



FY2014
First Quarter
Performance Report

New Mexico Economic Development Department (NMEDD) FY 2014

First Quarter Performance Report and
Update on Strategic Plan Objectives

Mission:

Enhance and leverage a competitive environment to create jobs, develop the tax base and provide incentives for business development.

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Office of the Secretary (OFS)

The Office of the Secretary holds the ultimate responsibility and accountability for the accomplishment of the agency's mission. In this capacity it oversees the implementation of an annual strategic plan and quarterly reporting of performance measures and results.

Goal: Create a competitive environment for new business and job creation in New Mexico

Performance Measure	FY14 Target	1st Qtr Results
Percent of performance measure targets in the General Appropriations Act that were met	85%	Annual
Total number of jobs created due to economic development department efforts	2,500	318
Total number of rural jobs created	1,250	178
Total number of urban jobs created	1,250	140

First Quarter Highlights:

In the first quarter Governor Martinez and Secretary Jon Barela announced the plans to create a first-of-its-kind bi-national master planned community around the Santa Teresa-San Jeronimo border crossing. The Bi-National Community will include infrastructure and site development, positioning New Mexico to compete for large global investments.

Governor Martinez and Secretary Barela have focused on developing the border area since taking office. Two new businesses located to Santa Teresa in the first quarter; W Silver Recycling, a metal recycling company and Twin Cities, a warehousing, distribution and logistics company.

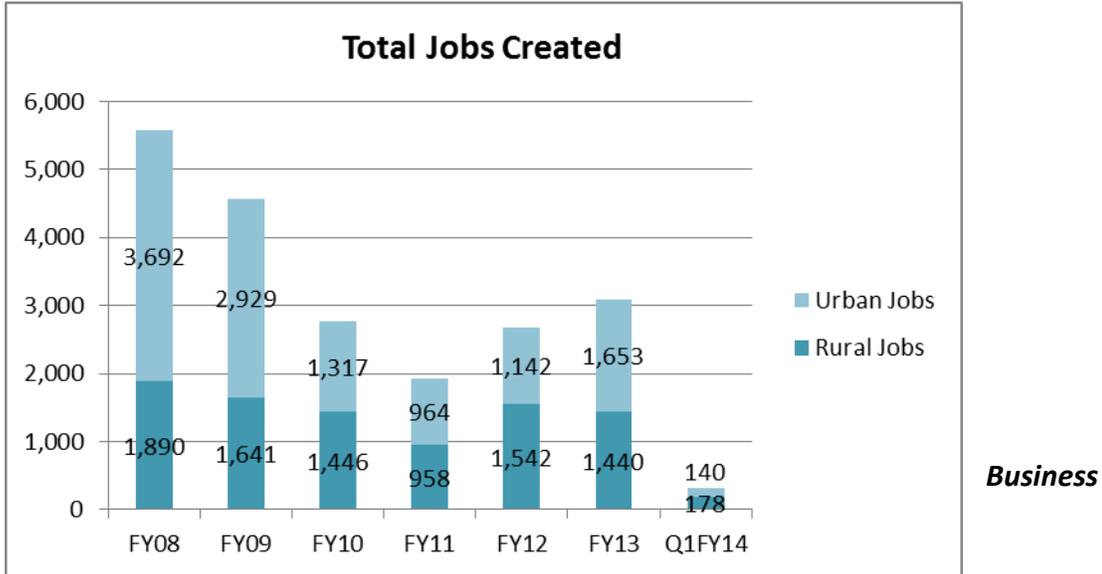
The department's MainStreet program handed out numerous awards at its annual ceremony in Taos including the Cabinet Secretary's Award for Community Development, presented to the City of Las Cruces and Downtown Las Cruces Partnership. The award recognized the city's efforts to reopen Main Street in downtown Las Cruces.

In addition, the MainStreet program announced the winners of its newly-created Frontier Communities Initiative. The Initiative was established with a \$500,000 appropriation from the New Mexico Legislature signed into law by Governor Martinez in April 2013 to promote job creation in small communities lacking the resources to be a designated NMMS program. Seven communities were selected to receive assistance from the Frontier Communities Initiative: Carrizozo, Columbus, Hurley, Madrid, Historic Route 66 (Moriarty section), Santa Clara and Wagon Mound.

Governor Martinez and Cabinet Secretary Barela announced \$75,000, \$137,000 and \$100,000 in capital outlay funds awarded to MainStreet de Las Vegas, Phase II of the Silco Theatre renovation in Silver City, and Reichman Memorial Park in downtown Roswell, respectively.

The Office of Business Advocacy has played an integral role in assisting more than 200 businesses break through regulatory and licensing hurdles since it was created in 2011.

Governor Martinez and Secretary Barela celebrated the newly-expanded Roswell rail spur this quarter, which saved more than a dozen jobs and will lead to the creation of many new jobs. The New Mexico Economic Development Department awarded \$99,000 in Local Economic Development Act (LEDA) funds for the repair and expansion of the tracks. The City of Roswell contributed \$101,000 in matching funds, and in-kind services valued at \$70,000 were donated by Xcel Energy and Southwestern Rail Road to complete the project.



Recruitment

New Mexico Economic Development Corporation (Partnership or NMP)

The Partnership markets New Mexico as a prime location for doing business to companies and site selection consultants across the country and around the world. This is accomplished through its marketing plan, which is revised annually based on available resources, community participation and input, and a changing global economy. The marketing plan includes sales missions, trade shows and conferences, the Partnership web site, brochures, direct mail, and newsletters.

Goal: Increase New Mexico’s share of the Mountain States market for economic development projects in order to create new jobs and investment within and across the state.

Objectives:

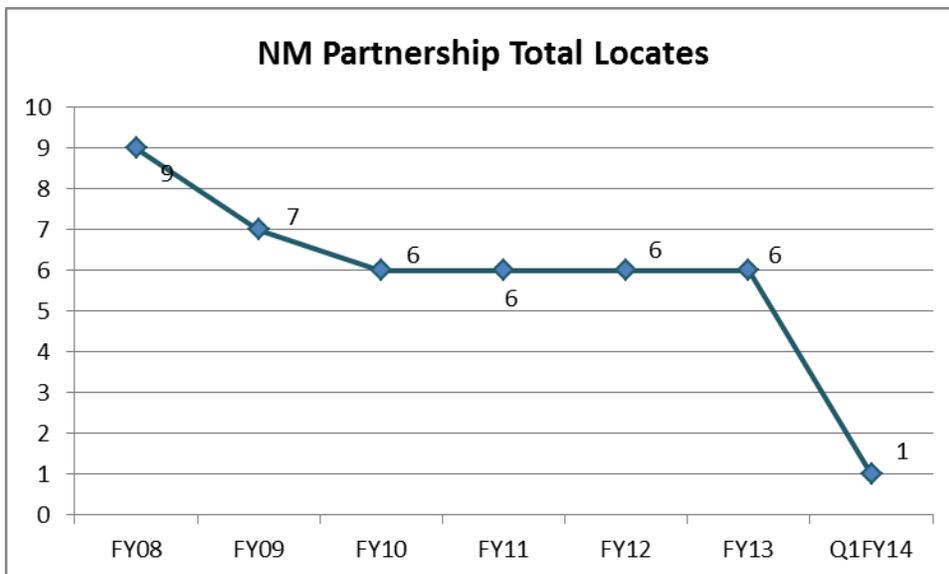
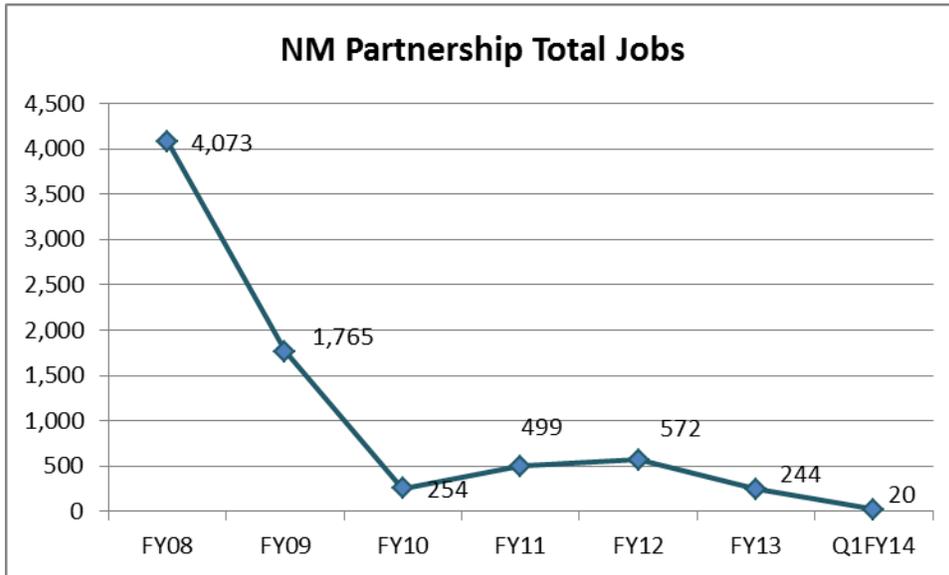
- Market the advantages New Mexico has to offer to economic base companies outside the state, and recruit those companies to relocate or expand to New Mexico.
- Create opportunities to engage site selectors and companies considering relocating or expanding to New Mexico through joint marketing efforts between the Partnership and communities.
- Generate a diverse range of opportunities appropriate to the needs of urban and rural communities throughout New Mexico.
- Improve the conversion rates of leads and prospects into successfully completed projects.

1st Quarter Update

NMP conducted four sales missions with Albuquerque, Rio Rancho and PNM participating: Minneapolis, Chicago, Denver, and Northern California.

NMP participated in three trade shows: International Asset Management Council, U.S. Manufacturing Summit, and the Association of Unmanned Vehicle Systems International. A total of \$30,000 in private sector commitments were received during the quarter. Leads generated were 141, 22 PROs were sent out, and there were seven site visits.

Performance Measure	FY14 Target	1 st Qtr Results
Number of jobs created through business relocations facilitated by the economic development partnership	1,700	20
Number of business relocations facilitated by the economic development partnership	9	1
Average annual cost per economic development partnership job created	\$518	Annual



Economic Development Division

The mission of the Economic Development Division is to assist local communities and businesses in retaining and creating better jobs, resulting in thriving communities and an exemplary quality of life for all New Mexicans. Economic development is accomplished through business recruitment, expansions and start-ups.

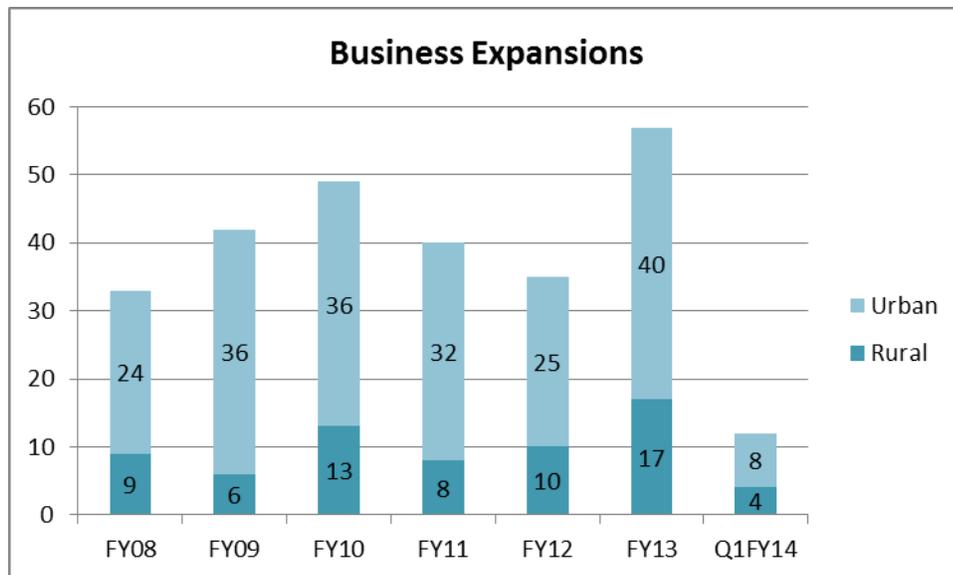
1st Quarter Update

Division staff members were involved in the planning and implementation of the 2013 Rural Economic Development Forum held in Los Lunas August 6-8. EDD had a booth at the event to promote every division program at the Forum.

