

SUCCESSSES AND NEXT STEPS FOR THE FUTURE OF ALBUQUERQUE ECONOMIC DEVELOPMENT

As Presented to GAAR
November 4, 2020



AED PRESIDENT BACKGROUND (A LITTLE ABOUT ME)

- Military brat – Texas, Ohio, Alabama, Louisiana; also Utah, Arizona, Rhode Island and California
- Bachelors in Anthropology, Masters in Public Administration
- Served in roles at nonprofits, startup community the City of Maricopa; Scottsdale, Ariz. and Greater Sacramento (a Board of 20 communities and 43 CEO's)
- Certified Economic Developer and Certified Economic Development Finance Professional
- Serve on Board of Directors at the International Economic Development Council
- Amateur electrician and extremely poor golfer
- Cohabitate with an English Bulldog named Sophie



QUESTION AND ANSWER TIME!

How much do you know about AED as an organization?

1. VERY familiar, have been engaged for a long time or heard past presentations
2. Somewhat familiar – I know you work on the economy but not sure how
3. Who are you? Are you government or nonprofit?
4. I am just here for the snacks

WHAT/WHO IS AED?

- Represent the four county region – Bernalillo, Sandoval, Valencia and Torrance (nearly a million in total population)
- 55 member Board of Directors, hundreds of members
- Celebrating its 60th anniversary



THE ROLE OF AN EDO IN A REGION

What we DO / ARE

- Regional, data driven value proposition development
- Site selection support and incentive analysis and advocacy
- National consultant and multiplier marketing and business lead generation
- Existing business growth support
- Industry sector advancement
- Regional workforce strategies and talent attraction

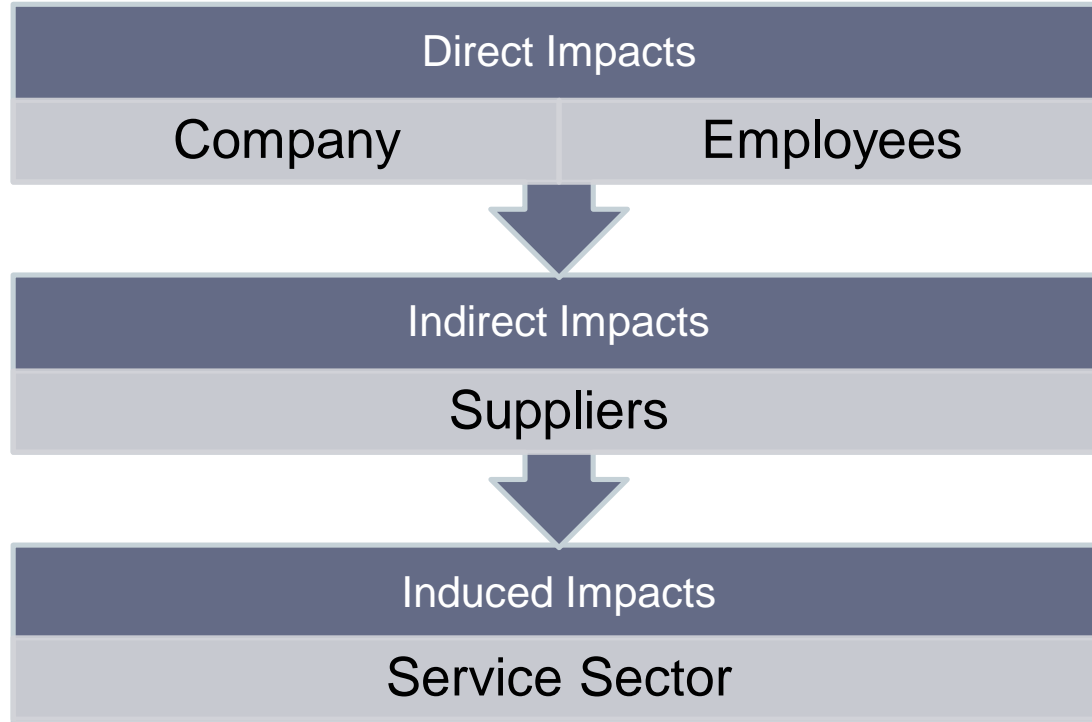
What we DON'T DO / ARE NOT

- Government
- Small business training or development
- Infrastructure development
- Offer grants or business loans
- A leads or networking B2B organization

