Sandoval County

Economic Development Assessment and Strategy

January 9th, 2014

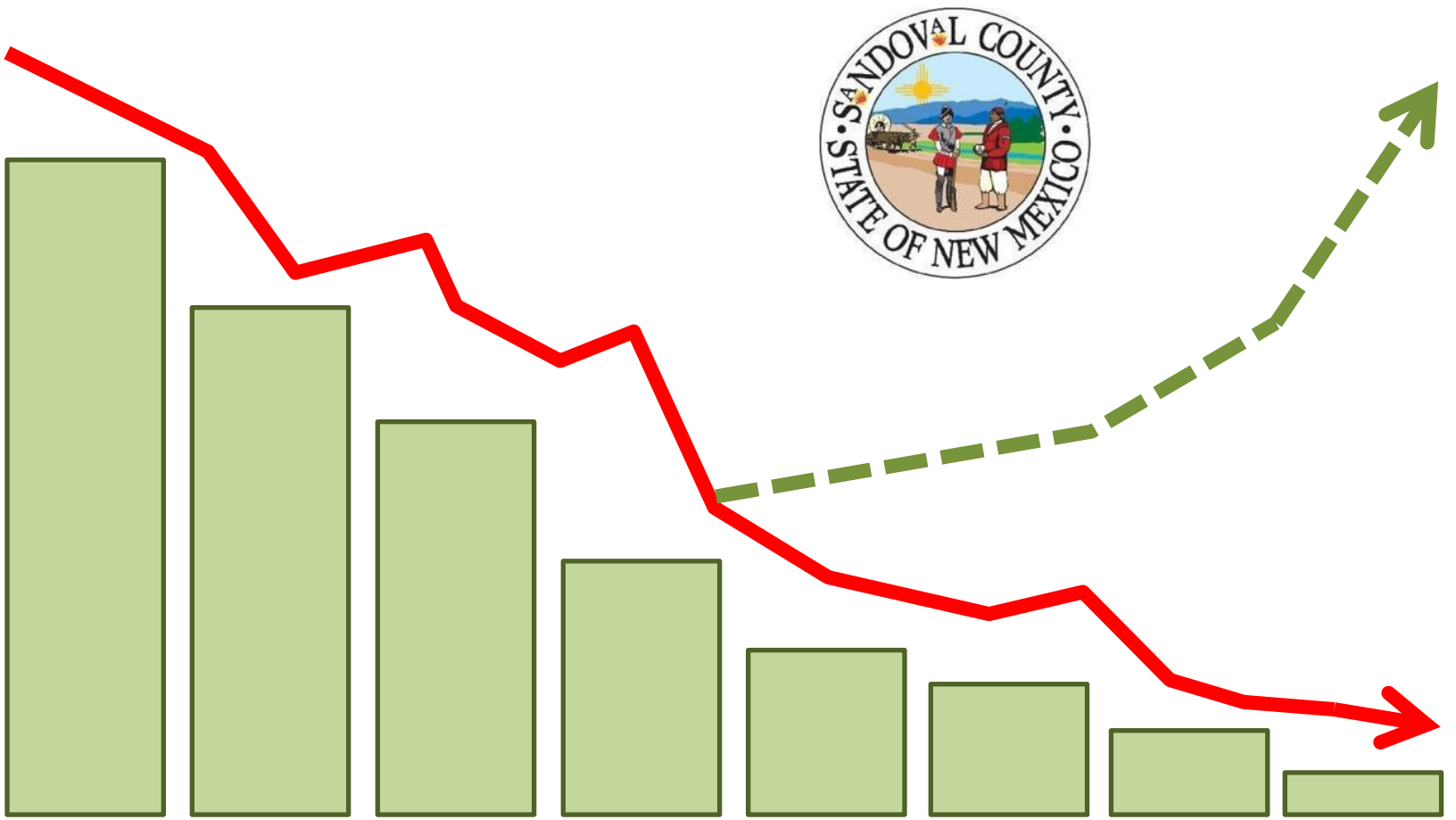


Table of Contents

Logic Model……3

Preface……4

Executive Summary……5

Coherence……9

Predicament……14

Economic Base Sectors and Assessment……22

Geographic Location and Capacity Assessment……33

Program Recommendation……40

Addendum

Retail and Services Recruitment……72

Retirement……79

The Planning Process – Logic Model

1. Coherence

- What are we trying to do with this exercise and why?
- Agree on approach, nomenclature, and process.

2. Predicament

- How many new economic base jobs are needed for prosperity?
- What are the consequences for inaction?

3. Economic Sector Selection

- Which employment sectors?
- How many transactions will be required?

4. Geographic Locations and Capacity Gaps

- Where will the jobs likely be created?
- What critical capacity gaps must be solved?

5. Program Development

- What program approaches are indicated?
- What is the county's role in each?

Preface

In April of 2013, the county commission and county manager appointed a task force and contracted with Lautman Economic Architecture to conduct an economic development assessment and strategy process. The contractor, members of the task force, and county staff met regularly each month through the middle of September, at which time the commission received an assessment document and presentation at a commission work session on September 16th, 2013.

In October, the county commission and county manager asked the contractor and county staff to author two addendums to the report, dealing with the potential for retail recruitment and for retirement as economic development strategies, which have been inserted at the end of the report. The contractor and staff were also asked to convene a series of public briefing sessions to socialize the assessment's findings and take input. The contractor and staff conducted 19 public and private meetings from mid-October through late-December. This report is being submitted to the county commission as a final work product for final approval on January 9th, 2014.

Executive Summary

Sandoval County and its communities are at an economic crossroads. From the early 1980s up to 2005 the county's economic base grew much faster than its population despite being one of the fastest growing places in the country. Thousands of employers invested in the region creating tens of thousands of new jobs. During this period, median household income increased from $19,000 to over $57,000 per year.

Rio Rancho in particular was able to transform itself from a destitute bedroom community of last resort for metro home buyers to one of the most prosperous and preferred places to live in the state – a place with a superior and improving public school system, low crime rate, strong housing values, and a steadily improving quality of life.

However, in the last decade, Sandoval County has suffered a major reversal of fortune. Household incomes dropped over 22% county-wide. The county's urbanizing communities have lost over a third of their economic base jobs and are in jeopardy of losing even more in the near-term. The picture in rural Sandoval County is even worse. Years of recession, drought and fire seasons have devastated the three pillars of the county's rural economic base: farming, ranching and visitor services thus putting many rural communities on the brink of becoming economically and socially unviable.

Even though the national economy has begun to recover and New Mexico's economy appears to have stabilized, Sandoval County's economy is in for a second and even more debilitating decade of economic contraction unless the recommendations in this report are acted on soon.

Over the next decade, the county's economy will need to generate a *minimum* of 18,000 new jobs just to recover to pre-recession employment levels. More than 10,000 of those will have to be *economic base jobs*, the kind every community in the country is going after because they bring the new money that makes a local economy bigger. Over 8,000 of these economic base jobs will be needed just to replace natural attrition.

Looking at it another way, generating those 10,000-plus economic base jobs will take approximately 100 economic development transactions: expansions of existing economic base employers, start-ups and the recruitment of out-of-region employers. In other words, economic sustainability for the county boils down to being able to source and execute 10 or more economic base transactions each year.

One or two of these 10 transactions might happen with the current level of program investment, however an overwhelming majority of the economic base job-creation transactions needed to become economically stable by 2023 will not happen without a major escalation in the scale and quality of economic and workforce development efforts. Until a few years ago, Sandoval County had one of the most productive and highly regarded economic development programs in the country. This prowess was earned largely from three decades of exceptional work by the Rio Rancho Economic Development Corporation

and their allies the New Mexico Economic Development Department, Albuquerque Economic Development and Mid-Region Council of Governments. The program was characterized by an unusual level of public-private cooperation and support from the City of Rio Rancho, Sandoval County, and the business, real estate, construction and banking communities.

However, in an inexplicable and perverse reaction to the first serious interruption of economic base growth in 50 years, the county's public and private stakeholders have slashed investment and substantially dismantled the region's job-creation apparatus. As the need for job-creation intensified and the cost and degree of difficulty increased, public-private cooperation and investment in the marketing and capacity building efforts needed to create new jobs plunged.

Current economic development efforts are wholly inadequate and jeopardize any chances the county has to stop the bleeding and take advantage of the substantial opportunities on the horizon.

In another situation, Sandoval County might have had the option of falling back on job-creation in the Albuquerque metro area. However, Albuquerque is looking at having to backfill nearly 40 straight months of economic base job losses of its own while dealing with a major downsizing of its largest economic base sector, the federal government.

The bottom line is that Sandoval County is substantially on its own, at least for the next decade.

Even if the national economy begins to turn around, Sandoval County has lost its once significant competitive edge over Albuquerque and other competing metro areas in the nation. But the tables have turned. Most of the advantages that used to put the region on the top of corporate site selectors lists have degraded into competitive liabilities.

Albuquerque today is widely considered to have superior industrial and office park inventory, better priced land, lower development costs, faster, more cooperative utility providers and a more efficient approval process. Rio Rancho has lost the structural edge it had in speed, quality and cost of building and financing, and most importantly, its reputation as a one of the most pro-business communities in the state.

Much of the heavy lifting outlined in this report will fall to Rio Rancho. Five years of job losses in Rio Rancho and Albuquerque have cost many of Sandoval County's rural residents their jobs and crippled the weekend tourism traffic that sustains many rural economies. Many of these communities have been damaged so severely already that many may not survive the next down cycle. County government, other urbanizing communities, rural communities, the Native American Pueblos and many public institutions have a huge stake in Rio Rancho's efforts to get back in the Economic Development game.

But it's not all the county has to worry about. Preserving the rural economic base the will take a special set of program interventions to survive. For this effort the county is the only real leadership option.

Once the bleeding has been stopped and leadership, investment and capacity restored, the county will need to focus earnestly on preparing for a new economic development game – one in which innovation, talent-attraction and community quality play as big a role as traditional employer attraction, retention and expansion efforts.

There are some promising opportunities on the horizon:

Recent actions taken by both Sandoval County the state Legislature have begun to restore the business climate for Intel and other companies improving the chances that Intel's Rio Rancho site will get back in the queue for the next cycle or two of plant expansions.

Perhaps the best and maybe the only major sector opportunity for moving the needle in the short term is the imminent expansion of the health care industry. The juxtaposition of the region's two new hospitals with new Central New Mexico and University of New Mexico campus installations puts Rio Rancho's City Center area in a position to become a major regional health and social services education, training, innovation and economic development complex.

One of the most promising economic base sectors open to both rural and urban communities is independent work. Many county residents already produce and export goods and services from third-bedroom offices or mobile platforms. With some innovative program help, thousands more of these solo economic base jobs can be started, expanded or recruited to the county in the next decade.

The U.S. Forest Service is planning to conduct a 20-30 year restoration program to thin the forest in the Jemez Mountains. This project has the potential to create a 600 plus jobs in the near-term, triggering a revitalization of the area's wood harvesting and processing sector.

In addition, the task force identified and evaluated 10 economic base sectors with the most short- and mid-term potential.

However, it needs to be understood that virtually none of these opportunities can materialize without urgent special action by the county's major stakeholders.

Putting the county and its communities back on a path to economic stability will require action in four areas:

1. **Unify public and private stakeholders:** Conduct a series of county-wide deliberations to come to grips with the economic challenges and opportunities facing the county and unify the county's diverse public and private stakeholder interests behind a comprehensive job-creation investment strategy. Launch an

initiative to develop a succession plan for the region's rapidly aging community leadership and key staff.

2. **Get back in the game:** Establish a new county-wide public-private Economic Development Corporation re-missioned, funded and staffed to manage the marketing, site selection, deal structuring, capacity building activities related to the retention, expansion and recruitment of economic base employers. Realign local government planning and investment to fill critical gaps in the factors of production.

3. **Stabilize the rural communities:** Develop a suite of special program efforts to stabilize the economic base of the county's rural corridors.

4. **Prepare for a whole new game:** Develop an innovation platform to help develop and implement new program initiatives critical for competing in a new economic era.

The county's elected leaders and staff are in a position to convene the region's stakeholders and begin the process of rebuilding the economic development apparatus needed return to prosperity.

County Stakeholders have a simple but difficult choice: embrace the recommendations in this report, make the investments necessary and put respective managers on the hook for results, or prepare to endure another, even more debilitating, decade of economic decline.

Part 1. Coherence

What are we trying to do with this exercise?

We were contracted to develop and recommend a set of job-creation strategies and programs that will cause Sandoval County's economy to grow faster than the population and put the region back on a path to prosperity.

Deliverables:

1. The Process, participants, schedule rules of engagement and deliverables
2. County-wide job-creation needs projections -10 years
3. List the top job-creation sectors by industry target projection
4. Estimated number of jobs and transactions required per target sector.
5. Segmentation of county's communities for job-creation sector strategies
6. Identify capacity gaps and competitive issues
7. Develop program approaches definitions and differentiation
8. Program and policy recommendations – The Strategy
9. Creation of a roadmap most likely to create results to the long-term strategies that deserve recognition now but where results will take longer to attain

Why is this necessary?

Job-creation is the county's single most important and urgent problem. Unless local public and private sector leaders can develop and execute a successful short-term (3-5 year) job-creation strategy, the region will lack the resources and market conditions to reverse the current decline in economic and social conditions. As the region's 3-to-5 year outlook for job-creation continues to deteriorate, the prospect of reaching pre-recession employment levels by 2023 is fading fast.

Given the prevailing economic and demographic headwinds, any effort will have to be bigger, more comprehensive and more innovative than anything contemplated in the past if it is to attract and sustain the bi-partisan, public-private support from all areas of the county.

Process and Approach

Consensus Sprint Approach

1. **Speed:** Two week sprints, driving toward high-impact measurable program approaches that can move the needle on job-creation
2. **Simplicity:** Essentials and highest leverage only
3. **Consensus Sprints**: Common sense intuitive consensus sprints by small diverse stakeholder group
4. **Owner Driven:** Expert and data vetted instead of originated by expert and data sourced
5. **Strict Logic Sequence:** Population, jobs , economic base jobs , best bet sectors, most likely locations, capacity assessments, program approaches, operational recommendations

6. **Program Focused**: Only on what you need to scale a strategy

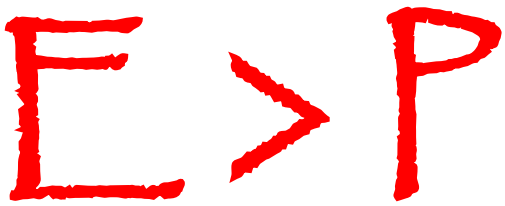
Use a fast-track consensus versus a prescriptive approach. A small project team will be commissioned under Lautman Economic Architecture to research, develop and recommend program elements of a comprehensive job-creation strategy and manage the deliberative process to for reaching a consensus by task force members, county manager and county commissioners.

Preliminary Process Decisions

A few preliminary process decisions must be made in the coherence phase in order to discipline future deliberations.

1. How are we defining economic development? E > P

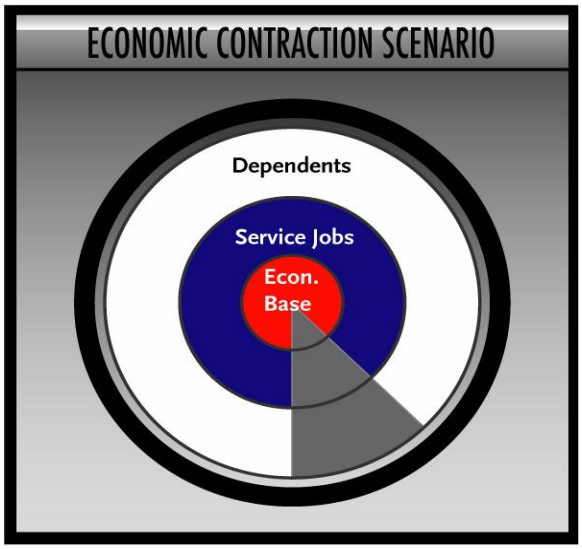
Before embarking on an economic development strategic planning process it is vital that a common definition for economic development be adopted. In this instance, we defined economic development as a verb describing actions community takes to grow the economy, specifically the economic base of the economy of Sandoval County, faster than its population. When the economy grows faster than the population the county's households, business enterprises, school systems, local governments and institutions will have more revenue per person to serve than they had the year before.



2. What is our primary program metric?

Economic base jobs

It is important early on in the process to decide whether we are focused on and measuring jobs created, economic base jobs created, jobs saved, citizen net worth, dollars invested in plant and equipment, dollars of new payroll, local enterprise receipts, tax revenue generated, unemployment rate, etc.



For purposes of this strategy we are focused on the creation of net new economic base jobs, that is, the particular number of ***economic base jobs*** the county must create each year in which employment sectors in order to become prosperous. Economic base jobs are those where the goods and services produced are sold to or paid for by individuals or organizations outside the jurisdiction.

What we *did not* focus on

This strategy purposely does not deal directly with the tangential community factors or program areas such as retail and service sector, community development, environment, leadership, workforce development, infrastructure, tax and regulatory issues etc.

