

**EDD**  
ECONOMIC DEVELOPMENT DEPARTMENT

# Update from the Economic Development Department

Presentation to the

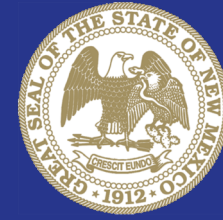
## Economic & Rural Development & Policy Committee

September 21, 2023, Silver City



Sara Gutierrez, Deputy Director  
Economic Development Division

# JTIP (Job Training Incentive Program)



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## JTIP Overview

JTIP reimburses qualified companies for a portion of expenses associated with training new employees in newly created positions.

- Wage reimbursement for the first 2-6 months on the job at base reimbursement rates depending on location:
  - Urban 50%; Rural 65%; Frontier 75%; with possibility of up to additional 15% reimbursement
- Up to \$6,000 per trainee for customized training at NM Higher Education Institutions
- JTIP eligibility opens up eligibility for the High Wage and Rural Job tax credits.



# JTIP Process

- JTIP Staff at EDD
  - Determines company eligibility and strategizes timing of application to align with company hiring needs and board meeting schedule
  - Provides hands-on technical assistance with online application, which includes a 6-month hiring projection, job descriptions, training plans, budget, and company financials
  - Provides ongoing technical assistance with one-year project administration post board approval
- JTIP Board
  - Establishes program policy
  - Reviews and votes on funding requests monthly
  - Assures funds are expended in accordance with NM law

# JTIP Policy Updates



- Encourage increased participation by NM Higher Education Institutions that provide customized training for expanding companies
- Revised reimbursement formula and per-trainee reimbursement cap
- Incentivize companies to partner more closely with DWS to address hiring issues
- Companies that participate in job fairs and take advantage of corporate training and other customized HR services offered by DWS are eligible for additional 5% reimbursement



# JTIP FY23 Rural Stats

- **20 of 65** companies approved were in rural locations
  - Alamogordo, Deming, Hobbs, Las Vegas, Moriarty, Raton, Red River, Roswell, Santa Teresa, Taos, Tucumcari
- Rural obligations totaled **21%** of funds awarded
  - **\$3,322,570.98**
- Average wage = **\$17.92**
- **35%** of approved jobs were in rural locations
  - **380**



# New Mexico MainStreet Program



- An asset-based community economic development **Main Street America Coordinating Program** licensed and accredited by the National Main Street Center, Inc. for the past 39 years.
- The program's core objective is **downtown revitalization and redevelopment**:
  - Build Capacity for Local Economic Revitalization and Redevelopment Efforts
  - Enhance the Entrepreneurial and Creative Economy
  - Create Thriving Places in New Mexico

