



# STATE-TRIBAL COLLABORATION ACT

FY2018 Agency Activity Report

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**NEW MEXICO** *True*  
**ECONOMIC DEVELOPMENT**

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Front Cover: *Navajo Nation President Jonathan Nez viewing an original 1868 Treaty*

## Executive Summary

### Vision

Innovation is the basis for economic change in today's global, national and state environments. New Mexico will diversify its economy by encouraging greater innovation in educating its children, in diversifying and growing its economy and in competing for economic opportunity for all its citizens.

### Mission

Enhance and leverage a competitive environment to create jobs, develop the tax base and provide incentives for business development.

EDD's mission to create jobs extends to every corner of the state, including Native American lands. Section 4 of this report provides a menu of programs and services that can be utilized for Native American economic development projects.

## Agency Highlights

Office of the Secretary: Through the efforts of all EDD programs, the department assisted in the creation of 3,994 jobs in FY18, of that total, 2,414 jobs were created in rural areas. Sixty-nine business expansions were assisted during the year, and nine companies relocated or expanded here from other states.

New Mexico MainStreet (NMMS): In FY18 NMMS districts realized 147 net new businesses and business expansions; 484 net new jobs; 275 private building renovations; and \$53.9 million in private investment.

The New Mexico Film Office (NMFO): The Film Office continues to create and develop new and existing relationships with local communities and industry professionals to disseminate information, prepare for productions and support local filmmakers. In the second quarter, the NMFO's annual NM Film & Media Industry Conference took place at the Isleta Casino & Resort, providing a variety of compelling topics with an extraordinary array of forty guest speakers and panelists. There were over 400 registrants; a 26% increase compared to 2014.

At the close of FY18 NMFO reported a total of \$234.2 million in direct spending by production companies and 259,961 film and media worker days.

Finance Development Team: Fifteen LEDA projects closed in FY18, totaling \$10.5 million in LEDA investment (nearly \$6 million to rural communities) and \$381.7 million in new private sector investment. The program supported the creation of 2,613 new jobs. The program achieved a leveraged ratio of 36 to 1, in private sector investment to LEDA funds.

Community, Business & Rural Development Team (Regional Reps): Two new team employees attended cultural competency training in FY18. The Team assisted 17 economic development projects that resulted in job growth, new investment or increased revenue, assisted 31 local economic development organizations, conducted 50 business retention and expansion visits, assisted with 23 grant applications, and finalized 16 LEDA projects.

Job Training Incentive Program (JTIP): JTIP completed another year of successfully serving both new and existing businesses, including some exciting technology startups. Fifty-eight companies benefited, 24 of which are rural, for a total of \$15.3 million obligated. A total of 1,736 workers were trained at an average wage of \$21.48, with 9 Step-Up trainees and 7 internships funded.

The **Mescalero Apache Tribe** have hired an Economic Development Director to grow businesses and recruit retail, service and economic base companies to create jobs for tribal members. This key position will interface with the Department while establishing relationships with the New Mexico Partnership, site selectors, consultants and other economic development organizations in the region.



*Mescalero Apache President Arthur Butch Blazer displays the Executive Order signed by President Ulysses S. Grant on May 27, 1873.*

*Agency policy promoting state-tribal relations:*

*In accordance with the State-Tribal Collaboration Act (STCA), the NMEDD policy to promote and assist Native American entities is to utilize the Regional Representative Program. The Regional Representative, who has Native American tribes within his or her service area, will assist with economic development projects and initiatives; and then report to the Primary Tribal Liaison (PTL). The PTL will communicate with the Cabinet Secretary through the proper chain of command. The Regional Representative will also consult with other NMEDD programs to determine how best to assist with a Tribal project.*

## Programs and Services

NMEDD has many programs and services that facilitate economic development projects statewide.

### [New Mexico Partnership \(NMP\)](#)

The New Mexico Partnership, the business recruiting arm of the Economic Development Department, generates leads from companies interested in expanding to New Mexico through its sales and marketing efforts. These leads are distributed statewide and are called “Potential Recruitment Opportunities” (PROs). NMP received a recruitment opportunity from an apparel company interested in **Laguna Pueblo**. The Tribal Liaison provided assistance with local incentives, buildings, utilities and workforce questions.

### [Office of Business Advocacy \(OBA\)](#)

The Office of Business Advocacy was created in January 2011. OBA enables business owners to break through regulatory barriers and red tape by helping them navigate through state government by providing assistance with permitting, licensing, inspections and taxation issues.

### [Office of International Trade \(OIT\)](#)

The Office of International Trade supports job creation, retention, and expansion by assisting New Mexico companies in capitalizing on opportunities in the competitive global market place. OIT promotes and facilitates the sale of New Mexico goods and services worldwide, including local tribal enterprises, through attendance at trade shows and sales missions.

