



CITY OF ALBUQUERQUE

# ECONOMIC DEVELOPMENT PLAN



# CITY OF ALBUQUERQUE ECONOMIC DEVELOPMENT PLAN

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Albuquerque stands at an inflection point of growth and change as we round out the first quarter of this century. Major advancements have been made in key economies where our strengths are showcased, including aerospace, bioscience, and the film and digital media industries. Looking ahead, we will continue to focus on and lead in these growing sectors while ensuring Albuquerque blazes trails in emerging markets and supports our small business community.”

*Max Gruner, Director, Economic Development Department, City of Albuquerque*

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# MESSAGE FROM THE MAYOR

## Greetings Albuquerque,

Albuquerque is New Mexico's urban center and the Southwest's premier mid-size city. As one of the nation's first minority-majority cities, we are rich in cultural and economic diversity and are viewed worldwide as a place of opportunity, connection, and prosperity. Our creative economy, among the most robust in the country, has been instrumental in job creation, business recruitment and retention, and economic resilience, particularly due to our thriving film ecosystem. Production companies and organizations across a spectrum of industries choose to locate here because Albuquerque offers a supportive business environment built on partnerships, innovation, and growth, and because both the City and State offer a wide range of competitive incentives.

While we welcome businesses of all sizes and types, small businesses are the backbone of our economy and the focus of my administration. We recognize that the success of entrepreneurs can mean the difference between a thriving city and a stagnant one. When successful, they create jobs, contribute to industry diversification, lift individuals and families from poverty, elevate living standards, stimulate other new businesses, and contribute to a city's energy and appeal. Hence, we intentionally seek out ways that our initiatives throughout City departments can include components supportive of small businesses - from connecting small business owners with international trade opportunities to ensuring Downtown development is responsive to their needs.

Albuquerque's colleges and universities directly participate in the broader economy, not only by producing a pipeline of young educated workers but also by partnering with the business community to help up-skill labor to meet the needs of employers or create new programming for rising industries. The convergence of lab assets, academia, entrepreneurial minds, and the private sector regularly create new economic opportunities for tech transfer and commercialization. With a focus on cultivating our strengths and initiating extensive strategies in workforce development, recruitment and retention, and small business support, we're continuing to position Albuquerque as the most resilient, innovative, and nimble community in the country. The possibilities are endless!



*Timothy M. Keller, Mayor  
The City of Albuquerque*





# MISSION

Ask ten people what economic development means and each will likely provide a very different answer. The wide, encompassing umbrella of programs, incentives, and organizations which participate in economic development span every level of government, nonprofits, and private companies. Most simply stated, economic development is the process of improving people's living standards through the creation of jobs, infrastructure, education, and health.

Economic development is a living process of collaborative effort that requires the vision and fortitude to see not only the present needs but to expand that vision far into the future so that today's decisions and labor can benefit others for generations to come.

Economic development within the City of Albuquerque requires strong leadership, alliances and collaboration, and the driver of much of that effort comes directly from the leadership and vision within our city government. Multiple agencies as well as strategic partners work together with state and federal government and across the globe to improve the lives of those who choose to call Albuquerque their home.

Within the City of Albuquerque government, the Economic Development Department is the central hub for executing and driving forward the vision of growth for the city. The department's mission is to create a more diversified and equitable economy that works for everyone by growing and retaining local businesses and jobs; eliminating barriers to success in underserved communities; recruiting businesses in key industries; increasing Albuquerque's competitiveness in the global market; and fostering a sustainable and vibrant environment.



# ECONOMIC DEVELOPMENT PROGRAMS

The City of Albuquerque, in collaboration with the State of New Mexico and other partners, provides an array of programs and incentives to existing companies looking to expand and to new companies seeking to locate in Albuquerque. The City's Economic Development Department is home to the following program areas which focus on a different aspect of the department's overall mission:

## **Business Retention and Expansion**

**Albuquerque Film Office (AFO)**

**Minority Business Development Agency (MBDA)**

**Convention Business and Tourism**

**International Trade**

## **Site Readiness**

**Small Business Office (SBO)**

**Workforce**

**Outdoor Recreation**

## **Business Retention and Expansion**

With the Economic Development Department leading the effort in collaboration with other departments, the City of Albuquerque's Business Retention and Expansion efforts enable our City to identify and address the needs of current businesses and recruit other businesses to establish a presence here. The City uses a wide array of tools, programs, and partners for this vital mission. The primary tools used by the Economic Development Department are LEDA (Local Economic Development Act), public-private partnerships tailored to a unique business need for economic benefit; EDAct (Economic Development Action Account), funds created from clawbacks used in various ways to retain and expand community programs, technology-based entrepreneurs, and workforce development; IRBs (Industrial Revenue Bonds), financing for economic-based industry projects; and Opportunity Zones (OZs), which spur economic development via tax incentives for investors for projects within qualified census tracts.

- **LEDA:** LEDA allows for public support of qualified economic development projects for existing expanding companies as well as for newly recruited ones. LEDA fosters, promotes, and enhances local economic development efforts while protecting against the unauthorized use of public money and other public resources. This empowers communities to embark upon economic development projects tailored to their local needs. In essence, LEDA is used to enter into a "public private partnership" for an economic benefit. LEDA can be used to reimburse eligible expenses for investments of land, building, and infrastructure. The City also can act as the fiscal agent for State funds contributed to a qualified project.

- **EDAct:** EDAct funds are created from clawbacks collected from defaults on other City-funded incentives. EDAct funds can be used in various ways by the City, including the expansion of community programs focused on the retention and expansion of existing economic base companies, the growth and development of technology-based entrepreneurs, and to support workforce development programs that build the education, skills, and experience needed by current and future employees.
- **IRBs:** The City of Albuquerque can issue industrial revenue bonds to finance economic-base industry projects. This includes construction or renovation of manufacturing plants, research and development facilities, corporate headquarters, and certain other facilities, and purchase of land and equipment. Because a financed project is technically owned by the government entity and leased to the company, the project is exempt for up to 20 years from property taxes on land, buildings, and equipment. Equipment purchased with bond proceeds is exempt from gross receipts or compensating taxes. The City does not provide any direct financing; the company is responsible for securing its own financing.
- **Opportunity Zones:** Public Law 115-97 is also known as the Tax Cuts and Jobs Act of 2017. This law, along with subsequent legislation and federal IRS guidelines, allows for the designation of OZs in designated census tracts. Qualified OZs are designed to spur economic development by providing tax incentives for investors who invest new capital in businesses operating in one or more qualified OZs. The purpose of these tax advantages is to attract capital investment into economically distressed areas.



## Site Readiness

Site readiness is the process of maintaining up to date information on available real estate and commercial space to interested parties. Until recently, most of this work was outsourced to service providers, but the addition of a Senior Economic Developer focused on site readiness within the Economic Development Department is enabling the City of Albuquerque to take part of this process in-house, ensuring that the City is always prepared to most effectively advocate for the City to potential site selectors. Along with this new internal capability, the City has strong partnerships and resources that will continue to enhance these efforts. Among the City's strategic alliances for site readiness are the State of New Mexico Economic Development Department (NMEDD) and the University of New Mexico Bureau of Business and Economic Research (BBER). More can be found on both of these organizations within the Strategies section of this plan.



### Albuquerque Film Office (AFO)

The film industry has gained significant traction as a driver of economic prosperity for the City of Albuquerque, and, along with the State of New Mexico's attractive incentives, much of the increase in revenue and jobs can be attributed to the AFO's strong advocacy, recruitment, and hands-on engagement which ensures that potential projects and companies are welcomed and supported as needed within the city. The AFO's main purpose is to serve as a liaison among City agencies, the local community, and the entertainment industry. As this rapidly expanding economic sector continues to grow in Albuquerque, providing high-paying and creative jobs to the community, the AFO works to enhance opportunities that benefit local businesses, (both directly and indirectly) as well as to showcase local talent.



The AFO provides resources and support to productions, including oversight of the digital permit process via the City website. The AFO also works with local educational institutions to bring additional training and knowledge to aspiring filmmakers. As the AFO embraces the importance of this key industry, one of its top priorities is ensuring that the AFO's Film, Television, and Photography Guidelines are being upheld to maintain the safety and well-being of Albuquerque and its businesses, its residents, and its visitors.



## Small Business Office (SBO)

While the recruitment and retention of economic-based businesses is a vital part of Economic Development, small businesses remain the backbone of Albuquerque's business landscape – and providing hands-on support to these businesses is a priority for the City of Albuquerque. The SBO is the central point of entry for Albuquerque entrepreneurs and businesses, providing timely, relevant, actionable information, and assistance.

Established in 2019, the SBO has the people and tools to help start, expand, or relocate businesses in Albuquerque. Through online resources and in-person customer service, the SBO connects owners to the right people and appropriate City agencies to provide assistance in navigating City processes such as permitting, licensing, business services, and understanding the City's procurement process. The SBO team assists local businesses with curated access to training, advice, and community events which bring multiple City agencies together to provide one-stop support to local businesses.

## Minority Business Development Agency (MBDA)

While the missions of the SBO and the MBDA are both focused on supporting businesses, and while the teams often collaborate to better serve businesses in Albuquerque, the MBDA is one of only two federally-funded MBDA agencies within the United States operated by a City entity. New Mexico's MBDA has earned national recognition for both excellence and growth in the number of businesses served. The New Mexico MBDA Business Center provides assistance to mid-sized, minority-owned businesses throughout New Mexico.

The MBDA harnesses the power of federal resources to achieve broad-based, equitable economic impact through job creation and revenue growth at the local level. The MBDA provides support through technical training, events, and networking and also opens access to capital, contracts, and markets. Specifics include client bid opportunity sourcing, help with certifications and registrations, lending and equity proposal packaging, capital lending access, strategic planning consultation, and international trade assistance. The center offers a complete menu of services to ensure businesses reach their full potential.



## Workforce

Added in 2022, the City of Albuquerque's Workforce team prioritizes workforce development as a strategy for economic growth. Targeted programming is designed to skill up Albuquerque's workforce to match local employer demand, advance existing careers, generate higher wages, and create job opportunities. Workforce is also a vital component of recruitment of new businesses to Albuquerque. Three initiatives are at the core of the Economic Development Department's (EDD) efforts for 2023: Job Training Albuquerque (JTA), Get Certified ABQ, and the Youth Workforce Investment Program.

### JOB TRAINING ALBUQUERQUE

JTA is a workforce development partnership between EDD and Central New Mexico Community College (CNM). The EDD provides the funding, marketing, and strategy for JTA, and CNM provides the administration and training through CNM Ingenuity (CNMI), the college's workforce training arm.

JTA is a free workforce development program that provides opportunities for local workers to develop in-demand, transferable skills that meet the needs of Albuquerque small businesses. JTA's goal is to provide small businesses with the skillsets they need to add at least one job within two years, thereby spurring local small business growth and building a deeper pool of skilled workers.

The EDD and CNM created JTA to address gaps within New Mexico's workforce development system. The partners found that many Albuquerque small businesses and entrepreneurs were unable to qualify for existing state and federal workforce resources due to their business size or industry. JTA fills these gaps by providing free training opportunities to small businesses (fewer than 500 employees), including startups, in any sector. JTA helps Albuquerque's economy grow from within by restricting its eligibility to small businesses or entrepreneurs that have been located within Albuquerque for at least one year. Small businesses may send any new or incumbent employee through JTA trainings.

JTA has the goal of providing benefits to the following three groups:

- **Local Workers:** JTA provides training and education with certificates that participating workers can take with them from job to job throughout their careers.
- **Local Small Businesses:** JTA provides opportunities for participating businesses to skill up new and incumbent employees, leading to company growth and job creation.
- **The Community:** JTA provides workforce development services to Albuquerque's small businesses to drive growth in the local economy.



JTA offers over 100 skills-based trainings by partnering with local providers such as CNMI, the University of New Mexico, the Associated General Contractors of New Mexico, the New Mexico Child Care and Education Association, Corus Academy, Associated Contractors New Mexico, and Family Friendly New Mexico.

Since its launch in 2020, 1,145 workers from 214 Albuquerque small businesses have participated in Job Training Albuquerque (JTA), the City's premier workforce development initiative. As of December of 2023, participating businesses have reported adding over 791 jobs, a 24% increase in wages, and \$37.5 MM of additional annual earning power, creating opportunities and better career outcomes for Albuquerque's workforce.



JTA has increased access to essential trainings by removing cost barriers for Albuquerque businesses and employees in a wide variety of industries.”

*Joseph Wojcik, Owner, Powerhouse Electric*

### **GET CERTIFIED ABQ**

In July 2022, the City's EDD partnered with Google to teach 500 residents in-demand job skills for careers in technology through the Google Career Certificate program. The EDD branded the program Get Certified ABQ (GCA). The certificates are in the high-growth fields of Data Analytics, Digital Marketing and E-commerce, IT Support, Project Management, and UX Design, five of which are also available in Spanish. The online program can be completed in three to six months of part-time study—with no degree or experience required. After finishing the program, graduates are connected with an employer consortium of over 150 companies, including Deloitte, Ford, Verizon, Walmart, and Google—that consider graduates for relevant roles.

The partnership has no formal transfer of funds between the City and Google. Google provides 500 course licenses (each license is valued at \$39 per month) to the EDD at no cost. Google provides the underlying licenses and course content through its online platform. The EDD manages the applications and management of users on the platform. The partnership launched on August 5, 2022, and will end on December 18, 2024, when the license agreements expire.

The GCA partnership was formed to provide Albuquerque residents access to in-demand skills and job opportunities that don't require a college degree. The EDD found that technology bootcamps at local institutions could cost up to \$10,000. These bootcamps were available through federal workforce training funds; however, the strict eligibility limitations on the federal funds still made the bootcamps effectively out of reach for most residents looking to upskill.

The EDD decided to maintain only minimal eligibility requirements for the GCA program to ensure that any resident who needs access to new skills will have the ability to develop them. The EDD opened the program to Bernalillo County residents and current high school students attending a school within Bernalillo County who are at least 16 years old.

The target goal of the program is to train 500 residents in the Google Career Certificate program by December 2024. The EDD is actively enrolling learners in the GCA program and has issued 30 course licenses as of December of 2023. In the 2024 program year, the EDD is seeking more partnerships with community organizations that work with youth and job seekers to expand enrollment in the program.

## **YOUTH WORKFORCE INVESTMENT PROGRAM**

For the second straight year, EDD is partnering with Future Focused Education to establish a youth-centered workforce development program that moves individuals onto career pathways while providing internship placements within various City departments. Future Focused Education's mission is to create healthier and more prosperous communities by advancing the best education and opportunities for the students who need it the most and working with schools in historically underserved communities. EDD and Future Focused Education's partnership calls for the placement of five internships (X3 Internship) across at least three different City departments. Previous interns have been placed in departments such as Aviation, Technology and Information, and the Office of Equity and Inclusion, where interns have gained meaningful work experiences. The program opens doors to future careers and higher education. It offers high school students paid work experiences outside of the classroom and inside the workforce.

