



MVEDA Update

March 5, 2013

Recent Headlines

Sequestration Looms: Cuts in Federal Spending Would Touch Broad Spectrum

-Las Cruces Sun News (2/16/2013)

Economists: Local Economy Improving, but Not By Much

-Las Cruces Sun News (2/24/2013)

Cuts Could Pummel N.M. Jobs

-ABQ Journal (2/11/2013)

Panetta Warns Furloughs Will Be Coming Under Sequestration

-Las Cruces Sun News (2/21/2013)

How Automatic Budget Cuts Could Affect New Mexico

-ABQ Journal (2/25/2013)

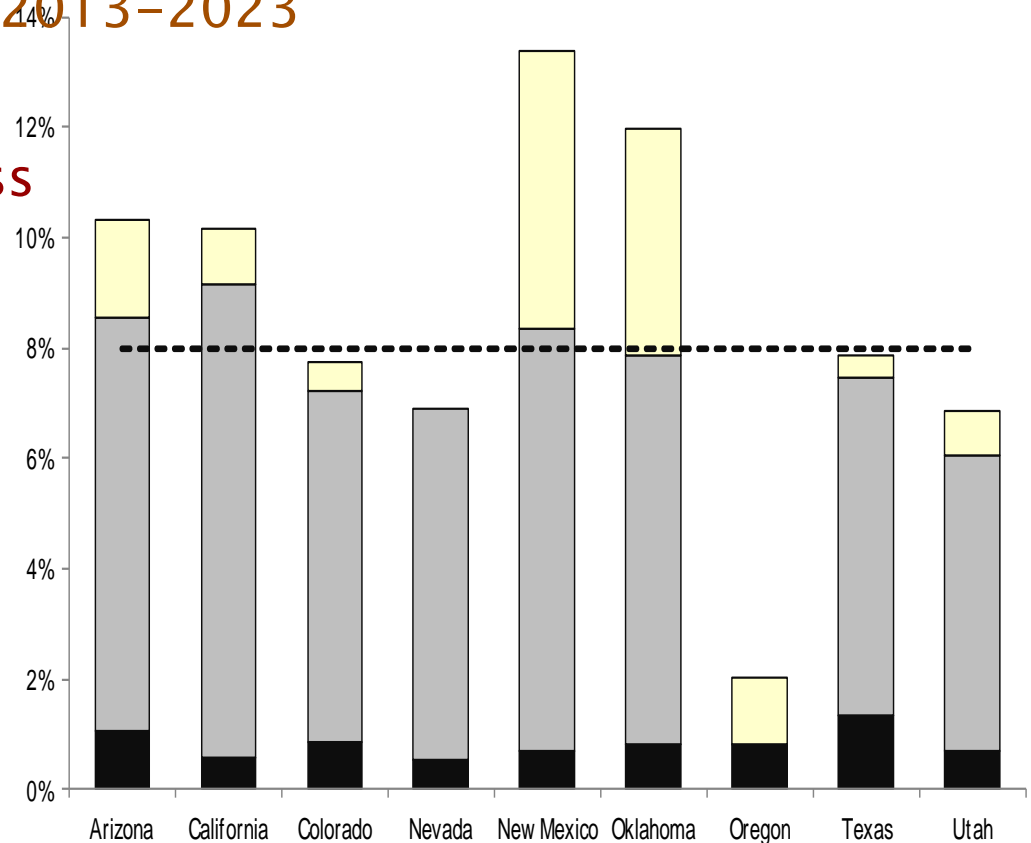
Job Growth Challenges

▶ Nationally–Sequestration & Debt Ceilings

- “Automatic, across–the board spending cuts in both defense and non–defense spending effective Jan 2, 2013”
- 1.2 Trillion dollars from 2013–2023

▶ State

- Business Competitiveness Ranking 51st (E & Y)
- Business Tax Climate Ranking 38th (Tax Foundation.org)

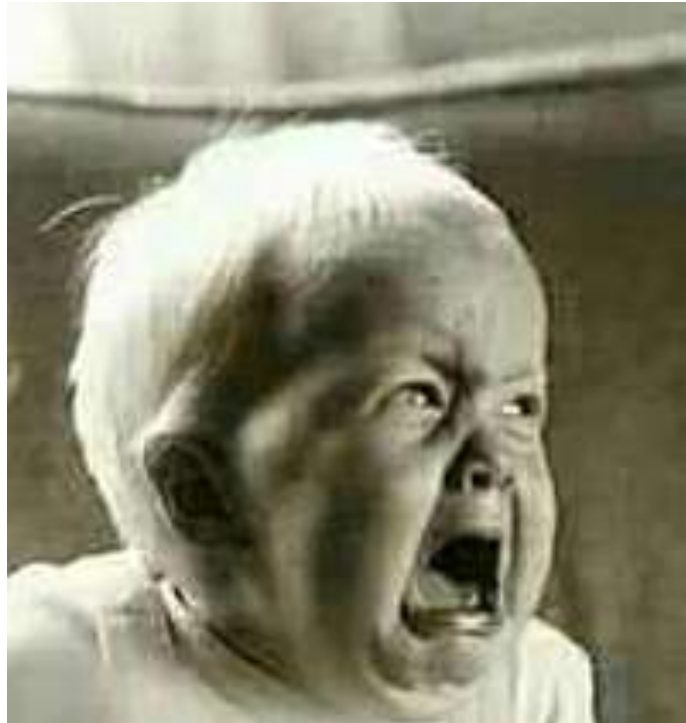


Current Mfg/Service Tax Rates – NM Tax Research Institute

Job Growth Challenges

Regional & Local

- Available Inventory
- Availability of Skilled Labor
- Local Competitiveness
 - Economic Development Funds
 - Time to Market
 - Risk Capital
- Las Cruces:
 - 3.4% Employment Growth Last 12 Months



