


# Creating Jobs and Developing the State's Economy!



# SunCal New Mexico

## Economic Development

### TYPES OF JOBS

- Aeronautics
- Bio-Medical
- Semiconductors
- Logistics



## Job Creation

### Growing the Pie

Nearly 30,000 jobs will be created over next 15 years

- 2,888 construction jobs per year
- 28,880 direct construction jobs
- 43,321 total construction jobs (Multiplier 1.50)
  
- 20,259 direct permanent jobs
- 26,945 total permanent jobs (Multiplier 1.33)


**29,883 Total New Jobs 90% in perpetuity**



## Job Creation

### Economic Benefits to The State

- Growth in Personal and Corporate Income Tax Revenue
- New Jobs generate additional Gross Receipts Tax and Property Tax Revenue



## Net Fiscal Impact to the State

- With 70% of incremental GRT dedicated pay for public infrastructure through TIDD
- The state will receive approximately \$5M for the general fund over and beyond TIDD
- After all bonds expire, the State has a net annual surplus of approximately \$51M.


# Why is TIDD important to Job Creation

- In order for Albuquerque to remain competitive in attracting these target sectors significant new investment in infrastructure are likely to be required
- The ability to form public private partnerships for infrastructure finance and provision of public goods will be a critical factor for the continued economic development of the Albuquerque region.
- Key needs include:
  - Potable water supply
  - Sewers
  - Transportation infrastructure
  - Amenities, parks and open space
  - Work force housing
- TIDD is one of the most effective methods of leveraging private investments into the production of public goods
  - Strong public private partnership
  - Incentives new private capital investments
  - Leave durable improvements which can be utilized by the regional economy as a whole

# Export Base

The goal of economic development at the Upper Petroglyphs is to increase employment in sectors, which send their goods and service outside of the region.

- These are referred to as basic sectors-- or categories of industries which add to the region's export base
- Increasing exports outside of the region is one of the most effective ways for a region's economy to grow
- The Upper Petroglyphs will target key basic sectors including:
  - Aeronautics
  - Bio Medical
  - Semiconductors
  - Logistics
- "Non-basic" industries are those that are tied to local population growth and local consumption
- Examples include:
  - Retail
  - Personal services (you can't export a hair cut)
  - Utilities



# The Value Chain

The strategy for economic development at the Upper Petroglyphs is to attract industries with a strong value chain

- The value chain is a measure of the technical requirements required to produce a unit of final demand
- Industries with strong value chains create additional rounds of economic development by tying dense networks of contractor and subcontractor relationships
- These dense clusters can be accelerated by strategic investments in shared infrastructure as well as a specialized labor force
- These technical relationships are the source of the so-called “multiplier effect” in which the economic value of these relationships are retained within the region with each round of expenditures supporting output in related industries and firms

# Albuquerque needs TIDD as a

## competitive tool

- The Albuquerque MSA is the engine that drives the New Mexico Economy
  - Over the last 15 years Albuquerque MSA has on average to accounted for 47% of all jobs in New Mexico
  - Over the last 15 years Albuquerque MSA has accounted for 25% of all new residents in the State.
- Into the future, Albuquerque is anticipated to continue to need to accommodate an expanding economy
  - The Albuquerque MSA is expected to average 9,892 new jobs per year over the next 25 years
  - The region will account for between 46.7 and 49.1 percent of all new jobs in New Mexico
- While growth has been impressive Albuquerque has lagged behind its current competitors over the past decade:
  - Las Vegas 83%
  - Phoenix 45%
  - Tucson 27%
  - Salt Lake City 24%
  - Albuquerque 21%

# Economic and fiscal impact to the State of New Mexico

- Nearly 30,000 jobs will be created over next 15 years.
- The net fiscal impact of the DevCo Upper Petroglyphs Development the State of New Mexico is positive surpluses of \$5.050 million.
- This does not include gross receipt and property tax revenues that have been sifted off to support the TIDD.
- Thus, without using revenues annually that are used to support the TIDD and ultimately will accrue in the form of additional State surpluses, the Upper Petroglyphs Development meets the No Negative Impact test and still produces significant annual surpluses.