Why does regionalism matter? Because companies and decision makers make selections based on MARKETS and because people often live in a different place than where they work: **51.8% of Los Lunas workers WORK in the City of Albuquerque**



HOW MONEY MOVES THROUGH AN ECONOMY



The Multiplier Effect

JOB TYPES	ADDITIONAL JOBS FOR EVERY 1 JOB CREATED
Professional and technical	4.1
Durable manufacturing	7.4
Information	5.7
Government	0.2
Restaurants	0.2

Source: Economic Policy Institute

For every job created by a company other jobs are created by indirect and induced activities. The number created varies by the industry of the primary job created.

QUESTION AND ANSWER TIME!

What do you think is our region's biggest challenge in terms of economic development opportunity?

- a. Business climate/friendliness
- b. Lack of diversity in workforce talent
- c. Affordable housing
- d. Depth of industry leadership and decision makers
- e. Investment in incentives to attract and retain business
- f. Top Golf cannot be built soon enough
- g. OTHER (please put thoughts in chat)

RECENT ANNOUNCEMENTS AND SUCCESSSES

JANUARY 2020 – NETFLIX

2019 resulted in \$150 million in spending and 1,600 jobs in New Mexico purchasing Albuquerque Studios

Netflix spent over \$150M, hired over 1,600 cast and crew in New Mexico



by: Allison Keys

Posted: Jan 22, 2020 / 11:38 AM MST / Updated: Jan 22, 2020 / 05:02 PM MST

NEW MEXICO (KRQE) – On Wednesday, the New Mexico Economic Department reports that since signing an agreement to open its first U.S. production hub in New Mexico, Netflix has spent over \$150 million in the state. Economic Development Cabinet Secretary Alicia Keys also announced Netflix has hired more than 1,600 cast and crew members and have utilized over 2,000 production vendors in the state.

In January 2019, the streaming giant which is based in Los Gatos, California signed an agreement that allowed Netflix to purchase Albuquerque Studios and promised \$1 billion in production spending over the next 10 years. In return, the State of New Mexico and City of Albuquerque would provide economic development assistance.

MAY 2020 – AMAZON FULFILLMENT CENTER

465,000 sq. ft. multi level center will employ around 1,000 in Bernalillo County



Amazon to build massive fulfillment center in Albuquerque

by: KRQE Staff, Brittany Bade
Posted: May 26, 2020 / 07:24 PM MDT / Updated: May 27, 2020 / 10:50 AM MDT

ALBUQUERQUE, N.M. (KRQE) – Amazon is coming to New Mexico. The retail and shipping giant is already building a massive fulfillment center in Albuquerque, likely bringing around 1,000 jobs to the Albuquerque area. Bernalillo County officials say construction is already underway for the 465,000-square-foot, multi-level fulfillment center.

This is huge news for New Mexico and it really came as a surprise happening without the very public bidding wars that usually take place between cities when Amazon announces a new center. Bernalillo County Commissioner Debbie O'Malley says at the beginning of this year, Amazon approached Bernalillo County, and talks began about building a facility in Albuquerque.

SEPTEMBER 2020 – TORC ROBOTICS (DAIMLER)

Expansion of self-driving
truck on-road testing into
New Mexico along with a
testing center

11/3/2020

Torc Robotics to expand self-driving truck testing to New Mexico with test center in Albuquerque - TorcRobotics

Press Release

All (/media-center/) Blog (/category/blog) Press Releases (/category/press-release)
Media Assets (/media-assets)



(<https://torc.ai/wp-content/uploads/torc-dtna-anniversary-fleet.jpg>)

Torc Robotics to expand self-driving truck testing to New Mexico with test center in Albuquerque

on September 3, 2020

(Blacksburg, Va. – Sept. 3, 2020) Torc Robotics and Daimler Trucks will expand their joint self-driving truck on-road testing to New Mexico this month and establish a test center in the Albuquerque area. This announcement by Daimler Trucks and Torc coincides with the two companies celebrating their one-year partnership anniversary of Torc joining the Daimler Trucks family as part of the global Autonomous Technology Group.

