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JUNE 2014

NEW MEXICO



INFLUENCERS ► ECONOMY ► INNOVATION ► GLOBAL IMPACT ► REVITALIZATION

A photograph of two men in a server room. The man on the left is wearing a blue button-down shirt and glasses, pointing towards a server rack. The man on the right is wearing a maroon button-down shirt and has his hand on his chin, appearing to be in deep thought. The server racks are filled with blue cables and various hardware components.

It's time to take a closer look at New Mexico.

New Mexico has improved its business climate more than any state in the West over the past three years. A new study by Ernst and Young and the New Mexico Tax Research Institute determined that we've reduced tax rates for manufacturing by nearly 60% — the greatest drop, by far, in the western states studied. New Mexico's after-credit manufacturing rate is now at 3.3% — the best in the region.

Additionally, the non-partisan Tax Foundation recognized New Mexico's successful bi-partisan approach between Governor Susana Martinez and the state legislature with its prestigious award for "Outstanding Achievement in State Tax Reform."

These recent, significant improvements to the state's business climate are only part of the reason why it's time to take a closer look at New Mexico. To find out more about the increasing business advantages here, contact the New Mexico Partnership.

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SNAPSHOT: NEW MEXICO

Aided by a thriving research environment and one of the nation's most advantageous climates, New Mexico is emerging as a new business powerhouse. Here's a few of the reasons why

FISCAL-FRIENDLY

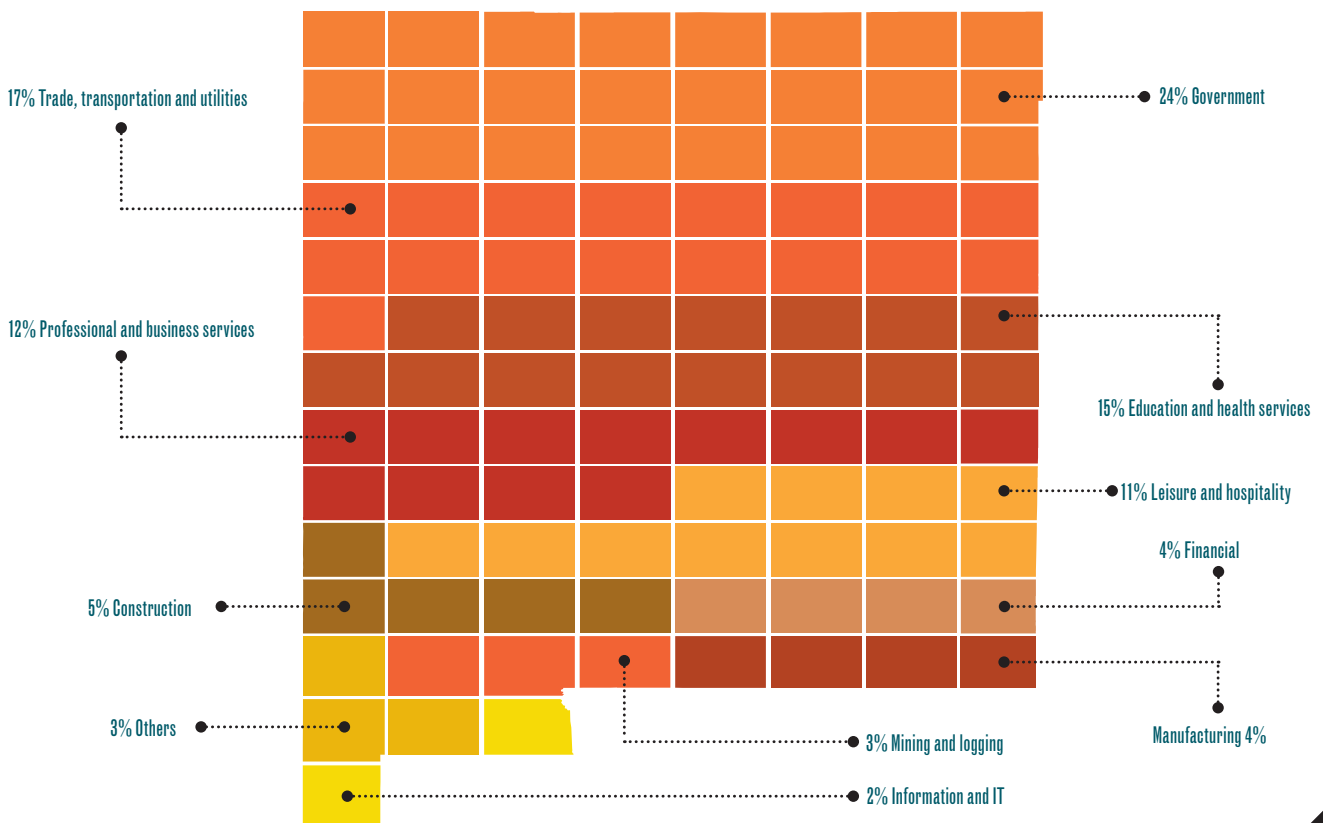
Following a series of substantial tax reforms in recent years, a 2014 Ernst & Young report found that New Mexico now offers the lowest manufacturing tax rate of any Western U.S. state.