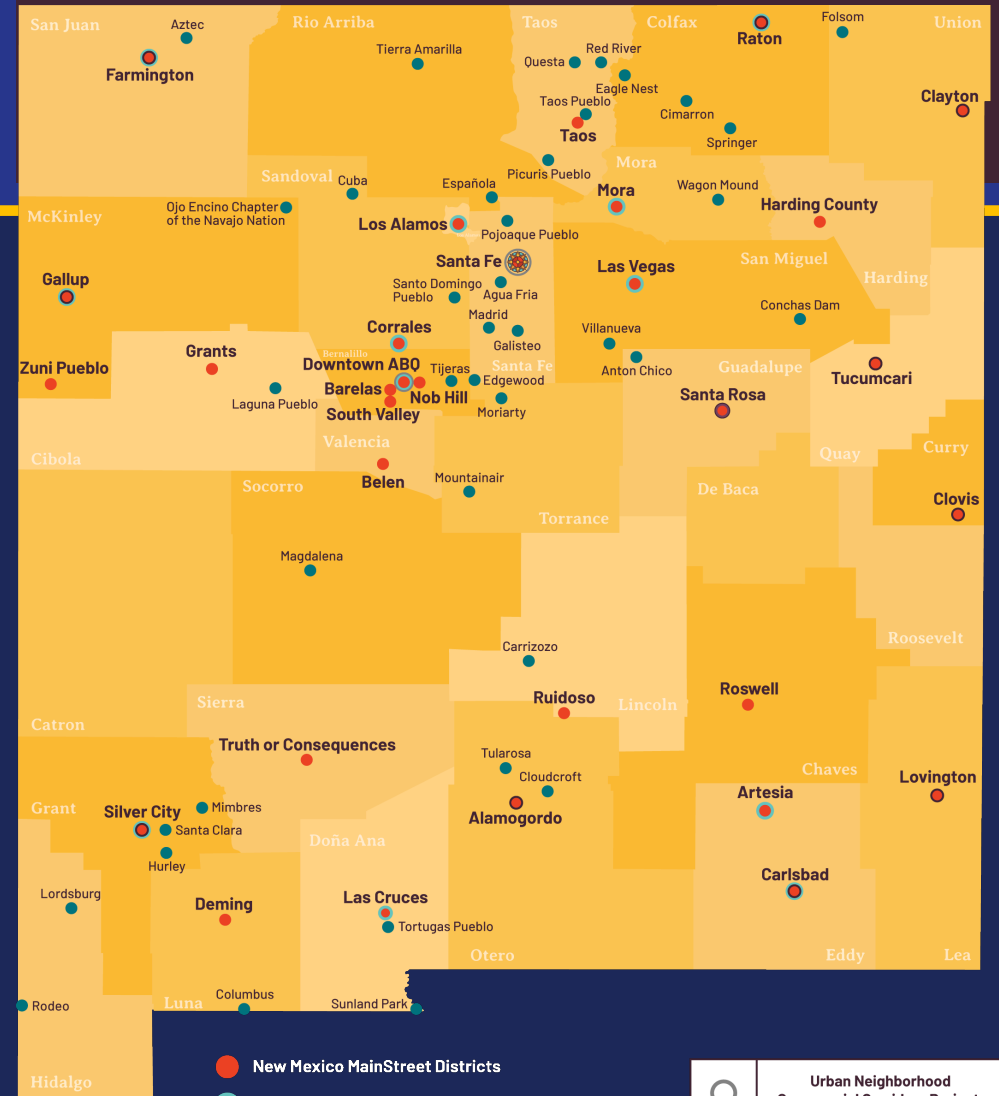


New Mexico MainStreet acts as an umbrella organization, administering and providing professional technical assistance, services and resources to all its local affiliates.

- **89** New Mexico Communities Served over past 39 years
- **30** MainStreet Programs (Active)
- **12** Arts & Cultural Districts (Active)
- Project-Based Initiatives (Active)
  - **9** Active Frontier & **5** Active Native American Communities
  - **4** Active Urban Neighborhood Commercial Corridors
- **11** New Mexico Historic Theater Restorations



## New Mexico MainStreet Network Map



	New Mexico MainStreet Districts
	New Mexico Arts & Cultural Districts
	Historic Theaters
	Urban Neighborhood Commercial Corridors Projects
	Frontier and Native American Community Projects
	New Mexico MainStreet Headquarters
	Urban Neighborhood Commercial Corridors Projects
	Santa Fe Airport Road Corridor
	Santa Fe Siler Rufina Nexus
	Albuquerque International District
	Albuquerque San Pedro Main Street Corridor   Mile Hi District



New Mexico MainStreet (NMMS) accepted seven new community economic development projects in FY23 and secured \$5,000 seed grants from the New Mexico Resiliency Alliance (NMRA) for each community to support the project's first phase.

Newly added projects include:

- **Agua Fria Village:** Create a Feasibility Study for the Agua Fria Community Center and a Fundraising Project Proposal for the River Walk.
- **Village of Cuba:** Develop a Downtown/MainStreet Revitalization Plan based on the Main Street Approach™, assist with vacant buildings and fundraising.
- **City of Española:** Develop the Española Main Street Vacant and Underutilized Property Project to inventory vacant properties and develop commercial & residential development plans.
- **Mimbres Valley:** Create the Mimbres Agricultural Cooperative for local food producers & consumers and transform vacant property into an agricultural park/marketplace.
- **Red River:** Redevelop the Brandenburg Park and municipal parking lot for downtown events.
- **Tortugas Pueblo:** Complete the Tortugas Pueblo Revitalization Project to access aging buildings & ceremonial grounds and develop a plan for public infrastructure improvements.

# NMMS Capital Outlay Program



**Provides funding for public infrastructure upgrades within a targeted public investment area:**

- Investments are scaled to a district’s potential and catalytic commercial areas for economic redevelopment
- Based on an adopted Master Plan, Cultural Economic Development Plan, or Metropolitan Redevelopment Area Plan



*Farmington Complete Streets  
Tucumcari Great Blocks  
Alamogordo Great Blocks*

## FY23 NMMS Capital Outlay Public Infrastructure Funding Awards in Rural Communities

MS Community	Project Title	Project Budget	District/Project Investments	Amount Awarded
Lovingston MS	Pedestrian Improvements	\$450,000	\$24,100,000	\$350,000
Carlsbad MS/ACD	Cavern Theater Digital Projection & Sound	\$350,000	\$4,906,378	\$350,000
Gallup MS/ACD	Gallup Pedestrian Alley Ways Improvements	\$1,661,545	\$1,091,227	\$600,000
Alamogordo MS	Great Blocks Construction \$	\$2,470,000	\$450,000	\$1,900,000
MainStreet de Las Vegas	Great Blocks Construction \$	\$1,300,000	\$100,000	\$1,200,000
Roswell MS	Great Blocks Construction \$	\$2,590,000	\$390,000	\$2,100,000
Grants MS	Great Blocks Design \$	\$140,000	\$20,000	\$120,000
Harding County MS	Great Blocks Design \$	\$120,000	-	\$120,000
Zuni MainStreet	Great Blocks Design \$	\$120,000	-	\$120,000
Belen MS/ACD	ACD/Cultural ED Plan	\$40,000	\$5,000	\$40,000



# Recently Completed Projects

**Gallup Coal Avenue Commons: Phase II**  
Total Project Cost: **\$4,259,068**



**Lovington MainStreet –  
Love Lovington: Going  
Green Wayfinding Project  
Phase III**  
Total Project Cost:  
**\$175,000**



