

# New Mexico Economic Overview

Economic Development Department Cabinet Secretary **Fred Mondragón**



**MVEDA Business on the Border Forum**

**November 2, 2010**

# Regional Unemployment



**California**

**12.4%**



**Arizona**

**9.7%**



**New Mexico**

**8.2%**



**Texas**

**8.1%**

**National 9.6%**

**New Mexico: 8.2%**

**Albuquerque: \*8.5%**

**Santa Fe: \*6.6%**

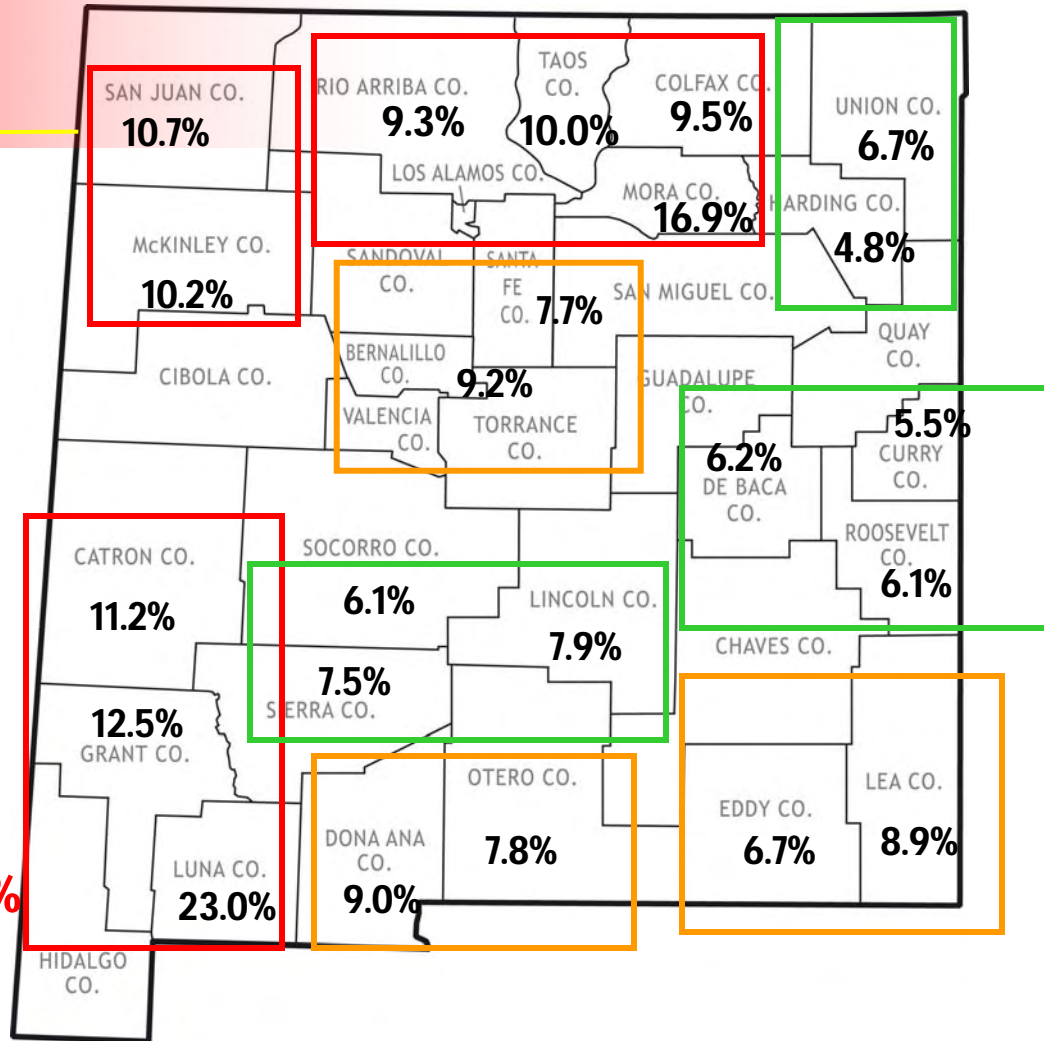
**Las Cruces: \*7.6%**

U.S. Department of Labor Statistics, Sept. 2010

**\*NOT Seasonally adjusted**

# Unemployment

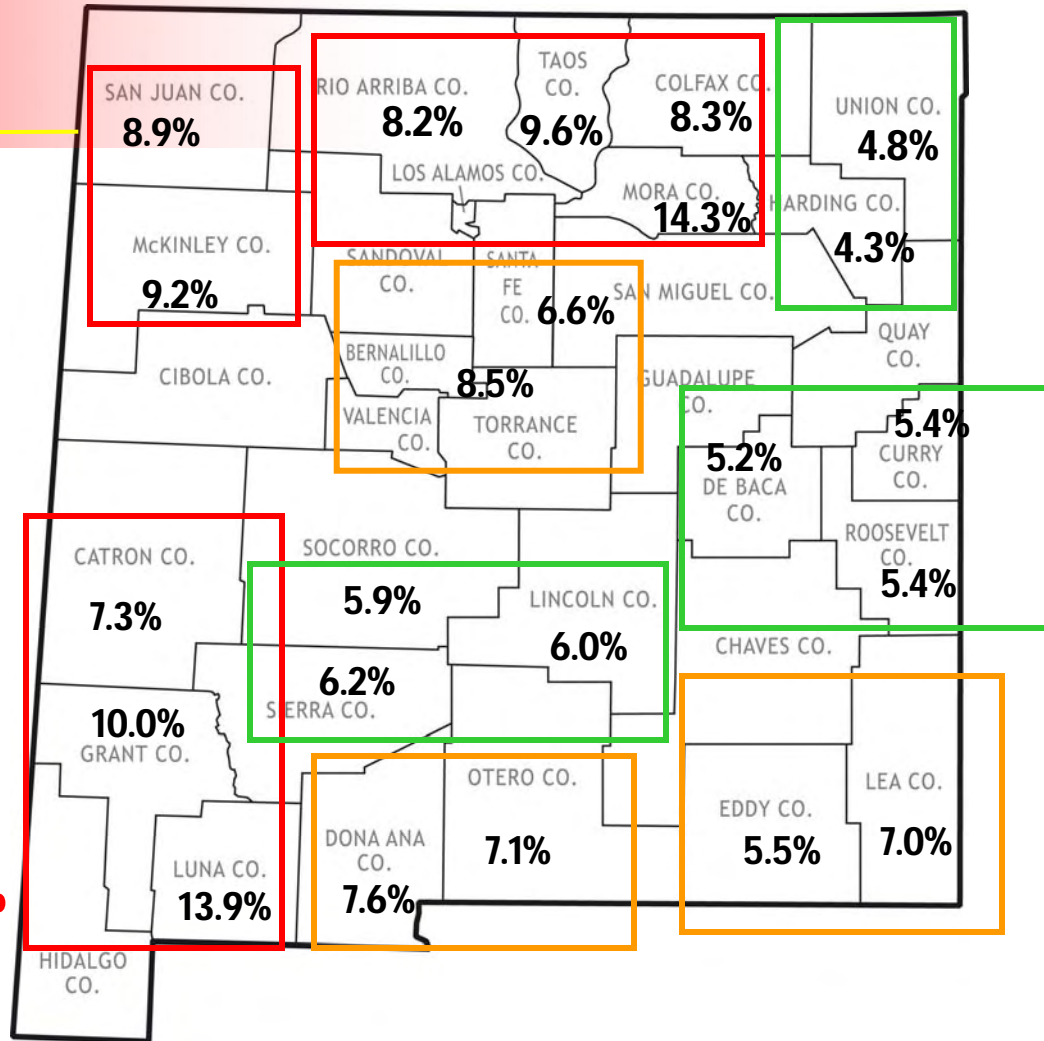
- Eastern plains: 5.5-6.2%
- Eastern Corner: 4.8-6.7%
- North East: 9.3-16.9%
- Central: 6.1-7.9%
- South-central: 7.8-9.0%
- Central metro: 7.7-9.2%
- Four Corners: 10.2-10.7%
- Southwest corner: 11.2-23.0%
- Southeast corner: 6.7-8.9%



\*NOT Seasonally adjusted

# Unemployment

- Eastern plains: 5.2-5.4%
- Eastern Corner: 4.3-4.8%
- North East: 8.2-14.3%
- Central: 5.9-6.2%
- South-central: 7.1-7.6%
- Central metro: 6.6-8.5%
- Four Corners: 8.9-9.2%
- Southwest corner: 7.3 -13.9%
- Southeast corner: 5.5-7.0%