TECHNICAL PROWESS

The state's reputation as a thriving R&D center is reflected in its workforce, which has the nation's sixth-highest percentage of engineers and fourth-highest percentage of technical workers.

ENERGY-RICH

In addition to vast fossil fuel reserves, the National Renewable Energy Laboratory also ranked New Mexico second in the U.S. for rural and concentrated solar potential and 10th for on-shore wind potential.



FAST FACTS

New Mexico was found to be the state with the second-highest percentage of bilingual speakers in the 2010 United States Census.

In 2010, *Business Facilities* magazine ranked New Mexico as the sixth-best state for cost of labor and fourth in workforce training.

The state boasts the lowest property tax burden in the country, according to the Tax Foundation's 2012 State Business Tax Climate Index.

The state is the fifth-largest in the U.S. in terms of area, but the sixth least densely populated.

Home to Sandia and Los Alamos national laboratories, New Mexico receives close to \$6 billion a year in federal research funding.

IN 2013, NEW MEXICO WAS RANKED FIRST IN THE U.S. FOR "LIVING THE AMERICAN DREAM" BY THE BURGHARD GROUP.

NEW MEXICO IS AMERICA'S NINTH-MOST TAX-FRIENDLY STATE, ACCORDING TO A 2013 KIPLINGER REPORT.



310

Days of
sunshine
each year



9

**Research Centers &
Institutes affiliated with the
UNM School of Engineering**

UNM offers the only Nuclear Engineering
program in the southwest



#2

**National ranking for
serving small businesses
and providing students
with hands-on experience**

The UNM Small Business Institute
at Anderson School of Management
directly benefits the Albuquerque and
New Mexico economies



\$1B+

**Direct spending due to the
film and television industry
since 2010**

UNM Interdisciplinary Film and Digital Media
connects students with production companies
giving them real-world training and jobs



Innovate ABQ

**UNM's public/private partnership to
develop a district in Albuquerque that will
grow the innovation economy in New Mexico**



**3 Collaborative
relationships with
National Laboratories**

UNM works with national labs
in research focus areas, such
as nanotechnology, bioscience,
quantum computing, materials
science, advanced energy,
cyber-security and
space systems



89

**Countries represented
by exchange students**

As a destination university, UNM aims to
provide every student with a global experience by
sending students abroad and attracting a strong international population



\$49.8M

**Economic impact of 6
athletic and community
events hosted on campus**

UNM athletics attracts national visitors,
boosting the New Mexico economy



THE UNIVERSITY *of*
NEW MEXICO

The University of New Mexico

New Mexico's flagship university advances world-class research and the knowledge economy in an environment of tradition and culture



62.97%

UNM student body minority population

As a minority/majority university, UNM benefits from diversity of cultures and ideas



#2 National ranking for Rural Medicine program

UNM School of Medicine sets the bar for health care in rural areas and communities



#7 National ranking for percentage of new MBAs hired within 90 days

UNM's Anderson School of Management provides students with the skills necessary to succeed in business

\$250 M

Sponsored research expenditures last year

UNM's main campus, Health Sciences Center and branch campuses are awarded contracts and grants to support research and development programs



73.7%

School of Law graduate employment rate

UNM School of Law provides practical experience at the core of a legal education



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& **80** Start-up Companies

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Talk to us.



THE INFLUENCERS

Meet the masterminds behind New Mexico's progressive economic reforms



GOVERNOR SUSANA MARTINEZ
HOW SHE GOT HERE:

New Mexico's first female governor, and the first Hispanic female elected governor in the history of the U.S., Susana Martinez was born and raised in the Rio Grande Valley. With degrees from the University of Texas at El Paso and the University of Oklahoma School of Law, Martinez was a prosecutor for 25 years before assuming office in 2011, and was twice named New Mexico's Prosecutor of the Year.

PROUDEST ACHIEVEMENTS:

Since becoming governor, Martinez has orchestrated one of the most remarkable economic turnarounds in New Mexico history, turning the state's largest-ever structural deficit into three straight years of surplus while protecting key priorities in health and education and without raising taxes. "We dug through every inch of the budget to make sure we weren't buying or doing things that were unnecessary," she says. "Plus we've introduced numerous incentives for the private sector and now businesses are coming back. We're generating jobs, which are generating revenue, which allows our economy to grow and helps us achieve a balanced budget."

CRYSTAL BALL:

Foremost among the governor's priorities is the diversification of the New Mexico economy, which has historically been heavily dependent on federal dollars and so vulnerable to the vicissitudes of D.C. "We have moved New Mexico forward in its ability to compete, while laying a foundation of predictability that's vital to any business looking to put down new roots," says Martinez. "We're competitive where we've never been competitive before. I now see us bringing in companies and jobs not just from within the U.S. but from all around the world."



JON BARELA
ECONOMIC DEVELOPMENT
CABINET SECRETARY

HOW HE GOT HERE:

After starting out on Capitol Hill as an aide to Congressman Joe Skeen, Secretary Barela returned to New Mexico, where his career spanned both the public and private sector. This included roles as the state's assistant attorney general and Intel's community and government relations manager, before spending time working with small businesses—an experience that continues to inform his political decisions today.

