

FY2009 ANNUAL REPORT





Insignia Solar,
Belen, NM

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Performance Measures Report & Program Highlights

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State of New Mexico

Office of the Governor



Bill Richardson
Governor

As difficult economic times sweep across our nation, I have vowed to keep New Mexico moving forward across a variety of innovative fronts. The Economic Development Department continues to implement my far-reaching agenda to grow New Mexico in a number of ways.

Our pro-business attitude makes New Mexico a desirable destination for new companies. Industry leaders like Hewlett-Packard and Signet Solar are finding the Land of Enchantment a perfect place to open shop. Meanwhile our MainStreet program and Community Development teams have been working hard to ensure that all our rural areas are receiving the tools they need to weather the economic storm.

My administration has been successful in making our state a world-wide leader in Film and Digital Media. Over 80 productions with \$670 million in economic impact were spread across the state last year, including the biggest stars and largest production budgets yet seen in New Mexico.

We achieved another goal this year with the groundbreaking of Spaceport America. Years of planning and hard work are coming to fruition as the Spaceport begins to rise in the desert of southern New Mexico, promising sustainable hi-tech, educational and support job employment for years to come.

I also created the Green Energy Cabinet to determine how our state, brimming with generous natural clean energy resources, can best develop Green Energy jobs and make us the nation's leader in pure energy innovation.

Despite the difficulties of the last year, my administration continues to work to find the best ways to create high wage jobs, pursue innovative technologies, and develop a better quality of life for all New Mexicans.

Best regards,

A handwritten signature in black ink that reads "Bill Richardson".

Bill Richardson
Governor of New Mexico



After the most successful year in New Mexico economic development history, we have all been thrust into a global economic crisis. This year posed a great deal of challenges in our efforts to continue to expand and grow New Mexico's economy. Across the nation almost all sectors of the economy have either slowed or lost ground, and unemployment is reaching highs not seen in over half a century. Despite this, I can tell you that the Economic Development Department is facing these challenges head on and making progress.

The Annual Report you are holding reflects the ten priorities I have identified as being essential to the economic growth of our state. Each section focuses on the hard work and dedication our team is putting into making New Mexico an economic success.

We continued to be focused on reaching out to our smaller communities to assist in job creation and retention. Our Business Development Team facilitated growth in areas like Hobbs, Portales and Santa Rosa. The New Mexico MainStreet program continues to help foster economic expansion and cultural preservation across the state, taking part in the creation of 190 new businesses and 549 new jobs. The Job Training Incentive Program (JTIP) remains a valuable tool for both business growth and recruitment, helping to create 1,416 jobs across the state.

This past year ground was broken on the new Hewlett-Packard technical support center in Rio Rancho. The computer giant plans on bringing 1,300 new jobs to the state. The state also welcomed Reelz Channel, cable television's only channel devoted entirely to movies, which relocated its headquarters and studios to Albuquerque, filling 100 new positions. Pre Check, Inc was a rural success story, creating 250 jobs by expanding its existing operation and moving its corporate headquarters from Houston to Alamogordo.

New Mexico continues to be a leader in new technologies. Our abundant solar, wind and geothermal potential is being recognized and harnessed to create Green Energy and Green Jobs. The Encanto Supercomputer made its debut this year, becoming the largest supercomputer available to private industry. Encanto helped to attract filmmakers DreamWorks SKG and health care entity Insigniam Innovation Discovery Center to New Mexico, creating almost a hundred high wage jobs.

In the area of Film and Media Expansion, New Mexico continues to be among of the most vibrant in the country. ***Transformers: Revenge of the Fallen*** boasted the second-biggest opening week in box office history, and ***Indiana Jones and the Crystal Skull*** became the 25th highest grossing film of all time. Our state was flooded with Oscar-winning talent like Denzel Washington, George Clooney and Hillary Swank. In addition, Robert Redford signed an agreement to create a "Sundance in New Mexico" for Hispanic and Native American filmmakers.

In June we celebrated the historic groundbreaking of Spaceport America, the world's first purpose-built commercial spaceport. This is the first step in making New Mexico the global leader in future space endeavors. Now we continue the vision with construction of the facility, driven by the promise of sustainable high tech, tourism and educational jobs for southern New Mexico.



Fred Mondragón
Cabinet Secretary,
New Mexico Economic Development Department

RURAL ECONOMIC DEVELOPMENT

Business Development Team

Business growth in these difficult economic times is challenging, especially for our rural communities. Our Business Development Team has done an outstanding job under these circumstances to aid in job creation across New Mexico. The priority the Department has placed on rural economic growth is reflected in these success stories.

HOBBS

International Isotopes Inc. announced its selection of a site in Lea County for the construction of International Isotopes' depleted uranium de-conversion and fluorine extraction processing facility. The site is approximately 15 miles west of Hobbs. This type of facility is expected to be the first of its kind in the world. INIS anticipates hiring about 150 construction workers for the project. Building should start in 2011, after Nuclear Regulatory Commission licensing is complete. INIS expects to employ a full-time staff of 130 to 150 employees for plant operations. The end products of the de-conversion process will be high purity, anhydrous hydrofluoric acid (HF) and silicon tetrafluoride gas. Both of these products are in demand for a wide range of industrial manufacturing applications.

CLOVIS

Southwest Cheese Company expanded its operations and plans to add 70,000 square feet to its Clovis plant. An estimated \$24 million will be spent for buildings and other real property improvements and \$69 million for machinery and equipment. This investment will be financed with industrial revenue bonds. The expansion will create 34 new jobs over two years with an annual payroll of \$900,000 in the first year, \$1.6 million in the second year and an annual increase of \$47,241 thereafter.

LAS VEGAS

The 143-acre **Northern NM Wood Business Park (WBP)** presents a unique opportunity to create a site where traditional forestry businesses can thrive. Harvesting of wood and other natural resources has been a part of the rural income stream for as long as people have needed architectural and landscape enhancements, firewood, vigas and pole fencing. What has been missing is a concerted effort to assist these hardy entrepreneurs in reaching a broader marketplace. The Wood Business Park was born from a wood cluster concept that stressed bringing together diverse individuals who have been in business for decades and developing an area where their collective need for land, a marketing strategy, and access to equipment could be met. The primary tenant at the WBP is the San Miguel County Public Works Department, which will include a solid waste facility. An important benefit of Park tenancy is access to the two rail spurs that come into the site. Additionally, the WBP is within one mile of the airport and has easy access to I-25. It will be managed by the Las Vegas-San Miguel Economic Development Corporation.



Southwest Cheese Company won a Gold Medal for its Monterey Jack cheese in the 2009 U.S. Championship Cheese Contest.

PORTALES

Sunland Peanuts announced an expansion in June that will create 40 new jobs. Sunland is the largest U.S. processor of certified organic peanuts. Sunland's products include an increasing variety of gourmet peanut butters that have won several national taste test awards.

As Sunland outgrew its wastewater infrastructure, the Economic Development Department and City of Portales stepped in to assist. Earlier this year the Department awarded Sunland \$156,000 in infrastructure development capital outlay funds, and the City will provide over \$50,000 in local economic development funds to assist in building a sewer line extension.

Sunland was founded in 1988 by a group of local peanut farmers looking for an outlet for their products. The plant today employs 120 people. Over the last four years, Sunland's sales have increased by 176%. "We are excited about the assistance provided by the state and the city to help the growth of Sunland and our community," said Jimmie Shearer, Sunland CEO.

SANTA ROSA

Los Amigos Nursing Facility, which was closed for over three years, re-opened this year. In addition, a home health and hospice agency is being established. These operations will improve the accessibility and quality of health care delivery for the citizens of Santa Rosa and Guadalupe County. By year three, the two entities will have 28 workers with average annual salaries of \$30,000.

STATEWIDE BEEF INDUSTRY INITIATIVE (BII-NM)

Ranching, and its supporting industries, is an economic cornerstone in New Mexico's rural communities. Over 10,000 New Mexican families raise cattle, contributing over \$951 million to New Mexico's economy. In 2007, the statewide **Beef Industry Initiative** (BII-NM) began to develop a strategic planning process that would identify new opportunities to increase the health of the New Mexico beef industry.

The BII-NM identified many areas of focus including the development of a branded beef program, working with NMSU Cooperative Extension to facilitate regional supply chain co-operations, educating producers on best practices for cattle health and bringing together policymakers, regulators, producers, processors and experts to address key regulatory issues.

GREEN ENERGY AND RURAL ECONOMIC DEVELOPMENT

Renewable energy development has a tremendous potential to create rural green jobs. Numerous utility-scale solar, wind and geothermal energy projects are being planned. For example, two large solar projects were formally announced this year: 30 MW of photovoltaics near Cimarron through Tri-State Generation and 92 MW of solar thermal through **El Paso Electric** in Santa Teresa. Projects like these will not only create many construction jobs, but also permanent operations and maintenance positions. In addition, newly authorized special assessment districts for customer-scale renewable energy projects will drive small solar, wind and geothermal projects in communities across the state as counties adopt the necessary ordinances.

In addition, algal bio-fuel production is quickly becoming a reality as companies like **Sapphire Energy** expand production capacity in Doña



Ana County and pave the way for future growth of this industry in New Mexico. Camelina and other non-food dryland farmed bio-fuel crops are also showing promise.

MAINSTREET "EMERGING COMMUNITIES"

In May 2009, Belen, Nob Hill and Truth or Consequences were introduced as **Emerging MainStreet** communities. They will receive one year of intensive services in capacity

building, leadership and organizational development, financial development, board and committee training and an “Economic Structural Analysis” for the downtown’s potential and market positioning. The hope is that these communities will move up to “MainStreet Start Up” status, becoming eligible for specialized architectural services and master planning of the downtown’s future economic growth.

SOUTHWEST OFFICE OF REGIONAL DATA

NMEDD partnered with **Western New Mexico**

University (WNMU) to create a web site and promotional CD for the five-county southwestern region of the state. The Department provided a cooperative advertising grant (which was matched by WNMU) and research and data development assistance for both projects. Both the CD and web site will be used to promote the region for business development. The web site (www.swordnm.info) provides data for responding to potential recruitment opportunities, grant writing and other community development projects.

Technology-based Economic Development

Office of Science & Technology (OST)

The Office of Science & Technology (OST) worked with economic development organizations, research universities, the federal labs and the Governor’s science advisor to promote the expansion of technology-based economic development and long-term sustainable employment. In addition, the Office made a wide variety of high-tech firms aware of the opportunities presented by the new American Recovery and Reinvestment Act (ARRA) and counseled dozens of companies on the advantages of relocating to New Mexico. Some of the highlights of FY2009 included:

NEW MEXICO COMPUTING APPLICATIONS CENTER (NMCAC): Dream Works SKG and Insigniam

The OST promoted the services of the New Mexico Computing Applications Center (NMCAC) to industry, academia and the federal government. As a result, NMCAC’s super computer Encanto has attracted filmmakers **Dream Works SKG** and **Insigniam Innovation Discovery Center** who will take advantage of its tremendous computing capacity. Encanto, the nation’s fastest non-federal computer,

is housed at Rio Rancho’s Intel facility. Nearly 100 high-tech jobs are expected to be created by the two arrivals.

Dream Works SKG will partner with **Cerelink Digital Media Group** to develop technologies to enable the studio to render 3-D films in New Mexico. In addition to supplying computing power for the digital media demands of the project, the Computing Applications Center has also helped establish an ultra high speed link to connect New Mexico to Hollywood. The project will initially employ 30.

Insigniam Innovation Discovery Center will be using Encanto to develop and model health care scenarios in order to find ways to improve health care quality and value. Sixty-five employees will be hired to start operations.



Encanto, the nation’s fastest non-federal super computer.

Additionally, NMCAC proceeded with its plans to extend the reach of supercomputing throughout the state via a network of electronic 'gateways' designed to facilitate long-distance learning, teleconferencing and telehealth. A revised plan for the gateway introductions will be presented in early FY2010. In late April the Center moved to its new headquarters at Mesa del Sol; Encanto remains at its original location at Intel.

LASERS BEAM OPPORTUNITY FOR NEW MEXICO

OST continued its quest to help create a new technology platform for ultra short pulse (USP) laser technology. With five USP femto-second lasers stationed at all three New Mexico research universities and at both Los Alamos and Sandia National Labs, the state has high hopes for developing new commercial applications for this growing technology in the areas of biomedicine, national security, energy generation and other industries.