Business Expansions and Start-ups

The Economic Development Department assists new and expanding businesses through eight programs. MainStreet and the Arts and Cultural District Program focus on downtown revitalization and growing New Mexico’s diverse creative economy. The Finance Team builds financial packages for businesses and communities. JTIP trains workers for new jobs. The Community, Business and Rural Development Team and Tribal Liaison assist communities in building their capacity and increasing their competitiveness for economic growth. The Office of Science and Technology (Technology Enterprise) is dedicated to advancing technology commercialization by assisting early stage R & D companies. The Office of International Trade assists New Mexico businesses in building their revenue by accessing new global markets and the Office of Business Advocacy assists businesses through regulatory roadblocks.

Performance Measure	FY14 Target	1 st Qtr Results
Number of jobs created through business expansions	600	64
Number of business expansions assisted	40	12
Number of rural located business expansions assisted	12	4



New Mexico MainStreet Program (NMMS)

Utilizing the National Trust Main Street Center's proven revitalization strategies, the MainStreet Four Point Approach®, the program is part of an economic development network of more than 39 states and 1600 communities across the country.

Created by state statute in 1978, the program was launched in 1984. The National Trust accredits and licenses the program after a successful biennial assessment. Within each of the local MainStreet districts, the local MainStreet organization (of downtown stakeholders organized as a 501c3) works in partnership with the municipality. The organization assists property owners rehabilitate buildings, address infrastructure needs and fund capital improvements, creating an environment to attract new businesses and entrepreneurs resulting in job creation. Local affiliates receive services, resources and technical assistance from the state and national programs.

Non-MainStreet communities are eligible to attend community economic development workshops and trainings provided by NMMS staff. Two non-Mainstreet communities are selected per year to receive specialized services around a specific economic development project; Zuni Pueblo and the Village of Dona Ana are receiving those services in FY13.

The program also operates the MainStreet Revolving Loan Fund created in 2007 by state statute, partially capitalized by the USDA and, as the Legislature appropriates, the MainStreet Capital and Infrastructure Fund. It partners with the Department of Transportation, Local Government Division, Historic Preservation Division and several state Colleges and Universities.

MainStreet's priority is always to build the capacity of its local partners. Many of the activities conducted throughout the year focus on workshops specific to fundraising and grant writing, quarterly meetings, conferences and certification training.

Goal 1: With available budget, add two new emerging MainStreet (MS) communities.

New Mexico MainStreet is assisting four emerging communities in FY14: Harding County, Gallup, Barelás, and Albuquerque South Valley. These organizations are reflected in the total number of communities served (27) and they are reporting program results (see table in Appendix).

Goal 2: Stimulate private sector reinvestment within MainStreet districts

Objective:

- Provide technical assistance for good design practices; implement MainStreet Façade Squads, Project Makeovers and MainStreet Curb Appeals

1st Quarter Update

- Zuni MS completed the redesign of a primary intersection and park improvements including traffic calming, pedestrian enhancements and culturally relevant improvements.
- Grants MS began the Main Street Placemaking initiative for the rehabilitation of an amphitheater anticipating completion by the end of October. GMS also awarded

\$230,000 in federal MAP-21 funding for the Legacy Trail project based on a plan prepared by NMMS technical assistance.

- Belen MS has a facade squad and preservation workshop underway for the city's WPA-constructed city hall.
- A façade squad has been initiated in Wagon Mound (Frontier Community Initiative).
- Designs to reconstruct a gazebo, public restrooms and parking improvements in Columbus (Frontier Community Initiative).
- Tucumcari MS developed strategies for an adaptive reuse of Sands Dorsey, a two-story building at the corner of Main and Second Street that burned in 2007.
- Lovington MS completed a parking study to retain the county courthouse in the downtown area.
- The Moriarty/Route 66 Frontier Community Initiative will provide a design prepared by UNM studio and an ICIP capital outlay funding request.

Goal 3: Grow new businesses in downtown areas

Objectives:

- Create an environment to attract new business and entrepreneurs
- Provide technical assistance on entrepreneur development, economic positioning, business retention & expansion, and recruitment; accessing financing tools, accessing incentives, the MainStreet revolving loan fund; and capital outlay funds

1st Quarter Update

Dr. Beth Davis has brought three new jobs to downtown Farmington at her new Sunrise Chiropractic practice. The business opened by reclaiming a vacant Main Street building that formerly housed a loan company. The Gallup MainStreet district welcomed Lisa's Beautiful Image, a business relocation from another part of town.

Goal 4: Complete building rehabilitations in MainStreet districts

Objective:

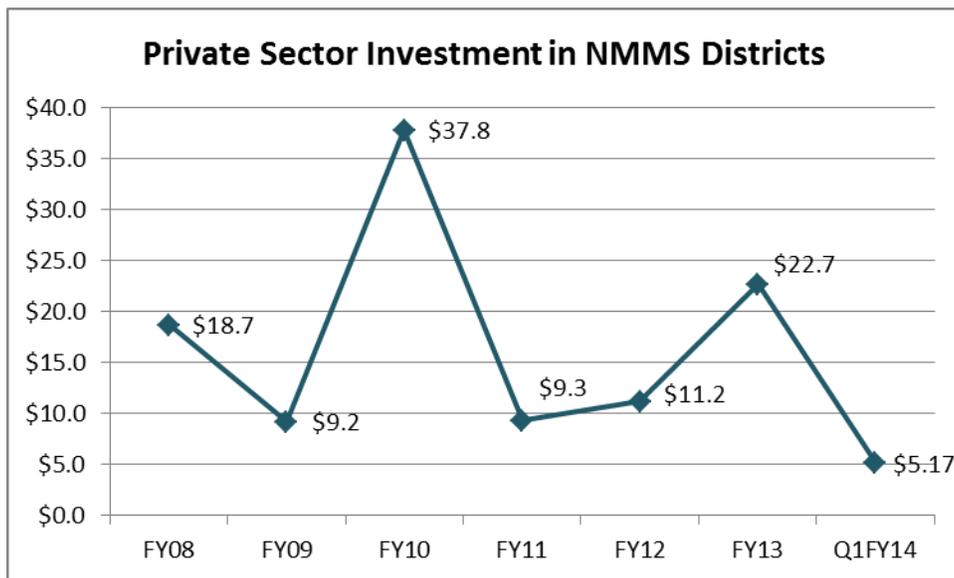
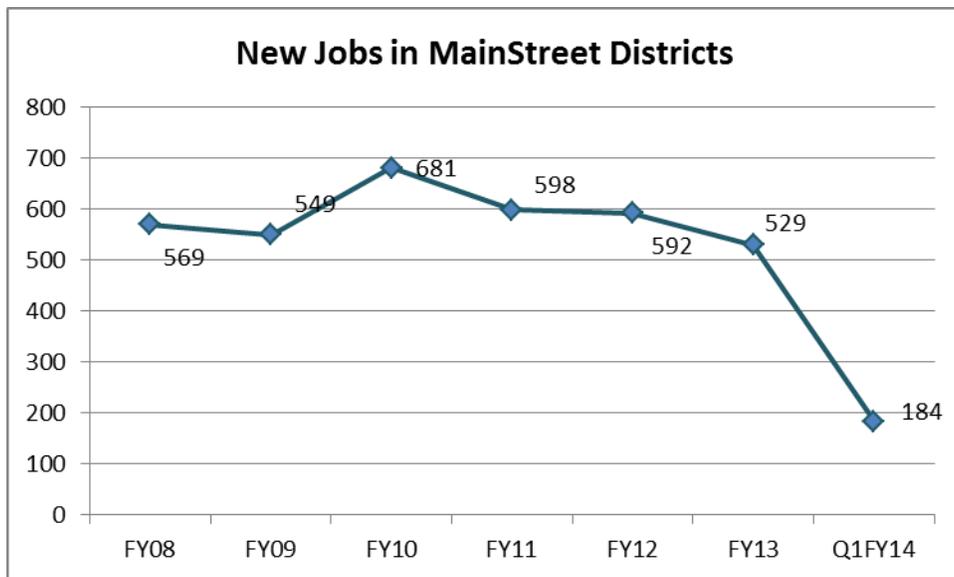
- Provide assistance to MainStreet organization's façade renderings, historic preservation treatments, accessing revolving loan fund for building rehabs, access to historic preservation tax credits, and USDA grants

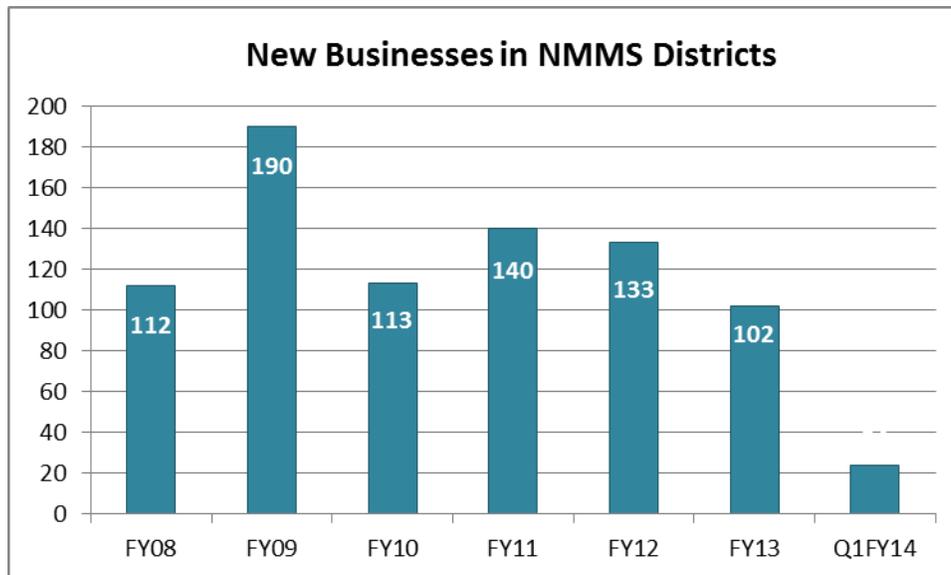
1st Quarter Update

- Artesia MS has initiated facade and technical assistance for the historic city hall. Artesia MS is the owner of the building and it is an income producer.
- Farmington MS has completed a facade design and technical assistance for a new business.
- A facade consultation has been initiated for Clovis MS.
- In Silver City the Silco Theater marquee has been remanufactured and installed.
- Lovington MS is receiving assistance for the Lea Theater with technical support for the acquisition of the Theater by Lovington MainStreet utilizing local LEDA funds. This represents the first example of this funding mechanism for a theater in New Mexico.

- Las Cruces Downtown Partnership has been provided technical assistance for the Rio Grande Theater through the Historic Theater Initiative. EDD provided a grant of \$100,000 and is in the final stages of approvals and review.

Performance Measure	Target	1 st Qtr Results
Number of communities participating in MainStreet	25	27
Number of jobs created by MainStreet	600	128
Dollars of private sector investment in MainStreet districts	\$9M	\$5,170,004
Number of new businesses in MainStreet districts	140	24
Number of building rehabilitation completed in MainStreet Districts	150	56





Arts and Cultural District Program

Created by state statute in 2007, the New Mexico Arts and Cultural District program was one of the first in the nation and a model for thirteen other states and over 100 towns nationally. By state statute the director of New Mexico MainStreet is the “coordinator” of the program. “State authorized” programs receive a professional resource team’s evaluation of the strengths and weaknesses of the district, funding for an ACD cultural plan for the district and funding for an ACD Master Plan for future infrastructure and capital improvements. The program is directed toward creating district destinations to support local cultural and arts entrepreneurs by increasing cultural and heritage tourism. The interagency collaboration currently includes divisions of the Department of Cultural Affairs, the Economic Development Department, the Tourism Department and two statewide foundations: the McCune Charitable Trust and the New Mexico Humanities Council. Funding for a number of local initiatives has been awarded from the McCune and Whited Foundations and the National Endowment for the Arts.