PROUDEST ACHIEVEMENTS:

Working closely with Governor Martinez, Barela has overseen the state's efforts to reform its tax structure, including the reduction of its corporate income tax by 22 percent. "We're now the most tax-friendly state for manufacturers in the western United States," says Barela, who also counts significant improvements to the state's regulatory environment among his greatest accomplishments. "Capital, like water, always flows through the path of least resistance. We're trying to create channels through our policies that make New Mexico the place of choice for business investment."

CRYSTAL BALL:

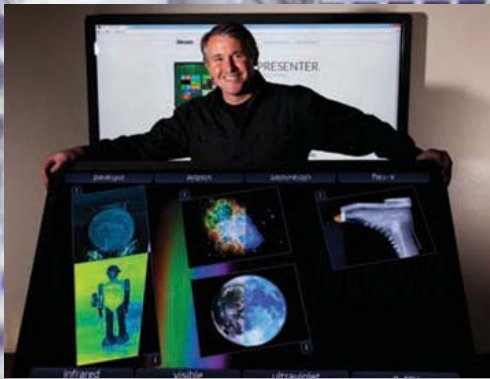
"We expect our job growth in the private sector to be among the highest in the United States," says Barela, who is keen to further the state's potential in such industries as aerospace, energy, manufacturing and transportation. Key to this drive will be workforce development initiatives, such as a program that reimburses employers for a significant portion of their on-the-job training costs. "A dynamic private job model positions us for future financial stability and provides New Mexicans with the opportunity to keep their children and grandchildren in this beautiful state," Barela says.

GOVERNOR MARTINEZ WAS NAMED BY *TIME* MAGAZINE AS ONE OF ITS 100 MOST INFLUENTIAL PEOPLE IN THE WORLD IN 2013.

UNDER THE GUIDANCE OF MARTINEZ AND BARELA, NEW MEXICO HAS MOVED FROM 38TH TO FIRST IN THE COUNTRY IN TERMS OF EXPORT GROWTH.

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Home to Ideum, Lavu, @Pay, and Google's new atmospheric satellite company, the Albuquerque metro area should be on your list of top cities for launching or expanding your business.

Long-recognized for its intersection of talent, technology, culture and innovation, Albuquerque's 70,000 college students, skilled workforce and friendly business climate have helped attract investment from the world's leading companies as it also emerges as one of America's most welcoming places for entrepreneurs.



ALBUQUERQUE
ECONOMIC DEVELOPMENT

Isn't it time for you to take another look at Albuquerque?

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SPOTLIGHT

How one company is utilizing New Mexico's vast energy potential to offer reliability, affordability and environmental sensitivity

PNM RESOURCES



| | |
|---------------|----------------------|
| SECTOR: | ENERGY |
| HEADQUARTERS: | ALBUQUERQUE |
| REVENUE: | \$1.1 BILLION (2013) |
| SIZE: | 1,500 IN NM |
| FOUNDED: | 1917 |
| NYSE: | PNM |

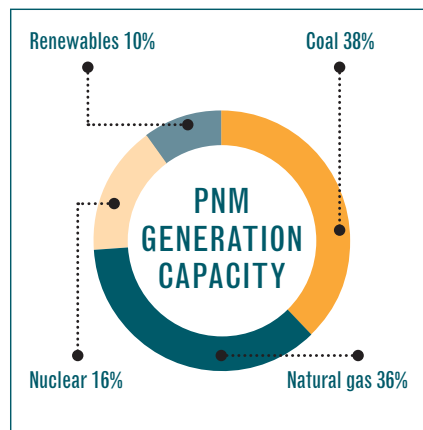


There's little that paralyzes a state's economy like the interruption of its energy supply. That's why companies across New Mexico have come to rely on PNM Resources, which consistently delivers a top-quartile performance nationally while keeping its prices among the lowest in the U.S.

Established as Albuquerque Gas & Electric Company in 1917, PNM has long relied on the state's abundant coal reserves to make up the majority of its capacity. However, the company is

moving with the times, and as federal environmental regulations cut coal's low-cost advantage and awareness grows for the need to explore sustainable energy sources, PNM is committed to developing a more balanced portfolio. Key to this will be its ability to harness New Mexico's enormous on-shore wind and solar potential, not least to meet the state target of 20% of energy coming from renewable sources by 2020.

The company's innovative approach to environmental leadership was exemplified by its landmark agreement with the U.S. Environmental Protection Agency and the N.M. Environmental Department to retire two of its four coal units at the San Juan Generating Station near Farmington. Hailed by EPA officials as a model for other states to follow, the arrangement will save PNM customers \$780 million over 20 years, while reducing the reliance on coal and leaving the company well positioned to comply with future greenhouse gas regulations.



Q & A

PATRICIA VINCENT-COLLAWN, PRESIDENT AND CEO

Q: What investment has PNM made in renewable energy sources?

A: Since the start of 2011, we've spent \$190 million on expanding the amount of solar on our system. We've also begun purchasing energy from New Mexico's first geothermal power plant and, starting next year, we're going to have about 306MWh of wind coming from two wind farms in the state.

Q: How did the EPA agreement come about?

A: To meet the regional haze rule, the federal government wanted us to put some expensive technology on the coal

plant, which would have meant a major price increase. We didn't feel having our customers pay a lot more for coal generation made a lot of sense. Our plan reduces the haze as much as they needed us to but also cuts down on greenhouse gases and water—at half the price. Win-win is an overworked term, but in this case it applies.

