# Program Updates & Priorities

Presentation to the Economic & Rural Development Committee

November 10, 2016

Secretary Designate Matt Geisel



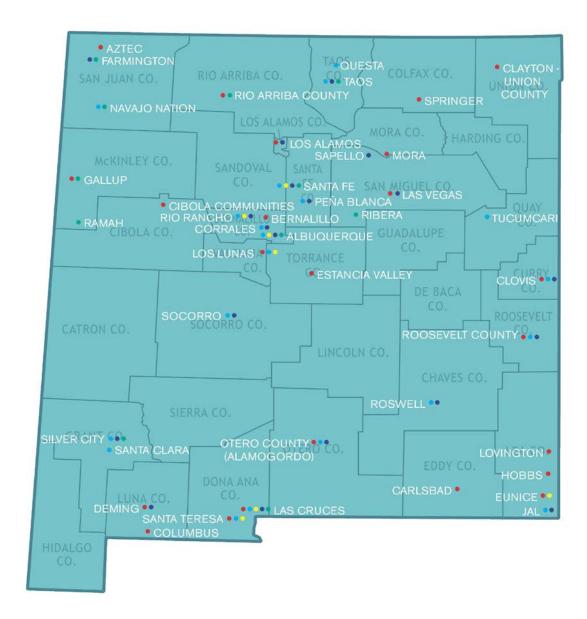


FY16 Program Results in Numbers

- 4,140 Total Jobs Created
- Ten Companies Recruited by the Partnership (1,579 New Jobs)
- 80 Business Expansions Assisted
- \$22 Million in New Private Sector Investment in MainStreet Districts & 248 Building Rehabilitations
- 23 Projects Supported by LEDA Investment of \$15.2 Million (2,426 New Jobs); Leveraged Ratio of 16.8 to 1
- 2,238 New Mexicans Trained by JTIP for 60 Participating Companies at an Average Wage of \$18.04
- The Film Office Recruited 63 Total Film & Media Projects Generating \$387 Million in Direct Spending and 260,307 Worker Days
- Exports under the New Mexico SBA STEP Grant program totaled an estimated \$10 million exported worldwide by eligible small business concerns as a growing number of New to Export companies found markets abroad and Market Expansion firms expanded sales and market outreach to new markets abroad.



Our Programs Touch Every Corner of the State (FY16 & FY17) LEADS LEDA NMP JTIP OTHER



### LEDA Projects \$56 M

\$15.2M Committed in FY16

\$11.0M Committed To-Date in FY17

FY16 Quarter	Number of Projects	Number of Jobs	Total LEDA Investment	Total Private Investment	Leveraged Ratio
1	6	391	\$2,225,000	\$41,842,000	18.8
2	7	450	\$6,368,436	\$164,600,920	25.49
3	1	14	\$325,000	\$1,250,000	3.85
4	9	1,571	\$6,290,000	\$49,133,000	7.8
Totals	23	2,426	\$15,208,436	\$256,825,920	16.8

				Total Private Investment	
1	5	144	\$11,000,000	\$277,735,721	25.25

Companies Assisted or Recruited by the NM Partnership

FY16 Budget: \$1.18M

FY17 Budget: \$1.18M Post-SB9 Cut: \$1M

FY16	Location	Number of Jobs
Associated Energy Services	Eunice	5
Rural Sourcing, Inc.	Albuquerque	125
New Mexico Greenhouse Holdings	Las Cruces	82
W Silver Recycling Rail Spur	Santa Teresa	4
FedX Ground	Santa Teresa	200
PCM, Inc.	Rio Rancho	224
Valley Cold Storage	Santa Teresa	14
The Art of Chocolate, LLC	Santa Fe	5
ТРІ	Santa Teresa	20
Safelite AutoGlass	Rio Rancho	900
Total		1,579
FY17		
Gamesa	Santa Teresa	25
Master Immediate Supply	Santa Teresa	5
Facebook	Los Lunas	50
Total		80

## JTIP Appropriation History



#### JTIP Appropriations FY11-FY17 (In Millions)



### JTIP

FY16: \$13.4M Obligated

FY17: \$5.335M Obligated To-Date

FY16 Quarter	Number of Trainees	Average Wage	Number of Companies	Number of Rural Companies	Total Obligations
1	627	\$16.06	22	6	\$2,259,406
2	742	\$18.56	21	3	\$5,111,309
3	364	\$18.39	22	2	\$2,090,709
4	505	\$19.23	23	2	\$4,020,134
Totals	2,238	\$18.04	60	8	\$13,381,558

FY17 YTD				Number of Rural Companies	Total Obligations
	800	\$17.44	35	7	\$5,335,102



# JTIP Budget

JTIP Funds are nonreverting

Cash Balance	\$14.2M
JTIP Current Obligations	(\$14.1M)
Unobligated Balance for FY17	\$100K



## MainStreet By the Numbers

FY16 Budget -\$1,265,000 (General Fund & Special Appropriation)