In addition to Future Focused Education, EDD partnered with Southwestern Indian Polytechnic Institute (SIPI) to form an Early Childhood Education program in 2021 and 2022. EDD is currently exploring how to continue that partnership and create another opportunity for the SIPI community. EDD's previous program supported SIPI students in attaining their 45-Hour Credential and receiving career coaching and navigation services. EDD is also pursuing additional partnerships to support youth workforce programs, however, these partnerships are still in the early stages of development.



## Convention Business and Tourism

The tourism and hospitality sector is one of Albuquerque's largest private industries, generating approximately \$2 billion annually and employing more than 45,000 people in our city. It is imperative that the tourism-related businesses and enterprises that make Albuquerque unique are supported. It is also more critical than ever to develop compelling marketing campaigns that establish Albuquerque as a first-choice destination.

Albuquerque's commitment to growing the tourism and hospitality sector has led to a new 7-year contract with Visit Albuquerque, the city's convention and visitor's bureau, with the option of renewing for an additional two years. This new contract is much longer than any previous contract held by the organization and has been constructed for the longer term to better match industry standards and provide consistency in the market. The longer term will also allow the city to be more competitive on longer recruitment cycles. More details about Visit Albuquerque can be found in the Partnership section.

In addition to Visit Albuquerque, the City has contracted with ASM Global since 2004, the world's leading venue management company and producer of live event experiences. ASM Global, which is also locally known as SMG, provides operations management, marketing and promotion for the Convention Center, Kiva Auditorium, Jennifer Riordan Spark Kindness Sports Complex (also known as the Albuquerque Regional Sports Complex), Civic Plaza's private events, and the Convention Center parking garage. ASM Global's marketing and promotion outreach focuses more on the more immediate events that fall within the next 18 months while Visit Albuquerque and the Hispano Chamber's outreach is broader to reach the bigger industries that plan out events sometimes years in advance. ASM Global contributes to the City's Economic Development efforts through increased revenue-generating activities and events balanced with lower operations costs and often partners with Visit Albuquerque and the Hispano Chamber on collaborative messaging and outreach at national and global tourism events. More details on the Hispano Chamber are found in the partnership section.

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As one of the city's largest private industries, tourism and hospitality is a significant contributor to Albuquerque's economy. The city sees approximately 6.7 million overnight visitors in a typical year, who contribute more than \$2 billion to our city and support more than 45,000 jobs.”

*Tania Armenta, President and CEO, Visit Albuquerque*



## Outdoor Recreation

One of the newest initiatives added to the City of Albuquerque's Economic Development Department is Outdoor Recreation. It is an important addition that will allow the City to better capitalize on opportunities to improve quality of life and increase tourism. Today, more individuals and businesses seek cities with a rare mix of economic opportunity and low-risk, healthful living. Albuquerque boasts natural assets like accessible outdoor recreation, affordability, proximity to nature, cultural diversity, abundant sunshine, and clean air.

The outdoor recreation economy is an engine for small business growth:

- **1.9%:** the outdoor industry's direct contribution to the national GDP
- **4.5 MILLION:** number of American jobs in the outdoor recreation sector
- **\$863 BILLION** gross economic output

*Source: U.S. Dept. of Commerce, BEA*

Outdoor recreation is an economic powerhouse for New Mexico. Creating 33,500 jobs that provide \$1.2 billion in income across many sectors, outdoor recreation diversifies our economy, improves our quality of life and strengthens our community wellbeing. For many New Mexico communities, access to year-round outdoor recreation on local, state, and national public lands and waters is

an essential component of long-term economic development and community identity. In addition, outdoor recreation opportunities and environmental/land conservation attributes are increasingly associated with community economic success around the world, as well as with attractiveness for individual and business relocation. As more residents and visitors are active in New Mexico's great outdoors, stewardship of recreation assets requires investment of time, energy, and money for healthier communities, economies, and people.

Albuquerque is ideally situated to maintain and grow this important element of a sustainable economy. The City boasts 300 neighborhood parks, over 150 miles of off-street multi-use trails, nine golf courses, and over 30,000 acres of protected open space lands. Over 90 percent of residents are within a 10-minute walk (one half mile) of a park, trail, or other green space—and the City's goal is to reach 100 percent. For comparison, the national average for the 100 largest American cities is 56 percent. Albuquerque's mild, four-season climate as well as diverse public and private facilities support year-round recreation for individual and team sports along with a plethora of indoor/outdoor activities: walking, running, bicycling, track and field, water sports, soccer, softball, baseball, football, swimming, rugby, lacrosse, golf, disc golf, tennis, pickle ball, basketball, volleyball, skateboarding, and more.



Albuquerque is also a prime location and destination for nature-based recreation. The City's nationally recognized Open Space network, which has more acres of open space per capita than any major American city, includes 4,000 acres of river forest embracing a 16-mile stretch of the beautiful desert river, the Rio Grande. Open space lands along the river, Sandia Mountain foothills, and West Mesa grasslands sustain accessible natural ecosystems

brimming with watchable wildlife along miles and miles of trails. Albuquerque is also home to numerous outdoor recreation opportunities thanks to several protected regions including a unit of the National Park System within the City limits, a designated Wilderness Area, a bordering U.S. National Forest that includes a ski area, and an additional ski area only 90 minutes away.

Albuquerque's efforts to sustain and grow this segment of the economy have achieved excellent recent successes. In 2019, Albuquerque hosted the National Senior Games, which attracted over 14,000 athletes who competed in 22 sports, the largest number of participants in the history of this event. Albuquerque's event was rated one of the best Senior Games ever by both organizers and participants.

The City of Albuquerque owns the newest and fastest indoor track in the country, helping make its indoor track program a nationally-recognized location for this sport. An 18-year partnership with the University of New Mexico supports an 8-10 meet season that in 2023 included hosting the NCAA Division I Indoor Track Championship and the USA Track and Field Championship.

The City is also making key new strategic investments in recreational facilities. In 2023, Phase One of a \$15 million total renovation of Los Altos Park was completed along with a new softball complex that will host dozens of local, state-wide, and regional tournaments annually. Albuquerque currently hosts many girls fast-pitch tournaments and the second largest Native American softball tournament in the country. Since the opening of the new Los Altos Park complex, Albuquerque has been awarded a prestigious regional qualifying tournament in 2024 for USA Senior Softball, plans to establish a new Hispanic World Tournament are underway, and other tournament organizers from around the country also expressing interest. The City's softball facilities are coupled with the baseball fields at the Jennifer Riordan Sparks Kindness Recreational Complex, which hosts the sport year-round, including numerous tournaments during the summer. In addition, Albuquerque will break ground in 2024 on both a new indoor sports facility, which will significantly expand facilities for basketball and volleyball, and a new \$50 million Aquatic Center that will include an Olympic-sized competition pool that can host large regional and national swimming events.

Albuquerque has also successfully moved into the bicycling space. Over the past two years, Albuquerque has hosted three USA Cycling (USAC) national championship events, and the City's favorable location and strong performance as a host partner earned high marks from USAC, which is now actively considering Albuquerque for other cycling national championships. Albuquerque also boasts dozens of miles of outstanding mountain biking trails beloved by riders. The City is constructing a new 25-mile network on the city's West Side and is contemplating establishing a world-class mountain biking park. BMX is also an established feature of the cycling scene in Albuquerque, with the City annually hosting an extremely popular Spring National event on the USA BMX calendar. Phase Two of the Los Altos Park renovation will add in a new BMX pump track which will be a candidate for an event on the Red Bull BMX circuit.

Albuquerque is also riding the wave of the fastest growing sport in the nation: pickleball. The city currently has 75 pickleball courts, a number that is expected to grow to 120 within the next two years. Albuquerque has the largest pickleball complex in the state of New Mexico, and construction is now underway on a project to double the size of that facility.





To complement traditional sports efforts, Albuquerque continues to invest in open space protection and other land conservation efforts to safeguard irreplaceable natural and cultural resources for present and future generations. Over the last four years, the City has added over 1,200 acres of open space, including significant acquisitions at the San Antonio Oxbow Bluff and in the Tijeras Arroyo BioZone. The City recently increased dedicated funds going toward open space acquisition by 33 percent. Albuquerque also continues major ongoing efforts to protect and restore the bosque (river forest) ecosystem and connect every child to nature. These programs not only conserve natural beauty and biodiversity in and around the city, but also protects the land base that provides outstanding recreation opportunities for all ages and helps raise a new generation of environmental stewards. All of these efforts combine to both build the foundational elements of a sustainable economy that cannot be moved overseas and foster high quality-of-life, making Albuquerque an incredible place to live, work, and play.

## International Trade

The Economic Development Department offers international business development assistance services through the New Mexico Trade Alliance. Services include “how-to” international business educational seminars, trade missions to foreign markets, and international trade shows, and individual company consultations to assist with company-specific international business development challenges and opportunities. The department also participates in the Sister Cities program as part of this effort.

## TOOLS AVAILABLE FOR INTERNATIONAL TRADE

**New Mexico State Trade Expansion Program (STEP) Grant:** The New Mexico STEP Grant, funded by the U.S. Small Business Administration (SBA), is a reimbursement grant program that helps New Mexico companies gain or grow international sales. In October of 2023, the SBA awarded the New Mexico Economic Development Department \$200,000 for the NM STEP Grant 11, with eligible companies requesting up to \$7,500 per annual grant cycle.

For over a decade, the NM STEP Grant has assisted the efforts of small businesses to begin exporting or to expand into new markets by reimbursing the cost of eligible activities. By supporting international business development for companies, the NM STEP Grant contributes to the increase in the number of exports, value of exports, and number of jobs.

The New Mexico Trade Alliance serves as the State of New Mexico's administering partner for the NM STEP Grant.

**ABQ Co-Pilot:** This program aims to help subject matter experts enter the United States and expand their company to the United States. ABQ Co-Pilot is a free, no-obligation, "soft-landing" program designed to help companies successfully plan a relocation or expansion to the U.S.

Clients can request meetings with potential customers, business formation attorneys, immigration attorneys, tax experts, financial institutions, third party logistic service providers, government officials, real estate agents and developers, existing industry partners, U.S. suppliers, public relations and marketing service providers, incubators, accelerators, co-working spaces, chambers of commerce, networking event organizers, and more.

## SISTER CITIES

The City of Albuquerque participates in the Sister Cities Program, which is a non-profit organization that seeks to promote cultural exchange and understanding by creating partnerships and relationships between Albuquerque and various cities throughout the world. Through a variety of programs and events, the organization fosters friendship, cooperation, and mutual respect between communities, and encourages dialogue and collaboration in areas such as economic development, education, arts and culture, and more. The program also affords opportunities for individuals to participate in cultural immersion programs, exchange programs, and international conferences. The ultimate goal of the Albuquerque Sister Cities Program is to create a more connected, engaged, and globally-minded community.

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The relationship between Kharkiv and Albuquerque shows the power of President Eisenhower’s vision of citizen diplomacy almost 70 years after the formation of Sister Cities International. Now more than ever before these kinds of global partnerships and exchanges are so important to residents and cities in the United States and the world as they build bridges of understanding and bring economic, educational and cultural value to our member cities.”

*Peter Svarzbein, Chair, Board of Directors, Sister Cities International*

Albuquerque, New Mexico currently has the following Sister Cities:

- Alburquerque, Spain
- Ashgabat, Turkmenistan
- Chihuahua, México
- Guadalajara, México
- Helmstedt, Germany
- Hualien, Taiwan
- Kharkiv, Ukraine
- Lanzhou, China
- Lusaka, Zambia
- Rehovot, Israel
- Sasebo, Japan





On June, 29, 2023, the City of Albuquerque announced the intention to establish a Sister Cities International relationship with the city of Kharkiv, located in the northeast region of Ukraine. The partnership was celebrated virtually by both Albuquerque and Kharkiv, with Albuquerque Mayor Tim Keller and Kharkiv Mayor Ihor Terekhov attending. Members of Albuquerque's local Ukrainian community were also present for the celebration.





# STRATEGIES TO FOSTER AND SUPPORT ECONOMIC DEVELOPMENT

Albuquerque is a top city in which to start, expand, or relocate a business due to its skilled workforce and business-friendly environment. Companies like Netflix, NBC Universal, BlueHalo, Maxeon, mtex, and many others have selected Albuquerque because it is a great place to do business and provides a healthful and affordable quality of life. Albuquerque welcomes businesses of all sizes and types, from startups to expansions and relocations of global businesses.

As an economic development team tasked with growing the City's economy, we believe in what our city has to offer, and when we are working introducing new companies to Albuquerque, we work hard to ensure that they see the potential too. We understand that the businesses that call Albuquerque home are vital to our local economy and that their choice to build their businesses and grow their families in our community cultivates stability and a strong sense of place. It has been our team's great privilege to witness so many businesses and individuals fall in love with Albuquerque and get excited about the possibilities.

One significant challenge we are now taking on as a City is our infrastructure needs. From fiber and fast internet to the very basics like water and power, we are proactively identifying gaps within our fundamental infrastructure and leveraging relationships and funding to foster the best environment to leverage these resources and cultivate growth. Through our combined efforts between City, State, Federal, and private partners, we are beginning to make a difference for our entire city.

As it relates to internet connectivity, infrastructure is not the only hurdle we are taking on. We are actively working to increase access, create a more competitive marketplace, help residents and businesses tackle the affordability barrier, and provide a more equitable playing field with digital literacy resources. To that end, the City of Albuquerque created the Broadband Program Manager position in 2022 to ensure all residents, businesses, and industries have equal access to high-quality affordable internet service, devices, and digital equity resources in a competitive marketplace where everyone can thrive now and into the future.

In 2022, the City achieved a significant milestone towards more inclusive access to broadband by signing the first city-wide license agreement with Vexus Fiber, which will enable fiber-to-the-home infrastructure to all residents and businesses over the next five to seven years.

In early 2023, the City of Albuquerque's Broadband Office, located in the Department of Technology and Innovation, received a grant from the Federal Communications Commission to conduct marketing

and outreach to all residents, educating residents on the FCC's Affordable Connectivity Program. This federal program allows eligible households to receive a \$30-a-month discount on their internet bill.

In October of 2023, the City of Albuquerque's Broadband Office helped facilitate a fiber optic technician training to skill up and apprise our talented and hardworking New Mexico workforce about upcoming broadband industry opportunities. The City is hopeful that this plan will advance us toward more growth and opportunities while also aligning our interests and efforts more closely with both the State and County, revisiting our priority sectors, bringing real opportunity to Albuquerque, and showing our strengths and discussing our aspirations.

In addition to specific programs like our broadband efforts which are created to help grow our city's economy, we have also created several targeted strategies for economic development to better achieve our goals. This section will provide a brief overview of some of the primary strategies used; many will be covered in greater detail elsewhere within this plan.