Other services provided by the OIT include one-on-one business consultations, a network of foreign trade offices, export promotion programs in partnership with the federal government, and workshops and seminars.

For more information or to schedule an international trade consultation, please contact Edward Herrera at 505-827-0315 or [Edward.Herrera@state.nm.us](mailto:Edward.Herrera@state.nm.us).

### [Job Training Incentive Program \(JTIP\)](#)

The Job Training Incentive Program (JTIP) supports economic development in New Mexico by reimbursing qualified companies for a significant portion of training costs associated with newly created jobs. The JTIP program strengthens New Mexico’s economy by providing financial incentives to companies that create new economic-base jobs in New Mexico. Training funded by JTIP also elevates the skill level of the New Mexico residents. Raytheon, on the Navajo Nation, has used this incentive.

For more information on JTIP eligibility, please contact Sara Gutierrez at 505-827-0249 or [Sara.Gutierrez@state.nm.us](mailto:Sara.Gutierrez@state.nm.us)

### [Financial Development Team \(FDT\)](#)

The Financial Development Team assists new and existing businesses by providing financing tools available within New Mexico. Through FDT companies are provided detailed information on tax incentives, job-training reimbursements and financial assistance programs. A customized analysis of state programs can be provided. FDT's services include:

- Financial packaging (debt or equity) and/or accessing capital
- In-depth financial analysis and client consultations concerning all aspects of doing business
- Access to financial assistance programs such as the [Local Economic Development Act \(LEDA\)](#), [New Markets Tax Credits](#), the HUD 108 Program, USDA, SBA, and IRB's
- Incentive analyses for businesses and applications for [NMFA Planning Grants](#)

[FUNDIT](#) was created to assist communities in accessing financing from a group of agencies simultaneously. This collaboration saves time and duplication, improves the effectiveness of project review and support, and ensures strategic investments with public resources. Laguna Pueblo utilized FUNDIT this year. The Navajo Nation presented a Business Park Lighting Project.

The [New Mexico Credit Enhancement Program \(CEP\)](#) was rolled out in FY18. This unique program facilitates loans in underserved rural markets. NMEDD can pledge cash to cover a collateral shortfall of a loan in order to enable financing that otherwise might not be available to a small business. CEP is not limited to economic-base businesses.

Contact Juan Torres, Finance Development Team Leader, [Juan.torres@state.nm.us](mailto:Juan.torres@state.nm.us) or 505.827.0238.

Federal [Opportunity Zones](#) are designated census tracts that include tax incentives to encourage investment in low income communities. Opportunity Zone public law 115-97, also known as the *Tax Cuts and Jobs Act of 2017*, provides for the Governor of each state to nominate certain low income census tracts. The State of New Mexico, working directly with local entities, submitted 63 tracts for designation to the U.S. Treasury and all 63 became designated Opportunity Zones. Seven designated tracts are located on Tribal lands including the Indian Pueblo Cultural Center, Navajo Nation, Laguna, Isleta, Sandia, Jicarilla Apache and Zuni.

Opportunity Zones (OZ) allow for the creation of a new class of investment vehicle with tax advantages authorized to aggregate and employ private investment located in the designated census tracts. The purpose of these tax advantages is to attract capital investment in economically distressed areas. OZ provide for a deferral (and eventual abatement) of unrealized capital gains for investing in low-income communities. OZ is a tool that has the potential to lower the cost of finance projects as well as bolster long-term returns. This legislation aims to put capital back to work -- capital which has been looking for the next investment opportunity, like a tribal economic development project.

The OZ program offers three tax incentives for investing in low-income communities through a qualified Opportunity Fund:

- The first incentive is a temporary deferral on taxes. A temporary deferral of inclusion in taxable income for capital gains is reinvested into an Opportunity Fund. The deferred gain must be recognized on the date in which the opportunity zone investment is disposed of or December 31, 2016.
- The second incentive is a step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.
- The final tax incentive is the permanent exclusion. A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.

Contact Ryan Eustice, Economist, 505.827.2191 or [Ryan.Eustice@state.nm.us](mailto:Ryan.Eustice@state.nm.us)

#### [Local Economic Assistance & Development Support \(LEADS\)](#)

Through the Local Economic Assistance and Development Support program (LEADS), NMEDD encourages and supports New Mexico communities in their efforts to create new jobs. The program emphasizes the importance of recruitment, as well as retention/expansion and start-up activities. LEADS recognizes that the character and needs of each community will determine how these activities might be used to create new jobs. Funding provided through LEADS is intended to create jobs, develop the tax base, and provide incentives for business development. The LEADS grants program is administered by the [Community, Business & Rural Development Team](#). Applications are accepted and projects are selected in the spring of each year, after the legislative session.

