

2021 and Beyond:

A STRATEGIC PLAN FOR ECONOMIC RECOVERY AND RESILIENCY IN THE ALBUQUERQUE METROPOLITAN REGION

Supporting economic growth in Bernalillo, Valencia, Sandoval and Torrance Counties.

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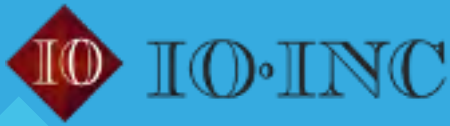


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**STRATEGIC PLAN OUTREACH, ANALYSIS AND RECOMMENDATIONS DEVELOPED
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The case for **WHY.**

Before the arrival of COVID-19, the economy and job market were flourishing and growing at unprecedented rates. In 2019, unemployment levels hit historic lows, creating a tremendous labor shortage. Many employers could not fill open positions.

Things changed 180 degrees in 2020. COVID-19 forced businesses to close and people to quarantine at home. Unemployment skyrocketed to historically high levels. The effects of COVID-19 and the havoc it has wreaked on the U.S. economy are evident when looking at job change in metropolitans across the United States in 2019 and 2020.

2019 was in fact a good year for the Albuquerque region, placing it in the top 15% of markets for job gains. This paints a promising picture once recovery takes full effect. However, 2020 was a rough year, placing it in the bottom 15% of metro areas, losing over 17,000 jobs.

Prior to COVID-19, the state's unemployment rate was around 4.3%. As this strategy nears completion, it is around 8.3%. When considering

this rate, it is important to understand that it is exacerbated when examined in context of the state and region's historically high concentration of government jobs as part of the economy. Essentially, due to the lack of layoffs in the public sector, this means that the private sector has suffered a significantly higher number of job losses overall.

All in all, while things have looked grim, there is hope for the future. Albuquerque Economic Development Inc. (AED) can embrace the critical need for developing a strategy not only to drive recovery in the region, but to ensure that it does not again find itself left behind as it was following the Great Recession.

Economic development organizations and regions across the country are taking advantage of funding opportunities and reinventing their approaches in the wake of a global pandemic not seen in any of our lifetimes. ***The time is now for the Albuquerque region to align in a unified and inclusive vision for its future and realize its potential for the benefit of all members of the community.***



The pandemic has changed everything. The world as we knew it will never be the same. And in my opinion, the future will bring great opportunity for New Mexico to thrive in the "Next Normal". The time to act is now. If we don't, the all too familiar story will prevail, and New Mexicans will once again be asking the question, "Why is New Mexico last on the good lists and first on the bad lists?" - Dale Dekker, Dekker/Perich/Sabatini



Consultant Team and Approach

The purpose of this strategy is to assist AED and the entire region in identifying the best and highest value opportunities to build a diverse, competitive, and sustainable economy for the long-term.

Fundamental to achieving this goal was the need to research and identify specific measures that will enable AED and the myriad jurisdictions in the region as well as other economic development partners to strengthen the regional economy, build on its considerable economic assets and target areas of opportunity to retain, create and grow new jobs in globally competitive, high growth and high-quality sectors. The strategy has been developed through dependence on evidence-based research as well as the active engagement and input from a broad range of the region's stakeholders – public, private and civic.

Creating a strategic plan and vision for the future of a region is not a process that can be completed in a vacuum. The need for consulting expertise is multi-faceted: it provides for a neutral, third party perspective; it allows for confidential stakeholder input on an individual basis that can be synthesized to determine consensus on topics; and it can bring additional and extensive expertise and resources to the table. To complete the AED strategic planning process, a unique consulting team was assembled to combine extensive stakeholder input with a detailed data

analysis of the region's competitiveness, target industry clusters, and workforce.

IO. INC was engaged to conduct a Strengths, Weaknesses, Opportunities and Threats analysis through stakeholder input, and in the process engaged directly with more than 80 key individuals, as well as utilized the results of online investor and stakeholder surveys. The firm also reviewed and offered insights and recommendations regarding organizational structure based on best practices regional organizations nationally.

Hickey Global, a part of the Hickey Family of global advisory companies, was retained to complete and deliver a labor analysis, target industry cluster verification and recommendations, competitiveness analysis, ecosystem analysis guidance, and strategic recommendations – all from the lens of a site selection consultancy.

The final recommendations in this Strategic Plan are the result of collaboration and consensus among these independent consulting firms, led by economic development practitioners with a combined 60+ years of experience building and leading best in class regional economic development organizations.

Strengths, Weaknesses, Opportunities and Threats

A key component of the discovery process, IO.INC conducted a SWOT analysis as a fundamental building block for the Albuquerque region's economic development strategy. One-on-one interviews were conducted, and three collaborative roundtables were convened to conduct this assessment, directly engaging more than 80 representatives of the Albuquerque region's public, private and civic communities and state and regional leaders. In addition, numerous leaders chose to send in a completed SWOT matrix, and over 100 responded to online surveys conducted by the AED team. All of these perspectives and comments have been integrated into the summary observations which highlight the most strategic assets, attributes and areas for improvement that need to be addressed; these were cited with the highest frequency of comments offered in the SWOT interviews.

While many more strengths, weaknesses, opportunities, and threats were expressed by the stakeholders participating in this process, these factors were universally viewed as having the greatest impact on the Albuquerque region's economic development competitiveness.