The New Mexico Arts Commission, by state statute the state “authorizing” body, requires an annual report from each authorized district’s steering committee covering performance for the ACD district. There are currently 6 state authorized districts; Downtown Albuquerque, Las Vegas, Los Alamos, Raton, Silver City, and Taos.

Objectives:

- Pass the Arts and Cultural District “clean up bill” during the 2013 Legislative Session;
- Add two new ACD Districts;
- Complete economic cultural plan development in all 6 ACD districts and have the plans implemented and funded by municipalities;
- Access funding to hire a local ACD Coordinator;
- Market and brand a statewide ACD logo; and
- Establish a marketing campaign.

1st Quarter Update

Bridge Street, in the Las Vegas MainStreet District, was named one of the 10 Greatest Streets in America by the American Planning Association. Launched in 2007, Great Places in America recognizes unique and exemplary streets, neighborhoods, and public spaces- three essential components in all communities. Through a NM MainStreet capital outlay grant, the breezeway on Bridge Street has been completely renovated creating a welcoming new public space downtown.

In an annual competition to find the best small cities in America, Rand McNally has named Gallup the country's "Most Patriotic City."

Finance Development Team (FDT)

The Finance Development Team introduces companies to tax incentives, job-training reimbursements and financial assistance programs. A customized analysis of the incentives and state programs can be provided to a business which is considering expansion, relocation or starting up in New Mexico. The FDT provides financial packaging, accessing capital, review and interpretation of company financial statements, and in-depth financial analysis consultations concerning all aspects of doing business.

Goal 1: Assist in the structuring and financing of business start-ups, expansions and/or relocations on a statewide basis

Objectives:

- Provide technical assistance partnerships with the various COG's, local economic development agencies and regional organizations, to provide an extension of services not in place with a project or with the local governmental entity
- Bring together financing tools including debt and equity financing, cash incentives and tax credits to support economic development activities that improve and support employment opportunities in New Mexico
- Provide outreach, support, and assist with qualifying projects for the New Mexico Finance Authority's New Markets Tax Credits Program and Collateral Support Program
- Pursuant to the statewide Local Economic Development Act, make economic development determinations for New Market's Tax Credits Program, and Collateral Support Program Projects

1st Quarter Update

Marketing the Collateral Support Program

EDD has purchased a branded URL for the program: www.nmbusinessloans.com and developed a marketing plan for print, media and email. FDT staff also presented CSP information to the Independent Bankers Association Lender's Conference, the Santa Fe Chamber of Commerce, and the Santa Fe Quality of Life Committee.

Projects referred to the Collateral Support Program

The FDT is assisting the Blue Heron Tap Room, Espanola, on its real estate transaction for its proposed expansion.

The FDT continues to follow up with PMI on its planned expansion. The company is closing on the land purchase and will move into the final loan discussions prior to construction.

The team is working with Santa Fe Economic Development and area realtors on the real estate portion of the National Water Company's potential expansion in Santa Fe. The team is assisting the company with the build-to-suit and line-of credit.

The FDT is assisting Taos Mesa Brewing prepare for its loan application

The FDT is assisting FLUte, Alcalde, with financing options. The company is considering utilizing the Collateral Support Program and is reviewing the application process.

Technical assistance provided to communities, local economic development organizations and Councils of Governments

1. The FDT gave a LEDA and Metropolitan Redevelopment Act presentation to the following entities: McKinley County Commission and the New Mexico Municipal League,
2. The Team participated and advised the Rural Economic Development Council and to its subcommittees on LEDA and LEDA-Capital Outlay process
3. The FDT submitted a letter of support for McKinley County and the City of Lovington for applications to New Mexico Finance Authority's Local Government Planning Fund Program.
4. The Finance Development Team provided an overview of the financing programs to Taos City/County officials
5. The Team participated in statewide broadband planning committee activities and helped shape the draft strategic report for economic development broadband issues.
6. The Finance Team met with New Energy and Industrial Technology Development Organization and Deputy Cabinet Secretary Brazil to discuss smart grid projects, potential collaborations between Japanese companies and NM Companies and an upcoming energy conference that the organization is hosting. Staff will attend the conference in December.
7. The FDT is providing guidance and advice to the Northern Rio Grande National Heritage Area. The organization is being assisted with economic development planning grants, establishing working relationships with Economic Development and identifying regional partners for collaboration. The project was referred to NMFA for planning grant assistance.
8. FDT assisted Energy & Minerals Department on a Governors Association grant submission for renewable energy and economic development.

Technical assistance provided to businesses:

1. EcoPONEX is a Valencia County Cooperative and bio project. The company is awaiting results of the feasibility study to develop a business plan. The team is assisting the company with potential incentives for manufacturing and for its R & D component.

2. Advanced Air, Inc. is an Albuquerque manufacturing project. The company is developing a cost effective/energy efficient motor for carts, 4 wheelers, etc. The team reviewed potential incentives for its manufacturing operation.
3. Matts Gluten Free, Taos, is an early stage baked goods wholesaler which is distributing through 20 outlets. The FDT is assisting the company with finance options, grant opportunities and JTIP.
4. The FDT is assisting Mid-City Market, Taos and Questa, with refinancing options and the Collateral Support Program process.
5. KORE Infrastructure (California) is exploring a possible expansion to New Mexico. The company wants to discuss waste to biofuels technology with the Albuquerque Water Authority (AWA). The FDT is working with AWA and is researching other area water treatment facilities to gauge interest for follow up.
6. Notchamama's Pickle is re-starting after the New Mexico Environment Department shut down its operations. The FDT followed up with Santa Fe Economic Development on possible local incentives and location of commercial kitchen options.
7. The FDT provided information from a consultant who is working on fiber optic options in Santa Teresa.
8. FDT met with a Los Alamos Brewery cooperative business start-up project to discuss financing options and other incentives for manufacturers. The company was referred to JTIP.
9. The FDT is assisting Ealasad (NM Partnership recruitment project) with financing options and LEDA. The FDT emailed an incentive questionnaire and met with the company and is providing an analysis and follow up.
10. Taos Mountain Energy Bar wishes to outsource its production. The FDT is trying to locate a New Mexico production facility which can fill this need.
11. True Value Cleaning Service (Taos) is considering expansion opportunities. The FDT referred the company to the Regional Development Corporation and the SBDC for business plan development in advance of the loan request. The company may be a possible candidate for CSP or a micro lender.
12. The FDT set up a meeting with the New Mexico Consortium and the Cabinet Secretary regarding expansion plans and infrastructure improvements needed. The FDT is assisting with the process of applying for an NMFA planning grant application.

Goal 2: Assist New Mexico communities in accessing capital outlay funding to create new jobs

Objectives:

- Assist the Office of the Secretary and the Community, Business and Rural Development Team in allocating capital outlay funds for LEDA Projects
- Assist communities to ensure Project Application; Project Ordinance; and Project Participation Agreement comply with LEDA
- Assist communities with draw-down of project funds

1st Quarter Update

Notice of FY14 awards to projects in San Miguel County (2), Navajo Nation/Dine, Alamogordo, Albuquerque (2), Las Cruces, and Roswell

Angel Investment Tax Credit applications completed:

Company:	Total Investment:	Tax Credits Issued:
Vibrant Corp	\$104,999.85	\$26,249.97
Seamless Medical Systems	\$50,000	\$12,500
Lotus Leaf Coatings	\$22,483.50	\$5,620.88
Incitor, Inc	<u>\$207,500</u>	<u>\$30,000</u>
Total in Quarter	\$384,983.35	\$74,370.85

Performance Measures	Targets	1st Qtr Results
Number of capital outlay projects funded	8	0
Number of businesses provided technical assistance resulting in a funding package and job creation	5	0

Job Training Incentive Program (JTIP)

The mission of JTIP is to assist in the development of New Mexico's economy by providing incentive funds to businesses as they create jobs through start-up, expansion or relocation to New Mexico.

Goal 1: Increase company participation in JTIP

Objectives:

- Continue to promote JTIP to eligible businesses in every region of the state by partnering with local and regional economic development organizations

1st Quarter Update

EDD is utilizing public service announcements (PS) to promote JTIP statewide and these began airing in August. The spots will air on local radio stations 2 to 4 times per week and will continue to air for a period of six months. A television PSA is in development.

JTIP staff promoted the program at three events during the quarter, in addition to the Rural Economic Development Forum:

1. REDI State of the Region Economic Development Summit
2. UNM Anderson Business Plan Competition kick-off
3. UNM Engineering, UNM Anderson and NMSU Engineering Career Fairs

JTIP staff also met with ED partners and representatives at several universities to provide JTIP program information, specifically program updates and the newly approved Intern eligibility component:

- NM Tech
- UNM School of Engineering
- Bernalillo County Economic Development

- NM MEP
- Albuquerque Rotary
- Atkinson CPA
- Axiom CPA
- Rio Rancho EDC
- UNM Anderson
- CNM Career Placement
- Department of Workforce Solutions—Secretary
- Bussey and Marcos Martinez
- MVEDA
- CNM Workforce Training Center
- UNM Valencia
- Innovate Educate

JTIP staff spoke with the following companies either via telephone, email or site visit regarding JTIP and STEP UP eligibility and program details:

- MCT Industries, Bernalillo
- Southwest Steel Coil, Santa Teresa
- Steward Industries, Roswell
- Leprino Foods, Chaves County
- AerSale, Roswell
- Santa Fe Aero Services, Santa Fe
- CFV Solar, Albuquerque
- Improve Group, Albuquerque
- Plenish, Inc., Ranchos de Taos
- Ideum, Inc., Corrales
- MSDSPro, LLC, Rio Rancho
- Skorprios Technologies, Albuquerque
- Air USA, Albuquerque
- Palo Duro Homes, Albuquerque
- Air USA, Albuquerque
- Eclipse Aerospace, Albuquerque
- P4Q USA, Albuquerque
- PPC/GAITS, Albuquerque
- PureColor, Albuquerque
- nanoMR, Albuquerque
- TMC, Albuquerque
- Sparq Clean Energy, Rio Rancho
- Qynergy, Albuquerque
- Lavu, Inc., Albuquerque
- PPC Solar, Taos
- Titan Aerospace, Moriarty
- Old Wood, Las Vegas
- JackRabbit Systems, Santa Fe
- Qynergy, Albuquerque
- Knockout Mtl Wrx, Albuquerque
- FRST, Alamogordo
- Solaro Energy, Socorro
- Fidelity Employer Services, Albuquerque
- Prime Therapeutics, Albuquerque
- Vibrant Corporation, Albuquerque
- Great Face & Body, Albuquerque
- xF Technologies, Albuquerque
- CutomerCentrix, Albuquerque
- NanoCool, Albuquerque
- LRRRI, Albuquerque
- Current Solar, Albuquerque

- Ultramain, Albuquerque

Goal 2: Increase the number of jobs funded through JTIP

Objective:

- Focus on large expansion projects.

1st Quarter Update

JTIP team members participate in quarterly project update conference calls with the Partnership to stay abreast of potential new company relocations.

JTIP is working with Albuquerque Economic Development (AED) on two projects. JTIP has offered to provide assistance with the new Canon customer service center. The company anticipates creating 150 jobs. JTIP is also working with AED on Project Alabaster, a potential business relocation to Albuquerque with the potential to create 400 high-wage jobs.

Lowes's Customer Care Center projects it will begin its next expansion phase in January 2014 with another 150 jobs.