**Deming MainStreet – Zia Sun  
Art-Scape Street Intersection  
Project**  
Total Project Cost: **\$387,706**



**Cavern Theater  
Renovation: Digital  
Projection & Sound**  
Total Project Cost:  
**\$5.2 million**

# Recently Started Projects

**Alamogordo's Great Blocks on Main Street:  
800 & 900 Blocks of New York Ave.**  
Total Project Cost: **\$2.5 million**



**Lovington Historic Downtown Pedestrian Improvements**  
Total Project Cost: **\$450,000**



**South Valley MainStreet  
Dolores Huerta Gateway  
Park**  
Total Project Cost:  
**\$1,025,000**

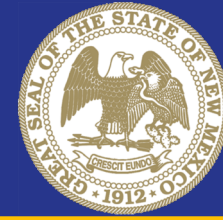


**Las Vegas Great  
Blocks on MainStreet  
Project – Railroad  
and Lincoln Avenues**  
Phases I, II, and III  
Total Project Cost:  
**\$2.3 million**





# Highlights from Rural MainStreet Districts/Projects



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## Lovington MainStreet's Local Innovators Institute Food Accelerator Program recognized by USDA Rural Development for program excellence

- The Local Innovators Institute completed four cohorts so far to train local restaurant entrepreneurs.
  - The program received two Rural Business Development Grants from USDA RD and technical assistance from NM MainStreet.



## SE New Mexico Partnership: Small Towns, Big Fun!

- Six SE NM MainStreet districts (Artesia, Carlsbad, Clovis, Lovington, Roswell, and Ruidoso) partnered on a summer event promotion campaign to boost attendance at their events. The Small Towns, Big Fun! campaign aimed to capture regional tourists, boost local events, and support small businesses.
  - The project received technical assistance from NM MainStreet.





# Highlights from Rural MainStreet Districts/Projects

## New Gateway Signs at Ojo Encino (Navajo Chapter)

- Ojo Encino participated in NMMS's Frontier and Native American Communities Initiative and received technical assistance from NM MainStreet for the sign project.



## Madrid Art & History Walk

- Madrid previously participated in NMMS' Frontier & Native American Communities Initiative to develop their Art & History Walk project. This important project will improve pedestrian safety and access to the downtown corridor.
  - The project received technical assistance from NM MainStreet.



# Highlights from Rural MainStreet Districts/Projects

## NM MainStreet holds annual Summer/Fall Conference in Rural NM MainStreet districts

- 2022: Ruidoso
- 2023: Carlsbad

## NM MainStreet Revitalization Specialists provide technical assistance to affiliated districts/projects

- NM MainStreet's ten Revitalization Specialists regularly provide professional technical assistance to affiliated districts and projects.





# Creative Industries Division

- Initial funding of \$2 million
  - **Creative Startups** awarded \$200K
  - Call for Projects, \$100K each

## What is a Creative Industry?

- Performing arts
- Visual arts
- Literary arts
- Entertainment
- Media
- Applied arts and design, including architecture
- Crafts and artisan professions (metal, wood, glass, ceramics, paper, printing, textile, and culinary arts)
- Landscape architecture
- Museum and gallery professions
- Promotion
- Marketing
- Graphics and industrial design
- Technology and computer system design
- Software design
- Coding and digital media





## Supporting the state's creative industries by:

- Increasing and advancing creative industry based economic development
- Supporting entrepreneurs and small businesses in creative industries
- Assisting organizations that support creative industry companies and workers
- Supporting educational and workforce training initiatives that facilitate creative industry growth and success
- Helping to establish public infrastructure to support creative industries
- Serving as an information clearinghouse by providing resources and opportunities to creative industry stakeholders
- Acting as a liaison between creative industries-related businesses and organizations



# Building a Roadmap for the Division



- Budget estimates for 5 fiscal years
- Detail the needs of the industries listed in the creative industries definition
- Inventory/asset map of creative industry areas at the statewide and county-by-county levels
- Summary of existing higher education, business development, tourism, and workforce training programs that can contribute to a creative industries ecosystem
- Develop options for effective competitive grants and programs to stimulate the creative economy
- Develop branding strategies



- FY25 budget request for recurring funding for staff and additional grants

# What is LEDA?

- LEDA is the **Investment** of public monies into a private company to offset costs associated with land, building and infrastructure
- LEDA is an exception to Article 9 Section 14 of the New Mexico Constitution allowing such investments for the **purpose of economic development** and job creation
- LEDA requires that there is sufficient economic impact (**return on investment**, or ROI) to offset the public investment
- LEDA **requires security** (collateral) equal to the amount of the grant award for the purpose of securing clawbacks

# How Does LEDA Work?

- LEDA is a discretionary incentive, the amount of investment is at the discretion of the **Executive (Governor)**
- LEDA is sometimes described as the **deal closing fund**
  - LEDA allows for public monies to be used to reimburse a company for expenses such as land, building and infrastructure (nothing that can be moved out of NM)
- All LEDA projects require a **Project Participation Agreement** (contract)
  - Made between the public entity and the company outlining the company's investment, job creation, capital investment and public investment
  - Including how clawbacks may be applied
- LEDA may only be used for qualified companies in **an economic base sector**