REGIONAL VALUE PROPOSITION

COST OF LIVING

The cost of living in the Albuquerque metro is **12% lower** than the national average.



HOUSING

Albuquerque home prices are **18% lower** than the national average.



RANKED #3 BEST CITY FOR STEM WORKERS

Livability.com



#5 STATE FOR WORKFORCE TRAINING PROGRAMS

Business
Facilities
Magazine



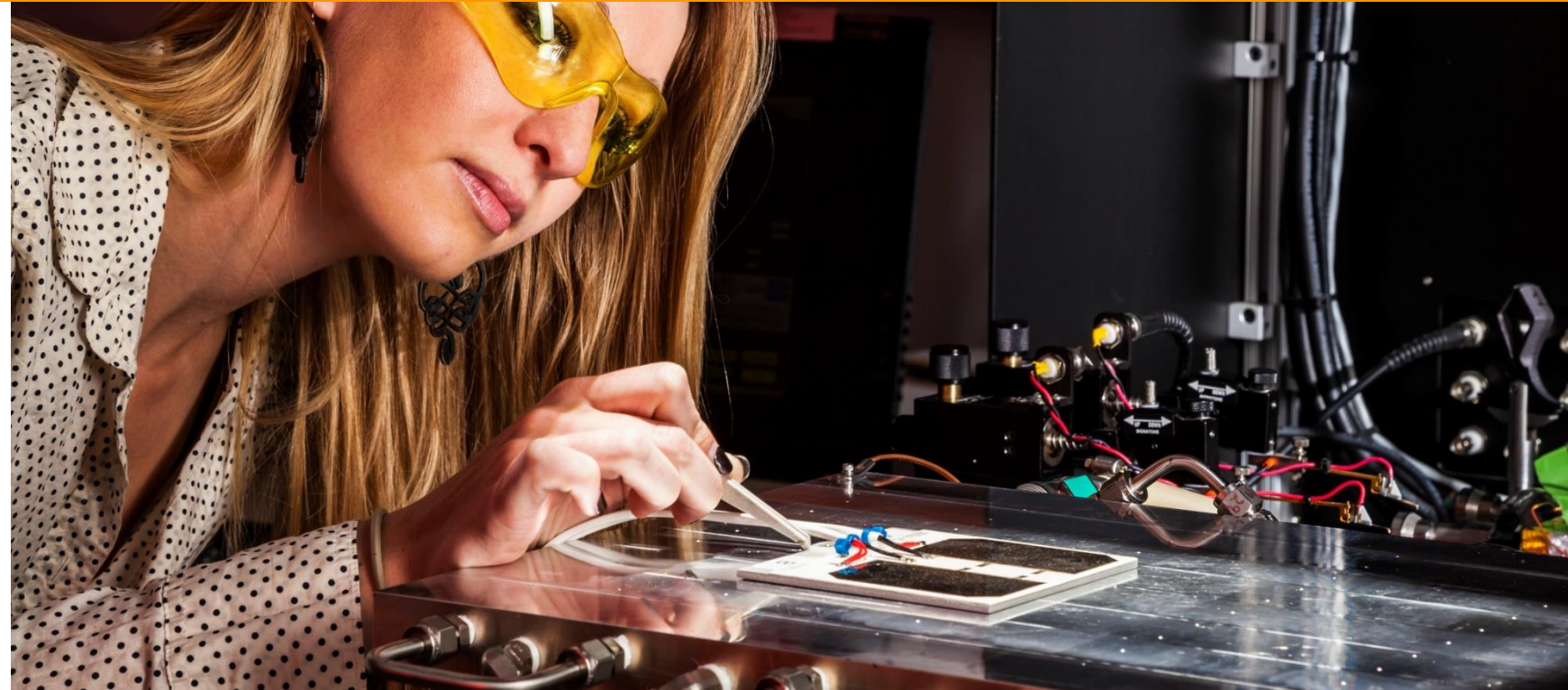
TOP 10 BEST BIG CITY FOR ACTIVE FAMILIES

Outdoor
Magazine



RANKED ONE OF THE BEST PLACES FOR WOMEN IN TECH

SmartAsset



CURRENT TRENDS AND FUTURE STEPS

TRENDS IMPACTING OUR ECONOMIC FUTURE

Social Equity

- Economic disparities and racism

Health

- COVID-19 current and long term economic effects

Leadership

- National and local

Environmental

- Climate change and climate migration

Technology

- New opportunities and new challenges/risks

COMMERCIAL REAL ESTATE

- Face-to-face interactions still of high value
- **Opportunities for newly formed entities** in vacated space
- More reliance on flex space or **'hub and spoke' models**
- Temporary business closures are becoming permanent
- Future market uncertain with **COVID third wave** predicted
- On a positive note for ABQ - federal government contractors, healthcare, and defense related companies were the most active industries in H1 2020, pushing our overall **direct vacancy rate DOWN to 15.5%**