Q: What's next for PNM?

A: We think our role is to facilitate the great things that are going on in New Mexico, and as the state economy grows, we're going to grow along with it.



PHOTOS: PNM

PNM RESOURCES IS THE ONLY NEW MEXICO-HEADQUARTERED COMPANY TRADED ON THE NEW YORK STOCK EXCHANGE.

NEW MEXICO COMMUNITIES HAVE SOME OF THE CLEANEST AIR IN THE NATION ACCORDING TO THE AMERICAN LUNG ASSOCIATION.

THE INNOVATORS

What you need to know about three pioneering New Mexico institutions



HERITAGE HOTELS AND RESORTS

Few states can compete with New Mexico's rich mix of cultures—Native American, Mexican, Spanish, American Western. This diversity has spawned a unique and dynamic heritage, helping to make the state a hotspot for tourism, and leading one hotel company to adopt an unofficial preservation program.

"We're probably the only hospitality company in the United States that has cultural preservation and advancement as its focus," says Jim Long, founder and CEO of Heritage Hotels and Resorts. To this end, its properties incorporate regionally inspired design, cuisine and entertainment, while a portion of every room bill is donated to local artistic and cultural ventures.

"New Mexico has a superb opportunity to recognize its uniqueness while still creating jobs and providing economic opportunities," says Long. "We need to make sure we're cognizant of the risk of this great culture and heritage eroding, because if that happens we'll lose a really formidable advantage in the worlds of tourism and business location."

OSO BIOPHARMACEUTICALS

Headquartered in Albuquerque, OsoBio is a leading contract manufacturer of sterile, injectable drugs for the pharmaceutical industry. It has an exceptional compliance record and a reputation for being able to handle a range of complex products.

"When clients bring their products to us, they know they're not going to be held up by regulatory issues and that they're going to be safe," says president Milton Boyer. This reliability is due partly to employee development. "We created Sterile University, which is a complete mock-up of our manufacturing suites, so we could do all our training without taking people into the sterile core."

OsoBio is currently consulting with an engineering firm to realize its expansion plans, and is hopeful of more than doubling its business over the next decade. "We've got an excellent base of business with blue-chip clients," says Boyer, "and we expect contracting to grow as companies cut costs and focus on the things that they do best."

UNIVERSITY OF NEW MEXICO

It's difficult to overstate how vital the University of New Mexico is to the state's economy. As well as being its flagship research institution, UNM is one of New Mexico's largest employers and an essential contributor to many of the region's most significant economic endeavors.

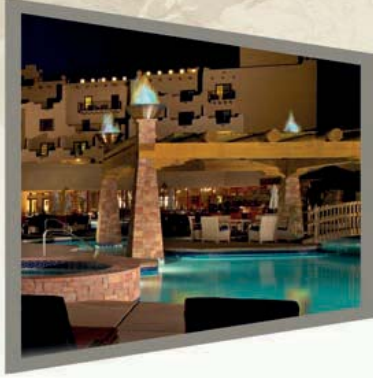
"One of the most important projects we're working on is a collaboration between ourselves and the city to create innovation hubs," says UNM president Robert G. Frank. "This will bring jobs and opportunities to Albuquerque and the central Rio Grande valley."

The first of these hubs, Innovate ABQ, will unite UNM researchers with entrepreneurs, bankers and business leaders to create an "integrated community" whose intellectual property can be spun off into new companies that will benefit the state as a whole.

"Innovate ABQ is the spark that's going to grow us as an entrepreneurial target area, which we can use to help people out of poverty," says Frank. "This shows how business, the city and the university can come together to change a community."

UNM EMPLOYS 21,595 PEOPLE STATEWIDE, INCLUDING EMPLOYEES OF UNIVERSITY HOSPITAL.

HERITAGE HOTELS IS THE LARGEST INDEPENDENT BOUTIQUE HOTEL COMPANY IN THE STATE, WITH 600 EMPLOYEES ACROSS SEVEN DESTINATIONS.



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 Michael Espiritu, IOM, President/CEO
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GLOBAL IMPACT: FROM OLD WEST TO NEW ECONOMY



In 1999, New Mexico changed its nickname to the Land of Enchantment, drawing on its reputation for scenic landscapes and a rich mix of Hispanic, Native American and Western cultures. Today, more than 30 million visit the state annually, representing an economic impact of \$6 billion each year. And state authorities aim to increase these numbers further still.

“Not only do we want to attract more visitors, we also want to increase the amount they’re spending,” says Monique Jacobson, the state’s secretary of tourism. “This will put more money in the tax base and create jobs for New Mexicans. It will be a huge benefit to smaller communities, as their residents will have the opportunity to

work hard and rise into leadership positions without having to leave the state.”

A former PepsiCo executive, Jacobson was appointed to her current role in 2011 as part of Governor Martinez’s ambition to operate the tourism department according to similar principles that define the business world. That meant cutting waste—even as the department’s budget increased by 40% in two years, all spending had to be justified in terms of R.O.I. The advertising budget saw the most dramatic increase, rising by 180% over the same period on the back of Jacobson’s prediction of a three-to-one return.