FY17 - \$915,000 Post SB9 Cut - \$805,200

FY16 Quarter	Net New Businesses	# of Private Building Rehabs	Private Reinvestment	Net New Jobs
1	36	23	\$569,700	216
2	20	40	\$2,046,925	6
3	38	140	\$17,992,016	179
4	48	45	\$1,509,149	151
Totals	142	248	\$22,117,690	552
FY17 Quarter	Net New Businesses	# of Private Building Rehabs	Private Reinvestment	Net New Jobs
1	37	78	\$10,140,512	177

### MainStreet

FY16 Capital Outlay \$500,000

FY17 Capital Outlay \$500,000

#### FY16 Recipients:

Clovis, Historic Rail Park

Grants, Rio San Jose Riverwalk Legacy Trail

Los Alamos, Street Improvements on Central Avenue

Truth or Consequences, Healing Waters Plaza

Tucumcari, Historic Railroad District

### FY 17 Recipients:

Belen, Railroad District

Downtown Albuquerque, Streetscape Project on Central Avenue/Historic Route 66

Raton, Streetscape and Pedestrian Lighting

Artesia, Cultural Economic Development Plan

Mora, Cultural Economic Development Plan MainStreet Frontier Communities Initiative

FY16 Funding: \$350,000

No Funding in FY17

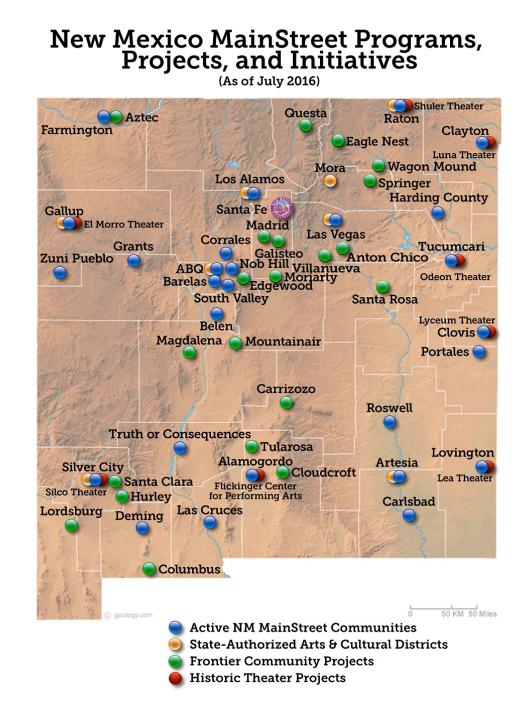
### Seven Rural Villages Served in FY16:

Eagle Nest, Event Development Mountainair, Place-Making and Design Santa Clara, Façade Improvement Program Springer, Place-Making and Revitalization Plan Tularosa, Image and Branding Development Villanueva, Entrepreneur Development

Funding for the technical assistance provided by this Initiative runs out on December 31<sup>st</sup>.

New Mexico MainStreet Program Demand

- 6 Communities Requesting Designation as MainStreet Communities
- 13 Requesting Assistance from the Frontier Communities Initiative
- 5 Seeking Arts & Cultural District State-Authorization
- 5 Historic Theaters in Need of Renovation/Digital Conversion



### LEADS

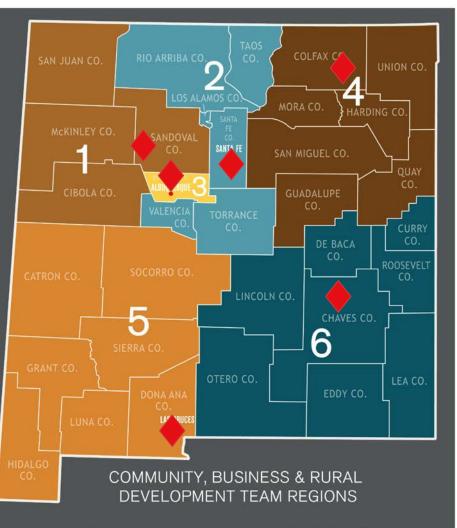
\$162,500
Awarded to
17 Rural
Communities

Carlsbad Department of Development	Attraction & Recruitment	\$15,000
Cibola Communities Economic Development Foundation	Workforce Development and Solo Worker Program	\$8,000
Clovis Industrial Development Corporation	Attraction and Business Retention & Expansion	\$10,000
Deming Luna County Economic Development Inc.	Real Estate Development and Attraction	\$7,500
Estancia Valley Economic Development Association	Attraction and Business Retention & Expansion	\$7,000
Greater Gallup Economic Development Corporation	Attraction and Business Retention & Expansion	\$15,000
GrowRaton	Tech Entrepreneurship & Business Start-Up	\$7,500
Las Vegas San Miguel County Economic Development Corporation	Tech Entrepreneurship & Business Start-Up	\$5,000
Economic Development Corporation of Lea County	Attraction & Recruitment	\$10,000
Village of Los Lunas	Attraction & Recruitment	\$7,500
Lovington Economic Development Corporation	Real Estate Development and Attraction	\$10,000
Mesilla Valley Economic Development Alliance (Santa Teresa)	Attraction & Recruitment	\$15,000
Otero County Economic Development Council	Attraction & Recruitment	\$15,000
Rio Arriba County	Workforce Development and Tech Entrepreneurship & Business Start-Up	\$10,000
Roosevelt County Development Corporation	Attraction and Business Retention & Expansion	\$10,000
Sandoval County Business Development Division	Workforce Development and Solo Worker Program	\$5,000
Southern Luna County Economic & Community Development Corporation	Business Retention & Expansion and Entrepreneurship Support Program	\$5,000