State Competitiveness (1)

Single Sales Factor & Corporate Income Tax (NCEJA)

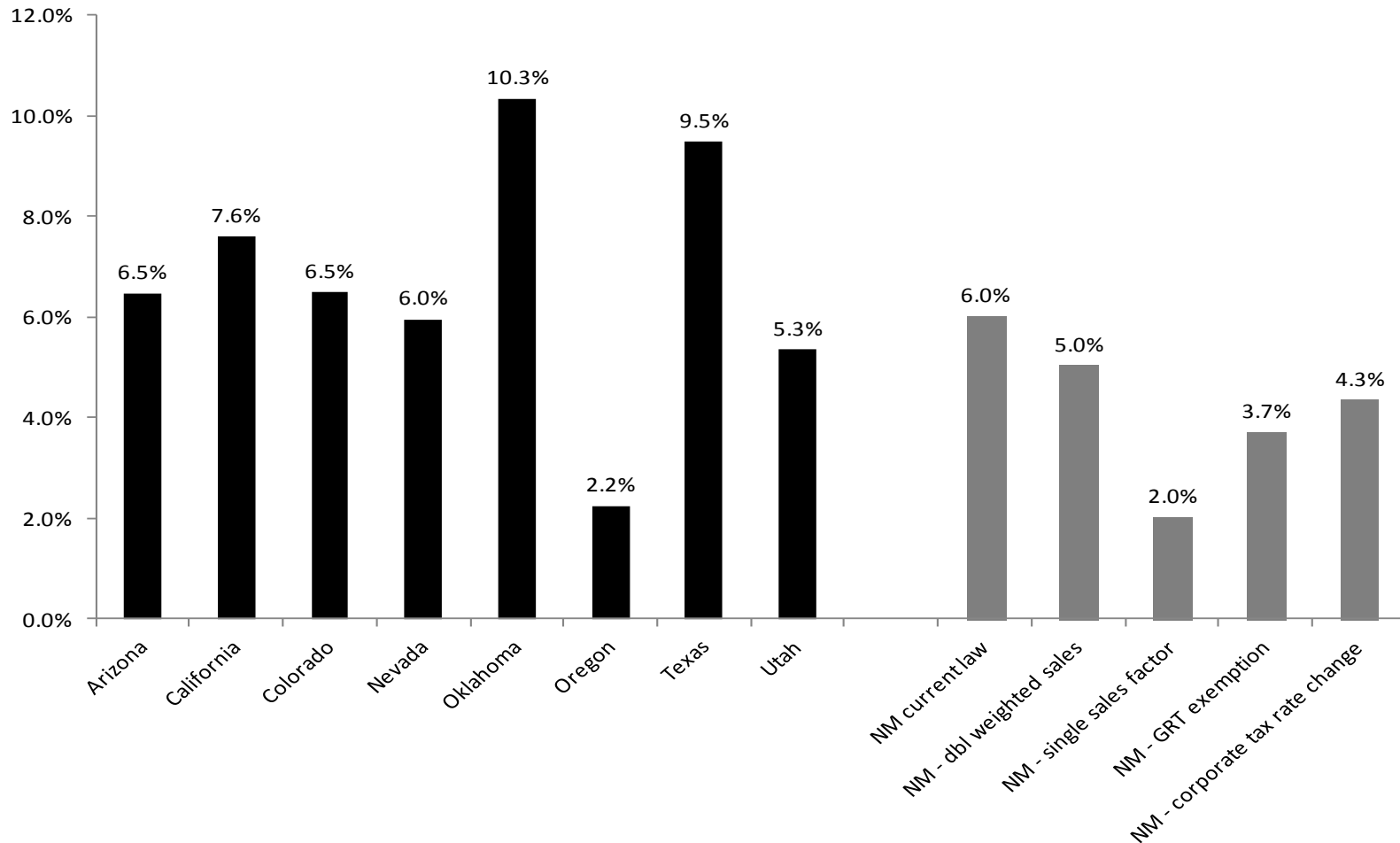
- ▶ **Elective Single Sales Factor:**
 - Allows companies to pay tax on only the income from sales within the state (25 other states currently have a single sales factor)
- ▶ **Corporate Income Tax Reduction:**
 - Reduce the CIT from 7.6% (2nd highest in nation) to 4.9% over a four-year period to match Personal Income Tax rate
- ▶ HB507 & SB508
- ▶ SB545
- ▶ SB277
- ▶ SB319
- ▶ SB59
- ▶ HB182 & SB13
- ▶ HB499
- ▶ SB538

General Intent of NCEJA:

Different Versions:

Tax Study With Changes to Tax Policy

Comparison of After-Tax Effective Tax Rate for Comparison States and New Mexico under Selected Policy Options



State Competitiveness (1 b)

- ▶ **New Century Economy Jobs Agenda**
 - **Job Training Incentive Program:**
 - HB7: Increases funding of \$4.75 million in FY14
 - “Do Pass” from House Business & Industry Committee
 - Tabled by House Appropriations & Finance Committee (Feb 18), because the \$4.75 million is also appropriated in HB2 (General Appropriations Bill)
 - **Local Economic Development Act:**
 - HB352: Places local clawback provisions on the proposed \$10 million of LEDA funds for FY14
 - “Do Pass, as amended” from House Business & Industry Committee
 - “Do Pass, as amended” from House Taxation & Revenue Committee
 - Passed House 69–0, referred to Senate Finance and Senate Corporations & Transportation Committees