"TECHNOLOGY21" – THE NEW S&T ROADMAP FOR THE STATE

In January of 2009, the state's science and technology plan, 'Technology21' was completed. The project took nearly two years and involved over 100 people. The plan was approved by the Governor and introduced to the Legislature. The document covers five key high-technology cluster areas and details strategies for meeting the many challenges facing the state in the future.

RESEARCH APPLICATIONS CENTERS

The legislative session produced agreement on SB205 which will form the basis for the establishment of a new statewide entity to coordinate information on many state and federal grant opportunities; compile data on cutting-edge technologies being researched or employed in the state; coordinate state-supported S&T projects/initiatives and interface with the state's many high-tech companies. Called the Research Applications Center, it will be able to



UNM Science & Technology Park

enter into collaborative agreements with the federal Labs; state, domestic, and international research universities; as well as the private sector for the purpose of moving late stage commercially applicable R&D to the marketplace and help commercialize home-grown technologies to create long-term sustainable employment.

BUILDING THE TECH-BASED ECONOMY: THREE OST SUCCESS STORIES

The Office of Science and Technology assists companies with tax incentives and tax credits, and facilitates partnerships between businesses and potential investors. Here are a few success stories from FY2009:

Oso Biopharmaceuticals Facilities: With over 100 full-time employees and a 215,000 square-foot facility, Oso Bio has large-scale capabilities, providing round-the-clock production services and the ability to meet aggressive timelines. Additionally, Oso Bio offers flexibility in meeting a range of unique product demands, from clinical and commercial batch sizes to complex potent compounds.

Acoustic Cytometry Systems, Inc. (ACS): ACS is commercializing single molecule sensitivity flow cytometers that enable a new generation of proprietary applications in life science research, clinical diagnostics, and industry. Los Alamos-based Acoustic Cytometry was

formed in 2006 with technology licensed from Los Alamos National Laboratory. The company developed a method to use sound waves to guide cells through cytometers, or cell meters, to allow researchers to closely examine tissue samples for medical diagnostics. ACS raised \$250,000 from the New Mexico Angels and was sold to Invitrogen Corporation. Investors received a return of 80-times their initial investment.

APJeT: The licensed APJeT technology is a broad-based, platform technology consisting of several different apparatus and methods patents on the use of different applications and designs of plasma sources for generating and using a low-temperature, highly reactive plasma for materials processing applications. The technology is based on pioneering work performed between 1995 and 2002. APJeT offers a line of atmospheric-pressure plasma products titled e-Rio®, or “the electron river.” APJeT technology can mold rivers of electrons and ionized gases into shapes that fit a wide variety of materials-processing applications. Their products include round jets and flat jets for downstream processing of substrates, and a flat stage and roller jet for in-situ processing.

ANGEL INVESTMENT TAX CREDIT PROGRAM

The Angel Investment Tax Credit continues to thrive under the auspices of OST. There have been 40 qualified investments, totaling almost \$3 million, that assist technology start-up companies. Additionally, the program has received recognition through *Who's Who in Technology*, and through presentations at the World's Best Technologies Showcase Conference, National Association of Seed & Venture Capital, and the Border Governors' Science and Technology Conference.



Exagen Diagnostics Lab

Qualified companies that have received Angel Investments in FY2009 include:

Acoustic Cytometry Systems, Inc., Los Alamos: commercializing single-molecule-sensitivity flow cytometers to enable a new generation of research and diagnostics

Azano Pharmaceuticals, Inc., Albuquerque: product development and manufacture of pharmaceuticals

Exagen Diagnostics, Inc., Albuquerque: manufacture and sale of molecular and genomic in-vitro diagnostic tools

Vista Therapeutics, Inc., Santa Fe: research and development of nanotech-based biosensors for assessing biomarkers of organ injury and damage

Comet Solutions, Inc., Albuquerque: helps engineering firms achieve greater efficiency and improved quality by providing tools that allow for earlier simulation

NEW MEXICO 9000/ISO 2000: TAKING NEW MEXICO GLOBAL

One of the many goals of the Economic Development Department is to ensure that New Mexico-made products find new markets in the United States and around the world. **New Mexico 9000/ISO 2000** classes provide the required certification to allow businesses to expand their horizons to overseas markets, supply U.S. manufacturers, and secure federal contracts. New Mexico 9000 has helped 206 companies compete in national and international markets, resulting in the creation of over 1,000 new jobs.

Graduates of 2008-2009 New Mexico ISO 9000 classes:

- **B Squared Engineering Assoc, Inc.** Albuquerque
- **CEMCO** Belen
- **Clovis Community College** Clovis
- **Generic OTC Meds, LLC** Albuquerque
- **Great River Technology, Inc.** Albuquerque
- **Libration Systems Management** Albuquerque
- **The Mind Research Network** Albuquerque
- **Schott Solar, Inc.** Albuquerque
- **South Valley SBDC** Albuquerque
- **Tempur Production** Albuquerque
- **Treeline Consulting Co.** Albuquerque

The following four companies achieved ISO Certification:

- **Antenna Development Corp.** Las Cruces
- **Aridien, Inc.** Belen
- **Tempur Production** Albuquerque
- **Poly-Flow Engineering, Inc.** Albuquerque



CEMCO designed, and is manufacturing, a totally new machine designed specifically for chile thinning.

COMMUNITY DEVELOPMENT AND CAPACITY BUILDING

Certified Community Success Stories

CITY OF ALAMOGORDO

- **PreCheck, Inc.** announced it will be moving its corporate headquarters from Houston to Alamogordo. PreCheck currently has an operations center in Alamogordo that employs more than 60 people. The relocation is expected to create more than 250 jobs over the next couple of years.

CITY OF ARTESIA

- Artesia has completed the expansion of its industrial park, nearly doubling its capacity. The park is home to all the city's services. **FracTech** has relocated to the park, creating 20 new high-wage jobs.
- The **Federal Law Enforcement Training Center** continues to be a major presence, creating opportunities for temporary staff to become permanent.

CITY OF AZTEC

- The **Dillon Industrial Park** in Aztec is now home to a consolidated PepsiCo distribution center, and Federal Express recently broke ground on a new facility in the Park.

CITY OF BELEN

- **Signet Solar** will build a solar panel production facility in the Rancho Cielo master-planned industrial and residential community. The first phase will begin operation in 2010.
- The **“Heart of Belen”** downtown revitalization program continues. The revitalization effort includes the planning and redesign of historic Becker Street, anchored by the Harvey House on one end and City Hall on the other. Revitalization elements include



Design for National Cave & Karst Research Institute

new lighting, seating, parking and a downtown plaza, all within a three-block stretch.

cooperation in cave and karst research. Two other commercial/retail projects at the Cascades will begin in summer 2009.

CITY OF BLOOMFIELD

- San Juan Economic Development Service is marketing the **Animas Industrial Park**, a 78-acre parcel between Bloomfield and Aztec, to new economic-base businesses. The Park offers both land and build-to-suit facility opportunities. The development of new infrastructure is being funded in part by a grant from NMEDD.

TOWN OF CARRIZOZO

- Carrizozo welcomed the filming of *The Book of Eli* starring Denzel Washington and Gary Oldman. Film construction crews were fed at potluck meals and the community will host its own “premier.”
- **Carrizozo Works** held an on-line auction to raise funds for their economic development program.

CITY OF CARLSBAD

- Carlsbad’s **Industrial Air Park** is almost full, with only a few properties available. All of the businesses in the park are non-retail and purchasers have a two-year time limit to build once they purchase land. In May 2009 Carlsbad attracted Hawaii-based manufacturer, **Carbon Diversion**, to build a new manufacturing plant in the park. The facility will employ 300 people in skilled jobs. The company will ship manufactured solid waste treatment units worldwide. Four other related manufacturing businesses will follow Carbon Diversion to Carlsbad later this year.
- The **Cascades at Carlsbad**, a development on the Pecos River, is nearing completion. This is a former brownfield site that is a new mixed-use development anchored by the **National Cave and Karst Research Institute**, a facility that is affiliated with the National Park Service. The center is dedicated to the study of speleology, promoting public education in science, and fostering interdisciplinary

CATRON COUNTY

- Catron County applied and was awarded **Certified Community** status.
- The **Elfego Baca Memorial**, a seven-year effort facilitated by NMEDD, is close to realization with the unveiling of a statue of Baca. A new museum will also be built as part of the memorial. Reserve’s MainStreet project was a catalyst in this effort, bringing together the State Department of Transportation (DOT), Elfego Baca Board, Village of Reserve, Mahlman Studios, and many community members. The Village of Reserve and Catron County passed LEDA to allow state funding for the life size sculpture and memorial.
- The **Village of Reserve** received the first ARRA Community Development Block Grant of \$493,000 for drainage in Reserve, along with \$1,033,000 from DOT to finish the MainStreet plan, which includes sidewalks at the museum site and other streetscape improvements.

TOWN OF CLAYTON

- The **Northeast New Mexico Detention Facility** has been open since July 15, 2008. The effort to get a federal facility in Union County took nearly a decade. The project has brought 200 jobs to the community.

CHAVES COUNTY

- In March **Verety LLC** announced its plans to establish a remote order services operation in Roswell. This will bring 100 work-at-home jobs to Chaves County. Verety's innovative remote order service helps restaurants enhance speed of service, order accuracy, and customer satisfaction by streamlining drive-through operations.

CITY OF CLOVIS

- Clovis has completed the expansion of their **industrial park** including roads, sewer lines and a storm sewer. Funding has been obtained for a new rail spur into the park, and construction is underway.
- The addition of the **Rock 'N Roll Museum** is attracting visitors from all over the world and has created a new venue for business meetings and seminars.

VILLAGE OF CUBA

- The **Cuba Regional Economic Development Organization (CREDO)** continues to successfully place people in jobs. A career specialist from the Department of Workforce Solutions is in town once a month to provide employment counseling.
- CREDO is also working to establish new businesses through the **Small Wood Opportunity Team (SWOT)** and to establish a business incubator in conjunction with the Greater Cuba Business Center (GCBC) Planning Committee and the South Valley Economic Development Center.

CITY OF ESPAÑOLA

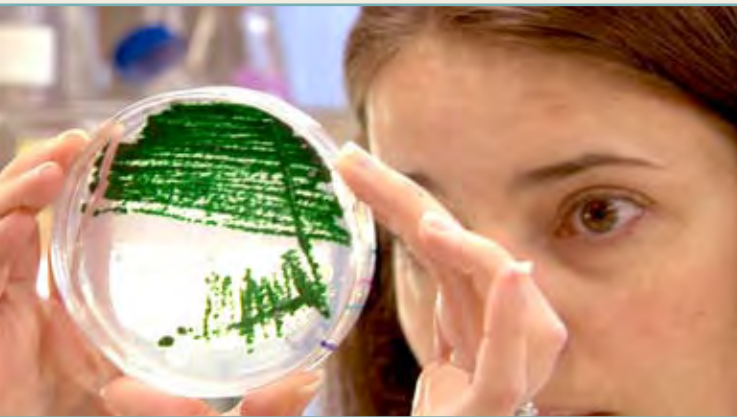
- NMEDD is providing funding for renovations to the **Española Valley Fiber Arts Center (EVFAC)** through the Economic Development Capital Outlay Fund. The Center is home to hundreds of individual artists in northern New Mexico and also conducts small business training.

ESTANCIA VALLEY

- The **Single Action Shooting Society (SASS)** opened their new headquarters in Edgewood with Governor Richardson in attendance.
- **Precision Solar** will soon break ground on a new solar component manufacturing facility in Moriarty.
- **Western Water and Power** is moving forward with their new generation plant. Several solar power plants have obtained land agreements for solar generation, and two more wind projects are moving forward in the southern part of Torrance County.
- A much needed motel and restaurant have acquired land in **Estancia** and several small businesses have opened in the Estancia Valley.



Española Valley Fiber Arts Center



Algal biofuel research
in Artesia

CITY OF LAS CRUCES

- **Sapphire Energy** announced a project expansion of 10 acres at the City's West Mesa Industrial Park. The project is projected to create 30 jobs, at approximately \$35,000 a year, and will account for a \$6 million investment in the Park. Sapphire is a bio-algae fuel company that is involved in NMEDD's green energy programs.

CITY OF LAS VEGAS

- Las Vegas adopted an amended LEDA ordinance to include a **revolving loan fund**.

LEA COUNTY

- The **National Enrichment Facility** (NEF), a uranium enrichment project located just outside of Eunice, recently announced expansion plans to double the capacity of the plant.