## Strategy: Incentives Through Partnerships

On top of the incentives provided directly by the City of Albuquerque, which will be explored in depth in the Incentives section, partnerships with other agencies and organizations allow the City to offer a broad spectrum of help and support to companies.

### NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT

The City of Albuquerque works closely with NMEDD on recruitment and retention efforts. Among the programs provided by NMEDD are:

- **Job Training Incentive Program (JTIP):** One of the most generous training incentive programs in the country, JTIP is also one of Albuquerque's most popular incentives. Funding classroom and on-the-job training for newly created jobs in expanding or relocating businesses for up to six months, JTIP reimburses 50-90% of employee wages. Open to companies that manufacture or produce a product in New Mexico, as well as non-retail service companies that export a substantial percentage of services out of state, software development companies, customer support centers, and product testing labs, JTIP has supported more than 1,600 training projects and the creation of nearly 47,000 jobs since 1972.
- **International Trade:** Funded in part by a grant from the Small Business Administration, The State Trade Expansion Program (STEP) is an export initiative to make matching-fund grants to assist eligible small businesses in entering or succeeding in the international marketplace. The program offers booth space, interpreters, export training programs, the US Department of Commerce Gold Key matchmaking services, and website optimization for e-commerce and virtual trade shows.

- **ISO 9001 Training and Preparation:** New Mexico 9000 Certification Training provides new and expanding industries the tools and training to become more competitive with the goal of providing ISO quality standards to ensure New Mexico based companies remain and improve their competitiveness. Training is provided in partnership with the New Mexico Manufacturing Extension Partnership (NM MEP).
- **Office of Strategy, Science and Technology (OSST):** With the primary goal of connecting New Mexico's innovation infrastructure to the commercial market, OSST focuses on growing and diversifying existing technology companies, rapidly commercializing technologies, and promoting research and development in emerging technologies. Within this program, the Technology Research Collaborative (TRC) establishes advanced technology centers based on the wealth of scientific and technical talent that exists within member institutions, develops and creates and commercializes new intellectual property for the state, encourages new opportunities for business, and increases jobs, and creates a workforce to support enterprises based on the state's intellectual property. The OSST also provides defense industry diversification through assistance to communities, businesses, workers, and federal contractors that may be affected by the volatility in Department of Defense (DOD) spending. The New Mexico Catalyst Fund, Science and Technology Business Startup Grants, and the New Mexico Small Business Innovation Research (NM SBIR) Award Match programs are all housed within OSST.
- **Finance Development:** Included within the services of Finance Development are financial packaging (debt or equity), as access to capital, review and interpretation of company financial statements, in-depth financial analysis, and client consultations concerning all aspects of doing business, including a tax incentive overview or analysis, and providing financial resource assistance to every type of business and industry. Regional representatives are spread throughout the state to provide in-person support for their assigned regions. Finance Development also includes LEDA and New Mexico FUNDIT community development programs. Business development programs include business finance fairs, which are in-person regional events connecting businesses and funding. Additionally, a growing library of webinars is provided through this program.



- **Office of Justice, Equity, Diversity, and Inclusion (JEDI):** Tasked with directly addressing systemic inequities and barriers to entry for New Mexican business owners and entrepreneurs, JEDI provides support and creates programming and business tools to aid in the growth of socially and economically disadvantaged businesses. JEDI provides help to businesses to connect with services, resources, and financing options, assists business owners as they navigate working with state government, supports and advocates for businesses that generally fall through the cracks, and promotes growth for businesses interested in film, outdoor recreation, science, and technology.
- **Business Finance Finder:** An online directory of resources offered by the State of New Mexico, this tool connects New Mexican business owners and entrepreneurs with programs and incentives as well as service organizations and available facilities.

### ALBUQUERQUE REGIONAL ECONOMIC ALLIANCE (AREA)

The City of Albuquerque is able to expand reach, access to data, and programs through a partnership with the AREA, a nonprofit that leads and executes strategies designed to grow and diversify the economic base of the greater Albuquerque region. AREA's business retention and expansion support programs and services remain free for local employers, connecting them with resources and solutions to remove barriers to growth. AREA's team conducts in-person visits with local employers as part of this service, meeting with over 70 companies in 2022.

#### Services for local employers include:

- Financial resources
- Connections to state incentive programs
- Engaging with future talent
- Government regulations
- Talent attraction and training
- Public relations and promotion in the region
- Site selection or facility expansions



#### AREA's additional services include:

- **SizeUp:** A free online resource which provides custom market research and data that empowers companies to make strategic and data-driven decisions on their next move. It also incorporates robust data sets that help businesses analyze the market and business costs.



- Job Board: AREA hosts a free online job board to add to the size and quality of the talent pool within a four-county region. True Job displays career opportunities alongside custom data related to the advantages of living and working in the greater Albuquerque metro area such as cost of living, quality of life, housing, local amenities, and resources. True Job also includes job analytics and metrics as well as applicant tracking.
- AREA also promotes the myriad of incentives provided locally, from the State of New Mexico, as well as other sources. A few of these are LEDA, JTIP, Workforce Innovation and Opportunity Act (WIOA), tax credits, and deductions.
- Financing and Tax Resources are also provided by AREA, including Finance New Mexico, DreamSpring, Capital Certified Development Corporation, Enchantment Land Certified Development Company, Export-Import Bank of the United States, the Loan Fund, New Mexico Community Capital, New Mexico Finance Authority, New Mexico Tax Research Institute, Sun Mountain Capital, U.S. Small Business Administration, Wells Fargo Equipment Finance Inc., and WESST Corporation.
- AREA's resources for technical assistance include New Mexico Manufacturing Extension Program (NM MEP) and UNM Rainforest Innovations.
- Workforce Development resources shared by AREA include CNM Job Connection Services, TalentABQ, JTA, and UNM Office of Career Services.
- Business Incubators and Accelerators include ActivateNM, FatPipe ABQ, IGNITE Community Accelerator at CNM, New Mexico Startup Factory, and Q Station.
- Government Agencies include Air Force Research Laboratory (AFRL), New Mexico Workforce Connection, and U.S. Export Assistance Center.
- Training and Education include Albuquerque SCORE, Central New Mexico Community College, University of New Mexico Manufacturing Engineering Program, WESST, and CNM Workforce Training Center.

In addition to these resources, AREA also partners with New Mexico Partnership, New Mexico Small Business Assistance Program, New Mexico International Trade Alliance, and Procurement Technical Assistance Center.

## **BUREAU OF BUSINESS AND ECONOMIC RESEARCH FOR UNM (BBER)**

BBER is a nationally recognized expert in providing socioeconomic data and forecasting in New Mexico. Created over 70 years ago, BBER provides economic forecasting, data communications tools, and research services to nonprofits, philanthropic organizations, public organizations, and the private sector. BBER conducts vital background and industry research for the City of Albuquerque Economic Development Department incentive applications and potential projects. Additionally, BBER regularly provides important research and state of the industry updates.

### **Strategy: Commitment to Equity, Transparency, and Quality of Life**

Economic and racial inclusion fosters innovation, financial security, increased growth and revenue for businesses, and a more diversified and sustainable local economy. We are building collaborative partnerships and relationships by supporting business and workforce development, and presenting a narrative of diversity, inclusivity, opportunity, and investment in Albuquerque's communities and neighborhoods.

Through our partnerships and commitment to the public, we foster transparency in our planning and decision-making. We are accountable to Albuquerque's community and to creating a stable and thriving local economy for generations to come. The result is an improved quality of life for our citizens and a city that is a welcoming hub for progress where locals and transplants alike will prosper.

### **Strategy: Commitment to Public Safety**

Improving public safety in Albuquerque is essential to protect citizens, promote economic growth, enhance quality of life, and foster community trust. It requires a collaborative effort between law enforcement agencies, local government, and the community, to create a safer environment for every resident.

The City of Albuquerque is connecting the dots between economic vitality, infrastructure improvement, public safety, and the social safety net. The City is focused on infrastructure investments that also further the goal of making the streets safe for everyone. Our goal is to ensure the economic security and prosperity of all residents, expand public services that meet our most pressing needs, and invest in frontline and disenfranchised communities.

### **Strategy: Commitment to Improved Collaboration and Tracking**

Effective, frequent communication and documentation is vital to succeed on the lofty goals our City works to achieve. To this end, we are implementing a department-wide project management system that makes it easier to track progress on projects, document services provided, and generate reports on milestones.

# STRENGTHS AND OPPORTUNITIES: ALBUQUERQUE'S PRIORITY BUSINESS SECTORS

By making Albuquerque's greatest strengths and best opportunities a priority, the City of Albuquerque is able to focus economic development efforts on the business sectors where they will make the greatest gains for our economy. Those priority sectors are:



***Aerospace/Aviation:*** transform our space-related entities through partnerships to capitalize on forecasted industry growth expected to top \$3 trillion in two decades.



***Film and Digital Media:*** continue to support and grow our thriving film industry through economic development and collaboration with the State of New Mexico to support film industry incentives.



***Bioscience:*** continue to attract and support our local bioscience industry and develop a stronger partnership with NM Bioscience Authority to collaboratively market and recruit.



***Tourism/Outdoor Recreation:*** create a focused program to capitalize on all outdoor recreation and sports tourism opportunities in alignment with the State of New Mexico.



***International Trade:*** increase post-pandemic funding through the RFP process to organize and implement multiple trade missions to fuel economic growth through global trade.



***Future Tech/Blockchain:*** create an inviting ecosystem with best-in-class policies for growing and emerging technologies and stand up a blockchain sandbox to foster innovation, investment, and collaboration in this exploding industry.



***Advanced Manufacturing:*** establish working agreement with Sandia National Laboratories to support existing programs and to support a potential advanced manufacturing hub.



***Sustainable/Green Energy:*** collaborate with local anchor institutions to stand up a hydrogen incubator to spur innovation, investment, and local opportunities.

## Aerospace/Aviation

New Mexico has a long history as a center for space-related innovation and testing. As early as the 1920s, the state served as a proving ground around theories for human space travel. Today, New Mexico has more than 80 companies working in the space industry, with Albuquerque as the industry's local hub. An unequalled concentration of intellectual capital and a highly skilled workforce support an array of aerospace and defense application areas, including satellite component, design and manufacture, space launch, R&D, data analytics, space exploration, and services.

The breadth of Albuquerque's space-related assets position Albuquerque as a premier low-risk, low-cost, high-value location for any company with commercial aerospace interests:

- **Intellectual capital** - Across the state's three federal laboratories - Air Force Research Laboratory (DoD), Los Alamos National Laboratory (DoE), and Sandia National Laboratories (DoE), state universities, White Sands Missile Range, Spaceport America, and private sector interests, thousands of people are focused daily on space applications. The national labs alone employ more than 21,000 people combined.
- **A robust space ecosystem** - Private aerospace industry employs nearly 16,000 in the greater Albuquerque area, making us the second most concentrated aerospace cluster in the southwest.
- **The Q Station** - An aerospace innovation hub and workspace supported by the City of Albuquerque Economic Development Department, the Air Force Research Laboratory, and U.S. Space Force. It hosts tech cohorts to support emerging space and directed energy companies.
- **Hyperspace Challenge** - Albuquerque is home to the Hyperspace Challenge, an aerospace business accelerator created by the Air Force Research Laboratory to accelerate innovation in the U.S. Space Force and drive high-tech economic development and business opportunities. It connects business teams to government innovators to strengthen the exchange of innovation between businesses and government agencies.
- **Major aerospace companies** - Albuquerque is home to The Boeing Co., Northrop Grumman, BlueHalo, Fiore Industries Inc., Ball Aerospace & Technologies Corp., and SolAero Technologies, Inc.
- **Virgin Galactic's commercial space flight operations** - Located just south of Albuquerque at Spaceport America, which has completed more than 300 vertical launches since 2006, and is preparing to take tourists into space.
- **A friendly business environment** - New Mexico has some of the lowest property tax in the nation and no inventory tax.
- **Industry-specific incentives** - Incentives are available for new jobs and investments.



- **Tax deductions** - For companies operating in the aviation and aerospace industries, there are tax deductions on gross receipts for aircraft maintenance or remodeling, aircraft manufacturing, and directed energy systems/satellites.
- **An ideal climate & geography** - Albuquerque's climate and geography is ideal for space-related testing and innovation.
- **Abundant sunshine** - This means minimal delays due to weather conditions.
- **High altitude and dry air** - These conditions lower fuel costs and reduces conditions for corrosion.
- **Superior launch opportunities** - Due to low air traffic and restricted airspace adjacent to White Sands Missile Range there are superior launch opportunities. (One of only 12 FAA-licensed commercial launch sites in the country is just south of Albuquerque at Spaceport America.)
- **Low population density** - Albuquerque has a population density of only 17 persons per square mile.
- **A reliable, built-in customer base** - Billions of dollars in federal funding flow into the state through the Albuquerque-based national labs annually. A sizable portion is spent on research and development contracts and materials.
- **Sandia National Labs** - The national lab located in Albuquerque spent a record \$4.2 billion in FY2022; almost half a billion of that went to local subcontracts.
- **Space Valley Coalition** - The City of Albuquerque is part of the Space Valley Coalition, a team of public and private entities amplifying connectivity to accelerate commercial space industries, along with Spaceport America, CNM, CNM Ingenuity, New Mexico International Trade Alliance, and NewSpace Nexus.



## GOAL FOR AEROSPACE/AVIATION

We are working to move the Space Valley Coalition forward with the goal of realizing transformational change in this sector for the entire state and looking to expand and locate complimentary businesses working to support the growth of this sector here in Albuquerque. Albuquerque has spent decades establishing and growing our prowess as leaders in technology and science. In fact, the original leaders whose vision established the national network of federal scientific labs, including our own Sandia National Laboratories, are from Albuquerque. We now have the opportunity to take all of those existing entities and create strong opportunities for our future. We are entering a new space

age with the commercial space industry forecasted to grow 800% to \$3 trillion in 20 years and unprecedented efforts from the federally funded defense sector to support multi-sector collaboration and tech transfer. Rapid changes in space technology create opportunities for national and global economic transformation—promoting diversity and resilience.

## Film and Digital Media

Through the international popularity of television shows and movies filmed on location in Albuquerque, the City of Albuquerque has gained a reputation as a hub for the film industry. Accolades in national and international trade magazines have helped solidify that reputation.



Attracting major investment in recent years from companies like Netflix and NBCUniversal, Albuquerque has clocked sustained, steady growth for years to become a very viable alternative to Los Angeles (two hours away by plane) at a fraction of the expense.”

*MovieMaker magazine, January 2022*

The film business is all about the people you know. If you want your project done efficiently and professionally, you want to know Albuquerque Film. Our incentives, assets, and crew have proven to be the nation’s best year after year. In fact, Albuquerque is the only major filming location that has been ranked as the No. 1 “Best Place to Live and Work as a Moviemaker” by MovieMaker magazine four years in a row, from 2019 to 2022.