Strengths

- **Outstanding quality of life & climate**
- **Cultural and ethnic diversity**
- **Central U.S. location**
- **Transportation infrastructure**
- **Economy: Federal and military labs and the intellectual capital and innovation they bring**
- **Human capital/workforce: high concentration of Ph.D.'s and STEM-related professionals**
- **Lowest cost renewable energy**
- **Higher education institutions - Central New Mexico College, New Mexico Tech and University of New Mexico**
- **Absence of natural disasters**
- **Welcoming to newcomers**

Weaknesses

- **Quality of life: crime, poverty and homelessness**
- **"scarcity" mentality and failure to "think big"**
- **Hostile business climate on the part of individual cities and the state government**
- **Relative isolation from major U.S. markets**
- **Ineffective education, training and preparing the local workforce**
- **Absence of a major international airport and direct, nonstop routes**
- **Absence of collaboration between and among postsecondary institutions**
- **Deteriorated Downtown ABQ**
- **Few national and major publicly-traded companies**



Opportunities

- **Improving K-12 education**
- **Growing and diversifying the region's economy to be less dependent on oil/gas and government**
- **Increasing the focus on existing business**
- **Attracting firms and enterprises in key economic sectors**
- **Improving the human capital/workforce assets of the region**
- **Elevating the identity and brand awareness of the Albuquerque region**
- **Improving competitiveness and business climate**
- **Creating a more cohesive, effective and efficient economic development ecosystem**

Threats

- **Continued negative business climate**
- **Failure to become less dependent on the oil/gas industry and federal government (labs and military)**
- **Failure to adopt a systemic, focused and performance-based approach to economic development**
- **Failure to “level the playing field” vis-à-vis competition from other states, especially taxation of business and lack of incentives**
- **Failure to address crime, poverty and homelessness**
- **Failure to improve the traditional public K-12**



Competitiveness Analysis

Demographics

From 2014 to 2018, greater Albuquerque had marginally positive net migration, but that was mostly due to foreign-born persons moving into the area. Overall, the Albuquerque region actually experienced negative net migration from other U.S. markets.

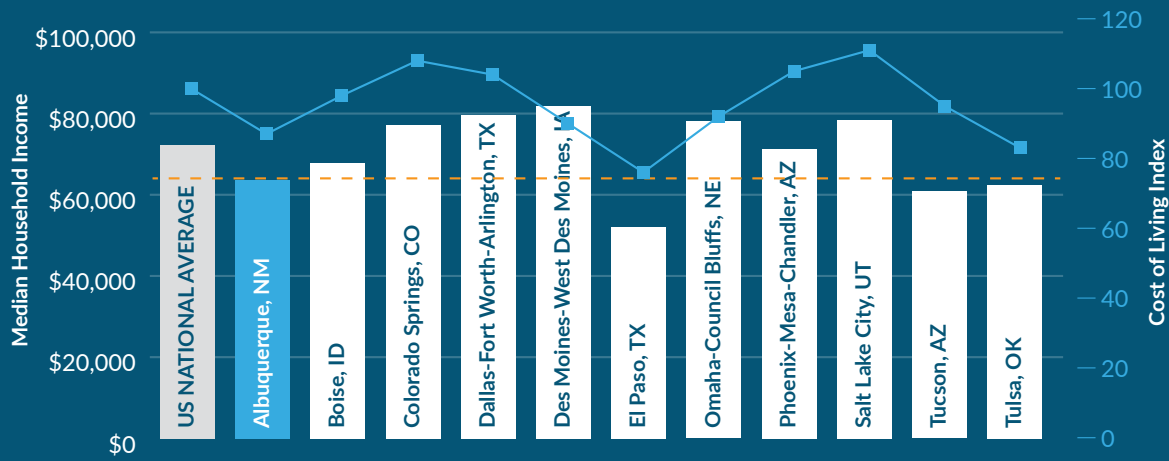
It has the second highest percentage of Baby Boomers of the ten competitive markets, indicating a more mature population and workforce. If that trend continues (a lower percentage of new generation 'Alpha'), it indicates the size of the mature population will continue to grow in coming years.

In comparison to the ten competitor markets, the region has the fourth lowest media household income, third lowest median rental rate, and third lowest cost of living. While workers earn less here, they can generally afford this because of the low cost of living.

CBSA	Total Population	Total Labor Force	Participation Rate
US NATIONAL AVERAGE	329,053,063	167,501,734	63.7%
Albuquerque, NM	930,990	402,474	61%
Boise, ID	795,211	342,125	64.9%
Colorado Springs, CO	778,858	327,420	67.6%
Dallas-Fort Worth-Arlington, TX	7,933,166	3,784,615	68.8%
Des Moines-West Des Moines, IA	726,953	372,347	71.6%
El Paso, TX	859,285	347,439	62%
Omaha-Council Bluffs, NE-IA	980,450	499,261	70.7%
Phoenix-Mesa-Chandler, AZ	5,189,204	2,224,122	62.8%
Salt Lake City, UT	1,286,777	608,465	71.4%
Tucson, AZ	1,072,544	443,327	58.2%
Tulsa, OK	1,014,348	462,624	63.9%

CBSA	Inflow	Outflow	Net Migration (Incl. Foreign)	Net Migration (Domestic Only)	Rate of Growth
Albuquerque, NM	38,019	35,889	2,130	-1,451	0.2%
Boise, ID	39,164	26,486	12,678	9,559	1.6%
Colorado Springs, CO	72,133	54,889	17,244	10,089	2.2%
Dallas - Fort Worth - Arlington, TX	301,487	217,568	83,919	28,028	1.1%
Des Moines - West Des Moines, IA	33,643	25,192	8,451	6,543	1.2%
El Paso, TX	42,393	43,244	-851	-10,713	-0.1%
Omaha - Council Bluffs, NE - IA	39,799	37,908	1,891	-3,310	0.2%
Phoenix - Mesa - Chandler, AZ	229,492	150,659	78,833	48,585	1.5%
Salt Lake City, UT	66,922	57,391	9,531	179	0.7%
Tucson, AZ	64,665	46,773	17,892	9,148	1.7%
Tulsa, OK	41,061	38,800	2,261	-1,653	0.2%

Source: US Census Bureau, American Community Survey, 2019; Easy Analytic Software, Inc. 2020 edition



Workforce

While the percentage of population (ages 25+) in greater Albuquerque with a bachelor's degree is below the U.S. average, the percentage with a bachelor's degree or higher (includes Masters, Professional, and Doctorate degrees) is higher than the U.S. average. Additionally, the percentage of individuals with at least some college (no degree) or an associate degree is higher than the U.S. average. Overall, this paints a picture of a market with above average higher educational attainment levels.