CITY OF LOVINGTON

- Lovington has recently completed a **web site** which includes links to many resources and a building and land inventory database.
- **MainStreet** has completed a master plan and new marketing materials.

CITY OF PORTALES

- **Tamaki Control LLC** of New Zealand, a global provider of factory automation programming services for dairy and fuel industries, opened its first U.S. office in Portales, creating seven high-wage computer programming jobs.
- **Automated Dairy Systems** opened an office in Portales, bringing several new sales and service positions. The company provides automated milking parlor systems for large dairies.

CITY OF GALLUP

- Gallup has completed a 20-year master growth plan.

HARDING COUNTY

- Harding County adopted an ordinance for the **Owaissa Wind Farm**.
- An amended LEDA ordinance to include a revolving loan fund and an Arts & Cultural District was also adopted.

VILLAGE OF HATCH

- The groundbreaking for **Spaceport America** brings the exciting frontier of commercial space travel closer to realization. The entrance to Spaceport America is only nine miles south of the Village of Hatch, making the village the "New Gateway to Space."
- A **47-acre industrial park**, complete with infrastructure (water, natural gas, electricity, phone, Internet) and direct access to Highway 26, is ready to attract new economic development for the Village of Hatch.
- The **Spaceport Welcome Center's** interim facility, in the Hatch Museum, was dedicated September 23, 2008.

HIDALGO COUNTY

- **Antelope Wells**, in rural Hidalgo County, will receive \$18 million from the U.S. Homeland Security Department to improve its Mexico port of entry. NMEDD staff members are currently working with local leaders to improve border trade with Mexico and to improve community support systems for the expected increase in traffic to the area.

VILLAGE OF QUESTA

- Questa is moving forward with **MainStreet** downtown revitalization project recommendations.
- The village is at the implementation stage of developing an **industrial/business park**. The park will be a 29-acre property designed for light manufacturing and warehousing opportunities. An industrial building is being constructed for the park's first tenant.

CITY OF RATON

- Raton has realized many accomplishments toward the revitalization of its downtown historic district. The city adopted an amended LEDA ordinance to include an **Arts & Cultural District**.
- The State Gaming Board approved a license for the **Raton Racino**. Groundbreaking took place on June 24 with an estimated investment of \$50 million.

CITY OF RIO RANCHO

- The 218,000-square-foot **Hewlett-Packard** facility is scheduled to open in late 2009. Hewlett-Packard hopes to employ 1,300 at full capacity.
- **DreamWorks** announced the location of a facility in conjunction with Encanto, New Mexico's super computer, housed on the Rio Rancho INTEL campus. The DreamWorks project will link Hollywood and digital media assets in New Mexico.

CITY OF ROSWELL

Over the past 12 months, Roswell has recruited three new businesses:

- **Berken Energy**, a solar R&D project which will evolve into a thin film solar manufacturer
- **Sustainable Resources, Inc.**, a solar-powered desalinization pump project
- **Western Emulsions**, a highway construction material manufacturer

Over 250 new jobs will be created by these three companies. Additionally, **American Airlines** announced expanded jet

service from Roswell (ROW) to Los Angeles, scheduled to begin August 25, 2009.

CITY OF SANTA ROSA

- Santa Rosa has made significant progress toward its downtown revitalization goals with the renovation of the historic **1937 WPA courthouse building** and the acquisition of the historic **Ilfeld Warehouse**. City and county government offices occupy the WPA building and the Ilfeld Warehouse will include a business services center.



Shuler Theatre, Raton

SAN JUAN COUNTY

- **San Juan Economic Development Service** and the **Small Business Development Center** celebrated 20 years of service to San Juan County and the creation of thousands of jobs. In addition, the **Quality Center for Business** is celebrating 10 years of service to entrepreneurs through its incubator facility and business assistance programs.

CITY OF SANTA FE

- Santa Fe has launched a buy-local campaign, "**Santa Fe-Buy Into It!**" The campaign encourages local purchases which support the city's economic base. The initiative was started by a group of local businesses.



Preparation of frozen foods at Proper Foods, Deming

SANTA FE COUNTY

- Santa Fe County is in the process of rewriting its growth plan. The process includes community meetings and work sessions in the four quadrants of the county. The revised plan will include a new **Sustainable Land Development Code**.

SIERRA COUNTY

- In a new approach to utilize renewable energy, the **New Mexico Spaceport Authority** (NMSA) is working with the Sierra Electric Cooperative to jointly develop renewable energy sources for Spaceport America.

TOWN OF TAOS

- The **Mobile Matanza Project** continues to grow and support local farmers and ranchers. The Matanza project has completed a water treatment system along with a cut, wrap, and cold storage facility. NMEDD funded the water treatment system.

CITY OF TUCUMCARI

- The Tucumcari **feed lot** is in full operation, with more than 3,000 head of cattle.
- The **MainStreet** master plan is nearing completion.
- The **North American Wind Research and Training Center** at Mesalands College has completed their 2.5 megawatt wind turbine. The turbine is producing electricity and is being used to prepare students to service wind energy equipment.

UNION COUNTY

- The Union County Commission published notice for a \$200 million industrial revenue bond to be issued for the **Owiassa Wind Farm**. This project will be located in both Harding and Union Counties. Construction will start a year from the bond issue.
- Union County adopted an amended LEDA ordinance to include a revolving loan fund and an **Arts & Cultural District**.

Other Community Development Initiatives

- Cabinet Secretary Fred Mondragón announced that the Economic Development Administration has awarded **Grant County** a \$2 million job creation grant. The Secretary and his staff helped the county identify a viable project to increase economic growth and create jobs in the area. Community leaders plan to renovate a former call center for use as a multi-purpose facility to incubate new businesses and serve as an event center.
- The state is providing a grant of \$500,000 to the City of Deming, which will lend the money to Luna County business, **Proper Foods, Inc.** The company prepares frozen foods, including tamales, stuffed peppers and cabbage rolls, for major restaurant chains and has been in business for 18 years. Faced with rising fuel and material costs, 200 full-time jobs were in jeopardy. The grant was necessary to retain the workers. Luna County has an unemployment rate of nearly 18 percent.

New Mexico MainStreet (NMMS)

The **New Mexico MainStreet Program** fosters economic development in the state by supporting local downtown revitalization organizations. NMMS provides resources, education, training and services that preserve and enhance

The “Façade Squad”
at work.

the built environment, local historic culture and heritage, which in turn stimulates the economic vitality of each participating community.

MAINSTREET SPECIAL APPROPRIATIONS

The Legislature and Governor Richardson awarded \$1 million to assist NMMS communities with special projects during fiscal year 2009. A review committee allocated these MainStreet special appropriation funds to nine MainStreet communities:

- \$130,000 to **Artesia** for planning for the new downtown municipal campus
- \$180,000 to **Clayton** to purchase and rehabilitate Phase I of the historic Luna Theatre
- \$300,000 to **Clovis** for environmental remediation of the historic Clovis Hotel
- \$50,000 to **Corrales** for a downtown master plan
- \$100,000 to **Grants** to design and build a downtown pavilion with DPAC
- \$50,000 to **Las Cruces** for La Placitas/Phase 2 design
- \$80,000 to **Los Alamos** for Phase 2 of the Central Avenue streetscape improvements
- \$50,000 to **Santa Rosa** for a downtown master plan
- \$60,000 to **Silver City** for an adaptive reuse plan for the historic “electric utilities building,” which will be a museum annex

FAÇADE SQUAD SUCCESS IN SANTA ROSA AND CLOVIS

The **Façade Squad** is a new program that inspires private property owners to give a new face to their downtown buildings. Envisioned as a volunteer-driven effort, the Façade Squad involves local MainStreet programs, board and committee members, property and business owners, service organizations, municipal governments and staff. The program provides professional architectural and design assistance



through NMMS, the Economic Development Department and the **Friends of New Mexico MainStreet**.

The first Façade Squad work day was held in **Santa Rosa** in April. More than 25 volunteers helped in the successful renovation and rehabilitation of several front and street-side façades in downtown Santa Rosa. **Clovis MainStreet** hosted the second Façade Squad with over 40 volunteers participating.

Potential projects are identified within a community; one downtown block is selected; and the Façade Squad moves forward with local organizations who provide materials and volunteers to complete the renovation within a one or two day time period.

NATIONALLY CERTIFIED EXECUTIVE DIRECTOR IS A MAINSTREET FIRST

MainStreet celebrated the success of **Clovis MainStreet’s Robyne Beaubien**, who became the first National Trust Main Street professionally certified executive director in the 24-year history of the program. The certification required her to complete two one-week training periods at the National Certification Institute in Washington D.C. over the course of two years, and included training in non-profit management, community economic development, design, economic positioning, organizational development and marketing. Ms. Beaubien joins the rarified ranks of the few hundred who have reached certification.



Palace Hotel in Silver City

NINE NEW MEXICO MAINSTREET PROJECTS RECEIVE NATIONAL ACCREDITATION

The efforts of nine local New Mexico MainStreet projects over the past year have earned recognition for commercial district revitalization by meeting performance standards set by the **National Trust Main Street Center**.

The annual accreditation process evaluates commercial district revitalization programs based on criteria ranging from having an active board of directors and paid professional manager, to tracking economic progress and preserving historic downtown buildings.

The following local New Mexico MainStreet projects received national accreditation:

- **Artesia MainStreet, Inc.**
- **Carlsbad MainStreet Project**
- **Clayton MainStreet**
- **Corrales MainStreet, Inc.**
- **Downtown Las Cruces Partnership**
- **MainStreet de Las Vegas**
- **Los Alamos Commerce and Development Corporation, a MainStreet Project**
- **Raton MainStreet**
- **Silver City MainStreet Project**

2009 DPAC STUDIO PROJECTS: LOVINGTON AND DEMING

The **UNM School of Architecture and Planning**

Design and Planning Assistance Center (DPAC) studio in Lovington worked in partnership with New Mexico MainStreet Design Program Associates to initiate the Lovington Downtown Master Plan.

The students' designs focused on using the Courthouse Square as an entertainment venue, adaptive reuse of vacant historic buildings, increasing walkability and sustainable design, and financing downtown with renewable energy sources, water harvesting, local agricultural products marketing and tax increment financing districts.

In Deming, the DPAC studio focused on the reuse of historic buildings, streetscape improvements, new bus stops, signage and landscape enhancements. The students proposed the use of alleys as pedestrian pathways, improvements to Spruce Street, and increasing visibility from Interstate 10.

NMMS' program results for FY2009 by numbers:

Net number of new businesses:	190
Number of business expansions:	17
Number of building rehabilitations:	117
Dollars of private reinvestment:	\$9,227,500
Number of public projects:	92
Dollars of public investment:	\$70,140,983
Number of joint public/private projects:	16
Dollars invested in public/private projects:	\$2,462,750
Number of new buildings constructed:	4
Dollars invested in new building construction:	\$6,269,725
Net number of new jobs:	549
Dollars of public sector grants:	\$2,996,607
Dollars of private sector grants:	\$89,433

NEW MEXICO ARTS AND CULTURAL DISTRICTS EXPANDING

After the initial euphoria of being designated New Mexico's

first Arts and Cultural Districts, **Silver City** and **Las Vegas** are now buckling down to do the hard work of laying a solid planning and conceptual foundation for thriving commercial and creative activity. Both communities finished their cultural plans this year and will begin implementation.

A new round of potential Arts and Cultural Districts was announced in November 2008, and four new communities applied for the state designation. **Raton**, **Los Alamos**, **Taos** and **Downtown Albuquerque** all successfully applied for an Arts and Cultural District, which was ratified by the New Mexico Arts Commission in January. The Commission designated the new districts pending adequate funding support for planning and development. Several more communities statewide are considering the Arts and Cultural District strategy as a way to reinvent their market niches in this challenging economic environment.