The JTIP online application through Salesforce.com is now being beta-tested and will roll-out completely in the next 1 to 2 months. The online application will allow JTIP applicants to build their JTIP proposal completely online. JTIP staff will have the ability to assist in the process by reviewing draft applications and providing feedback electronically throughout the process. In FY14 JTIP staff will fine-tune the online application process and begin to develop online reporting and claim processing tools for active JTIP participants with the Salesforce contractor.

Objective:

- Work with other EDD programs to ensure consistency and accuracy when JTIP is offered to a new or existing business

1st Quarter Update

Program materials and information presented on EDD's website was updated after the June policy retreat which resulted in several changes to the program. The updated collateral materials have been provided to division colleagues, specifically the regional representatives.

Goal 3: Sustain the level of quality of the jobs funded by JTIP

Objectives:

- Encourage the JTIP Board and staff to prioritize high-wage jobs
- Identify and contact more technology-intensive companies to create high-wage career opportunities for New Mexicans

1st Quarter Update

The JTIP team continues to market the program to technology intensive companies in order to improve the quality of jobs created with JTIP training. During the first quarter these activities included attending the Sandia Research & Technology Showcase.

During the quarter the JTIP board approved 34 high wage jobs, 18 of which are in rural locations.

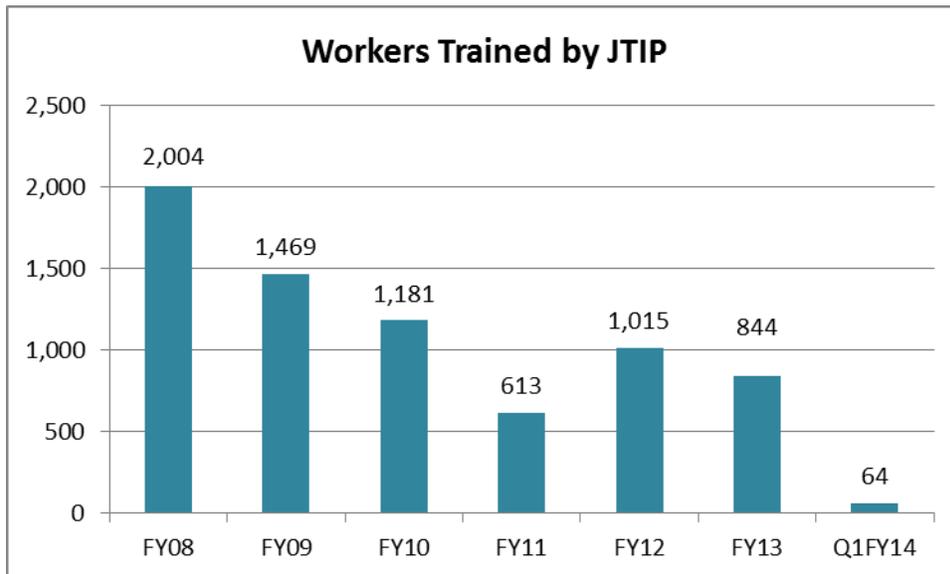
Six companies approved for JTIP funding in the first quarter of FY14 are technology-intensive:

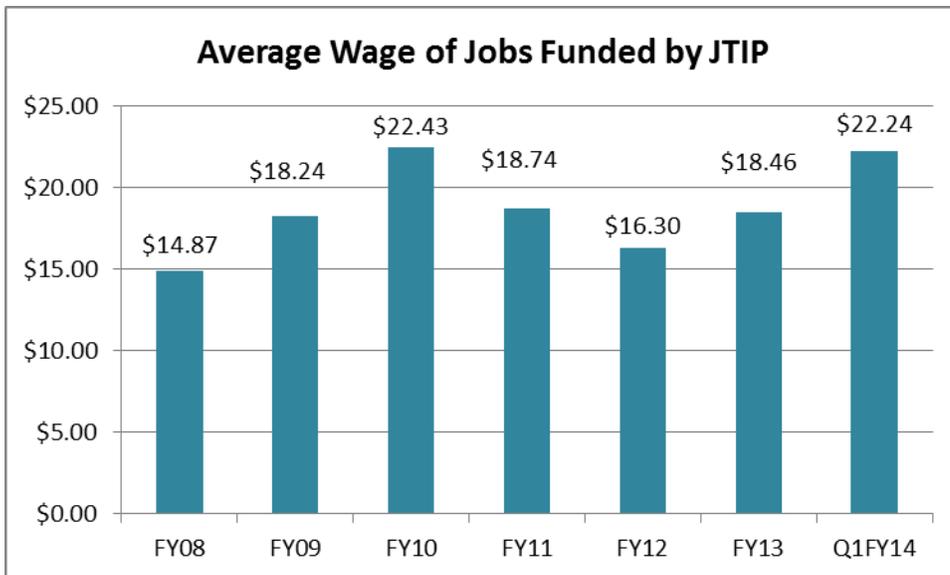
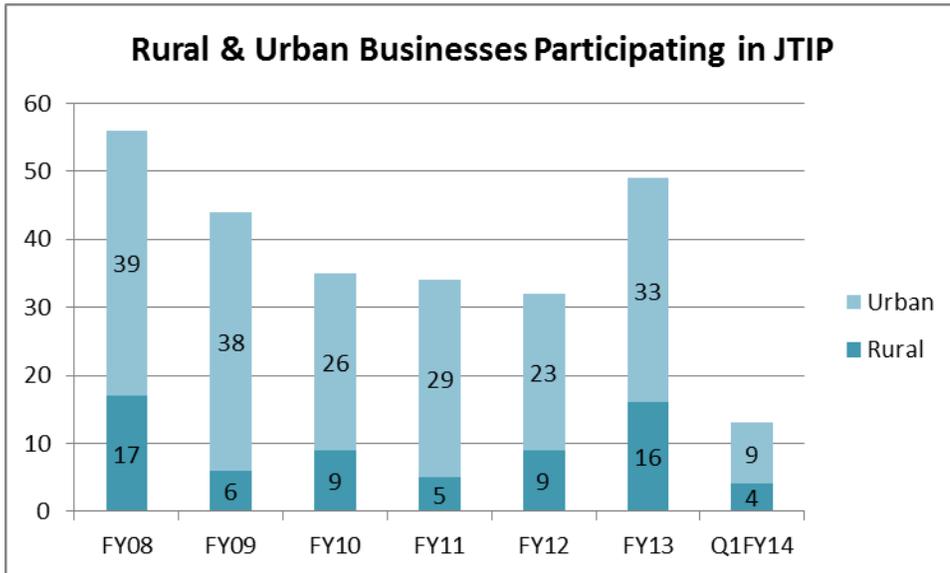
- @Pay, Albuquerque
- Ideum, Corrales
- MSDSPro, Rio Rancho
- JackRabbit Systems, Santa Fe
- Lavu, Inc., Albuquerque
- Qynergy, Albuquerque

Other technology-intensive companies contacted either via telephone, email or site visit:

- CFV Solar, Albuquerque
- Improve Group, Albuquerque
- Skorpios Technologies, Albuquerque
- nanoMR, Albuquerque
- TMC, Albuquerque
- Titan Aerospace, Moriarty
- FRST, Alamogordo
- Vibrant Corporation, Albuquerque
- xF Technologies, Albuquerque
- CutomerCentrix, Albuquerque
- NanoCool, Albuquerque
- Ultramain, Albuquerque

Performance Measures	Targets	1 st Qtr Results
Number of workers trained by JTIP	1,000	64
Number of rural businesses participating in JTIP	8	4
Number of businesses participating in JTIP	28	13
Average annual cost per JTIP trainee	\$4,600	\$11,239
Average hourly wage of jobs funded by JTIP	\$20	\$22.24
Percent of employees whose wages were subsidized by JTIP still employed by the company after one year	66%	Annual survey





Community, Business and Rural Development Team (CBRDT)

The mission of the Team, commonly known as “regional representatives or reps” is to assist communities build their capacity for development by: training local leadership, engaging diverse community stakeholders in the process of planning and implementing change in their regions, and helping them identify strategic opportunities to advance the region’s goals for economic growth.

Goal 1: Build local economic development capacity programs that can be sustained through changes in the economy and political leadership

Objective:

- Assist communities in populating community profiles and a land and building inventory on EDD’s web site to encourage more communities to respond to PROs through the Certified Community Initiative process

1st Quarter Update

Regional Reps are working with their communities to get community profiles updated and posted on their sites: Union County, San Miguel County, City of Las Vegas, Artesia, Carlsbad, Clovis, Eunice, Jal, Hobbs, Lovington, Gallup, Cibola communities (Grants), Four Corners EDC, City of Santa Fe, Santa Fe County, Pojoaque Pueblo, Espanola, Rio Arriba County, Clayton/Union County, Roswell, and Alamogordo/Otero County.

Objectives:

- Assist communities in assessing infrastructure needs (such as fiber connectivity) and funding new infrastructure where gaps inhibit economic growth

1st Quarter Update

Region 1

Grants is completing the expansion of an existing road to a proposed site for a retail business. Local LEDA funds (\$84,000) are being utilized for the project, which is anticipated to create 15-20 jobs went completed.

Thoreau is working on the development of a proposed rail line from Thoreau to the Four Corners area. The project will include a transfer facility in Thoreau. No funding has been determined or requested at this time.

The Greater Gallup EDC has been working on a proposed logistics park on the BNSF rail spur in Gallup. Foreign Trade Zone (FTZ) designation is being considered at the site of a possible intermodal facility to be constructed by BNSF.

Region 2

No projects reported for this quarter.

Region 3

Isleta Pueblo has identified water and wastewater treatment as critical issues for a new housing subdivision located just off I-25.

Region 4

Union County/City of Clayton Industrial Park may include a rail port gateway with Colorado and Texas. The community is conducting a feasibility study with BNSF and a business that may utilize the existing rail spur or determine if an additional spur is required.

An infrastructure assessment has been completed in Wagon Mound for the BNSF rail spur.

Region 5

The regional rep position was recently filled and there is no reported infrastructure assessment activity for the quarter. The rep has started dialogue with the communities and will begin the assessments in the next quarter.

Region 6

A City of Roswell (12") water line extension of 1,973 feet has been completed from Main Street to Cottonwood Road for fire protection and domestic water uses. The project's total cost was \$215,024.

Objective:

- Conduct statewide business retention and expansion surveys and work with local organizations to ensure that interviews are conducted in each region of the state and that the information collected is summarized and made available to the Governor's office and Office of the Secretary

1st Quarter Update

Region 1

A site visit to the El Morro Co-op in El Moro was completed. The Co-op is seeking assistance with potential purchase/sell/partnership agreements. Regulatory issues were also identified. Rep provided technical assistance on buyer-to-buyer networks around the state. A referral was also made to the Office of Business Advocacy.

A site visit to Glenhasbah Renewable Energy Technologies (GRET), Inc., Farmington, was completed. GRET is proposing to introduce Structural Insulated Panels (SIP's), framework materials that will offer major advances in construction and be very cost effective. Rep provided technical assistance regarding financing options, incentives, and JTIP. GRET will incorporate in New Mexico and also with the Navajo Nation.

Cold Thumb Agriculture (CTA), LLC., in Grants, is interested in developing, demonstrating, and commercializing the production of high-quality, high value horticultural crops through the application of innovative energy and water efficient controlled environments specifically designed for relatively arid and sunny regions in New Mexico.

Region 2 - No report

Region 3

MCT Industries, in Bernalillo, received technical assistance on incentives and financing programs. The company is evaluating an opportunity that requires a short turn-around time to construct and equip a facility to fulfill a government contract.

Region 4

Meadows City Manufacturing, Inc., in Las Vegas, completed a LEDA application and the company plans to apply for JTIP.

A site visit to Wagon Mound Mini Mart, in Wagon Mound, generated discussion regarding above ground storage tank improvements. Project financing has been approved by the Community Bank of Las Vegas.

A site visit to Materials Design, Inc., in Angel Fire, included providing information on ISO 9000 training and veterans hiring programs.

