

Retirement Theater - Advance Team Notes

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1. Theater Definition:

Definition: The Retirement Theater is focused on recruiting economic base retirees to the state. Provided that the new resident is bringing a combination of net worth and retirement income that exceeds 200% of the federal poverty guidelines and that they earned their investment and retirement income out of state, their moving to the state will have the same impact on the local and state economy as the creation of a new economic base job.

Synonyms: Economic Base Retiree (EBR), Early Retiree, Active Retiree, Active Adult, Empty Nester, 55+, Gradual Retiree, Intermittent Retiree, Footloose Boomers

Why should this theater be considered a legitimate and important part of a community's economic base development strategy? A retired household that brings a lifetime of net worth and retirement income to the state will have the same impact on the local economy as new economic base job. While they may not necessarily still be working a formal job, they will spend an equivalent proportion of their annual income in the state - making it economic base activity. It is as if they are continuing to earn a living wage funded from out outside state.

Many communities in the state derive a significant portion of their economic base income from these out of state retirees now. Many will have to work at increasing economic base activity from this theater if they are to maintain their current economies and meet their assessment goals. Las Cruces and Rio Rancho in particular have seen significant contributions in their economic base through migration of EBERs.

Qualifying Definition of an Economic Base Transaction: A economic base transaction in this Theater occurs when a qualifying head of household establishes permanent residence, purchases or long-term leases a principal residence. Second homes, vacation rentals or Snow Bird RV stays do not qualify unless an FTE metric can be established. To have an economic base impact the retiree must be a taxpaying resident for a year and must not be eligible for Medicaid

2. Players: *Currently none*

- Residential Builders and Developers
- Realtors
- VA
- Chambers
- RV parks
- Tourism
- AARP
- Economic Developers
- Cities and Counties
- Universities Alumni
- Federal Worker Alumni

3. Economic Sectors - Targets

- Military Retirement:
- University Alumni
- Federal Workers Alumni
- California Rust Belt
- Canadians
- EB-5

3. Sector Goals:

Economic Base Retirees was not included in the Jobs Council calculus in years one and two because the Council was focused exclusively on formal jobs as the primary metric.

The advance team proposed an initial goal of increasing EBER migration in the Mid Region from an estimated 1,900 per year to 4,000 per year. If the Mid Region is half the state market the state-wide ten year economic base equivalent retiree estimate would be 21,000.

4. Program Reliant:

Approximately 2,100 new EBERs would have to be procured by the program annually to

5. Marketing and Sales:

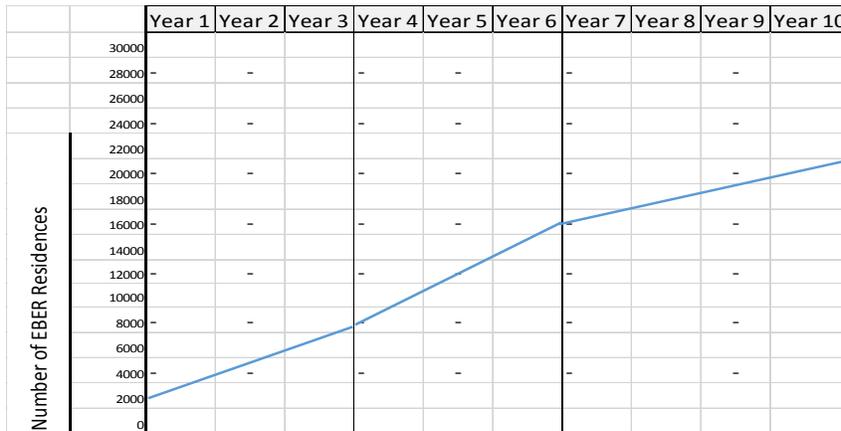
Key Metrics: The goal for the Mid-Region in Residential units built per year is at 4,000 units. Currently, the region is only building 1,600, leaving a gap of 2,400 units. Of those, 400 are allocated towards new EBRs. See the following graphs for residence growth estimates:

Sources	New	EBRs	EBR Goal	Program reliant in permit	Annual
Permits	1600	400	1000	600	6000
Resale	6000	1500	3000	1500	15000
Total	7600	1900	4000	2100	21000

Numbers must be estimated for a balance of state number to reach a state-wide number.

To average 2,100 new EBRs per year in the Mid Region a marketing, sales and product development program will have to be developed and executed. Given that it will take four to five years for a the marketing and product development program to begin producing significant numbers, the program will have to be scaled to produce substantially more than the average 2,100.

Program Scale Implications



Potential Lead Sources:

- Military Retirement:
- University Alumni
- Federal Workers Alumni

- California Rust Belt
- Canadians
- EB-5

Gaps: There is currently no program for procuring EBERs.

Prescriptive solution for Marketing and Sales Apparatus: Cooperate with players in Real Estate and Infrastructure to qualify select communities in New Mexico for a 5 year pilot program and publicize through retirement destination websites.

6. Real Estate Infrastructure and Capital:

Gaps: There is a current shortage of qualified retirement destinations in the state. While there are appealing retirement communities in New Mexico, they have not been measured against the standards set in other states. Texas, Louisiana, Mississippi, West Virginia, Tennessee, and Kentucky have established lists of “Certified Retirement Communities”. The list includes communities that the state substantiates as premier locations for retirees. The intention of the program is to build economy through recruitment of retirees. Each community must undergo a 3 month screening process conducted by a state retirement attraction program. To develop a program of this nature in New Mexico, a cooperative effort made by players Real Estate and Infrastructure would need to qualify select communities to be included in a list of premier retirement destinations.

A Certified Retirement Community is qualified are as follows:

- State and local tax structure
- Housing opportunities and cost
- Climate
- Personal safety
- Working opportunities
- Health care services and other services along the continuum of services including, but not limited to, home and community based service
- Transportation
- Continuing education
- Leisure living
- Recreation
- The performing arts
- Festivals and events
- Sports at all levels

See:

http://www.topretirements.com/communities/certified_retirement_communities.html

7. Workforce and Community Quality; TBD

8. Leadership, Organization and Business Climate: TBD

Gaps: There is no current program or leadership outside of the Central New Mexico Home Builders Association currently in existence for this theater. A program plan and support from the private and public sectors must be developed. For this theater to become a significant economic base development strategy, there must be cooperation of programs and procuring agents around the state.

Solutions;

Additionally, there are multiple business climate issues that will need to be addressed once there is more market intelligence acquired.