# What is the Benefit?

Annually the New Mexico Economic Development Department updates the LEDA project data with **actual numbers**

This allows for two things to happen:

1. Determine how the project is moving forward compared to projections
2. Determine the actual return on the investment







# What is the Benefit?

## Examples

- Urban project over 6 years
- \$125,000 LEDA investment
- Total public fiscal impact \$943,290
- ROI 655%
- Rural project 5 years
- \$75,000 LEDA investment
- \$26,920 in other incentives
- Total public fiscal impact \$223,555
- ROI 119%





Singapore-based **Maxeon Solar Technologies** will build a 1.9M SF complex at Mesa del Sol

*1<sup>st</sup> commercial-scale solar cell manufacturer in the US*

Construction will begin in early 2024 on a 160-acre site. The facility will include solar cell fabrication, panel assembly, warehouse, R&D lab and offices.

- **1,800** new jobs
- **\$2.4B** private investment
- **\$4B** economic impact over ten years
- **\$18M** LEDA investment
- **\$97.5M** annual payroll

# Electronic Caregiver

*Las Cruces telehealth company undergoes major expansion on Main Street*

- **770** new jobs
- Average salary = **\$53K**
- Annual payroll = **\$40.8M**
- 10-year Economic impact of **\$843M**
- Private investment = **\$17.5M**
- LEDA investment = **\$1M**





# Intel



Hiring event August 26th in collaboration with EDD & DWS drew over 1,100 applicants

## *Expansion only:*

- **700** Permanent jobs
- Average salary of **\$140K**
- 10-year Economic impact of **\$3.6B**
- Private investment of **\$3.5B**
- LEDA investment of **\$5M**
- **\$14M** in **GRT sharing** from New Mexico & Sandoval County





# Rural Impact

- Arcosa Wind Towers
- Little Toad Creek Brewery & Distillery
- Syzygy Tile
- Noisy Water Winery
- Franklin Mountain Packaging
- Geobrugg North America



# LEDA Rural Infrastructure Fund



## 5 Projects To-Date

- A waterline at the **Moriarty City Airport** - \$283,000
- \$2.135M for the **Clovis Regional Airport** water transmission extension project
- **Town of Taos** received \$1.7M for a water distribution extension to the Taos Regional Airport
- \$1.8M to extend a natural gas line 11 miles to the **San Juan County Industrial Park**
- \$4M to **McKinley County** for infrastructure development in a 40-acre master-planned industrial park





# Arcosa Wind Towers



*Dallas-based Arcosa, Inc. will operate a wind-tower production facility in Belen*

- **250 new jobs**
- **Average salary = \$50K**
- **Annual payroll = \$12.5M**
- **10-year Economic impact of \$314M**
- **Private investment = \$60M**
- **LEDA investment = \$4M**





# Little Toad Creek Brewery & Distillery

- 3 Locations
  - Silver City
  - Las Cruces
  - Deming
- Assistance from LEDA & JTIP
- **32** total production jobs
- Private investment of **\$4.8M**



# Syzygy Tile, Silver City

- **22** Rural jobs
- CapX of **\$1.4M**
- Annual payroll = **\$600K**
- LEDA investment of **\$50K**



# Noisy Water Wine Company, Alto

- 25 Rural Jobs
- CapX = **\$5.6M**
- Annual Payroll = **\$1.038M**
- LEDA Investment of **\$225,000**
- 10-yr Economic Impact - **\$56M**

Founded by a 5<sup>th</sup>-generation farming family in Lincoln County. The expansion will increase production to 100,000 bottles annually.

Noisy Water is community-oriented and works to raise money for a variety of nonprofit groups statewide, including donating proceeds toward the restoration of the Lincoln National Forest.





# Borderplex Growth



Office of the Governor

**MICHELLE LUJAN GRISHAM**

**FOR IMMEDIATE RELEASE**  
September 14, 2023

**Contact:**  
Caroline Sweeney  
Office of the Governor  
[caroline.sweeney@ece.nm.gov](mailto:caroline.sweeney@ece.nm.gov)

**Governor Lujan Grisham to lead Taiwan trade mission**  
*Focus to be on reshoring Asian manufacturing to New Mexico*



- Hota Industrial Manufacturing
- Franklin Mountain Packaging
- Louisiana Pepper Exchange
- ORO LLC
- Aries Worldwide Logistics
- Pedraza Customhouse Brokers
- Coast Aluminum