The [Business Incubator Program](#) certifies and supports business incubation facilities statewide. In October 2015, EDD certified the state's first Native American incubator, Navajo Tech Innovation Center. The Center is managed by Navajo Technical University. In FY18 each of the seven certified incubators received \$13,210 to support services provided to their clients:

- South Valley Economic Development Center
- WESST Enterprise Center
- Santa Fe Business Incubator
- Enterprise Center at San Juan College
- Arrowhead Technology Center
- Taos County Economic Development Center
- Navajo Tech Innovation Center

For more information about the Business Incubator Program contact Elizabeth Davis at 505.827.0333 or [Elizabeth.Davis@state.nm.us](mailto:Elizabeth.Davis@state.nm.us).

### [New Mexico MainStreet Program \(NMMS\)](#)

A program of the New Mexico Economic Development Department, New Mexico MainStreet works throughout the state's downtown communities to create an economically feasible business environment through the preservation of historic and cultural locations.

The MainStreet staff provides non-MainStreet communities with free training sessions on promotion, town design, organization, and economic positioning.

When funding is available, NMMS administers the [Frontier Communities Initiative](#), which is designed to provide community economic development support for small rural communities (less than 7,500 in population) to develop a catalytic economic development project within a traditional or historic commercial district (i.e. court house square, town center or village plaza) or a historic commercial corridor.

The **Taos Pueblo Placemaking Project** is an FY19 Frontier Communities awardee. New Mexico MainStreet will assist the creation of a business hub at the Taos Pueblo Red Willow Center that includes an open-air market and demonstration area for both tribal and non-tribal member arts and craft vendors. The space is located outside of the Pueblo's core ceremonial centers and will be open year-round to provide an alternative space for commerce for local curio shop owners and vendors who are required to shut down during an annual ten-week closure for observance of additional activities.

Contact:

Rich Williams, MainStreet Co-Director, at 505.827-0168 or [Rich.Williams@state.nm.us](mailto:Rich.Williams@state.nm.us)

Daniel Gutierrez Co-Director, at 505-827-0151 or [Daniel.Gutierrez2@state.nm.us](mailto:Daniel.Gutierrez2@state.nm.us)

### [Arts and Cultural District Program \(ACD\)](#)

The program is aimed toward creating district destinations that support local cultural and arts entrepreneurs by increasing cultural and heritage tourism. ACD collaborates with the Department of Cultural Affairs, the EDD, the New Mexico Tourism Department and two statewide foundations: The McCune Charitable Trust and the Museum Foundation of New Mexico.

There are currently eight authorized districts:

- Artesia
- DowntownABQ
- Gallup
- Las Vegas
- Los Alamos
- Mora
- Raton
- Silver City

For more information contact Rich Williams, 505.827.0168 or [Rich.Williams@state.nm.us](mailto:Rich.Williams@state.nm.us).

### [State Data Center](#)

By statute, the Economic Development Department is the lead agency for the Census Bureau's State Data Center (SDC) program. The SDC provides a wide range of data and data products, assists communities with strategic planning and provides customized data products for rural communities upon request.

Contact Ryan Eustice, Economist, 505.827.2191 or [Ryan.Eustice@state.nm.us](mailto:Ryan.Eustice@state.nm.us)

### [New Mexico Film Office \(NMFO\)](#)

The New Mexico State Film Office is a division of the New Mexico Economic Development Department that serves the film and television industry locally, nationally and internationally. NMFO's purpose is to market the state to this industry, service the productions and promote jobs for New Mexico residents. The division offers resources to producers, film crew and local filmmakers, and works diligently to assist with the scouting of potential filming locations. The division consults with productions regarding the financial aspects of their projects, guiding them through the incentives such as the 25% to 30% Refundable Film Production Tax Credit and the Job Training Incentive Program for Film & Multimedia. The division also connects productions with vendor services and film liaisons throughout the state.

The division continues to focus on three (3) main initiatives: (1) Recruitment: Television, Feature Productions and Digital Emerging Media Projects/Companies; (2) Workforce Development; and (3) Statewide Industry Outreach.

***Recruitment:*** The division's primary purpose is to market the state to the film & television and emerging media industries, service the recruited productions and companies, and promote job and business opportunities for New Mexico residents. This includes consulting with production and emerging media companies regarding the financial aspects of their projects, and guiding them through the incentives such as the Refundable Film Production Tax Credit. The division also provides direction to companies regarding potential locations on which to film, as well as connecting the productions with the crew, vendor services and film liaisons throughout the state. The division continues to work towards taking the lead in Emerging Media entrepreneurial opportunities in-state.