Community, Business & Rural Development Team or Regional Reps

Office Locations



Region 1: Fred Shepherd Bernalillo Office (505) 490-7966 Fred.Shepherd@state.nm.us

Region 2: Ryan Eustice (505) 827-2199 (505) 570-7796 RyanT.Eustice@state.nm.us

Region 3: Mark Roper, Team Leader, Tribal Liaison Albuquerque Office (575) 562-0327 Mark.Roper@state.nm.us Region 4: Tim Hagaman Springer Office (505) 862-2322 Tim.Hagaman@state.nm.us

Region 5: Christine Logan Las Cruces Office (575) 373-5602 Christine.Logan@state.nm.us

Region 6: Mark Roper (575) 562-0327 Mark.Roper@state.nm.us

### Office of Science and Technology

Purpose: To support business development and infrastructure for New Mexico's technology companies

\$300,000 Appropriated in FY16

No Funding Appropriated in FY17

- Created and implemented a Technology Research Collaborative competitive technology maturation matching grant program
  - Supported 6 technology companies and accelerated the commercialization of New Mexico innovations.
  - This program enabled companies to patent technology, get customers, attract venture capital investment, create jobs, and remain active in New Mexico
- Designed, won, and implemented a \$1.6 million Office of Economic Adjustment grant to assist communities, business, and workers that may be affected by reductions in Department of Defense spending
- Launched the Catalyst Fund
  - A *\$20 million* fund of funds which when matched by private investment will provide *\$40 million* of needed seed and early stage capital to New Mexico's technology startups.

Office of Science and Technology

Highlighted Fy17 Activities

- Office of Economic Adjustment Grant
  - Created a web portal and map of assets to help companies access resources
  - Actively providing direct assistance to help companies grow
- The Technology Research Collaborative
  - Received \$100k from the New Mexico Gas Company to create a fellowship program that will guide young innovators and entrepreneurs through the process of technology business development. Creating a pipeline of entrepreneurs and business executives in New Mexico and strengthening the workforce.
  - Examining and creating recommendations on how to strengthen capital stack in New Mexico for our science and technology startups
  - Developing recommendations and an understanding of how the state, federal labs, and research universities can *increase private enterprises based around New Mexico's technologies*

## Business Incubators

\$130,000 Appropriated
Annually in EDD
Budget for 7 Certified
Business Incubators

Post SB9 Cut - \$46,500

#### Certified Business Incubators:

South Valley Economic Development Center

WESST Enterprise Center

Santa Fe Business Incubator

Enterprise Center at San Juan College

Arrowhead Tech Incubator at NMSU

Taos County Economic Development Center

Navajo Tech Innovation Center

FY16 Economic Impact of Business Incubators:

- Assisted 174 tenant companies
- Over the past two fiscal years (FY 2015 & FY 2016), 50 firms have graduated – 43 are still in business
- These firms (174 tenants and 43 graduates) have created and supported over 1,250 jobs
- An estimated total of \$11.5M in state and local taxes were generated from incubator operations
- For every \$1 the state contributes to the incubators, an average of about \$89 is generated in state and local tax revenue (\$65 for state and \$23 for local taxing districts).



## Film Office

Record Breaking Numbers

FY16 Quarter	Total # of Projects	Direct Spend	Projects Over \$1M	Worker Days
1	20	\$142.5M	7	82,764
2	12	\$26.9M	1	19,597
3	7	\$67.7M	10	48,982
4	24	\$150.1M	12	108,964
Totals	63	\$387.2M	30	260,307
FY17 Quarter	Total # of Projects	Direct Spend	Projects Over \$1M	Worker Days
1	25	\$144.6M	12	133,128



FY 17 Legislative Priorities

- JTIP: Request \$12.0M
- LEDA: Maintain Level of \$50M
- MainStreet: Restore Frontier Communities Initiative, MS Capital Outlay
- Amend MRA legislation to benefit MainStreet and other rural areas
- Business Incubators: \$50,000 Increase = Total Funding of \$180,000 for 7 Facilities

New Initiative

#### Enhanced Enterprise Zone Legislation

- It is a good economic development tool
  - It is optional for local governments to create districts
  - It is a zero-cost/no-cost tool
  - Spurs private sector investment
  - Local governments abate property tax during a development phase that is recaptured
    - Will require annual property assessments to ensure increased property tax valuations are captured at the end of the period
  - It is a geo/location tool: our tools are generally company or project driven
  - It can be used anywhere in New Mexico, cities, small towns, rural, greenfield, brownfield, etc.
  - It works well for re-development and new development
  - New Mexico estimated to lose between 25-40% of economic development projects due to lack of adequate real property inventory
- Most states have similar legislation, including Texas, Arizona and Colorado
- Investment will result in increased economic activity and increased tax revenues

# Thank you