

ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	Yes

LegisSTAT Pilot Agency

The New Mexico Economic Development Department (NMEDD) participated in the Legislative Finance Committee's first LegisSTAT panel, a new hearing format hyper-focused on performance metrics and agency action plans. The department will update the committee on LegisSTAT measures in June.

The agency addressed the department's role in creating jobs in the state. The department will be asked to update members on recovery metrics in future appearances before the committee including:

-Jobs created through Local Economic Development Act (LEDA) funds

--Rural Jobs Created

-Department return on investment from LEDA grants

The Economic Development Department (EDD) received a 19 percent recurring general fund increase during the 2022 Legislative session, in addition to nonrecurring appropriations totaling \$100 million between the 2021 second legislative session and 2022 regular session. The agency will also be expected to help shape other major legislative investments in economic development, including the newly created venture capital fund and opportunity enterprise acts. With over \$200 million in new investments for various economic development initiatives, along with EDD's new 20 year strategic plan, the department has an opportunity to diversify and grow the states economy.

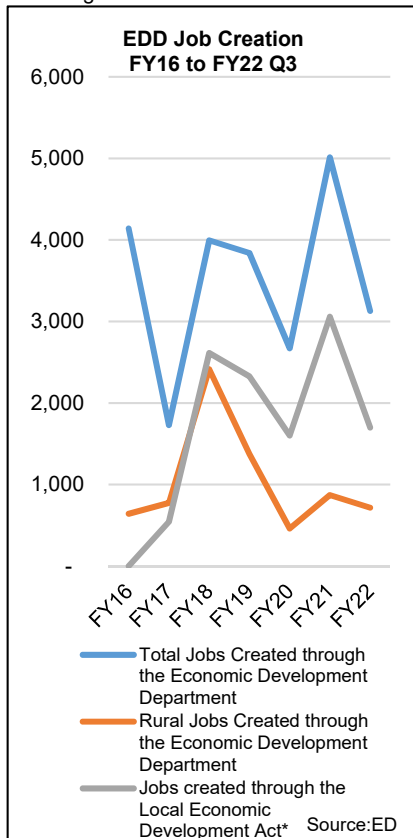
The department improved performance on nearly every measure in the third quarter of FY22, including rural job creation (which had lagged overall job creation since the pandemic), overall wages of jobs created, and film and media work hours. In contrast, the New Mexico partnership (created as a mechanism to entice and entertain companies considering relocating to New Mexico) continues to perform poorly in FY22, attracting only 24 jobs to the state in 10 months.

Economic Development

The department saw significant increases in rural job creation, with 519 jobs created in the second quarter versus only 70 in the first. The department awarded state assistance to four companies in rural communities, including WTEC Energy in Chamberino, Pecos Valley Production in Roswell, PESCO in Farmington, and X-Bow Launch Systems in Socorro. The agency's action plan notes there is still work to do to increase job opportunities in rural New Mexico. EDD requested, and the Legislature supported, 6 new FTE to amplify rural economic development efforts in FY23, and the department will continue to prioritize these areas through the remainder of FY22.

LEDA and JTIP. The Economic Development Division awarded seven companies just under \$17 million in Local Economic Development Act (LEDA) funds in the third quarter of FY22, creating 994 jobs at a cost of about \$15 thousand per job. Major LEDA investments in the third quarter include \$10 million to Universal Hydrogen Co. (a hydrogen storage module manufacturer) to construct a facility in Albuquerque bringing approximately 500 jobs and \$750 thousand to Aspen & Autumn LLC, is a family-owned food and beverage distribution enterprise, to build an 82,000 square-foot distribution hub for food, beverages, and other products throughout the Western US. Heritage Driven LLC, a specialized company focused on the restoration and modification of classic Land Rover Defender vehicles, was also approved for \$250 thousand LEDA support to create 30 new jobs, also in Albuquerque.

Outside of Albuquerque, the department awarded a rural infrastructure grant totaling \$1.8 million to San Juan for improvements in the publicly-owned San Juan Industrial park to extend a natural gas pipeline into the park, making it more attractive to New Mexico businesses. Artico Cold New Mexico, an agriculture cold storage management company, was also approved for \$600 thousand in LEDA support to create a \$30 million 120,000 square foot facility in the Las Cruces Innovation and Industrial Park to support 60 new jobs. The average wage of jobs associated with LEDA projects in the third quarter was \$58.5 thousand, and the department reports just \$2.7 million in unencumbered LEDA funds as of May 15th, 2022.



PERFORMANCE REPORT CARD

Economic Development Department
Third Quarter, Fiscal Year 2022

For the Job Training Incentive Program (JTIP), the JTIP board approved 30 companies in the third quarter, bringing 359 new jobs at an average wage of \$31.00 per hour. Of the new jobs, 162 were high wage with salaries in excess of \$60 thousand. The board also approved 5 internships, all in urban areas, with an average hourly wage of \$20.10. Of the total trainees approved, 90 were in rural areas including Deming, Hobbs, Moriarty, Santa Teresa, Silver City, and Taos, with 6 trainees considered high wage and the others averaging salaries above of \$40 thousand annually. Additionally, the Film Crew Advancement Program (FCAP), one of the two job training incentive programs for Film and Multimedia programs, approved eight companies to train 43 crew members at an average hourly wage of \$41.24. The department reports \$8.1 million in available JTIP funds.

As a part of its strategic plan EDD shifted efforts to attracting companies that offer competitive wages, moving away from low-wage high-volume jobs such as call centers (the department notes there have been 0 call center projects in FY22.) The agency surpassed the target for wages of jobs created in excess of prevailing local wages by \$5,000.00, and the average annual wage of new jobs created by the department in quarter three was \$59.9 thousand, surpassing both the previous quarter and the target of \$47 thousand.