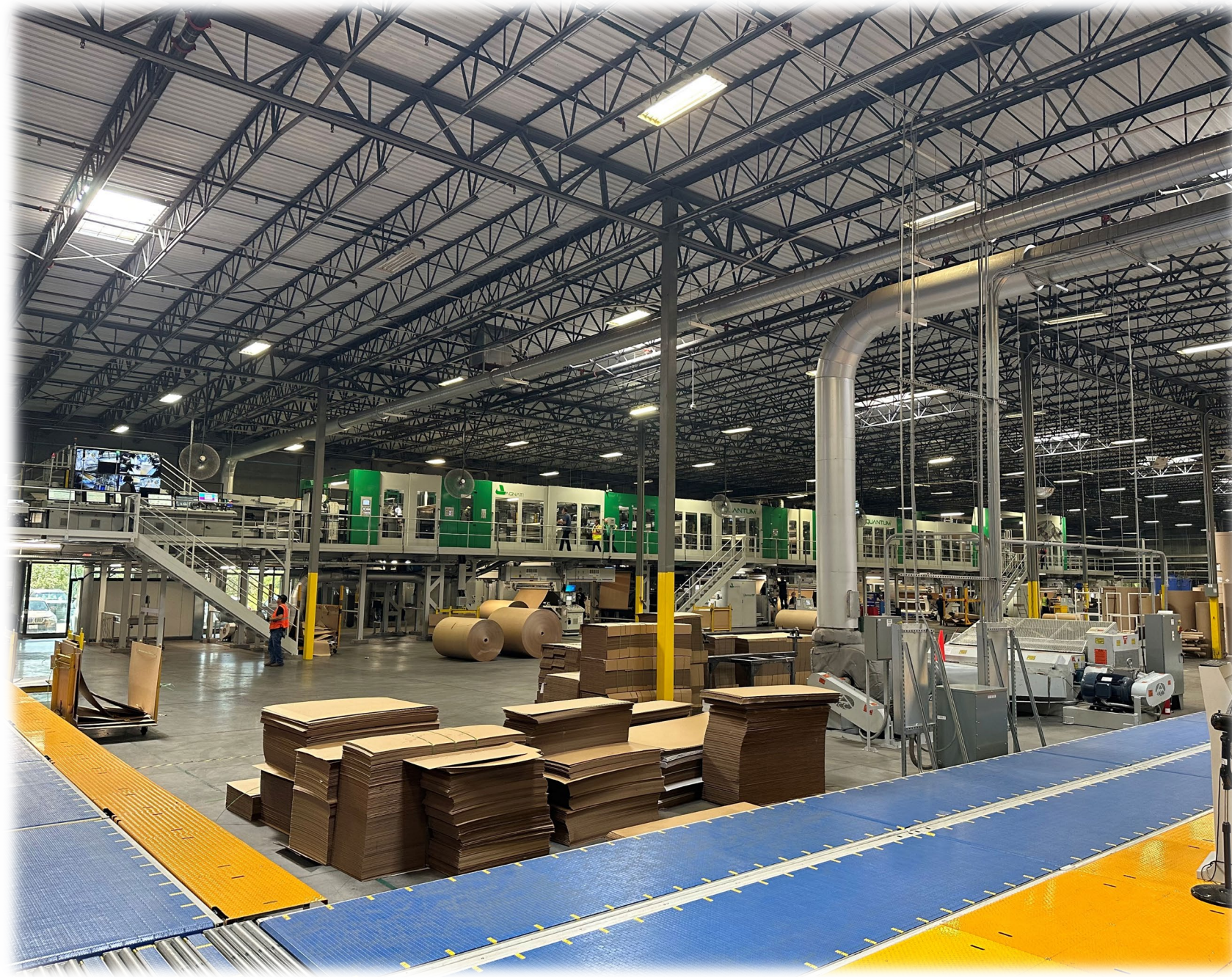


# Hota Industrial Manufacturing

Taiwanese company purchased a 30-acre parcel in Westpark Industrial Park, in Santa Teresa

- Hota manufactures gears for automotive OEMs
- **350** new jobs
- Private investment of **\$71.8M**
- Annual Payroll = **\$18.8M**
- LEDA investment of **\$3M**





# Franklin Mountain Packaging

*Expanding in Santa Teresa*

- **60** new jobs
- Private investment of **\$8.2M**
- Annual payroll = **\$2.1M**
- LEDA investment of **\$500K**



# International Trade

## SBA STEP Grant Program

- Grants up to \$7,500
- Participation in a foreign trade show or foreign trade mission
- Global website optimization
- International market research & business matchmaking
- Foreign product registration

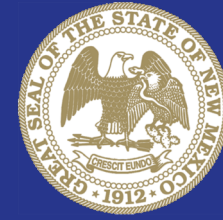
*STEP Trade mission to Bucharest in September*



**Taipei Office**

**FDI:** 3 companies have located at the Borderplex

# JEDI: Justice, Equity, Diversity & Inclusion



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The JEDI Office staff works to directly address systemic inequities and barriers to entry for New Mexican entrepreneurs and creates and supports programming and business tools to aid the growth of socially and economically disadvantaged businesses.