“We launched our New Mexico True campaign two years ago after extensive

WAYN.COM NAMED ALBUQUERQUE SECOND IN ITS LIST OF THE WORLD’S TOP FILM LOCATIONS.

TRAVEL + LEISURE PICKED SANTA FE AS ITS NUMBER-ONE CULTURAL GETAWAY IN 2012.

*From traditional charm to high-tech expertise:
The strategies that New Mexico's foremost institutions
are adopting to compete on the world stage*



research revealed that our main issues in attracting visitors was a lack of knowledge or just plain misunderstanding," says Jacobson. "Our goal was simple: just raise awareness of what New Mexico has to offer." With its focus on 'sight-doing' rather than sightseeing, the campaign has shown early promise. Marketable overnight trips and domestic tourism spending grew 11.3% and 7.5% respectively from 2011 to 2012, while visits to the department website in June 2013 were up 114% year on year.

One New Mexico destination to see a surge in tourist numbers is Albuquerque, due in part to thriving film and television industries driven by world-class facilities and economic incentives. Although the

dramatic local terrain had drawn the eye of filmmakers since the Golden Age of the Western, public awareness soared as soon as the city was chosen as the setting for AMC's *Breaking Bad*. Trolley tours incorporating Albuquerque's most famous screen locations are consistently sold out.

"*Breaking Bad* brought extensive media attention from across the world, which is such an intangible benefit when it works right," says Albuquerque Convention and Visitors Bureau CEO Dale Lockett. "You can't buy that sort of coverage. We're now seeing tremendous gains as a leisure and business destination."

Santa Fe is the oldest capital city in the U.S., but has become equally well known

for its vibrant arts scene and leadership in green technologies. "Not only have we maintained our passion for the rich history that we have here, but we're leveraging it to embrace what's new and exciting," says Cynthia Delgado at the city's Convention and Visitors Bureau. She points to the revitalization of Santa Fe's old Railyard as epitomizing this approach. "It had always been a major commercial point in the city, but was losing some of its luster. Today, it has its own plaza, farmer's market, contemporary galleries, restaurants and a big public park—without losing the feel and position that it had in the community."

When the city purchased the Railyard, it was partially in response to the



IN 2013, FDI INTELLIGENCE RANKED ALBUQUERQUE AMONG ITS AMERICAN MID-SIZED CITIES OF THE FUTURE.

BUFFALO THUNDER WAS VOTED THE STATE'S FINEST RECEPTION OR EVENT SITE BY READERS OF *NEW MEXICO EVENT AND WEDDING PLANNER* MAGAZINE.

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Marcella Shelby
Doctoral Student



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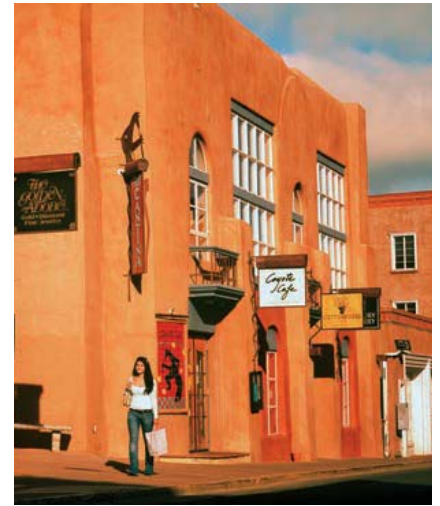


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Left: The Sangre de Cristo mountains, east of Santa Fe.
Below: Shopping in Santa Fe



intensive development project that had been proposed by the previous owners. Officials spent two years canvassing locals to find out what they wanted in the space before any construction work began. “There’s been a real commitment to improving the quality of life for our local residents, and by doing that, you actually make your community a richer destination for people to visit,” says Delgado.

Some 15 minutes north of Santa Fe, the Buffalo Thunder Resort & Casino represents a shining example of how the state’s hospitality sector both adapts to and benefits from New Mexico’s Native American heritage. Owned and operated by the Pojoaque Pueblo in partnership with Hilton, the resort features a pueblo theme throughout its architecture, décor and furnishings—overseen by Pojoaque governor George Rivera—and boasts over 300 unique works by Native American artists.

“This is not just a high-end hotel but a cultural destination resort,” says Rivera. This unique combination has proven popular with visitors, as the numbers attest: “We’re reaching new ground in growth, and we now own over 50% of the northern New Mexico gaming market.”

NEW MEXICO HAS DONE ITS HOMEWORK

With regards to the three basic factors of production—land, labor and capital—New Mexico is exceptionally well placed. It’s the fifth-biggest U.S. state by area, with an enviable combination of natural resources, a favorable climate and a location that allows easy access to Mexico, the U.S.’s largest trading partner. Its population boasts a higher rate of PhDs per capita than any other state. Its infrastructure is modern and its business and manufacturing facilities are cutting-edge. No surprise, then, that New Mexico has emerged as an R&D hub that’s equal to any on the continent.

“We’re seeing everything from photonics and lightweight propulsion of aircraft to plant extracts for consumer products,” says Steve Vierck, president and CEO of NM Partnership. “That’s partly driven by Los Alamos and Sandia National Laboratories, but also White Sands Missile Range and the Air Force Research Lab. Their mission is to find the best applications of research, so the state is already home to a lot of the support apparatus needed to specialize in some advanced areas.”

