

# Taking Stock and Moving Forward: Attracting New Employers to New Mexico



## **Steve Vierck, CEcD** **New Mexico Partnership**

REPORT TO THE INTERIM ECONOMIC AND  
RURAL DEVELOPMENT COMMITTEE

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# Much Room for Improvement



## Mountain Region States— Larger Economic Development Projects 2009-2011 (projects per 100,000 population)

• Arizona	136 (2.1)
• Utah	94 (3.4)
• Colorado	68 (1.4)
• Nevada	56 (2.1)
• Idaho	40 (2.5)
• Wyoming	19 (3.2)
• <b>New Mexico</b>	<b>19 (0.9)</b>
• Montana	9 (0.9)

**New Mexico ranked  
44<sup>th</sup> of the 50 states for the  
period 2009-2011**

**Improvement to just  
the middle ranking would add  
10 projects per year with  
a projected total of 1700 jobs  
and \$250 million in capital  
investment**

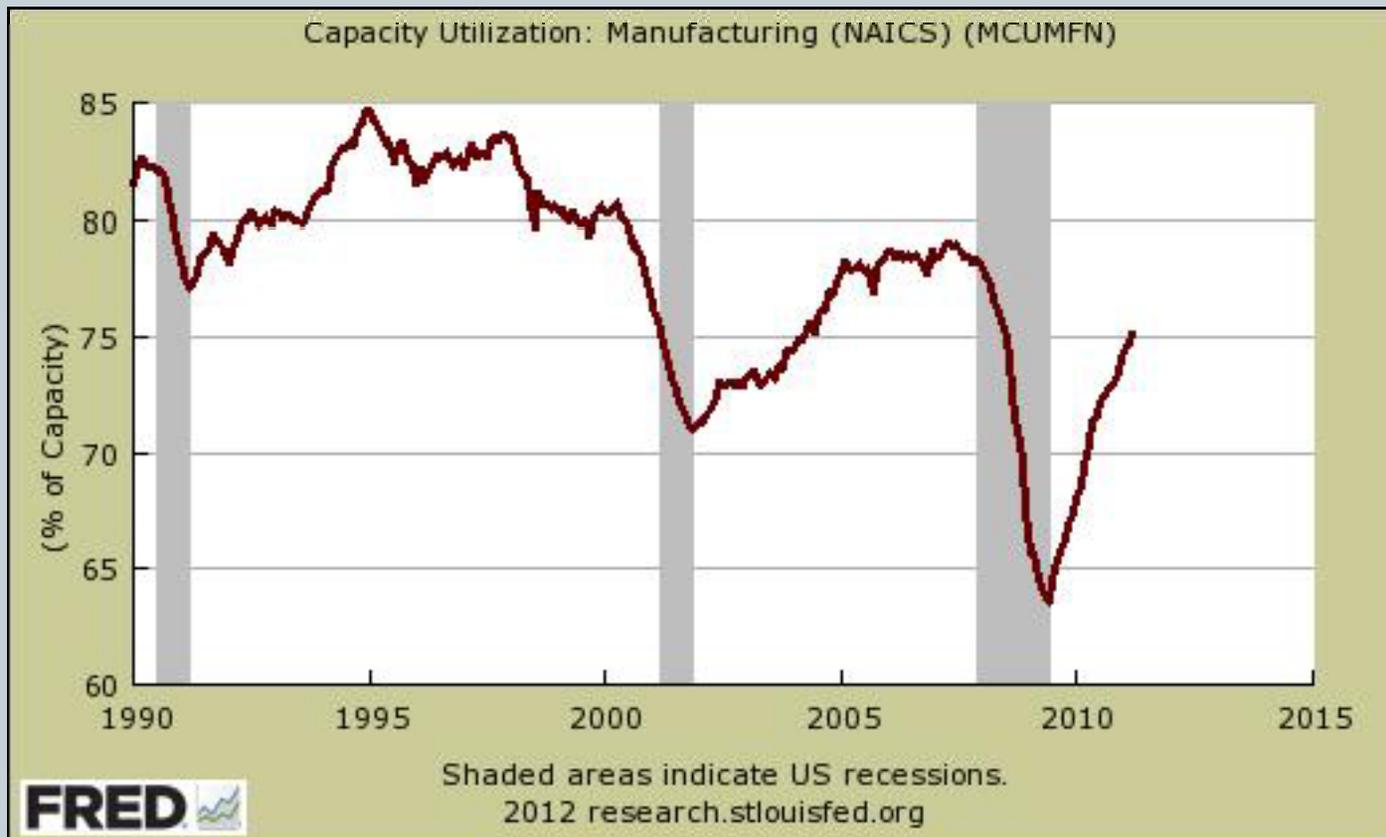
# Key Findings from Recent Sales Missions\*