***Workforce Development:*** The Job Training Incentive Program for Film & Multimedia (JTIP) provides multiple ways for residents to advance in this industry and to keep talent in-state. The program continues to evolve and expand to meet industry needs. The Film Crew Advancement Program (FCAP) is the division's priority program in training as it provides high-wage job opportunities with production companies where crew can diversify and advance their skill sets increasing retention and continual employment in the industry. As an additional incentive to the film tax credit, productions that hire qualifying, local crew are reimbursed fifty percent (50%) of a qualifying resident's wages for up to

1040 hours. In addition, the program encourages veterans and reserve member components to apply transitional skill sets to this industry in an initiative entitled “Operation Soundstage.”

*Statewide Outreach:* There are a variety of ways to work with local communities, schools, filmmakers and chambers in order to assist and promote the industry and the jobs it creates. The five (5) that have been identified by the division to increase the effectiveness of local outreach are (1) expanding upon the Statewide Film Liaison Network that trains designated community members in the production process and encourages filmmaking in rural areas; (2) collaborating Film Tourism efforts to give communities an additional way to market to visitors, to increase economic impact and to benefit from the success of the industry; (3) holding regional meetings and utilizing social media to assist in educating the public on the industry and the division’s resources; (4) developing educational networking initiatives to provide opportunities to learn about film and media programs available throughout New Mexico; and (5) expanding on two primary outreach events: the annual NM Filmmakers Showcase and the annual Film & Media Industry Conference.

The New Mexico Film Office, through its Film Liaison Network, has provided revenue and employment through films produced on tribal lands. Productions in FY18 include: partnering with Laguna Pueblo on *12 Strong* (2017); Jemez Pueblo, *T@gged 83* (2017); Santa Ana Pueblo on *Graves* (2017); Santa Clara, *Longmire* (2017); Taos, *The Marijuana Show* (2017); and Zia Pueblo, *The Girlfriend Experience* (2017). NMFO is seeking Tribal Liaisons from every Tribe and Pueblo. Liaisons will be invited to a [Film Liaison Network Training Conference](#). New Mexico has the largest crew base between both coasts.

**Zia Pueblo** has led many film projects on its stunning land along Highway 550, and has posted an Economic Development Director position. The director will lease land and develop projects in Bernalillo, and create tribal hospitality enterprises. Zia Pueblo has been working with our Film Office for years and has been the location of many productions.

Please visit [www.gonm.biz](http://www.gonm.biz) for more information on the Economic Development Department’s programs and services.

### Training and Employee Notification

In 2009 the IAD and the State Personnel Office (SPO) coordinated research and planned and developed training as required by the STRC. In 2010 the training curriculum and materials were refined and a training model was designed to train state employees on culture and protocols for working with Native American communities.

All ED Division Staff have completed the Cultural Competency Training.



### State-Tribal Consultation, Collaboration, and Communication Policy

The policy of NMEDD is to communicate with Native American communities and entities for economic development via the Regional Representatives under the leadership of the Primary Tribal Liaison. Native American entities have also been added to the various mail/email and electronic distribution lists of the department.



The Primary Liaison also maintains an open dialogue with IAD staff and compiles the State-Tribal Leaders Smart Goal Accomplishments through the Cabinet Secretary.

This is a not all inclusive, but a catalyst to move a project forward. Many of these agencies present during the [New Mexico Infrastructure Conference](#) that occurs annually in the fall.

*Cabinet Secretary Matt Geisel & Laguna 1<sup>st</sup> Lt Governor William Herrera Jr. present at the Acoma Summit.*

## Contact Information

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### *Community, Business & Rural Development Team:*

Region 1: Fred Shepherd  
505-490-7966 or [Fred.Shepherd@state.nm.us](mailto:Fred.Shepherd@state.nm.us)

Tribal Liaison: Acoma, Laguna, Zuni, Cochiti, Jemez, Zia, Santa Ana, San Felipe, Kewa (Santo Domingo), Navajo Nation

Region 2: Peter Mitchell  
505-827-2199 or [Peter.Mitchell@state.nm.us](mailto:Peter.Mitchell@state.nm.us)

Tribal Liaison: Pojoaque, Tesuque, Nambe, Taos, Picuris, Santa Clara, Santo Ildefonso, Okay Owingeh, and Jicarilla Apache

Region 3: Mark Roper, Team Leader  
575-562-0327 or [Mark.Roper@state.nm.us](mailto:Mark.Roper@state.nm.us)

Tribal Liaison: Sandia and Isleta

Region 4: Tim Hagaman, Tribal Liaison  
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