State Competitiveness (2)

▶ Informed Consent

◦ General Information:

- Extends protections currently granted to operators to suppliers and manufacturers; extends sunset clause to 2021
- SB240: Passed Senate 34–0, currently awaits vote in House Business & Industry Committee
- HB308: Passed House 70–0, currently awaits vote in Senate Public Affairs Committee to be heard March 5th.
- One bill must pass for final signing by Governor

State Competitiveness (3)

▶ Border Zone Company Gross Receipts

◦ General Information:

- Extends the sunset clause on GRT exemption for trade-support companies located within 20 miles from a New Mexico Port of Entry from June 2013 to June 2019
- HB235:
 - Given “Do Pass” from House Business & Industry Committee with amendment that requires annual review of the amount of deductions and total number of companies claiming exemption
 - “Do Pass, as amended” from House Taxation & Revenue Committee
 - “Do Pass, as amended” from House Appropriations & Finance Committee
 - Passed House 65–0, referred to Senate for introduction

State Competitiveness (4)

▶ NM Partnership

◦ General Information:

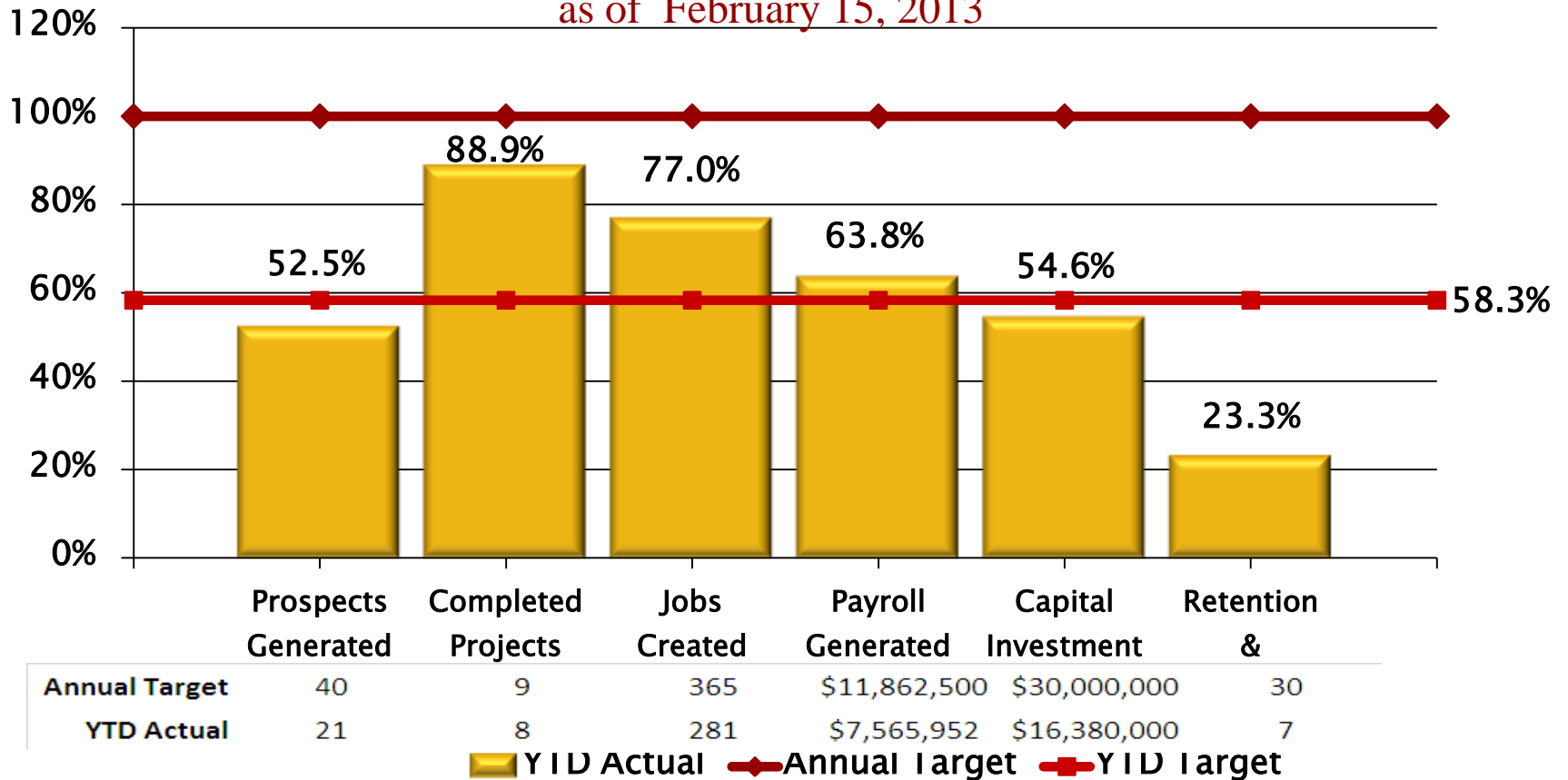
- Dual approach to increase statewide economic development marketing efforts by \$250,000, bringing total NM Partnership budget to \$880,000
- HB75: Business Attraction & Retention Program
 - “Do Pass” from House Business & Industry Committee
 - Referred to the House Appropriations & Finance Committee

