



# EDD

ECONOMIC DEVELOPMENT DEPARTMENT

## Economic Development Funding as Strategic State Investments



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Presentation to the  
**Investments & Pensions**  
**Oversight Committee**  
July 7, 2022

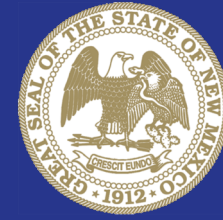
# EDD Overview



The mission of the New Mexico Economic Development Department is to *Improve the lives of New Mexico families by increasing economic opportunities and providing a place for businesses to thrive.*

- Economic Development Division
  - JTIP
  - Community, Business, & Rural Development Team (Regional Reps)
  - MainStreet™
  - Office of International Trade
  - Office of Science and Technology
  - LEDA
- Film
- Outdoor Recreation
- NM Border Authority
- Office of Military Base Planning
- Spaceport Authority

# Challenges



## Education

- Create awareness around opportunities

## Communication, Collaboration

- Leverage funding sources
- Coordinate efforts + project pipeline

## Technical Assistance

- Direct connection to resources

# Financial Programs

## **Business Projects:**

- Job Training Incentive Program
- Local Economic Development Act
- Collateral Assistance Program
- Business Finance Finder
- Rural Efficient Business Program
- New Mexico Film Office
- Office of Science and Technology
- Office of International Trade
- NM Border Authority
- Spaceport America

## **Public Projects: FUNDIT**

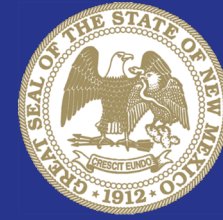
### **Public, Private Project Support:**

- Outdoor Rec
- New Mexico MainStreet™
- Opportunity Zones

### **Tax Credits:**

- Angel Investment Tax Credit
- High Wage Jobs Tax Credit
- Rural Job Tax Credit

# Job Training Incentive Program (JTIP)



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JTIP reimburses qualified companies for a portion of expenses associated with training new employees in newly created jobs. Qualified companies are economic base, expanding, and financially viable.

- Manufacturers
- Start-Ups
- Non-retail service providers with at least 50% income from customers out-of-state (Call Centers, R&D and Engineering firms, Logistics, HQ & Shared Services, IT, and Technology)
- Green Industry (non-retail)
  - Businesses that exist for the sole purpose of contributing directly to preserving or enhancing environmental quality.
  - Ineligible industries include traditional agriculture/farming, construction, extractive industries, health care, retail, hotels and restaurants and gaming.

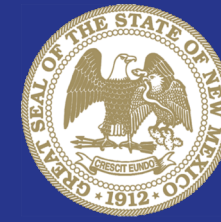
JTIP Impact	Number of Trainees	Average Wage
FY22	2,352	\$23.67
January 1, 2019, to June 30, 2022	9,277	\$20.27

# Local Economic Development Act (LEDA)



- Grants to local governments (municipality and/or county) to support expanding or relocating businesses which include new jobs and investment
- All grants are funded on a strictly reimbursement basis.
- **Program Funding Uses:**
  - Purchase, lease, grant, construction, reconstruction, improvement, or other acquisition or conveyance of land, buildings, or other infrastructure

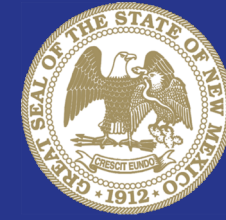
# LEDA Statewide Impact



	Number of Projects	Total Jobs	Average Salary	Annual Payroll	Rural Av. Salary	CapX	Economic Impact*
FY22	16	3,447	\$68,447	\$236M	\$59,542	\$2.5B	\$10.6B
1.1.2019 – 6.30.2022	56	8,664	\$65,748	\$569M	\$61,379	\$7.2B	\$34.3B