In fiscal year 2022 alone, more than 100 film, television, and digital media productions operating in New Mexico spent more than \$855 million – thirty-six percent more than the previous fiscal year. The majority of these were filmed in Albuquerque, including AMC’s Better Call Saul, Netflix’s Stranger Things, FOX’s The Cleaning Lady, Peacock’s Poker Face, and Amazon’s Outer Range.

Part of the strong attraction to film in Albuquerque is New Mexico’s competitive incentive packages. Full details can be found at [www.nmfilm.com](http://www.nmfilm.com).

- Increased film incentives passed the New Mexico Legislature in 2023, raising the yearly cap on film credit rebates by \$10 million annually for the next five years. This will result in a raise from the previous \$110 million cap to \$160 million by fiscal year 2028.
- 25% to 35% Refundable Film Production Tax Credit.

- The Film Crew Advancement Program gives productions a 50% reimbursement of below-the-line crafts workers' wages for up to 1,040 hours of work if the job trains them in additional skills that will help advance their careers.
- Non-Resident Below-the-Line Crew Credit is a 15% credit allowed for the payment of wages for below-the-line crew who are not New Mexico residents.
- Productions utilizing qualified facilities in New Mexico are eligible for a 10% rural uplift on qualifying expenditures as of 2023.

In addition to more projects being filmed in Albuquerque, there has been a noted increase in expanding studio space and infrastructure within the city. Among the most notable are:

- NBCUniversal is launching a major production studio to include two sound stages, offices, and a mill, with projects to have an economic impact of more than \$1 billion over the next 10 years.
- Netflix has called the Albuquerque Studios home since 2018. It is expanding its footprint to include a 120,000-square-foot office building, a 50,000-square-foot special effects warehouse, a post-production facility, 10 sound stages, space to construct sets, and more.
- These are among 21 qualified production facilities in the state, which also include Hanover Studios and The Studios at Journal Center, both in Albuquerque. Hanover Studios offers a newly built 25,000-square-foot stage. A second duplicate stage is planned. The Studios at Journal Center includes a 23,000- square-foot stage, a 21,000-square-foot mill space, dock access, a 10,000 square-foot space for production offices, as well as parking.
- Major studios with long-term investment deals continue to attract regional offices for other production business and equipment rental houses.



One vital component to supporting and sustaining film industry growth is developing a skilled worker pipeline. Albuquerque is training a full pipeline of local talent into world class crew, as our higher education institutions routinely develop curriculum to ensure skill sets align with industry demand in below-the-line and above-the-line work.

- The New Mexico Media Arts Collective, planned as a hub for entertainment industry job training and workforce development, is under development at the historic downtown Albuquerque Rail Yards through a collaboration among the City of Albuquerque, State Economic Development, and Central New Mexico Community College. Netflix, NBCUniversal, and 828 Productions are working with this industry-standard training institute to offer paid apprenticeships in the film, television, and digital media industry, including emerging focus areas such as virtual and extended reality and volumetric production. Plans include a 20,000-square-foot soundstage, edit bays, computer labs, makeup, and hair stations and a cutting-edge green screen that allows for next-generation special effects.
- The film industry now supports some 8,000 jobs across the state, and the median wage of a film worker in New Mexico is about \$32 an hour.

With our compact geography and a population that is less dense than some other urban settings, Albuquerque allows productions an ease of use and mobility that enhances the overall production experience. One asset Albuquerque offers is easy transit options. The Sunport, Albuquerque's International Airport, is easy to navigate and has two-hour direct flights to and from Los Angeles and the Hollywood Burbank airport.

Albuquerque is able to serve as a “body double” for film-makers. The city's unique characteristics that can be filmed as a variety of locations, both domestic and international. Its diversity of sites, landscapes, and neighborhoods have been “filmed as” New York, Afghanistan, Phoenix, Atlanta, Los Angeles, Glendale, Mexico, and Mars, to name a few. Additionally, filming schedules are more likely to run on time due to our abundant sunshine and lack of natural disasters.

The overall cost of doing business here is also less expensive. The AFO's digital permitting process expedites requests for filming on public or city-owned property, including street closures, parking restrictions, support from the Albuquerque Police and Fire departments, and many other uses.





Albuquerque is also able to offer a diverse, inclusive, creative community to filmmakers. Thrillist, an online media website covering food, drink, travel, and entertainment, repeatedly ranks Albuquerque as No. 1 among “Great American Cities for Creatives (That You Can Actually Afford to Live in),” most recently in June 2022: “Albuquerque...has made leaps in recent years toward being as diverse and cosmopolitan as you’d expect from a major U.S. hub.” The City’s Office of Equity and Inclusion works daily to address racial disparities and to achieve equity across all populations and indicators. Albuquerque is among the most culturally diverse U.S. cities.

## GOALS FOR FILM AND DIGITAL MEDIA

**AFO:** The film industry within the City of Albuquerque has grown in the past few years in both stature and visibility within the global world of film and digital media. The recipient of several prestigious industry awards, the City has been recognized for the past five years as one of the top cities for filmmakers to live and work. To that end, the AFO, is now in a new public-facing location adjacent to the Albuquerque Convention Center, will grow into a thriving, welcoming hub for Hollywood scouts, producers, and film crews to network, learn, and access resources.

## Bioscience

Albuquerque is rapidly becoming a vibrant bioscience hub. Our mid-sized city has the bioscience expertise, research base, infrastructure, organized sector-specific leadership and thriving startup ecosystem to support your business at the forefront of the industry. .

## LEADERSHIP AND RESOURCES

Albuquerque offers easy access to City and State decision-makers, such as elected officials, community leaders and business leaders. Elected officials regularly work with industry, creating policy and funding opportunities to help support growing clusters.

- **New Mexico Bioscience Authority** - State-funded collaborative economic development agency, involving industry experts, academicians, entrepreneurs, and public officials working to attract investment, promote networking opportunities, and facilitate connections. The New Mexico Bioscience Authority developed a certification program that helps bioscience companies identify “readiness zones” in terms of infrastructure/utilities, regulatory framework, and workforce and training. Albuquerque was the first city to qualify for the program.
- **Bioscience Center** - Incubator/accelerator containing offices and 10 wet labs (chemistry and microbiology) within 20,000 square feet for Albuquerque’s booming bioscience startup ecosystem.

The City of Albuquerque is home to world-class research and development facilities and companies, intellectual property, and bioscience experts.

- **6 major research institutions** - Throughout the state are 6 major research institutions, with half located in Albuquerque: University of New Mexico, Sandia National Laboratories, Air Force Research Laboratory, New Mexico State University (leader in agricultural bioscience), New Mexico Institute of Mining and Technology, and Los Alamos National Laboratory.
- **The UNM Health Sciences Center** - Located in Albuquerque, The UNM Health Sciences Center, is the Center of Excellence in the state for the biosciences. It helped launch 39 health-related startups over the 10-year period from fiscal year 2013 to 2022.
- **Bioscience-related inventions** - Albuquerque has seen the largest number of awarded patents by industry in New Mexico in the last decade (U.S. Patent Office).

Infrastructure in varying stages provide bioscience companies a spectrum of opportunities for relocation and growth in Albuquerque, from basic infrastructure to “shovel-ready” sites as well as existing bioscience buildings with research and development and laboratory space. Additionally, the City offers available inexpensive land in rural and urban areas. Centrally located in the fast-growing Southwest region, Albuquerque has an established roads/rail network, is strategically located at the intersection of two major interstates, and is equidistant between the ports of Los Angeles and Houston.

A major asset which Albuquerque provides the bioscience industry is low cost/certainty of operations:

- Almost zero natural disasters
- Reliable utilities
- Low outbound trucking costs
- Among the lowest green energy costs in the country
- Inexpensive labor relative to other major bio-tech hubs.

Albuquerque’s highly-trained workforce continues to grow as New Mexican universities produce highly skilled bioscience graduates and lab technicians ready to fulfill positions within the industry. Specialty workforce programs focused on the needs of the bioscience industry are available as needed from Central New Mexico Community College (CNM).

## BY THE NUMBERS

- New Mexico employs 9,300 in the bioscience industry
- About 60 percent of those positions are within the Greater Albuquerque Area
- Nearly 150 local bioscience startups have formed in the past 10 years
- 31 of NM's 33 counties have at least one bioscience-related company
- Job Training Incentive Program (JTIP): Funds employee training for new jobs in expanding or relocating businesses for up to 6 months. Reimburses 50%-75% of employee wages.

## MAJOR BIOSCIENCE COMPANIES LOCATED IN ALBUQUERQUE

- **Curia (formerly AMRI):** pharmaceutical research, development, and manufacturing
- **Electronic Caregiver:** remote health-monitoring services
- **Jabil:** healthcare tools, such as medical devices, surgical tools, and orthopedics
- **Essen Bioscience (formerly IntelliCyt):** provider of integrated platforms that accelerate drug discovery, antibody screening, and immuno-oncology research
- **NanoDiagnostics:** point-of-care diagnostic solutions
- **AVISA Pharma:** medical devices to mitigate antibiotic resistance
- **Innate Immunity:** plant and crop health, prevention of pathogen-induced diseases
- **VisionQuest Biomedical:** AI software to detect eye diseases and diabetes complications
- **GPHER G-1 Development Group:** a drug discovery and development company
- **Nature's Toolbox, Inc. (NTx):** global vaccine security

## GOAL FOR BIOSCIENCE

Develop a partnership with New Mexico Bioscience Authority to collaboratively market and recruit attractive bioscience startups to Albuquerque and to more rapidly respond to industry issues within the city.



## Tourism and Outdoor Recreation

Today, more individuals and businesses seek cities with a rare mix of economic opportunity and low-risk, healthful living. Albuquerque is poised to recruit them by leveraging our natural assets, like accessible outdoor recreation, affordability, proximity to nature, cultural diversity, abundant sunshine, and clean air.

Another way Albuquerque brought more visitors to New Mexico was through the film industry. The City of Albuquerque established an official film office in 2003, resulting in significant growth in the local industry. Film direct spend in Albuquerque increased from \$8 million in 2002 to upwards of \$100 million in 2020. This dramatic hike improved national public perception so much that Albuquerque has been named by MovieMaker Magazine as the top city to work in film for four years running. In the same way, the creation of an office focused on programming and incentives to increase outdoor recreation and sports tourism and activities will reap similar rewards. Our state and city are already known for excellent weather, beautiful scenery, and nearby access to mountains, rivers, and outdoor attractions, but our ability to capitalize on those assets or partner with other organizations to strengthen these industries has not been fully realized. The creation of an office with this specific mission will make it possible to speed up the impact and rewards our city can enjoy from greater awareness of our natural qualities.

The local response to Albuquerque's professional soccer team, New Mexico United, with an average attendance of almost 13,000 – among the top of the United Soccer League for 2023 – provides a strong indicator that we, as a city, are ready to grow sports tourism. By establishing partnerships with national sports entities, our youth will have opportunities to become competitive and ready for sports professions, especially in areas where those relationships can provide mentors and role models for youth and minority youth, such as the newly established agreement with LA Sparks to provide clinics and exhibition performances for young female basketball players in Albuquerque. Albuquerque is well-poised to capitalize on the ever-growing sports tourism industry.

As our city begins the years-long journey to create a world-class amenity that will catalyze redevelopment, it will be vital that we are actively identifying, recruiting, and creating opportunities and events that will enhance the value of the Rail Trail, which will become a 7-mile urban multi-use trail that will link Albuquerque's vibrant downtown to nearby neighborhoods, cultural destinations, entertainment districts, mass transportation, and the Rail Yards. The Rail Trail is covered in greater detail within the Partners section of this plan.

Albuquerque is ranked 10th in the nation for outdoor recreation, making it an immediate priority to focus more on outdoor recreation. By prioritizing initiatives in this area, we can better compete with cities like San Francisco, Denver, and Portland to bring more outdoor enthusiasts to our city



while also establishing a wider variety of opportunities for locals to enjoy. In September of 2019, the State of New Mexico hired New Mexico's first Director of Outdoor Recreation, within the Economic Development Department. This sent a clear message about the State's commitment to this space. We believe the City should be in alignment and take full advantage of the opportunity.



New Mexico is endowed with significant natural assets that provide a range of economic, environmental, and social benefits for its residents and visitors. Proximity to nature and access to outdoor recreation opportunities is often a major consideration for individuals and businesses looking to locate in the state. Over the past decade, New Mexico has taken major steps to capitalize on



its strength in outdoor recreation for economic and community development. The creation of the Outdoor Recreation Division (ORD), for example, has jumpstarted numerous investments in outdoor recreation businesses and infrastructure, accelerated conservation efforts, and placed a renewed focus on equitable access to the outdoors. Its Outdoor Recreation Trails+ program seeks to improve outdoor recreation access through infrastructure development and community outreach, while its Business Accelerator Grant program supports local accelerators' initiatives in growing the outdoor recreation economy. The division has served as a "one-stop shop" for stakeholders to access resources, share information, and coordinate development efforts.



## GOAL FOR TOURISM/ OUTDOOR RECREATION

Establish groundwork to create an office within Economic Development that capitalizes on all Outdoor Recreation and Sports Tourism opportunities.

## International Trade

Albuquerque is principally situated to attract reshoring companies and foreign direct investment (FDI) today and in coming years.

Supply chain disruptions, U.S. tensions with China, inflating foreign wages, rising freight costs, the COVID-19 pandemic, and other global events have been propelling U.S. cities to rethink their operations. Chief among their solutions to mitigate risk is to return domestic industrial manufacturing to U.S. soil from foreign countries where they operate - also known as “reshoring”. Foreign companies, too, are more seriously considering low-risk alternatives for their operations, often in the U.S. Depending upon where a company repatriates its facilities, such a move can reduce costs, improve delivery times due to proximity to customers/market, and increase workforce availability and product quality.

One of Albuquerque’s greatest strengths is that the city already boasts a range of primary assets sought in the reshoring movement. We intend to capitalize on that opportunity, rolling out the welcome mat to both international and domestic entities in an effort to create local jobs, drive economic development, and promote trade.

The City of Albuquerque’s timing could not be better. According to the Reshoring Initiative’s 2022 data report, reshoring and foreign direct investment (FDI) job announcements in 2022 were at the highest rate ever recorded. There were 364,000 reshoring and foreign direct investment (FDI) jobs announced for 2022, which was up 53 percent from 2021’s record number.