Co-op Advertising

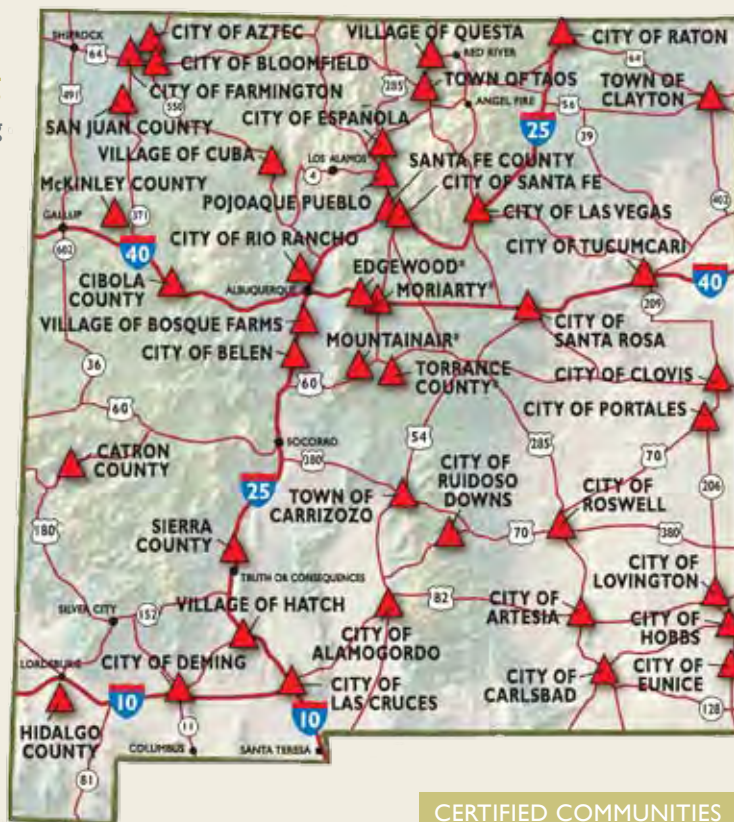
The **Co-op Advertising Program** helps communities in New Mexico fund direct advertising projects promoting their areas' economic potential, thereby strengthening local economies community by community. Funds are awarded to nonprofit economic development organizations as well as to local and tribal governments. The program

reimburses recipients for a percentage of the costs associated with their advertising projects. In FY09, the Department awarded \$348,615.00 to 58 communities and organizations statewide. *A list of FY09 awardees can be found on the following page.*

Certified Communities Initiative: Four New Communities Certified

Artesia, **Carrizozo**, **Catron County**, and **Eunice** joined the growing list of 39 Certified Communities in New Mexico. Announced at October's Governor's Economic Development Summit, these communities will receive contractual funding of up to \$5,000 per year for two years for special projects like workforce studies, grant writers, training expenses, and economic development impact studies.

The Certified Communities Initiative (CCI) encourages and supports New Mexico communities in their efforts to create new jobs by emphasizing recruitment, retention and expansion, and start-up activities. Each community must meet eight mandatory requirements for certification and two elective requirements, all focused on job creation and economic development. A community is certified for two years, after which each must apply for recertification.



CERTIFIED COMMUNITIES INITIATIVE PROGRAM

FY2009 COOPERATIVE ADVERTISING AWARDS

Community/Oganization	Award
Acoma Pueblo	\$3,510.00
Albuquerque Independent Business Alliance	\$1,170.00
Artesia MainStreet	\$1,600.00
ARTSmart	\$4,300.00
Carlsbad Department of Development	\$11,000.00
Chaves County Development Foundation	\$7,500.00
Cibola Communities Economic Development Foundation	\$4,590.00
City of Deming	\$4,000.00
City of Jal	\$630.00
City of Portales	\$3,060.00
City of Santa Fe	\$9,900.00
City of Santa Rosa	\$4,770.00
City of Socorro	\$5,040.00
Clovis Industrial Development Corporation	\$11,000.00
Clovis/Curry County Chamber of Commerce	\$8,010.00
Corrales MainStreet	\$8,400.00
Downtown Action Team	\$8,010.00
Eastern NM Economic Development Alliance	\$8,010.00
Economic Development Corporation of Lea County	\$11,000.00
Esquila del Sol	\$675.00
Estancia Valley Economic Development Association	\$2,100.00
Farm to Table	\$7,200.00
Greater Belen Economic Development Corporation	\$2,430.00
Greater Tucumcari Economic Development Corporation	\$3,510.00
Hatch Valley Chamber of Commerce	\$1,890.00
Hidalgo County	\$8,010.00
Indian Arts & Crafts Association	\$1,980.00
Las Cruces Downtown	\$9,360.00
Las Vegas San Miguel Economic Development	\$11,000.00
Los Alamos Commerce & Development Corporation	\$3,900.00

Community/Organization	Award
Lovington Economic Development Corporation	\$3,200.00
Lovington Mainstreet	\$4,400.00
Mesilla Valley Economic Development Alliance	\$11,000.00
Metro New Mexico Development Alliance	\$7,000.00
Mora Chamber of Commerce	\$2,400.00
Museum of New Mexico Foundation	\$9,000.00
New Mexico Biotechnology & Biomedical Association	\$1,530.00
New Mexico Optics Industry Association	\$4,500.00
New Mexico Wine Growers Association	\$8,900.00
Otero County Economic Development Council	\$5,500.00
Professional Aerospace Contractors Association of New Mexico	\$1,100.00
Rio Rancho Economic Development Corporation	\$11,000.00
Roosevelt County Community Development Corporation	\$6,300.00
San Juan Economic Development Service	\$11,000.00
Sandoval County Economic Development	\$11,000.00
Santa Fe Council for the Arts	\$5,300.00
Santa Fe Gallery Association	\$2,300.00
Santa Fe Hispanic Chamber	\$1,800.00
Santa Fe Independent Business & Citizen's Alliance	\$11,000.00
Shuler Restoration Commission	\$5,760.00
Sierra County Economic Development Organization	\$1,800.00
Socorro County Chamber of Commerce	\$8,900.00
Southern New Mexico State Fair	\$4,800.00
Touchstone Foundation	\$11,000.00
Town of Red River	\$3,200.00
Union County Community Development Corporation	\$9,360.00
Village of Angel Fire	\$8,010.00
Western New Mexico University	\$10,000.00
TOTAL	\$348,615.00

SMALL BUSINESS SUPPORT

Job Training Incentive Program (JTIP)

The **Job Training Incentive Program** is an integral part of New Mexico's business success. Not only is it a strong recruitment tool to bring new business to New Mexico, JTIP also helps grow established businesses by giving them funds to train new hires for business expansion. These success stories illustrate the broad reach of the program.

Riccobene Masonry Company, Inc., Albuquerque

Founded in Albuquerque in 1959, this family-owned company manufactures decorative landscaping stones including pavers, stepping stones, retaining walls, and edging. This past year Riccobene added a 12,000 sq. ft. building to its facility in Albuquerque's North Valley to support its expansion into "wet cast" molding, a process which creates significantly more detail, in its upscale products. The company was awarded JTIP funds for 10 new employees who will produce the new Sereno™ stone products which are sold in 400 Lowes stores.

Premier Pellets, Tularosa

Premier Pellets, a start-up business located on 160 acres south of Tularosa, will convert small diameter timber and forest waste into a variety of products when fully operational. The company has completed construction of a 6,000 sq. ft. building where wood shavings for animal bedding are currently produced. Wood pellet operations will begin this summer. The company was approved for JTIP funding for 15 positions in the wood shaving operation. Six positions are high-wage jobs.

Mechtronic Solutions, Inc., Albuquerque

Mechtronic Solutions Inc (MSI) was founded in 1993 as a small engineering services consultancy and has grown into a multi-million dollar, full service engineering and manufacturing firm. The company has been approved for



JTIP is a strong recruitment tool for New Mexico

JTIP funds, funds which have supported the company in steady, measured growth in a number of projects beginning in 2003. The company was approved for two JTIP projects in FY09, resulting in the addition of 13 new jobs.

New Mexico Business Incubator Program

Five incubators received grants of \$20,900 during the fiscal year: **Santa Fe Business Incubator, South Valley Economic Development Center, the Quality Center for Business** at San Juan College, **WESST Enterprise Center** and the **Clovis Business Enterprise Center**.

New Mexico's sixth business incubator was certified late in FY09. **Arrowhead Technology Incubator**, located on the Las Cruces campus of NMSU, joined the ranks of certified facilities in the state.

The program is assisting several rural communities who wish to start an incubator: **Cuba, Silver City, Hobbs** and the State's first tribal business incubator on **Pojoaque Pueblo**.

COMPANIES SERVED BY JTIP IN FY09

Company	Obligated	Jobs	Ave.Wage	City	Company Description
MIMICS, Inc.	\$67,609.00	6	\$19.75	Albuquerque	Computer software for financial institutions
Mechtronic Solutions, Inc.	\$119,132.00	10	\$26.53	Albuquerque	Manufacturing and engineering
Game Production Services, LLC	\$89,680.00	6	\$32.15	Albuquerque	Software publishers
Vibrant Corporation	\$53,392.00	6	\$20.00	Albuquerque	Aerospace non-destructive testing
Eclipse Aviation Corporation	\$1,226,250.00	225	\$17.00	Albuquerque	Aviation manufacturer
CVI Laser, LLC	\$46,042.00	5	\$22.09	Albuquerque	Mfg. of optics, components, and lasers
Convergys	\$64,480.00	15	\$15.10	Las Cruces	Customer contact center operator
Altela Inc.	\$71,124.00	12	\$16.48	Albuquerque	Water desalination system mfg.
Wildflower International, Ltd	\$36,566.00	5	\$17.01	Santa Fe	Information technology products/services
CPFD Software, LLC	\$50,504.00	3	\$28.85	Albuquerque	CAE software
DivineBeauty	\$17,531.00	3	\$14.08	Santa Fe	Mfg. of class I medical aesthetics devices
Deep Web Technologies	\$51,874.00	3	\$44.47	Santa Fe	Federated search software
ClingZ, Inc.	\$22,040.00	5	\$13.00	Rio Rancho	Manufacturer of electrically charged, printable polypropylene film
ZTEC Instruments, Inc.	\$63,051.00	3	\$36.16	Albuquerque	Manufacturer of test instrumentation
CVI Laser, LLC	\$44,318.00	2	\$37.27	Albuquerque	Manufacturing of optics, components, and lasers
Poly-Flow Engineering, LLC	\$433,912.00	42	\$23.50	Albuquerque	Industrial equipment manufacturing
Schott Solar, Inc.	\$1,398,410.00	156	\$21.68	Albuquerque	Solar equipment manufacturing
American Medical Alert Corp.	\$33,760.00	18	\$8.75	Clovis	Emergency response center monitoring
IntelliCyt Corporation	\$18,875.00	1	\$31.25	Albuquerque	Auto sampler & data analysis for flow cytometers
PreCheck, Inc.	\$254,763.00	40	\$12.00	Alamogordo	Pre-employment background checks; HR services
Results-Las Vegas, NM, LLC	\$293,896.00	118	\$9.14	Las Vegas	Customer contact center operator
WorldScape, Inc.	\$73,166.00	2	\$60.09	Los Alamos	Imaging/3D hardware software
Prime Therapeutics, LLC	\$369,752.00	37	\$22.88	Albuquerque	Pharmaceutical distribution
Riccobene Masonry Co., Inc.	\$33,230.00	10	\$15.22	Albuquerque	Manufacturer of landscaping brick
Hewlett-Packard	\$3,082,338.72	208	\$25.38	Rio Rancho	Customer support (technology)
Compass Components	\$54,756.00	7	\$13.18	Deming	Manufacturer of wire cable harness & electro-mechanical assemblies
NMSU - Alamogordo	\$15,190.00	0	\$0.00	Alamogordo	Customized training for PreCheck, Inc.
Schott Solar, Inc.	\$593,356.00	140	\$15.06	Albuquerque	Solar equipment manufacturing
Fidelity Employer Services Company LLC	\$653,560.51	80	\$19.42	Albuquerque	Third party administration of insurance & pension funds
Solstar Energy Devices	\$16,576.00	1	\$29.50	Albuquerque	Solar cells mfg & solar cell merchant wholesaler
Tred Displays Corporation	\$22,760.00	4	\$17.00	Albuquerque	Electrical signs manufacturing
MIMICS, Inc.	\$23,425.00	2	\$39.50	Albuquerque	Computer software for financial institutions.
ClosedWon LLC	\$38,314.64	2	\$30.94	Albuquerque	Computer systems integration analysis & design services
OnQueue Technologies, Inc.	\$23,880.00	1	\$40.00	Albuquerque	Software publisher
Mechtronic Solutions, Inc.	\$110,422.00	8	\$21.69	Albuquerque	Manufacturing and engineering.
Deep Web Technologies	\$20,251.00	1	\$33.66	Santa Fe	Web Search Portal Development
Vibrant Corporation	\$43,069.00	4	\$21.94	Albuquerque	Aerospace non-destructive testing
CPFD Software, LLC	\$35,416.00	2	\$57.69	Albuquerque	CAE software
Hewlett-Packard	\$1,513,484.81	108	\$25.06	Rio Rancho	Customer Support (Technology)
Lovelace Respiratory Research	\$331,252.80	50	\$17.19	Albuquerque	Biotechnology, research & development services
UNM	\$60,000.00	0	\$0.00	Rio Rancho	Customized training for Hewlett-Packard
Premier Pellets	\$87,280.00	15	\$12.17	Tularosa	Wood shaving/pellet manufacturing
ClingZ, Inc.	\$9,960.00	2	\$14.00	Rio Rancho	Manufacturer - see above
Hach Company	14,992.00	1	\$26.50	Rio Rancho	Data management/ software solutions
Total	\$11,683,641.48	1,369	\$19.29		

INTERNATIONAL TRADE AND FOREIGN DIRECT INVESTMENTS

Office of Mexican Affairs (OMA)

The Office of Mexican Affairs continues to aggressively pursue new trade opportunities, forge new agreements and undertake infrastructure improvements to increase business with our border neighbors. Highlights of 2008-09 include:

XXVI BORDER GOVERNOR'S CONFERENCE IN HOLLYWOOD, CALIFORNIA

Hosted by Governor Arnold Schwarzenegger, the **Border Governor's Conference** was held in Hollywood, California, on August 13th, 2008. New Mexico actively participated in the generation of a centralized and functional Border Governor's Conference supplier database. This database, linked to the Border Governors Conference website, will serve as the central point of access, creating a virtual marketplace to link buyers and suppliers within the United States-Mexico border region.