Compared to the other competitive markets, Albuquerque ranks in the middle of the pack in most categories.

Compared to the identified competitive markets, greater Albuquerque's greatest strengths in skill composition are Renewable Energy and Biosciences. It is also strong for Aerospace, but not as competitive against the other ten metros, having only the seventh highest concentration of Aerospace workers.

Albuquerque's metro area is strongest in Architectural & Engineering, Healthcare, and Life, Physical & Social Science as it has very high location quotient scores in those areas. It also has high location quotients for Office & Administrative, Food Preparation, Construction, Protective services, Legal, and Community & Social service occupations. The location quotient

is very low for production, transportation & material moving, and computer & mathematical skills indicating a lack of depth in those areas.

Schools

Albuquerque's public school system has the lowest 4-Year high school graduation rate among competitor markets examined. The highest graduation rates are in Dallas (92%) and Phoenix (90%).

Spending per student is slightly above average, but the margins are small across markets. Des Moines spends the largest amount per student and has a 4-year high school graduation rate of 83%.

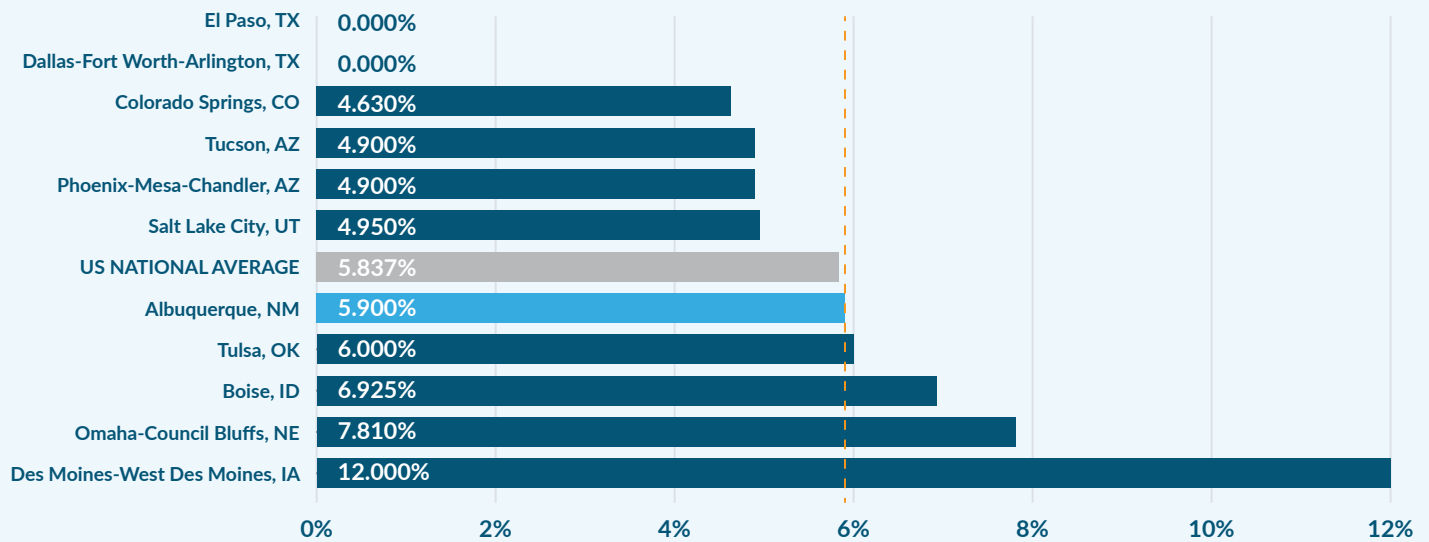
GDP

From 2014 to 2019, Albuquerque's GDP grew at a paltry rate of 1.4%, about half the average of all U.S. metros. Of the competitive markets, only Tulsa experienced slower growth (1.0%). Most of the other competitive markets were significantly higher (ranging from the low 2 percent's to as high as 5 percent). Albuquerque metro's 2019 GDP per capita was \$43,033, about 28% below the average of all other U.S. metropolitans and third lowest of the competitive markets.

Tax Rates

In property tax rates, greater Albuquerque falls in the middle in both terms of property tax rates and property taxes paid.

State Corporate Income Tax Rate



Albuquerque has one of the lowest tax rates for low-income earners (1.38% at \$25,000 and 3.13% at \$50,000) and a moderate rate at higher incomes (4.31% at \$150,000 and 4.46% at \$200,000). Only Arizona and Texas have universally lower rates, and Colorado is competitive at incomes higher than \$125,000.

Albuquerque's corporate income tax rate is close to the national average. New Mexico has a 4.8% rate up to \$100,000, increasing afterwards to 5.9%.

In comparison to ten competitor markets, New Mexico's corporate income tax rate is the fifth highest.

Infrastructure

At the state level, New Mexico is in the bottom ten among all states for percentage of population covered by fiber. **New Mexico is one of the least broadband-connected states in the country, and the Albuquerque metro reflects this gap.** Census data from 2019 shows that Albuquerque has the fewest households with a broadband subscription of the comparison other markets.