One Time Economic Development Funding at a Glance		
(dollars in thousands)		
Purpose	2021 Second Special Session	2022 Regular Session
Outdoor Equity Fund	3,000	
Trails + Grants	7,000	
Film Academy		40,000
Local Economic Development Act		50,000
Venture Capital Investment Fund		35,000
Federal Grants Administration	435	3,500
Local grant management		1,500
Opportunity Enterprise Fund		70,000
Job Training Incentive Program		6,000
Subtotal	10,000	201,000
Grand Total	216,435	

Source: LFC Files

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget: \$10,277 FTE: 25							
Jobs created due to economic development department efforts	2,670	5,012	4,000	887	926	1,317	G
Rural jobs created	460	871	1,320	70	519	128	G
Average wage of jobs created due to economic development department efforts (in thousands)	NEW	\$70.6	\$47.5	\$88.7	\$44.2	\$59.9	G
Jobs created through business relocations facilitated by the New Mexico partnership	812	147	2,250	15	0	9	R
Potential recruitment opportunities submitted by the New Mexico Partnership	33	60	60	16	15	17	R
Wages of jobs created in excess of prevailing local wages	NEW	\$24,948	\$5,000	\$41,857	\$22	\$10,907	G
Private sector investment in MainStreet districts, in millions	\$24.57	\$58	\$30	\$5.8	\$15.6	\$34.0	G
Number of company visits to New Mexico for projects managed by the New Mexico Partnership	New	9	12	9	5	9	G
Private sector dollars leveraged by each dollar through Local Economic Development Act	27:1	128:1	20:1	17:1	11:1	23:1	G
Jobs created through the use of Local Economic Development Act funds	1,600	3,058	3,000	337	338	994	G
Workers trained by Job Training Incentive Program	2,202	3,356	1,900	737	750	359	G
Program Rating	Y	Y		Y	Y		Y

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

New Mexico Film Office

The COVID-19 pandemic brought film and television production to a standstill from March 2020 to September 2020. Productions ramped up quickly at the close of FY21 and have continued momentum in FY22. All measures for the film office improved compared with the previous quarter, with direct spending by the film industry notably increasing from \$51 million to \$206 million.

Budget: \$747.1	FTE: 8	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Direct spending by film industry productions, in millions		\$257.3	\$624	\$530	\$391	\$51.05	\$206.41	G
Film and media worker days		266,604	514,580	300,000	384,981	23,308	112,339	G
Total gross receipts paid by film industry productions, in millions		NEW	\$30.6	\$20	\$21.03	\$2.89	\$10.59	G
Program Rating		Y	Y					G

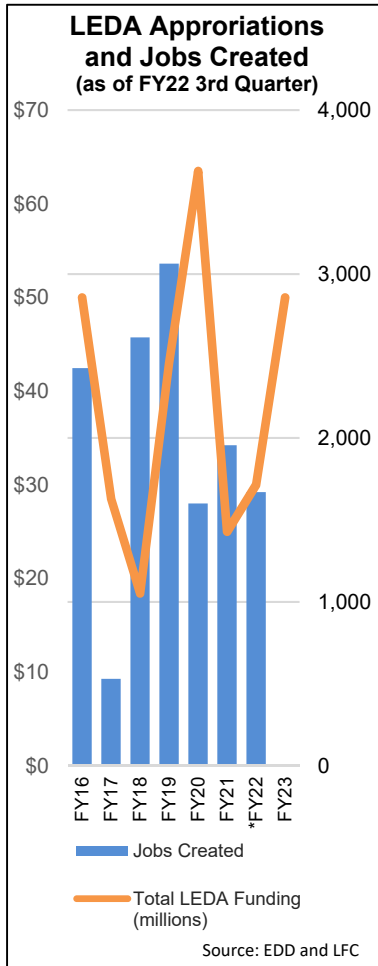
Outdoor Recreation

The Outdoor Recreation Division's goal is to ensure all New Mexicans share in the public health, environmental, and economic benefits of sustainable outdoor recreation. The two-person division focuses on a few key impact areas: economic development, promotion of outdoor-recreation assets, conservation, and education and public health programs.

The division began accepting grant applications for the "Trails +" outdoor infrastructure grants in early March. The 2022 grant cycle will have two award tiers, one for local projects with awards ranging from \$25 thousand to \$150 thousand, and one for regional projects with awards ranging from \$150 thousand to \$500 thousand. The Outdoor recreation division received a total of \$10 million for outdoor recreation grants in the second special session of 2021, including \$7 million for these Trails + grants, and \$3 million for outdoor equity grants. The division is currently focused on awarding significant new grant funding, and reports no new jobs or funded projects in the third quarter.

Budget: \$482.2 FTE 2	FTE: 8	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
New outdoor recreation jobs created by the outdoor recreation division*	40	9	N/A	6	27	0	
Outdoor recreation projects funded or lead by the outdoor recreation division*	11	9	N/A	0	29	0	
Program Rating							Y

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



PERFORMANCE REPORT CARD

Economic Development Department
Third Quarter, Fiscal Year 2022

This is a locked page break so that the even page footer cannot be accidentally deleted.
Support staff can delete it for you when the brief is finalized.



NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

PERFORMANCE REPORT CARD

Economic Development Department
Third Quarter, Fiscal Year 2022

This is a locked page break so that the odd page footer cannot be accidentally deleted.
Support staff can delete it for you when the brief is finalized.



NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

PERFORMANCE REPORT CARD

Economic Development Department
Third Quarter, Fiscal Year 2022