Many of these tangential community factors or program areas are actually the linchpins to most of the economic development program strategies and will be referenced. While not dealt with explicitly in this planning exercise, it is understood that future investment and policy priorities in these tangential program efforts will need to be calibrated to the priorities of this strategy if it is to work.

What we *did* focus on

The most promising economic base sectors where new jobs could come from and the program efforts that would likely yield the best results.

What level of influence or ambition do we aspire to?

1. **Strategic-predictive:** We design and develop a specific economic future**.**
2. **Tactical-opportunistic**: We prepare for and react aggressively to economic-base opportunities as they come.
3. **Factor of production management**: We endeavor to manage the primary factors of production in favor of our economic base employers.
4. **Community development**: We focus primarily on developing and maintaining a spectrum between amenities and community quality attributes designed to make us a compelling place for workers and employers.
5. **Libertarian good government:** We provide basic public services at the lowest cost without playing favorites.

What is the planning time horizon?

It is also crucial that deliberations and the strategy be focused on a specific time frame. Economic development strategies typically take 5-to-7 years from conceptualization to actually moving the needle on key economic and social metrics. In this instance, the task force chose to focus on a three- to five-year midterm time frame and a 10-year long-term time frame.

What is our jurisdictional focus?

We have included the entire county, including the several municipalities and unincorporated communities.

Rural, Urban and Native Differentiation

We acknowledge that Sandoval County is one of the most diverse jurisdictions in the country, thus making it difficult to approach as a homogeneous region.

Therefore, we divided the county into urbanizing, rural and native communities. While we factored the county's native communities into the strategy and program recommendations where it made sense, we took care not to overstep our role in designing their economic futures.

Four Distinct Economic Regions
Urbanizing, Cuba/North 550, Jemez Valley and North I-25

Choosing Predicament Numbers
Future population growth scenario: *1.5%*
Future dependency ratio or workforce proportion: *43%*
Economic base multiplier: *35%*

Criteria
- Impact
- Essential
- Achievability
- Implementable
- Capacity
- Champion
- Programmable Measurable
- Leverage-Partner

Comprehensive
We looked at everything. Unlike traditional economic development plans that focus on a few major industrial and office employment sectors, we looked at the full spectrum of potential economic base activity, including tourism, agriculture, government, health care and independent workers.

Innovative
We endeavored to innovate new approaches where no program models existed. Innovating new program approaches for economic development is necessary now because many of the program approaches no longer work in a slow-growing, labor and capital starved economy.

Build on what is working
We went out of our way to look for opportunities to elevate, mix, match and build on existing program and organizational efforts.

Governance
1. The R&D Team(s) research and deliberate to develop the recommendation and rationale for each step then briefs the county manager.
2. R&D Team(s), after consulting with the county manager, presents recommendations and rationale to the task force and guides the deliberation and consensus process. (Task force deliberations could be conducted simultaneously with the Commission for deliberation and consensus.)
3. The county manager, task force and R&D team presents consensus recommendations to the county commission for deliberation and consensus.

Process is designed for:

- Speed
- Comprehensive
- Consensus estimate driven – intuitive
- Economic base *Job* and *Transactions* focused
- Sequence sensitive
- Criteria driven
- Drives toward essential program recommendations

Part 2. Predicament

How many new economic base jobs are needed for prosperity?
What are the consequences of inaction?

The purpose of this part of the planning process is to determine the *minimum* number of new *economic base jobs* that must be generated in order for the county's economy to grow faster than the population.

The Gross Number accounts for three different factors:

1. The *economic base jobs* needed to make up for jobs lost in the recession or jobs needed to get to full employment
2. The *economic base jobs* needed to support future population growth - expected or desired
3. The *economic base jobs* needed to replace those expected to be lost through attrition

This calculation is not introduced as an aspirational goal. It should be considered the bare minimum number of new jobs needed to avoid second straight decade of economic decline. An economic development strategic planning process cannot begin in earnest until there is consensus on *the minimum number of new economic base jobs* that will be needed to reach full employment over the time frame being used.

Determining "The Gross Number" requires further consensus on a series of factors (Following these factors is the methodology for the Predicament Matrix. Further discussion on how these factors were determined follows the matrix.)

1. **Population Delta**
   How many more (or less) people will live in the county by 2023?

2. **Workforce Delta or Total Jobs Needed for Full Employment**
   How many people will be in the workforce by 2023? This requires a judgment call on what percent of the population will be working age, willing and able to work.

3. **Full Employment Delta**
   How many jobs are needed to get to full employment? This requires a qualitative judgment about the portion of the working age population employable by 2023.

4. **Total Jobs Delta**
   How many total jobs will be needed to achieve full employment by 2023 (See below: sum of lines 2 and 3)?

5. ***Economic Base Jobs* Calculation**
   How many *economic base jobs* are required to achieve the total jobs needed for full employment by 2023?

6. **Attrition of *Economic Base Jobs***
   How many *economic base jobs* should we expect to be lost during the decade (20-50%)?

7. **The Gross Number – Total *Economic Base Jobs* Needed**
   How many total *economic base jobs* need to be created by 2023 to support (1) growth in population and any changes in workforce participation, (2) get to full employment, and (3) replace future *economic base job* losses. (See below: sum of lines 5 and 6)

8. **The Annual Gross Number – The Number of *Economic Base Jobs* Needed Every Year**
   How many *economic base jobs* need to be created each year to be at full employment by 2023? (See below: divide line 7 by 10)

9. **The "But For" Number**
   How many new *economic base jobs* must be created each year by formal economic development programs under this strategy? Assumes some percent of the state's new *economic base jobs* will be created independent of formal economic development program efforts. The "But For" Gross Number is the number of *economic base jobs* that would not be created "But For" the strategic investment of the state in formal economic development programming. How many *economic base jobs* will state and local job-creation efforts have to target and account for in order to make the "But For" Gross Number?

10. **Urban vs. Rural Split**
    The number of program reliant *economic base jobs* expected (needed) in urbanizing vs. rural regions of the county. This becomes an important metric later when we try to apportion *economic base job* goals for target employment sectors and program efforts.

Predicament Matrix
Economic Base Jobs Needs Calculus

	2013	2023	Calculus Used (2013)	Calculus Used (2023)	Decade Deltas (Δ)	Descriptions
Population Growth	135,558	155,892		15%	**20,334**	*Change in new population*
Workforce Participation	58,290	67,033	43%	43%	**8,743**	*Change in jobs for population growth*
Unemployment Rate	5,246	2,681	9%	4%	**2,565**	*Jobs to reach goal unemployment rate*
Employment Rate	53,044	64,352	91%	96%	**11,308**	*Total jobs needed at goal employment rate*
E-base Jobs Rate	18,565	22,523	35%	35%	**3,958**	***E-base needed for full employment***
E-base Attrition Rate		6,757		30%	**6,757**	***To replace E-base jobs lost***
Total E-base Needs					***10,715***	***Total E-base jobs needed***
Annual E-base					**1071**	***Average needed per year***
Program Reliant				**70%**	**750 / 321**	***How many are procured by programs vs. automatically?***
Urban/Rural					**964 / 107**	***Program Procured Urban/Rural***

Rationale for Determining Predicament Factors

1. Population

The population growth rate for Sandoval County projected from the 2010 census called for a net increase of 50,000 more residents by 2023. This projection was revised downward to 20,000 after factoring recent housing starts for 2011, 2012 and 2013 and the structural changes in regional housing market fundamentals. The combination of long-term constraints on the supply of residential lot inventory (water and infrastructure availability) in Sandoval County and the negative mid-term outlook for job-creation in the metro area make it highly unlikely that new home building will allow population growth to reach higher than an average of 2,000 per year during the planning horizon.

2. Workforce - Jobs Needed

Projecting the percentage of the population who will be in the workforce and in need of a job in 10 years was kept stable at 43%. The starting calculation was made using the total number of people working and looking for work. The number of county residents looking for work is likely below the official unemployment number since many residents have stopped looking for work or have taken part-time jobs.

3. Unemployment

The estimate used in this calculus is 9%, which is higher than the current 7.2% official rate. The official unemployment rate is both an inaccurate and misleading metric for the number of people in the market today who are willing able and qualified for work. Including all Sandoval County residents who would work if the right jobs were jobs available is arguably much higher than 9%.

4. Full Employment or Structural Unemployment Rate

The unemployment rate used in this calculus for structural full employment is 4%. For a variety of reasons, full employment of every person in the workforce is considered unachievable. Even in a booming economy there is always a fraction of the workforce between jobs, looking for work or training for new careers.

5. Economic Base Factor or Multiplier

The ratio of *economic base jobs* to non-base jobs was set at 35%. *Economic base jobs* are those where the products and services being produced are sold to or funded by out-of-state sources. In this case, economic base activity is considered to be that which derives its revenue from outside the county. In addition, those jobs producing goods and services for direct input to an economic base employer are assumed to be economic base.

Since the economic base of the Albuquerque metro area is not expected to grow, and in fact could actually contract further under federal budget sequester, one cannot assume that Sandoval County residents will find the volume of jobs needed for full employment in neighboring communities.

In other words, a Bedroom Community Strategy of relying on Albuquerque to create enough new jobs for Sandoval County to stay healthy is dangerous and unrealistic. If the county and its communities cannot find a way to create enough of their own *economic base jobs,* another decade of economic decline is inevitable.

6. Attrition

One of the most important and most often omitted calculations in economic development planning is how many *economic base jobs* will be lost and need to be replaced. An attrition rate of 30% was adopted after studying two factors: the rate at which the local economy loses economic base employers, and the rate at which surviving *economic base jobs* downsize or lose *economic base jobs*. A 30% attrition rate should be considered optimistic.

An unusual number of employers closed their doors or downsized during the recession that began in 2008. This calculation benefited greatly from insight based on 25 years of historical longitudinal data by the Rio Rancho EDC tracking the number of economic base employers and the aggregate number of *economic base jobs* in their service area over time. Back-office centers, for example, which are one of the most important sectors of the county's economic base, have on average, a seven-to-ten-year life. The two largest centers in the economic base have been in operation for over 18 years, raising the risk of attrition and the need for aggressive expansion and retention programming and new employer recruiting.

7. The Gross Number

The Gross Number is a sum of three factors: (1) jobs needed to get to full employment, (2) the *economic base jobs* needed to support future population growth, and (3) the jobs needed to account for attrition.

8. Annual Gross Rate

To get the annual rate of *economic base job-creation* the tenure number was factored by an even 10%. The annual job-creation ambitions of the strategy may need to be adjusted to account for the time it will take to ramp up the programs designed to create the new *economic base jobs*. The rationale for keeping the number even is that there is substantial capacity available at Intel and several other major facilities that could accommodate relatively large job-creation gains in the first few years of the program.

9. Program Reliant Job Number "But For"

Not all the *economic base jobs* that will be created in the next 10 years will be the direct, or even the indirect result of the programs outlined in this strategy. Some economic based jobs will be created without the aid or assistance of a formal economic development effort or policy change intended to create jobs. Some economic base projects get done unassisted - through real estate brokers, local business owners and local governments officials.

Again, by using the Rio Rancho EDC economic base employer tracking data, it should be assumed that no more than 30% of the new *economic base job-creation* transactions will occur without direct procurement work or critical assistance from the program efforts outlined in the strategy. In other words, 70% of *economic base jobs* have to come through

intentional efforts if economic development efforts in Sandoval County on the scale recommended in this strategy are not funded and executed there is virtually no chance that the minimum number of jobs needed can be created.

10. Urban vs. Rural Split

The Urban to Rural Split of 90/10 was based on a rough estimate of the urban to rural Sandoval county population split. Normally, urban communities would command a strong economic base ratio, but in this case we expect to have a heavy rural focus.

Forces, Trends, Existing Conditions and Risk Assessment

During the course of this process, the planning team toured most of the county's communities and surveyed a broad cross-section of residents, business owners and government officials. Any economic development dominant strategy for Sandoval County will have to overcome a daunting array of unprecedented economic, environmental and demographic forces and conditions.

Like other communities, the drought, economic crisis, government downsizing, a rapidly aging workforce and the lack of unified local leadership have left Sandoval County and its communities in a rapidly degrading predicament.

Conditions in rural Sandoval County are desperate. Drought conditions have resulted in a succession of fire seasons that have put most of Sandoval County's rural tourism enterprises on the edge of bankruptcy and area ranchers are being forced to sell off their livestock.

In the last four years, according to the RREDC, Rio Rancho has lost one third of its *economic base jobs*. These are jobs that rural county residents depended on. Some of the recent job losses were the result of the recession. However, a significant share of those can be attributed to the erosion of public support for job-creation efforts and the disintegration of the county's economic development program apparatus which was directly responsible for keeping the county's economic base growing over the years.

Today, county-wide investment in job-creation efforts are at a fraction of their pre-recession levels when finding and closing economic development projects was much easier and less costly. State and Metro economic development efforts are also below pre-recession levels and should not be relied on to fix the problem.

In conclusion, any thought that the county's economy will recover on its own should be dismissed.

Part 3. Economic Base Sector Ranking and Assessment

Designing the Future Economic Base

What employment sectors are our best bets?
How many transactions will be required?

Top Economic Sectors

Estimated Jobs and Number of Transactions Required

Potential Sectors	Jobs	Transactions	Urban	Urban Transactions	Rural	Rural Transactions
1. Back-Office and Tele-Services	3,500	20	3,500	20		
2. Health and Social Services	2,500	35	2,200	20	300	15
3. Manufacturing	2,500	10	2,500	10		
4. Solo - Independent Work	*800*	*800*	*700*	*700*	*100*	*100*
5. Agriculture	600	6			600	6
6. Integrated IT & Cyber	200	5	200	5		
7. Digital Media	200	5	200	5		
8. Energy and Extractives	250	3	200	1	50	2
9. Visitor-driven	100	4			100	4
10. Transport and Warehouse	150	12	100	2	50	10
Total	**10,000**	**100**	**8,900**	**63**	**1,100**	**37**

In this part of the process, we are looking for economic base employment sectors and industry sectors with the potential to make a significant contribution in hitting the county's ten-year 10,069 Gross Economic Base Job-creation Number.

A combination of research, field observations and interviews, industry focus groups and subject matter expert interviews were used to identify the most promising economic sectors, potential projects, and critical resource gaps.

The ultimate objective of this process is to develop a ranked menu of the most promising sectors, their job-producing potential and the estimated number of transactions or hiring events needed to produce the number of jobs in that sector in a ten-year time frame.

Normally, the selection of target industry sectors for an economic development plan is an expensive and highly technical process that leaves the strategist (and the reader) with a needlessly long and tedious task of developing a triple helix to sort and scale a hierarchy of

promising industry sectors to a diverse set of locations that later tries to allocate their execution to one of many potential program approaches or organizations.
In order to simplify this part of the process and make it easier to develop an efficient and comprehensive architecture covering a wide range of strategies and programs, three initiatives must be identified. The taxonomy used to identify promising economic sectors includes:

1. An unorthodox mix formal industry categories such as back office and manufacturing
2. Occupation modalities such as independent work
3. Broad program approaches such as tourism and transit services

Next, a formal criterion was developed to guide the sorting and ranking of different industry sectors and program options. The criteria fell into three general areas of concern:

1. Importance or impact
2. Quality, desirability and appropriateness
3. Achievability, measurability and return on investment

Economic Sector Target Criteria

Rating Formula: 0-5 = does not 6-10 = somewhat true 11-15 = very important	Health - Medicaid	Independent Work (exported)	Tourism: Visitor-driven Jobs	Agriculture	Manufacturing	Educational Services (exported)	Government, State, & Federal	Integrated IT & Security	Financial Service Centers	Energy, Water, & Environment	Film & Digital Media	Transportation & Warehousing
Impact – Importance	**13**	**13**	**10**	**10**	**9**	**6**	**7**	**7**	**7**	**7**	**12**	**5**
Quality – Desirability – Appropriateness	**13**	**14**	**12**	**9**	**10**	**11**	**9**	**12**	**9**	**11**	**12**	**8**
Achievability – Measurability – ROI	**13**	**10**	**8**	**12**	**11**	**12**	**9**	**12**	**14**	**8**	**12**	**7**
Totals	**39**	**37**	**30**	**34**	**30**	**29**	**25**	**31**	**30**	**26**	**36**	**20**

For importance or impact, we evaluated economic sectors for their potential to move the needle on job-creation. Only economic base sectors were considered. Sectors with multipliers of 2.0 or better were favored. We're especially looking for what we call "but for" sectors: those that, without the county, have virtually no chance of making their job-creation goals. We made exceptions for sectors that appeared to be the only viable sector

available to an individual community. Sectors were also graded on their time to results. Those judged to be capable of delivering significant numbers of jobs in the 3-5 year time frame were favored.

For quality desirability and appropriateness, we evaluated sectors for their environmental impact, their market growth potential, the resistance to foreign competition and the degree to which the industry sector is footloose or likely to generate high numbers of expansions and relocations. We also looked for industry sectors with rising productivity (wages), job skill demands that matched those of county residents and those that were congruent with the character and brand of the county's communities.