Springer Auto Ford, in Springer, received technical assistance regarding business planning and coordination of a succession plan.

Fort Union Drive Inn, Las Vegas, seeks funding options for upgrading to digital film equipment. The Drive Inn may close if equipment funding is not identified.

Elysium Arms, LLC, in Raton, received technical assistance regarding a green audit. The company is also interested in utilizing JTIP.

Four Winds, LTD, in Raton, received technical assistance regarding recruitment opportunities with the NM Partnership. Four Winds is a custom gun and knives gunsmith hoping to expand. Raton is targeting these companies with the intention of creating a cluster around the NRA Whittington Center. Four Winds may participate with the Partnership in a future SHOT trade show in Las Vegas.

Western Wood Products, in Raton, received technical assistance with business planning, a potential expansion, and the utilization of IRB's. The rep is also working with the New Mexico Environment Department on air quality use permit requirements.

New Beginning Gun Works, in Springer, received technical assistance regarding business planning. UNM-Anderson Business School has offered to assist with a plan. The company was also introduced to MEP for assistance with manufacturing equipment.

Hartley Construction, in Solano, is interested in doing a shared facility arrangement at the Solano Fabrication Incubator Facility with other manufacturing opportunities.

Old Wood, in Las Vegas, received technical assistance regarding business expansion, transportation options (rail), supply issues, and JTIP.

Clayton Car Wash, in Clayton received technical assistance for business planning and a referral was made to the SBDC in Tucumcari.

The rep met with the owner of the Brown Hotel in Springer regarding issues surrounding the business closure. Ten jobs were lost when the hotel closed.

Region 5

This position was recently filled and there was no reported BR&E activity for the quarter. However, the rep has started dialogue with the EDO's in the region to standardize the questionnaire and do joint survey assessments. The surveys will begin in the second quarter.

Region 6

A visit to Stewart Industries included discussion of NMEDD programs and initiatives to assist the company with a possible expansion in the future.

Goal 2: Increase the number of communities adopting the Local Economic Development Act (LEDA) and increase adoption of the Local Option Gross Receipts Tax (LOGRT)

Objectives:

- To best utilize public funding resources under which LEDA is the mechanism that enhances and protects public private partnerships, provide education and support to those communities without LEDA

- Increase the number of communities that have adopted LOGRT, as a means of funding local projects more readily and without reliance on legislative appropriations
- Provide education and support to those communities without LOGRT by assisting governing bodies in the education process to adopt
- Develop an internal tracker to ascertain which communities are eligible to pledge that portion of the GRT for economic development purposes; assist local governing bodies in identifying the use, need, and process

No new communities have passed LOGRT in the first quarter.

Additional Success Stories by Region:

Region 3

The Torrance County Commission voted to induce a \$30 Million industrial revenue bond for the El Cabo Wind Project. El Cabo is a subsidiary of Iberdrola, the largest renewable energy company in the world, located in Madrid, Spain. The project will break ground at the end of 2013 and will be located between the communities of Willard and Encino. This project will result in a 295 megawatt wind farm with 150 towers. The project is ultimately part of three phases which will result in a 900 megawatt wind farm with 450 towers. This will be the largest renewable energy project in the state.

Region 6

Aersale (Roswell) received technical assistance on JTIP and the Step Up program. The company was approved for Step Up training for four positions.

Leprino Foods (Roswell) received technical assistance regarding JTIP and the Step Up program. The company was approved for JTIP funding for 13 new jobs, part of a \$19 million expansion.

SID International-DBA AG Power (Dexter) received an IRB for \$20 million for the construction of four plants which will convert dairy waste to a gas product and sold to a buyer in California. The project will create 20-30 jobs when fully operational.

Joule (Hobbs) has begun Phase II construction.

Performance Measures	Targets	1st Qtr Results
Number of communities certified through the certified communities initiative	36	23*
Number of business retention and expansion surveys completed resulting in a positive outcome such as job creation, retention, or business financing	15	0
Number of community infrastructure projects moved to financing stage	5	0
Percentage of certified communities that complete community profiles and land & building inventories on NMEDD website	100%	100%

**Communities are certified for two years. The total number of communities certified will not change until FY15. Certifying more communities will require additional resources.*

Tribal Liaison Program

TRIBAL ECONOMIC DEVELOPMENT ADVISORY COUNCIL

The regional representative tasked with focusing on Native American Communities serves on the Tribal Economic Development Advisory Council (TEDAC), whose purpose is to gather input from Tribes on existing programs and how effectively they serve the Tribes, Pueblos and Nations: and develop new programs or resources, tax credits and other state incentives (including film production and post-production) that revolve around mutual credits tied to taxable activities such as gross receipts.

Goal 1: Identify and prepare Tribal communities in accessing the Tribal Infrastructure Fund (TIF) to create new jobs with Tribes in or outside the reservation.

Objectives:

- Assist the Office of Indian Affairs in identifying economic development projects to present to the Tribal Infrastructure Fund for approval.
- Assist communities with project applications

1st Quarter Update

Currently in discussions with staff at the Indian Affairs Department regarding the need to have a portion of the TIF set aside specifically for economic development projects

The Navajo Nation is working on a proposed rail connection from Thoreau to the Four Corners area. The project will include a transfer facility in Thoreau. No funding amount has been determined or requested at this time. The proposed project has the potential of being a major economic development driver in the region.

Goal 2: Renew the Executive Order establishing the Tribal Economic Development Advisory Council to continue the process for the next two years.

Objective:

- Gather input from Tribes on existing programs and how effectively they serve the Tribes, Pueblos and Nations

1st Quarter Update

During the recent 2013 Tribal Leaders Summit NMEDD met individually with the Tribes to learn about current issues related to economic development. During these sessions, NMEDD was able to showcase its programs and initiatives and how they could be utilized. The information gathered has led to a plan to go out and meet with the Tribal entities and see firsthand the issues they face regarding economic development.

Goal 3: Conduct a survey in partnership with tribal governments that evaluates what type of businesses that currently invest on Indian lands.

Objectives:

- Develop a job creation overview of the economy in each diverse tribal community.
- Assist the Office of Indian Affairs to prepare and disseminate a report on the types of business, number of employees, breakdown of employee by affiliation (tribal/non-tribe/other), total payroll (government, Tribal enterprises), purchasing, benefits paid to all employees.

1st Quarter Update

The Mescalero saw mill continues to seek a financing deal to continue operating. The Manufacturing Extension Partnership has completed a detailed analysis of the operational procedures and the potential markets for the products that the facility can produce. This action will restore 20 jobs at the facility with potential for additional growth.

The Pueblo of Zuni Mainstreet Program continues its emerging organization efforts as it becomes a full time program. Tribal Leaders are amazed with the publicity and excitement that this program has given their community. Businesses like Zuni Tea Company and the Zuni Shopping Center continue to expand with new equipment and new strategic locations adapting to changing markets and shopping patterns.

Pojoaque Pueblo is looking to diversify its economy and find ways to utilize the Industrial Business Park. They are seeking light manufacturing along with other e-based opportunities. Project Organic, a life sciences company from Singapore, is interested in the Park and will be introduced to Pueblo leaders in the second quarter.

The Navajo Nation is working with Glenhasbah Renewable Energy Technologies (GRET), Inc. GRET is proposing to introduce Structural Insulated Panels, framework materials that will offer major advances in construction that are very cost effective. The rep provided technical assistance pertaining to financing options, incentives, and JTIP. GRET will incorporate in the State of New Mexico and also with the Navajo Nation.

New Mexico Rural Economic Development Council

New Mexico is a geographically large state with low population density. Only eighteen of the state's incorporated communities have a population exceeding 10,000. Many of these frontier communities are losing population and struggling to maintain their existence. They have very unique needs deserving of a voice in the state's vision for economic growth. The mission of the Council is to identify policy and programs to ensure rural sustainability for communities with a population of less than 15,000.

Goal 1: Preserve rural quality of life and facilitate economic prosperity

Objectives:

- Identify and address policy and regulatory issues that adversely impact rural areas
- Identify sustainable target industries for rural areas such as agriculture and extractive industries
- Address entrepreneurship assistance gaps
- Promote collaboration and cooperation regionally
- Assist rural communities with various training opportunities to enhance organizational and individual capacity
- Identify and address infrastructure gaps that hinder economic development

The Rural Council met once during the quarter. The Council also held a planning session on June 19th to develop their priorities to be included in EDD's five year strategic plan. A regular meeting of the Council was held during the Rural Economic Development Forum in Los Lunas. The Council is working on two priorities that were discussed, training for economic development professionals and community leaders and more strategic deployment of capital outlay.

Office of International Trade (OIT)

OIT promotes and facilitates the export sales of New Mexico goods and services worldwide and supports efforts to recruit foreign direct investment to New Mexico in order to assist the process of job creation, retention, and expansion throughout the state.

The Office secured an FY12 U.S. SBA STEP Grant (\$120,000 federal and \$15,000 state match) which enabled OIT to provide training and support for four foreign trade missions. The grant provided resources to organize, coordinate, and recruit companies for participation in international trade missions, trade shows and other trade events designed to gain exposure to new clients and establish effective product distribution networks overseas.

OIT will also host workshops focused on the mechanics of doing business internationally including marketing, export finance and letters of credit, export shipping and logistics, export licensing, and managing cultural differences. OIT provides individual, one-on-one export consultation to small and medium-size enterprises seeking to launch their products internationally or to diversify and expand their global reach.

Goal: Increase international trade transactions for New Mexico companies

Objective:

- Conduct trade and investment missions to include the following (dependent on receipt of federal grant funding):
 - 1) ABC Trade Mission to Argentina, Brazil and Chile
 - 2) Foreign Trade and Investment Mission to Germany
 - 3) Trade Investment Mission to China and Hong Kong
 - 4) Governor's Trade and Investment Mission to Taiwan (paid for by Taiwan government)
 - 5) Southeast Asia Trade Mission to Singapore, Malaysia and Indonesia

1st Quarter Update

New-to-Export Companies:

1. *. FLUTE, a rural groundwater and soil contamination solutions business, introduced a product line to China utilizing technologies developed at Los Alamos National Laboratories.
2. Gravitas Publishing introduced a science and technology book at the Phillipine trade fair through the Gold Key Service matchmaker and participated in a book fair funded by the SBA STEP Grant.
3. Sisneros Brothers Manufacturing introduced pharmaceutical vent systems to Mexico under a Gold Key Service arranged under the STEP Grant funding.
4. Lavu, Inc. was assisted by EDD's Taiwan trade office to introduce PC-based point of sale (POS) systems for retailers to track sales and inventory in Taiwan and Hong Kong.
5. SatWest was assisted by the New Mexico Middle East Trade Office to introduce advanced satellite-based communications systems.

New-to-Market:

1. Marpac, Inc. was assisted by the Middle East Trade Office to launch a product through a new distributor in Qatar. His represents a new market for the company’s line of respiratory fasteners for hospitals.
2. Iluminacion produces daytime lighting solutions. Through participation in a New Mexico trade mission to South America the company made its first sale to Argentina via a newly appointed distributor for energy efficient lighting systems.
3. Ideum shipped its first order to Australia with follow on orders expected for screen display systems.
4. Permawork, an oil and gas equipment manufacturing company, filled the first of two orders to Singapore after STEP grant funded participation in Tradewinds Asia 2012.

Performance Measures	Targets	1st Qtr Results
Number of new-to-export clients identified and assisted	10	5
Number of existing exporters assisted in entering new markets	10	4

Office of Business Advocacy

The Office of Business Advocacy enables business owners to break through regulatory roadblocks and red tape. It helps to navigate state government by providing assistance with permitting, licenses, inspections, and taxation issues. It also resolves challenging bureaucratic, intergovernmental, and public policy problems adversely affecting business in New Mexico. The goal is to help businesses who would not otherwise be able to hire an attorney, accountant, or lobbyist to resolve their issues with state government.