Indeed, both reshoring and FDI are anticipated to be vital to cities across the country for reducing record unemployment, minimizing the risk of future health crises, and shoring up breaks in the supply chain. Albuquerque intends to be at the forefront, leveraging those assets that make our city among the most competitive for manufacturing and production facilities. These include:

- **Established transportation infrastructure:** Albuquerque has two of the nation's three major east/west freight corridors bisecting the city and providing national access for industry. Interstate-25 connects the coasts and Interstate-40 connects Mexico and Canada. We are also part of an extensive railroad network. Albuquerque sits on the Burlington Northern Santa Fe (BNSF) Transcontinental Line that connects the Port of Los Angeles with the Inland Port of Chicago. Albuquerque is also equidistant on the BNSF line between the ports of Los Angeles and Houston, providing access to both hemispheres. A second BNSF line originating in Albuquerque gives direct access to Central Mexico.
- **Proximity to Mexico:** Albuquerque is a four-hour drive to New Mexico's Santa Teresa Port of Entry with Chihuahua, one of Mexico's most important "maquiladora" hubs and manufacturing centers. Companies that might benefit from twin plant (U.S./Mexico) operations have the ability to have their New Mexico-based plant in close proximity to their Mexico operations and/or supply chain.
- **Proximity to large markets and supply chain advantages:** Albuquerque not only shares a border with Mexico, but it is also centrally located in the American Southwest, surrounded by Texas, Colorado, Arizona, and California. We are close enough to California to support the agricultural supply chain for food manufacturers, and the Albuquerque International Sunport has direct flights to 20 cities both inside and outside the region. Ultimately, Albuquerque's location and multimodal transportation saves time, optimizing a company's speed to market.
- **International Customs and Foreign Trade Zone (FTZ):** As home to a Foreign Trade Zone, Albuquerque provides significant benefits to U.S.-based business. Foreign-Trade Zones are secure areas under supervision of the U.S. Customs and Border Protection that are considered outside the customs territory of the United States. Merchandise may be moved into an FTZ for storage, assembly, manufacturing, and processing without payment of import duties until the products are placed into the U.S. market. Final products for re-export out of the United States may avoid the duties altogether.
- **Low-cost operations:** When combined with other incentives, New Mexico offers the lowest effective tax rate in the Western United States for manufacturing operations. For example, New Mexico's Single Sales Factor income tax election allows manufacturers to base their state income tax on sales made within the state, potentially reducing the tax to zero. According to labor market analytics, Albuquerque has strikingly low manufacturing labor costs when compared with many other major U.S. cities.



Albuquerque will also continue to provide export assistance through the New Mexico Trade Alliance to small businesses, to increase their awareness and their use of Albuquerque's Foreign Trade Zone and guide them to potential international customers, partners, and distributors.

Albuquerque's location and unique resources present an opportunity for the city to be a leader in the manufacturing industry renaissance, boosting both the local and national economy.

## GOALS FOR INTERNATIONAL TRADE

**Trade:** The City of Albuquerque wishes to increase funding for the International Trade Program through the RFP process. The vendor selected will organize and implement multiple trade missions to help increase engagement and visibility of new global market opportunities for our local businesses and key sectors/industries. These funds would support the expansion of trade mission opportunities for Albuquerque companies. Trade missions are important international business development tools that garner real first-hand market intelligence, direct connections to potential buyers, marketplaces, suppliers, partners, and economic pathways for Albuquerque's bilateral trade growth. This includes inbound/outbound missions, foreign trade missions, and foreign trade shows.

The City desires to fuel economic growth by positioning local businesses/industries for expansion through global trade. Trade is an economic priority for both the City and the State. Exporting companies access larger markets, gain higher revenues, grow faster, and create jobs. Strengthened trade relationships may also lead to foreign direct investment opportunities and can bring economic-based employers to our city.

Work done in the International Trade Program will also include export assistance, the coordination of visits to Albuquerque that will generate opportunities for businesses in Albuquerque, arranging meetings during foreign travel, and coordinating requests for meeting with individuals within our key sectors.

**Intermodal Connectivity:** The City of Albuquerque is uniquely positioned within the U.S. to help address post-pandemic challenges within the global supply chain while also delivering added value through strategic manufacturing and distribution solutions. The City's Economic Development Department is collaborating with the City's Aviation Department to better understand where the most strategic and optimal opportunities lie to harness a variety of modes of moving freight and passengers, better known as Intermodal Connectivity. To that end, the agencies have commissioned an intermodal study that is expected to be completed by late 2023. Once the best opportunities have been identified, both short-term and long-term, the departments will continue collaborating to secure funding and regional support to build out infrastructure, smart technologies, and incentives to create an intermodal hub within the City of Albuquerque.

## Future Tech/Blockchain

When the City of Albuquerque announced intentions in 2014 of joining a handful of global cities that were beginning to share their data with the community and software developers, the City established a precedent of embracing future tech to make the City's services more accessible and efficient. Since that time, Albuquerque has accrued numerous local, regional, national, and global awards as a leader in innovative technology solutions - and as a city cultivating the needed environment for companies to develop cutting-edge technology and grow their businesses to a global presence. Embracing future tech, both as a city government and as an economic development tool, is more important today than ever.

As data becomes a vital tool for individuals to conduct their lives and for businesses to manage every aspect of their operations, the need to safely and efficiently share data now impacts everything from supply chain, manufacturing operations, and business operations.

To this end, it is imperative that the City of Albuquerque cultivate an ecosystem that attracts investors and encourages future tech development that can address challenges within cybersecurity, supply chain, manufacturing, and operations - locally and globally. The future industry is uniquely positioned to revolutionize how the entire globe shares and uses data and information.

One such technology which holds significant promise is blockchain. Blockchain is a digitally distributed, decentralized, public ledger that exists across a network. More simply, it is a distributed database that maintains a continuously growing list of ordered records called blocks. While this building block technology initially fueled the rise of cryptocurrency, it is now being integrated at a very rapid pace into the technology stacks of industries to revolutionize everything from supply chain processes to storage of vital information such as patents.

Two global events in the early 2020s made this rapid adoption of blockchain possible: major software companies like Oracle, Microsoft, and Amazon rolled out blockchain-as-a-service (BaaS), making it possible for government agencies and corporations to more easily stand up and manage new tools. Additionally, the pandemic created an immediate need to quickly share trusted health data among





disparate regions and partners. Blockchain's core feature of creating an immutable, unchangeable source made it the perfect tool to share this data, causing entire industries to skill up blockchain expertise.

Blockchain is one of the most important technologies of this decade, not because it is an innovative conduit for global finance that supersedes national and international regulations and barriers, but because it is a foundational building block that has the potential to revolutionize manufacturing and supply chain management.

Even without increasing production within manufacturing, blockchain makes it possible to realize more value through immediate trust and greater efficiency in sharing data, which before was often stored within incompatible technologies that slowed or made impossible the sharing of that data. Blockchain also holds the potential to connect disparate systems in new ways, making it possible to collaborate and cross-pollinate within the manufacturing industry by enabling selected trusted partners to access mutually beneficial data. With Albuquerque's manufacturing industry generating \$4.62 billion annually for combined discrete and process manufacturing, both of which have shown great promise for improvement through the integration of blockchain, it is an obvious fit for Albuquerque to cultivate a blockchain industry based within the state.

Today, over half of all blockchain patents are owned by China, with only one-fourth owned within the U.S. While some of this disparity can be explained by the fact that many companies do not pursue patents within China, it still raises an important alarm, which behooves our city to establish relationships and a local industry that will allow our manufacturing businesses as well as our own government agencies to acquire trusted blockchain solutions. Of the major startups working primarily on blockchain, the only clusters that exist on some level today are in Silicon Valley, California and in Brooklyn, New York. In much the same way as the dot-com explosion became a land grab for areas with the foresight to offer incentives and better access to investment and support, blockchain is on the precipice of massive growth globally. However, it is still early enough for the City of Albuquerque to leverage existing and targeted incentives to attract emerging companies developing tools within this industry.

## GOALS FOR FUTURE TECH/BLOCKCHAIN

**Blockchain Sandbox** - Because the very nature of blockchain is to allow disparate entities to access a single source of trusted data, the software developers who are experimenting with blockchain solutions are also usually dispersed across the globe. Blockchain Sandboxes provide a virtual, decentralized network where multiple players can create and test services, systems or products within a focused industry or problem, such as supply chain. A Blockchain Sandbox also provides a

safe option for developers to work within areas of development that are currently unregulated so that they can confidently try new ideas without fear of violating existing regulations that are not designed for the new opportunities and ideas being explored within the blockchain community. Creating a Blockchain Sandbox managed and hosted within Albuquerque will provide a strong incentive for companies working on these groundbreaking solutions to establish a presence within the city.

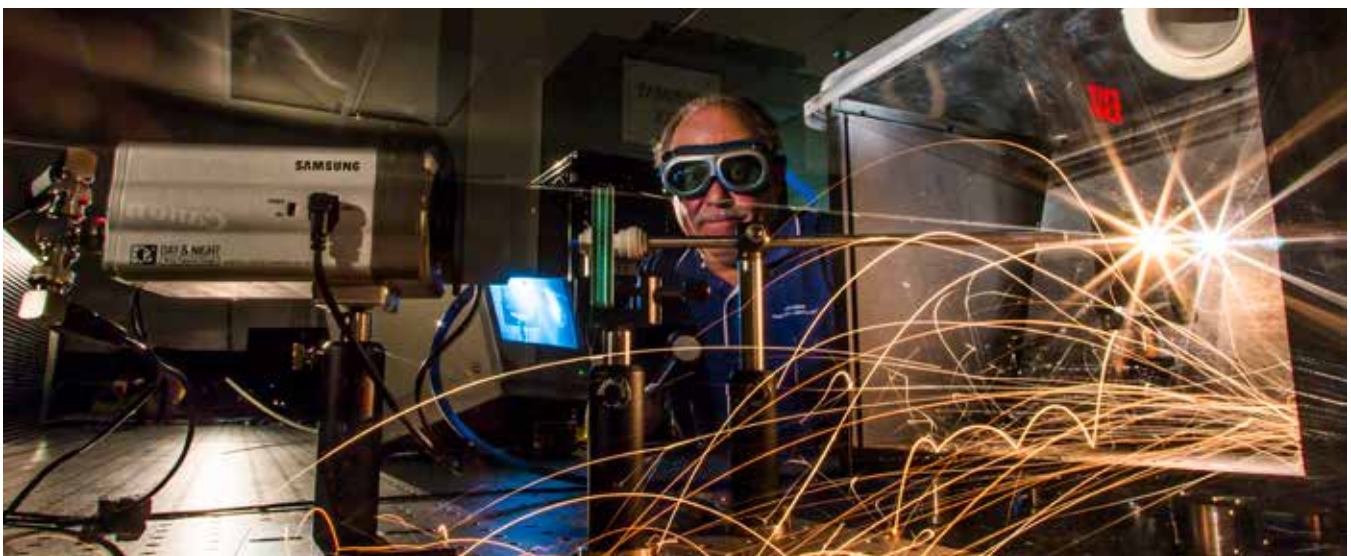
**Blockchain Policies** - Create an inviting ecosystem with best-in-class policies, legislation, and incentives that attracts strategic blockchain startups to grow their companies in Albuquerque.

## Advanced Manufacturing

In light of the significant success and positive economic impact of advanced manufacturing projects like the Advanced Manufacturing Research Centre stood up by the National Labs in partnership with the University of Sheffield, Sandia National Laboratories is embarking on a plan to establish an advanced manufacturing plant to serve as an outlet for technology transfer and a location to support and collaborate with local startups and advanced manufacturing businesses. The success of other similar programs resulted in the co-location of major companies and the growth of high-paying wages in those communities, and it is believed that the same will result here in Albuquerque.

New Mexico has no inventory tax and the lowest effective tax rate for manufacturers in the nine-state Western region. The state has proactively worked to maintain a business-friendly environment with some of the strongest incentive programs in the U.S.

New Mexico also enacted a single sales factor for manufacturers without an investment threshold. This abates the state corporate tax liability for most manufacturers and eliminates obstacles for new investment.



“

Sandia is proud of the park’s continued economic impact on Albuquerque and the surrounding area. It creates jobs, attracts talented professionals to our state and builds partnerships between the Labs and the private sector that bring trailblazing technologies to the marketplace.”

*James Peery, Director, Sandia National Laboratories*

### GOAL FOR ADVANCED MANUFACTURING

Establish a working agreement with Sandia National Laboratories in which EDD will help promote and offer existing economic development incentives and where Sandia commits to offering long-term contracts to Albuquerque-based companies who are interested in pivoting or adding manufacturing capacity for high-demand advanced manufacturing goods.

### Sustainable Energy/Green Energy

Albuquerque is the largest city in a state that has substantial renewable resources including solar, wind, hydroelectric, biomass, geothermal, and hydrogen. About 50% of the electricity generated in New Mexico is exported, and all of New Mexico’s new and planned electricity generating capacity will use renewable energy and gas. In recent years, several hydrogen and fuel-cell companies have launched, relocated, and expressed their intent to stand up operations in or near Albuquerque.



Renewable and green energy are also a priority area for state leadership in New Mexico. The New Mexico Climate Investment Center, a nonprofit public corporation, was launched in 2023 to make solar energy more accessible and affordable for low-income families by serving as a go-between for state government and local entities to distribute federal dollars designated for climate projects. The organization has access to \$60 million in federal funds, half of which is earmarked for programs focused on lower-income households. This new channel for funding is expected to spur growth of companies focused on solar solutions.

## GOAL FOR SUSTAINABLE/GREEN ENERGY

**Hydrogen Incubator** - With a strong anchor institution in hydrogen fuel innovation already relocating its home office to Albuquerque, the time is now to partner with local investors, entrepreneurs, and business leaders within the alternative fuel industry to create an Albuquerque-based incubator focused on hydrogen innovation. An incubator space will foster mentoring, training, and resources. The collaborative and collective work made possible within an incubator program will enable the city to better compete with more established markets to attract targeted hydrogen-focused startups.



We undertook an intensive process to assess sites across the nation to find the right home for our first U.S. manufacturing facility, which includes solar cell fabrication and panel assembly. New Mexico had everything we were looking for: a strong business-friendly climate, supportive infrastructure, focus on workforce development, and deep roots in energy leadership.”

*Bill Mulligan, CEO, Maxeon Solar Technologies*

# PARTNERSHIPS

Economic Development is a team effort. The City of Albuquerque works closely with many organizations across Albuquerque to build an economy that works for everyone. Our closely aligned partners include:

## Sister Agencies

Sister agencies are those departments within the City of Albuquerque whose missions also include economic development. These agencies are among our closest and strongest partners and often collaborate with us on shared projects, goals, and initiatives. These include:

- Metropolitan Redevelopment Agency
- Family and Community Services
- Municipal Development Department
- Department of Aviation
- Planning Department
- Mayor's Office

## Collaborators

At the local, regional, and state level, there are several agencies with similarly aligned goals; through our collaboration, we are able to deliver economic impact on a greater scale.

- The New Mexico Economic Development Department
- The Bernalillo County Economic Development Department
- The New Mexico Film Office
- The Small Business Administration
- Air Force Research Laboratory
- Sandia National Laboratories





## Contractors and Providers

Because the mission of Economic Development is so broad and varied, by partnering with nonprofits, agencies, and organizations which focus on specific aspects of economic development, our team can collaboratively move forward with our goals by working with these partners.