For achievability, measurability and ROI, we looked for sectors in which the county's program efforts would be most likely to be able to cause or procure new job-creation events. Also, we looked for sectors where the factors of production and local experts and champions were already substantially in place. Another crucial selection factor was the ability to measure and track the number of jobs and the degree to which the program effort played a procuring role.

The next step in the process involved a series of deliberative sessions where consensus was sought for estimates of how many jobs could be created in each sector and how many transactions, expansions, startups or new locations would likely be needed. The number of transactions for a particular sector will be a crucial metric for subsequent deliberations on the scale and design of the respective program efforts.

Economic Sector Ranking and Assessments

1. Back-office and Tele-service Centers

Work in the sector covers a wide spectrum of value-added services conducted over the telephone or the Internet. Employers in this sector tend to be divisions of large national corporations or contract operations. The type of work ranges from customer service, inbound and outbound marketing, accounting, financial services, procurement, payroll and collections. (As a quick note: In recent years, employers in this sector have begun to move certain types of work to home-based platforms, allowing employees to do their work from third-bedroom office platforms.)

Back-office or tele-service work is one of the county's most important economic base sectors. There are currently six call centers in operation in Sandoval County at this writing, accounting for 2,950 full-time workers, averaging $11.50 hr.

This sector has seen a lot of activity with three call centers closing and of these, two centers have been replaced, and one added for a total of an increase of 45 jobs in Tele-Services. Only 1 vacant potential call center is available. Rio Rancho's remaining call centers tend to be older and increasingly at risk. Tele-service centers have an average life of 7-to-12 years. Two of the community's largest have been in operation for over 15 years, with leases up in the next two years. Because of the variability of this industry and the number of people employed, it is critical to have a recruitment effort actively in place. For this sector to grow, a focus needs to be placed to create appropriate sites and market them.

Description – Projects: Customer service, inbound and outbound marketing, accounting, financial services, procurement, payroll and collections

Geographic Focus: Urban - with bandwidth home-based work could be pushed to rural communities.

Critical Gaps: Unfunded marketing and sales efforts, aging facilities, inadequate land inventory and utility capacity, a compromised fast track build to suit capacity.

Jobs Potential: 3,500 (20 Transactions)

Program Approach: Work with state and local economic development marketing program efforts to generate tenant

2. Health and Social Services

The Health and Social Services sector comprises establishments that provide health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities.

Description - Projects: Develop a Health and Human Services complex at Rio Rancho's City Center to provide New Mexico and surrounding states with a platform from which to provide the education, training, innovation and enterprise development that will be needed to respond to the rapid expansion of demand for health and social services in the decades ahead.

Jobs Potential: 2,500 jobs (35 transactions)

Geographic Focus: Urban and limited rural

Critical Gaps: Buy-in by Rio Rancho government officials, council and staff. Passage of UNM West GRT referendum in August. Water, sewer and infrastructure to the sight. Housing lot inventory.

Program Approach: Federal, state and local funding.

3. Manufacturing

The Manufacturing sector comprises of establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Establishments in the manufacturing sector are often described as plants, factories, or mills, and characteristically use power-driven machines and materials-handling equipment. However, establishments that transform materials or substances into new products by hand or in the worker's home and those engaged in selling to the general public products made on the same premises from which they are sold, such as bakeries, candy stores, and custom tailors, may also be included in this sector. Manufacturing establishments may process materials or may contract with other establishments to process their materials for them.

Description - Projects
Urban: Intel should be closely tended for the next several years. The Rio Rancho site has significant unused plant capacity. Recent improvements in the state and county tax and regulatory environment have positioned the Sandoval County Intel facility to compete for the company's next expansions. Aircraft repair, power generation equipment and medical equipment are likely targets for new manufacturing jobs.

Rural: Significant investment by the U.S. Forest Service to thin the Santa Fe National Forest will create downstream manufacturing opportunities for small wood manufacturing in rural areas of the county. There is tire wall manufacturer south of Cuba that could expand production. Given the prospect of a relatively slow-growing national economy, it will be crucial that the county retain and expand the Intel facility, not to-do so would make it difficult, if not, impossible for the county to improve economic base conditions by the end of the decade.

Jobs Potential: 2,500 (10 transactions)

Geographic Focus: Urbanizing corridor – limited opportunities for rural corridors

Critical Gaps: To create jobs in the manufacturing sector outside the opportunities at Intel. Other gaps relate to unfunded marketing and sales efforts, aging facilities, inadequate land inventory and utility capacity and a compromised fast-track build-to-suit capacity.

Program Approach: Work with state and local economic development marketing program efforts to generate tenants. Overhaul and expand to county-wide EDC. Restore and then elevate the recruiting expansion and retention efforts of the region above previous budget and staff levels. Establish a regional team to manage the community's relations with Intel. Reconcile mission and relations of EDC, county and city of Rio Rancho

4. Independent - Solo Work

Independent or solo work are economic base jobs performed from a home office, workshop, studio, or mobile platform instead of the traditional corporate employer workplace. Solo workers are often sole proprietors with their own LLC or S Corp. Some are 1099 contract employees, and others are formal employees of corporations who are allowed to work from home or a mobile platform. The types of work performed by solo workers includes consultants, writers, artists, digital animators, financial advisors, accountants, designees, medical transcriptionists, IT workers, etc.

Description - Projects: A support platform addressing the needs of third-bedroom workers. Design a "shared services platform" that would bring together a package of core services that third-bedroom workers can access for a fixed monthly fee (perhaps based on a membership model), combined with negotiated discounts with specific service providers who are interested in gaining access to a targeted "bulk" market for their services (TMTI). For example, an independent worker can come to this "shared services platform" and gain access to a meeting space, business services, such as accounting or legal assistance, IT technical services, equipment and even networking activities. These services would be partially subsidized by other government entities resulting in the lower costs for the independent workers who use them. Incentivizing cheaper services will attract independent workers and create new *economic base jobs*.

Jobs Potential: 800 Plus

Geographic Focus: Urban and Rural

Critical Gaps: None

Program Approach: Pilot the program under the county's remissioned incubator in El Zocalo, then spin it off into a standalone program with its own governing board, funding and performance, driven staff.

Use the El Zocalo base to proliferate the program throughout the urbanizing and rural communities. The project should operate as standalone program or a joint venture with local allied groups.

Focus the initial phase of the program on existing independent workers from Placitas, Bernalillo and Northern Rio Rancho. Once the program is up and running and a value proposition is developed and can be delivered the program would be expanded to Corrales, Rio Rancho, the Pueblos and rural communities.

5. Agriculture

The Agriculture, Forestry**,** Fishing and Hunting sector comprises establishments primarily engaged in growing crops, raising animals, harvesting timber, and harvesting fish and other animals from a farm, ranch, or their natural habitats. The establishments in this sector are often described as farms, ranches, dairies, greenhouses**,** nurseries, orchards, or hatcheries. The sector distinguishes two basic activities: agricultural production and agricultural support activities.

Greenhouse Agriculture and Vertical Farming

Description – Projects: This sector is focused specifically on large commercial scale growers of vine grown vegetables using 30,000-40,000 square foot greenhouse facilities supported by an on-site physical plant and marketing, packing and transportation activities.

Jobs Potential: 100-300 (2-6 Transactions)

Geographic Focus: Rural Corridors

Gaps Critical Factors of Production: construction-ready sites, qualified labor, water, utilities, NM Highway Department water rights

Program Approach: Canadian Greenhouse Growers Consortia, a vertical mushroom farming facility and potential NAPI expansion in northern Sandoval County: Torreon, Lindrith and Ojo Encino.

Hybrid team of Agricultural Extension Service and NM Dept of Agriculture, EDC recruiting team members and USDA

- Build a greenhouse program team within a re-missioned EDC.
- Engage initial prospective growers

- Survey the county for suitable sites and supportive communities

Restoration and Small Wood Initiative

Description - Projects: The New Mexico forest fires have cost billions of dollars of real cost to the state. With investment by the National Forest Service in the Collaborative Forest Landscape Reforestation Program, there is a viable opportunity to create 500 jobs over the next 10 years. The costs will total $35 million to thin 210,000 acres over the next 10 years in the Santa Fe National Forest in and around the Valles Caldera. The money will fund fire-suppression activities, restoration, behavior modification, and vertical wood product processing and manufacturing. It will generate millions of board feed of lumber-grade product and smaller diameter material for landscape and pellet fuel products. The mix will create demand for a vertically-integrated set of industries: lumber harvesting (thinning), transportation of forest material to mills and processing facilities, Industrial processing facilities (saw mills, pellet extrusion operations) and potential small-wood manufacturing enterprises.
CFLRP – including harvesting, trucking, milling and small-wood initiative.
Prospective projects or expansions:

- Gallina Pellet Plant
- Walatola Sawmill – Gilman
- Small wood flooring manufacturer in play
- Out-of-region harvest, transport and processing contractors

Jobs Potential: 100-300 (2-6 Transactions)

Geographic Focus: Rural

Gaps Critical Factors of Production: Award of USFS CFLRP contracts to SFNF

Program Approach: To form under the rural special programs platform. The county would form and partially fund a restoration and small-wood development group consisting of local (Santa Fe) national forest service personnel leaders, Valles Caldera, New Mexico Agricultural Extension Service, affected rural community leaders and regional financial institutions and business interests. The group would fund a project lead/grant writer to coordinate state, local, and federal support for CFLRP competition rounds and coordinate other related economic development program activities when needed, such as industry recruiting, worker-directed programs and potential company start-up.

6. Integrated IT and Cyber

Information security is increasingly becoming an important topic in the United States. As our nation becomes more and more reliant on technology, and specifically, the security of this technology, economic development efforts will need to be tailored toward this sector.

Description - Projects: Back office jobs requiring highly skilled employees, white collar, technical jobs using computer and modeling skills to design, implement and access IT and security issues. As an example, companies like HP and IBM have divisions that support this effort.

Jobs Potential: 200 (5 Transactions)

Geographic Focus: Urbanizing Corridor

Critical Gaps: Funding for research and marketing

Program Approach: Work with national labs, Intel and HP to identify potential trade shows and leaders in industry to create a matrix to understand critical locational needs and highlight our strengths and contact companies through lab and client introductions.

7. Digital Media

Digital media is emerging as a crucial industry for any community looking to attract young talent and grow its economy. Attracting these digital media companies is becoming necessary for every community in today's economy. The film and mobile phone industry have both become heavily reliant on digital media.

Description – Projects: Use of digitized material and high tech computing to create films, transport and analyze medical data, create games from sophisticated modeling to recreational entertainment.

Jobs Potential: 200 (5 Transactions)

Geographic Focus: Urban and some possible rural

Critical Gaps: Organized approach, clear catalog of assets including human capital and labs

Program Approach: Employer recruiting and enterprise development. Create linkages with industry leaders. Catalog assets of region – analyze growth areas in category. Market to fastest growing areas including education, software, and creative aps for marketing.

8. Energy and Extraction

The mining, quarrying, and oil and gas extraction sector comprises employers that extract naturally occurring mineral solids, such as coal and ores; liquid minerals; such as crude petroleum; and natural gas. The term mining is used in the broad sense to include quarrying, well operations, beneficiating (e.g., crushing, screening, washing, and flotation), and other value-added work customarily performed at the mine site. Distributed and concentrated electrical generation is also included in this sector.

Mining

Description – Projects:
Humate and Mining operations (fertilizer). Aggregate for construction and oilfield services. Demand is coming from large public infrastructure projects such as the Paseo del Norte interchange and the demand for silica sand used in hydraulic fracking and oil and gas. Long shots for demand are gypsum and uranium.

Jobs Potential: 50-100 (2 Transactions)

Geographic Focus: Rural

Critical Gaps: Undetermined

Program Approach: An expanded county-wide EDC for a retention and expansion program that will canvas all county mining sector interests for capacity, market potential, and expansion opportunities.

Oil and Gas

Description - Projects: San Juan natural gas exports**.** Mancus Shale – oil**.** Hot oil operations Cuba- Trucking

Jobs Potential: 50-100 (1 Transaction)

Geographic Focus: Urban and some possible rural

Critical Gaps: CDL training

Program Approach: Development of a CDL program

Power Generation

Description - Projects: Navajo, Rio Puerco gas-fired generation**,** uranium processor**,** Cabezon wind generation facility**,** creation of solar industry from manufacturing to installation

Jobs Potential: Low probability – but could involve high job numbers

Geographic Focus: Rural and Urban

Critical Gaps: Market viability, environmental regulations and community support

Program Approach: An expanded county-wide EDC will survey county jurisdictions and utility industry experts. If and when a power plant project opportunity materializes, the EDC would form a regional project chase team.

9. Visitor-Driven Services: Destination Tourism and Transit Services

The visitor-driven sector includes value-added activities provided to non-residents traveling through the county, or those visiting a destination in the county, for entertainment, recreation, education, cultural enrichment, leisure or business.

Description – Projects: Program efforts are focused on creating and preserving economic base jobs derived from goods and services sold to non-county residents. Program activities fall into two target categories: Tourism and destination services; those coming to the county for destination purposes including meetings and conventions, recreation, entertainment, cultural activities, short-term education and business and Transit Services; visitors passing through requiring food, fuel and lodging.

Destination Services: Jeep tours, snowmobiling tours, hunting, backpacking, horseback riding, eco-archeological tourism, development of new experience industry attraction and services, initiated and incubated at El Zocalo

Destination Facilities: Meeting and retreat facilities, bed and breakfast, health and spa facilities, RV parks

Transit Services: Transit travel, hotel services, RV parks, fuel and convenience services, food

Transit Projects: Zia Enterprise Zone and Travel Center at San Ysidro, Railrunner Stop at Santo Domingo, Potential Transit Services Complex at Algodones, and a Transit services and lodging center for Cuba

Major Tourism Projects: Continued expansion of the Sandoval County Fairgrounds, helping Valles Caldera achieve National Park status, RV Center

Jobs Potential: 100 (4 Transactions)

Geographic Focus: Urban and rural

Critical Gaps Assessment: Equity erosion, rural trade and marketing associations have collapsed.

Program Approach: Transit projects will require an in-house county planning team to partner with rural community and pueblo leaders and their project teams to fast-track the structuring, permitting, and completion of job-producing transit projects. Form a Sandoval County Visitor Development Association to help Sandoval County craft and issue a RFP with the program's mission, metrics and funding mix recommendations based on proportional matches. Encourage private sector investment in jeep tours, off road trails, and zip lines. Growth is strong in experiential tourism. This draws the younger tourist as well as the current New Mexico residents.

10. Transportation and Warehousing

The transportation and warehousing sector includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. Establishments in these industries use transportation equipment or transportation related facilities as a productive asset. The type of equipment depends on the mode of transportation. The modes of transportation are air, rail, water, road, and pipeline (United States Census Bureau).

Description - Projects: Transportation terminals and warehousing operations for regional manufacturing, oil and gas, agriculture and mining.

Jobs Potential: 150 (12 Transactions)

Geographic Focus: Urban and some possible rural

Critical Gaps: Approved, titled, and infrastructure sights, CDL trained workforce, transportation networks

Program Approach: EDC expansion and recruiting for oil and gas exportation from the San Juan Basin, CDL drivers procured under a pilot worker-directed program in the N550 Corridor.

Outlier Sectors
Sectors considered, but not selected

Government/Public Administration

The Public Administration sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area. While this is a potentially important source, much of the gain that is expected in this area are expected to be covered under the Health and Social services and Restoration under Agriculture.

High-Net-Worth Retirement

Description - Projects: The retirement sector refers specifically to the potential to attract high-net worth retirees to the region. While somewhat an outlier economic development strategy because it is not focused on job-creation per se, if high-net-worth retirees can be induced to move to Sandoval County in significant numbers, it could have two positive economic impacts. In addition to adding local net worth to the county's economic base (new local spending), an induced migration of high-net-worth retirees in significant numbers could help bring Rio Rancho's homebuilding and commercial construction industry back to health. Such a strategy would be especially important if the county's job-creation ambitions should fall short. A significant influx of high-net-worth retirees could also help stabilize some of the county's rural communities struggling to maintain population critical mass.

In order for retirement recruitment to be a viable economic development strategy option for Sandoval County it would need to be focused exclusively on high-net-worth retirees and would have to be very carefully planned and regulated to minimize the impact on future delivery of public services. The anchor amenity for a successful high-net-worth retirement recruitment strategy would be a world-class healthcare complex.

Obviously attempting such a strategy would require the highest level of strategic commitment and coordination over the long term from local government, infrastructure providers, healthcare institutions in the residential building community.

Program Approach: Home-builder lead local government coalition. A high-net-worth retirement recruiting effort would complement other strategy options namely Allied Health and Solo-work. Wait for the city of Rio Rancho, UNM, CNM and their new hospital institutions to commit to an Allied Health Education and Economic Development strategy before elevating for serious consideration.

Part 4. Geographic Location and Capacity Assessment

Where will the jobs be created?
What capacity gaps must be addressed?

Sandoval County is arguably one of the most diverse counties in the United States. It includes two separate mountain ranges, two river systems and is home to one of the poorest and most underdeveloped places in the U.S., Torreon, and one of the world's most technologically advanced manufacturing operations in the world, Rio Rancho. Developing a comprehensive economic development strategy for a jurisdiction so geographically, demographically and economically diverse makes an already difficult task that much more complicated.