Transportation

Albuquerque International Sunport listed the highest number of operations and enplaned

passengers in 2019 outside of the three mega airports (Dallas, Phoenix, and Salt Lake City) in the competitor markets. Uncertain growth patterns may be a cause of concern after COVID-19; Albuquerque was one of few airports to see negative enplanement growth between 2018 and 2019. **Overall, Albuquerque International Sunport is in the middle of the pack for number of available non-stop destinations, but competitive when controlling against the mega airports.**

Albuquerque's annual road delay and congestion costs are roughly average compared to similar markets. Drivers in the Albuquerque metro can expect to spend 20% more time traveling during peak periods compared to 27% in Phoenix.

Albuquerque works best as a location to supply the Southwest as well as parts of the West and South.

With some of the highest commercial and residential electricity rates, and the highest interruption index, greater Albuquerque faces a competitive disadvantage in the delivery of electricity to both employers and their employees. Commercial and industrial rates can vary considerably between cities, which may disincentivize heavy power users from entering expensive markets.

Albuquerque also has the highest SAIDI value. SAIDI tracks the duration of interruptions to service, and a higher value suggests that outages are felt more keenly in the Albuquerque region than the other comparison markets.

Innovation

New Mexico's public investment in research and development is the highest in the nation, although private investment and venture capital have not caught up to similar markets. Private innovative activity is less prominent, with less than average high-tech establishments as a percentage of all firms and negative high tech business formation in 2016 (8.18% in NM).

Colorado is the leader in high tech establishments as a percentage of businesses at 12.56%. Surrounding states invest a significantly larger amount of venture capital per year.

Environment

To arrive at cumulative score, each disaster is given a score of 0 (no risk), 1 (low), 2 (medium), or 3 (high). These scores are then summed for a total hazard index score. A lower score is better.

Scores for the metro areas in the study range from 11 to 17, with Albuquerque scoring 13. Albuquerque has a moderate risk of natural disasters, indicating it is neither a significant strength nor weakness.

Incentives Toolkit

Albuquerque benchmarks strongly regarding the wide array of programs which can be leveraged for business recruitment and retention. Recommendations are included regarding enhancement opportunities.

Major Takeaways:

- **One of greater Albuquerque's most significant economic development advantages is its large, affordable, highly-skilled workforce. Most Tier 1 (one-million+ population) metropolitan areas cannot match this as they are typically significantly more expensive and have very competitive labor markets.**
- **In the benchmarking portion of this study, greater Albuquerque scores well above the U.S. average for all the six targeted clusters assessed.**
- **Overall, the region has a high concentration of research and engineering talent.**
- **Compared to the competitive markets analyzed, greater Albuquerque:**
 - » **Ranks highest for Professional & Corporate Services, Biosciences, and the Film & Media sectors.**
 - » **Has the lowest high school graduation rate and the second lowest percent of Bachelor's Degrees, but is first in percent of Doctorate Degrees, and Second for Master's Degrees.**
 - » **Has the second-weakest technology infrastructure, with the lowest percentage of households with broadband subscriptions and computing devices.**
 - » **Has an average Hazard Index and a moderate risk to natural disasters.**

Other Considerations:

- The Sunport ranks fourth highest in the nation compared to other medium-sized airports.
- Innovation is very strong for the region, with two of the country's seventeen existing national laboratories. New Mexico's public investment in research and development is the highest in the nation, although private investment and venture capital have not caught up to similar markets.
- Tax rates are close to the U.S. national average, which can be advantageous or disadvantageous depending on what markets it is competing against for location projects.
- Logistically, Albuquerque works best as a location to supply the Southwest.
- Total time spent on the road is lower than average in Albuquerque; however, freeway access and road conditions may signal an aging infrastructure that could stymie future growth.
- Albuquerque has a low cost of living. Its housing values are below average and home value inflation is very low, making Albuquerque a very affordable place to live or relocate workforce.
- Albuquerque has above-average access to cultural amenities.
- Crime rates in Albuquerque are slightly below the national average, at 97 compared to the national average of 100. However, all metropolitan areas in the study have values lower than Albuquerque.

'Big Idea' Metric

A key part in this process included determining the best way of identifying long-term success. Future desired results have been identified which would be strong proof points of success in strategic plan execution and economic growth. From 2015 – 2020, the Albuquerque Metro area experienced annual employment growth at a rate of only 0.7% which places it in the BOTTOM 25%

of markets in the nation with a population between 500,000 and 1 million residents. Its projected five-year annual growth rate is around 1.2% compared to markets like Boise at 3.6%, Colorado Springs at 2.3% or Stockton, CA at 2.5%. **This strategy will monitor the region's efforts and rankings, and look to see the following realized for the Albuquerque metro area:**

Rank in the top 25% of mid-sized markets in the U.S. for job growth in 5 years.

Guiding Principles for AED Team

During the process of creating strategic plans that will guide the work of an organization and its measures for success, it is critical to take a step back and examine and define a company's culture. It also ensures a common understanding among team members of what is most critical in their shared beliefs and values. The following guiding principles were developed through staff brainstorming sessions, team refinement, and input from AED membership surveys and Strategic Plan Task Force feedback:



In addition, the team adopted an internal organizational vision which is *“to be a best-in-class organization nationally recognized for excellence in economic development performance.”*

Vision

“The greater Albuquerque region will be known and recognized for having the highest quality of life and the most diverse and sustainable economy in the U.S. mountain west.”

Mission

“AED leads and executes strategies designed to grow and diversify the economic base of the greater Albuquerque region, creating a prosperous, diverse and inclusive economy and elevating the standard of living for all.”

Propelling the Regional Economy

Developed through a combination of data analysis and stakeholder input, the following big initiative concepts are inspirational statements as to the outcomes we should aim for through the execution of this strategic plan.

Think: Think big and develop a long-term actionable approach for capturing the economic impact that our research institutions make possible.

Ensure: Ensure awareness at all times of our economic standing as a region.