- Albuquerque Regional Economic Alliance
- The University of New Mexico
- Central New Mexico Community College/CNM Ingenuity
- Visit Albuquerque
- The New Mexico Chamber of Commerce
- The Albuquerque Hispano Chamber of Commerce
- The American Indian Chamber of Commerce
- The African American Chamber of Commerce
- The Greater Albuquerque Chamber of Commerce
- The New Mexico Trade Alliance
- WESST

Below are highlights of some of our collaborative partnerships:

## Metropolitan Redevelopment Agency (MRA)

Interdepartmental collaboration is crucial to the City's economic development strategy. Leveraging resources allows the Economic Development Department to enhance the offerings we make to industries interested in expansion and relocation. The City's Metropolitan Redevelopment Agency (MRA) is one of the Economic Development Department's closest partners. The MRA focuses on economic development in 22 areas designated as blighted, primarily along and near the Central Avenue Corridor. MRA shares a mission to make Albuquerque competitive in the global market. It offers planning, development incentives, land, and grants to spur redevelopment and collaborative public-private partnerships that result in catalytic change, increasing the quality of life for local residents and helping businesses to thrive.

Through these efforts, the MRA contributes to the diversification of the local economy, increasing the housing stock, and supporting Albuquerque as a competitive and thriving hub for various industries—including technology, healthcare, and manufacturing. As one of the City's most nimble agencies, MRA plays a vital role in shaping the City's future, ensuring that it remains a dynamic and prosperous place to live, work, and invest.

A crucial function of the MRA is urban planning and development—designating and developing priorities for metropolitan redevelopment areas. To carry out this work, the agency collaborates with city officials, local businesses, and community stakeholders to design and implement long-term plans that guide the growth and development of the city. These plans encompass various aspects, including land use, transportation infrastructure, affordable housing, and environmental sustainability.

By promoting smart and sustainable development practices, the MRA aims to create vibrant, accessible, and inclusive urban spaces that cater to the diverse needs of Albuquerque's population.

## DEVELOPMENT INCENTIVES

The MRA's development toolkit is comprised of a range of incentives, which include :

- **Redevelopment Tax Abatement:** Projects in designated metropolitan redevelopment areas can apply for a seven-year property tax abatement, with the goal to attract reinvestment and encourage quality projects with a clear community benefit. Eligible projects must meet community benefit requirements such as environmental sustainability, public improvements, and locally-owned developer teams. This program has projects headed to construction that will add 450 units of housing, with another 500 units in the pipeline.
- **Storefront Activation Program:** In recent years, the MRA has offered a grant to help decrease vacancy rates in the downtown core. Businesses and nonprofits can apply for funding to support building rehabilitation/renovation and rent costs. The program has absorbed over 70,000 square feet of ground floor commercial space and awarded over \$600,000 to 18 businesses and nonprofits.
- **Gap Financing Funds:** MRA regularly issues gap financing funds for projects in MR areas that meet the goals and objectives of the appropriate Metropolitan Redevelopment Area plan. These funds may be structured as equity, a loan, or a grant.
- **E-Review and Expedited Permitting:** FasTrax is the City's expedited plan review process available to eligible projects seeking a building permit. ePlan is the electronic plan review process, which allows builders to submit and track the plan review process electronically.
- **Brownfield Loans:** MRA offers an EPA Brownfields Revolving Loan Fund to provide low-interest loans to cover remediation expenses.

## TAX INCREMENT FINANCING DISTRICTS

In FY25, the MRA will add a new, and potentially its most significant, incentive to date. Per a recent state statute (SB251), the MRA can designate tax increment financing districts within metropolitan redevelopment areas. The capability will allow the MRA to capture up to 75% of the tax increment

on property and gross receipts taxes in designated metropolitan redevelopment areas. By capturing this tax increment (the difference in the value between the baseline tax receipts and the post-construction value) for an entire district over 20 years, the MRA will have a significantly larger and more sustainable funding stream available for redevelopment—which can be invested in public and private projects. The MRA is in the process of analyzing its metropolitan redevelopment areas to determine those that are best suited to a TIF district designation. The ability to create Tax Increment Financing (TIF) districts will open up potentially hundreds of millions of dollars over 20 years for redevelopment in key areas of the City, sending the message to businesses that we are committed to enhancing key areas over the long term.

## PROPERTY ACQUISITION

EDD also coordinates with MRA on property acquisition and land development efforts. MRA is supporting an initiative to assess the commercial value of our City-owned properties and determine which are strong candidates to private development. MRA also occasionally acquires key properties within metropolitan redevelopment areas and donates them to development if the project holds potential to be catalytic for an area.

## METROPOLITAN REDEVELOPMENT AREA PLANS

The MRA has designated two new metropolitan redevelopment areas in the University and Menaul areas. The University MRA district, a corridor near UNM and CNM, demonstrates significant opportunity to become a vibrant destination for students, residents, and visitors. The Menaul MRA, just west of the North Diversion Channel and between Interstates 40 and 25, holds potential to catalyze into a truly mixed-use district with multi-family housing and additional commercial uses.



## DEVELOPMENT PROJECTS

The MRA is a local leader in incentivizing affordable, workforce, and market-rate housing and creating new commercial space. In FY22, MRA completed projects that added 110 residential units and filled 63,000 square feet of retail and office space. The projects completed that year represented \$46 million in investment and MRA funds were leveraged 18:1. In FY23, the MRA invested in an additional six projects using \$4.7 million in MRA funds to generate \$49 million in investment. Those projects added 254 residential units, 15,000 square feet of retail space, and 3,200 square feet of public space.

Below is a summary of the current in-process pipeline, all of which are located along or near the Central Avenue corridor in the heart of the City.

- **The Downtowner:** At 1st Street and Silver Avenue downtown, the project will have 207 units of primarily workforce housing, 11 live-work units, and a café.
- **El Parador:** On Yale Boulevard near UNM, it will be a 20-unit multifamily project.
- **Villa Agave:** On 7th Street downtown, it will have 15 new housing units.
- **Silver/Jefferson Townhomes:** Located east of Nob Hill on Jefferson Street, this is a 20-unit townhome project, one-third of units will be affordable.
- **The Pearl:** Located west of downtown on Central Avenue, this project will have 34 units of housing and 1,700 square feet of retail and commercial space.
- **Imperial Inn:** A renovated motel in East Downtown, it features 16 residential suites, 52 guest rooms, and 4,400 square feet of rentable commercial space.

## ALBUQUERQUE RAIL TRAIL

One of the most catalytic projects in the MRA portfolio is the Albuquerque Rail Trail. The Rail Trail will be a 7-mile dedicated bicycle and pedestrian parkway that connects neighborhoods around the downtown area and reflects Albuquerque's vibrant history and cultural diversity. The vision for the trail is to tell our City's story—who we are as a people, this land we love, and our long history. Similar trail projects in other cities have spurred economic development, and investment, increased housing. The Rail Trail will also create an opportunity for





healthy recreation and cultural expression. It will balance the utility of a pedestrian parkway with bold, innovative storytelling that makes the Rail Train a canvas for explaining how we are united in this place. The trail will serve as access points and gathering spots for activities within the community with multiple “plazitas” featuring music, people, foods, and the broader story of “us”.



## Aviation

The City of Albuquerque Aviation Department serves as a key driver of sustainable innovation and economic development by overseeing and managing the Albuquerque International Sunport, which is the state’s largest airport and a critical passenger transportation and air cargo hub. Serving nearly 5 million passengers per year, the Sunport connects Albuquerque to major national and international destinations and markets, fostering tourism, trade, and business connections. The presence of a well-connected airport is a significant draw for businesses and industries looking to establish operations in the region, as it enhances accessibility for executives, clients, and cargo. This connectivity, in turn, translates into increased economic activity, job opportunities, and revenue for the city.

Moreover, the Aviation Department manages nearly 3,000 city-owned developable acres at the Sunport and Albuquerque’s reliever/general aviation airport, Double Eagle II (DEII). The department is engaged in strategic planning initiatives and pursuing development projects to unlock the full economic and job-creating potential of properties adjacent to both airfields as well as off-airfield properties. The Aviation Center of Excellence (ACE) at Sunport, an 82-acre parcel at the southeast



corner of Gibson and Girard is a prime example—a significant portion of this site is under letter of intent for two new projects, one of which is slated to be the global manufacturing and distribution hub for Universal Hydrogen’s revolutionary aviation hydrogen fuel system, which will be deployed with conversion kits for existing turboprop aircraft to enable true zero-emissions flight operations in the commercial air carrier space. A second ACE development will serve as an advanced highly energy-efficient data center and the locus of an internet traffic backbone system currently in early planning stages. Enabling utilities and broadband infrastructure projects, intended to attract additional developments of this nature, are planned for sites at Sunport and DEII that are not yet shovel-ready. These projects will enhance the Aviation Department’s role as a regional driver of technology-forward development and will help to define Albuquerque as the locus of high-quality economic activity in the advanced manufacturing, renewable energy technology, and key non-aviation sectors.

Additionally, the Aviation Department plays a pivotal role in transportation infrastructure development and maintenance. By investing in the expansion and modernization of Albuquerque International Sunport, the department not only ensures the safety and efficiency of air travel but also stimulates local and regional economies. Airport construction projects generate jobs and contracts for local businesses, supporting the construction, logistics, and hospitality industries. Additionally, the Sunport serves as a gateway for tourists visiting Albuquerque and the surrounding area, promoting tourism-related businesses, such as hotels, restaurants, and cultural attractions. In essence, the City of Albuquerque Aviation Department’s efforts to enhance and manage the Sunport contribute significantly to the city’s economic development, making Albuquerque a more attractive place to live, work, and invest.

The Aviation Department has long been a strong partner with the Economic Development Department. In 2022, the two agencies joined efforts to conduct a multimodal study in collaboration with WSP, one of the world’s leading engineering and professional services firms, to assess recent developments and determine the market for expanded cargo services and other industrial development at the Sunport. As part of the yearlong effort, a regional economic analysis was conducted within a broad spectrum of factors influencing growth, including industrial real estate, air cargo, highway, rail, and advanced air mobility. As a result an advisory group was formed from a wide cross-section of stakeholders within city, county, and state government as well as the private sector. Additionally, the City acquired a highly strategic former Kirtland Air Force Base rail spur, with an invaluable existing highway underpass, securing east side rail access for the future.

## MULTIMODAL DEVELOPMENT STUDY

As part of the WSP year-long study, the agency conducted a regional economic analysis of Albuquerque’s main industries. WSP found that the Albuquerque region specializes in knowledge

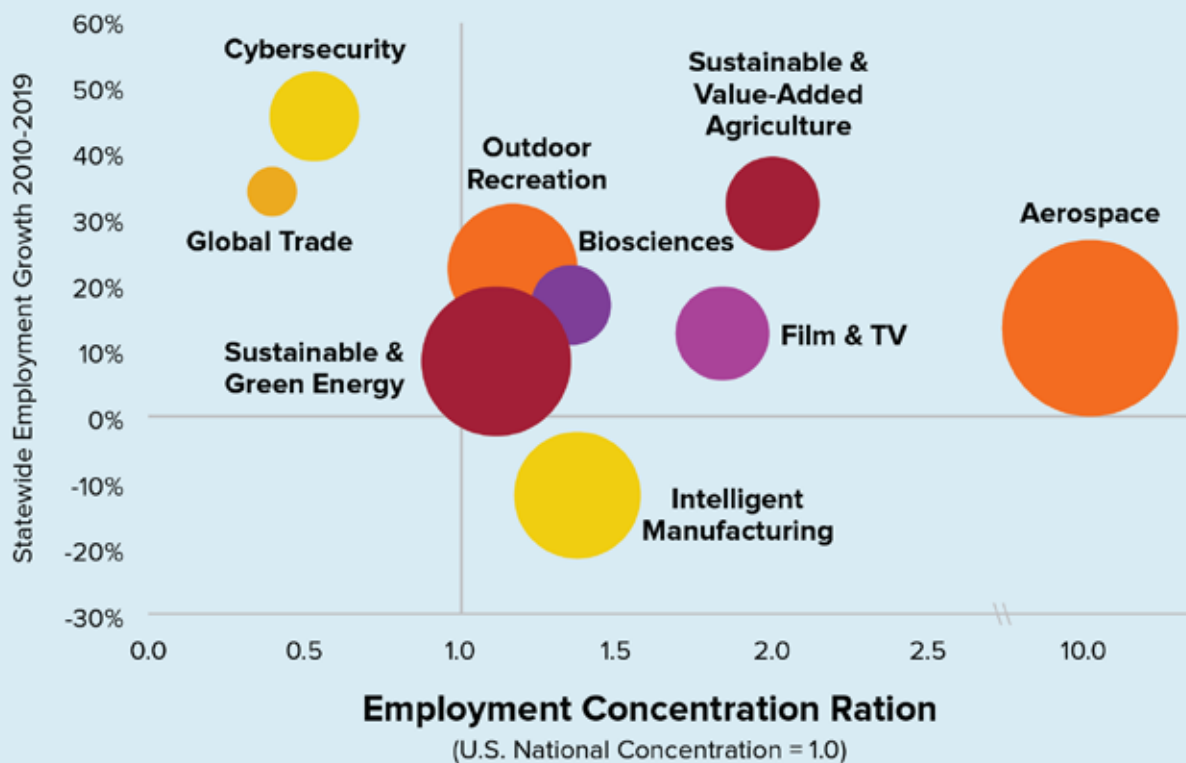
industries with professional, scientific, and technical emphases, as well as in commodities distribution and tourism. These sectors have strong long-term potential in the U.S. economy and boost the country's global competitiveness. Transportation, especially e-commerce, and food and beverage manufacturing were identified as emerging industries poised for growth.

WSP's study analyzed industrial real estate growth rates by submarkets, finding that new business parks have been steadily growing and developing in the West Mesa, Los Lunas, and Mesa del Sol. The following details provide guidelines for reading the graphic of identified industries:

- The top left quadrant of the chart depicts up and coming industries
- The bottom left quadrant depicts lower than average growth and concentration
- The top right quadrant depicts above average growth and concentration
- The bottom right quadrant depicts mature companies with below average growth and above average concentration

## GROWTH, CONCENTRATION, AND SIZE OF NEW MEXICO TARGET INDUSTRIES

2019





America's (AFA) inaugural i3 Cohort, a group of ten local governments that AFA supports with technical expertise—provided by program partners such as Sidewalk Labs, the Association for the Improvement of American Infrastructure, the Center for Transportation and the Environment, and various other centers of national technical excellence. Inclusion in the i3 promises to elevate not only the Aviation and Economic Development Departments' expertise in development planning and execution but also establish the city as a leader among local governments across the country. I3 inclusion also reinforces the efficacy and impact of neighboring projects that have recently achieved significant milestones, such as the designation of Bernalillo and Sandoval Counties as Regional Infrastructure Accelerator (RIA) award recipients. The i3 and RIA open avenues for federal funding from the U.S. Departments of Commerce and Transportation, among others.