In any economic development strategic planning process it is important to develop a deep enough understanding of the character of the county's communities, their history, the condition of their existing economic base sectors, their potential and the related capacity constraints.

Ultimately, each community in the county must organize their own response to the economic and social challenges they face. Urban communities more often have the critical mass of population, market potential, capital and leadership to act on their own if they have the right leadership. However, most rural communities are a different story. Together, with much of the unincorporated population of the county, rural communities will need the proper leadership, financial and staff support to get traction on solving their economic development challenges.

The county will have to play the lead role in helping the economic, social and political interests of these areas merge with those with whom they share a common predicament, cultural values and market opportunity. The county will also be needed to help identify those potential partners inside and outside the county that can help fill out the mix and mass of resources needed to sustain program efforts.

After some early research and field work the county's economic interests seemed to fall into four obvious geographic regions or corridors: three rural and one urbanizing.

The rural corridors include:

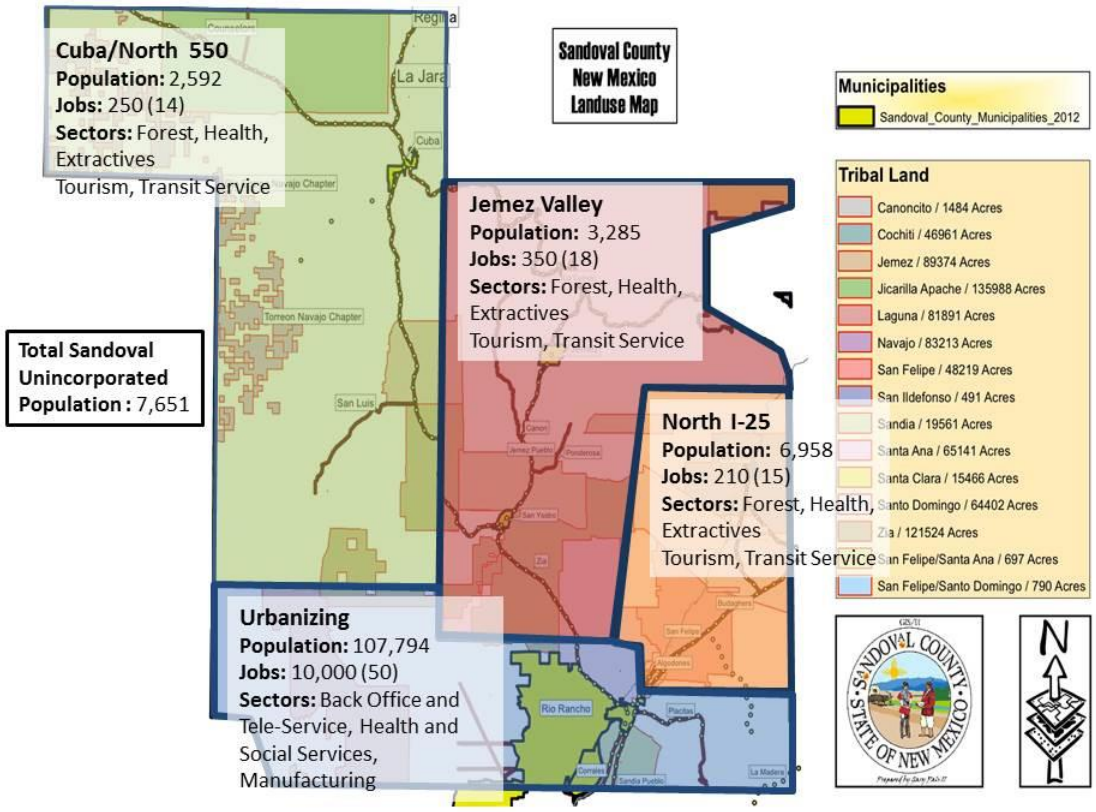
- The North 550 Corridor which includes the town of Cuba the parts of the Navajo Nation the Jicarilla Apache and rural and unincorporated communities on either side of Highway 550 from San Ysidro to Counselors.

- The Jemez Valley Corridor, which includes San Ysidro, Jemez Pueblo, Jemez Springs, Zia Pueblo, The Valles Caldera and the communities served by highways 126 and 4.

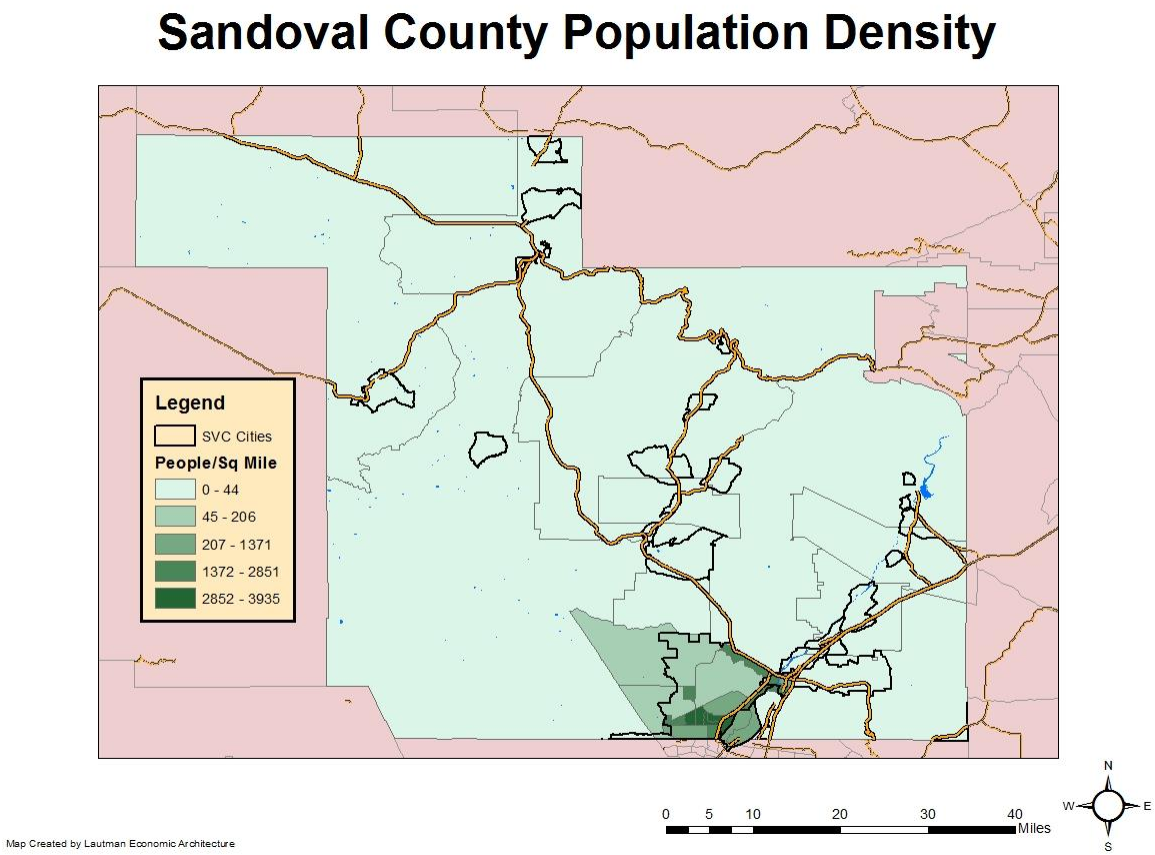
- The North I-25 Corridor, which includes the communities along I-25 from Algadones to Budaghers, including the Pueblos of Santa Doming, San Felipe, Santa Clara, San Ildefonso and Cochiti.

The Urbanizing Corridor consists of those communities within the 25 minute commuting shed and magnetic field of the Albuquerque's economy and developing urban densities and amenities. They include City of Rio Rancho, the towns of Corrales and Bernalillo and the Pueblos of Santa Ana, Zia and Sandia.

Sandoval County Economic Corridors



The population density map below depicts population density patterns in Sandoval County, measured by population per square mile. More than 84% of Sandoval County lives in the Urbanizing Corridor with more than 66% residing in the City of Rio Rancho.



Corridor Population Breakdown

Corridor	Entity	*Population**
Cuba/North 550		
	Cuba	724
	La Jara	143
	Regina	0
	Torreon	211
	San Luis	0 (50^)
	Zia Pueblo	882
	Counselor	632
	Total	**2592**
Jemez Valley		
	San Ysidro	167
	Jemez Pueblo	1877
	Jemez Springs	208
	La Cueva	88
	Ponderosa	671
	Canon	274
	Total	**3285**
North I-25		
	Algadones	845
	San Felipe Pueblo	2,502
	Cochiti Lake	449
	Cochiti	341
	Santa Domingo Pueblo	2,182
	Pena Blanca	589
	Budaghers	50
	Total	**6958**
	Total Unincorporated	**7651**
	Total Rural	**20486**
	Percent of Total	**16.0%**
Urbanizing		
	Rio Rancho	84355
	Corrales	8281
	Bernalillo	8232
	Placitas	5,466
	Santa Ana Pueblo	920
	Pueblo of Sandia Village	419
	La Madera	121
	Total Urbanizing	**107794**
	Percent of Total	**84.0%**
Incorporated Entity Total		**120629**
Sandoval County Total		**128280**
Unincorporated Population Total		**7651**

** Data Compiled from the ACS 2011 5-Year Estimate*

*** To keep the data consistent, only numbers from the ACS will be used in total calculations.*
^ Estimate, not used in total calculations.

The following section outlines the jobs, transactions, and sectors found in each of the four Sandoval County regions. Population numbers were based off of the United States Census Bureau 2011 American Community Survey 5-Year Estimates.

Jobs and Transaction Targets by Corridor

Corridor	Population	Jobs	Transactions
Sandoval County Total	128,280		
Rural	20,486 *(16% of total)*		
North 550 Corridor	2,592	250	14
Jemez Valley Corridor	3,285	350	18
North I-25 Corridor	6,958	210	15
Urban	107,794 *(84% of total)*		
Urbanizing	107,784	10,000	50
Incorporated Entity Total	*120,629*		
Unincorporated Population Total	*7,651*		
****Data Compiled from ACS 2011 5-Year Estimate***			

Projects under Consideration

During tours of the county, many organizations and groups noted current and prospective projects that were occurring in their corridors. Followed is a list of some these current and prospective projects in both rural (green) and urban (blue) Sandoval County including brief descriptions:

1. **Zia/San Ysidro Enterprise Zone:** 91,000 square foot enterprise zone will contain a grocery/learning complex, retail complex, cultural complex, and festival complex.
2. **County Fairgrounds:** Located in Cuba, this 67 acre fairgrounds host the county fair once a year. This location holds development potential. Development of a 6,200 acre exhibit hall by the county, an RV park, and the submission of a CDBG grant application for a commercial kitchen represent three of the hopefully many future developments at this location.
3. **Expansion of Humate Operations**: Since the 1970s, certain amounts of humate are being produced at mines near Cuba and San Ysidro. Humate mining is predicted to grow in this region. Humate is exported as a soil conditioner.
4. **Collaborative Forest Landscape Reforestation Program (CFLRP):** A Forest Service program that encourages the collaborative, science-based ecosystem restoration of priority forest landscapes.
5. **Valles Caldera National Park Status:** Currently a National Preserve, this area is seeking National Park status.
6. **County Airport Project:** Plans have been made for the development of a county airport.
7. **Cuba Visitor Food, Lodging and Transit Services Complex:** Cuba is in the process of developing an all-purpose transit center stop.
8. **Santa Domingo Rail Runner Station:** This rural Rail Runner station allows easy access to and from both Santa Fe and Albuquerque.
9. **Algodones Service Center:** Algodones is in the process of developing a transit service center stop.
10. **Traditions!:** The I-25 Budaghers Outlet Mall has been shut down twice over the past 20 years, but an increase in tourism could see future development at this location.
11. **La Plazuela de Sandoval-Cielo Azul:** A mixed-use Master Plan in urban Sandoval County behind the county Administrative Complex. A mixed use development anchored by an assisted living complex named Cielo Azul. 9+ acres of the Master Plan are zoned as a Conditional Use for "Retirement".
12. **Zia/Bernalillo Town Plaza:** Mixed-use Town Center with hopes of direct ties to the Bernalillo Rail Runner station.

Opportunity - Resource Gap Assessment by Corridor

Corridor	Population	Entities	Sector Opportunities	Jobs/ Transactions	Critical Gaps
North 550 (Cuba)	2,592*	Cuba, La Jara, Regina, Torreon, San Luis, Zia Pueblo, Counselor	Forest, Health, Extractives, Tourism, Transit	250/14	Water, Infrastructure, Facilities, Transportation Services
Jemez Valley	3,285*	San Ysidro, Jemez Pueblo, Jemez Springs, La Cueva, Ponderosa, Canon	Forest, Health, Extractives, Tourism, Transit	350/18	Water, Infrastructure, Facilities, Transportation Services
North I-25	6,958*	Algodones, San Felipe Pueblo, Cochiti Lake, Cochiti, Santa Domingo Pueblo, Pena Blanca, Budaghers	Forest, Health, Extractives, Tourism, Transit	210/15	Water, Infrastructure, Facilities, Transportation Services
Urbanizing	107,794*	Rio Rancho, Corrales, Bernalillo, Placitas, Santa Ana Pueblo, Pueblo of Sandia Village, La Madera	Back Office and Tele-Service, Health and Social Services, Manufacturing	10,000/50	Land Inventory, Workforce, $, Capital
	**Data Compiled from ACS 2011 5-Year Estimate*				

A resource gap assessment was initiated by the project team in order to demonstrate how this planning process can help identify and prioritize the most critical factors of production required for creating the net new jobs needed by 2023.

A majority of the job-creation projects needed to stabilize the county's economy in 2023 will take considerable investment in planning, regulatory ombudsmanship, and development will be required by federal, state, local and private sector institutions.

Part 5. Program and Initiative Recommendations

This assessment effort is centered on three tasks:

1. Understand the overall economic development predicament of the county and the minimum number of economic base jobs needed for economic health.
2. Determine the most promising economic sectors to focus on and outline the program efforts required to cause the needed new jobs to be created
3. **Determine the program approaches and optimal organizational approach and the specific roles that the county should take in each.**

This is not a plan - yet

This is not a plan. It is a list of programs and initiatives that the county and its public and private stakeholders should seriously consider including in a plan. The finding and the recommendations in this report will need to be thoroughly vetted and socialized in advance of working out a county-wide strategy and plan in which the specific goals, organizational, funding and accountability details are iterated.

It is not a wish list

The program recommendations included in this section should not be considered a wish list or a prescription for returning to growth rates of the past. Given all the headwinds facing the region it is conceivable that all of these recommendations will have to be implemented on some level just to avoid a second straight decade of economic decline.

Don't worry about funding - yet

At this point in the process, deliberations on the severity and scale of the region's economic challenges should not be moderated by concerns about funding. The focus of this assessment and recommendation is to determine what needs to be done and how it could be done. If solving the problem is important enough and the recommended programs and initiatives are viable, the money can be found. Otherwise, the scale and severity of the challenge and/or the solution set end up being downsized to meet real or imagined budget constraints.

Methodology and Organizational Issues

Early on in the process it became clear that multiple program approaches would be required to meet the 10,069 economic base jobs called for in the strategy.

Not all economic sectors can be programed

There is a big difference between identifying a few economic sectors with the potential to generate new jobs opportunities in the future and a formal job-creation program where money, staff and policies changes are invested on one end of a program pipeline causing a predictable or proportional number of new jobs to be produced on the other.

These nomenclature and taxonomy issues are the reason regional economic development planning efforts fail to generate concrete actionable agendas that change the priority and investment patterns of a community. One of the most complicated parts of the process is

when one must move from a generic list of economic base sector targets to a mix of multiple programs that must be re-designed or developed and scaled up over several phases or time frames.

The Potential Range of Roles for the County

The fact that the strategy is designed to be county-wide and comprehensive in scope should not imply that county government seeks to control the region's economic development efforts. The county is positioned to play multiple roles in the development of the region's economic base; clarifying- leadership, initiator-innovator, supporting and program lead. It is also envisioned that the county's role in many cases will evolve over time. For example, the county may choose to invest heavily in the front and design and development of a program effort with the intention of spinning the program off into an independent self-funded entity, or one with multiple funding sources dramatically reducing the county's role.

1. **Clarifying – Leadership Role:** The county has the jurisdictional position to frame the collective economic development predicament for this sub-market of the Albuquerque metro area and map the spectrum of programs and initiatives that will be needed. Ultimately, the local governments, private sector, public private organizations and institutions with major roles in the economic development in the county will have to sort out their respective roles if such a strategy is to be implemented.

2. **Initiator – Innovator Role:** A number of initiatives called for in the strategy are program innovations that will require the county to initiate pilot programs before spinning them off into stand-alone operations. For example the county will probably need to play the role of initiator in order to launch programs such as the Independent- Solo Worker and the Worker-directed Initiatives.