WORK FROM HOME

- About **43% of the United States' labor force** is able to transition to telework
- Telework is **feasible for 63% of workers with a bachelors or graduate degree** whereas that number drops to 24.7% for workers with only a high school degree
- Home offices and remote work will be a permanent reality, at least partially
- **Interest rates are projected to stay low** for the next couple of years; opportunity to expand housing stock

IT'S ALL ABOUT THE TALENT, AND THEY ARE ON THE MOVE

The impacts of COVID and changes in the way we work will be permanent

Workers now can choose **where to LIVE with no restrictions due to where they WORK**

Our region needs to be top of mind for top talent, and **time is of the essence**

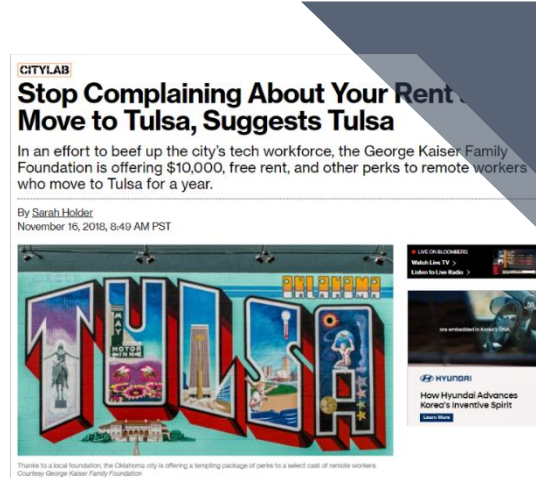
Rank by Net Outflow	Metro	Portion of Local Users Searching Elsewhere
1	New York	34%
2	San Francisco	24%
3	Los Angeles	16%
4	Washington DC	13%
5	Chicago	12%
6	Denver	27%
7	Seattle	14%

EXAMPLE CASE STUDIES



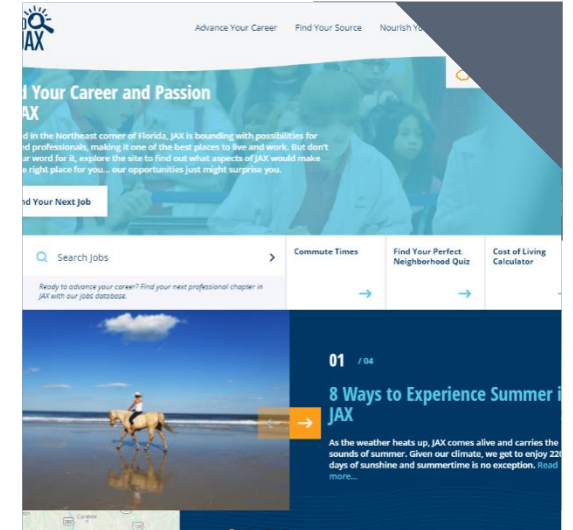
BeinBuffalo.com

Provides expanded insight into living in the region, with jobs board and cost of living calculator