- Connect minority-owned businesses and community organizations to economic development programs, resources, and opportunities.
- Advocate for historically underrepresented businesses (i.e. Minority, BIPOC, Rural, underserved)
- Help business owners navigate working with the department, state agencies, and more
- Promote accessibility and awareness across department services and divisions
- Support industry growth and exploration for businesses interested in or part of Film, Outdoor Recreation, and Science and Technology sectors
- Business incubator/accelerator certification and expansion (program started in 2005)

[EDD.NewMexico.gov/business-development/jedi/](https://edd.newmexico.gov/business-development/jedi/)

# Finance Development



## STATE SMALL BUSINESS CREDIT INITIATIVE

- ~\$74.5 million ARPA funding to help small business with debt and/or capital
  - \$64.5 million venture capital
  - \$9 million to fund Collateral Assistance Program (CAP)
    - CAP pledges a certificate of deposit as additional collateral to incentivize lenders to extend credit to small businesses.
- \$1.6 million Technical Assistance allocation (2024) to fund assistance to businesses for:
  - Legal
  - Accounting
  - Financial Advisory Services

## OPPORTUNITY ENTERPRISE REVOLVING FUND

Created by the New Mexico Legislature in 2022, the Opportunity Fund provides financing for spec building or renovation projects to increase the inventory of commercial space that will:

- Attract businesses to New Mexico
- Allow existing businesses to expand their operations
- Achieve economic benefits for the state



# COMMUNITY, BUSINESS & RURAL DEVELOPMENT

*This Team of **Economic Development Professionals** work one-on-one with New Mexico businesses and communities assisting them in accessing all of EDD's resources.*

Team Leader: Jennifer Myers

Region 1:

- Lorraine Ruggles (Bernalillo Office)
- Keegan Mackenzie-Chavez (Gallup – Tribal Liaison)

Region 2:

- Peter Mitchell (Santa Fe)
- Paige Ryan (Santa Fe)

Region 3: (ABQ+)

- Yuriria Morales
- Beth Waldrip

Region 4:

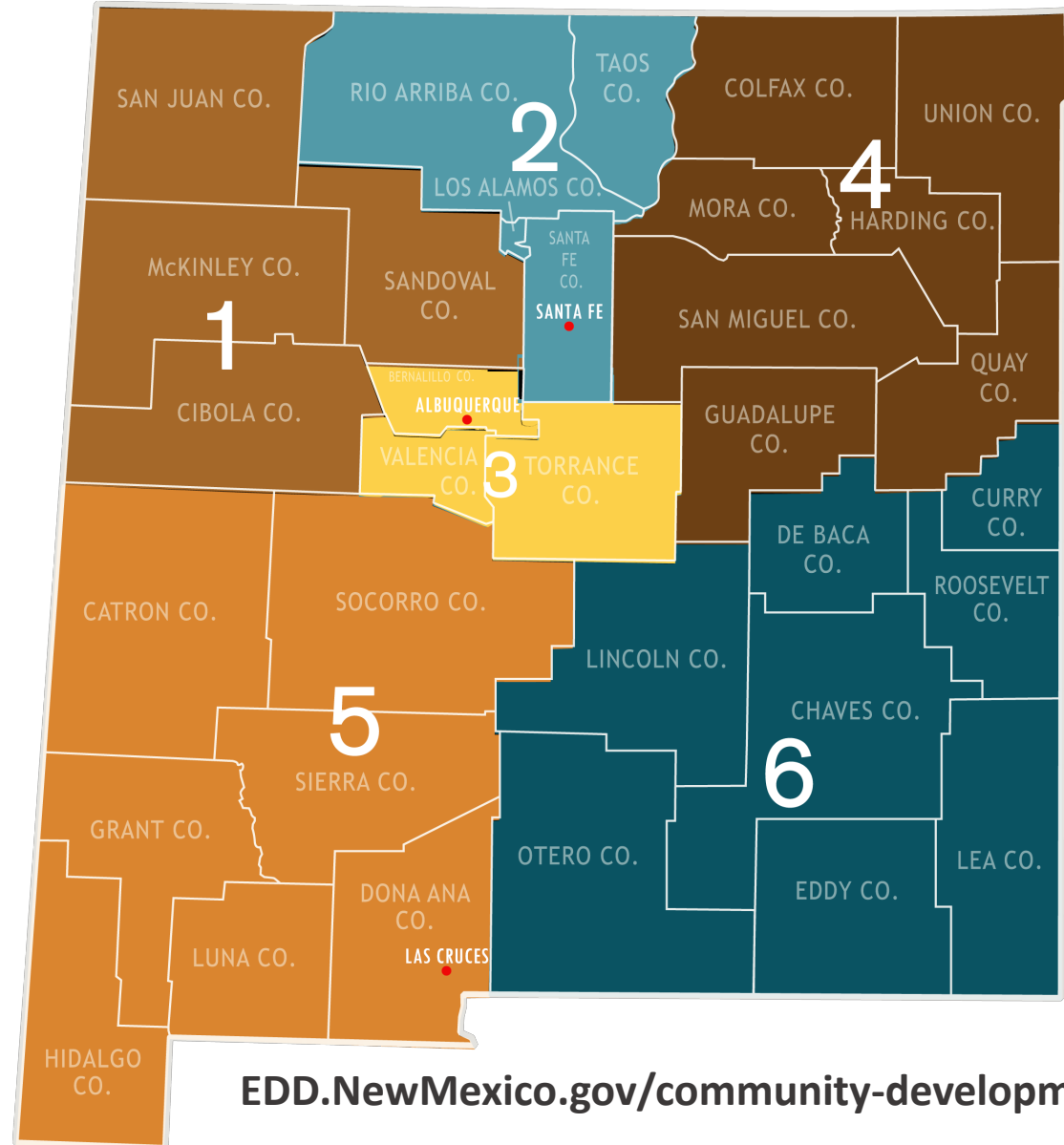
- Tim Hagaman (Mora)