3. **Supporting Role:** in other cases the county will want to play a supporting role carrying a shared funding, governance and/or staffing burden. Care will need to be taken to ensure that other jurisdictions and interests sharing in the benefits of the program are making proportional contributions. A supporting role is going to be most appropriate for programs and initiatives where a particular community or interest group is established as the lead. For example, the county may elect to support an industry recruiting initiative for Rio Rancho or tribal community, but should not be expected to play a lead or managing role.

4. **Program Lead Role:** Where there is no alternate lead organization, the county will have to consider taking a lead operational role. This includes most of the program efforts specifically focused on rural and unincorporated constituencies. For such programs the county will have to play a direct role and bear a heavier leadership funding management burden. Lead program roles can be conducted unilaterally by in-house county staff and management or outsourced through third-party contracts.

Translating Job Targets to Programs and Initiatives

The scope, scale and character of a job-creation program is driven by a range of factors.

The number of transactions or deals that it might take to recruit, expand an existing. While you might get 1,000 new jobs with the recruitment or expansion of a couple of call centers, these same 1,000 jobs might take 100 transactions in the machine shops averaging 10 jobs per transaction.

Programs and Initiatives

Some program efforts fell neatly into either urbanizing or rural strategies. For example, traditional employer expansion retention and recruiting operations can effectively serve both rural and urbanizing communities. However, many of the economic sectors, occupation sectors, occupational modalities such as independent work do not translate neatly into their own program or initiative, especially when the economic sectors, programs and initiatives must be differentiated further into rural and urban regions with their own proprietary program interests and organizational assets. Indicated program efforts have been organized and sorted using several factors:

1. Geographic focus: Rural vs urban
2. Number and nature of transactions: Start-ups vs recruiting vs BR&E
3. Marketing approach: Tourism vs recruiting manufacturers
4. Modality: Employers vs independent workers (singularity)
5. Phasing: Traditional recruiting vs worker-directed
6. Constituents, allies and sponsors
7. Professional practice: Programs deployed to create jobs in a region require a different set of knowledge, professional expertise and often mixes of strategic allies, sponsors and constituent professional function: Marketing, sales and deals structuring, capacity development, and leadership.

Sandoval County Jobs and Transactions Needed

Urbanizing				Transactions		
	Jobs	***Transactions***		***Recruitment***	***Expand***	***Innovate***
Back Office	3,500	5		4	1	
Health and Social Services	2,200	22		17	5	
Manufacturing (Intel)	2,500	10		5	5	
Integrated IT Cyber	200	5		2	1	2
Digital Media	200	5		3		2
Energy/Extractives	200	1		1		
Transportation and Warehousing	100	2		2		
Total	**8,900**	**50**		**34**	**12**	**4**
Solo Workers	*800*	*800*				
Rural						
Health and Social Services	300	15		5	5	5
Agriculture: Restoration	300	3		3		
Agriculture: Greenhouse	300	3		3		
Visitor-driven: Destination Tourism	50	10			5	5
Visitor-driven: Transit Services	50	2			1	1
Energy and Extraction	50	5		1	4	
Transportation and Warehousing	50	10		5	5	
Total	**1,100**	**48**		**17**	**20**	**11**

Phasing Considerations

Furthermore, each of these programs and initiatives will take time to plan, organize, fund and staff requiring a phased implementation approach. To that end, the strategy has three phases: Phase 1 - Stabilization (2013-2015), Phase 2 - Implementation (2015 -2018) and Phase 3 - Production (2018-2023)

Each phase includes an iteration of the number of jobs to be created, the primary economic sectors in play and the active program missions involved. In addition, specific capacity-building milestones required for the job-creation goals of the following phase are outlined.

Organizational Framework Recommendation

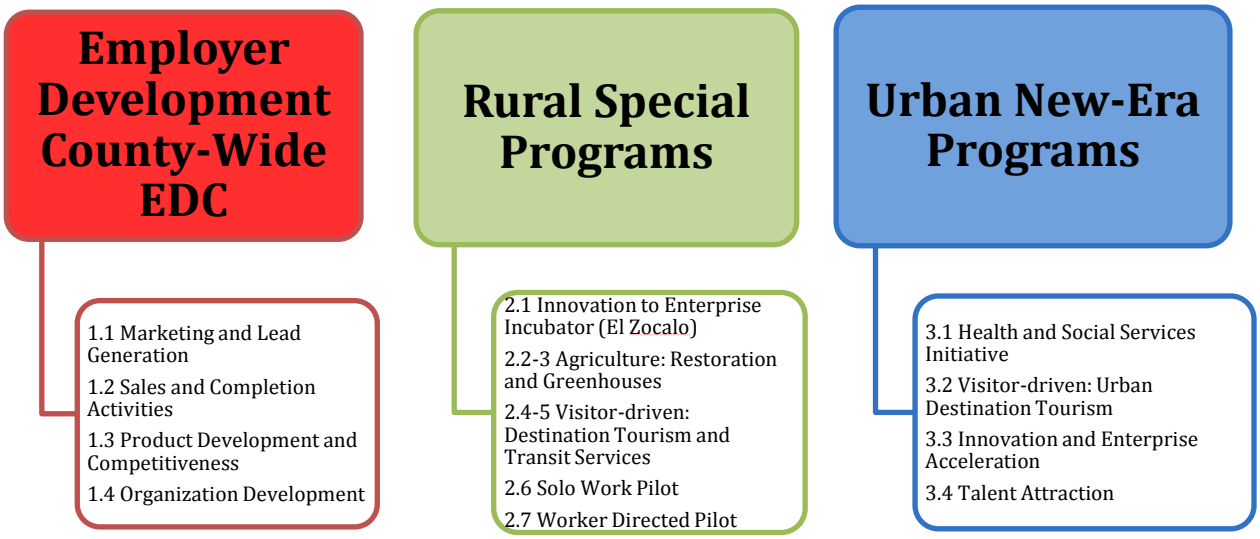
From the 10 economic sectors selected and vetted early in the process, a list of 15 plus programs and initiatives have been iterated and scoped. The programs and initiatives recommended herein are envisioned to be directed and managed from three organizational platforms according to their geographic and core competencies.

The three platforms were selected to accommodate the wide range of markets, program approaches, constituent interests and phasing implications that characterize the 10 programs recommendations.

For that reason a separate platform was envisioned to manage the marketing, technical assistance services and capacity development effort needed to attract new employers and expand existing local employers. These services will needed by both urban and rural communities.

However, a separate rural special programs platform is envisioned to focus exclusively on developing and launching a suite of special new program efforts tailored to the special needs of communities in the rural corridors.

Ultimately, a third platform is envisioned to prepare the county's communities for the dramatic changes in the economic development game. A daunting array of economic, demographic, ecological and social forces will mean, among other things, that talent development, retention and attraction will rise as the dominate factor in economic development in the decades ahead. This calls for a special innovation platform from which the county and its communities can innovate a new suite of program approaches needed to compete in this new era.



Three Program Platforms

1. County-wide EDC Platform (location and governance TBD)

Of the 98 estimated transactions needed to procure the 10,000 plus economic base jobs the county needs, 80 of them will involve the recruitment of new employers from outside the community and the expansion of existing employers. The other 15 transactions would come from the starting of new economic base enterprises - the domain of the innovation-to-enterprise programs described later. The overwhelming majority of both rural and urban job-creation transactions will require a suite of professional economic development services to get done. A professional EDC program will be required to manage the research, marketing, site selection, deal structuring and capacity building needed for the new economic base jobs to materialize. These services are best funded and managed through a public-private Economic Development Corporation.

Unfortunately, the combination of an increasingly apathetic and polarized leadership and the economic downturn (that hit construction, banking and development the hardest affecting the traditional private sources of investment in economic development) caused the severe contraction of funding resulted in the dismantling of much of the regions once powerful EDC apparatus. Unless the region's marketing, sales and capacity building apparatus is restored to a level in scale with the number of transactions required there is virtually no way to create the jobs needed for recovery.

After considering a number of potential alternative configurations it is clear that ideally we should build off the existing professional infrastructure. The existing data bases, professional contacts and historic successes of the RREDC allow us much to build on. The program itself is very solid, but extremely underfunded. By working to fund existing

resources we get the benefit of a much quicker ramp time. To create a county-wide approach and buy in from all areas of the County there would need to be a more inclusive board based on funding levels and a name change to reflect the vision of the entire County.

The newly branded entity would serve all of the participating communities and pueblos including the City of Rio Rancho, the county and all other. The entity would be governed by an independent County wide private non-profit entity that would be funded by a contract for services with the county and other engaged entities, as well as the investment from the private sector. Input on the Board would be guided by investment levels and would require a countywide coalition of vested private and public stakeholders actively engaged in employer and project driven economic development efforts.

A county–wide EDC program entails several distinct kinds of professional services or general activities such as: (1) Marketing, which includes research and lead generation; (2) Site selection, sales and deal structuring; (3) Product development and capacity building, which includes planning, advocacy and team building in order to prepare a more competitive profile of factors for job-creation, such as land and building inventory, build-to-suit teams, public infrastructure development, tax and regulatory climate improvements, capital development and workforce development.

A county-wide EDC in this case would be funded, staffed and tasked to advocate for the development of critical capacity, generate leads and help structure and close the targeted number of expansion and new location transactions every year. As such, a county-wide EDC program would be responsible for new employer recruiting and existing employer expansion for all three recorders and the urbanizing communities.

Developing this expanded program should be considered the most urgent and important priority.

Primary Economic Sector Targets: Back Office, Manufacturing, Health and Social Services
Jobs and Transactions: 10,000 jobs, 80 Transactions
Geographic Focus: Rural and Urban
Program Modules Include: Enumerate

Phase: First Phase
Organization Lead: Private Sector
Participating sponsors and Funding mix: *(Graphic from PowerPoint stack)*
Staffing: 8-12
Budget: $850,000
County match: $100,000 +

2. Rural Special Programs Platform (Location: El Zocalo, Bernailillo)

Of the 48 transactions it is estimated to take to generate the 1,100 plus jobs projected for the rural areas, only a fraction can be procured by traditional EDC program efforts alone.

While a traditional EDC function will be crucial to managing the back end of the development process for rural job-creation transactions, most of the job activity will require a new suite of specialized economic programming on the front end.

The Rural Special Programs Platform includes the economic sectors of Agriculture, Tourism, Extractives, Health and Social Services and Warehousing and Transportation. If pursued, this platform could create up to 1,100 jobs. The program modules include an Innovation-to-enterprise Incubator, Agriculture – Restoration, Agriculture – Greenhouses, Visitor-driven – Destination Tourism, Visitor-driven – Transit Services, a Solo Work Pilot, and a Worker-directed Pilot. These programs will be described later in the strategy.

3. Urban "New Era" Programs Platform (Location: Rio Rancho City Center District)

Profound changes in the economic development game make it imperative that communities simultaneously elevate their employer recruiting and expansion efforts, become strategic about integrating education, workforce development and talent-attraction in their job-creation strategies and be prepare to innovate a new spectrum of programs and initiatives to meet the challenges of this new era. The new programs and initiatives that will be needed to deal with these changes in the game will be best dealt with from an independent platform focused on innovating and implementing new projects, strategies and program initiatives that will be needed.

A long-term structural shortage of qualified workers means corporate site-selection decisions will turn more often on how well communities develop, attract and hold the talent they are going to need. This is a tectonic shift in the game signifies the onset of a "New Era" and calls for developing and integrating a whole new strategy wing to their economic development efforts. These New Era program initiatives would be researched, modeled and developed in phases 2 and 3.

The Urban New Era Programs Platform includes the economic sectors of Back Office and Tele-Services, Health and Social Services, Manufacturing, Integrated IT and Cyber security, Digital Media, Energy and Extractives, and Warehousing and Transportation. If pursued, this platform could create up to 8,900 jobs. The program modules include a Health and Social Services Initiative, Visitor-driven – Urban Destination Tourism, Innovation and Enterprise Accelerator and a Talent-attraction Program. This talent-attraction program agenda will be as important or more important than the traditional employer-focused job-creation efforts were in the past. These programs will be described later in the strategy.

1. County-wide EDC Platform Program

The recommended county-wide EDC would have three basic priorities: (1) Economic Base Employer Recruitment; (2) Economic Base Employer Retention and Expansion (R&E); and (3) Capacity and Competitiveness Development

By default, the vast majority of the 10,000 plus new economic base jobs required for recovery in the decade ahead will have to come from the retention and expansion of the region's existing economic base employers and the recruiting of new ones from outside the region. Despite some wishful thinking to the contrary very few of these highly sought after economic base job-creation projects happen on their own. They require constant marketing, personal technical attention and strategic investment by the community before and after the hiring event.

Some of the new jobs to be created are going to be needed to replace the back office centers and manufacturing jobs yet to be lost. Because many of these projects would likely backfill vacated existing space and reemploy idled local workers, the demand for new land and building inventory, investment capital and workforce development will be lighter than in years past.

However, given the current dearth of Class A industrial and office inventory, and the uncooperative reputation of the City of Rio Rancho, it is hard to imagine how the county will have the land inventory and infrastructure capacity to generate the jobs the region will need. Therefore, a major component of a county-wide EDC will need to be the development of a strategic capacity development and competitiveness program.

A positive development in this area is the development of 2,000 acres of potential economic development land inventory and a development team by Santa Ana Pueblo. This development could conceivably offset current inventory deficits for the region until Rio Rancho and other prime sites in the unincorporated areas could be prepared. Zia Pueblo is providing similar critical inventory and development capacity in key rural areas and the Town of Bernalillo.

However, without a concerted county-wide effort to develop new capacity and restore competitiveness, job-creation on the scale required will be impossible.

Recruitment, Retention and Expansion Program - Transaction Metrics

Program goals:
Jobs: 8,900 total
Transactions: 83 total, 46 Urban and 37 Rural

According to this assessment, in order to identify, sell, structure and complete the 83 projected transactions it would take to create a the nearly 10,000 new economic base jobs

over the next ten years that would have to be generated by recruiting and expanding employers, roughly 46 would need to be urban transactions and 37 rural.

A majority, over 50 of these transactions, will have to be recruited from outside the region, and the balance, 32 transactions, will have to be achieved through the expansion of local existing economic base employers.

It is important here to explain how these economic base job-creation transactions are procured. The process for an EDC is similar to most business operations where new customers are needed to survive.

EDC Program Division of Labor

EDC Program Operations

The economic development business can be said to have four distinct program activity areas. Tracking progress and budgeting resources across these four activity areas can help clarify the planning and management metrics for and EDC.

1. **Marketing and Lead Generation** activities are those focused on finding and qualifying footloose enterprises that might be interested in creating economic base jobs and making an investment in the region.

2. **Sales and Completion activities** are those focused on building the teams of product and service providers and subject matter experts required to get the deal closed, designed, financed, built, staffed and running smoothly. These are activities that are directly related to persuading decision makers of prospective e-base enterprises to select and close on that team's project.

3. **Product and Business Climate Development activities** are those focused on improving our competitive position in the market by improving the direct factors of production that influence location decisions: spec buildings, fast-track design build programs, streamlined approval processes, business climate improvements, infrastructure, mix of support services, labor availability and quality. Community development activities are those that specifically improve the quality of life and reputation of the community.

4. **Organizational Development activities** that are required to build and maintain the organization and those activities not directly related to marketing, sales or product development.

Marketing and sales functions for both retention/expansion and recruiting for both rural and urban theaters will require some specialization but should be able to benefit from sharing research, administrative and product development functions.

1.1. Marketing and Lead Generation

Recruiting – Marketing and Lead Generation

At the front of the process the region's value position must be defined and communicated to employers with future job-creation potential. Marketing and lead generation efforts are even more important now given the dramatically smaller pool of employers needing to grow and increasing competition from other communities.

The first step in the marketing process involves ***market research and value proposition development***, which includes selection of target markets, competitive advantage analysis, data base development and program planning. The next step in the marketing process focuses on ***generating and qualifying sales leads***.

This involves a suite of separate program elements that include: National site-selection consultants campaign, local commercial real estate broker and developer networking, corporate management relationship campaigns, collaboration and teaming with state and regional marketing allies, industry outreach, tradeshows and social media campaigns, program development and support activities and website, data base development, and market research.

Marketing and lead generation program performance metrics should include tracking the number qualified leads generated by marketing source (i.e. site selector relationships, real estate brokers, allied economic development agencies, target industry canvassing, websites and social media, media relations, tradeshows, etc). Marketing activities should be reviewed annually for return on investment.

Retention & Expansion – Marketing and Lead Generation

An EDO's staff and board members typically survey as many economic base companies within the community as possible. The R&E Survey is designed to collect critical information concerning the community's economic base of businesses. The data collected is used to forecast possible growth or contraction, analyze the strengths and weaknesses of the community, receive feedback on workforce development, and to aid the EDO in new business recruitment efforts by identifying vendor/supplier connections.

The survey also gives businesses a chance to communicate any "red flag" issues or grievances in a confidential manner. The results help the EDO provide timely assistance if required, develop a business plan for future operations and provide comparisons of current data to historical benchmarks. Staff diligently works to follow-up on immediate items throughout the survey process.

1.2 Sales and Completion

After a qualified lead has been generated the sales and completion process begins. This part of the process requires careful management of each client's site selection process including deals structuring and relationship building between client and community team members.