Tulsa, Oklahoma

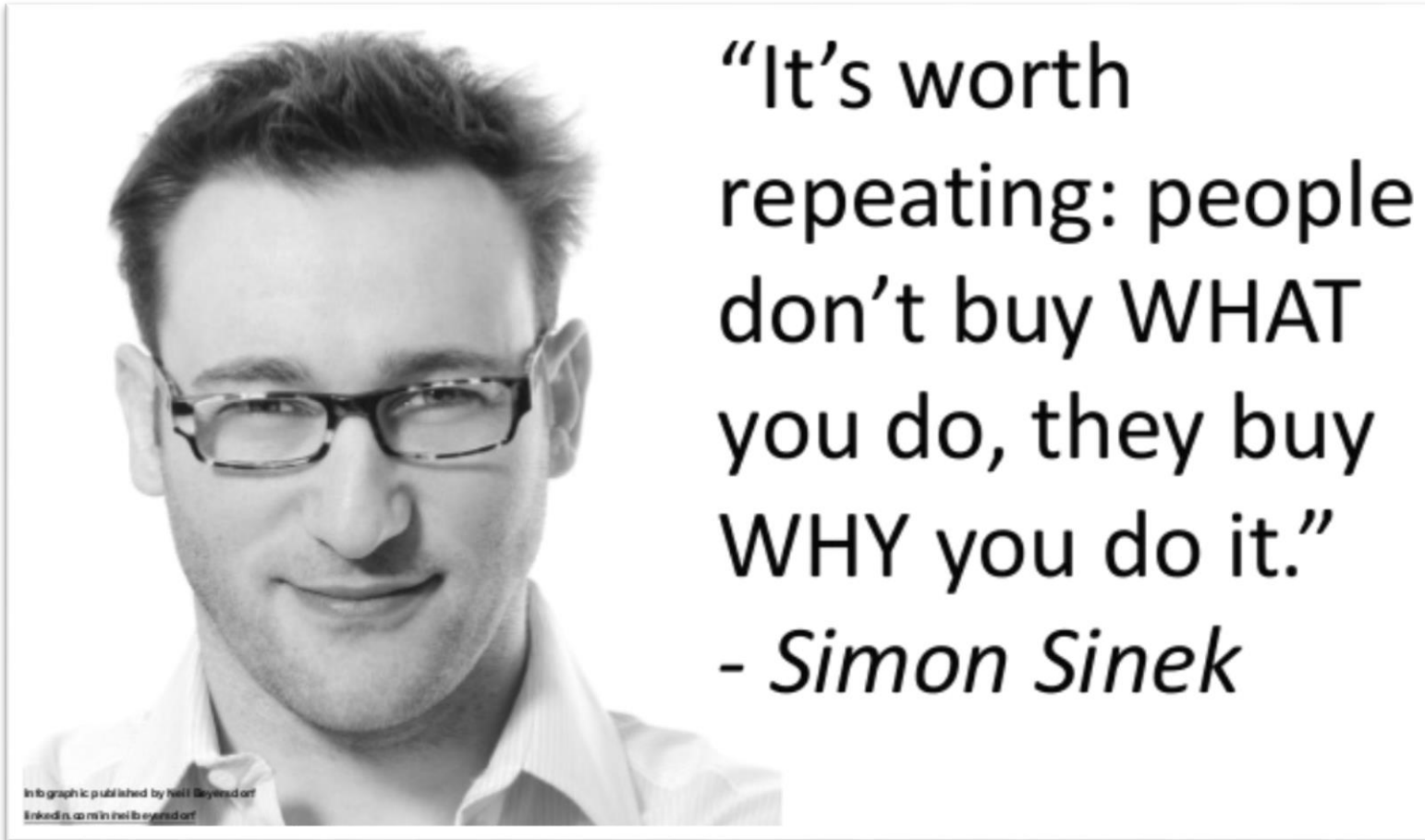
Aggressive incentive program aimed at attracting remote workers



FindYourJax.com

Site provides an overview of the community and an interactive neighborhood finder

FUTURE STRATEGIC PLANNING AND PROMOTION



CORE COMPONENTS FOR SUCCESS



FINAL Q & A TIME

Open discussion on topics

1. Did you learn ANYTHING new today that you were not already aware of?
2. What were you hoping to learn more about that I did NOT include?
3. Are you interested in staying engaged and participating in future talent attraction strategies?

MARK YOUR CALENDARS AND REGISTER

Second annual 505 Awards: Leadership in Economic Development

The awards are hosted by
Albuquerque Economic
Development, Inc. and the
Albuquerque Forward Fund.

November 12, 12 – 1 p.m.
Register at www.abq.org

Made possible thanks to:





THANK YOU.

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