Goal: Improve the business climate to facilitate the retention and expansion of New Mexico companies of all sizes.

Objective:

- Increase new case load and solved cases throughout the year

1st Quarter Update

- OBA met with the Tourism Association to discuss regulatory issues related to the hospitality industry.
- OBA met with Construction Industries Division (CID) to discuss a streamlined option for the review and approval of new technologies in building materials.
- OBA met with the General Services Department (GSD) to review criteria for establishing a price agreement for specialized services/products for New Mexico companies.

Marketing – Presentations made to:

- Taos County Economic Development
- REDI Conference/Northern New Mexico Connect
- NMDOT District 3
- General Aviation Manufacturers Association

Performance Measures	Targets	1 st Qtr Results
Number of business advocacy cases opened	100	19
Number of business advocacy cases solved	45	21

Office of Science and Technology (OST)/Technology Enterprise

Through partnerships with the state’s research institutions this office played a key role in advancing science and technology initiatives such as the state Technology and Science plans and the Angel Investment platform. OST also assisted early stage technology-intensive companies in accessing resources to move from R & D to production. The department needs one person to guide the energy, technology and entrepreneurial efforts of NMEDD and to administer the NM9000 program. The department has requested a budget increase to restore one FTE and revive the Office of Science and Technology.

Performance Measure:

- Number of jobs created by commercialization, energy, and high tech industries – 100
- Number of international organization for standardization (ISO) trained businesses - 15

The Office of Science and Technology is without an FTE and program funding. EDD will hire a science advisor via contract in the second quarter to update the state Technology Plan and to build a program of work for the Office if funding is provided during the next legislative session.

An ISO9000 class began in September with five companies participating.

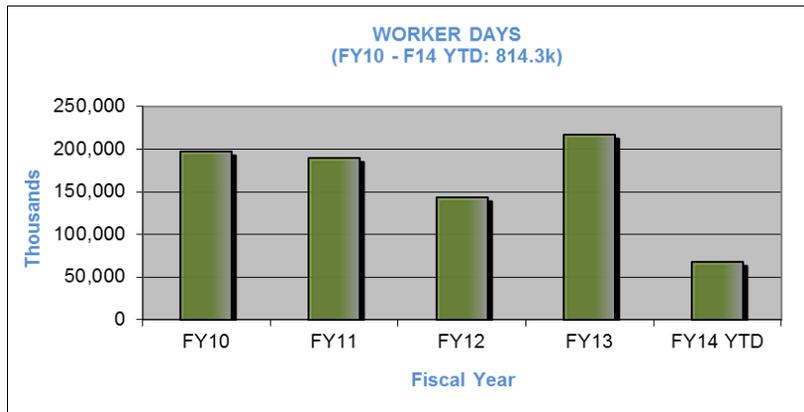
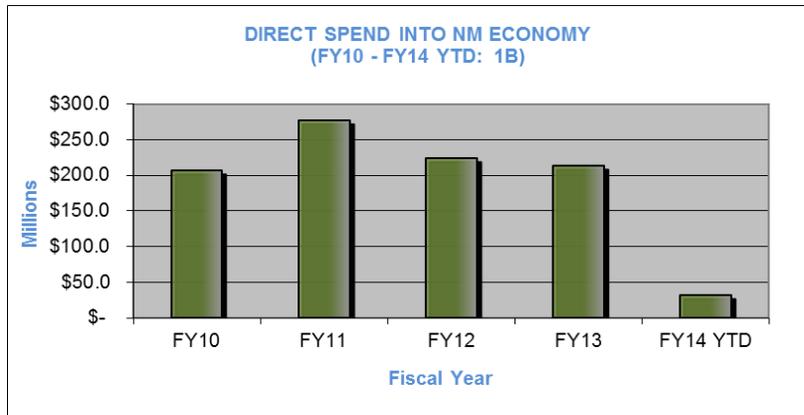
New Mexico Film Office (NMFO)

The NMFO continues its focus on the six categories as outlined in the 2014 fiscal year strategic plan to strengthen the division’s mission. For the purposes of clarification, these categories have been consolidated into three main initiatives: Recruitment, Statewide Outreach and Workforce Development.

1. **Recruitment Initiative:** the primary tool to attract productions and emerging media businesses to our state is the Film Production Refundable Tax Credit. This initiative also includes determining the economic impact and effectiveness of this credit.
2. **Statewide Outreach Initiatives:** there are a variety of ways to work with local communities, schools, filmmakers and chambers in order to assist and promote the industry and the jobs it creates. There are five ways to increase the effectiveness of outreach: 1) town hall forums, regional meetings and social media to assist in educating the public on the industry and the division’s resources; 2) educational program initiatives to provide opportunities to learn about film and media training available throughout New Mexico; 3) the Statewide Film Liaison Network to train individuals in the production process and encourage filmmaking in rural areas; 4) Film Tourism to give communities an additional way to market to visitors, to make a positive economic impact and to benefit from the success of the industry; and 5) the NM Filmmakers Program to create support and resources for resident filmmakers pursuing their careers in-state.

- 3. **Workforce Development:** programs under the Job Training Incentive Program for Film & Multimedia assist in increasing skill sets and the employability of New Mexico residents in the industry and retaining talent in this state.

1. Recruitment Initiative:



Fiscal year 2013 totaled \$214 million in direct spend. New Mexico has seen increasing competition in forty-two (42) other states as well as other countries. However, we are now considered one of the most competitive destinations in the recruitment of television series.

Strategic Goal:

The goal is to attract production, post production and digital media companies to New Mexico for economic growth and job creation and to increase the state’s visibility in digital technologies that effect entertainment, educational and medical industries.

Objectives:

The objectives are to continue to meet with studios, major independent production companies, industry-related vendors, digital technicians and emerging media companies to review and

promote New Mexico's Refundable Film Production Tax Credit Program, locations and other state resources.

Issues:

The NMFO has hired a staff member for program administration which will allow more time to be dedicated to recruitment efforts by the Director.

Action Plan:

Several additional meetings have been conducted and will continue to take place with in-state and out-of-state industry businesses and professionals.

1st Quarter Results

Director and staff met with several productions in the first quarter in anticipation of a significant increase in production activity for the second quarter. Senior Production Manager attended the Association of Film Commissioners International conference to engage in discussions of industry trends in recruitment and tourism, common issues for film offices and best recruitment events (e.g. AFM, Siggraph). The Director and Senior Production Manager continued to work with the Tax and Revenue Department to determine potential regulations which will clarify the statute.

A contract was drafted and submitted to assist with the emerging media recruitment initiative.

According to the Tax and Revenue Department's (TRD) film page, film production refunds for fiscal year 2013 totaled 62 claims for \$50,000,000. This includes obligated payments of authorized funds that were previously scheduled for fiscal year 2014. Currently TRD's page notes that as of September 30, 2013, fiscal year 2014 Film Production Tax Credit refunds totaled 8 claims for \$1,865,705; however this does not include previously authorized obligations scheduled for payment later in this fiscal year.

2. Statewide Outreach Initiatives

Strategic Goal:

The goal is to create and develop new and existing relationships with local entities including state agencies, local governments, colleges/universities, New Mexico film organizations, film unions/guilds, soundstages, tribal communities, local film businesses and other industry professionals to disseminate information, prepare communities for production requests, promote film tourism and support local filmmakers' careers.

Objectives:

The objectives are to develop and create outreach programs to expand resources for the general public, educational entities, and local governments, particularly in rural communities; to research avenues to continue filmmakers' events and competitions focusing on under-represented resident filmmakers; to educate and promote understanding and accessibility of the local industry through the website, emails, social media and the weekly radio show.

Issues:

The Outreach Programs Manager has resigned and a job posting was drafted for a replacement. The director has requested a contract during this transition which is currently under review.

Action Plans:

- A. **Town Halls, Regional Meetings & Social Media**: coordinate regional forums, free and open to the public, working with productions, local educational programs, and industry-related inquiries.

1st Quarter Results

The next town hall will take place in Silver City and is currently being coordinated for the second quarter. The NMFO is working with the Governor's Council on Film & Multimedia to collaborate with town hall forums and related outreach.

- B. **Education Initiative**: Continue to support New Mexico schools and educational programs encouraging the development of film and media careers in New Mexico.

1st Quarter Results

The Governor's Council on Film & Media Industries reevaluated its mission and amended subcommittees to "Outreach" and "Emerging Media," both of which include an educational component in consultation with the Film Office. The NMFO is also developing the next Education Summit, tentatively scheduled for the third quarter of fiscal year 2014.

- C. **Statewide Film Liaison Network**: continue to support and grow a network of community designated individuals who assist and prepare their communities for a variety of industry activities.

1st Quarter Results

The annual State Film Liaison Network meeting took place in Alamogordo in July. The NMFO outreach initiatives manager began working weekly with liaisons to improve community representation through searchable online locations database.

- D. **Film Tourism**: develop thematic categories and interactive maps of statewide filming locations for public download and determine an economic tracking tool to promote and support film tourism.

1st Quarter Results

After the Governor's office and the Tourism Department officially announced the Film Tourism initiative July 1, downloadable touring maps by regions became available on the Tourism Department's website under "NM True Adventures Film Trails." *The Lone Ranger* kicked off the first campaign and *Breaking Bad* was featured in September. Local film tourism vendors have also been showcased on the New Mexico Film Works weekly radio show.

- E. **New Mexico Filmmakers Program:** continue to support local filmmakers through screenings, workshops and conferences.

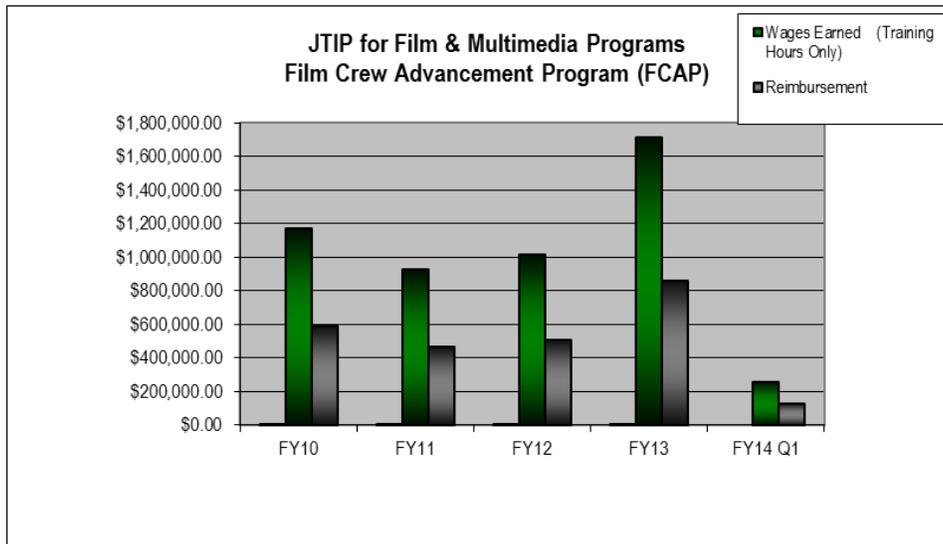
1st Quarter Results

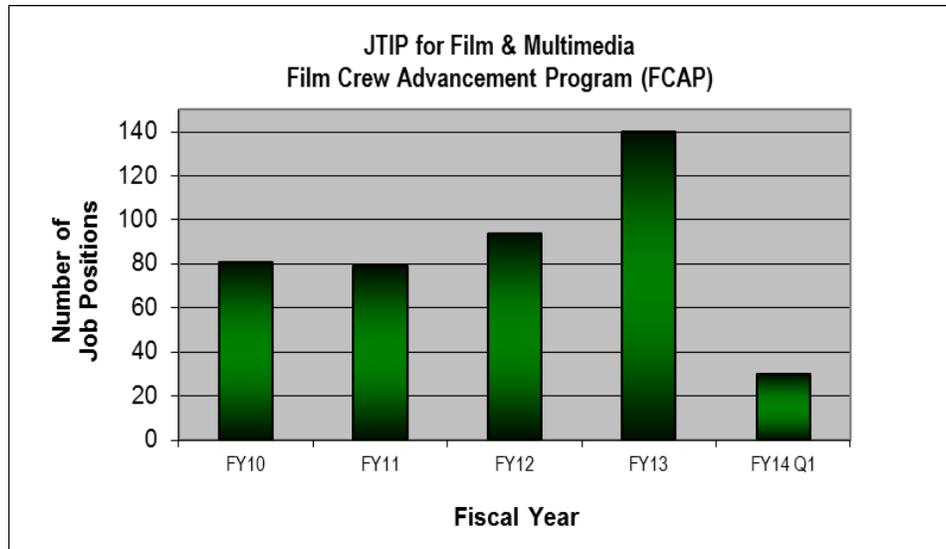
The New Mexico Filmmakers Experience included two screenings and one discussion panel. The Filmmakers Showcase, to screen local filmmakers’ projects, was announced this quarter with the anticipation of approximately 40 submissions. The Showcase will screen and tour in quarter two (2).