## **MAJOR AIRPORT RENOVATION**

The City of Albuquerque's Aviation Department announced in early 2022 that a major renovation was planned for the Sunport. Now underway, the project will upgrade safety and security infrastructure and reimagine the food, beverage, and retail concessions program to align with emerging customer experience trends at airports around the world. The project will relocate and expand the TSA screening checkpoint, modernize the Sunport's fire suppression, HVAC, plumbing, mechanical and electrical infrastructure, and convert lighting throughout the airport to more energy-efficient LED systems.

As part of the redevelopment, the Sunport has reached new audiences by hosting outreach events for restaurateurs and retailers to learn about doing business with the airport. Planning for units in the new concessions program featuring recognizable, local New Mexican brands is already underway, integrating homegrown businesses into the program, thereby boosting these businesses' operations in and around the Albuquerque area and providing opportunities for much wider awareness among travelers from around the country and the globe.



The Sunport is working with local architecture firm FBT Architects, chosen in 2020 via the City's Request for Proposals (RFP) process, to conduct surveys and develop design concepts and plan for the redevelopment. The City has also contracted with Jaynes Corp, engaging the Albuquerque-based firm in a Construction Manager At Risk project delivery method to provide pre-construction and construction services through the end of the core renovation process, scheduled to conclude near the end of 2024.

## **LOCAL VENDORS COMPETE FOR SUNPORT SPACE**

In the months leading up to the release of an RFP for the reimagined food, beverage, and shop areas within Sunport, the SBO and MBDA teams hosted training webinars, in-person question and answer sessions, and trainings to prepare local businesses for the lengthy process of submitting a response to the RFP. By working closely with the Aviation Department's team, local vendors will have a better chance of earning a coveted spot as part of the renovation project.





The Sunport's current concessions program layout was developed pre-9/11 and has not seen any significant changes or improvements. Since then, the security screening checkpoint was added and passenger behavior has significantly changed, with the average Sunport passenger spending 55 minutes or more post-security. Moving the TSA checkpoint forward will create a 24% larger post-security footprint, allowing for additional amenities in the area of the terminal where passengers need it most.

## Family and Community Services

The efforts of the Family and Community Services not only impact the very real and present needs surrounding housing and social services needs within the community, their strategies often deliver economic benefit to the community as well. One such project is the Community Development Block Grant (CDBG), which is an entitlement grant received annually from the U.S Department of Housing and Urban Development (HUD). In order to receive this grant, the City of Albuquerque must complete a Consolidated Plan every five years. The Consolidated Plan provides HUD with a comprehensive assessment of the City's housing and community development needs and outlines the City's priorities, objectives, and strategies for the investment of CDBG to address these needs over the next five years, beginning July 1, 2023, and ending June 30, 2028. The programs funded with CDBG funds provide eligible activities to benefit low- to moderate-income residents. One of the goals identified within the Consolidated Plan is to increase Economic Development Opportunities for low-to-moderate-income residents and promote stability by increasing access to economic opportunities for low-to-moderate-income residents or businesses.

## Visit Albuquerque

Albuquerque's competitive performance does not happen by chance. Instead, it is the result of deliberate decisions and collaborative efforts by Visit Albuquerque, a Visitors and Convention Bureau, along with the local hospitality community, the City of Albuquerque, and the New Mexico Tourism Department.



This past year, the industry introduced the Albuquerque Tourism Marketing District (ATMD) which was the result of years of preparation and discussion. It was rewarding for the hotel community and Visit Albuquerque when it was unanimously passed by the Albuquerque City Council. The additional funding has been called transformative and game-changing for the destination as it effectively doubles the budget that we have available to market and sell the destination, enabling Visit Albuquerque to enter new markets, reach existing markets with new initiatives, and market year-round.

Visit Albuquerque focuses on three key areas to achieve success: leisure marketing, meetings and sports sales and services, and destination development.

- **Leisure Marketing:** Visit Albuquerque promotes city initiatives at every stage of the marketing funnel, from awareness and consideration through booking, experiencing, and sharing. Marketing initiatives that include advertising, social media, digital marketing, and media relations are used to reach key audiences with the right messages.
- **Meetings and Sports Sales and Services:** Visit Albuquerque represents the city at industry trade shows and implements digital marketing campaigns to coordinate with local lodging and venue partners to attract group meetings and sporting events to Albuquerque.
- **Destination Development:** the City of Albuquerque's reputation as a destination depends on travelers having a positive experience while visiting. Through destination development activities, Visit Albuquerque supports partners in the local hospitality industry to deliver exceptional visitor experiences and build a sense of community pride.



## Hispano Chamber

The Albuquerque Hispano Chamber of Commerce is focused on improving lives through commerce, community, and culture. They are a strong partner with the City of Albuquerque, with their mission of promoting economic development, enhancing economic opportunities, and providing business and workforce education with an emphasis on the Hispanic and small business community in Albuquerque and New Mexico.

Established in 1975 by 14 members of the Hispanic business community, the Albuquerque Hispano Chamber of Commerce (Hispano Chamber) is an organization focused on improving economic development, opportunities, and education in Albuquerque and throughout the state of New Mexico. Currently, the Hispano Chamber is a community of approximately 1,000 business owners, entrepreneurs, and professionals committed to scaling small businesses and empowering individuals through economic growth and wealth creation. The Hispano Chamber is one of the largest Hispanic chambers in the country, and the largest chamber of commerce in New Mexico. Their membership comprises of approximately 60% Hispanic-owned businesses and 40% non-Hispanic-owned businesses. While being a historically Hispanic-focused association, they are inclusive and proud to consider themselves the Small Business Chamber of not only Albuquerque but of the state of New Mexico.

## AREA

The City contracts with AREA to gain access to the organization's expertise in site selection, retainment and regional marketing. Their goal is to grow and diversify the economic base of the greater Albuquerque region and create a prosperous, diverse, and inclusive economy to elevate the standard of living for all.

AREA's focus industries include Aerospace, Renewable Energy, Digital Media and Film, corporate and Professional Services and Manufacturing. Their services include site selection, operating costs, incentives, and some services targeted towards local businesses.

The AREA team contracts locally and regionally with governments to provide an umbrella approach to site selection, enabling site selectors to consider multiple opportunities within the same region. It is an important arm of economic development that AREA is uniquely positioned to provide.

Due to AREA's regional approach, Economic Development is adding an additional Senior Economic Developer to the staff to enable the City of Albuquerque to directly market and work with site selectors to advocate specifically for Albuquerque as an ideal location for businesses to grow.

# THE BIG PICTURE: STATEWIDE FACTORS IMPACTING ECONOMIC DEVELOPMENT

In order to better understand how to grow the City of Albuquerque's economy, it is vital to first understand some of the unique factors that impact the economic landscape within our state.

New Mexico, with its distinctive geographic and demographic characteristics, has carved out a unique position within the United States, contributing positively to the nation's economy. As the fifth largest state in land area, New Mexico boasts vast expanses of natural resources and open spaces that have facilitated several key economic activities. Despite ranking forty-ninth in water area and thirty-seventh in population, these seemingly modest numbers have enabled New Mexico to thrive economically by focusing on its strengths, such as tourism, agriculture, and energy production. Moreover, its standing as the twenty-seventh highest-income state in the U.S. underscores the positive economic impact of these factors on the state and the nation as a whole.

New Mexico's expansive land area, the fifth largest in the country, offers a plethora of opportunities for various industries. One of the most significant contributors to the state's economy is agriculture. The vast stretches of arable land are ideal for crop cultivation and livestock rearing. New Mexico's agricultural output, which includes crops like chile and pecans, not only satisfies domestic demand but also supports the export market, enhancing the state's economic resilience.



Despite being the forty-ninth in water area, New Mexico has harnessed its water resources efficiently to support its economy. The state's agricultural sector, as well as its mining and energy industries, relies on responsible water management practices to thrive. Moreover, the state's abundant sunshine is harnessed to generate renewable energy, thereby contributing to both local and national energy sustainability goals. Companies like Maxeon, the first solar manufacturing company to reshore to the U.S., are part of the growing solar industry in the state. And New Mexico's Community Solar Act, which was passed in 2021, has opened the state's solar market and advanced clean energy accessibility for residents. Affordable Solar Group's project in Albuquerque is a result of this legislation, and each of New Mexico's utility service areas has a waitlisted queue of more than 205 megawatt projects.



New Mexico's relatively low population density, ranking forty-sixth in the nation, means that urban sprawl is limited, and this has significant economic implications. The state can focus its resources on improving infrastructure and services in concentrated areas, leading to cost efficiencies. Furthermore, the state's lower population density can be attractive to businesses looking to establish operations, as it often means lower labor costs and less competition for resources.

The state's position as the twenty-seventh highest-income state reflects its diverse economy. While the state may not have the highest population, its strategic industries, including tourism, mining, and energy production, generate substantial income. Tourism, in particular, benefits from New Mexico's unique landscapes and cultural attractions, such as Santa Fe's historic district and the natural beauty of places like Carlsbad Caverns National Park, White Sands, and Valles Caldera. These attractions draw visitors from around the world, injecting capital into the state's economy.



New Mexico's distinct geographic and demographic characteristics have translated into a positive economic impact both within the state and across the nation. Its vast land area enables a thriving agricultural sector and supports energy production. The state's relatively low population density fosters cost-efficient infrastructure development and makes it an attractive destination for businesses. Finally, New Mexico's diverse economy, highlighted by its standing as the twenty-seventh highest-income state, underscores the positive economic contributions it makes to the United States. By capitalizing on its unique strengths, New Mexico continues to thrive and play a crucial role in the nation's economic landscape.

## **Economic Sustainability:**

### **Third Largest Sovereign Wealth Fund in the U.S.**

New Mexico's status as the home to the third-largest sovereign wealth fund in the United States has had a profoundly positive economic impact on both the state and the nation. This substantial fund, known as the New Mexico State Investment Council (SIC), is responsible for managing and investing a diverse portfolio of assets, including public pension funds and land grant endowments. The SIC's prudent financial management has not only helped secure the state's financial future but has also generated significant returns on investment. These returns have translated into increased funding for public services, education, and infrastructure projects within New Mexico, driving economic growth and stability. Furthermore, by wisely allocating its resources, the SIC has contributed to the broader U.S. economy, bolstering investment opportunities, and enhancing the nation's financial well-being.

## **Open Land**

One of Albuquerque's assets lies in the fact that there is still plentiful open, undeveloped land nearby. New Mexico has the fifth largest land area of any state in the U.S. (121,589 square miles). This vacant land gives our city a strong advantage in providing adequate buildable space for businesses to grow and expand.

Our wide expanses of land, along with our consistent sunshine, are why Albuquerque has one of the lowest costs of renewable energy within the United States.

## **Room to Grow**

The population of Albuquerque's metro area in 2023 is 955,000 residents, resulting in a population density of 3029.6 per square mile, making Albuquerque one of the least densely populated large cities in the United States. This means that Albuquerque has room to grow, and grow quickly, as needed as the economy and jobs grow. This is an attractive metric for companies determining where to expand.



Much like Albuquerque, the entire state of New Mexico has a low population density, coming in at 37th when compared to other states, opening up the potential of statewide population growth while some of our regional competitors are struggling with much higher densities and demands on their limited supply of services and resources.

New Mexico's future population growth presents an intriguing prospect, shaped by a combination of factors. The state's unique appeal as a destination for retirees, natural beauty, and cultural attractions will continue to drive an increase in residents. Many of New Mexico's strategic industries outlined earlier are currently experiencing high growth. The state's position as a hub for renewable energy development and several technology sectors will attract a new wave of professionals seeking employment opportunities. Additionally, our state's public policies which protect human and individual rights are seen as a strong positive by many within the film industry, who are opting to locate new studios and projects within New Mexico over other locations with more prohibitive policies in place. As the state continues to balance its natural and economic advantages, how it manages its growth will play a pivotal role in shaping its future prosperity and maintaining its distinctive character.

## Cost of Living

Albuquerque's cost of living remains a strong asset, coming in at 93.6 on the Cost of Living Index in the second quarter of 2022, well below Colorado, Arizona, Utah, Nevada, and California. The Cost of Living Index tracks changes in basic expenses and demonstrates how need-based expenses vary from one city or town to another. Cost of living indexes below 100 indicate a lower-than-average cost of living. Albuquerque's cost of living is also 7% lower than the national average, with residents enjoying housing, utilities, groceries, and transportation that are all below the national average.

New Mexico's more affordable lifestyle offers a unique advantage that has positively impacted its economy in several ways. The state consistently ranks among the most affordable places to live in the United States. Retirees and individuals seeking a higher quality of life are attracted to our state, often resulting in an influx of residents. The lower cost of living also translates into increased consumer spending, as people have more disposable income to allocate towards various goods and services. This, in turn, stimulates local businesses and industries, leading to economic growth within the state.

New Mexico's affordability has become an appealing factor for businesses looking to establish or expand their operations. Lower operating costs, including reduced labor expenses and affordable commercial real estate, make the state an attractive destination for companies in various sectors. As these businesses set up shop in New Mexico, they create job opportunities, boost tax revenue, and contribute to the overall economic vitality of the state.

Education within the state is also positively impacted by this advantage. In March of 2022 Gov. Michelle Lujan Grisham signed Senate Bill 140, the New Mexico Opportunity Scholarship Act, making college tuition-free for most New Mexicans and establishing the most wide-reaching tuition-free scholarship program in the United States. New Mexico's lower tuition rates and affordable higher education options make it an attractive destination for students from across the globe. As a result, the state's educational institutions have experienced an increase in enrollment, fostering a skilled workforce that can contribute to the growth of emerging industries, including technology and healthcare. In this way, New Mexico's affordable living costs not only benefit its current residents but also play a crucial role in shaping the state's economic future.



## Available Labor Pool

Albuquerque's workforce, with its strong emphasis on STEM (Science, Technology, Engineering, and Mathematics) training, represents a significant asset to national security. The city is home to several leading research institutions and federal laboratories, including Sandia National Laboratories and the Air Force Research Laboratory. These institutions attract a highly skilled and specialized workforce, including scientists, engineers, and technicians, who are instrumental in developing cutting-edge

technologies and solutions for national security challenges. Their expertise in areas such as cybersecurity, advanced materials, and nuclear weapons research enhances the country's ability to address evolving threats and maintain a competitive edge on the global stage.



According to the U.S. Bureau of Labor Statistics, New Mexico has a labor force participation rate of 56.5%, well below the national average of 62.6%. At the same time,

New Mexico ranks 16th in the U.S. for percentage gain in private-sector payroll employment over the past twelve months. This gap means we are poised to provide ready and available workforce to relocating and growing businesses within Albuquerque.