\*NOT Seasonally adjusted

# What people are saying...

Site selection magazine *Business Facilities* ranks New Mexico in their Top 10 nationally for:

- #2 in Solar Energy Manufacturing Leaders**
- #3 in Workforce Training Leaders**
- #5 in Alternative Energy Industry Leaders**
- #6 in Cost of Labor**
- #8 in Economic Growth Potential**

# Area Economic Outlook



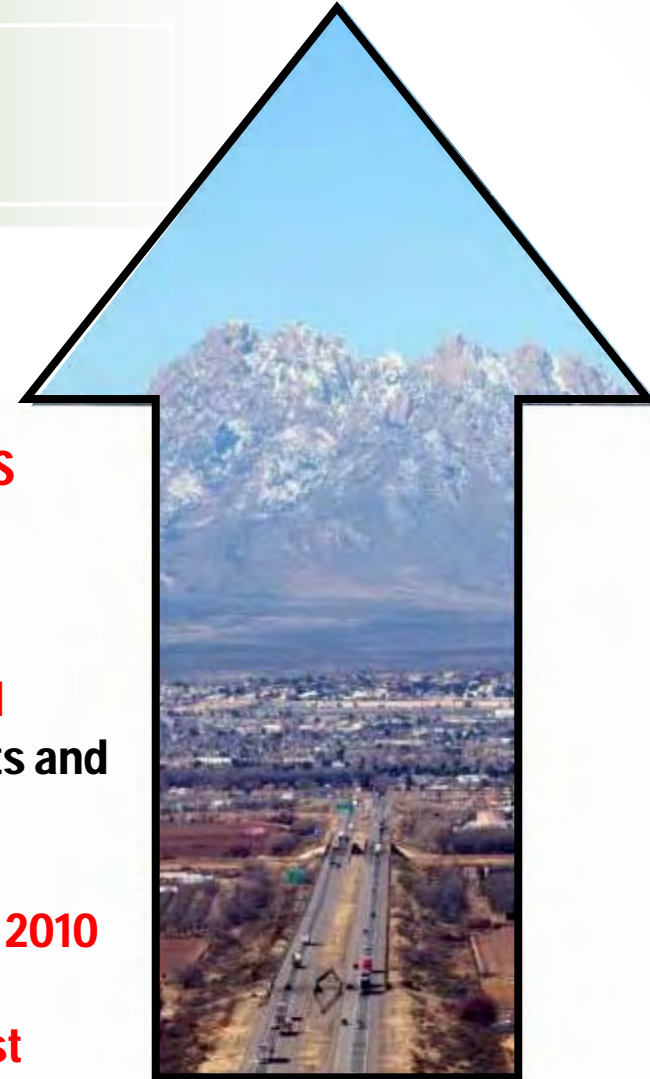
Projected 2009-2011 Las Cruces employment growth: **5th in US**

**Strengths: low business costs, population growth, military/government employment**

Las Cruces ranked #8 in Milken's **2010 Best-performing small cities** based on job creation, sustainability, low business costs and the arrival of Spaceport America.

Las Cruces #9 in BusinessWeek's **top recovering job markets 2010**

In 2010, Money Magazine named Dona Ana County the **14th best county in the nation for job growth** over the last 9 years



# Recent Area Highlights

**Potential Hatch NextEra solar plant**

**NMSU selected an FAA Center of Excellence for Commercial Space Transportation,**

**USDA \$1.5 million grant to improve Arrowhead Center, plus and additional \$900,000 EDA grant**

**JBC International Recycling plant opening in Chaparral, 12 jobs**

**Products USA, salsa manufacturer in Santa Teresa, 6 jobs**

**Freeport-McMoRan Copper & Gold Inc. to restart Chino Mine near Silver City, 570 jobs**



# The Future of New Mexico



Science and Tech/Green Economy



Borderplex



Film and Digital Media



Spaceport America

# The Energy Economy

**Green Energy:** According to a recent Headwaters Economics study, NM saw a **62% increase** in green jobs 1995-2007, the **LARGEST** increase among Rocky Mountain states.

The Solar Energy Industry Association anticipates **19,000** new jobs created in New Mexico by 2016 in the solar industry alone.

**Oil and Gas:** Balancing acceptable climate control elements that will allow our essential oil and gas assets to produce while still limiting greenhouse gas emissions.

Pursuing oil and gas diversification (Carbon Sequestration), exploring transition strategies (geothermal).

