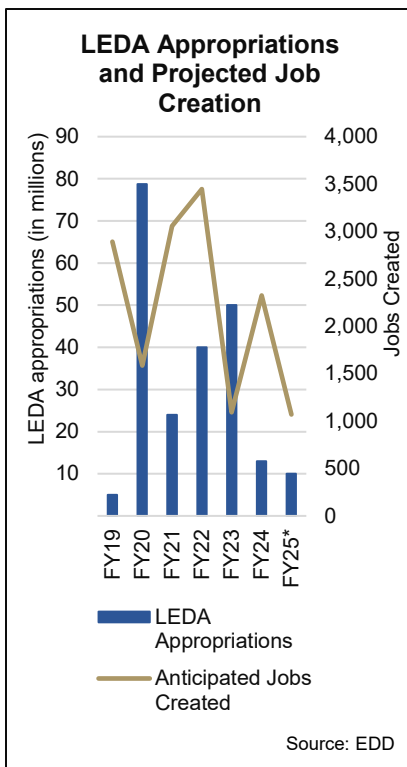
| Budget: \$25,738.5 FTE: 57 | FY23 Actual | FY24 Actual | FY25 Target | FY25 Q1 | FY25 Q2 | FY25 Q3 | Rating |
|--|----------------|----------------|----------------|----------|----------|---------|----------|
| Number of jobs created due to department efforts | 1,790 | 3,523 | 4,000 | 1,348 | 157 | | R |
| Number of rural jobs created due to department efforts | 996 | 871 | 1,320 | 183 | 49 | | R |
| Average wage of jobs created | \$56,503 | \$56,684 | \$50,000 | \$73,356 | \$59,780 | | G |
| Wages for jobs created in excess of prevailing local wages | \$13,630 | \$6,001 | \$7,500 | \$16,979 | \$7,036 | | G |
| Number of jobs created by New Mexico Partnership | 165 | 1,995 | 2,250 | 900 | 50 | | Y |
| Number of jobs created through LEDA | 1,092 | 2,356 | 3,000 | 1,070 | 0 | | R |
| Dollars of private sector investment in MainStreet districts, in millions | \$52.9 | \$51.6 | \$30 | \$7.9 | \$24.7 | | Y |
| Number of building rehabilitations assisted by MainStreet | 278 | 241 | 200 | 82 | 46 | | G |
| Number of workers trained by JTIP | 1,255 | 2,359 | 2,000 | 341 | 352 | | R |
| Dollars of follow-on investment in technology-based companies from OSST, in millions | \$1 | \$128.2 | \$2 | \$8.7 | \$18.8 | | G |
| Program Rating | Y | Y | | | | | R |

*Measure is classified as explanatory and does not have a target.

Outdoor Recreation

The Outdoor Recreation Division (ORD) connects outdoor recreation company with incentives, supports the development of outdoor recreation infrastructure, and helps make the outdoors accessible for New Mexico's youth. In the second quarter, ORD's efforts expect to create 380 jobs.

In the second quarter, ORD awarded \$4.3 million to 16 recipients through the Trails+ Grant program, which expect to create 380 seasonable, part-time, and full-time jobs over the next 2 years. These projects secured \$7 million in private and regional matching funds. Trails+ funding will be used for a variety of projects, including trail restoration in wildfire-affected areas, infrastructure upgrades, and youth conservation projects. Examples of funded projects in the second quarter include Rocky Mountain Youth Corps which will engage 60 young adults in paid service to restore more than 300 miles of fire-damaged trails and the city of Carlsbad which will employ construction and maintenance

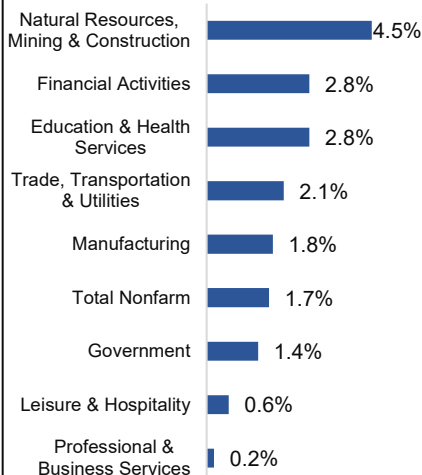


PERFORMANCE REPORT CARD

Economic Development Department
Second Quarter, Fiscal Year 2025

Over-the-Year Job Growth by Major Industry Sector

January 2024 to January 2025



Source: U.S. BLS

teams to renovate trails along the Pecos River. The program continues to accept applications. In total, ORD plans to award \$11.4 million through the program in FY25.