Another important development from this year's conference was a new amendment to include the **International Cluster Forum** and the North American Free Trade Agreement (NAFTA) Institute / Supplier-Meet-The-Buyer Conference as an annual Border Governor's Conference-sponsored event within the U.S. – Mexico Border region.

AEROMEXICO ARRIVES IN ALBUQUERQUE

Governor Bill Richardson and Chihuahua Governor Jose Reyes Baeza were on hand at the Albuquerque International Sunport to help celebrate the inaugural AeroMexico flight between Albuquerque and Chihuahua. After the ceremony, the Governors and dignitaries boarded an Embraer ERJ 145 50-seat regional jet for the return flight to Chihuahua. The flight is another step in strengthening cultural and economic ties between Mexico and New Mexico, as well as providing easy access for visitors to enjoy the state's golf courses, ski resorts, and shopping destinations. The Office of Mexican Affairs has partnered with the **City of Albuquerque**

Aviation Department, New Mexico Department of Tourism, Hyatt Downtown Albuquerque, Albuquerque Convention and Visitors Bureau, Mexican Consulate, and the **Hispano Chamber of Commerce** to promote both the flight and New Mexico to Mexican tourists. As part of this promotion, the Office of Mexican Affairs has worked diligently with partners to host fam tours for Mexican travel agents and writers as well as advertise directly in Mexican newspapers, magazines and online forums.



Newspaper account of inaugural AeroMexico flight

MAQUILADORA SUCCESS: EXPEDITORS INTERNATIONAL & SCHAEFER OUTFITTERS

Global logistics company **Expeditors International** of Seattle, Washington, signed a lease on an 86,550-square-foot facility located in the Verde Binational Park in Santa Teresa. Expeditors will use the site to service trade needs between New Mexico and Mexico. The new venture will eventually employ 30.

The OMA worked with the **Mesilla Valley Economic Development Alliance (MVEDA)**, and the **New Mexico Partnership** for over eight months to finalize the project.

Schaefer Outfitters, based in Steamboat Springs, Colorado, purchased a 15,000 square-foot factory in Mesilla Park, just south of Las Cruces. With help from the **International Business Accelerator (IBA)**, Schaefer was able to consolidate all its Texas and Colorado manufacturing in the facility. Their new location will employ 50.

In January, Schaefer was named the IBA “Client of the Year” for its job creation and revenue generation for the area. The company is the only remaining manufacturer of western-style apparel in the U.S., producing a full line of men’s and women’s shirts, jackets, vests, and outerwear.

FOXCONN & THE SANTA TERESA RAIL CORRIDOR

The OMA participated in bi-national talks to establish a “state-of-the-art” high-capacity rail crossing between Santa Teresa and Mexico. The goal is to create a rail corridor bypass that would relieve traffic and congestion in the El Paso-Juarez area, bringing traffic into the proposed Santa Teresa rail yards. From there, the BNSF and Union Pacific Railways would distribute goods throughout the U.S. The line represents an opportunity to increase trade accessibility with Mexico and enhance economic and urban development for the area. The project is currently undertaking studies for funding and feasibility.

Foxconn, the world’s leading electronics contract manufacturer, is developing its industrial campus in San Jeronimo-Santa Teresa. Over the next five years, Foxconn plans to expand to 20,000 employees in its 900,000 square-foot facility and will produce high-tech tools, computers, servers and other electronic components. The operation provides future opportunities to expand retail business, spur business recruitment, develop industrial warehouses and attract Foxconn suppliers into southern New Mexico.



Foxconn

BORDER BUSINESSES BENEFIT FROM BIG ENERGY SAVINGS

A collaborative effort between the OMA and the **New Mexico Small Business Assistance Program** has provided Santa Teresa copper fabrication and insulation company, **Ffhoenix Cuivre**, \$60,000 in annual energy savings.

The New Mexico Small Business Assistance program uses the expertise of Los Alamos and Sandia National Laboratories to analyze energy costs and electricity issues for businesses. In 2008, the OMA began partnering with this program and focusing on the industrial sector of southern New Mexico.

OMA'S WORK IN TRADE ADVOCACY

New Mexico continues to position itself as a preferred industrial/ distribution site for trade with Mexico. To this end, the OMA attended several trade events, providing logistical support for event organizers as well as serving as a resource for participating companies interested in doing business with Mexico. These events included:

- **Borderlands Trade Show**
- **The Competitive Grant Advisory Team Summit, Albuquerque/Las Cruces**
- **Alternative Energy Workshop**
- **I-10 Corridor Briefing, Border Mobility Coalition**
- **Green Economic Development Down South**

ESTABLISHMENT OF NEW MEXICO-SONORA COMMISSION

During the 2009 Legislature, a bill was drafted and enacted to establish the **New Mexico-Sonora Commission**. Modeled on the state's longstanding New Mexico-Chihuahua Commission, this new commission focuses on five different issues of common interest between both states:

- Education
- Economic development & trade
- Health

- Public safety
- Tourism

Frequent meetings between the two states culminate in the yearly Sonora Commission meeting. Currently, some of the proposed commission projects include: the development of Puerto de Guaymas and Punta Colonet, a future balloon festival in Puerto Peñasco, the development of university exchange programs, the consideration of a direct flight between Albuquerque and Hermosillo, and the potential creation of temporary visas for workers through a program called "Sonora Estado Seguro."

In an effort to get the bill passed, the OMA helped to coordinate a visit by Governor Bill Richardson to Sonora to meet with Governor Bours. This visit to strengthen ties between the two border states covered a range of topics, including border health, economic development, agribusiness and tourism. The visit was sealed with the signing of an MOU to create the New Mexico-Sonora Commission.

MONTERREY, NUEVO LEON TRADE CONFERENCE

On July 10th, 2008 Cabinet Secretary Mondragón, in conjunction with representatives from the Governor's Office, attended the **International Cluster Forum** in Monterrey, Nuevo Leon, Mexico. While attending the forum, the New Mexico delegation visited with representatives from the **Center of Investigation for Advanced Materials** to promote New Mexico's supercomputing process capabilities. Also discussed were supplier development projects for New Mexican businesses and technology transfer opportunities with SNL and LANL.

SCIENCE AND TECHNOLOGY TRADE PROMOTION WITH NUEVO LEON

In the fall of 2008, Secretary Mondragón and Science Advisor to Governor Richardson Tom Bowles flew to Monterrey, Nuevo Leon, to propose both inbound and outbound trade missions between New Mexico and Nuevo Leon for 2009.

After meeting with Nuevo Leon's Economic Development Secretary, Alejandro Paéz, it was determined that the two states would focus future missions on aviation/aerospace, information technology, energy, bioscience, nanotechnology and super computing. It was also discussed that one of Monterrey's leading technology parks could potentially be one of New Mexico's first international gateways to the state's Super Computer. The first trade mission was scheduled to arrive in Albuquerque the second week of August, 2009.

(B2B) sessions were arranged between purchasing agents from the maquiladora (twin plant) industry and industrial suppliers. B2B sessions were also conducted between buyers and sellers of a wide range of products and services. The conference has become a major part of New Mexico's strategy to develop a local supplier base for Mexico's maquiladora industry, which purchases and imports billions of dollars worth of supplies.

CITY OF JUAREZ DELEGATION VISITS ALBUQUERQUE

The OMA, along with the **International Business Accelerator**, organized a trade mission of Juarez-based businesses to the Albuquerque-Santa Fe area on November 5-7, 2008.

Approximately 15 Juarez companies participated in this trade mission from industry sectors such as high-tech, food, consumer products, and industrial supplier markets. More than 50 business people from the Albuquerque/Santa Fe market personally met with the Juarez companies. Currently, multiple deals are in negotiation as a result of the mission. In addition to the business-to-business encounters arranged through this trade mission, an MOU was signed between the State of New Mexico Economic Development Department and the City of Juarez to continue pursuing mutually beneficial economic development and trade initiatives.

STATE OF CHIHUAHUA PYMEXPORTA SENDS TRADE DELEGATION TO NEW MEXICO

On March 22-24, 2009, the OMA received a delegation of food manufacturers from throughout the State of Chihuahua. The delegation visited a variety of supermarkets and distributors that specialize in ethnic and Hispanic food products. All participating companies hope to have their products available in Albuquerque and throughout the State of New Mexico within the next year.



Secretary Fred Mondragón

NAFTA INSTITUTE/SUPPLIER MEET THE BUYER CONFERENCE

More than 600 attendees and 300 companies and organizations participated in the **2009 NAFTA Institute/Supplier Meet the Buyer Conference**, which took place on June 11 and 12, 2009 in Sunland Park. During the conference, experts from the U.S., Canada, and Mexico addressed the various aspects of conducting cross-border business. Public officials from all three North American countries were in attendance at the event. As a part of the conference, two tracks of business-to-business

Office of International Trade (OIT)

FY09 marked a transition period for the Office of International Trade. During the year, the program emerged from a single-track focus of trade and exports, to a broader scope within its statutory mandates. In addition to assisting companies expand their sales overseas, the Office of International Trade has been instrumental in promoting New Mexico as a place to invest to foreign companies and investors throughout key markets where resources have already been placed. The OIT has also invested time and resources facilitating key technology agreements and collaborations. This was established by a series of efforts in FY08 that have come to fruition and demanded a focus of resources in FY09. In particular was the Memorandum of Agreement signed in FY08 between the State of New Mexico and the Japanese Ministry of Economy, Trade and Industry (METI). The MOU was then escalated by the signatures of the Minister of METI and Governor Richardson to include collaboration on the New Mexico green grid project. This collaboration and other activities throughout FY09 have established OIT as a key facilitator in multiple aspects of international commerce, particularly trade, technology and foreign-direct investment (FDI) promotion.

KEY ACTIVITIES AND ACCOMPLISHMENTS

Trade activity declined within our client base in FY09; however, the office maintained an active role in a number of important activities, including trade, technology collaboration and investment. The following are some highlights of FY09:

Foreign Direct Investment Promotion:

- OIT's Germany-wide tour provided one-on-one promotion meetings for 15 solar companies in collaboration with the New Mexico Partnership. The team visited the **Signet** facility in Dresden, Germany, giving New Mexico a greater understanding of the company during the recruitment period. As a result, Signet Solar announced plans for a manufacturing facility in Belen in December, 2008.
- Secretary Mondragón led an effort that helped in the facilitation of the sister-city agreement between Albuquerque and Rehovot, Israel. During this endeavor, the Office of International Trade, through its Middle East representatives, held a luncheon featuring presentations on the Israeli-U.S. economic relationship, remarks from the President of the U.S.-Israel Chamber of Commerce, and "Invest in New Mexico" presentations. Key relationships were established and continue to generate leads, as well as invaluable marketing for New Mexico as a place to invest in renewable energy.
- The OIT, the Office of Mexican Affairs (OMA) and the New Mexico Border Authority collaborated to



Signet Solar

promote the border region to key Chinese companies, including manufacturers and logistics firms. In response to the Foxconn location in San Jeronimo, OMA worked directly with key Foxconn Latin America executives to arrange meetings with Foxconn officials in China, as well as key logistics companies and suppliers. This was vital in establishing a direct relationship with Foxconn in order to recruit their suppliers to Santa Teresa and other southern New Mexico locations. With the aid of the OIT representative based in Taipei, the delegation held

key meetings in southern China and Taiwan that continue to develop into potential recruitment opportunities.