Maintain natural gas as a valuable part of energy portfolio along with solar

**Uranium:** New Mexico Uranium Energy Economy- Southeast NM/Grants

# Green Jobs Cabinet



The Green Jobs Cabinet report outlined five strategies to grow New Mexico's green economy, Governor Richardson put them into action with executive order 2010-001.

**GOAL #1:** Be the Leader in Renewable Energy Export

**GOAL #2:** Be the Center of the North American Solar Industry

**GOAL #3:** Lead the Nation in Green Grid Innovation

**GOAL #4:** Be a Center of Excellence for Green Building and Energy Efficiency

**GOAL #5:** Have a Highly Skilled and Ready-to-Work Workforce

# Renewable Energy Success Across the State

**1**

**Solar Distinction, Inc.**  
500 employees

**2**

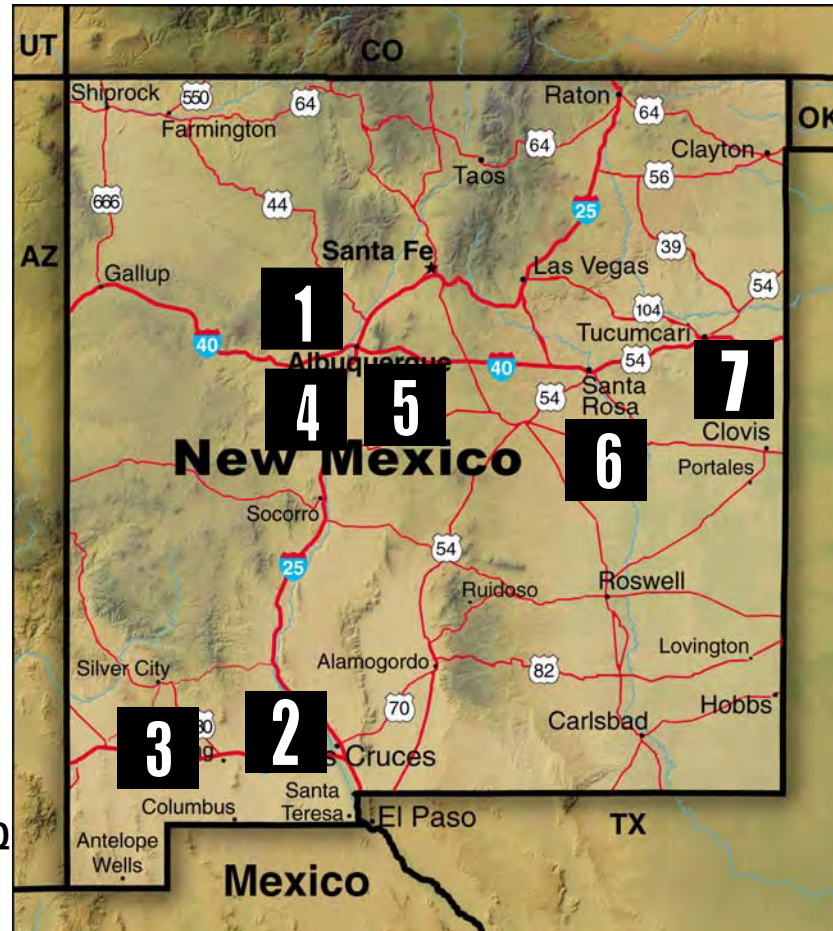
**Johnson Plate and Tower**  
150 employees