ORD awarded \$851.4 thousand to 43 organizations benefiting 10.9 thousand youth through the Outdoor Equity Fund. This will be the only round of funding for the Outdoor Equity Fund in FY25. Grants ranged from \$5 thousand to \$40 thousand. In FY25, the program is funded by \$468.8 thousand from the Land of Enchantment Legacy Fund and \$382.6 thousand from the agency's operating fund. ORD notes that the agency reviewed 96 applications requesting over \$3 million in funding.

| | | | | | | | |
|--|---|---|--------------------|----------------|----------------|----------------|---|
| Budget: \$3,061.6 FTE: 4 | FY23 Actual | FY24 Actual | FY25 Target | FY25 Q1 | FY25 Q2 | FY25 Q3 | Rating |
| Number of new outdoor recreation jobs created by ORD* | 411 | 667 | NA | 282 | 380 | | G |
| Number of outdoor recreation conservation projects funded or led by ORD* | 44 | 104 | NA | 20 | 16 | | G |
| Number of youth to benefit from outdoor education programs* | 12,221 | 36,269 | NA | 0 | 10,987 | | G |
| Program Rating | G | G | | | | | G |

*Measure is classified as explanatory and does not have a target.

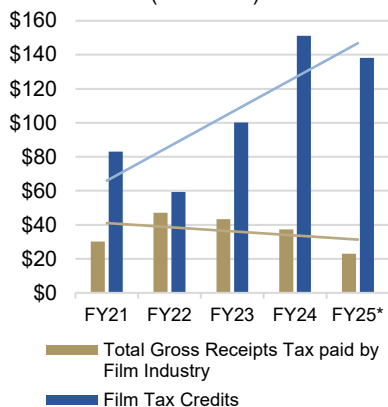
Film

The Film Office markets the state to the film industry and promotes the film production refundable tax credit, which provides between 25 percent to 40 percent reimbursement for eligible spending by film production companies. The film industry nationwide is facing a decline in production, stemming from the pandemic and recent strikes. In the second quarter, the film division estimated 45.9 thousand film and media workers days, down 43.4 percent from the previous quarter, with a median wage of \$74.9 thousand. The division also estimated \$59.7 million in direct spending by film industry productions, down 52.3 percent compared to the previous quarter. In the second quarter, the film industry paid \$3.8 million in gross receipts tax (GRT) in the second quarter. Direct spending and GRT paid by film industry are not on track to reach FY24 actuals or the FY25 target. GRT paid by film industry is trending downward, while film tax credits are trending upwards.

| | | | | | | | |
|--|---|---|--------------------|----------------|----------------|----------------|---|
| Budget: \$1,840.3 FTE: 10 | FY23 Actual | FY24 Actual | FY25 Target | FY25 Q1 | FY25 Q2 | FY25 Q3 | Rating |
| Number of film and media worker days | 533,630 | 339,266 | 500,000 | 81,105 | 45,898 | | R |
| Estimated direct spending by film industry productions, in millions | \$794.11 | \$740.42 | \$700 | \$125.2 | \$59.7 | | R |
| Total wages paid by film industry productions to New Mexico residents, in millions | \$152.26 | \$98.74 | \$130 | \$27.84 | \$13.2 | | R |
| Total gross receipts taxes paid by film industry productions, in millions | \$43.41 | \$37.25 | \$35 | \$7.65 | \$3.83 | | R |
| Program Rating | G | G | | | | | R |

Film Tax Credits and GRT Paid by Film Industry

(in millions)



Note: Includes estimated film tax credits to be paid out in FY25 and anticipated gross receipts paid by film industry based on the first two quarters of FY25.

Source: EDD, LFC