To the three basic factors, economists are increasingly adding a fourth variable—entrepreneurship—and it is here that New Mexico has seen a real boom. New R&D and

business centers, such as Innovate ABQ, aim to foster further growth by connecting entrepreneurs with scientists, and by commercializing new technologies.

“There is some extraordinary research going on in New Mexico, with some of our generation’s brightest minds working on our most difficult problems,” says John Freisinger, president and CEO of Technology Ventures Corporation, which offers assistance in bringing federally funded ideas to the wider marketplace. “Right now, there’s no better place to source technological innovation. The trick is applying it to the consumer market.”

In just over two decades, TVC has helped secure \$1.2 billion in venture capital investments, while creating 120 high-tech companies and more than 13,500 jobs. “We’re witnessing a renaissance in New Mexico’s entrepreneurial mindset. People are increasingly looking at how they can start their own companies rather than working for somebody else.”

This will prove crucial over the next few decades if New Mexico is to fully realize its competitive advantage. “The models are getting better, but there are still so many excellent inventions and innovations with applicability in the marketplace that just never make it there. That’s our biggest challenge,” says Vierck. 

THE ECONOMICS OF DISCOVERY

Having once focused on agriculture and engineering, New Mexico State University has grown into a leading educational institution with a comprehensive range of undergraduate and graduate programs and more than \$150 million-worth of research underway at any given time.

As the state's land-grant university, it complements its main Las Cruces campus with extension offices in all 33 counties, along with 13 science and research centers across New Mexico. In all locations, the mission is the same: "Transforming lives through discovery."

This same philosophy also feeds the Arrowhead Center, which seeks to harness the university's innovation in fields ranging from unmanned aircraft systems to alternative energy. By creating an environment where its faculty and students can interact with business representatives, NMSU hopes to commercialize their pioneering research and ultimately improve the quality of life for all New Mexicans. The facility has already overseen the development of several small companies, one of which was spun off in a multi-million dollar deal.

"I believe NMSU has a major role in the economic development of New Mexico," says university president Garrey Carruthers. "Our universities are the best possible place to develop new entrepreneurs and start up new companies based on research ideas."



Albuquerque is attracting a diverse set of international companies and start-ups

A STATE ON THE UP

New Mexico's reliance on the federal dollar was always going to make it vulnerable to the effects of the recession—and the figures bear this fact out, with unemployment rising from 3.5% in late 2007 to 8% in mid-2010. And it wasn't only public sector jobs that were affected. Manufacturing was negatively impacted and a robust real estate sector slowed significantly. Fast forward to today, however, and a different story emerges. All across the state, economic bodies are reporting record interest in investment opportunities.

"In 2006, Forbes named us as its number-one city for business and careers," says Gary Tonjes, president of Albuquerque Economic Development, "and we are now dramatically more attractive to investment than we were then."

In the last couple of years alone, Albuquerque has welcomed the arrival of 750 jobs in the first Lowe's corporate office outside North Carolina; Fidelity added approximately 250 additional roles in the region; Canon Information Technology Solutions revealed the opening of a new support facility in the city. In May, Microsoft and Mayor Richard Berry announced a strategic digital alliance that'll bring more technology access and computer skills to city residents. In doing so, these companies join the likes of Intel, Gap and Verizon on a diverse list of international corporations established in Albuquerque.

"Our main attraction is that you can do

anything here," says Albuquerque's director of economic development, Gary Oppedahl. "We have the logistics and are small enough that entrepreneurs and innovators still have a place."

Much of the city's appeal comes from its business-friendly tax and incentive programs, desirable location and skilled employee base. "If anything, our problem is underemployment. We have a lot of talented people that aren't yet being fully utilized," says Oppedahl.

Besides back-office operations, Albuquerque has identified aerospace and aviation, energy and advanced manufacturing as three key industries to target. High-tech by nature, they will be well served by the city's push for entrepreneurial development—not least Innovate ABQ, which is expected to be a beacon for those looking to set up incubators and accelerators for emerging technology companies.

"We are better positioned today than we ever have been from a competitive perspective," says Tonjes. "That serves us well in trying to capture additional investment from both domestic and foreign firms looking for solid, reliable locations that can deliver what they need to run their operations in a profitable manner."

In Santa Fe, meanwhile, civic leaders aim to capitalize on the city's famed arts and cultural environment by encouraging the growth of creative industries such as design, film and digital media. "We want to diversify our economy into areas with jobs that are

A RECENT NATIONAL SCIENCE FOUNDATION SURVEY RANKED NMSU IN THE TOP 15% OF ALL INSTITUTIONS IN TERMS OF R&D EXPENDITURES.

THE NEW MEXICO BORDERPLEX IN DOÑA ANA COUNTY IS THE SEVENTH-LARGEST MANUFACTURING CENTER IN NORTH AMERICA, WITH EMPLOYMENT EXCEEDING 230,000.

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Spaceport America's state-of-the-art hangar



exciting for young people, have upward mobility and allow them to live and work in this historic community," says Mayor Javier Gonzales.

To achieve this, the city is first looking to recruit businesses that are aligned with these target industries. Once established, it will then ensure that young entrepreneurs have access to the affordable workspace and working capital required to feed off these mature companies and take their first steps into the open market.