Shift: Shift our perspective and approach to transform to a truly region-serving organization.

Respond: Aggressively respond to needs and opportunities presented as a result of COVID-19 impacts.

Create: Create unique programs targeting the attraction of target cluster companies and knowledge workers. Champion and expand talent need solutions for now and in the future.

Establish: Establish the region as the single most prominent location for aerospace related innovation in the country. Actively engage with leading partners and institutions such as Sandia National Labs, the Air Force Research Labs, Department of Defense partners and private organizations such as New Space New Mexico to achieve this.

Expand: Expand the existing business efforts to a model regional market intelligence program, driving local business growth and informing attraction pipelines.

Target Industry Clusters

To capitalize on and complement recent previous work in the state and the region, AED requested a cluster verification study be conducted versus a complete cluster study. This allowed for the building off of previous work completed by the Mid-Region New Mexico Council of Governments in their 2020 Comprehensive Economic Development Strategy (CEDS), the New Mexico Economic Development, local municipal strategies in the region, and AED's past and continuing cluster work. In the end six key clusters emerged, and then sub-clusters established for each. Information from AED's business development database was also used to analyze past and current trends.



Major Findings

- In this study, the Albuquerque region's competitiveness scores well above the U.S. average for all the six targeted clusters assessed.
- However, it competes against regions that are very strong in the same clusters.
- Compared to the ten competitive markets, Albuquerque metro ranks highest for Professional & Corporate Services, Biosciences, and the Film & Media sectors.
- Proximity to Sandia National Laboratories and Los Alamos National Laboratory, two of the top science and technology institutions in the world, gives the region superb research and development capability in Aerospace, Biosciences and Renewable Energy.

Takeaways

- The Albuquerque region has a positive business cluster message to market nationally.
- To win against strong competing regions, AED needs to improve its organizational capabilities in marketing and business development.
- A diverse set of high-ranking clusters allows the Albuquerque Region to grow a balanced portfolio.
- The brainpower and IP are already in the Region awaiting better pathways for commercialization.

To grow the Albuquerque region, the community should focus on the following six target clusters:



In Aerospace, capitalize on the exceptional Research & Development capabilities in the Region.



In Biosciences, convert research and development technologies into the development of local businesses.



In Renewable Energy, become the green energy capital of the United States, and the model for other markets in the future.



In Digital Media & Film, market the Albuquerque Region's tremendous advantages versus traditional filming locations and become the HQ2 of Digital Media & Film.



In Corporate & Professional Services, capitalize on current trend and attract Middle Office (professional jobs) to the region.



In Manufacturing, focus on reshoring and onshoring opportunities.

Strategic Focus Areas, Objectives & Strategies

AREA 1: Grow and diversify the regional economy with high focus on top target industries.

OBJECTIVES	STRATEGIES
<p>Continue and enhance the site selection consultant outreach program.</p>	<ol style="list-style-type: none"> 1. Create a national ‘top 200 multipliers’ contact list that is regularly communicated with and cultivated. 2. Formalize the engagement process of AED partners in the pitch process. 3. Have a qualifications section for local providers in all project responses to demonstrate local expertise. 4. Execute bi-monthly site selector e-blasts and mail annual gift to top 100. 5. Refine site selector communications offering them targeted messaging and ‘shout outs’ celebrating their efforts. 6. Transform to an expertise-specific focused in-market tour hosting strategy. 7. For all external out of market mission, add site selector meetings to the itinerary.
<p>Develop value propositions and lead generation strategies and goals for target industry clusters.</p>	<ol style="list-style-type: none"> 1. Systematically launch with intense focus on the top two clusters in the first 12 months and expand to all following best practices and learned strategies. 2. Expand attendance at industry association trade shows held in target recruitment markets and encourage participation of regional partners, local industry associations and business and civic leaders.
<p>Grow investment in existing business support and market intelligence outreach.</p>	<ol style="list-style-type: none"> 1. Transform existing business outreach to one targeting top companies in target industries, offering traditional support while gathering input as to competitive advantages and challenges in areas such as business climate, talent/workforce, policy, the built environment, etc. 2. Design a c-suite engagement program, providing them with a high-level market business case as well as the process for sharing future attraction intelligence.
<p>Strategically capitalize on national and global market trends for which the region has an existing competitive advantage.</p>	<ol style="list-style-type: none"> 1. Leverage the opportunities presented because of the global pandemic to rapidly target opportunities in reshoring aligned with target industry clusters. 2. Utilize advantages such as the low cost of renewable energy in New Mexico or the significantly low cost of natural gas to target specific firms for recruitment in the near term.



AREA 2: Champion the region and establish a national brand.

OBJECTIVES	STRATEGIES
Redesign and invest in the AED marketing platform and metrics for success.	<ol style="list-style-type: none">1. Secure media monitoring and contact database software to ensure a nimble and targeted local and national public relations strategy as well as the ability to track and monitor brand and influencers.2. Develop an annual Marketing Strategy in alignment with the annual implementation goals of the Strategic Plan.3. Create branded infographics and a cohesive content media kit for social media and digital marketing.4. Launch a digital marketing automation platform focusing on paid social media and online marketing campaigns, discontinuing print ad placements.5. Build a marketing/public relations focus group or support task force within AED.
Launch a comprehensive internal and outbound media strategy.	<ol style="list-style-type: none">1. Invite reporters to the region for inbound press trips and collaborate with regional partners on targeted outbound media missions to pitch story ideas.2. Write and issue local op-eds and short live-stream video updates on a twice monthly basis.3. Proactively pitch stories about the region to national, international, local and trade media outlets and publications.
Leverage the creative platform of video content.	<ol style="list-style-type: none">1. Develop a video narrated by CEOs/executives or recognizable figures to highlight assets of the region.2. Engage local partners for story ideas to use in content marketing, social media and media relations.3. Develop video(s) narrated by reputable personality/voice talent to paint a unique selling proposition.
Enhance the AED website and online presence to increase conversion rate of website visit to leads and prospects.	<ol style="list-style-type: none">1. Refresh the look and feel of the ABQ.org website, including new site navigation and resource pages.2. Focus efforts on search engine optimization, ensuring region appears as the top result for targeted keywords.3. Add more content and information for regional data and support.4. Leverage GIS and interactive tools to provide an intuitive, interactive experience.5. Introduce retargeting advertising to previous website visitors to drive them back to the site.