A typical example for classifying for economic development projects is provided below. It breaks projects into five classifications: (1) Contacts; (2) Leads; (3) Suspects; (4) Prospects; and (5) Deals.

The sales process is can be visualized as a pyramid with a broad base of leads at the bottom, completed deals at the top and the intermediate suspect and prospect steps in between. Each level is characterized by level of interest, understanding of the client's viability and level of interest and chance of completion. Each level requires a more elaborative work product from the EDC.

Sales and Completion Process Step Characteristics

Lead – Qualifying

Qualified interest - company or consultant contact established
Requirement still undefined
Timing under 3 years, suitability and credit worthiness may be unknown
Product, technology, contract or financing needs to be made viable

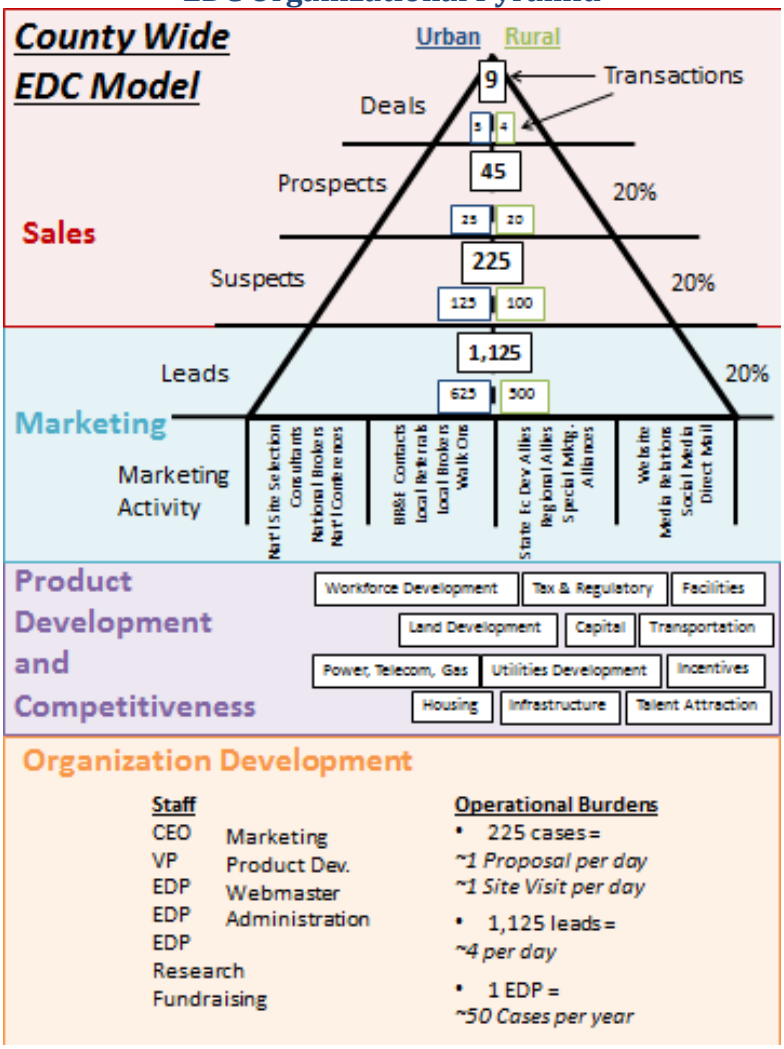
Suspect - Pitching and Discovery

Obvious site selection process underway - timing under 2 years
Company is narrowing list of possible sites to short list
Project parameters defined - real estate, labor capital
Discovery > decision factors - competition - credit analysis
Preliminary proposal
Company yet to visit site

Prospect - Negotiating
Credit established
Community is short listed
Working through deal points
Trying to establish the gap
Deal is structured
Perfecting a hard number proposal
Company has visited site
Decision factors understood

Deal - Completion
LOI is signed and contracts being executed
Site development and project design underway
Final financing arrangements finalized
State and local regulatory approvals
Public announcements

EDC Organizational Pyramid



1.3 Product Development and Competitiveness

When the job-creation goals have been set and the economic sectors and numbers of transactions have been evaluated, it is important to conduct a regional inventory and competitiveness survey to understand where major gaps in essential factors of production and competitive weaknesses exist.

Below is a start on such an evaluation. On the first line, for example, it is assumed that approximately 80% of the back office job-creation projects over the next 10 years would actually go into existing facilities to replace jobs lost through attrition. In this case, only 20% of the facilities needed would have to be built-to-suit. As few as two or three new buildings might be required. Estimating the additional acres of land, square footage of building, capital and workforce is relatively formulaic.

Should there be a competitiveness issue such as a tax or regulatory barrier that make the location uncompetitive, the EDC's product development and competiveness team would endeavor to remediate the problem at the state, local or institutional level.

Once the inventory and competitiveness issues are defined it is envisioned that the county-wide EDC would establish a product development and competitiveness plan and assign budget and management authority. This function could be shared with the MRCOG or an ad hoc group of participating state and local governments and institutions.

Product Development and Competitiveness								
Resource Gap: Needs								
	% of Sector Growth in New Facilities	**Total Facility Acreage**	**Number of Buildings**	**Infrastructure SqFt**	**Horizontal Infrastructure**	**$**	**Qualified Workers**	**Regulatory Changes**
Back Office and Tele-Service Center	20%	50,000/8 acres	2	100,000	Bandwidth	$50m	600	
Health and Social Services	80%	10,000sqft/ 5 acres	10	200,000		$30m	850	Environment Permitting
Manufacturing	20%	20,000sqft/ 5 acres	5	250,000		$4.6b	2850	
Agriculture	100%						N/A	
Integrated IT and Cyber	50%	10,000	3	30,000		$6m	75	
Digital Media	80%	5,000	5	25,000		$5m	75	
Energy and Extractives	80%						150	
Visitor-driven Services	20%						0	
Transportation and Warehousing	100%						0	
Total			35	1.25m sq ft		$4.8b	4600	
	% of Sector Growth in New Facilities	**Qualified Workers**	**Number of Homes**					
Solo-Workers	20%	160	160					

1.4 Organization and Management Activities

The commitment of time, money and know-how required to run a performance driven EDC is frequently underestimated and unappreciated. The matrix of roles and responsibilities below provides the reader with a sense of the range and scale of activities required in the course of operating an EDC.

	Director/ President / CEO	Staff	Outside Subcontractor	Volunteer Person/ Organization	Executive Committee	Board	Board Subcommittee	Board Member	Organization Allied JV	Allied Organization Delegation
Staff Meetings										
Board Meetings/ Annual Meetings										
Special Events										
Agendas										
Minutes and Budget Balance										
Venue Preparation										
Meeting Materials prepared										
Program Budget										
Preparation										
IT										
Accounting										
By-laws										
Payroll										
Legal Taxes										
Insurance										
Office Space										
Travel										
Subcontract Administration										
Office Supplies										
Local Media Relations										
Regional Media Relations										
National Media Relations										
Marketing Drive										
Maintenance										
Brochures, Flyers and CDs										
Website Content, Format										

Presentations										
Expense Reports										
Proposals										
First Response Pieces										
Team Selection										
Client visit & Follow-up										
Client Qualification										
Client Prospect, Tracking and Reporting										
Client meetings and dinners										
Client Presentations and Proposals										
Personnel										
Benefits Management										
Performance and Salary Bonuses										
Hiring, Firing, Promotion and Disputes										
Training										
Subcontract Management										
Marketing										
IT										
Research										
Fundraising										
Alumni Connections										
Special Events/ Projects										
Time & Program Management										
Metrics Evaluation										
Written Reports to the Board										
Marketing Metrics Regional										

Group Measurement Presentations										
Local										
Regional										
National										
Job Needs: Analysis/ Tracking										
Agenda Separation										
Targeting										
Marketing Metrics Budget										
Sales										
Caseload										
Inventory										
Completion Transactions										
Organization Specifications										
Examples										
Terms										
Strategic Planning										
Business Attraction (Recruiting)										
Retention										
Expansions										
Start-ups										
Government Products										
BRAC										
Prisons										
Etc.										
Business Climate Improvements										
Legislative										
Local										

2. Rural Special Programs Descriptions

A suite of new specialized economic programming will be required to manage the program activity outside the scope of a traditional EDC. It will take the integration and coordination of a new innovative suite of customized program efforts to achieve the job-creation required to stabilize and improve the economic base of the county's rural corridors.

The Rural Special Programs Platform includes the economic sectors of Agriculture, Tourism, Extractives, Health and Social Services and Warehousing and Transportation. If pursued, this platform could create up to 1,100 jobs. The program modules include an Innovation-to-enterprise Incubator, Agriculture – Restoration, Agriculture – Greenhouses, Visitor-driven – Destination Tourism, Visitor-driven – Transit Services, a Solo Work Pilot, and a Worker-directed Pilot. These programs will be described in the following section.

2.1 Innovation > Enterprise Incubator (El Zocalo)

Description: Innovation-to-enterprise helps community members who have business ideas turn them into actual businesses. Incubators play an important part of this sector by helping people collaborate with others and use other services provided.

Program efforts are focused on the creation of new economic base jobs by causing the formation of new enterprises; serving as the county-wide lead for systematically increasing the rate and quality of new economic base enterprises being formed. Program activities fall into three areas: (1) increasing the rate and quality of ideas, innovation and intellectual property that can be converted into an economic base job creating enterprise; (2) the conversion of ideas into viable enterprises; and (3) positioning those new enterprises to scale up in the county.

Economic Base Sectors: Healthcare, manufacturing, integrated IT and cyber, tourism
Job-creation Goal: 1,000
Corridor Focus: Urban and Rural
Organization Lead: El Zocalo (Sandoval County) – Contract with an existing incubator program such as WESST or the Santa Fe Incubator to provide start-up services during a two year pilot phase.
Staffing: 1
Budget: $100,000
Funding Mix: $100,000 Sandoval County
Implementation Steps:
Issue a formal RFP for contract incubation services with the program's mission, metrics and funding mix recommendations based on proportional matches from the state, federal grants and the private sector institutions.

Tourism innovation-to-enterprise lab: Establish an innovation-to-enterprise lab to stimulate the development of new tourism attractions, amenities and peak experiences - an innovation lab specializing in the development and launch of new tourism businesses and

events destinations throughout the state. Use the lab to create new tourism attractions and experiences and help bring them to market. Provide consulting for rural communities. Operate and market programs through branch campuses.

Recreation Tourism Lab: Develop recreational tourism by encouraging local entrepreneurs to develop a range of fee-based recreation and visitor experiences including stargazing, wildlife watching, geology, paleontology, ecotourism, birding, wilderness experiences, and archaeology.

NM Cultural Tourism Institute: Establish a cultural tourism education and enterprise development institute to promote the development of cultural tourism in the state.

2.2 Agriculture – Restoration

Description: Climate wise, New Mexico is one of the least risk averse states in the United States. New Mexico does not see tornadoes, earthquakes, hurricanes, torrential rain, etc. Although, during the hot summer months, wildfires plague the landscape and New Mexico's forests burn to the ground. A Restoration initiative would thin the forests and allow these wildfires to spread less rapidly, and in turn, become easier to control.

Economic Base Sectors: Agriculture and Forest Services
Job-creation Goal: 300
Corridor Focus: Rural
Organization Lead: Sandoval County
Staffing: 1
Budget: $50,000
Funding Mix: Federal, state, and county
Implementation Steps: The county would form and partially fund a restoration and small wood development group consisting of local (Santa Fe) national forest service personnel leaders, Valles Caldera, New Mexico Agricultural Extension Service, affected rural community leaders and regional financial institutions and business interests.

2.3 Agriculture – Greenhouses

Description: Growers in Canada have identified a specific area of New Mexico as the most effective place to grow vine-grown vegetables in the United States. A square surrounding Albuquerque, including Sandoval County, contains a special combination of climactic factors such as sunshine, altitude, and humidity. This area has a comparative advantage over other places, specifically Canada, due to the consistent sunshine. Growers would be able to produce throughout the whole year, instead of solely during the summer or spring. As well, the low humidity means that growers will not have to worry about pests or other insects that inhibit vegetable growth. During the nighttime, with the help of New Mexico's desert landscape, the vegetables are able to cool off before the next day's sunshine. The vegetables grown include tomatoes, cucumbers, squash, zucchini, peas, certain types of beans, etc.

Economic Sectors: Greenhouse
Job-creation Goal: 300
Corridor Focus: Rural
Organization Lead: EDC
Staffing: 1
Budget: $50,000
Funding Mix: Federal, state, and county
Implementation Steps: Build a greenhouse program team within a re-missioned EDC, engage initial prospective growers from Canada, and then survey the county for suitable sites and supportive communities. Implement the development of a program group to ensure that the CFLRP grants are awarded and manage the conversion of those grants into enterprise development and jobs in local communities.

2.4 Visitor-driven: Destination Tourism

Description: Sandoval County contains a very unique geography. People from outside of the community are attracted to this area due to its strong culture, historic sites, and mountainous landscape. For this reason, the Visitor-driven job-creation strategy becomes a crucial program recommendation. The visitor-driven sector includes value-added activities provided to non-residents traveling through the county and those visiting a destination in the county for entertainment, recreation, education, cultural enrichment, leisure or business. This sector is considered any economic activity that occurs as a result of transit or destination visits from people and organizations from outside the region. This includes, but is not limited to, sporting events, destination attractions such as theme parks, casinos, museums, recreational, leisure, and conference hotels and facilities, etc.

The program is designed as the development of a tourism, sports and entertainment corporation focused on increasing rural tourism traffic from outside the county through development, marketing and promotional programs, projects and events. Currently, there are some establishments that bring tourism into the county. This includes the county fairgrounds in Cuba and the Jemez Mountain Trail, which is a National Scenic Byway. Furthermore, Sandoval County has many raw assets that could potentially draw many tourists, but only if they are developed with strong planning and focus. For example, the Valles Caldera National Preserve is in the process of possibly reaching National Park status. If this status is reached, then more tourists would be attracted to the area. Next, although the Budaghers Outlet Mall off I-25 has been shut down twice over the past 20 years, it could see an increase in tourism traffic, which could potentially reopen the establishment.

These are a few examples of the many tourism activities already in existence or in the process of becoming developed in Sandoval County, including a significant number of state parks and monuments. A growth in this industry could create a significant number of jobs over the next 10 years, and not only in the Visitor-driven sector. Job-creation could overflow into other sectors that are closely related to Visitor-driven activities.

Economic Base Sectors: Tourism
Job-creation Goal: 100
Corridor Focus: Rural
Organization Lead: Sandoval County
Partners: New Visitor Association, Sandoval County Chamber of Commerce,
Staffing: 2: Project Coordinator and Marketing and Promotions Coordinator
Budget: $250,000
Funding Mix: $100,000 county, $50,000 rural communities, $50,000 private sector, $50,000 state and grants
Implementation Steps: Build on existing relationships with the state and communities within the county to highlight the must-see parts of the county. Encourage the creation of a sports, entertainment, and extreme/active visitor experiences program. Form a Sandoval County Visitor Development Association to help Sandoval County craft and issue a RFP with the program's mission, metrics and funding mix recommendations based on proportional matches.

2.5 Visitor-driven: Transit Services

Description: As mentioned previously, the landscape of Sandoval County has the potential to attract an increasing amount of tourism. With this increase, other services will need to respond. The Visitor-driven: Transit Services program is the second rural tourism-based program recommendation. This program is designed to accommodate the increased tourism traffic. This would be accommodated through the development of travel centers, service centers, rail stops, and even an airport. Currently, some transit services are either available or are in the process of being developed. For example, the Santo Domingo Pueblo currently has a Rail Runner stop, giving the area important access from both Santa Fe and Albuquerque. As well, the Apache Nugget Travel Center, located off of 550 in the Jicarilla Apache reservation, is currently in service. The Jemez Pueblo has a similar center called the Walatowa Visitor Center. These establishments represent services to accommodate tourism traffic in rural Sandoval County.

The Zia Pueblo has developed a master plan for an Enterprise Zone in San Ysidro designed to accommodate the increasing amounts of tourism traffic. This 91,000 square foot enterprise zone will contain a grocery/learning complex, retail complex, cultural complex, and festival complex. This project could even fall under the Visitor-driven: Destination Tourism program. In addition, both Cuba and Algodones are locations that could potentially see some type of transit service center. If there is enough tourism activity, the county could think about developing a county airport.

Economic Base Sectors: Transit, Airport
Job-creation Goal: 50
Corridor Focus: Rural
Organization Lead: Sandoval County
Staffing: Existing county staff
Budget: Existing county budget

Funding Mix: County and city funding
Implementation Steps: Collaboration with the new Sandoval County Visitor Development Association. Research traffic patterns after new Destination Tourism establishments have been developed or implemented to find the most effective locations for transit driven services.

2.6 Solo Work Pilot

Description: An independent worker is an individual who conducts work from a home office, workshop, studio, or mobile platform instead of the traditional corporate employer workplace. In 2012, approximately 4.9% of employed New Mexicans fell into this sector, with 37% of this group holding economic base jobs. These workers represent an important part of the workforce. Many of these independent workers create economic development because they export their goods and services to outside the community, and in turn, bring an inflow of money back into the community.