Region 5:

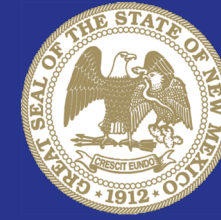
- Louise Marquez (Las Cruces)
- Julia Brown (Las Cruces)

Region 6:

- Jim Lucero (Portales)
- Kevin Wilson (Roswell)



[EDD.NewMexico.gov/community-development](http://EDD.NewMexico.gov/community-development)



## Office of Strategy, Science, & Technology (OSST)

Expanded OSST office with additional staff to increase support capacity for industry & entrepreneurs

Adding **Entrepreneurship Coordinator** to serve as point of contact statewide

C-PACE Program materials now available to counties for opting-in

- ❖ The Commercial Property Assessed Clean Energy (C-PACE) Program provides eligible property owners with access to long-term fixed-rate financing for a range of energy efficiency, renewable energy, water efficiency, and resiliency improvements
- ❖ Counties must pass enabling ordinance – program materials, including sample ordinance language, now available on EDD website
- ❖ EDD RFP currently open for third-party program administrator

New Mexico is a finalist for two major federal funding awards:

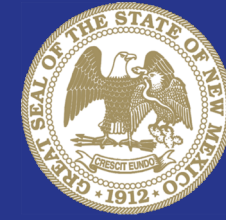
- ❖ National Science Foundation Regional Innovation Engine: Space Valley Coalition
- ❖ Department of Energy Regional Clean Hydrogen Hubs: Western Interstate Hydrogen Hub (WISHH)

**Advanced Energy Award** pilot program will provide grants (\$250,000 to \$1 million) to NM companies with proposals in advanced energy science and technology.

**R1 University Team Pitch** pilot program will award grants (\$100,000 to \$200,000) and entrepreneurship assistance to science and technology commercialization projects from faculty/student teams at New Mexico's three research universities.



# Economists Track Real Growth



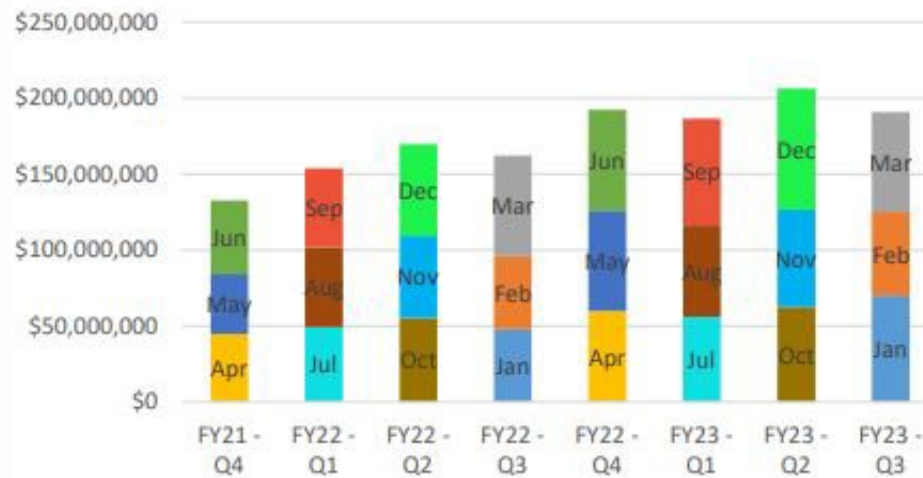
## Quarterly Economic Summary Grant County

Released: June 2023

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



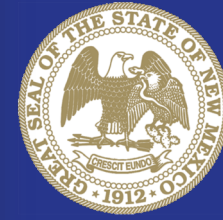
Chart 1. Matched Taxable Gross Receipts Per Quarter



In the third quarter of FY23, 26 of 33 counties saw year-over-year economic growth, averaging 12% growth statewide in matched taxable gross receipts. State gross receipts decreased from the second quarter of FY23. This, however, follows the seasonal trend that the state has experienced historically in Q3. As growth in New Mexico continues, national concerns remain regarding inflation and rising interest rates while labor markets continue to adjust post pandemic.