Technology Collaborations

- A highlight of FY09 has been the continuation of New Mexico's relationship with the Japanese government and key Japanese research institutions. These efforts continued this year with a staff follow-up trip to Tokyo during a trade mission, and numerous visits from Tokyo to New Mexico throughout FY09.
- The **Technology Collaboration Memorandum of Agreement** between the State of New Mexico and the Japanese Ministry of Economy, Trade and Industry will include collaboration on the New Mexico smart grid project.
- A week prior to the MOA signing with Governor Richardson and Minister Nikai, New Mexico hosted a New Mexico-Japan smart grid collaboration workshop.

Dozens of Japanese government and science officials came to Albuquerque to meet and discuss the key areas of a smart grid, including existing work being done in Japan and New Mexico, potential areas for collaboration, involvement of the private sector and the New Mexico proposal to DOE for the Smart Grid grant funded through the American Recovery and Reinvestment Act.

- In September 2008, Secretary Mondragón continued efforts established by Governor Richardson who signed a Letter of Agreement with the Israeli Government to promote mutually beneficial technology collaboration. The OIT/EDD delegation assisted in meetings, including such entities as the Science and Technology Corporation at the University of New Mexico (STC.UNM) and their Israeli counterparts at the Weizmann Institute. Efforts in this relationship continue today and will be a key part of the OIT staff's efforts in FY10.

FILM AND MEDIA EXPANSION

New Mexico Film Office

The year 2009 was another outstanding year for film and media expansion in New Mexico. The state continues to be a leading destination for filmmakers, boosting our economy with each new production. A short sampling of the acting talent on New Mexico sets included Denzel Washington, Renee Zellweger, Jeff Bridges, Robert Duvall, George Clooney, Kevin Spacey, Hillary Swank, Hugh Grant, Sarah Jessica Parker and Jessica Alba.



Of course, not all the hard work was in front of the camera. The Film Office signed an historic agreement with film legend **Robert Redford** to help Native American and Hispanic filmmakers. The state continues to train local talent, honor homegrown filmmakers, and add film and digital media showcases. Here are the impressive highlights of the last 12 months.

Production Highlights

The CW television series **Easy Money** was shot from July to October in Albuquerque using 100 local crew members and 75 local actors.

The second season of the hit AMC TV series **Breaking Bad** shot from July to December in Albuquerque. Bryan Cranston continued his Emmy-winning role as a family man who turns to a life of crime to ensure his family's well being after learning he has cancer. Nearly 175 local crew members were hired.

Renee Zellweger, Kevin Bacon and Chris Noth star in the film **My One and Only**. Shot over one week in August, the Albuquerque and Santa Fe sets employed 90 local crew and 190 actors.

The film **Saint John of Las Vegas** was filmed in Albuquerque in July and August, using 70 local crew and over 300 actors.

Crazy Heart, featuring 4-time Academy Award nominee Jeff Bridges, Maggie Gyllenhaal and Academy Award winner Robert Duvall, was filmed in and around Santa Fe in August and September.

The Bollywood production, **Kites**, was shot from July through September in Albuquerque and Santa Fe using over 100 local actors.

Transformers: Revenge of the Fallen was filmed in Alamogordo in September and October. Released in June

2009, it scored the second highest five-day box office total in history, taking in over \$201 million. It also set the record for the best-ever non-weekend, non-holiday weekend box office take, and had the 7th largest opening weekend in film history.



Steven Segal's action film, **The Keeper**, employed approximately 200 local actors and 75 local crew and was shot in September and October.

An Italian television movie-of-the-week, **Doc West**, shot in and around Santa Fe from October through December, using 90 local crewmembers and over 200 actors.

The TNT pilot for **Night and Day** was shot in New Mexico in October and November, hiring approximately 75 local crew members, 5 principal actors and over 150 background talent. Sherry Stringfield stars in the drama.

Academy Award winner George Clooney, Oscar nominee Jeff Bridges, Ewan McGregor and two-time Academy Award winner Kevin Spacey shot **The Men Who Stare at Goats** in New Mexico in November and December. The picture was



filmed in Albuquerque, Alamogordo, Roswell and Zia Pueblo, and employed approximately 175 New Mexican crew members.

The Spy Next Door, starring Jackie Chan, was shot in and around Albuquerque in October, November and December. Approximately 150 local crew members and over 600 actors, including principal and background talent, were hired.

The USA Network television series, *In Plain Sight*, starring Mary McCormack and Fred Weller, returned to New Mexico to film a second season. The production consisted of 16 episodes shot in and around Albuquerque from October 2008 through May 2009, employing approximately 75 New Mexico crew members.

Lifetime brings the story of *Georgia O’Keeffe* to television, starring three-time Academy Award, Golden Globe and Emmy Award nominee Joan Allen and Academy Award, Golden Globe and Emmy Award winner Jeremy Irons. The production shot in and around Santa Fe in November and December, with approximately 200 locals making up 98% of the crew. Over 250 actors, including principal and background talent were used in the production.

The German production, *Friendship!*, filmed in Albuquerque in December and January. The film hired 60 local crew members and over 325 local actors, including principals and background talent.

The Denzel Washington film, *The Book of Eli*, shot in Carrizozo, Albuquerque, Santa Fe, Alamogordo, T or C, and Cochiti Pueblo in February and March. The film hired approximately 250 local crew members.

In May, Jessica Alba, Casey Affleck and Kate Hudson filmed in Santa Fe County for the feature *The Killer Inside Me*. The film shot for five days employing 30 local crewmembers.

Hugh Grant and Sarah Jessica Parker filmed the comedy *Did You Hear About the Morgans?* in May and June. The film employed 75 locals and as many as 1,000 extras. It was filmed in Santa Fe, Galisteo, Pecos, Los Alamos and Roy.

Stargate: Universe shot for five days in Alamogordo in May.

Two-time Academy Award Winner Hillary Swank shot the suspense thriller *Invasion of Privacy* in and around Albuquerque. Filming took place from May through July, and employed at least 200 local crew members, over 200 “background talent” and 14 speaking roles.

The Dry Land, featuring Academy Award nominee Melissa Leo and America Ferrera, filmed in May around Albuquerque, Belen, Edgewood, Stanley and Moriarty. At least 30 local crew members and over 70 background talent were hired.

Events & Agreements: Expanding the Reach of Film and Digital Media

The Film Office helped to celebrate and nurture New Mexico talent through various events, clinics and historic collaborations. Perhaps the most significant was the announcement in May of a new collaboration between Robert Redford and the State of New Mexico. The “**Sundance in New Mexico**” initiative will partner with the **Department of Cultural Affairs** and the New Mexico Film Office to create and expand training programs in film, arts, and the environment. These programs will be designed specifically for New Mexico’s Native American and Hispanic filmmakers.

Additional notable events included:

The **Institute of American Indian Arts** and **Disney/ABC** summer television and film workshops wrapped up six weeks of hard work with a July 25th screening. Fifteen Native American students premiered their original films.

In July, filmmaker Don Gray's *Things We Do for Love* won the "Best of Show" Grand Jury Prize and an "Audience Favorite" award at the 2008 "No Fear Film Festival" in Salt Lake City. The short film was written and shot by Gray and filmed in several New Mexico locales.

The **Governor's Council on Film and Media Industries** hosted a Town Hall in September to gather input from local businesses, governments and interested parties on the future of the state's film industry. The Town Hall focused on education and career training for film and digital media and its impact on communities including location concerns, entrepreneurial opportunities, incentives and economic impact.

The **2008 New Visions/New Mexico Contract Award** winners were named in November. The program provides 14 contracts totaling \$160,000 for New Mexico-based producers and directors to create narrative films, documentaries, animated and experimental works. Over the course of the

last three years, New Visions awardees have trained dozens of interns and apprentices, provided classroom instruction statewide, submitted their work to festivals across the country, and provided free screenings for hundreds of New Mexicans across the state. Nearly 150 entrants submitted proposals.

In November, the Film Office celebrated a weekend of films, lectures, and dance by Native American residents in honor of **American Indian Heritage Month**. A proclamation honoring the festival was signed by Governor Richardson, along with a free public showcase of Native American films and a reception for Native American leaders in the state.

In January, **Fat Man Media**, a New Mexico-based film production company, received 5 "Indie" awards from the Indie Distribution Festival. Their short film "On the Bus" won the Award of Excellence for a film, an Award of Excellence for its lead actor, Mark Schrier, an Award of Merit for directing, and two Awards of Merit for writing.

The Film Office celebrated a weekend of films, lectures and music by African American residents in honor of **Black History Month**. Contributions of creative work by and about African Americans took place February 20 and 21.

Shimasani, New Visions Contract award winner





NALIP participants

For the second year, New Mexico hosted the **National Association of Latino Independent Producers (NALIP)** for their Seventh Annual Writers Lab, May 27-31.

Film Festivals

The **Indian Pueblo Cultural Center's 6th Annual Film Fest** screened 30 films produced by indigenous peoples in August.

The **8th Annual Native Cinema Showcase** held in August in Santa Fe featured the premiere of "Geronimo," part of the PBS "American Experience" documentary series, as well as dozens of other works by indigenous filmmakers.

Over 80 entries were screened in September's **Southwest Gay and Lesbian Film Festival**. Filmmakers from around the world had works shown in both Santa Fe and Albuquerque. The event is the largest film festival in the Duke City.

The first **Santa Fe Metaphysical Film Festival** was held in September, featuring two days of entertaining and inspiring

films with themes like extra-terrestrial communication and life after death.

The **5th Annual TromaDance New Mexico Film Festival** was held in November. It featured 20 hours of programming from independent horror and fantasy filmmakers.

The **9th Annual Santa Fe Film Festival** was held the first week of December, highlighting over 150 features and film shorts. Fourteen awards were presented to selected films at the annual Milagro Awards Ceremony, including the Luminaria Awards for lifetime achievement to cinematographer Vilmos Zsigmond, actor James Cromwell, and composer Howard Shore. Such industry notables as Ali McGraw, Alan Arkin, Raoul Trujillo, Robert Englund, Nora Dunn, Giancarlo Esposito, Robert Knott and Kirk Ellis all contributed, making the event a success.

The **Fifth Annual White Sands International Film Festival** was held April 23-26 and featured over 45 independent documentary and narrative films at the new Cineport 10.

The Film Office and Albuquerque's Guild Cinema held the **2009 New Mexico Filmmakers Showcase**, May 14-17. This four-day event was free to the public and screened various films made by local filmmakers.

SUSTAINABLE GREEN ENERGY DEVELOPMENT

Greening Our Energy Grid

The need for improving the nation's energy distribution grid has reached the critical stage. Ten months ago the state (and OST) launched an accelerated program to form a consortium of scientists, researchers, energy specialists and members of the state and federal government to prepare a comprehensive plan for New Mexico's participation in improving the nation's grid. This plan called for the testing of new materials, the combination of renewable energy technologies, and new applications of those technologies in New Mexico. The plan took a new and

important turn with the advent of the American Reinvestment and Recovery Act (ARRA). The plan gained considerable strength, and with the vocal support of the Governor, helped to modify U.S. Department of Energy (DOE) grant requirements for the initiative. The project attracted the attention of the Japanese Government, and talks have been underway for several months to create a cooperative working agreement between New Mexico and Japan to work together to produce a winning ‘Green Grid’ proposal – a proposal that involves renewable energy project submissions from all over the state.

GREEN JOBS CABINET CREATED

In January 2009 EDD Cabinet Secretary Fred Mondragón was selected to chair Governor Richardson’s newly created **Green Jobs Cabinet**. The Cabinet brings key state agencies together to develop recommendations on building the “green economy.”

The goals of the Cabinet include building sustainable green jobs, attracting clean technology companies, ensuring New Mexico’s workforce is prepared to take these new jobs, and continuing to aggressively pursue a comprehensive statewide clean energy economic policy. The Cabinet will report their initial findings, based on significant expert and public input, to the Governor by August 15th.