AREA 3: Address issues and challenges that will increase regional competitiveness.

OBJECTIVES	STRATEGIES
<p>Work to ensure the development of needed new commercial space.</p>	<ol style="list-style-type: none"> 1. Make the case for new speculative development and capital infusion in the market, and then launch an outreach and awareness campaign to national top developers and REIT's. 2. Partner with public and private entities for proactive planning and marketing of strategic land sites. 3. Reduce the risk and uncertainty for developers by encouraging all communities in the region to adopt and/or promote a streamlined permitting process and consider a timeline deferral for fee collections.
<p>Align talent attraction, retention, and development efforts across the region to deliver the resources required to secure business location investments.</p>	<ol style="list-style-type: none"> 1. Launch proactive, positive storytelling regarding successes in the region's educational system. 2. Seek recovery resources and other funding opportunities to spearhead training and upskilling programs for displaced and disadvantaged workers. 3. Align with universities to proactively develop and deliver the talent that will be needed to grow target industries. 4. Promote the region as a top location of choice for talent, complementing and supporting remote worker and boomerang attraction campaigns. 5. Launch and host a 'jobs' database on the AED website featuring key positions that can be marketed to targeted individuals locally and nationally.
<p>Address opportunities in mobility and transportation advancement as the economic development voice of the region.</p>	<ol style="list-style-type: none"> 1. Work closely with the Mid Region Council of Governments and its partners in expansion of critical data sets and regional planning efforts, including collaboration across the state for mobility connectivity. 2. Support efforts in expanding roadway extensions to deliver regional connectivity, opening new employment center opportunities. 3. Support the Albuquerque International Sunport's efforts to grow business interest in direct flight locations and frequencies.
<p>Bring all to the table through ecosystem development.</p>	<ol style="list-style-type: none"> 1. Formally launch an ecosystem communications platform. 2. Incorporate delegation visits to benchmark markets with business development travel for best practices learning. 3. Host programs and events to ensure that businesses understand economic development tools and resources and that public officials understand the role and value of AED and other economic development efforts in the region. 4. Build stronger relationships with the local brokerage community through an annual broker appreciation event, visits to their offices and update presentations to teams.

Clearly identify legislative priorities and deliver evidence-based analysis supporting them.

1. Develop annual legislative policy priorities and recommendations and proactively educating legislators as to the case for each.
2. Work with partners whose primary mission is one of advocacy, such as the New Mexico Chamber of Commerce, with AED leading the evidence-based analysis of existing and potential policies directly affecting economic development competitiveness.
3. Provide an annual summary of national incentive practice trends in conjunction with an updated regional 'Prospectus' summarizing relative competitiveness as well as highlighting potential areas for closing gaps.

AREA 4: Modernize the organization for long-term success.

OBJECTIVES	STRATEGIES
<p>Address organizational structure to enable the execution of business development and competitiveness goals.</p>	<ol style="list-style-type: none"> 1. Utilize analysis of national best in class economic development organizations to model a structure for long-term success for AED. 2. Convert the organization to a 501c3 charitable organization, highlighting its economic development mission of reducing poverty and improving quality of life for all. 3. Consider refreshing the organization's name to one reflective of primary market brand recognition but also regional in nature. 4. Execute a fundraising feasibility study and subsequent capital campaign.
<p>Provide increased and meaningful opportunities for engagement and recognition of investors.</p>	<ol style="list-style-type: none"> 1. Begin holding an annual Board Retreat where annual metrics and implementation goals are set. 2. Launch ad-hoc industry advisory councils to inform AED on business needs and trends. 3. Introduce an 'investor insights' newsletter which would offer additional data on the pipeline of projects AED is pursuing on behalf of the region. 4. Redesign the Ambassador Program, creating opportunities for becoming 'certified' and recognized for outstanding championship of AED. 5. Make the annual 505 Awards program, converted to an annual dinner, the 'go-to' end of year celebration of regional economic development.
<p>Invest in the pursuit of excellence as an organization, a team, and as individual economic developers.</p>	<ol style="list-style-type: none"> 1. As an ongoing, standard operational effort, engage student research partnerships with universities as part of AED's day to day toolkit. 2. Develop a pipeline of ongoing talent through continual staff support by way of paid internship(s). 3. Invest in AED team members through individual professional development planning and organizational investment in training. 4. Pursue status as an Accredited Economic Development Organization through the International Economic Development Council to join the ranks of the top 65 agencies in the country. 5. Work to become recognized as a top economic development organization in the nation by Site Selection Magazine or another comparable entity.

Incentive Toolkit Recommendations

Hickey Global, as a member of the Hickey family of companies which has served as an international site selection firm for decades, examined the State of New Mexico's incentive tools for business attraction through the lens of a site location advisor. Overall, the state has a competitive toolkit for use in attracting business, assisting in job training, and offering deal closing opportunities. The following are recommendations for further enhancing those tools to increase the state – and the region's – opportunities to win:

Public Private Partnership Infrastructure Financing

An infrastructure financing mechanism for public private partnerships is a key tool for economic development. These agreements are typically between a state or local government and a private company, which can take many forms, most frequently as a design-build-finance-operate-maintain (DBFOM) model or long-term lease. Of the competitive markets, Arizona, Colorado, and Texas have relevant programs.