# LEDA Impact in Rural Communities



Company	Location	Jobs	Annual Payroll
Ascent Aviation	Roswell	360	\$24.8M
Prent Corporation	Santa Teresa	85	\$4.225M
SCEYE	Moriarty/Roswell	140	\$10.5M
Cymmetrik	Santa Teresa	10	\$490K
SpinLaunch	Spaceport America	59	\$10.2M
La Primera Tortilla Factory	Sunland Park	14	\$336K
Capitol Bar & Brewery	Socorro	6	\$156K
Green Stream Farms	Luna County	23	\$752,690
WTEC Energy	Chamberino	315	\$11,655,000
G-Boyz Beef Jerky	Bayard	9	\$218,754
Manna Capital Partners	Los Lunas	950	\$64,600,000



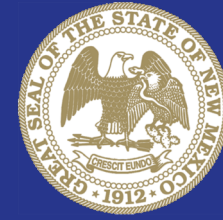
# Tax Revenue from LEDA Projects

## Since FY16:

- \$124M+ more than the cost of these projects to the State of New Mexico
  - \$77M to New Mexico Counties
  - \$128M to municipalities
- Total economic output = \$4.7B



# Collateral Assistance Program (CAP)



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- EDD pledges cash to cover a collateral shortfall up to \$250,000 for commercial loans
- Special preference is placed on business owners who are women, US Veterans, ethnic minorities, tribal members or part of other socially and economically disadvantaged groups.
- Special focus on (but not limited to) projects in industries related to intelligent manufacturing, sustainable & green industries, value-added agriculture, tourism & outdoor recreation, and digital film & media located in rural areas.

<https://edd.newmexico.gov/business-development/edd-programs-for-business/finance-development/nm-credit-enhancement-program/>



# CAP Impact Since 2018

- \$22.5M in capital unlocked with \$3.4M pledged in collateral
- 31 businesses assisted
- 279 jobs created/retained
- 370 expected to be created in 2 years
- 45% of funds went to female and ethnic minority led/owned businesses

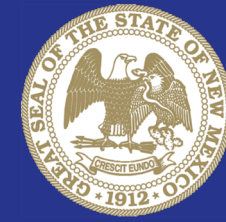
# Outdoor Recreation Division



- **Outdoor Equity Fund:** \$3M investment with 1<sup>st</sup> awards made in August
- **Outdoor Rec Accelerator Grants:** 3 grants awarded – 70 businesses trained to-date
- **Outdoor Recreation Trails Grant:** \$7M to 22 projects in 2022
- Invested \$297,000 in **Rio Grande Trail Projects**
- **\$1.985M EDA grant** received to support the outdoor economy post-pandemic
- 23 high school students received **paid internships** to gain experience & learn about the outdoor economy
- **WNMU** will create the state's **first outdoor/bike industry workforce certificate** with ORD support of \$357,000

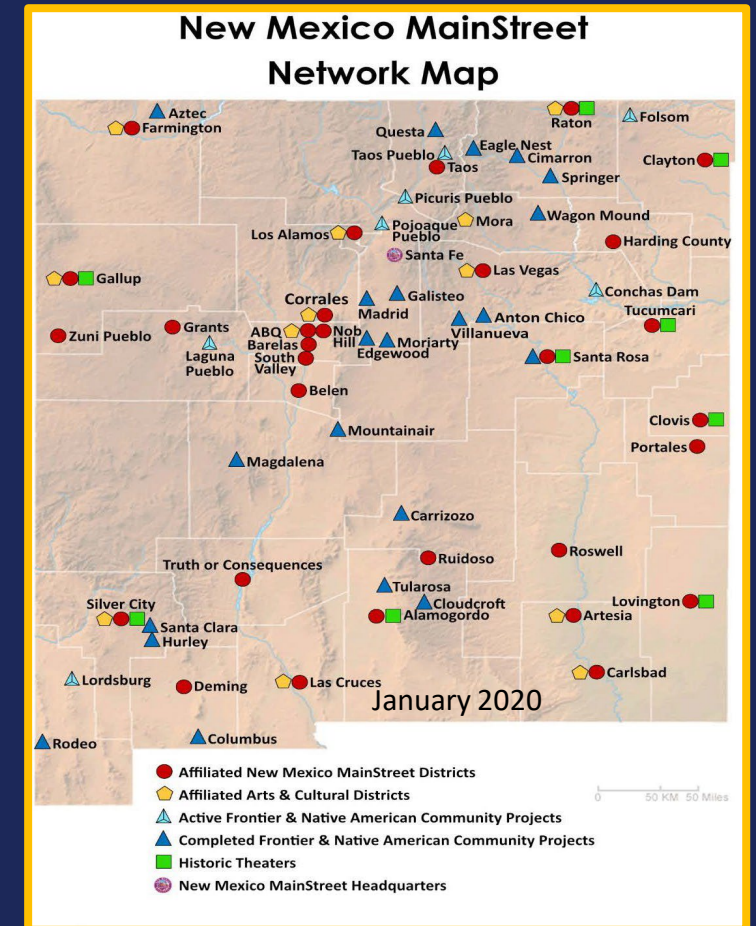
[www.nmoutside.com](http://www.nmoutside.com)