SOLAR SUCCESS

With leadership from the Economic Development Department, New Mexico’s solar manufacturing cluster continues to grow. This year **Schott Solar** opened its doors in Albuquerque, employing 350 people. **Signet Solar** and **Berken Energy** have also made commitments to locate manufacturing facilities in the state.

Solar Array Ventures announced in April that it plans to invest \$210 million in the first phase of the company’s new headquarters and manufacturing plant in the Cordero Mesa Business Park outside of Albuquerque. The thin-film photovoltaics manufacturer expects to hire 1,000 employees within the next five years.

Tri-State Generation announced a 30 MW photovoltaic solar farm in northeastern New Mexico, which will be the largest such facility in the U.S. **El Paso Electric** announced

a 92 MW solar thermal plant in southwestern New Mexico. These plants will create important construction, operations, and maintenance jobs in our rural communities.

COLLABORATIONS AND INITIATIVES

Over the course of the year, the Department has assisted many clean energy and clean technology companies, either by facilitating the growth of in-state companies or attracting new companies to locate here. The Department has also supported several clean energy conferences and events, including the **New Mexico First Energy Economy Town Hall**.

The Department was instrumental in two other important statewide initiatives: the **Green Grid Initiative** and the **Green Collaborative**. The Green Collaborative is a grassroots group of training providers, employers, and other supporters with the shared goal of increasing training for green jobs across the state. In recognition of the importance of a trained workforce to economic development, the Department played an important role in assisting this group’s formation, and in pursuing competitive federal dollars for green job training.

Schott Solar’s thermal parabolic trough.



SPACEPORT AMERICA

Spaceport America's Historic Groundbreaking

The Economic Development Department helped celebrate the historic groundbreaking of Spaceport America with a series of events held June 18-19, 2009. The celebrations marked the culmination of New Mexico's long journey towards establishing the world's first purpose-built commercial spaceport. Governor Richardson was on hand to address the crowds at each event, stressing the economic and educational benefits of the Spaceport. Economic Development Department Deputy Cabinet Secretary/Spaceport Chairwoman Daniela Glick hosted the festivities on both days.

On Friday, June 19, over 500 invited guests and upwards of 60 press members from around the world traveled from Truth or Consequences to the remote site of Spaceport America for groundbreaking festivities. In addition to hearing speeches from the Governor and Deputy Secretary, the crowd was addressed by Virgin Galactic President Will Whitehorn and executive director of Spaceport America Steve Landeen.



Governor Richardson & Will Whitehorn at groundbreaking

Following the presentations, a bulldozer officially broke ground on the future site of the 110,000-plus square-foot facility. The event concluded with a mass launch of small rockets, including a rocket carrying a canister of earth from the site. The gesture symbolized the continuation of New Mexico's pioneering spirit, from the exploration of the El Camino Real 400 years ago, to the exciting future of commercial space travel.

Build-out of Spaceport America will provide 400 construction jobs. Construction is expected to begin in July with anticipated completion in late 2010 or early 2011.

Virgin Galactic signed an historic 20-year lease agreement to bring Virgin Galactic's worldwide headquarters to New Mexico. The company, which has already invested over \$300 million in developing a new space launch system, will base its commercial astronaut operations at Spaceport America. By securing an anchor tenant, the final requirement for Spaceport funding set by the New Mexico Legislature has been met.

UP Aerospace, Lockheed Martin and Armadillo Aerospace have also committed to join Virgin Galactic at the Spaceport.

SPACEPORT TAX DISTRICT ESTABLISHED

On July 22, 2008, Doña Ana County commissioners approved a spaceport tax district that will oversee spaceport tax dollars from both Sierra and Doña Ana Counties. In October, the spaceport tax district was officially formed with ratification of the district by the New Mexico Spaceport Authority. The formation of the spaceport tax district is required by statute to collect the estimated \$58 million in gross receipts, which will become part of the \$198 million dollar construction cost of Spaceport America.

TEST FLIGHT

UP Aerospace conducted another successful launch of a test flight vehicle. The August 12th test flight was on behalf of Lockheed Martin and tested proprietary advanced-launch technologies.

ISPCS SYMPOSIUM

Las Cruces hosted the **International Symposium for Personal and Commercial Space** on October 21st-23rd. Aerospace companies and space enthusiasts from around the world descended on Las Cruces for the annual symposium.

NASA LUNAR LANDER CHALLENGE AND EDUCATION DAYS

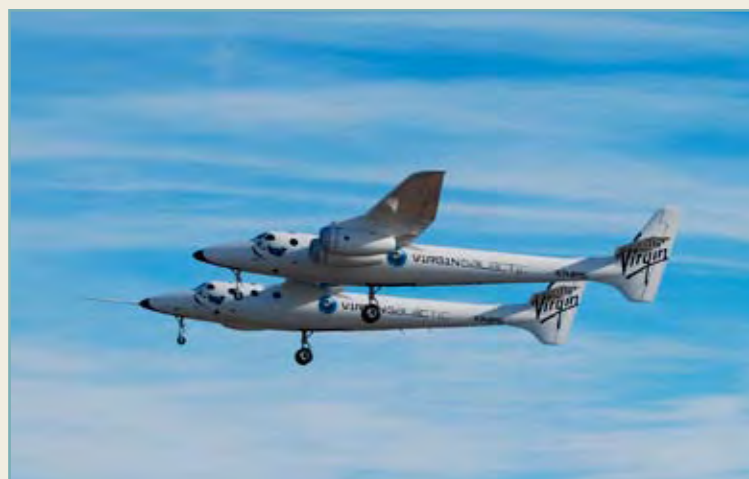
The **X-Prize NASA Lunar Lander Challenge** was held at the Las Cruces Airport on October 24th-25th. Armadillo Aerospace's vehicle successfully completed the Lunar Lander Level I Award and claimed the \$350,000 prize. Several hundred people were in attendance with an estimated 50,000 viewing via the webcast.

The New Mexico Space History Museum hosted over 2,500 students from all over the state from October 22nd-25th. The Lunar Lander Challenge was webcast to the Space Museum. Over 60 volunteers from **Holloman Air Force Base** supported the education days which highlighted space history and New Mexico's capabilities.

ARMADILLO AEROSPACE SUB-ORBITAL VEHICLE

Armadillo Aerospace announced its intention to perform research and development for high altitude flights and to base its fleet of re-usable Vertical Take-off and Landing (VTOL) space tourism vehicles in New Mexico at Spaceport America. In just two short years the company is hoping to begin manned flights, with a prototype to be tested next year. Passengers will experience the sensation of weightless travel while floating in a cabin that offers breathtaking 360-degree views of earth from space.

Spaceport America will provide the base of operations for the venture, including launch capabilities. The reusable launch vehicles and ground support will be provided by Armadillo Aerospace.



FAA/AST PROVIDES EIS RECORD OF DECISION AND SITE LAUNCH LICENSE

On December 15, 2008, the **New Mexico Spaceport Authority** (NMSA) received its Vertical Launch license from the Federal Aviation Administration's Associate Administrator for Commercial Space Transportation (FAA/AST). The FAA/AST issued Spaceport America a license for vertical launches after providing the Environmental Impact Study (EIS) Record of Decision (ROD).

SWEDEN SIGNED AS 'SISTER SPACEPORT'

The Spaceport Authority entered into a Memorandum of Understanding (MOU) with **Spaceport Sweden** to align the two as 'Sister Spaceports.' The relationship will strengthen the development of the global commercial space industry, as well as provide collaboration in areas of economic development, education, technology and tourism.

FIRST ANNUAL EDUCATION LAUNCH

Spaceport America and the **New Mexico Space Grant Consortium** conducted the first annual education launch on May 2, 2009. This historic SL-3 mission utilized a SpaceLoft XL launch vehicle, provided by UP Aerospace, featuring 11 multi-sensor experiments designed and created by students from 10 New Mexico high schools, institutes and universities. Students from the participating schools attended the launch, along with their teachers, state dignitaries and local officials. This curriculum-based program is thought to be the first of its kind and will provide New Mexico students with applied learning and workforce development.



Governor Richardson at
Hewlett-Packard groundbreaking

PARTNERSHIPS, PUBLIC AND PRIVATE

Job Recruitment: New Mexico Economic Development Partnership

Despite nationwide economic difficulties, New Mexico was successful in attracting an exciting array of new businesses. A dynamic workforce, high quality of life and a pro-business attitude make the state a desirable location for everything from high-tech filmmaking to new corporate headquarters. Through the job recruiting efforts of the New Mexico Economic Development Partnership, seven new companies will be calling the Land of Enchantment home, creating 2,225 new jobs. Here are the highlights:

Hewlett-Packard Co., the world's largest computer manufacturer, announced plans to bring 1,300 new jobs to New Mexico by opening a technical support center in Rio Rancho. The center will initially employ several hundred workers. The business will then expand its payroll to reach \$50 to \$60 million per year by 2012. Ground was broken in January 2009 on the 17-acre, 218,000-square foot center, and the operation is targeted for a December 2009 opening. HP develops personal computers, printers, storage devices, software, networking equipment and other computer-related applications.

New Mexico's thriving film and television industry continued to grow with the relocation of **ReelzChannel** to Albuquerque. The cable/satellite network and website, owned by Hubbard Broadcasting, moved its entire production, programming, creative services, marketing, communications and web divisions from Minneapolis/St. Paul and Los Angeles. Over 100 new employees were hired between mid-March and May. ReelzChannel is

the nation's only television network/web site dedicated entirely to movies and movie news.

In December 2008, **Signet Solar** announced they would be hiring 600 workers for their new 600,000 square-foot facility in Belen. The plant, due to start operations in 2010, is the first in North America for the company's thin-film-silicon solar PV module manufacturing. Signet plans to build a 700-acre solar farm with hopes of eventually increasing capacity to 300 megawatts annually.

Esolar announced in June that it will bring 20 full-time jobs to the Santa Teresa area with the completion of the state's first solar thermal power plant. The 92-megawatt concentrating solar facility will utilize a field of mirrors to concentrate sunlight onto receivers placed on 180-foot tall towers, heating liquids to create a super hot steam that will drive turbines to create electricity. The project is set to launch early in 2010.

The success of New Mexico's job recruitment efforts is accomplished with the help of the Department's **Community Development** and **Business Development** teams. Without their dedication and abilities, we would not be welcoming these new businesses.

Economic Development is a Team Sport: EDD's Partners Make it Happen

Tourism is an essential partner in driving the state's economic development. Sharing the beauty and enchantment of our land with guests spurs growth in the restaurant, retail, entertainment, lodging and cultural tourism areas. To this end, the **Tourism Department** lent its support to start the **AeroMexico** flight between Albuquerque and Chihuahua, Mexico.

As the chairing agency of the **Governor's Green Jobs Cabinet**, the Department has been instrumental in promoting cross-agency collaboration to accelerate clean energy and clean technology economic development. The Green Jobs Cabinet has worked to coordinate the deployment of stimulus funds, to begin development of data on green businesses and occupations in the state, to coordinate statewide green jobs training, to formulate strategy to attract relevant federal competitive funds, and to address permitting needs associated with employment expansion. This collaboration has directly involved the **Energy, Minerals and Natural Resources Department** (EMNRD), the **Environment Department**, the **Department of Agriculture**, the **Department of Workforce Solutions**, and the **Higher Education and Public Education Departments**.

Additionally, more than \$75M has been received from the **American Recovery and Reinvestment Act** towards energy efficiency and **renewable energy projects**. These funds, funneled through the Mortgage Finance

Authority and EMNRD, are being channeled to local communities for their high priority projects. These funds will create new jobs in renewable energy and building energy efficiency.

The **Job Training Incentives Program's** (JTIP) Industrial Training Board includes members of various agencies that are statutorily tasked to make policy, provide oversight and administrate funds. Included are the director of the **Vocational Education Division of the Public Education Department** (PED), the executive director of the **Commission on Higher Education** (HED) and an employee of the **Department of Workforce Solutions** (DOWS). Collectively, their actions spearhead JTIP's efforts to provide New Mexico with workforce training solutions.

The **University of New Mexico School of Architecture Design and Planning Assistance Center** (DPAC) works with **MainStreet** communities to help revitalize downtown areas. The program allows students to work with towns to develop projects and see them to completion. This year the projects included the "Fire and Ice" pavilion in Grants, a downtown master plan for Lovington and proposed streetscape/landscape/signage/ pedestrian enhancements in Deming.