Utility Economic Development Rate

To support industrial projects, an economic development rate program through local utilities may help with recruiting larger power or gas users by reducing operational costs.

Job Retention

In recovering from the pandemic, economic developers need to have programs that can be utilized to support job retention only projects, such as the Job Training Incentive Program (JTIP), which currently requires job creation.

Limited Targeted Activities

Too often program guidelines are limited when considering the targeted, eligible activities and sectors for incentives.

Property Tax Abatement Complexity

While property tax abatements can be leveraged in the region, the process through industrial revenue bonding in New Mexico makes it among the most complex abatement programs in the country.

Onshoring/Reshoring Tax Credit Program

A tax credit program, preferably in addition to other applicable incentives, specifically tied to businesses onshoring/reshoring capital investments and jobs would be a differentiator for the state.

Remote, Rural Workers

Incentivize businesses to invest in remote workers outside the urban core, similar to the Rural Online Initiative in Utah and the Location Neutral Employment (LONE) program in Colorado. The latter allows for the incentive to be stacked onto other state programs for workers in designated areas.

Maintain Tools and Expand Through Best Practices

For example: ensure the extension of the High Wage Jobs Tax Credit set to sunset June 2026 as this is a significant benefit. In addition, research and propose incentive concepts that are self-funding and formulaic to create programs that can reduce risk and uncertainty for all parties.

Ecosystem Analysis and Purpose Overview

A regional organization does not stand alone. It is part of a complex network, an interconnected system. It is clear through the discovery process in this strategic plan development effort that the Albuquerque region has numerous organizations working to advance the economy. It is recommended that as a regional economic development organization, AED work to align these organizations to ensure collaboration and reduce duplicative efforts that ultimately waste precious and finite resources.

Collaborations and partnership will help to advance AED's goals by reducing resource scarcity, dealing with complexity, expanding its stakeholder base by building trust, and networking to increase marketing reach.

Through this process, Hickey Global and the AED team identified criteria for stakeholder inclusion in the ecosystem. It includes those who have the means to:

- Access funding resources
- Offer or develop unique human capital (executive-on-loan, interns, center support)
- Influence political or regulatory outcomes

- Access unique data or resources that augment efforts

AND who:

- Have a positive community influence
- Are doers with a vision for our economic future
- Represent umbrella organizations (drives efficiency) or niche ones that are critical to AED goals

A sorting and gap analysis was completed which identified 56 current investors in key categories, unveiling a gap in export/trade, existing business support and government. However, stakeholders in the ecosystem accounted for 142 additional entities.

Next steps in engaging the ecosystem include:

1. Giving it a name and a logo unique to the AED organization
2. Create/manage an open platform only – not a new organization - for sharing ideas and materials
3. Regularly share data and insights with stakeholders
4. As key issues or initiatives rise, engage the ecosystem for problem solving or solutions development

A perfect example of the need for a proactively developed ecosystem communication structure would be a future opportunity akin to an Amazon HQ2 or Space Command proposal.

Current Investors	Categories	Added Stakeholders
3	Marketing and Attraction	4
0	Export/Trade	2
2	Existing Business Support	17
20	The Built Environment	25
3	Entrepreneurship & Innovation	33
6	Talent, Education & Workforce	18
7	Transportation & Infrastructure	8
4	Quality of Place/Life	6
9	Finance/Capital	8
2	Local/State Governments	21

Regional Economic Indicators Scorecard

The following indicators are not directly influenced by AED, however, they are critical to track to monitor overall economic progress as well as determine relative competitive advantages and disadvantages in comparison to other markets. It is recommended that AED consider becoming the 'home organization' for developing a monitoring scorecard to track changes in the region over time as well as in comparison to competitor markets that may include some of the example indicators below:

Annual overall job growth rate	Number of degrees granted
Relative tax burden – corporate and personal	Percentage of students completing secondary education
Growth in targeted sectors	Venture capital invested in area firms
Number of women and minority-owned firms	Number of patents issued to regional firms
Jobs to housing ratio	Crime rate per 1,000 residents
Per capita income / median household income	Location quotient of government jobs
Percentage of city population living in poverty	In-migration as a share of population change
Average earnings per job	Unemployment rate
New square footage constructed in region	Existing square footage absorbed





Organizational Inputs and Impacts

The following inputs and impacts are a direct result of the work delivered by AED. Inputs measure activity that is designed to influence and deliver meaningful impacts to the overall economy and the core mission of job growth and delivery through increased market competitiveness. The impacts are the measures of the ultimate results.

It is recommended that the AED Board of Directors, President & CEO and staff conduct an annual Board Retreat at which annual implementation activities in alignment with the overall strategic plan are determined, and organizational input and impact goals are set for the upcoming year.

ORGANIZATIONAL INPUTS	ORGANIZATIONAL IMPACTS
New leads generated or received annually	Total number of new jobs created or retained
Conversion rate of leads to prospects	New capital investment into the community
Number of businesses recruited with material involvement	Total 3-year direct revenue impact of projects
State incentive programs utilized/dollars leveraged	Total 3-year induced economic impact of projects
Grant dollars, donations or sponsorships secured	Average wage / total payroll of jobs created or retained
Existing company visits conducted	
Program and events attendees	
Website visitation growth	
Investor and community return on investment	
Public relations earned media ad value	
Total media impressions and year over year growth	

2021 AED Board of Directors



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Verus Research

Tom Antram
French Funerals & Cremations

Beth Barela
Manpower of New Mexico

Celina Bussey
Deloitte

David Campbell
Mesa Del Sol

Mike Canfield
Indian Pueblo Cultural Center

Phil Casaus
BRYCON Corporation

Danielle Casey
AED President & CEO

Ryan Centerwall
Affordable Solar

Jim Chynoweth
CBRE, Inc.