3. Workforce Development for Film & Multimedia

A. JTIP for Film & Multimedia Programs: Film Crew Advancement Program (FCAP)

Fiscal Year	Number of Participating Companies	# of Job Positions	Wages Earned (Training Hours Only)	Reimbursement
FY10	11	81	\$ 1,173,563.06	\$ 586,781.53
FY11	15	79	\$ 928,683.18	\$ 464,341.59
FY12	13	94	\$ 1,017,012.72	\$ 508,506.36
FY13	20	140	\$ 1,711,219.82	\$ 855,609.91
FY14 Q1	2	30	\$ 255,554.00	\$ 127,777.00
Total	61	424	\$ 5,086,032.78	\$ 2,543,016.39





Strategic Goal:

The Film Crew Advancement Program (FCAP) is intended to assist the development of New Mexico’s economy by providing reimbursement funds to film and multimedia production companies for the training of New Mexico residents working primarily in below-the-line (crew positions who perform duties related to the film’s physical production) job positions for the preparation of continual employment in the industry.

Objective:

Implemented in 2004, this on-the-job training program focuses on New Mexico residents working in primarily technical industry positions. This program serves as an incentive for participating companies to provide more job opportunities. The program provides a 50% reimbursement of the qualified participants’ wages to the participating company for up to 1040 hours physically worked by the crewmember. Companies are approved by the Chairperson of the Job Training Incentive Program (JTIP) Board. The objective is to increase awareness and participation of this program.

Issues:

Funding is based on an annual legislative allocation to JTIP. A new database contractor is being considered to increase streamlined reporting.

Action Plan:

In addition to web-related marketing by the Sr. Manager of Workforce Development Programs, the NMFO’s Sr. Manager of Production promotes FCAP during the pre-production meetings with companies planning to film in New Mexico. Annual policy review will take place in quarter two (2) to ensure program is reflecting industry trends.

The NMFO has seen an increase in production due to the amended incentive program which now targets television series creating a better training ground for both new and seasoned resident crew. The NMFO is reassessing the crew services available in NM (and out-of-state) which will help to streamline the training process and increase NMFO’s training efforts as they

are identified. This will also include emerging media services. NMFO anticipates expending more JTIP FCAP reimbursement funds within this fiscal year.

1st Quarterly Results:

Two (2) companies qualified for FCAP with thirty (30) estimated New Mexico participants. Looking forward to FY14 Q2, seven (7) companies will receive reimbursement with approximately sixty-four (64) New Mexico participants.

Operation Soundstage, a pilot program for resident military veterans, was announced by the Governor’s Office this quarter and will be administered through FCAP. The multi-state agency partnership aims to increase the hiring and training of veterans and includes the New Mexico Film Office, the New Mexico Department of Veteran’s Services and the New Mexico Department of Workforce Solutions.

Corrective Action Plan: In fiscal year 2014, a JTIP for Film & Multimedia administrative contractor will assist the Sr. Manager of Workforce Development Programs.

B. JTIP for Film & Multimedia Programs: Pre-Employment Training Program (PETP)

Fiscal Year	Number of Workshops	# of Trainees	Reimbursement
FY10	9	198	\$ 58,675.19
FY11	3	33	\$ 9,122.46
FY12	4	55	\$ 17,371.97
FY13	4	80	\$ 10,034.09
FY14 Q1	0	0	\$ -
Total	20	366	\$ 95,203.71

Since FY10, twenty (20) interactive workshops and lectures have taken place with 366 New Mexico participants. Total reimbursement is \$95,203.71.

Strategic Goal:

Pre-employment training program (PETP) is intended to furnish qualified manpower resources for the film and multimedia industry. Three (3) sub-programs exist: a.) workshops related to below-the-line crew positions needed for the physical production of film and television; b.) shadowing of those in above-the-line job positions who influence the creative direction of film and television projects; and, c.) emerging media training of New Mexico residents in positions related to digital technologies for the entertainment industry and entertainment-related industries.

Objective:

Implemented in 2006, the intention of PETP training workshops and lectures is to assist the development of New Mexico’s economy by providing reimbursement funds to contractors facilitating short-term intensive courses, workshops or lectures that primarily relate to technical film and television job positions. Contractors are approved by the Chairperson of the Job Training Incentive Program (JTIP) Board.

Issues:

Funding is based on an annual legislative allocation to JTIP. A new database contractor is being considered to increase streamlined reporting.

Action Plan:

Solicit contractors for four (4) workshops per fiscal year to increase the employability and job opportunities for New Mexico crew on productions planning to film in-state. Annual policy review will take place in quarter two (2) to ensure program is reflecting industry trends.

The NMFO has seen an increase of production in NM due to the amended incentive program targeting television series which creates a better training ground for both new and seasoned resident crew. The division is reassessing the crew services available in NM (and out-of-state) which will help to streamline the training process and increase NMFO's training efforts as they are identified. This will also include emerging media services. The division anticipates expending more JTIP PETP reimbursement funds this year. And, additional PETP lectures/workshops may be needed in FY14.

1st Quarter Results:

Although no workshops took place in the first quarter, additional crew specialty skills are being considered for workshops and lectures in the upcoming quarters.

Corrective Action Plan: In this fiscal year, JTIP for Film & Multimedia administrative contractor will assist the Sr. Manager of Workforce Development Programs.

Performance Measures	Targets	1 st Qtr Results
Number of media industry worker days	150,000	68,244
Direct spend by film and media industry productions in millions	\$225	\$32.5
Number of film and media projects made in New Mexico*	60	10
Number of major film productions (total budget over one million) made in New Mexico	15	4

**only includes projects submitting for the Film Production Tax Credit*

Appendix

New Mexico Economic Development Department					
FY14 Performance Measures and Targets		Quarterly Results			
Division & Measure	Target	1	2	3	4
Office of the Secretary					
Number of jobs created due to economic development efforts	2,500	318			
Number of rural jobs created	1,250	178			
Number of urban jobs created	1,250	140			
Administrative Services Division					
Percentage of vouchers accurately processed within 72 hours	75%	Annual Calculation			
Office of Business Advocacy					
Number of business advocacy cases opened	100	22			
Number of business advocacy cases solved	45	17			
Economic Development Division					
Number of jobs created through business expansions	600	64			
Number of business expansions assisted	40	12			
Number of rural located business expansions assisted	12	4			
New Mexico Economic Development Partnership					
Number of jobs created through business relocations facilitated by the economic development partnership	1,700	20			
Number of business relocations facilitated by the economic development partnership	9	1			
Average annual cost per economic development partnership job created	\$518	Annual Calculation			
MainStreet					
Number of communities participating in MainStreet	25	27			
Number of jobs created by MainStreet	600	184			
Dollars of private sector investment in MainStreet districts (in millions)	\$9	\$5.17			
Number of new businesses in MainStreet districts	140	24			
Number of building rehabilitations completed in MainStreet Districts	150	56			
Financial Development Team					
Number of capital outlay projects funded	8	0			
Number of businesses provided technical assistance resulting in a funding package and job creation	5	0			
Community, Business, and Rural Development Team					
Number of communities certified through the certified communities initiative	36	23			
Number of business retention and expansion surveys completed resulting in a positive outcome such as job creation, retention, or business financing	15	0			
Number of community infrastructure projects moved to financing stage	5	0			
Percentage of certified communities that complete community profiles and land & building inventories on NMEDD web site	100%	100%			
Job Training Incentive Program					
Number of workers trained by the job training incentive program (JTIP)	1,000	64			
Number of rural businesses participating in JTIP	8	4			
Number of businesses participating in JTIP	28	13			
Average annual cost per job training incentive program trainee*	\$4,600	\$11,239			
Average hourly wage of jobs funded by JTIP	\$20	\$22.24			
Percent of employees whose wages were subsidized by the job training incentive program still employed by the company after one year.	66%	Annual Survey			
Office of International Trade					
Number of new-to-export (NTE) clients identified and assisted	10	5			
Number of existing exporters assisted in entering new markets	10	4			
Number of international organization for standardization (ISO) trained businesses	15	0			
Office of Science and Technology					
Number of jobs created by commercialization, energy, and high tech industries	100				
Film Office					
Number of media industry worker days	150,000	68,244			
Direct spend by film and media industry productions in millions	\$225	\$32.50			
Number of film and media projects made in New Mexico	60	10			
Number of major film productions (total budget over one million) made in New Mexico	15	4			
Office of Military Base Planning and Support					
Number of military units	10	Reportedly Annually			
Number of community support organizations	8				
Number of communities	8				

*Greater than \$2,500 is a positive indicator of higher wages paid to the trainee

NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT FY14 COMPANIES ASSISTED IN CREATING NEW JOBS

First Quarter: July 1 through September 30, 2013

Name of Company	Type of Company	Location	Date of Announcement	Program Assisting Company	Relocations*		Expansions*		Start-Ups*		Total New Jobs			
					Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural		
@Pay LLC	electronic payment technology	Albuquerque	7/12/2013	JTIP			7				7			
Plenish	private label skin care manufacturing	Taos	7/12/2013	JTIP				2				2		
W Silver Recycling	metal recycling	Santa Teresa	7/22/2013	NMP		20						20		
Twin Cities	logistics & distribution	Santa Teresa	7/22/2013	OFS		50						50		
Ideum, Inc.	computer-based exhibits	Corrales	8/9/2013	JTIP				5				5		
MSDSPro, LLC	chemical management software	Rio Rancho	8/9/2013	JTIP			1					1		
JackRabbit Systems, Inc.	online travel services	Santa Fe	9/13/2013	JTIP			6					6		
Lavu, Inc.	restaurant point of sale software	Albuquerque	9/13/2013	JTIP			10					10		
CTS Electronic Components	electronic component manufacturing	Albuquerque	9/13/2013	JTIP			3					3		
Knockout Mtl Wrx, LLC	precision machining	Albuquerque	9/13/2013	JTIP			2					2		
P4Q USA	electronics manufacturing	Albuquerque	9/13/2013	JTIP			13					13		
Qynergy Corporation	new technology R&D	Albuquerque	9/13/2013	JTIP			1					1		
Leprino Foods	mozzarella cheese processor	Chaves County	9/13/2013	JTIP				13				13		
PPC Solar	solar system installation	Taos	9/13/2013	JTIP				1				1		
MainStreet (see report in Appendix)											97	87		
TOTALS FOR 1ST QUARTER							0	70	43	21	0	0	140	178