Complementing this has been the growth of Santa Fe's financial services sector, powered by an influx of hedge fund managers who have relocated to the city because of its high quality of life, led by Thornburg Investment Management, a Santa Fe-headquartered company that now controls assets in excess of \$90 billion. Continued growth in this industry will be pivotal to the development of the city's fledgling tech start-ups.

Another region to emphasize diversification is San Juan County, located in the northwest corner of the state. Since the 1950s, its most significant industry has been oil and gas production, which put it at the mercy of the boom-and-bust cycle of fossil fuel price fluctuation. To protect itself from this instability, the county is pursuing a broader economy with emphasis on six key areas: remote workers, tourism, health services, education, agriculture and the manufacture

"WE'RE BETTER POSITIONED TODAY THAN WE EVER HAVE BEEN FROM A COMPETITIVE PERSPECTIVE"

—GARY TONJES

A GIANT LEAP FOR NEW MEXICO

"At 4,600ft above sea level, we like to say that the first mile is free," says Christine Anderson, executive director of Spaceport America, the world's first purpose-built commercial spaceport.

Located on an 18,000-acre plot in southern New Mexico, adjacent to White Sands Missile Range, the facility is owned and operated by the state. Development began in 2007 and tenancy agreements were signed with SpaceX and Virgin Galactic—the latter of which is set to make the first commercial passenger spaceflight before the end of the year.

It was a gamble for New Mexico to begin construction before the technology

of oil-and-gas products that can be shipped to wherever drilling is taking place.

Arguably New Mexico's biggest competitive advantage is its direct border with Mexico, which presents trade opportunities that the state has been able to capitalize on in recent years. "We've had a port of entry into Mexico for about two decades, but we're now seeing some tremendous growth," says Davin Lopez, president and CEO of the Mesilla Valley Economic Development Authority, a public-private partnership dedicated to wealth and job promotion in Doña Ana County. "We're close enough to be a supply chain destination for the maquila industry in Chihuahua, but just as important has been the impact of the Union Pacific project that came online earlier this year."

By establishing the largest intermodal cargo transfer facility in the country, New Mexico has cemented itself as a logistics hub and a distribution point for Mexican products on their way to the U.S. and Canada.

"We have a lot of momentum behind us. We're seeing three times the number of projects that we did two years ago," says Vierck. "We're gaining strength in a variety of different areas and I see a much more robust and diversified economy emerging over the next few years.

was fully realized (this is rocket science, after all) but its boldness is set to pay off in the form of well-paid technical jobs and a significant boost to the state's tourism industry. "We're expecting a surge of people coming to the area, either to participate in the industry itself or as one of our terrestrial space visitors," says Anderson.

To accommodate this influx, the spaceport is installing numerous visitor centers and galleries furnished with interactive displays and exhibits, while the surrounding area is increasingly attracting the interest of hotel developers.

PHOTO: VIRGIN GALACTIC

UNION PACIFIC'S NEW FACILITY COST APPROXIMATELY \$400 MILLION TO BUILD AND COVERS AN AREA OF 2,200 ACRES.

THE FIRST PROFESSIONAL MUSIC CONCERT IN SPACE WILL BE LAUNCHED FROM THE SPACEPORT IN 2015, WHEN LADY GAGA WILL PERFORM ON A VIRGIN GALACTIC FLIGHT.

NM BY NUMBERS

Take the time to step away from your desk and enjoy all of the cultural and natural highlights that the state has to offer

LANGUAGE



NORTH AMERICA'S LONGEST AERIAL TRAM

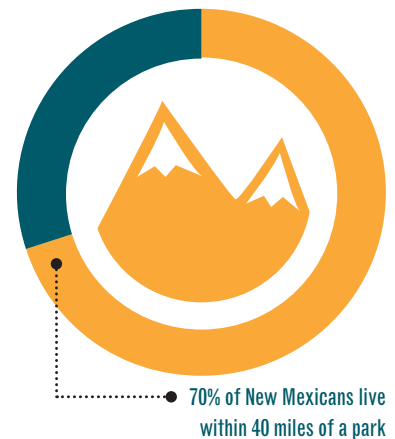


THE SANDIA PEAK TRAMWAY



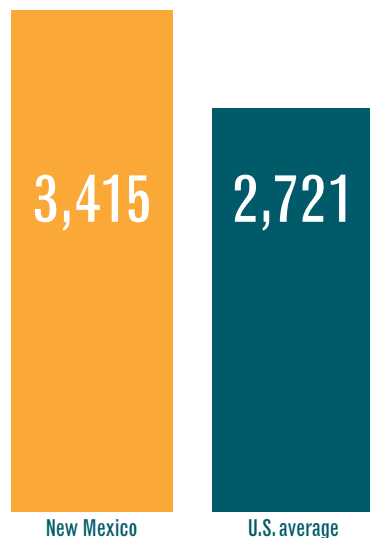
USA Today ranked Albuquerque the third-best place to watch a sunset.