Kent Cravens
Greater Albuquerque Association of Realtors

Michael Crossey
TriCore Reference Laboratories

Michelle Dearholt
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Comcast

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Caroline Garcia
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Jack Towsley
DaVita Medical Group

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Strategic Plan Summary Card

BIG GOAL METRIC:

Rank in the top 25% of mid-sized markets in the U.S. for job growth in 5 years.

Guiding Principles

COLLABORATORS & CONNECTORS

We are collaborators and connectors, starting conversations and enhancing partnerships.

ETHICAL & INCLUSIVE

We operate every day ethically and inclusively.

EDUCATORS & INNOVATORS

As experts in our field, we proactively educate, mentor and innovate.

RESOURCEFUL, RELIABLE & RESILIENT

We are a resourceful, reliable and resilient team.

Vision

The greater Albuquerque region will be known and recognized for having the highest quality of life and the most diverse and sustainable economy in the US mountain west.

Mission

AED leads and executes strategies designed to grow and diversify the economic base of the greater Albuquerque region, creating a prosperous, diverse and inclusive economy and elevating the standard of living for all.

Major Initiatives

Think: Think big and develop a long-term actionable approach for capturing the economic impact that our research institutions make possible.

Ensure: Ensure awareness at all times of our economic standing as a region.

Shift: Shift our perspective and approach to transform to a truly region-serving organization.

Respond: Aggressively respond to needs and opportunities presented as a result of COVID-19 impacts.

Create: Create unique programs targeting the attraction of target cluster companies and knowledge workers. Champion and expand talent need solutions for now and in the future.

Establish: Establish the region as the single most prominent location for aerospace related innovation in the country, actively engage with leading partners and institutions.

Expand: Expand the existing business efforts to a model regional market intelligence program, driving local business growth and informing attraction pipelines.

Strategic Focus Areas

Diversify the Economy

- Grow site selector outreach
- Develop value propositions and lead gen strategies in target clusters
- Grow existing business program with market intelligence outreach
- Capitalize on national and global trends

Establish a National Brand

- Redesign and invest in AED marketing platform
- Launch comprehensive media strategy
- Leverage video content
- Enhance the website, online presence and conversion rate of visitors

Increase Regional Competitiveness

- Development an ecosystem communication platform
- Align talent attraction, retention and development efforts
- Address opportunities in mobility and transportation
- Support commercial space development
- Deliver evidence based legislative recommendations

Modernize the AED Organization

- Address organizational structure to enable fundraising needs
- Increase investor engagement and value
- Invest in the pursuit of excellence as an organization, a team and as individual economic developers

This Strategic Plan made possible by:



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Fidelity Investments
Indian Pueblo Cultural Center
Caroline Garcia

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ORGANIZATIONAL IMPACTS

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Total 3-year direct revenue impact of projects

Total 3-year induced economic impact of projects

Average wage / total payroll of jobs created or retained

To grow the Albuquerque region, AED will focus on the following six target clusters:



Aerospace:

Capitalizing on the exceptional research and development capabilities in the region.



Biosciences:

Converting research and development technologies into the development of local businesses.



Renewable Energy:

Becoming the green energy capital of the United States, and the model for other markets in the future.



Digital Media & Film:

Marketing the Albuquerque region's tremendous advantages versus traditional filming locations and becoming the HQ2 for the industry,



Corporate & Professional Services:

Capitalizing on current trends and attracting Middle Office (professional jobs) to the region.



Manufacturing:

Focusing on reshoring and onshoring opportunities.

2021 Strategic Plan and Policy Priorities Summary

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Policy Priorities for the 2022 Legislative Session

- 1. CREATE MECHANISMS TO ENCOURAGE PRIVATE DEVELOPMENT:** The establishment of guiding principles to govern public-private partnerships allowing the state and certain local governments to enter into long-term partnerships with private sector partners to facilitate public projects to address New Mexico's aging infrastructure and critical public services.
- 2. REDUCE RED TAPE AND SPEED TO MARKET FOR BUSINESS:** Following national best practices, create regulatory processes that reduce complexity and uncertainty for new business investment, increasing their speed to market.
- 3. ECONOMIC DEVELOPMENT UTILITY RATE:** Seek legislation requiring the adoption of rules by the Public Regulation Commission to implement an economic development utility rate in a fashion that allows it to be used as an aggressive strategy to incentivize business growth, recruitment, and retention. Competitive utility rates are primary factors in site selection criteria, especially for the manufacturing industry.
- 4. INVEST IN ECONOMIC DEVELOPMENT:** All strategies, incentive tools and other mechanisms will be fruitless without adequate staffing and marketing resources at the state and local levels for executing outbound marketing to target industries and customers, and having the staffing capacity to then respond to project inquiries. This means continuing and increasing investment in JTIP, LEDA, the New Mexico Partnership as well as state and local economic development and tourism agencies. Opportunities include local funding mechanisms such as local economic development funding through dedicated sales tax.
- 5. DRAW NEW INVESTMENT TO THE STATE FOR STARTUPS:** Open the angel investment tax credit to out of state investors.
- 6. ONSHORE/RESHORE TAX CREDIT PROGRAM:** A tax credit program, preferably in addition to other applicable incentives, specifically tied to businesses onshoring/reshoring capital investments and jobs would be a differentiator for the state. Mechanisms could include waiving GRT or compensating tax for new businesses building infrastructure in New Mexico; consider a formulaic program as opposed to case-by-case.
- 7. MAINTAIN AND EXPAND BEST PRACTICES TOOLS:** Ensure the extension of successful programs such as the high Wage Jobs Tax Credit set to sunset June 2026.

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