**3**

**Sapphire Energy**  
\$105 million investment

**4**

**SCHOTT North American HQ**  
1500 employees



**5**

**CFV/Fraunhofer R&D**  
30-40 employees

**6**

**GA- Solar**  
\$1 billion investment  
300MW solar array

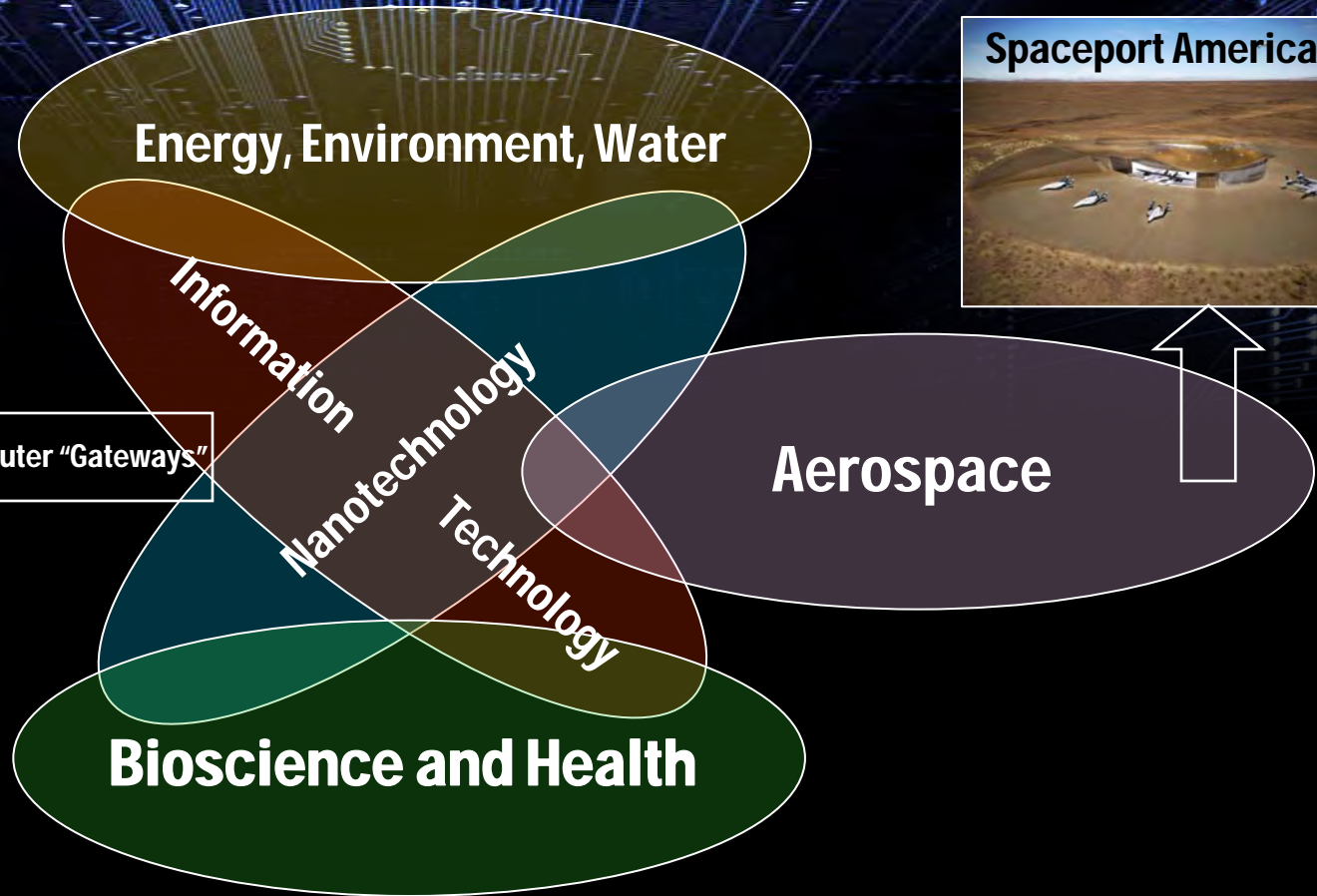
**7**

**Tres Amigas SuperStation**  
\$1.5 billion investment

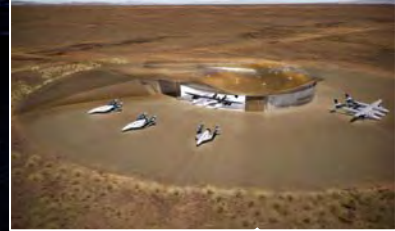
# Technology Clusters



Supercomputer "Gateways"



Spaceport America



Aerospace

Bioscience and Health

Information

Nanotechnology

Technology

Energy, Environment, Water

# Technology Project Examples

## The "Encanto" Supercomputer

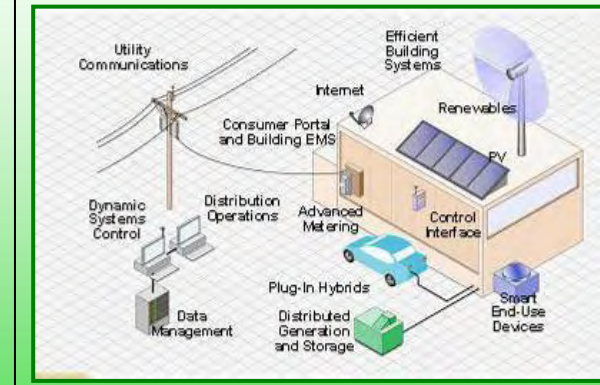


**Fastest publicly available supercomputer in the world at 172 teraflops per second**

**28 "Gateways" across the state, including NMSU and DACC**

**Applications for the development of:**  
Aerospace , Life Sciences Environment (Gulf Oil spill modeling), Digital Media (Cerelink)