Director Axie Navas: [alexandra.navas@state.nm.us](mailto:alexandra.navas@state.nm.us)

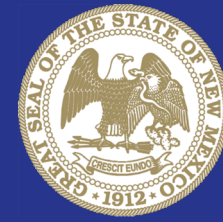


# New Mexico MainStreet™

- Established in 1985
- Helps affiliated organizations create an economically viable business environment while preserving local cultural and historic resources
- **76** New Mexico Communities Served
  - **30** MainStreet™ Programs (Active)
  - **12** Arts & Cultural Districts (Active)
  - **28** Frontier & Native American Community Initiative Projects (Active & Complete)
  - **8** Historic Theater Restorations



# MainStreet™ Economic Impact: 30 Communities



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## 2013-2019 Performance (Seven Year Aggregate):

- **983** Net new businesses & business expansions
- **1,545** Building rehabilitations
- **\$178M** Private sector economic reinvestment
- **4,105** New jobs (net)
- **249,249** Volunteer hours (\$5M)
- **\$3.2M** Private sector grants

Great Blocks on MainStreet™  
NMMS Capital Outlay Fund Projects



Connections to funding opportunities from over 20 different state and federal organizations. Eligible project types:

- Economic development
- Community development
- Critical infrastructure
- Strategic planning
- Social impact

FY21 Results:

- 19 Projects
- 9 Rural, 2 Tribal
- \$7.2M secured

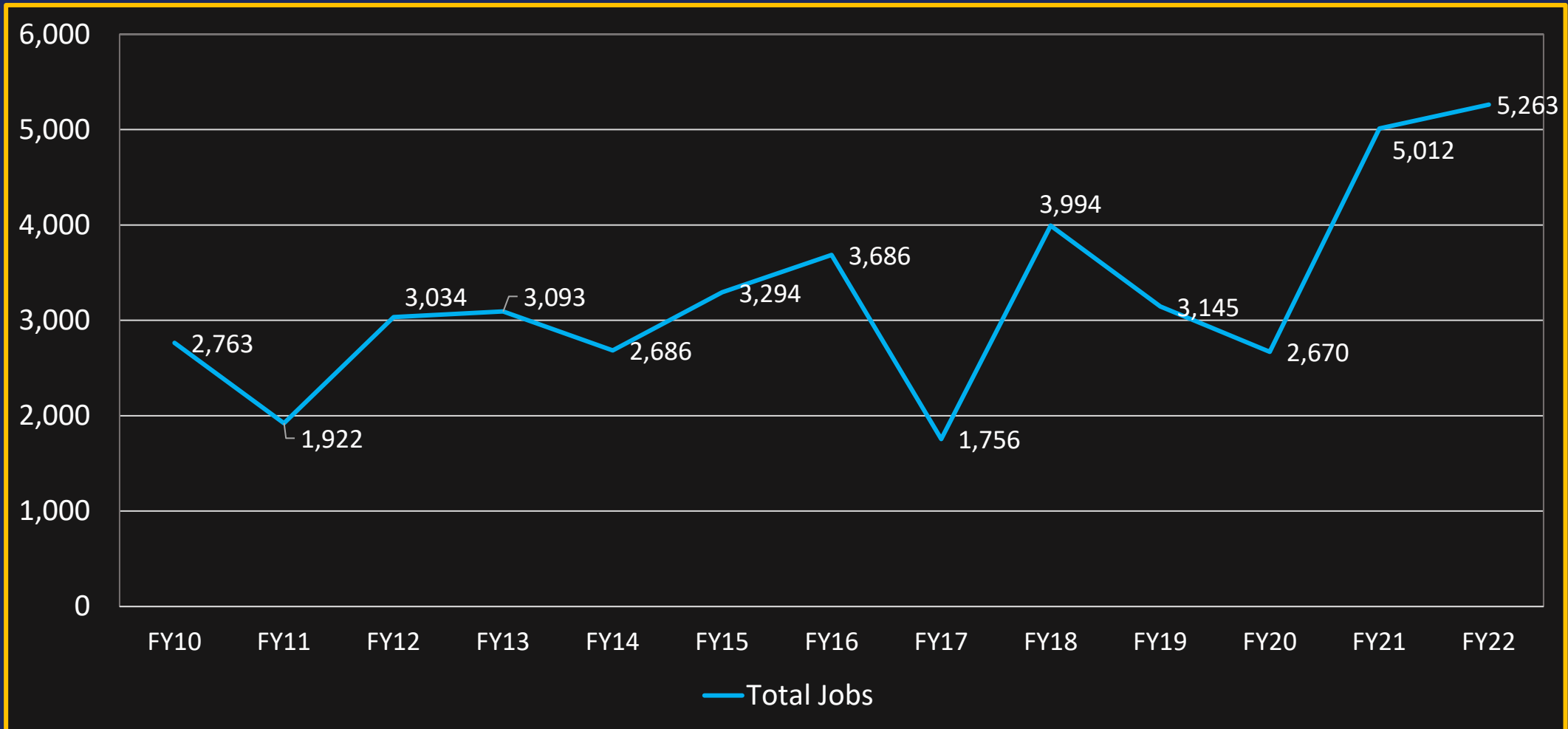
**LEARN:** monthly development finance webinars, funding matrix

**CONNECT:** direct contacts to funding agencies

**FUND:** project marketplace

[nmfundit.org](http://nmfundit.org)

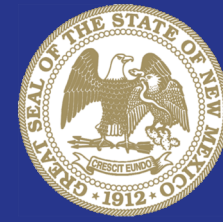
# Effective Programs = Economic Recovery



**14,523 New Jobs since 1.1.2019**



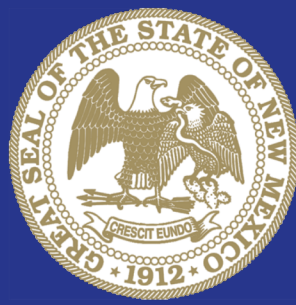
# Business Finance Finder



- Online tool that connects projects to funding
- Creates more opportunities for business owners to connect with the resources they need to grow

[EDD.NewMexico.gov/BFF](http://EDD.NewMexico.gov/BFF)





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# Empower & Collaborate: New Mexico's Economic Path Forward

## PLAN VISION:

*New Mexico will have a diverse and robust economy that engages local talent, cultivates innovation, and delivers prosperity for all New Mexicans.*