Renewable, efficient energy is a priority for New Mexico



Eastern NM Economic Development Alliance (ENMEDA)

The **Eastern NM Economic Development Alliance (ENMEDA)** is served in an advisory capacity by two representatives from the Economic Development Department. ENMEDA represents a partnership of communities, serving as a clearinghouse for information and assistance to industries wishing to build, relocate or expand in our state. The Alliance combines the strengths of cities, towns and villages in six counties representing a population base of over 250,000 citizens. Eastern New Mexico is historically known for oil and gas production and refining, mining, and agriculture, but recent business expansions include electronics, food processing, dairy production, telemarketing, manufacturing and renewable energy. Participating communities include **Tucumcari, Clovis, Portales, Roswell, Artesia, Hobbs, and Carlsbad.**

Web Resources

The Department partnered with **New Mexico**

Community Capital to create two new on-line resources to serve our businesses and communities.

The on-line database, **Access2Capital** (<http://acesstocapitalnm.org>), is a one-stop destination for those seeking business financing anywhere in the state. The site provides comprehensive information that allows businesses to do their own self-analysis and then contact the financing sources that suit their needs. It also increases collaboration by offering business assistance links to Small Business Development Centers, incubators, SCORE, banks offering SBA loans, Enterprise Zones, international trade contacts, Federal Technology Centers (FTC), chambers of commerce, and financing by business cycle (start-up, seed, existing, expansion, etc.).

The second resource is the **ED Calendar** (www.edcalendar.org). This site is a searchable, comprehensive listing of events, workshops and professional training pertinent to economic and community development.

TRIBAL ECONOMIC DEVELOPMENT

The EDD continues to work hand-in-hand with Native communities in an effort to promote economic development and strengthen cultural bonds. To that end, there were many success stories over the last 12 months.

Navajo Nation Celebrates Mini Mart

The grand opening of the **T'iis Tsoh Mini Mart** in June 2009 was the culmination of nine years of hard work and

collaboration between the EDD, the **Navajo Nation**, private industry, **Socorro County** and federal agencies. The project, valued at \$2.8 million, created 15 jobs for the

Rendering of
T'iis Tsoh Mini Mart





Alamo Chapter of the Navajo Nation. The Mini Mart is truly full service and includes a gas station, a laundromat and a post office. Prior to its completion, residents had to drive 60 miles round trip to Magdalena to fill up, get snacks or just pick up their mail.

Farmington Dine' Facility Expansion

The **Raytheon Missile Systems Farmington Dine' Facility** expanded its workforce by 160, with 95% of the positions filled by Navajos. Its 68,000 square foot facility is located in the **Navajo Agriculture Product Industry (NAPI) Industrial Park** just south of Farmington. The facility assembles products for Raytheon Missile Systems in Tucson. The expansion, which added 35,000 square feet to the facility, was in response to the projected growth in the U.S. Department of Defense Guided Projectiles and TOW missile programs.

Laguna Strives for Development

A Native American economic development investment strategy with the **Pueblo of Laguna** is identifying tribal projects for ARRA funding. NMEDD and the **Department of Workforce Solutions** have contributed technical assistance and data to a

labor study with **Laguna Education** and **Laguna Industries**. NMEDD facilitated a first-ever meeting between tribal council members, educators, workforce development representatives, and economic developers to identify how many tribal workers are available and what skill sets they have for future professional recruitment opportunities.

Omnibus Public Lands Act

The **Omnibus Public Lands Act of 2009** includes approval of the settlement of the Navajo Nation claims in the San Juan River. The settlement includes authorization to construct the **Navajo-Gallup Water Supply Project**. The Project was led by the **Northwest New Mexico Council of Governments** in Gallup, along with **Senators Domenici and Bingaman, the City of Gallup, the Navajo Nation** and the **State of New Mexico**.

State-Tribal Leaders Summit

The **Pueblos of Acoma, Laguna, Zuni, and the Navajo Nation** participated in the first **State of New Mexico Governor's Indian Summit** held at the Pueblo of Acoma. The event culminated with the implementation of the **State Tribal Collaboration Act**.

FY2009 PERFORMANCE TARGETS & RESULTS OVERVIEW

<i>Division & Measure</i>	FY09 Target	1st Quarter Results	2nd Quarter Results	3rd Quarter Results	4th Quarter Results	Annual Results
NMEDD						
Percentage of performance measure targets in the General Appropriations Act that were met	75%	End of year measure				
Economic Development Division						
Total number of jobs created due to EDD efforts	6000	1,718	1,097	283	1,472	4,570
Number of rural jobs created	1500	334	802	150	355	1,641
Number of urban jobs created	4500	1,384	295	133	1,117	2,929
Total number of jobs created through business relocations facilitated by the economic development partnership	2200	1,465	610	130	20	2,225
Number of locates through the economic development partnership	12	3	1	2	1	7
Number of leads created through the EDP	400	106	105	108	98	417
Number of prospects created through the EDP	120	30	25	15	28	98
Number of visits created through the EDP	31	3	12	6	5	26
Number of jobs created by aerospace & aviation companies	225	0	0	0	4	4
Number of jobs created by business expansions	1150	69	159	17	309	554
Total number of business expansions assisted by EDD	75	11	16	5	10	42
Number of expansions assisted by EDD in urban areas	35	11	16	4	5	36
Number of expansions assisted by EDD in rural areas	40	0	0	1	5	6
Number of jobs created by MainStreet	250	184	94	133	138	549
Number of communities participating in MainStreet	30	22	22	20	24	24
Number of certified communities	40	39	39	39	39	39
Number of businesses trained by NM9000	15	0	0	12	11	23
Number of workers trained by JTIP**	4000	299	789	98	183	1,369
Percentage of employees whose wages were subsidized by JTIP which are still employed by the company after one year	60%	End of year measure				35%
Office of International Trade						
Number of international trade transactions	27	4	0	0	5	9
Number of international consulting sessions with New Mexico companies	450	75	102	48	115	225
Office of Science and Technology						
Number of company contacts/counseling sessions	200	75	205	240	282	802
Number of new jobs created as a result of OST efforts	200	11	655	0	0	666
Amount of investment as a result of OST efforts	\$10 million	\$4.7 million	\$18.8M	\$8.2M	0	\$31.7M
Number of new Angel investors found as a result of OST work	12	8	6	38	0	52
Office of Mexican Affairs						
Exports from New Mexico to Mexico***	\$350 million	\$95.3M	\$84.1M	\$78.9	\$59.4	\$317.8
Number of jobs created by maquiladora suppliers	275	0	50	30	0	80
Number of new facilities opened by maquiladora suppliers	6	0	1	1	0	2
Film Office						
Number of media industry worker days	175,000	54,886	49,976	21,005	17,298	143,165
Economic impact of media industry productions in New Mexico, in millions	\$200	\$270.9	\$183.0	\$132.3	\$87.9	\$674.1
Number of films & media projects principally photographed in New Mexico	80	19	19	22	29	89
Administrative Services Division						
Number of payment vouchers accurately processed within 72 hours of receipt	20	End of year measure				60
Time to fill vacant positions	60 days	End of year measure				90 days

Measures in HB2 highlighted in blue; **Job Training Incentive Program; ***Source of the data = Census Bureau

FY 2009 COMPANIES ASSISTED IN CREATING JOBS

Mo.	Program	Company Name	Location	Jobs Created by Relocations (EDP)		Aerospace/Aviation Jobs	Maquiladora Suppliers		Jobs Created by Business Expansions		TOTAL URBAN JOBS	TOTAL RURAL JOBS	TOTAL JOBS STATEWIDE
				Urban	Rural		Jobs	# Facilities	Urban	Rural			
J	EDP	Hewlett Packard	Rio Rancho	1300							1300		1300
J	JTIP	MIMICS, Inc.	Albuquerque						6		6		6
J	JTIP	Mechtronics Solutions, Inc.	Albuquerque						10		10		10
J	JTIP	Games Production Services	Albuquerque						6		6		6
J	JTIP	Vibrant Corporation	Albuquerque						6		6		6
A	EDP	Paramount/Results Las Vegas	Las Vegas		150							150	150
A	EDP	Molina Healthcare	Albuquerque	15							15		15
A	JTIP/OST	CVI Laser, LLC	Albuquerque						5		5		5
A	JTIP	Altela Inc.	Albuquerque						12		12		12
A	JTIP	Wildflower International	Santa Fe						5		5		5
S	JTIP	CPFD Software LLC	Albuquerque						3		3		3
S	JTIP	Divine Beauty	Santa Fe						3		3		3
S	JTIP	Deep Web Technologies	Santa Fe						3		3		3
S	SMART Money	PREVCO Subsea	Santa Fe						10		10		10
	MainStreet	see report										184	184
First Quarter Totals				1315	150	0	0	0	69	0	1384	334	1718
O	JTIP	ClingZ Inc	Rio Rancho						5		5		5
O	JTIP	ZTEC Instruments Inc.	Albuquerque						3		3		3
O	JTIP	CVI Laser, LLC	Albuquerque						2		2		2
O	JTIP	Poly-Flow Engineering LLC	Albuquerque						42		42		42
O	JTIP	IntelliCyt Corporation	Albuquerque						1		1		1
O	OST	Team Technology	Albuquerque						21		21		21
O	OST	MIOX Corp	Albuquerque						5		5		5
O	OST	eQsp;aros	Los Alamos						2		2		2
N	JTIP	WorldScape Inc.	Los Alamos						2		2		2
N	JTIP	Prime Therapeutics LLC	Albuquerque						37		37		37
N	JTIP	Riccobene Masonry Co. Inc.	Albuquerque						10		10		10
N	OST	Avanzo Pharmaceuticals	Albuquerque						5		5		5
N	OST	Vista Therapeutics	Santa Fe						7		7		7
D	EDP	Signet Solar	Belen		610							610	610
D	OMA	Schaefer Outfitter of Steamboat Springs	Las Cruces				50	1			50		50
D	OST	CoMet Solutions	Albuquerque						4		4		4
D	OST	Vibrant Corporation	Corrales						6		6		6
D	OST	Positive Energy Solutions	Las Cruces/Santa Fe						7		7		7
	MainStreet	see report									86	192	278
Second Quarter Totals				0	610	0	50	1	159	0	295	802	1097
J	EDP	Reelz Channel	Albuquerque	100							100		100
J	JTIP	Solstar Energy Devices	Albuquerque						1		1		1
F	JTIP	MIMICS, Inc.	Albuquerque						2		2		2
F	JTIP	Tred Displays Corporation	Albuquerque						4		4		4
F	JTIP	ClosedWon	Albuquerque								2		2
F	CDT	Phelps Engineering & Development	Portales							2		2	2
M	JTIP	Mechtronics Solutions, Inc.	Albuquerque						8		8		8
M	JTIP	OnQueque Technologies Inc	Albuquerque								1		1
M	EDP	Expeditors	Santa Teresa		30		30	1				30	30
	MainStreet	see report									15	118	133
Third Quarter Totals				100	30	0	30	1	15	2	133	150	283
A	CDT	Sunland Peanuts	Portales							40		40	40
A	BDT	International Isotopes Inc.	Hobbs							130		130	130
A	EDP	Solar Array Ventures Inc	Albuquerque								1000		1000
A	BDT	Southwest Cheese	Clovis							50		50	50
A	JTIP	CPFD Software LLC	Albuquerque						2		2		2
A	JTIP	Deep Web Technologies Inc	Santa Fe						1		1		1
A	JTIP	Vibrant Inc.	Albuquerque			4					4		4
M	JTIP	ClingZ Inc	Rio Rancho						2		2		2
M	JTIP	Lovelace Respiratory Research Inst.	Albuquerque						50		50		50
M	JTIP	Premier Pellets LLC	Tularosa							15		15	15
M	BDT	Los Amigos Nursing Facility	Santa Rosa							28		28	28
J	EDP	Esolar	Santa Teresa		20							20	20
J	JTIP	Hach Company OPS Systems	Albuquerque						1		1		1
J	CDT	Sapphire Energy	Las Cruces								30		30
	MainStreet	see report									27	111	138
Fourth Quarter Totals				0	20	4	0	0	56	263	1117	355	1472
YTD Totals				1415	810	4	80	2	299	265	2929	1641	4570
FY2009 Targets						225	275	6			4500	1500	6000





NEW MEXICO

ECONOMIC DEVELOPMENT DEPARTMENT

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