Regional Growth

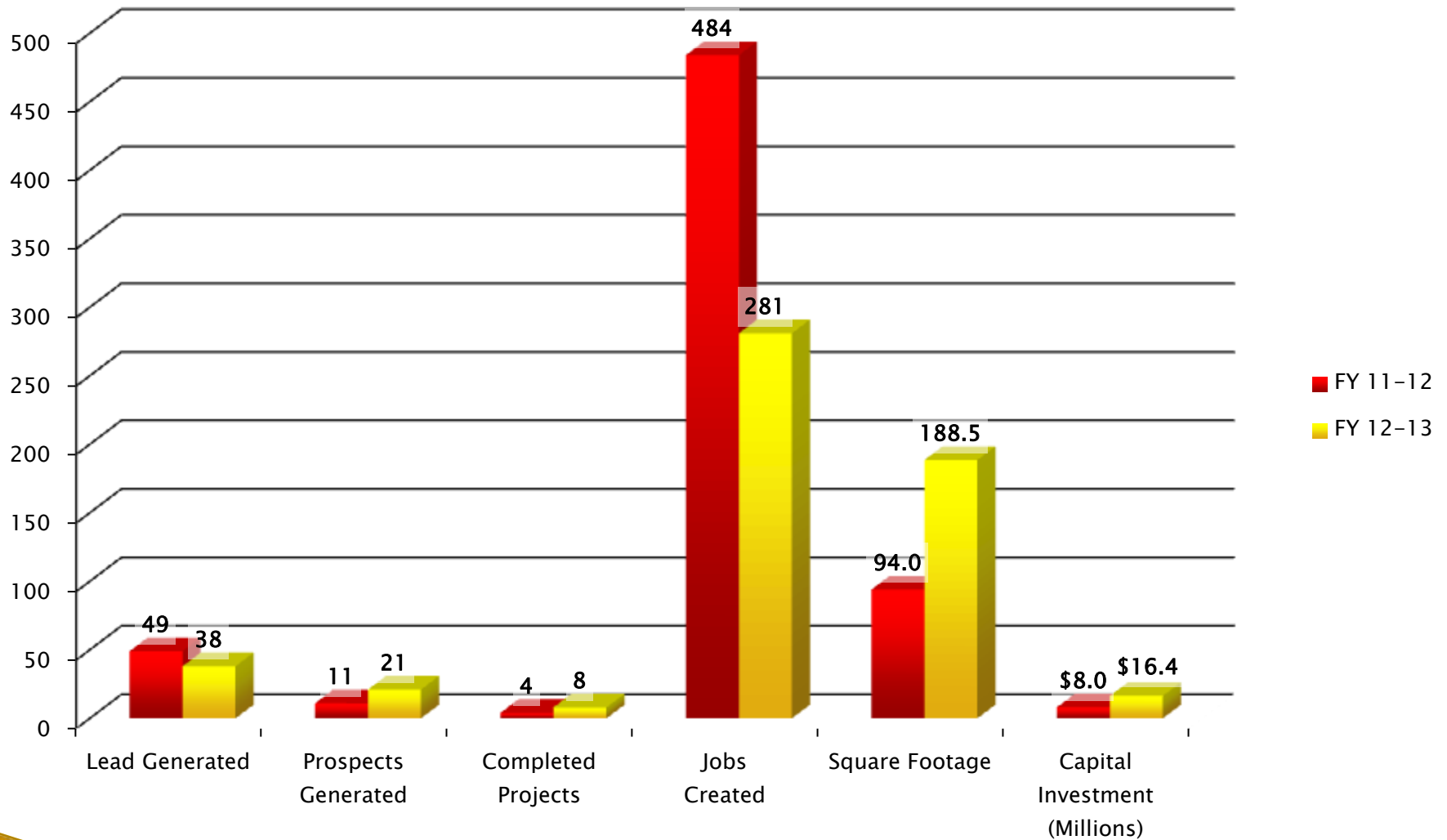
MVEDA Dashboard

FY12-13 Progress to Date vs Annual Goals

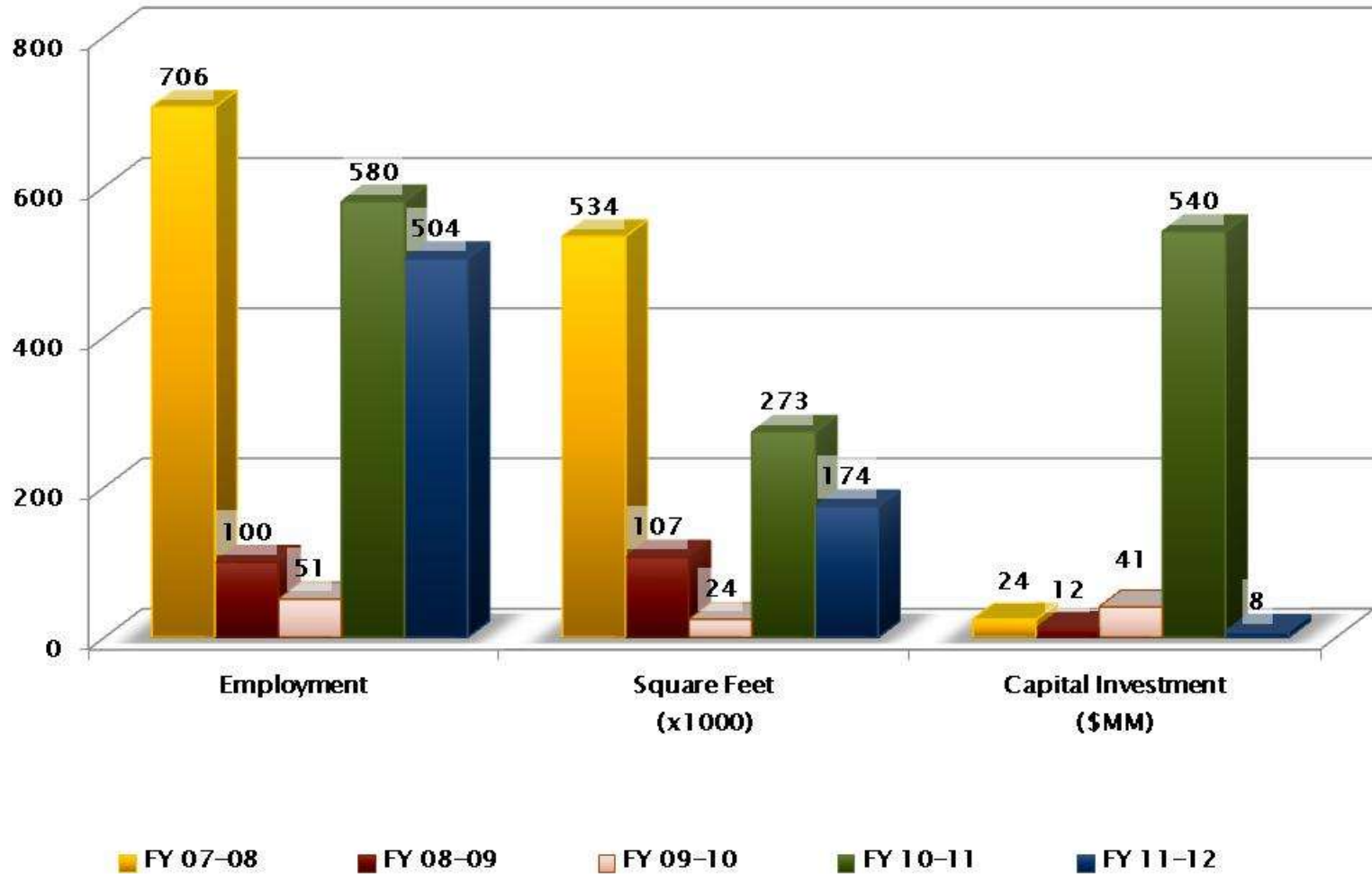
as of February 15, 2013



Business Development Progress to Date vs Last Year as of Feb. 15, 2013

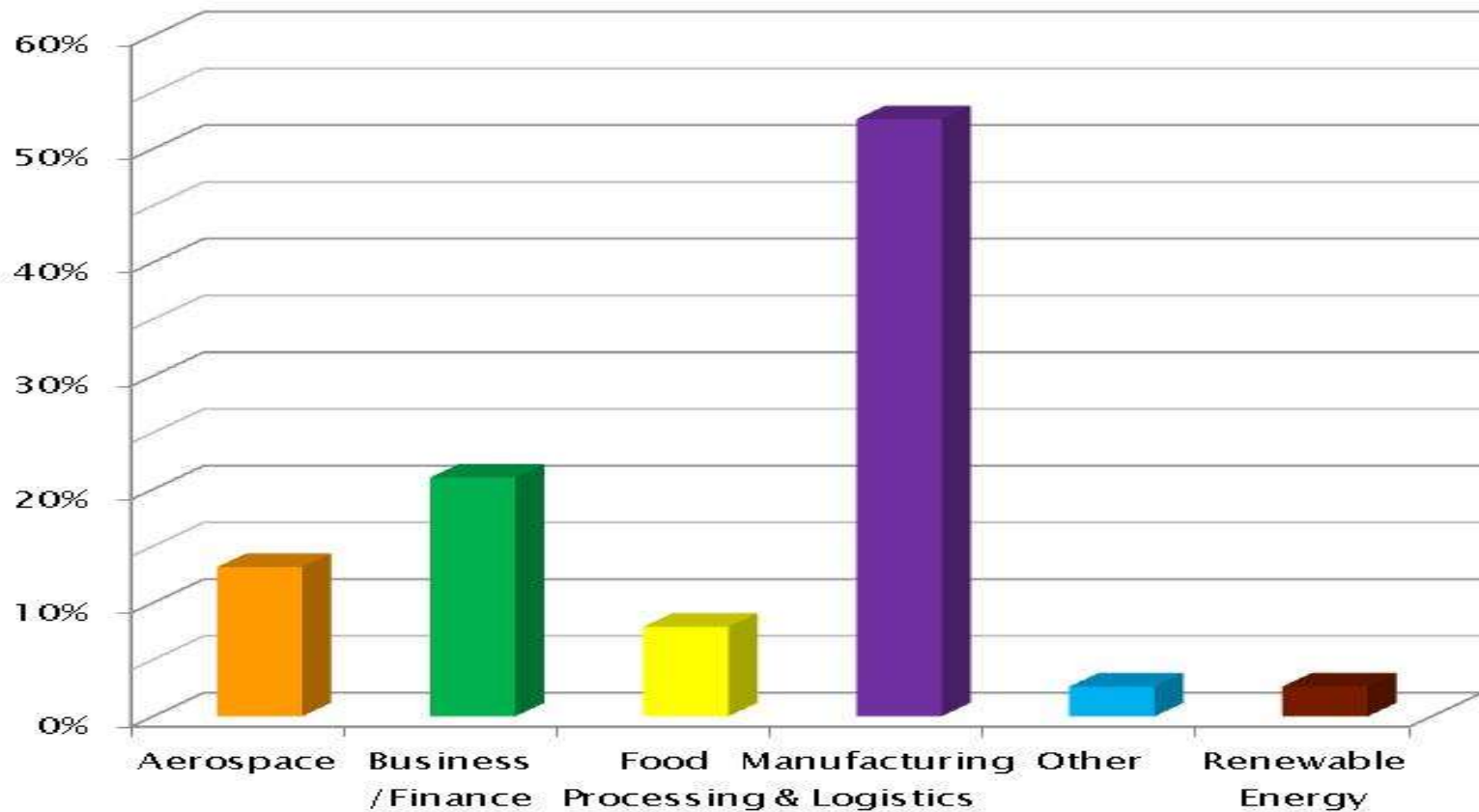


Past Year Results



Regionally: Asset Based Economic Development Strategy

MVEDA Lead Generation by Cluster FY 12-13



Regional Growth Areas & Initiatives

- ▶ **Border Logistics & Mfg.**
 - UP & Border Overweight Zone
 - Collaborative Logistics Marketing Strategies
 - Bi-National Industrial Campus
 - Border Economic Development Plan

- ▶ **Aerospace**
 - Increased State Marketing Support
 - UAS State Stakeholders Group
 - Save the Spaceport Coalition
 - Virgin Galactic & ITAR Issues

- ▶ **Existing Business Expansion Activity**

Existing Business Growth



L&M Radiator
71 Announced Jobs



Positive Energy Solar
24 Announced Jobs

Existing Business Growth



Southwest Steel Coil
30 New Jobs



Mallory Metals
10 New Jobs

Existing Business Growth



Santa Teresa Southern
Railroad (12 New Jobs)