# A Call to Action



## Ensuring Strategy Success – Key Takeaways

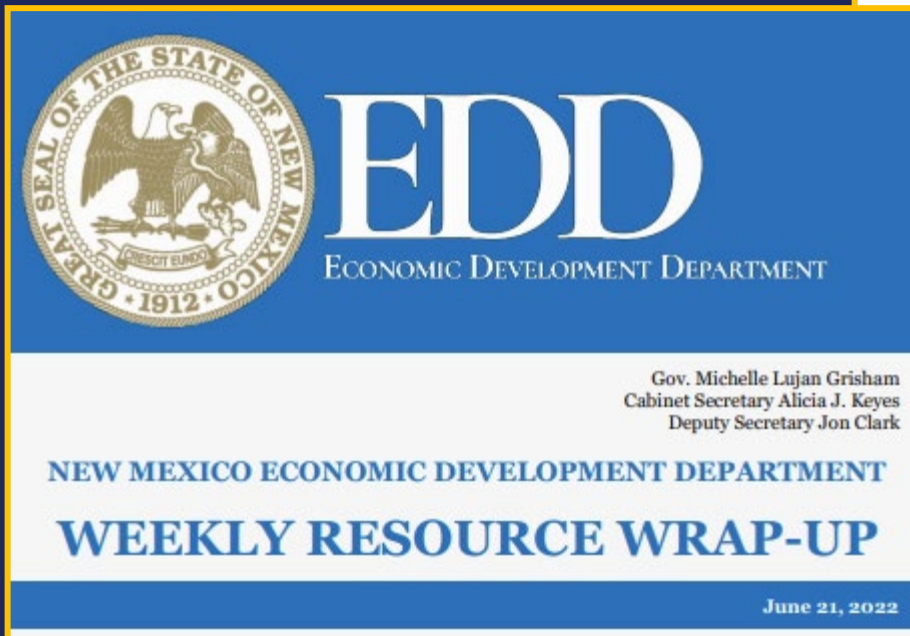
- NM's business community needs to adapt to rapidly changing times and be prepared to pay higher wages, increase schedule flexibility and provide greater options to attract employees.
- NM's business community & economic development activists need to join calls for increased EDD funding from the legislature; provide financial assistance to local EDOs and COGs; put more boots on the ground; increase capacity to garner federal funding & grow resources
- EDD, HED, and the higher education system need to collaborate to give incoming students the information necessary to choose careers in high-demand areas; degree and certification programs must meet the current and future needs of industry in the state
- Policymakers need to recognize that major changes to the economy will require significant funding for EDD and economic development programs.



New Mexico cannot continue on the path it has pursued in prior years – this plan provides a new path forward and the state must now provide funding and take action.

# More Resources

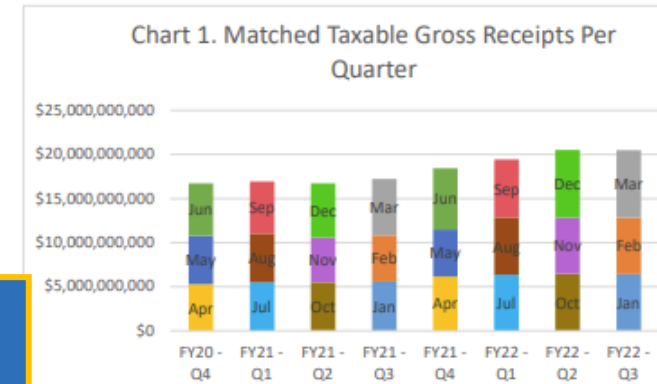
- Weekly newsletter
- Quarterly economic summaries
  - State & 33 counties
- Webinars



## Quarterly Economic Summary New Mexico

Released: June 2022

Prepared by: Joel Salas, Economist; Ryan Eustice, Economist



New Mexico's total matched taxable gross receipts (MTGR) followed the state's seasonal trend of decreasing from Q2 to Q3, by 0.16%, shown in Chart 1. This seasonal decrease was noticeably lower than many pre-pandemic years. The retail trade sector, shown in Chart 2, continues to be the largest contributor to MTGR in New Mexico in Q3 FY22. The sector makes up nearly one quarter of the state's total MTGR. Additionally, the industry reported an 8% year-over-year (YOY) increase and an 18% increase compared to 2 years ago (Table 1).

[www.EDD.NewMexico.gov](http://www.EDD.NewMexico.gov)