STATE PARKS

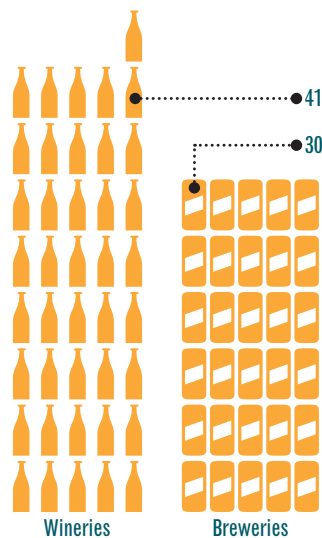


HOURS OF SUNSHINE

(per year)



DRINK IT IN

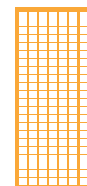


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...as well as 22 stories high.



407,211 visitors every year on average.



New Mexico ranks second in the nation when it comes to pecan production.

ALBUQUERQUE

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OUT OF OFFICE

New Mexico's growth as a tourist destination owes much to its diverse array of cultural and historical attractions

CHACO CULTURE NATIONAL HISTORICAL PARK

New Mexico has more World Heritage Sites than any other state. Chaco—which received UNESCO recognition in 1987—explores the state's rich cultural history, and is home to the densest concentration of pueblos in the Southwest, along with an array of exquisite public and ceremonial buildings, offering a rare chance to witness the astonishing engineering abilities of the state's ancestral Native American culture.

nps.gov/chcu

ALBUQUERQUE INTERNATIONAL BALLOON FIESTA

With 550 pilots and 18 countries represented in 2013, plus around 800,000 spectators, this is the largest ballooning event in the world. For nine days in early October, flights and fireworks transform the Albuquerque skyline, while a citywide program of cultural events leaves plenty to do for those without a ride. Last year, Fodor's named the AIBF as one of its top 15 festivals to attend before you die.

balloonfiesta.com



NEW MEXICO IS HOME TO 19 PUEBLOS, EACH WITH THEIR OWN UNIQUE TRADITIONS AND CULTURE.

MORE THAN 10,500 ROCK CARVINGS ARE INSCRIBED UPON ALBUQUERQUE'S PETROGLYPH NATIONAL MONUMENT.

NATIONAL HISPANIC CULTURAL CENTER

With nearly 47% of Albuquerque residents identifying themselves as Hispanic or Latino in the last U.S. census, there's no better place to explore traditional and contemporary culture from the Spanish-speaking world. Since opening in 2000, this center has since staged over 20 art exhibitions and hosted 400 programs in a variety of creative fields, while its weekly events include music, dance and film workshops and performances.

nhccnm.org



SANTA FE OPERA

Opera has extra emotional punch when performed as the sun sets over a mountain range. And this is precisely what you get at Santa Fe's stunning open-air amphitheater, located seven miles north of the city. Since 1957, the Santa Fe Opera company has been known for delivering world-class performances to international audiences, who gather each summer for a varied program of new, rarely seen and internationally established works.

santafeopera.org



SANTA FE INDIAN MARKET

For one weekend every August, more than 100,000 visitors descend on Santa Fe for the world's largest market of Native American art. Now in its 93rd year, its organizers expect the participation of 1,100 artists representing 100 tribes, whose work spans everything from pottery and jewelry to painting and sculpture. An estimated economic impact of \$19 million is testament to the market's vitality.

swaia.org



GREEN CHILE CHEESEBURGER TRAIL

New Mexicans take their food seriously, and no ingredient is treated with more reverence than the native green chile. More than 10,000 votes were cast in the latest effort to identify the state's top chile-enhanced burger establishments, such as Santa Fe Bite and San Antonio's Buckhorn Tavern and Owl Cafe, considered by many to be among the greatest contributors to this proud culinary tradition.

newmexico.org/green-chile-cheeseburger

FACTFILE

| | |
|----------------------------|---------------|
| DOMESTIC VISITORS (2012): | 32 MILLION |
| VISITOR SPEND (2012): | \$5.9 BILLION |
| TOURISM EMPLOYMENT (2012): | 86,200 |

MY NEW MEXICO



COLLEEN KARETI; General Manager at the Hyatt Regency Tamaya Resort & Spa

1. CANYON ROAD, SANTA FE

"Santa Fe is the second-largest art market in the United States, and Canyon Road is a big part of that. It's a mile long and it's all galleries showing the most amazing talent. And then the food and drink offerings are world-class."

2. TENT ROCKS NATIONAL MONUMENT

"This is a very achievable hike—I took my nine-year-old niece to the top, and when you're there, I swear you can see Russia! It's visually stunning and a good workout but not prohibitive, so anyone can do it."

3. ACOMA PUEBLO

"With feast days from April through October and other celebrations throughout the winter, visiting a Native American pueblo is one of the state's most amazing experiences. Acoma is located on top of a mesa; it's been there for a thousand years and is astonishingly beautiful."

NEW MEXICO BOASTS 12 SKI AREAS, WHICH BENEFIT FROM AN AVERAGE OF OVER 200 INCHES OF SNOW PER YEAR.

CHILE IS THE NUMBER-ONE CASH CROP IN NEW MEXICO, WITH HATCH VILLAGE KNOWN AS THE 'CHILE CAPITAL OF THE WORLD'.

Chama, NM

After you've held your breath
and squeezed tight with both hands
and found the courage
to open your eyes
your spirit will soar.

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