Due to the nature of their work, independent workers are location neutral and extremely mobile. With this said, running a business solo can be extremely costly. Independent workers have several needs that create inefficiencies in their work day, including the need for a meeting space, access to networks, access to IT technical services, access to equipment, and access to business services, including accounting and legal assistance. Supporting these needs could reap great benefits for a community from an economic development standpoint. Creating an "Independent Worker Incubator" will give independent workers the support needed to expand their work, which will lead to greater economic development in the community. The goal of this program is to create new economic base jobs by recruiting, starting up, and expanding the independent workers. If Sandoval County wants to grow its economy faster than its population, independent workers need to be supported; more specifically, independent workers that export professional, technical, and management consulting services because these jobs bring new money into the community.

Economic Base Sectors: Consultants, writers, artists, digital animators, financial advisors, accounting, design services, medical transcription, IT services, etc.
Job-creation Goal: 800
Corridor Focus: Urban and Rural
Organizational Approach: Begin with a pilot program in a joint venture with the El Zocalo incubator initiative. Split the program off later and proliferate throughout the county.
Partners: SBDC, Workforce Solutions, CNM, State of NM
Staffing: 1
Budget: $200,000 pilot > $300,000
Funding Mix: $25,000 Sandoval County, $25,000 Private Sector
Implementation Steps: A support platform addressing the needs of third-bedroom workers. Design a "shared services platform" that would bring together a package of core services that third-bedroom workers can access for a fixed monthly fee (perhaps based on a membership model), combined with negotiated discounts with specific service providers

who are interested in gaining access to a targeted "bulk" market for their services (TMTI). For example, an independent worker can come to this "shared services platform" and gain access to a meeting space, business services, such as accounting or legal assistance, IT technical services, equipment, and even networking activities. These services would be partially subsidized by other government entities, resulting in the lower costs for the independent workers who use them. Incentivizing cheaper services will attract independent workers and create new economic base jobs.

2.7 Worker-directed Pilot

Description: The program focuses on recruiting, assessing and enrolling county residents who are willing, able and qualified to do specific kinds of work into a talent pool that would be used to target economic base employers. The program elements include: (1) recruiting and assessing of program candidates, (2) WorkKeys testing and any remedial training and (3) a placement program where economic development professionals match, target and market program participants to specific employers and (4) post placement support services to manage program success metrics.

The Worker-directed Pilot is intended to build more economic base jobs in the community through matching the unemployed with employers. Many members of the community have skills and experience, but are either not prepared for the workforce or do not know where to search. The Worker-directed Pilot seeks to develop the community through job-creation. Employing those who are skilled is necessary to grow the economy.

Economic Base Sectors: Healthcare, energy and extraction, warehouse and transportation, tourism services
Job-creation Goal: 200
Corridor Focus: Rural Corridors
Organization Lead: Sandoval County
Staffing: 3
Budget: $100,000 pilot, $250,000 at full operation
Funding Mix: $50,000 Sandoval County, workforce boards, foundations, educational institutions
Implementation Steps: Issue a formal RFP with the program's mission, metrics and funding mix recommendations based on proportional matches.

3. Urban New Era Programs

Profound changes in the economic development game make it imperative that communities simultaneously elevate their employer recruiting and expansion efforts, become strategic about integrating education, workforce development and talent-attraction in their job-creation strategies and be prepared to innovate a new spectrum of programs and initiatives to meet the challenges of this new era. The new programs and initiatives that will be needed to deal with these changes in the game will be best dealt with from an independent platform focused on innovating and implementing new projects, strategies and program initiatives that will be needed.

A long-term structural shortage of qualified workers means corporate site-selection decisions will turn more and more often how well communities develop, attract and hold the talent they are going to need. This is a tectonic shift in the game signifies the onset of a "New Era" and calls for developing and integrating a whole new strategy wing to their economic development efforts.

The Urban New Era Programs Platform includes the economic sectors of back office and Tele-Services, Health and Social Services, Manufacturing, Integrated IT and Cyber security, Digital Media, Energy and Extractives, and Warehousing and Transportation. If pursued, this platform could create up to 8,900 jobs. The program modules include a Health and Social Services Initiative, Visitor-driven – Urban Destination Tourism, Innovation and Enterprise Accelerator and a Talent-attraction Program. These programs will be described in the following section.

3.1 Health and Social Services Initiative

Description: The single greatest opportunity for creating a new economic base sector capable of creating the volume of new career quality economic base jobs to turn the regional economy around in the short term may be the immanent expansion of the Health and Social Services sector. The Health and Social Services Complex is major economic base job-creation initiative in the early stages of concept design. The initiative is the result of an ongoing collaboration between the Rio Rancho EDC, The Rio Rancho Chamber of Commerce, UNM, CNM, Rio Rancho Schools and the county.

The initiative envisions a concentration of public and private institutions engaged in education, research, innovation, and enterprise development in support of the expansion and transformation of the healthcare industry in the mountain west region. The Health and Social Services Complex would begin as the state's platform to educate, train and certify the allied health professionals and help incubate and launch the new health and social services enterprises that will be needed.

This opportunity is extraordinary is several respects. First, it is the only economic sector opportunity on the horizon with a high degree of certainty and enough scale to move the needle in the first half of the time horizon. In the next 10 years New Mexico will receive an

additional $7-12 billion in new revenue to fund the expansion of the Medicaid under the Affordable Health Care Act (ACA) to low-income adults alone creating demand for 13,000 new jobs statewide by 2020.

Much of the expansion of healthcare sector in the next decade will be economic base in nature because much of the $7-12 billion flowing into the state will be federal medical transfer payments that like the region's National Laboratories and Military bases will be financed primarily by taxpayers in other states.

Economic Base Sectors: Healthcare and Social Services
Job-creation Goal: 2,500
Corridor Focus: Urban
Organization Lead: county-wide EDC
Staffing: 1
Budget: $25,000
Funding Mix: Private sector and county
Implementation Steps: Following a successful defense of the 1/8 % GRT for UNM West in August's referendum a major planning and project development group should be funded between UNM, CNM, RR Public Schools, the State and local governments, the region's major health and social service providers and the region's business and community associations and economic development organizations.

Initial program of work will include market research to conquer four tasks: (1) Predict how the Medicaid expansion, Centennial Care, Exchanges, Accountable Care Organizations, other healthcare reform measures will respond to the market created by the billions of dollars in new spending over the next ten years, (2) develop an understanding of the scope of technical and business model changes ahead in the healthcare delivery system on a regional state and county basis, (3) predict the workforce and service providers gaps that must be filled, (4) develop a nuanced understanding of how UNM, CNM, Rio Rancho Schools and local healthcare institutions can help solve the mounting workforce education, recruitment and retention issues confronting the industry and help the state develop long term strategy.

3.2 Visitor-driven: Urban Destination Tourism

The visitor-driven sector includes value-added activities provided to non-residents traveling through the county and those visiting a destination in the county for entertainment, recreation, education, cultural enrichment, leisure or business. This sector is considered any economic activity that occurs as a result of transit or destination visits from people and organizations from outside the region. This includes, but is not limited to, sporting events, destination attractions such as theme parks, casinos, museums, recreational, leisure, and conference hotels and facilities, etc. It also includes the full range of services deployed for out of region transit traffic.

Similar to its rural counterpart, the program is designed with the development of a tourism, sports and entertainment corporation focused on increasing urban tourism traffic from outside the county through development, marketing and promotional programs, projects and events. The urbanizing corridor has great potential to grow and create jobs with this Urban Destination Tourism program. Containing almost 84% of the Sandoval County population and located in close proximity to Bernalillo County, the Urbanizing corridor has plenty of existing traffic to support the Destination Tourism program. For example, the Zia/Bernalillo Town Plaza Project, designed as a mixed-use town center, hopes to be tied to the Rail Runner station and tying this project to the Rail Runner could bring in tourism from both Albuquerque and Santa Fe.

Economic Base Sectors: Tourism and Transit Services
Job-creation Goal: 50
Corridor Focus: Urban
Organization Lead: Sandoval County
Staffing: 1
Budget: $250,000
Funding Mix: $100,000 Sandoval County
Implementation Steps: Build on existing relationships with the state and communities within the county to highlight the must see parts of the county. Encourage the creation of a sports, entertainment, and extreme/active visitor experiences.

3.3 Innovation and Enterprise Accelerator

Description: Phase 2 development under the Urban New Era Program Platform. Accelerator program designed to accelerate the growth of existing small to medium size businesses in Sandoval County. The accelerator has three main purposes: (1) attempt to convert local service businesses into e base exporters by getting them to expand their marketing and service territories outside the state, (2) place where the community would diagnose what kind of businesses it needs to either round out services to prevent leakage, and (3) identify local services and amenities required to make the community attractive to talent.

Economic Base Sectors: Cyber/IT, Digital Media, Health, Social Services, Back Office
Job-creation Goal: TBD
Corridor Focus: Urban
Organization Lead: county-wide EDC
Staffing: 1
Budget: $25,000
Funding Mix: Private, state, and county
Implementation Steps: Work collaboratively with existing Sandoval County small to medium size businesses to create a digital support community, perhaps co-housed, in one of their facilities that would work from mid-school through college to encourage the development of a workforce and entrepreneurial opportunities for business growth.

3.4 Talent-attraction Program - TAP

The development, attraction and retention of talent is now the dominant site selection factor driving job-creation. Talent-attraction in the context of this report includes the attraction of local students and mid-career change candidates high value professions that will be needed to staff the region's new target economic base employers. Such an effort would involve a local marketing effort and enrollment effort program to the education and training programs.

The imminent retirement of 76 million baby boomers, a growing skills mismatch and the increasing concentration of talent in a few well-endowed metro regions is quickly turning the economic development game into one of winners and losers.

In the long-term, from 2023 on, Sandoval County's future will depend as much on its ability to attract and hold the talent as it has on a competitive tax and regulatory environment and fast track incentive priced facilities in the past.

The fact that job-creation is becoming a talent-attraction game does not mean that communities will be able to succeed without investment in the spectrum of traditional factors. These factors are needed to win corporate location decisions, competitive priced construction ready class A industrial and office parks, building inventory or fast-track build-to-suit facility development, utilities, financial packages, incentives and tax and regulatory climate, etc. Regions will have to do both.

Design and develop an Integrated Talent-attraction Program (TAP) that progressively elevates and integrates the community's civic program efforts:

1. Economic development includes endeavors related directly to growing the local economy
2. Community development includes endeavors to make the community more interesting and appealing place for residents and visitors
3. Workforce housing includes endeavors that provide a suitable mix of housing
4. Talent-attraction includes endeavors related to specifically improving local employer's ability to develop, recruit, retain and integrate qualified workers

Leadership Development - There is a critical urgent need to develop a new crop of 25-45 year old leaders at almost every level. A major investment in leadership development is recommended. Sandoval County's future will advance or degrade in the decade ahead depending on the collective will of the leadership and management personnel at the City of Rio Rancho, Sandoval County and the business community. A major factor impacting the future of the county is the size and nature of the region's public and private leadership cohort. The leadership core of the region is too small, and too close to retirement to face the challenges of the next decade alone.

Program Recommendations/Suggestions

Leadership and Organization Recommendations - Integrated Community

TAP Formation and Development – Form an TAP program development team, made-up of the mayor and city manager, the presidents of UNM, CNM and the public schools, hospitals and major employers and community to develop the goals, milestones, timelines, organizational and governance structure, budget and line responsibilities for completion. The TAP should serve as the community's central clearinghouse for prioritizing, planning, managing and measuring of discretionary investment in areas strategic to the advancement of the community.

TAP Professional Functions and Program Areas – The TAP should endeavor to scale and coordinate the essential professional functions of:

1. Research and analytics
2. Planning
3. Development
4. Marketing and sales

One major finding of this report is that the region lacks the data and the analytical capabilities to monitor the metrics needed to understand the nature and the scale of real time demographic, economic and social changes at the community level that are driving community quality.

Professional services are required to plan and execute the community's economic development, community development, workforce housing, and talent engagement strategies. In most cases, these professional functions are too specialized to be done by the same individual, often assembling a research and analytics team is a more practical approach.

1. **Research and Analytics Function –** Economic development, community development, workforce housing and talent engagement program efforts each require specialized, often on-going, real-time research and analytics in order to properly inform the various planning, development, marketing and sales functions as needed. The region may want to consider retaining an economic demographer.

2. **Planning – For a county** to make a workforce housing strategy succeed, the community will have to develop a planning continuum that contemplates the land, infrastructure, funding and staffing elements needed. Those tasked with developing formal plans for the city, USD and major local development and business enterprises, including the VCDC, should be organized to meet formally on a regular basis to process information from research and analytics factoring into various planning efforts underway. The planners would collaborate to identify, prioritize and scope proposed developments and projects.

3. **Development -** A development team needs to be established and a process

developed to help manage the acquisition, design, engineering, entitlement, financing, permitting and construction/development of the project(s). A specific development team would need to be formed to help manage the development process for projects.

4. **Marketing and Sales –** In most cases, the success of an ITAP program, strategy or project will require someone on the community's behalf to market, promote, work leads and help manage the sales-to-closing process. This group would take the lead on developing and coordinating the community's marketing, brand development, social media, website management, etc.

Economic Development

Undergrad Employer Recruiting Program - Identify the post-graduation job ambitions of Sandoval County students, establish a registry, Work Keys based testing regime, internship program and placement program. ITAP would attempt to find out, in the student's sophomore and junior years, which students would like to stay and work in Sandoval County after graduation, match career aspiration to economic base employers and subsequently target recruiting efforts to find and locate employers for them.

Community Development

ICAP Project and Program Inventory – A team should be established to inventory "high impact amenity" projects, programs and improvements predicted to help local employers move the needle on hiring acceptance rates, improve the quality of life for residents and improve first impression and image of the community.

Become a Rural Austin – The community has the base from which to develop a wide spectrum of opportunities to make the region a center for art, music, theater, digital media and cuisine. The program envisioned would focus on a concerted effort to develop more events and recruit more cultural entrepreneurs. Under this part of the TAP, the community would target and pursue new restaurants, fine arts venues, etc., and grow the number and scale of Sandoval County visitor events.

Community "First Impression" Improvements – Perfecting a powerful First Impression should be elevated as an early priority for the TAP. A standing work group should be tasked with developing a hierarchy of projects and plans to continually improve the community's image and first impression. Each entry point to the community should be redesigned to create an unmistakable "sense of arrival," that communicates to first time and regular visitors that they are entering a community that is investing in its future and is on the rise.

Become the Metro Sports and Wellness Center – The community should inventory and analyze the gaps and opportunities in sports and wellness programs for all age groups. The combination of area high schools UNM and CNM's education, medical and business school resources programs should provide an excellent source of ideas and alternatives.

Climb the National Quality of Life Rankings – The TAP marketing team should develop a strategic approach to promoting Vermillion for continuous improvement in the "Best Cities" and "Most Livable" rankings. This would have several benefits: it would help recruit employers and workers, provide valuable insight into how to measure community quality, and it would provide a source of new ideas for raising the bar.

Workforce Housing

Develop Workforce Housing or Decline –Rio Rancho must re-establish a workforce housing market that delivers a full range of housing product on demand at the right price points or risk protracted economic and social decline.

Develop a Talent Engagement Program – TAP should develop a Talent Engagement Strategy to ensure that local employer's efforts to attract and retain talent, and the builders efforts to market their product, are systematically and continually improved.

Hire a Community Headhunter – The region's major economic base employers including the City, the Hospitals, and educational institutions should consider sharing the costs of hiring a regional headhunter to help guide the community's talent engagement activities. This person or firm would be contracted do research, design, develop and execute a talent-attraction and retention program, in much the same way communities hire economic development professionals to attract and retain companies.

They would help the EDC and local employer human resources managers, and workforce development institutions understand the market, refine job requirements and work to systematically improve the acceptance and attrition rates, and improve developer/builder efforts to match new hires to local product.

Develop a Menu of Talent-attraction Incentives – A menu of incentives should be designed and developed to offset major obstacles or weaknesses in the community's profile for attracting and retaining talent. These incentives can also be used to differentiate the offers regional employers make from their competitors in surrounding communities, thereby improving new hire acceptance and retention rates.

1. **Trailing Spouse Employment Assistance -** Acceptance and retention rates for key new hires are negatively affected by concerns that the trailing spouse will have a difficult time finding employment. A community headhunter could provide an important, customized regional search for potential job matches.

2. **Elder Care Solution Incentive -** Many new hires are tied to their current location by existing or impending obligations to care for an elder relative. If the community could offer a one-stop incentivize priced continuum of care solution, it could have a powerful impact on employee acceptance and retention.

3. **Advanced Placement and Continuing Education Incentives –** Prospective hires and/or family members often have special educational ambitions that, if packaged and offered as a location incentive, might prove to be a crucial decision and retention factor.

A Welcome Wagon on Steroids – The region should seriously consider developing the capacity to systematically engage local employer's prospective new hires early in the recruiting process by developing and deploying a program that matches local resident volunteer families and individuals with prospective new hires. Start by recruiting a volunteer coordinator from the community who will start building a registry of local volunteers, with the intent of matching them to new hire targets with similar family and psychographic profiles.