New Mexico Economic Development Department						
Historical Performance Results						
<i>Division & Measure</i>	FY2009	FY2010	FY2011	FY12	FY13	1QFY14
Office of the Secretary						
Number of rural & urban jobs created	4,570	2,763	1,922	2,684	3,093	318
Number of rural jobs created	1,641	1,446	958	1,542	1440	178
Number of urban jobs created	2,929	1,317	964	1,142	1,653	140
Office of Business Advocacy						
Number of business advocacy cases opened					21	22
Number of business advocacy cases solved					24	17
New Mexico Partnership						
Number of jobs created through business relocations facilitated by the Economic Development Partnership (EDP)	2,225	767	499	657	244	20
Number of company relocations (NMEDP)	7	6	6	6	6	1
Average annual cost per EDP job created				\$913	\$2,582	
Economic Development Division						
Jobs created by business expansions	554	626	498	605	553	64
Number of business expansions	42	49	40	35	57	12
Number of urban business expansions	36	36	32	25	40	8
Number of rural business expansions	6	13	8	10	17	4
New Mexico MainStreet						
Jobs created by MainStreet*	549	681	598	592	529	128
Number of communities participating in MainStreet	24	23	22	23	23	27
Dollars of private sector investment in MainStreet districts	\$9.2M	\$37.8M	\$9.3M	\$11.2M	\$22.7M	\$5.17M
Number of new businesses in MainStreet districts	190	113	140	133	102	24
districts	117	170	167	141	86	56
Community, Business and Rural Development Team						
Number of certified communities	39	40	38	36	23	23
Job Training Incentive Program (JTIP)						
Number of workers trained by JTIP	1,469	1,181	613	1,015	844	64
Number of rural companies participating in JTIP	6	9	5	9	16	4
Number of businesses participating in JTIP	44	35	34	32	49	13
Average annual cost of JTIP trainee	\$8,057	\$10,145	\$5,468	\$4,600	\$7,910	
Average wage of jobs funded through JTIP	\$18.24	\$22.43	\$18.74	\$16.30	\$18.46	\$22.24
Office of International Trade						
Number of new-to-export clients identified and assisted					9	5
Number of existing exporters assisted in entering new markets					14	4
Film Office						
Number of media industry worker days	162,190	142,524	181,366	143,046	216,461	68,244
Direct spend by film and media industry productions in millions	\$260.2	\$206.4	\$276.7	\$224.6	\$213.7	\$32.5
Number of films & media projects principally photographed in New Mexico	89	109	96	61	53	10
Number of major film productions made in NM (\$1M+)				14	21	4
<i>*Detailed in MainStreet report</i>						

To: Barbara Brazil, Deputy Cabinet Secretary/NMEDD
Elizabeth Davis, Research Director/NMEDD
From: Steve Vierck, President and CEO/NMP
Date: October 17, 2013
Subject: New Mexico Partnership First Quarter Report FY2013-14 Report

The significantly increased number of prospect companies seriously considering relocations and expansions to New Mexico that has been generated over the past year has necessitated a shift of time and resources towards developing those projects through information and other needs. We continue to build the prospect pipeline at the same time. Several prospect announcements are already planned for October and November.

Sales Missions:

Successful sales missions were taken during the quarter to the following regions with meetings with corporations and site consulting firms. Albuquerque Economic Development, Rio Rancho EDC and PNM participated on the trips.

- Minneapolis
- Chicago
- Denver
- Northern California

Trade Shows/Industry Conferences:

NMP participated in the following trade shows:

- International Asset Management Council
- U.S. Manufacturing Summit

The Governor, her staff, and Albuquerque ED participated.
A handout on manufacturing advantages was developed.

- Association of Unmanned Vehicle Systems International

Participating EDC's included Otero County EDC, Albuquerque ED, Estancia Valley EDC, and MVEDA along with NMSU PSL.

A Sales sheet on New Mexico's advantages for the UAV sector was developed.

The lengthy delay in receiving State of New Mexico funding necessitated the elimination or rescheduling of trade shows and sales missions.

Social Media:

Newsworthy items including trade show information and company announcements were periodically posted on social media channels LinkedIn, Facebook, and Twitter.

Website:

Updates were made to the target sectors and incentives information.

Prospect Data Base:

Continued monthly progress continued on an important NMP objective to improve our lists of industry-specific contacts. NMP contractor Jack Allston delivered monthly listings of companies within target sectors which have been integrated into sales missions and trade show meeting lists. California and Illinois small-to-mid-sized manufacturers were included.

Communication:

In order to more efficiently and regularly provide updates on prospect status to community and regional EDC's and NMEDD, a written report and quarterly conference call was held to review prospects.

Community tours were taken to gain greater familiarity with area assets.

Other Progress:

A total of \$30,000 in private sector commitments were received to support NMP's marketing and business development. Support collateral materials, including support statements from Governor Martinez were used at the meetings.

4th Quarter Results:

We've seen strong prospect generation since November, 2012.

Leads: 141

Prospect Recruitment Opportunities (PRO's): 22

Site Visits: 7

Locates: 1 (Project Ferrous - W. Silver Recycling)

Jobs: 20 - rural

New Mexico MainStreet Quarterly Report Matrix
July - September 2013

Community	1A No. of Businesses Added	1B No. of Businesses Lost	1C No. of Net New Businesses	2 No. of Private Business Expansions	3 No. of Private Building Rehabs	3A No. Receiving Design Asst.	4 Private Reinvestment (2+3)	5 No. of Public Sector Improvements	6 Public Sector Improvement Dollars	7 No. of Public/ Private Projects	8 Public/ Private Project Dollars	9 No. of New Bldgs.	10 New Building Dollars	11A No. of Jobs Added
Artesia	1		1									2	\$14,777,000	
Barelas			0											
Belen	1		1		1		\$3,000	1	\$2,500					2
Carlsbad			0											
Clayton		1	-1	2								2		7
Clovis	1	1	0											1
Corrales			0											
DAT - Abq	6	5	1	1	15		\$4,679,291	1	\$2,500			2	\$45,000,000	63
Deming	7	2	5		5		\$16,500							22
Farmington	2	2	0		2		\$22,000							7
Gallup	1	1	0	1	2		\$32,565	2						2
Grants	2	1	1											10
Harding County	2	1	1		7		\$3,400							2
Las Cruces			0											
Las Vegas	1		1		1		\$10,000	2	\$372,000					2
Los Alamos	6	1	5		2		\$70,798	1	\$887,881			2	\$9,852,000	12
Lovington	5	1	4		7		\$99,500							14
Nob Hill - Abq	2	4	-2											15
Portales	1	1	0	1	4		\$59,500	1	\$2,571,209					2
Raton			0											
Roswell			0											
Silver City	3	1	2		2		\$29,000	1	\$63,879	1	\$800			8
South Valley	3		3		1									6
Taos			0											
T or C	6	4	2		5		\$136,500	1	\$15,000	1	\$10,000			9
Tucumcari			0											
Zuni			0		2		\$7,950							
TOTALS	50	26	24	5	56	0	\$5,170,004	10	\$3,914,969	2	\$10,800	8	\$69,629,000	184
			1	2	3	3A	4	5	6	7	8	9	10	
			No. of Net New Businesses	No. of Private Business Expansions	No. of Private Building Rehabs	No. Receiving Design Asst.	Private Reinvestment (2+3)	No. of Public Sector Improvements	Public Sector Improvement Dollars	No. of Public/ Private Projects	Public/ Private Project Dollars	No. of New Bldgs.	New Building Dollars	

11B	11C	12A	12B	12C	12D	13A1	13A2	13B1	13B2	14A	14A	15	16A	16B
No. of Jobs Lost	Net New Jobs	No. of Public Sector Grants	Public Sector Grant Dollars	No. of Private Sector Grants	Private Sector Grant Dollars	No. of Special Events	Special Event Direct Profit Dollars	No. of Promotions	Promotions Direct Profit Dollars	No. of Housing Units Rental	No. of Housing Units Owner	Volunteer Hours	Buildings Purchased	Bldg Purch Price (\$)
	0											117		
	0											204		
	2					1						428		
	0			1	\$4,000	17	\$1,127					347		
1	6			1	\$10,000	2	\$350					130	1	
2	-1			1	\$5,000			1				241		
	0					4	\$9,591					128		
14	49	1	\$3,225			4	\$5,000			221	102	96	3	
5	17					13						226		
3	4					5	\$1,500					120		
3	-1	1	\$5,078			5		1		42		245	1	
5	5					2	-\$17,516					577		
1	1							4	\$2,723			1168		
	0					2	\$4,000					2853		
	2	2	\$105,000	1	\$2,500	2						414		
1	11					13						829		
6	8	3	\$18,080	2	\$7,500	15	\$7,500	1				526	5	\$347,500
4	11					1	\$10,000					760		
1	1	1	\$27,000	3	\$150	3	\$100	2				49		
	0	1	\$45,000			3	\$2,750					147		
	0	3	\$164,200			27	\$16,920	1				398		
3	5	2	\$183,535			2	\$900	1				640		
	6											80		
	0													
7	2							3	\$75			359	3	\$440,000
	0					1	\$10,000					313		
	0					1	\$300					410		
56	128	14	\$551,118	9	\$29,150	123	\$52,522	14	\$2,798	263	102	11,805	13	\$787,500
	11	12A	12B	12C	12D	13A	13B	13C	14A	14B	14C	15	16A	16B
	Net	No. of Public Sector Grants	Public Sector Grant Dollars	No. of Private Sector Grants	Private Sector Grant Dollars	No. of Special Events	Special Event Direct Profit Dollars	No. of Promotions	Promotions Direct Profit Dollars	No. of Housing Units Rental	No. of Housing Units Owner	Volunteer Hours	Buildings Purchased	Bldg Purch Price (\$)

**JTIP Quarterly Report
FY14 - 1st Quarter**

July

Company	Obligated	Jobs	RPH	City	County	Rural	Urban	Cost/Trainee	Begin Date	Co. Type
@Pay LLC	180,006	7	44.64	Albuquerque	Bernalillo		x		7/12/2013	Expansion
Plenish, Inc. (Amendment)	11,040	2	11.50	Taos	Taos	x			7/12/2013	Expansion
Total	191,046	9	37.28					21,227.30		

August

Company	Obligated	Jobs	RPH	City	County	Rural	Urban	Cost/Trainee	Begin Date	Co. Type
Ideum, Inc	104,065	5	28.25	Corrales	Bernalillo	x			8/9/2013	Expansion
MSDSPRO, LLC	5,773	1	14.92	Rio Rancho	Sandoval		x		8/9/2013	Expansion
AerSale, Inc.	3,230			Roswell	Chaves		x		8/9/2013	STEP-UP
Plenish, Inc.	1,555			Taos	Taos				8/9/2013	STEP-UP
Total	114,623	6	26.03					19,103.87		

September

Company	Obligated	Jobs	RPH	City	County	Rural	Urban	Cost/Trainee	Begin Date	Co. Type
JackRabbit Systems, Inc.	112,979	6	34.99	Santa Fe	Santa Fe		x		9/13/2013	Expansion
Lavu, Inc.	55,750	10	18.75	Albuquerque	Bernalillo		x		9/13/2013	Expansion
CTS Electronic Components	64,898	3	37.24	Albuquerque	Bernalillo		x		9/13/2013	Expansion
Knockout Mtl Wrx, LLC	7,480	2	13.50	Albuquerque	Bernalillo		x		9/13/2013	Expansion
P4Q USA	64,506	13	14.24	Albuquerque	Bernalillo		x		9/13/2013	Expansion
Qynergy Corporation	12,286	1	19.73	Albuquerque	Bernalillo		x		9/13/2013	Expansion
Leprino Foods	89,731	13	13.71	Chaves County	Chaves	x			9/13/2013	Expansion
PPC Solar (Amendment)	6,000	1	12.50	Taos	Taos	x			9/13/2013	Expansion
Total	413,629	49	19.02					8,441.42		

	Obligation	Companies	Jobs	Ave. Wage	Rural	Urban	Cost per Trainee
Total FY14 - 1st Quarter	\$ 719,298.41	13	64	\$ 22.24	4	9	\$ 11,239

Notes:

Plenish is counted once in number of companies participating as well as once in number of rural companies participating.

AerSale Step-Up project will train 4 incumbent workers.

Plenish Step-Up will train 2 incumbent workers.