- Site selectors: “It is as busy as we’ve seen it in the past several years.”
- Good opportunities for small to mid-sized projects
- Keen interest in existing buildings and rapid permitting as companies have been delaying expansions
- Some pullback from moving projects “off-shore” and consideration of U.S. locations
- Risk and logistics considerations are being weighed more heavily with particular interest in rail-served sites including intermodal facilities
- Some companies only want to consider expansions within communities where they currently have operations
- Avoidance of “cost prohibitive” states
- Broad familiarity with New Mexico for tourism, but limited awareness as a business location

\* Chicago, Minneapolis/St. Paul, Dallas, Phoenix, Cleveland/Columbus

# Economic Development Opportunities Again



# Most Active Types of Projects



- **Transportation and distribution—highway and rail**
- **Customer service/technical support centers**
- **Maquiladora suppliers**
- **Aerospace—aircraft modification, UAV**
- **Food processing (dairy-related)**
- **Shared service centers**
- **Energy (renewable & traditional)**
- **High technology**

# Select Competitive Advantages



- Broad array of regional assets (New Mexico can match up with many different types of projects)
- “Value” location—quality relative to cost; “positive” client experience
- Good transportation infrastructure—interstate, rail, cross-border connectivity
- Bi-lingual workforce
- Accessibility to leadership
- Exceptional energy resources—clean and traditional
- Desirable quality of life
- Research/testing facilities and talent—national labs/WSMR/universities/etc.
- Good climate for aerospace and desirable time zone (customer service Operations)
- Comparatively low property taxes and no inventory tax
- Numerous “off the shelf” incentives, i.e. tax credits
- Job Training Incentive Program, High Wage Jobs Tax Credit, and IRB’s

# Perceived NM Competitive Disadvantages



- Lack of trained and experienced workforce in many communities
- Relatively few existing buildings
- Limited awareness of New Mexico as a place to do business
- Small population and market—not a large market compared to California, Arizona, and Texas
- Confusing tax system
- Highest taxation of any state at first glance before “off the shelf” incentives, i.e. Ernst & Young study (sometimes that’s all the consideration we get)
- No closing fund for strategic projects
- Not a right-to-work state

# New Mexico Partnership Mission



**Encourage and assist in the location  
of new industries and businesses to  
the State of New Mexico and  
the expansion of existing businesses.**