Convert the Community's Hard to Employ Residents – There are people currently living in the Vermillion area who lack the education, training and experience to be in the mainstream workforce. The community should consider partnering with a program like Circles (www.movethemountain.org), which is designed to systematically identify, train and manage chronically poor, heads of households with the ambition to get out of poverty. Such an effort would help develop a pipeline of newly trained and tested entry level workers for local businesses trying to grow.

Addendum

Retail and Services Recruitment, Expansion and Retention as an Economic Development Strategy

The recruitment, expansion and retention of retail businesses is an important component of the overall economic development of many communities. It is especially important to municipalities in New Mexico because retail gross receipts tax revenue is the primary source of their operating revenue. An expanding retail sector is one of the few ways they can collect on growth in their region's economic base or generate the new revenue needed to serve new population growth.

Definition of the term "Retail"

The term retail in the context of community or regional economic development refers to the economic activity or jobs in that economy in which 1.) the region's retailers sell goods and services that are produced locally to other local area residents and 2.) local retailers buy goods and services from out-of-state producers and resell them to local customers.

Difference between Retail and Economic Base Activity

The main distinction between economic base and retail activity is one has a much greater impact on the local economy than the other. Economic base jobs are those in which the products and services produced by local residents are ultimately sold to customers outside the local or regional economy bringing new money in and growing the region's economic pie. In the case of federal jobs, the proportion of jobs in the regional economy funded by taxpayers in other states would also be considered economic base.

Retail activity and retail jobs are often called secondary or tertiary because they rely on income earned from outside the local economy. In contrast to economic base activity, which causes an expansion of the total amount of money circulating in the local economy, retail merely circulates it.

Another way to think about the difference between these two types of economic activity is that retail, or secondary jobs, are those where the products and services produced by local workers are sold to other local residents or businesses. In fact, if it weren't for this difference, one could grow a community's economy by opening 10,000 Laundromats.

Typical retail or secondary enterprises include grocery stores, general merchandisers, office supplies, home improvement centers, hardware stores, clothiers, restaurants, theaters, art galleries, sports arenas, event centers, healthcare providers, hair and nail salons, health and fitness centers, mortuaries, real estate developers, building contractors, realtors, utility companies, IT professionals, security companies, advertising and marketing firms, newspapers, television stations, churches, schools, automobile sales and services, gas stations, attorneys, accountants, banks etc.

Adding new retail businesses doesn't necessarily grow the local economy or the local tax base. Recruiting new retail enterprises into sectors that are already substantially served by local vendors just chops that market into smaller pieces. Only new retail businesses and expansions that fill gaps in local demand will result in growing community economy.

Some retail activity can be economic base to a region. For example, a Bass Pro Shop that draws most of its customers from outside the region would be considered an economic base to the extent to which their customers came in from outside the region. Communities like Farmington, New Mexico, who serve as the retail center for communities in Four Corner's region, could look at a significant proportion of their retail and commercial services as economic base activity.

How Retail Businesses make Site Selection Decisions

Retail employers and economic base businesses employers use different criteria for deciding where to locate. The major competitors for the typical economic base employer are usually located out-of-state while the competitors for the average local retail business are down the street. Economic base employers must look for locations where their risks and costs of operation are better than their competition's facilities in competing states and countries.

The site selection process for retail or non-base employers, on the other hand, must be sure that there is enough local demand for their products or services and that they not pay more for land or rent than their local competitors. So the retail site analysis focuses on evaluating the following factors: First, they want to know if the job base of the region is growing and is expected to grow in the future, and secondly, are average household incomes rising or falling? Next, they will survey and map potential suitable sites in the local market.

This process often includes drawing 5, 10 and 15 minute travel circles around each site and multiplying the number of rooftops and average household incomes to get a potential demand calculation. After factoring existing and any future market share competitors, they project the revenue per-square-foot they think the store can yield at the site.

The revenue-per-square-foot tells them how much they can pay for the land. Ultimately, they cannot pay more than their competitor down the street. Even when there is strong demand and weak local competition, the lack of rentable space or properly entitled land at the right location and at the right price, recruiting and expanding retail for that sector will be difficult to impossible. Providing the right inventory at the right location at the right price requires careful land use and transportation planning and strategic relationships with strong mixed-use real estate developers.

Retail and secondary enterprises, big and small, always have choices and many other factors can influence a retail location decision. They can include traffic counts, the quality of the transportation system, the quality of utilities, especially telecommunication, access to supplier markets, affordable shovel ready land sites, business climate in the community, the quality of life and image of the community, availability of skilled qualified workers, government tax and regulatory conditions, and the attitude of state and local government.

Why Retail was omitted from Preliminary Draft

Retail recruiting will have virtually no impact on the region's economy or its communities if the economic base continues to contract. Sandoval County has lost 30% of its economic base in the last five years and is likely to lose even more in the next two years. In such a scenario, retail recruiting is merely a strategy to carve up a shrinking retail pie. Sandoval County and its communities must take bold, urgent actions to grow the economic base before any retail recruiting programs will have a chance to succeed.

Injecting non-base retail strategies into a regional economic development discussion complicates the program of work and often stimulates a parochial tax-base rivalry between communities in the region, which ultimately make consensus and unity around a regional strategy problematic. It was originally thought that communities throughout the region would supplement their participation in a regional economic development strategy with their own seperate retail recruiting efforts.

Retail Recruitment, Expansion and Retention Program Goals

Leakage Prevention

As the region's economic base grows and brings more money into the area economy, residents earning income from economic base activity will want to spend much of their disposable income on goods and services provided by retail businesses in the region. When a local consumer cannot find the goods or services at the price they want, they are forced to go outside the local economy to make the purchase. This is generally referred to as leakage. Leakage represents local jobs that could have been created and tax receipts that could have been collected. Leakage also takes place when retailers purchase inventory and pay for services from outside vendors.

Cost of Living, Quality and Range of Services

In addition to the local jobs and tax revenue lost to leakage, communities are increasingly concerned about developing and maintaining a full spectrum of retailers and service providers providing the community with quality priced goods and services. A retail and service sector with major gaps in quality and pricing issues will not only deprive the community of the tax revenue it needs to make the community better, but it unnecessarily raises the cost of living and makes recruiting and retaining talent difficult.

Factors Driving Retail Growth

The quality and rate of growth of a community's retail sector is driven by seven factors:

1. Growth in the region's economic base jobs and the net worth of households in the community.
2. Population growth patterns: the number of new households, community patterns of working residents and age demographics.
3. Changing demands and consumer tastes of area residents.
4. Competition from retail providers in nearby communities and the Internet.
5. The availability, location, quality and price of retail space and land.
6. Local tax and regulatory climate.

7. The local entrepreneurial metabolic rate.

Headwinds for Retail

Retail recruitment, expansion and retention strategies face a number of serious headwinds, including changes in consumer buying patterns, increasing competition from Internet sales outlets, big box retailers and competition from competing communities in the region.

Strategy and Program Approaches

Economic Base Strategies

- **Grow the economic base of the region** - The most promising sector in the short term is the Allied Health Sector. This will result in more money circulating in the local economy for retail, raise household incomes and bring more taxpaying residents into the market.

- **Balance the commute** - Balance the number of local residents commuting to work in a neighboring tax jurisdiction with those commuting from outside to work in local jobs. This can only be done by growing the number of local economic base jobs faster than the population.

Leakage Prevention Strategies

- **Local Procurement Development Programs** - The biggest leakage prevention opportunity is the millions of dollars in goods and services that the region's hospitals, federal, state and local governments and large employers currently purchase from out of state or outside the region. A procurement development program could seek to organize these local institution's major purchasing vendors in an effort to book more business each year from local retail procurement sources. The program would endeavor to systematically subscribe, connect and promote business transactions between the major buyers and suppliers in the region. Key components might include, supplier contact and registration campaign, supplier side registry, a major buyer's collaborative, vendor-buyer matching conferences, marginal procurement volume and a local media campaign.

- **Customer Loyalty Programs** - Another common approach to preventing retail leakage from a community is the Shop Local customer loyalty campaign. Such programs use a combination of local advertising and promotional campaigns to encourage local residents to spend money with local product and service providers. Community sponsored programs to train local retail service employees how to better serve customers, engender customer loyalty, and encourage customers to patronize other local vendors is another example of a customer loyalty program.

- **Plugging Gaps** - Another strategy involves identifying missing retail services for which local residents must shop elsewhere. Such a strategy involves a significant amount of market analysis and survey work to understand the gaps, gauge the depth of the local market, develop the required real estate inventory and engage the

appropriate brokers or owner entrepreneurs.

Population Growth Strategies

- **Retirement** - In addition to growing the region's economic base and preventing leakage the best approach to growing retail demand in the short term might be a strategy to recruit affluent retirees. The county has many of the amenities required to attract and retain retirees health services, public safety, quality of life amenities and moderate cost of living. Such a strategy would involve recruiting and supporting senior living community developers to provide the right mix of housing products and price points.

Direct Marketing and Sales Efforts on behalf of the Community

- **Formal Retail Recruiting Programs** - Some communities commission formal retail recruiting program efforts missioned and staffed to market and recruit new retail projects. These programs concentrate on pursuing high-revenue big-box retailers, destination anchor projects and high-value niche or boutique projects that research indicates would keep more local dollars at home, increase the critical mass and spectrum of services and improve the convenience and reputation of the community.

- **Market intelligence and planning** - Most of the major retail chains, including the major restaurant franchises, have in-house site-selection and market analytics experts, or highly specialized consultancies working for them, which means they almost always know more about a community's market potential, real estate inventory and regulatory issues than anyone in the local community. This fact makes it especially difficult for locally staffed recruiting efforts to add enough value to the site selection process to impact the rate of business attraction. Therefore, any formal retail recruiting program will need to include an extensive local research and analytics function.

- **Entrepreneurship efforts** - Some communities approach an increase in their retail and local services sector by investing in programs initiatives, projects and policies designed to raise the metabolic rate of local entrepreneurship. Entrepreneurship efforts can include sponsorship of co-working amenities, encouraging solo-work and incubators and improving the tax and regulatory environment for local business start-ups.

Capacity Building and Product Development

- **Lead with inventory** - Before a community invests in a formal retail recruiting effort in which local professional staff and resources are dedicated to finding, pitching and recruiting targeted retail projects, the community should invest in a strategic plan and program to develop the specific real estate inventory and regulatory climate required. In most cases this is all that is required to accelerate the rate of retail development.

- **Incentivized solutions** - For high-value retail targets and those locations for which prevailing market economics, real estate inventory or regulatory environment are uncompetitive, special incentives and incentive districts can be customized to increase the chances of success.

    - Business improvement districts (BIDs) are special jurisdictions created by state and local governments in which businesses in the district pay an additional tax that is often combined with matching local public funds to finance critical infrastructure improvements and amenities needed to make the location attractive. BIDs usually provide a suite of services that are supplemental to those already provided by local government, such as cleaning streets, providing security, making capital improvements, construction of pedestrian and streetscape enhancements, and marketing the area.

    - Tax increment development districts (TIDDs) or tax increment finance districts (TIFFs) are special public finance jurisdictions where critical public infrastructure projects that will ultimately be turned over to the city can be funded using part of the incremental (new) property tax and gross receipts tax revenue generated by the project over time.

    - Other versions of special development districts are called business improvement areas (BIAs), business revitalization zones (BRZs), community development districts (CDDs) and special services areas (SSAs)

First Steps to Designing a Retail Recruiting Expansion & Retention Strategy

Sample Program of Work

1. Review background information and data on the community's non-base employers and local business climate conditions, including the current zoning ordinance and recent changes.
2. Compile a building inventory to include current use(s) and occupancy status, availability for sale or lease, owner (and listing broker, if applicable), building condition, commercial square footage, residential units by type and # of bedrooms, and other applicable characteristics.
3. In collaboration with city staff compile a business inventory to include business type, date of establishment, business hours, total square footage of leased space, contact info for owner and manager, monthly rents, number of employees, and other applicable characteristics.
4. Review current data and develop new and/or updated data needed to establish a market profile and conduct a demand analysis to determine potential for additional retail.
5. Review data and identify appropriate mix and types of retailers by segment.
6. Develop a strategy for attracting the appropriate retail to targeted districts.
7. Document findings and recommendations and present Recruiting Strategy Report.

Develop a Marketing and Leasing Plan

Specific tasks to include:

1. Delineate information needed for, and type of, targeted retail marketing materials for each retail type.
2. Create a targeted list of national, regional and local retailers that fit the retail profile of the Downtown Recruitment Strategy.
3. Identify location and site preferences for national and chain retail store: required gross leasable area, minimum frontage, parking requirements, traffic and access, demographic preferences, and desirable co-tenants.
4. Assess current property and retail space "readiness" to attract retailers.
5. Make recommendations to the City and property owners on changes necessary in retail spaces to maximize retail opportunities and rents.
6. Evaluate city's existing zoning regulations as they pertain to the recruitment of targeted retailers;
7. Identify brokerage and leasing contacts for retail targets.
8. Train City staff on retail recruitment and negotiations, as appropriate.

Players and Supporting Cast Players

1. Local government and tax-dependent institutions.
2. Mixed-use developers, commercial and retail brokers.
3. Local financial institutions.
4. Existing local, competing and complementary businesses.
5. Economic development organizations, chambers of commerce, retail associations, lodgers tax committees, etc.

Conclusion

Ultimately, the potential scale, quality and rate of growth of a community's retail sector are dependent on the scale, quality and rate of growth of their region's economic base.

However, when major gaps in the spectrum of local services occur or as a community's population grows, a retail recruiting strategy can help prioritize the community's discretionary resources to develop critical site inventory, business climate improvements and local development services support needed to attract and complete projects.

The process, analytics, inventory and expertise required to site retail projects is so fundamentally different than those required for siting economic base projects that it is impractical, in both cases, to manage both efforts from the same team. Therefore, community leaders should be careful when considering combining economic development program missions.

Economic base strategies are regional, in nature. Everyone in the region wins when an economic base project locates in a community. This is not true in retail locations. Retail locations benefit, from a tax-revenue standpoint, the community that land the project and thus often viewed as economic loss for neighboring communities.

Retirement as an Economic Development Strategy

The recruitment of retirees, especially affluent retirees, can be a legitimate and potentially profitable economic development strategy. In this case, retirees moving from other states or regions and bring retirement pensions, 401(k)'s and savings in excess of the bare minimum needed to live on is technically new economic base activity since the money being spent over time was earned outside the regional economy – making the local economy bigger.

Retirement was not included in the county's economic base job creation assessment because jobs are not being created per se, and there is no practical way to include retirement income into the job creation calculus as it was conceived.

An economic development strategy built around retirees requires a significant commitment from the community to develop and maintain the infrastructure and amenities needed to support retirees. In many cases, the city will have to develop long-term strategic relationships with national housing developers, who specialize in retirement communities.

A successful retirement strategy often entails development of a full spectrum of housing and elder care facilities capable of serving the retired population as they age. Retired couples often do not age at the same rate requiring that a full product range be in place. This spectrum includes age restricted communities, active senior living facilities, assisted living, nursing homes and hospice.

Other Considerations

1. Economic development strategies based on recruiting and retaining retirees may be particularly attractive to some of the county's communities considering the imminent retirement of 75 million baby boomers and the limited prospect for an early surge in economic base job growth in the decade ahead.
2. A retirement strategy could also provide a badly needed jumpstart to the region's struggling homebuilding industry in advance of any expansion of the job base.
3. A retirement strategy would have limited impact on the need for more schools.
4. Affluent retirees could actually turn out to be a significant source of new economic base jobs in their own right given how many baby boomers continue to work from home as sole proprietor consultants and mobile workers after formal retirement. A concerted effort by the community to create an ecosystem of support for gradually retiring workers could create a windfall of new economic base job creation with little or no impact on the community's infrastructure.
5. Many workers in high demand today face the prospect of caring for one or more aging parents in the years ahead. A full complement of high quality senior living and elder care service options could also become a major talent attraction incentive for local economic base employers faced with attracting and retaining increasingly scarce qualified workers.
6. Sandoval County has as many of the critical amenities and quality of life attributes

needed to attract and retain retirees: Two new hospitals, new UNM and CNM campus facilities, very low crime rates and over 300 days of sunshine a year.

7. Retired households may not spend as much on local retail as working residents with families.
8. Some communities with large proportions of retired residents often have had difficulty passing school bonds and other long-term amenities.

Partners and allies for a retirement driven economic development strategy include:

1. City and county government.
2. The home builders, developers and real estate professions.
3. Healthcare and elder care institutions.
4. Retail associations and Chambers of Commerce.

Conclusion

A retirement strategy could be a very productive approach for many communities in Sandoval County. The combination of growing healthcare cluster, low crime rates and support for working retirees would give the region a strong marketing profile to recruit affluent retirees fleeing the rising costs and degrading quality of life in Southern California and the Midwest.

Rio Rancho, with support from the regional homebuilding industry and the realtors, could jumpstart the recovery of the regional housing industry. A county-wide marketing program could also stem some of the population losses in the county's rural communities and help stabilize their economies.