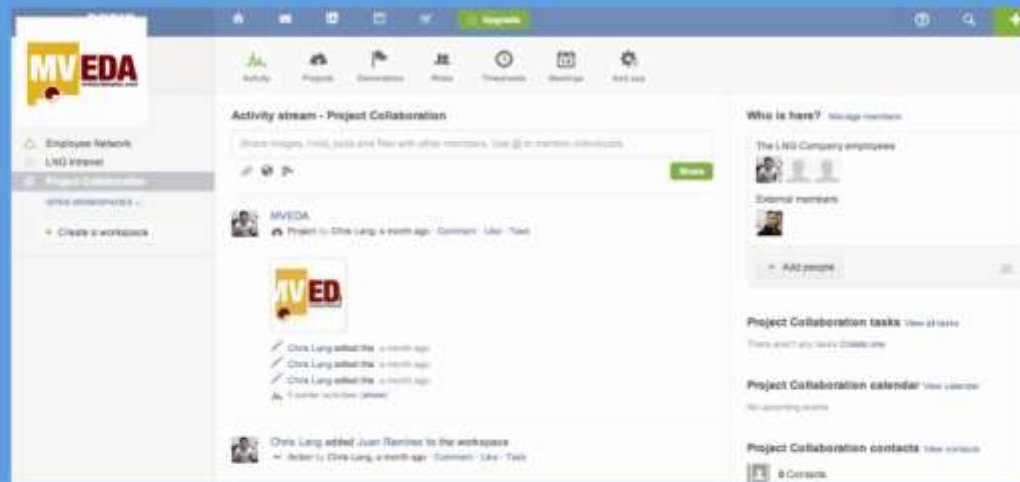


Container Yards



Biz Circles

Social Network
For Business
Networking



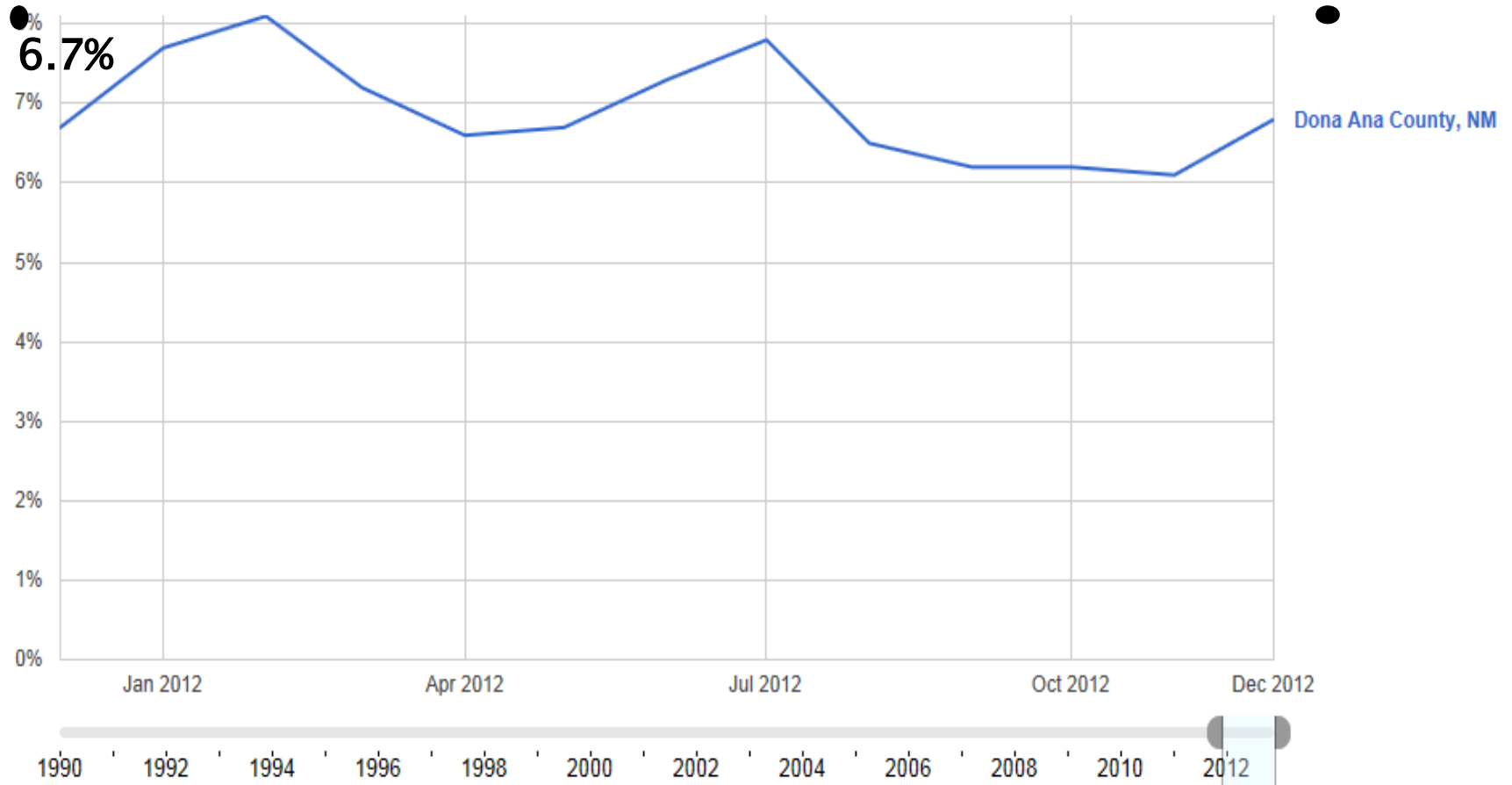
Project
Collaboration for
Organizations

Connect | Network | Grow
www.bizcircles.org

Unemployment Rate—Last 12 months

Unemployment rate - Not Seasonally Adjusted ?