# Notable Productions Made in New Mexico

- *Stranger Things S4*
- *Better Call Saul*
- *News of the World*
- *Dark Winds – Rural (Gallup)*
- *Outer Range*
- *Oppenheimer*
- *Cry Macho – Rural (Las Cruces)*



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# Film Office

## FY23 Metrics:

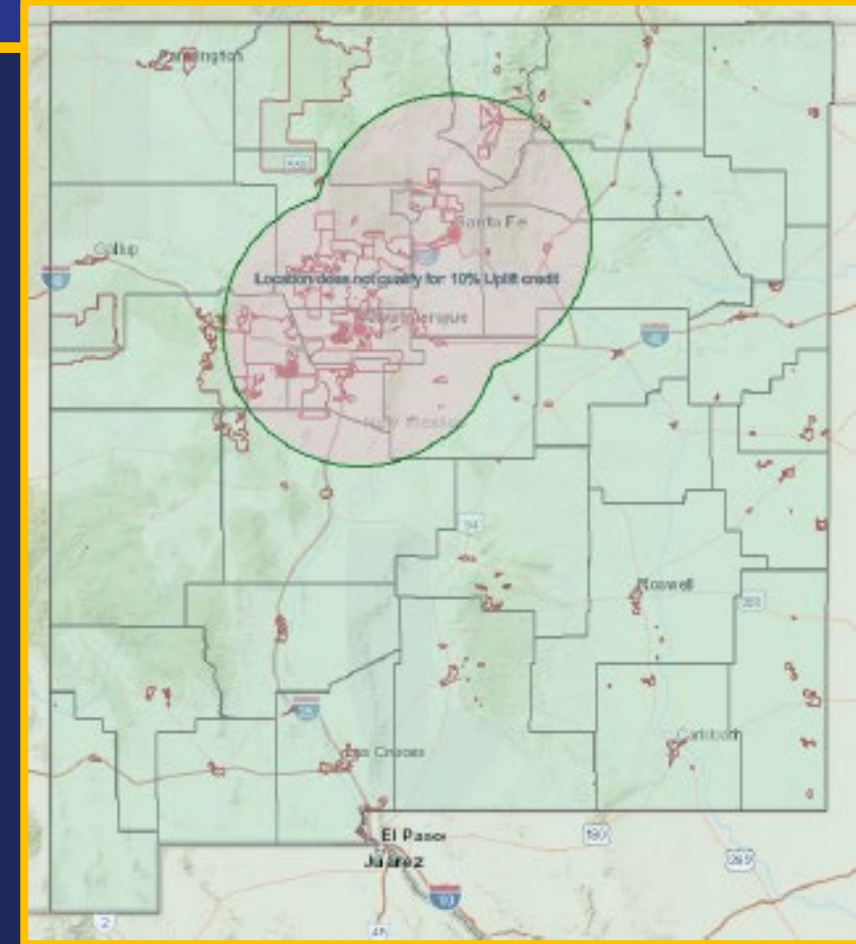
- 82 productions
- Average NM production budget = \$9.6M
- Direct spend = \$794.1M
- Estimated 8,000 jobs
- Total wages paid to New Mexicans = \$152.2M
- Median wage = \$73,860



County	Notable Productions
Chaves	Baron and Toluca, Lonesome Soldier
Colfax	Peace River
Dona Aña	Knight, The Locksmith, Wanted Man
Eddy	Wild West
Grant	Talwag NM Tourism
Lincoln	Best Man, 13 Fanboy
Los Alamos	The Brave Season 1
Luna	Creed 2
McKinley	Dark Winds, Silt, Belly Encounter
Otero	Chalk Hill, Infraction
Quay	Next Exit
Rio Arriba	Sojourn
San Juan	Canyon del Muerto
San Miguel	Land of Dreams
Sandoval	Carousel
Sierra	The Warm Season, Cop/Killer
Socorro	The Explosion Show
Taos	Successful Outlaw
Torrance	Messiah
Valencia	Day at the Armory



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Productions have spent more than \$100M in the **Uplift Zone** over the last 5 years.





# Outdoor Recreation Division

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

## IMPACT

- New Mexico's outdoor economy contributed **2.1% (\$2.3 billion)** to the state's GDP.
- It **employed 28,475** New Mexicans (3.4% of total employment), with **\$1.2 billion in income**.
- State **jobs in outdoor recreation have grown by 18.2%** since 2020 (**5<sup>th</sup> in the nation in job growth**).
- Statewide, **outdoor recreation income has grown 17.3%** since 2020, compared to a 16.2% increase for the U.S.

*(2021 data from the US Bureau of Economic Analysis)*

- **Outdoor Equity Fund:** \$2M in grants to 129 organizations since April 2019
- Outdoor Rec **Accelerator Grants:** 3 grants awarded – 70 businesses trained to-date; new round in 2023
- Outdoor Recreation **Trails+ Grants:** \$7M to 90 projects since it began; 500 new employment opportunities created
- Invested \$297,000 in **Rio Grande Trail Projects**





# EDD FY25 Budget Request



- Thanks to recent funding increases, we have been able to double the size of our Regional Reps team, help outdoor recreation businesses and infrastructure across the state, and improve infrastructure in rural business and industrial parks
- Here are the highlights of our funding request for this upcoming session:
  - Add 12 FTE to better assist businesses, communities, and stand up our new Creative Industries Division
  - Increase recurring JTIP funding from \$6.7 million to \$7.7 million to ensure we have the money year after year to help our businesses grow
  - Add \$500,000 for grants for our Creative Industries Division
  - Add \$300,000 to operate the New Mexico Media Academy to train people entering the film and media workforce
  - Restore funding for the NM Partnership back to \$1.1 million (increase of \$200,000) to recruit companies to the state