# The New Mexico Economic Development Corporation (New Mexico Partnership)



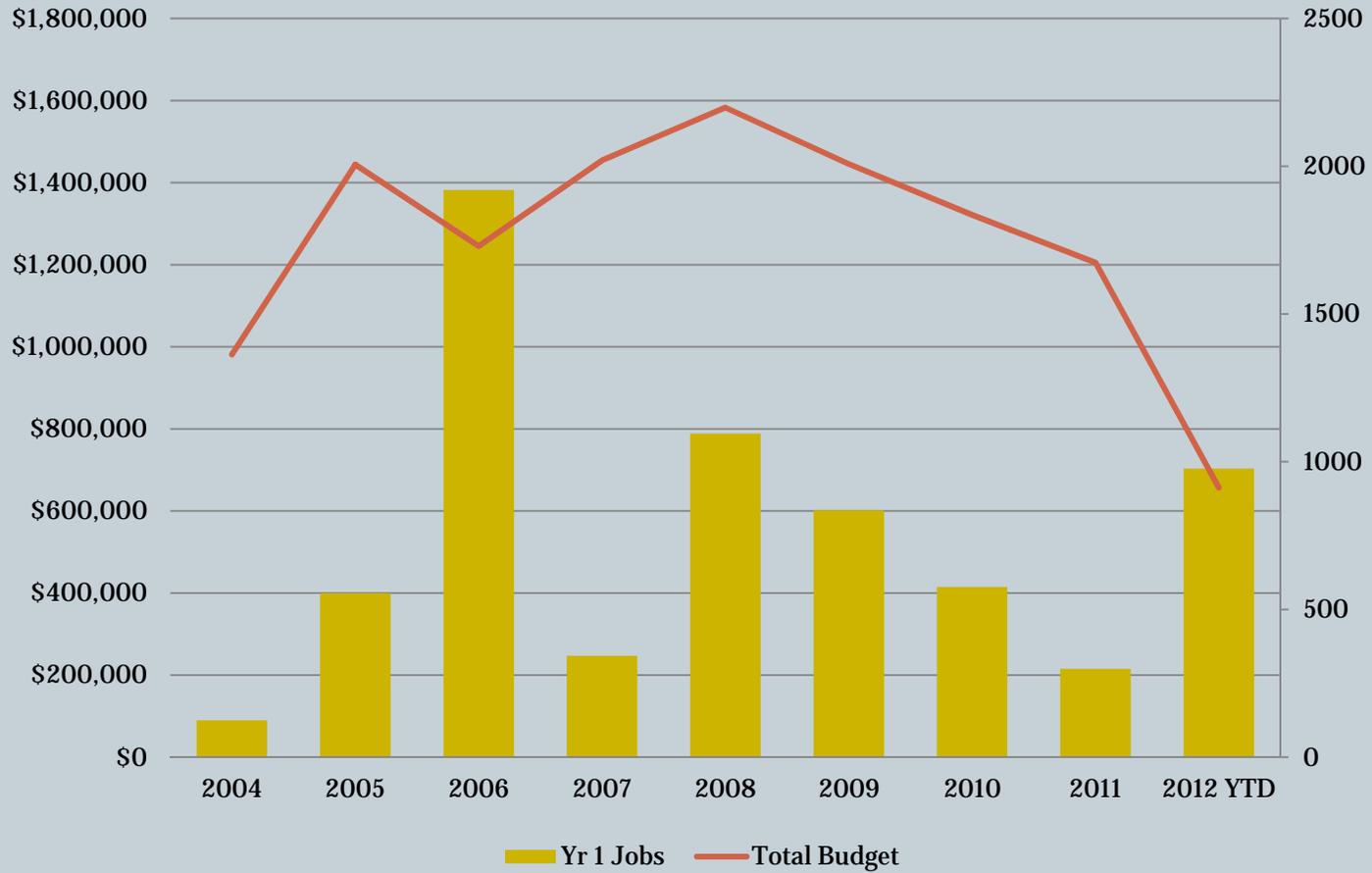
- Created in 2003 through legislation (HB 494) at behest of economic developers and business community
- Public-private sector approach engages business community and provides flexibility in marketing
- 15 member board appointed by Governor including Economic Development Secretary and 1 business representative and 1 economic development professional from each regional planning division. Non-partisan with balanced Board party affiliation.
- Many states are shifting their economic development marketing/business development to a public-private approach
- Close collaboration with New Mexico Economic Development Department, regional/community economic development organizations and other allies

# Success to Date



- **Successful recruitment**
  - 42 companies including PreCheck (Alamogordo), AerSale (Roswell), Fidelity (Albuquerque ), Allstate (Las Cruces), CITE (Lea County), CI Direct (Taos), JBC International (Chaparral), Inter-ceramic (Santa Teresa), AMAC (Clovis)
  - Over 12,000 jobs including 4,000 jobs in rural New Mexico
- **Capital investment**
  - Over \$1 Billion

# Budget vs. Jobs



# More Intense Competition Necessitates Differentiation



*Economic Development Marketing  
consists of all activities designed to create  
desirability and differentiation  
of your region to your audience.*

New Mexico possesses  
many ***distinctive*** assets.

# Target Industries



- **Advanced Manufacturing**
- **Aerospace & Defense**
- **Back Office & Technical Support**
- **Digital Media**
- **Emerging Technology**
- **Energy & Natural Resources**
- **Logistics, Distribution & Transportation**
- **Value-Added Agriculture**

# ED Marketing is Relationship Marketing



## Overall Assessment

- Awareness (-)
- Comparison (-)
- Transaction (-)
- Reinforcement (+)
- Advocacy (+)



# Marketing Initiatives



- Sales Missions
- Website
- Brochures
- Direct Mail
- Trade Shows/Industry Conferences
- Newsletters
- Social Media





July <b>Southern California Sales Mission</b>	July 10-12 <b>InterSolar N.A.</b> San Francisco, CA	August <b>Northern California Sales Mission</b>	August 6-8 <b>AUVSI Unmanned Systems N.A.</b> Las Vegas, NV
Sept 30-Oct 3 <b>IEDC Annual Conference</b> Houston, TX	October <b>NY, NJ &amp; PA Sales Mission</b>	October 13-17 <b>IAMC Fall Forum</b> Omaha, NE	October 17-18 <b>ISPCS Space Week</b> Las Cruces, NM
Oct 30-Nov 3 <b>NBAA Annual Conference</b> Orlando, FL	November <b>DC, MD &amp; VA Sales Mission</b>	December <b>Atlanta Sales Mission</b>	



“The greatest danger for most of us is not that we aim too high and miss it, but that we aim too low and reach it.”

—*Michelangelo*