## The Green Grid

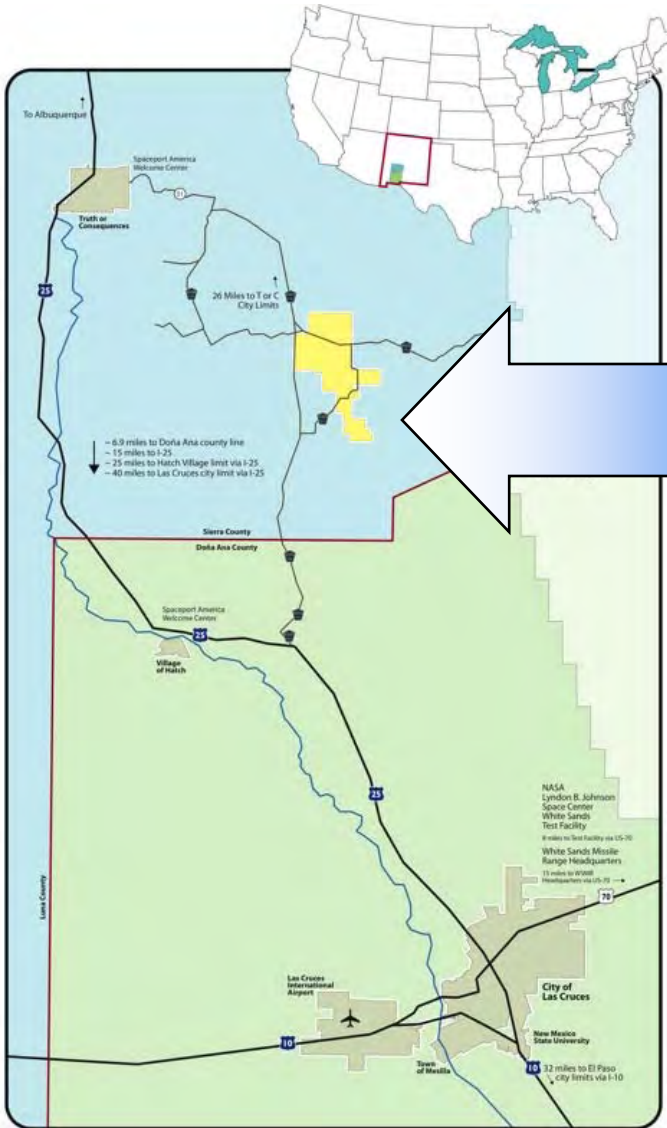


**\$30M investment by NEDO, 19 Japanese companies (like Toshiba and Hitachi)**

**Sites include Los Alamos, Taos and Portales**

**Promote commercialization of new clean Technologies and energy efficiency**

# The Future of Space...



# Spaceport America Overview

**\$250 million** investment into the World's first commercial Spaceport

Creating new technology platforms and aerospace infrastructure

Especially attractive to high tech, aerospace and green energy companies

Creating the future of space endeavors: satellite launches, space tourism and military applications

Also developing tourism and educational opportunities

# Recent Spaceport America Activities

**Runway dedication in October, attended by Sir Richard Branson and Buzz Aldrin**

**NMSU selected an FAA Center of Excellence for Commercial Space Transportation, becoming the hub of a minimum \$5 million, five-year research coalition**

**Spaceport's first federal grant from a new FAA spaceport infrastructure program: \$43,000 matched with \$4,300 from Virgin Galactic for an Automated Weather Observation System**



**Increased interest in maquiladora industries and suppliers locating on New Mexico side**

**Foxconn: huge potential for New Mexico suppliers, up to 20,000 employed, currently 6,000. Producing 13,000 laptops a day.**