On May 9, 2022, Congress penned a letter highlighting the critical connection between STEM education and national security. In this letter, Congress underscored the pivotal role that a robust STEM workforce plays in ensuring the nation's security in an increasingly complex and technologically driven world. Recognizing that STEM fields are integral to advancements in defense, cybersecurity, critical infrastructure protection, and innovation, the letter emphasized the need for sustained investment in STEM education and training programs to nurture a talented and diverse workforce capable of addressing evolving security challenges. The letter served as a call to action, urging policymakers to prioritize STEM education initiatives and workforce development efforts, ultimately contributing to the nation's strength, resilience, and preparedness in the face of emerging threats. Albuquerque's commitment to STEM education and training directly addresses this critical need. Our city hosts multiple universities and educational institutions that offer STEM programs, fostering a pipeline of talent for both local and national security industries. By investing in STEM education and workforce development, Albuquerque ensures a steady supply of skilled professionals who can contribute to various aspects of national security, from defense technologies to critical infrastructure protection. This strong foundation in STEM not only strengthens the city's economy but also bolsters the nation's security preparedness by providing a highly capable and adaptable workforce that is crucial for addressing complex and ever-evolving security challenges.

## Quality of Life

Albuquerque enjoys 310 days of sunshine a year while still experiencing all four seasons, making it possible for residents to take advantage of outdoor recreation year-round. Our city's unique location in the high desert provides residents and visitors with access to a diverse range of outdoor activities, from hiking in the majestic Sandia Mountains to biking along the Rio Grande Bosque trails. Albuquerque offers endless opportunities for adventure and exploration. The City of Albuquerque boasts numerous golf courses, parks, and open spaces that contribute to a year-round outdoor lifestyle that enhances the well-being of its residents and has strategically invested in many quality-of-life projects that take advantage of our excellent weather. These projects are covered in greater depth in the Economic Development Programs section of this plan.

Albuquerque's proximity to the Rocky Mountains means we offer world-class skiing only a few hours away in Taos, New Mexico, and mountain hiking and biking trails just a few minutes' drive from Downtown. The Sandia Mountains, which border Albuquerque, provide a wonderful escape for biking, hiking, and mountain climbing.

Albuquerque is not prone to experiencing natural disasters that plague other cities, like hurricanes, tsunamis, tornadoes, wildfires, or earthquakes. This low occurrence of natural disasters combined with an abundance of natural sunlight not only supports physical well-being by encouraging outdoor activities but also has a positive impact on mental health, reducing the prevalence of seasonal affective disorder and promoting overall happiness and well-being. This combination of outdoor recreational opportunities and sunny weather makes Albuquerque a highly attractive place to live, fostering a sense of vitality and enhancing the overall quality of life for its residents.

## Water

One challenge we do face is our scarcity of water area. We are 49th in the nation for water area, and while our 300-plus days of sunshine are a particularly welcome asset for many who call Albuquerque home, it does mean that we must be strategic in the types of businesses we recruit and in the requirements we create for water purification as part of manufacturing processes to ensure that our water supply is protected for generations to come.



## Reshoring

As a result of the significant supply chain disruptions which began during 2020 at the height of the global pandemic, companies throughout the world began to mitigate risks brought on by supply chain problems. One primary solution has been reshoring, the return of domestic industrial manufacturing to U.S. soil from foreign countries where they currently operate.

Albuquerque has already been selected as the location of a massive \$1 billion-dollar solar panel manufacturing facility by Singapore-based Maxeon thanks to the Inflation Reduction Act (IRA). Maxeon's reshoring project will bring an estimated \$4.2 billion economic impact to New Mexico over the next decade, and it is only the first of many potential companies looking to reshore within



the city. The IRA and Creating Helpful Incentives to Produce Semiconductors Act (CHIPS) are both federal programs designed to bolster U.S. competitiveness in several of the disruptive technologies are the forefront of Albuquerque's key industries, including renewable energy. Both Acts encourage infrastructure development and construction, both of which will benefit Albuquerque's existing ecosystem and develop needed infrastructure which will increase Albuquerque's recruitment capacity for decades to come.

The IRA and CHIPS Act have the potential to bring significant positive impacts to New Mexico. First, the IRA, by targeting inflation and boosting economic stability, can create a favorable environment for businesses and consumers alike. Lowering inflation rates helps maintain the purchasing power of consumers, which is particularly important for the residents of New Mexico, where a significant portion of the population may have limited financial resources. This reduction in inflation can translate into more affordable goods and services, improving the overall cost of living for residents, and potentially attracting new businesses to the state. A stable economic environment is conducive to job creation and investment, which can ultimately benefit New Mexico's workforce and economy.

Secondly, the CHIPS Act aims to bolstering domestic semiconductor production and aligns with New Mexico's growing role in the technology and semiconductor industry. The state has become a hub for semiconductor manufacturing, with companies like Intel operating large facilities in Rio Rancho. This act can incentivize further investment and expansion in the semiconductor sector within New Mexico, potentially leading to more job opportunities, increased manufacturing capacity, and a boost to the state's economy. As the global demand for semiconductors continues to rise, New Mexico's semiconductor industry could see increased export opportunities, contributing positively to the state's balance of trade. Both acts hold the potential to stimulate economic growth, enhance job prospects, and further establish New Mexico as a key player in the technology and semiconductor sectors.



# INCENTIVES

Incentives, including funding and assistance, from local to state and beyond, are vital to attracting and keeping companies in Albuquerque. These incentives are available from a variety of government and nonprofit organizations to encourage growth within the business community and to attract highly desirable companies to Albuquerque.

The following is a compilation of some of the most significant incentives that are available to Albuquerque's business community. While some have already been mentioned in prior sections of this plan, this list can serve as a reference for businesses or organizations to understand what may be available for their specific needs.

**BUSINESS FINANCE FINDER:** (NM EDD) The Business Finance Finder connects business owners and aspiring entrepreneurs with lenders and resources. Businesses can submit a summary of their project online and, if it is a good fit, lenders and resource agencies will contact the business.

**NEW MARKET TAX CREDITS (NMTC):** The New Mexico Finance Authority (NMFA) provides NMTC loan funds dedicated solely to New Mexico businesses. These credits are combined with other financing mechanisms and funding sources to provide businesses in a qualified census tract with below market financing tools.

**COLLATERAL ASSISTANCE PROGRAM (CAP):** (NM EDD) The NM EDD Collateral Assistance Program (CAP) encourages banks and other financial institutions to make loans to small businesses in under-served markets. NM EDD pledges cash to cover a collateral shortfall of a loan in an amount up to \$250,000 in order to enable financing that otherwise might not be available to a small business.

**LOCAL ECONOMIC DEVELOPMENT ACT:** (CABQ EDD, NM EDD) Both the City of Albuquerque and the State of New Mexico's Economic Development Departments provide funding through the Local Economic Development Act (LEDA) which utilizes grant funds to assist expanding or relocating businesses. The qualifying entity must provide economic impact and public benefit equal to or greater than the amount of the grant.

**SMALL BUSINESS RECOVERY LOAN FUND:** (NMFA) The Small Business Recovery Loan Fund provides loans up to \$150,000 to businesses or nonprofit corporations with less than \$5 million in annual net revenue. Applicants must be able to demonstrate a substantial decline in gross revenue or substantial disruption to its operations due to COVID-19 and the ensuing public health orders.

**GROSS RECEIPTS TAX SHARING:** (CABQ EDD, NM EDD) LEDA funding, which supports new jobs and investments, will now be sustained by a partial sharing (no more than 50%) of Gross Receipts Taxes (GRT) revenues during the construction phase of projects when costs exceed \$350 million. The recapture requires agreement between the state and the participating local government. Multiple small projects can be funded with one large project.

**BUSINESS START-UP GRANTS:** (TRC) Business Start-Up Grants are competitive grants that provide critical funding needed for early-stage science or technology companies with high growth potential, a unique product or service, a scalable product and an exit potential. Awards are, on average, \$25,000, but other amounts may be awarded by the Technology Research Collaborative (TRC).

**NM SMALL BUSINESS INNOVATION RESEARCH GRANT (NM SBIR):** (Fed Gov) Provides science and technology companies with federal Small Business Innovation Research Grant Phase I/II (SBIR) awards funding in the amount of \$25,000 to \$100,000 to accelerate the commercialization of their technologies. The grant covers expenses such as intellectual property assessment, patent filing, commercialization activities, prototype development, regulatory assessment/certifications, meetings with potential customers, partners, investors, and market research/data acquisition.

**NEW MEXICO FILM OFFICE (NMFO):** (NM EDD) The film and television industry is a key sector of the New Mexican economy with a positive and wide reaching direct and indirect impact. Productions filmed in New Mexico bring revenue to the state and are incentivized to hire New Mexico residents and buy from New Mexico vendors.

New Mexico's nationally and internationally competitive 25% refundable tax credit can be increased up to 35% when filming outside Bernalillo and Santa Fe counties, utilizing a qualified production facility (soundstage or western set), or filming an eligible TV pilot/series. The New Mexico Film Office provides workforce development trainings and programs to prepare New Mexico residents for work in the high-wage jobs the film and television industry offers.

Additional incentive programs include non-resident Below-the-Line Crew Program (NRCE), Film Crew Advancement Program (FCAP), and Operation Sound Stage (OSS).

**OFFICE OF MILITARY BASE PLANNING AND SUPPORT (OMBPS):** (NM EDD) OMBPS supports the continued presence of Department of Defense (DoD) installations in New Mexico and seeks opportunities to enhance DoD's investment here. This benefits businesses who are DoD contractors and communities around the military bases. OMBPS facilitates communication between military base leadership, community governments and support organizations, state, and federal agencies to eliminate area of conflict. This also supports the development of renewable energy projects.

**JUSTICE, EQUITY, DIVERSITY, AND INCLUSION (JEDI) OFFICE:** (NM EDD) The JEDI Office works to address systemic inequities and create equitable representation for all New Mexico businesses while promoting diversity and inclusion. The offices works proactively to address the specific concerns of minority-owned businesses, serves as a liaison, support, and voice for underserved businesses, connects minority-owned businesses, serves as a liaison, support and voice for underserved businesses, connects minority-owned businesses and community organizations in underserved communities with economic development programs, resources, and opportunities.

**LOCAL ECONOMIC ASSISTANCE AND DEVELOPMENT SUPPORT (LEADS):** (NM EDD) The funding provided through LEADS is intended to create jobs through recruitment, retention and expansion, and startup activities, to develop the tax base, and to provide incentives for business development. LEADS applications, which can be up to \$25,000 per year, are accepted from the state economic development department or organizations with a current plan to address business growth in a community that have passed a LEDA ordinance for local governments and eligible partners.

**BUSINESS INCUBATOR CERTIFICATION:** (NM EDD) Establishing a certified business incubator is a strategy for fostering new business and new jobs in your community. An incubator is a business support facility with processes that accelerate the successful development of start-up companies by providing entrepreneurs with an array of targeted resources and services. Once all the research, planning, and resource gathering is complete, the final step is certification by the state.

**MAINSTREETS:** (CABQ EDD, NM EDD) The City of Albuquerque is home to three MainStreet districts: Baretas, Downtown, and Nob Hill. These districts are part of the New Mexico MainStreet (NMMS). NMMS assists local communities with the implementation of the MSA Main Street Approach™ to revitalize their downtown commercial corridors. As a Main Street America™ Coordinating Program since 1985, NMMS has served communities throughout the state to engage people, rebuild places, and revitalize economies. NMMS provides network members with professional technical services to support asset-based economic development, a strong business climate, and cultural and historic preservation.

NMMS's Capital Outlay Program invests in public infrastructure projects to leverage private sector reinvestment, make visible upgrades, increase public and pedestrian safety, and create vibrant spaces for downtown economic growth. For every \$1 invested through Capital Outlay, \$43 dollars is leveraged in private sector reinvestment supporting new businesses and jobs. Within three years of completion, these projects increase pedestrian traffic by 60%, increase new business openings by 95%, increase attendance to downtown events by 80%, and reduce building vacancies by 70%. The Great Blocks on MainStreet Program upgrades two to three district blocks through an intensive design intervention. NMMS works with its communities to identify projects which are developed with local governments, the community, and private sector.

**OUTDOOR RECREATION DIVISION (ORD):** (NM EDD) ORD works to sustainably grow the outdoor recreation economy in New Mexico through economic and community development, education, and outdoor infrastructure investment. It assists outdoor businesses in their efforts to expand, relocate, hire, and more. ORD offers grants to improve outdoor access, expand outdoor experiences for youth, and jumpstart new outdoor recreation businesses.

To propel the New Mexico outdoor industry forward, ORD administers two marquee grants for communities and nonprofits: the Outdoor Equity Fund and the Outdoor Recreation Trails+ grant. Funded with over \$10 million in 2022, these two programs invest in access to the outdoors through programming and infrastructure development.

The Economic Development Administration awarded a \$1.985 million grant to ORD to support the outdoor industry's recovery from the pandemic. Major initiatives under this program include the creation of regional strategic plans and the development of a bike industry certificate at Western New Mexico University.

**FUNDIT:** (NM EDD) FUNDIT invites communities to present their projects to an informal group of federal and state funding agencies to receive feedback and guidance to fund their economic and community development and infrastructure projects.



# DIRECTOR'S SUMMARY: OUR VISION MOVING FORWARD

Albuquerque stands at an inflection point of growth and change as we round out the first quarter of this century. Major advancements have been made in key economies where our strengths are showcased, including aerospace, bioscience, and the film and digital media industries. Looking ahead, we will continue to focus on and lead in these growing sectors, while ensuring Albuquerque blazes trails in emerging markets and supports our small business community.

Our city is poised to capitalize on the energy revolution as a leader in decarbonization and sustainability. Strategic partnerships with industry pioneers like Universal Hydrogen and Maxeon exemplify our commitment to bolstering the ideas and innovations that will carve a path to a greener future. Albuquerque's infrastructure, workforce, and history as a healthy/sustainable city make it the ideal location to achieve great strides in decarbonization and a cleaner environment for generations to come.

We are exploring the frontiers of Web3, the next generation of the World Wide Web, and its potential to democratize access to financial and technological resources. Web3 may create new economic opportunities for individuals and communities around the world by promoting financial inclusion and access to capital for people who are underserved by traditional financial systems. An economy that works for everyone is built upon equity, inclusion, and a level of transparency that we believe Web3 can enhance.

Being ahead of the curve is essential for a thriving economy, and Albuquerque will continue to seek out and support the frameworks that ensure we are a top choice for landing tech. This includes making the connections to the organizations, services, and networks that businesses of all sizes need to succeed. From state- and city-sponsored funding, to contract opportunities, to the Minority Business Development Agency Business Center, Small Business Office, and Job Training Albuquerque, we are uniting our efforts to take our city's businesses and workforce to the next level.

At the end of the day, we want our efforts to create jobs and sustainable career pathways for Albuquerque's residents. Forward-thinking leadership combined with strategic investments in both businesses and individuals are the foundation that will accelerate positive growth now and far into the future. Together, we are taking action to build a united, inclusive, and equitable economic ecosystem in which we all thrive.

*Max Gruner, Director, Economic Development Department, City of Albuquerque*



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