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FOR IMMEDIATE RELEASE
February 13, 2014

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Governor Susana Martinez Welcomes California Manufacturing Company Relocating to Rio Rancho, Bringing Up to 50 Jobs

DHF Technical Products Cites NM's Increased Tax Competitiveness, Business Friendly Environment Among Reasons for Relocation

Santa Fe — Governor Susana Martinez today welcomed DHF Technical Products (DHF) to New Mexico from California, bringing up to 50 new jobs with an average salary of nearly \$50,000 to Rio Rancho. DHF cites New Mexico's improved tax competitiveness and business friendly environment among reasons for the move from California to New Mexico. DHF will create 35 new jobs immediately, and up to 50 new jobs all together, in Rio Rancho.

"We are proud to welcome manufacturers like DHF to New Mexico," said Governor Martinez. "This company has uprooted itself from California to plant itself in New Mexico. That is amazing, and is a prime example of our efforts to diversify our economy, compete for jobs, attract new companies, and help small businesses grow."

In 2011, professional services firm Ernst and Young rated New Mexico third worst in the region for taxing manufacturers. In 2013, Governor Martinez signed single sales factor legislation, allowing manufactures the option of paying corporate income tax on goods sold only in New Mexico. Governor Martinez also signed legislation reducing New Mexico's corporate income tax by 22 percent, from 7.6 to 5.9 percent over five years, making New Mexico more competitive with other Western states. Governor Martinez also signed legislation ending the practice of "tax pyramiding," an unfair practice which often resulted in double and triple taxation of finished projects in the construction sector. As a result of these much-needed reforms, in January 2014 Ernst and Young upgraded their rating of New Mexico's taxation of manufacturers to best in the west.

"DHF could have chosen to do business anywhere in the country, but New Mexico's competitive business tax structure, reasonable real estate prices, and overall cost of living and quality of life for our employees were all major factors in our decision to relocate operations to Rio Rancho from California," said DHF President Dan Castilleja. "Governor Martinez, Secretary Barela and RREDC were all very welcoming and we look forward to being in New Mexico."

DHF will lease and purchase a 25,000 square foot office and manufacturing building for its headquarters and manufacturing facility. The company will manufacture products such as sheet, wire and casting grain

for jewelry manufacturers, sputter targets for the thin film coating industries and will melt and refine precious metal scrap to for its own production needs or to sell to investors and manufacturers.

”In the last three years, we’ve improved our tax and regulatory environment significantly, making New Mexico much more friendly to businesses, and helping companies like DHF grow and thrive,” said New Mexico Economic Development Department (NMEDD) Cabinet Secretary Jon Barela. “And with our incentives to help with job training and infrastructure we are investing in our communities and workers.”

NMEDD will provide \$200,000 in Local Economic Development Act funds to Sandoval County to help offset building improvement costs for DHF. The department will also assist with \$173,412 in Job Training Incentive Program funds for on-the-job training for the newly created positions.

“Rio Rancho Economic Development Corporation (RREDC) is proud to welcome DHF to Rio Rancho,” said RREDC President Noreen Scott. “We are grateful to the entire team who has worked for months to make this project a reality. Thanks to DHF for adding jobs to the New Mexico economy.”

DHF’s customer base is international, including Forbes Top 100 and 500 businesses such as 3M, medical device manufacturers and semiconductor manufacturers, and is also a two-tier supplier to the automotive industry. Less than two percent of their finished products are sold in New Mexico.

DHF Technical Products is a subsidiary of David H Fell & Company, Inc., started in 1973 by David Fell. It is a private, family-held company in the precious metals manufacturing, melting and retail sales business. For more information, visit: <http://www.dhfco.com>.

Secretary Barela, RREDC and officials from the City of Rio Rancho, Sandoval County and DHF joined Governor Martinez for the announcement.

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