**Santa Teresa Business Park is full:  
6 companies, 1200 jobs**

**Improvements to Columbus and Antelope Wells Crossings**

**\$1.23 million EDA grant to evaluate the expansion of commercial rail services**

**Future goals: Union Pacific hub, improvements to Santa Teresa Airport**

**Growing Opportunities  
on New Mexico's Border**





# Santa Teresa Success



**\$10 million** in ARRA funds to Santa Teresa for:

- Expansion of passenger vehicles lanes from 2 to 5 lanes
- Expand commercial inspection lanes from 2 to 3 lanes
- Construct pedestrian sidewalk

2009: 57,400 trucks crossed, a **25% increase**  
...while all US-Mexico traffic **decreased 12%**

Value of goods crossing the border:

2009: **\$4.4 billion**, a 256% increase

2010: First 5 months already hit **\$4.3 billion**

Estimated nearly **\$12 billion** total in 2010

# Film and Digital Media

Estimated economic impact since 2003:  
**More than \$3.3 billion**

10,000 direct and indirect jobs  
created by the film industry

Key players among 250 film  
specific companies include  
**Albuquerque Studios, Sony Imageworks,  
DreamWorks SKG and Reelz Channel**

**149** film businesses and services  
In rural New Mexico.



# Films Across New Mexico

## Sampling of Rural Locations: 2008-10

**"Book of Eli"** - Carrizozo/Alamogordo

**"Brothers"** - Los Alamos/Española

**"Did You Hear About the Morgans?"** -

Roy/Galisteo/Pecos

**"Crazy Heart"** - Española

**"Love Ranch"** - Los Lunas/San Ysidro

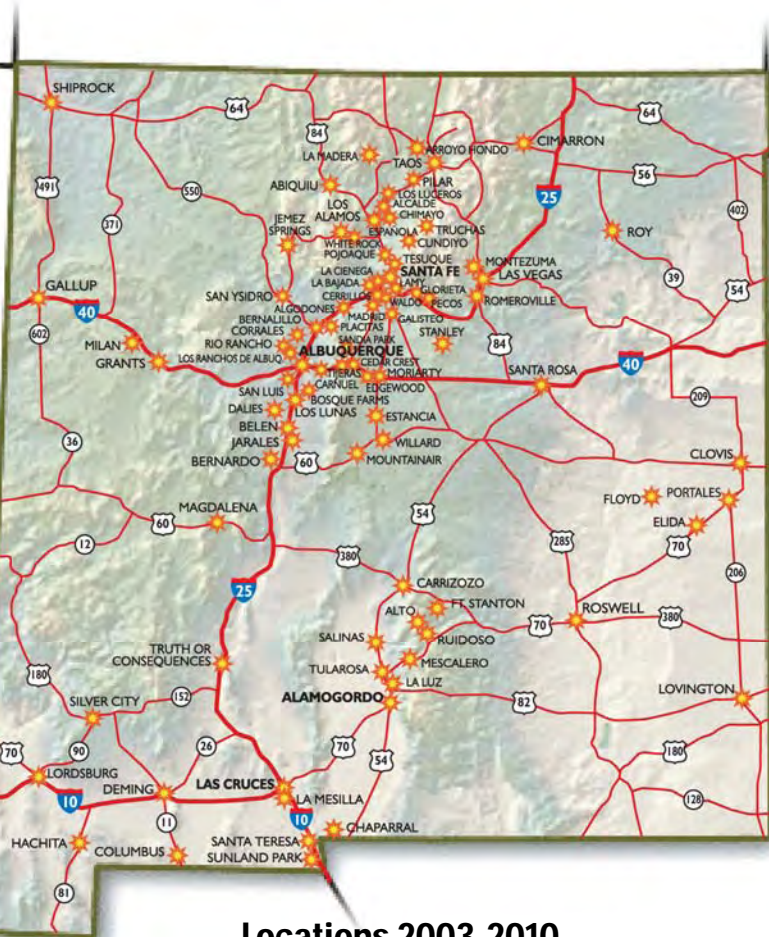
**"The Men Who Stare at Goats"** - Roswell/Willard

**"Terminator: Salvation"** - Taos/Algodones

**"Transformers: Revenge of the Fallen"** -

Mescalero, Tularosa, Alamogordo

209 TV/Film locations used in 2008-2010 were Rural or Pueblo shoots



# Advice to Las Cruces Business Leadership

**Economic diversification**

**Build on strengths**

**Think globally**

**Do not forget less fortunate communities**



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**THANK YOU**

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