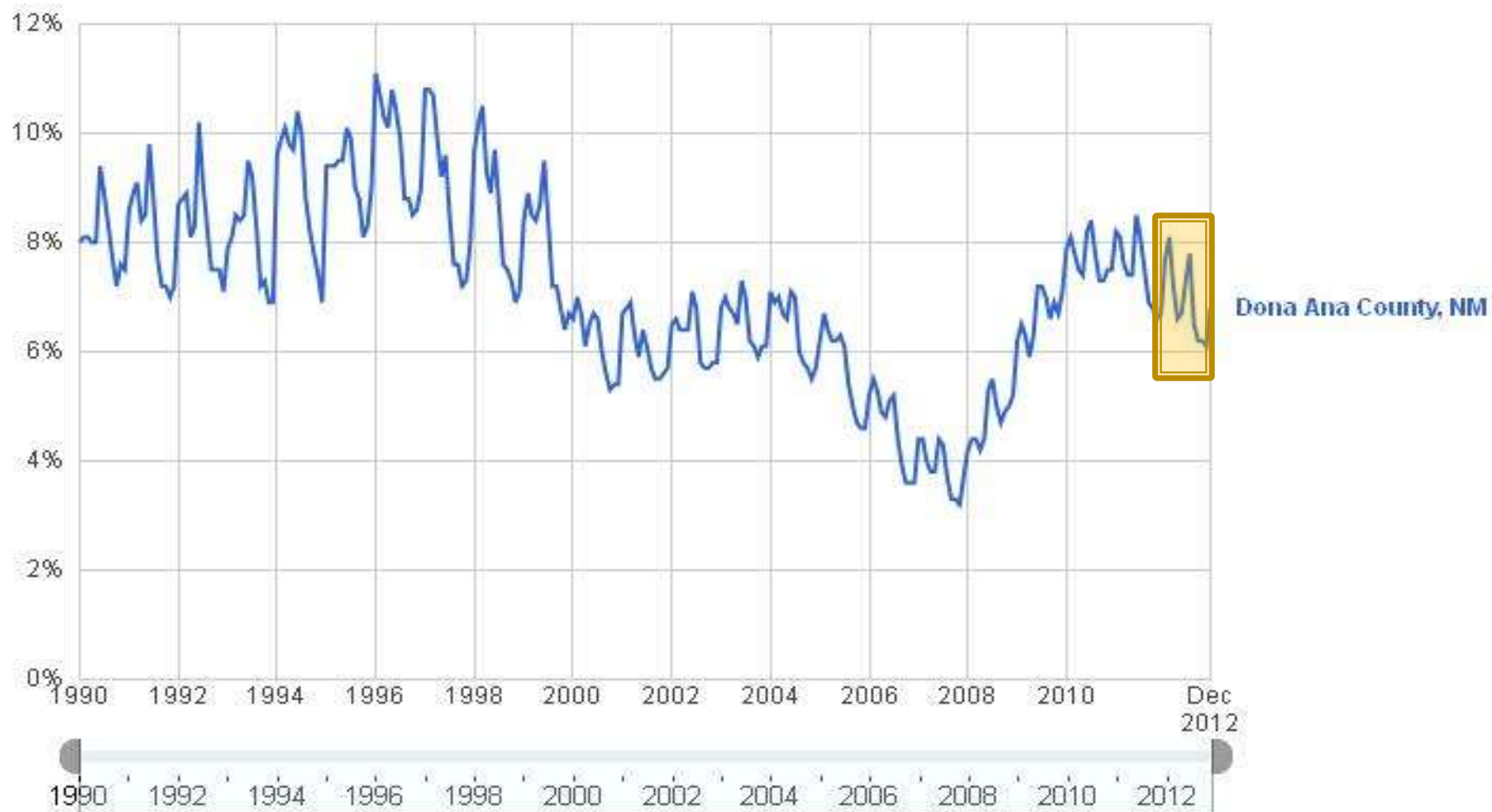
6.8%  



Data from [U.S. Bureau of Labor Statistics](#) Last updated: Feb 10, 2013

Unemployment Rate-Over Time

Unemployment rate - Not Seasonally Adjusted ?



Data from U.S. Bureau of Labor Statistics Last updated: Feb 10, 2013

Unemployment Rate Comparisons

Unemployment in the U.S. - - x

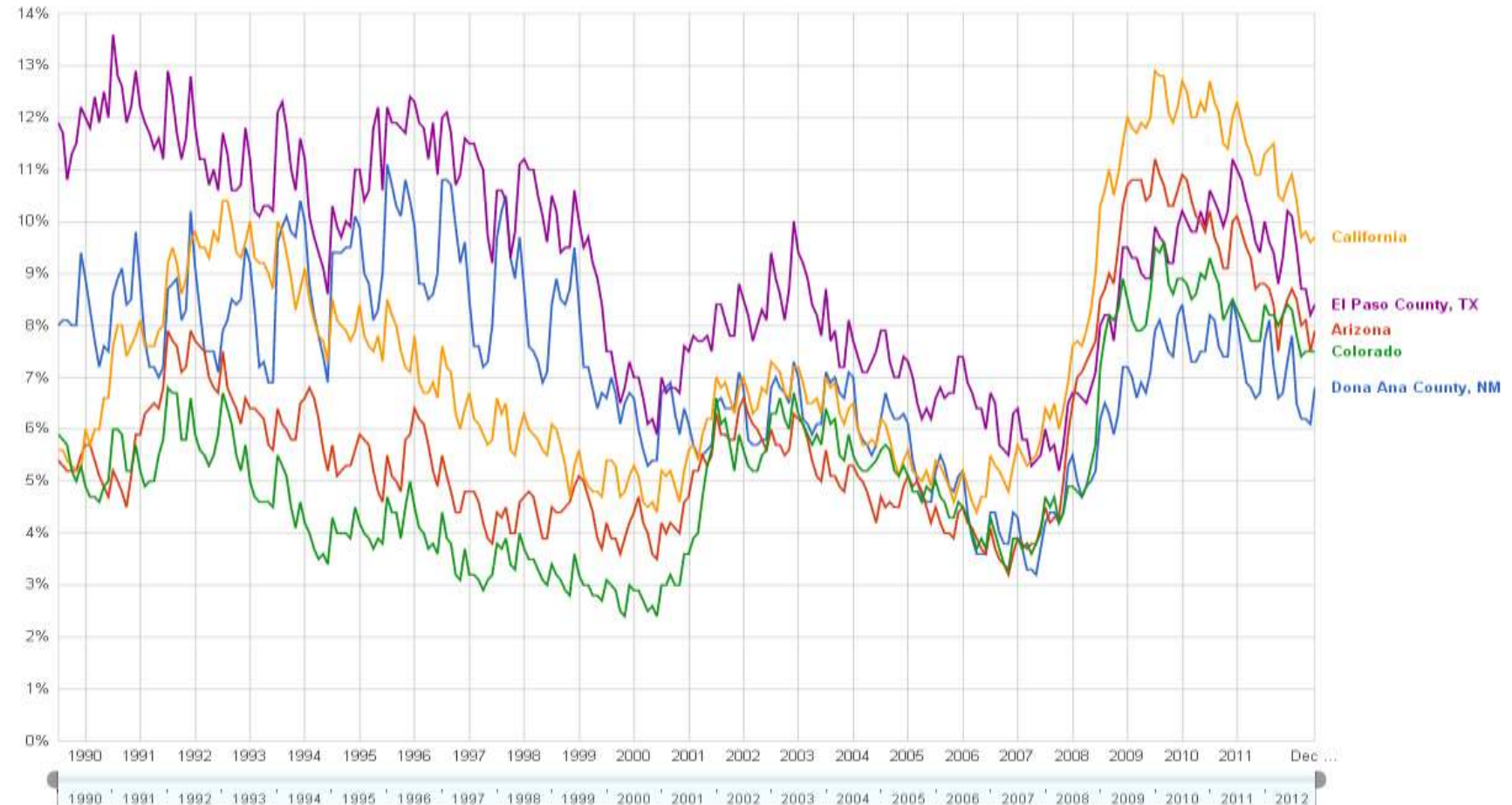
www.google.com/publicdata/explore?ds=z1ebjpgk2654c1_&met_y=unemployment_rate&idm=county:PA350150&fdm_y=seasonality:U&dl=en&hl=en&q=dona%20ana%20c

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Unemployment rate - Not Seasonally Adjusted



Data from U.S. Bureau of Labor Statistics Last updated: Feb 10, 2013

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