

A l b u q u e r q u e E c o n o m i c D e v e l o p m e n t



Albuquerque

[take your business to a higher level]

#1 City for Business

- *Forbes, May 2006*



851 University Blvd SE, Suite 203, Albuquerque, NM 87106
505-246-6200 ■ 800-451-2933 ■ info@abq.org ■ www.abq.org

Albuquerque MSA Location Profile

Table of Contents

| | |
|-------------------------------------|---------|
| Location | 2 - 4 |
| Accessibility | |
| Transportation | |
| Geography | |
| Climate | |
| Population | 5 - 9 |
| Population | |
| Age Distribution | |
| Education Levels | |
| Diversity Distribution | |
| Wages & Income | |
| Quality of Life | 10 - 18 |
| Cost of Living | |
| Housing | |
| Education | |
| Healthcare | |
| Recreation and Culture | |
| Business Environment | 19 - 40 |
| Workforce | |
| Technology | |
| Business in Albuquerque | |
| Real Estate | |
| Utilities | |
| Taxes | |
| Business Incentives | |
| Additional Information | 41 - 42 |
| Albuquerque Economic Development | |

Albuquerque MSA Location Profile

Location

Accessibility

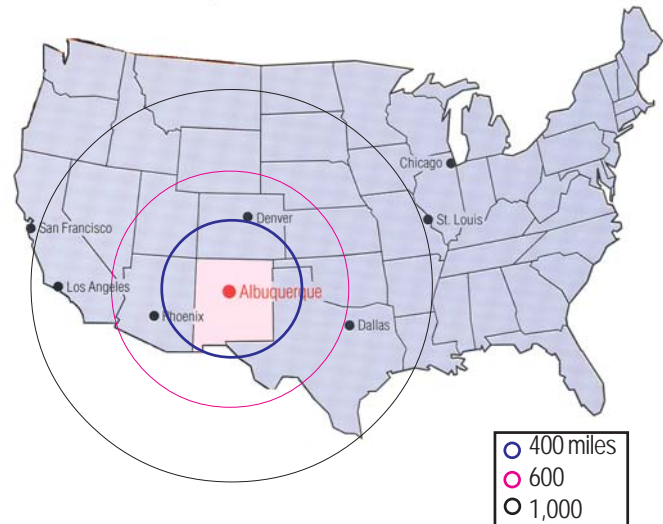
Albuquerque is the economic and geographic center of New Mexico. The city's Sunbelt location provides excellent access to market centers in the Southwest, Central, and Western United States. Interstate 40 and Interstate 25 intersect in Albuquerque providing fast access in all directions.

The city is a registered U.S. Port of Entry with its own customs facility, enabling freight cargo to be shipped directly and duty paid locally. In addition, Albuquerque has a designated Foreign Trade Zone, allowing goods to be stored or manufactured in the zone by foreign or domestic business without U.S. customs duty being imposed.

Principal Cities And Relational Distances

Albuquerque is in the heart of the Southwest, and its proximity to principal Western cities makes it an ideal location for transportation and distribution.

| <u>From Albuquerque to:</u> | <u># of miles</u> |
|-----------------------------|-------------------|
| Denver | 437 |
| Phoenix | 458 |
| Las Vegas | 586 |
| Salt Lake City | 604 |
| Dallas | 644 |
| San Antonio | 730 |
| Los Angeles | 811 |
| San Diego | 816 |
| Houston | 987 |
| St. Louis | 1042 |
| San Francisco | 1109 |
| New Orleans | 1157 |
| Atlanta | 1269 |
| Chicago | 1312 |
| Seattle | 1453 |
| New York | 1997 |



The International Herald Tribune has recognized the Albuquerque International Sunport as the “least stressful” airport in the world, based on traveler responses assessing the services and experiences encountered at several airports around the world.

Albuquerque MSA Location Profile

Transportation

Air Transportation

Albuquerque International Sunport is served by eight major airlines and four regional airline service providers. Southwest Airlines is Albuquerque’s largest carrier, handling a little more than 50% of the airport’s 6.1 million passengers. Because of the city’s temperate climate, the Sunport has reported just two temporary runway closures over the past 10 years due to inclement weather.



Albuquerque International Sunport

Airlines

American Airlines
Continental Airlines
Delta Airlines

Frontier Airlines
Great Lake Airlines
Northwest Airlines

Southwest Airlines
United Airlines
US Airways

Nonstop Destinations

Albuquerque offers nonstop service to twenty-six cities, including Chicago, Dallas, Los Angeles, and Atlanta.



Albuquerque MSA Location Profile

Transportation / Geography



Two major highways (I-25 and I-40) bisect the city, providing national access for several motor freight companies in the city. New Mexico is a net-consumptive state, resulting in very competitive outgoing freight rates.

Albuquerque rail service includes one freight line and one passenger line. The Burlington Northern & Santa Fe Railway (BNSF) offers a north-south line that connects in Albuquerque and an east-west line which connects in Belen, located 40 miles south of Albuquerque. BNSF makes five trips daily between Albuquerque and Belen.

Amtrak provides rail passenger service throughout New Mexico. The east-west route between Chicago and Los Angeles passes through Albuquerque. Amtrak trains operate by contact over the Burlington Northern & Santa Fe tracks.

The Rail Runner Express, a new light rail system, provides transportation from Belen to Santa Fe, north of Albuquerque.

Geography

Albuquerque is located on a high, semiarid plateau. **Albuquerque's elevation of 5,311 feet makes it the highest metropolitan city in America.** Nearby Sandia Peak stretches 10,678 feet above sea level, offering a view of over 100 miles in any direction.

Located along the Rio Grande River basin, the city is bounded by the Sandia Mountains to the east and the volcanic escarpment to the west. Both sides of the river offer wide expanses of land for growing population and industry. The city of Albuquerque is located at 35 degrees latitude and 106 degrees longitude.

Climate

- ❖ Albuquerque averages 304 days of sunshine each year
- ❖ The metro averages 8.88 inches of rain a year and only 4.2 days of snow a year
- ❖ Roughly 50% of the total annual precipitation occurs from June through September
- ❖ The average annual relative humidity is 43.5 %
- ❖ Natural disasters in the metro area are nearly non-existent



Albuquerque MSA Location Profile

Population

Population

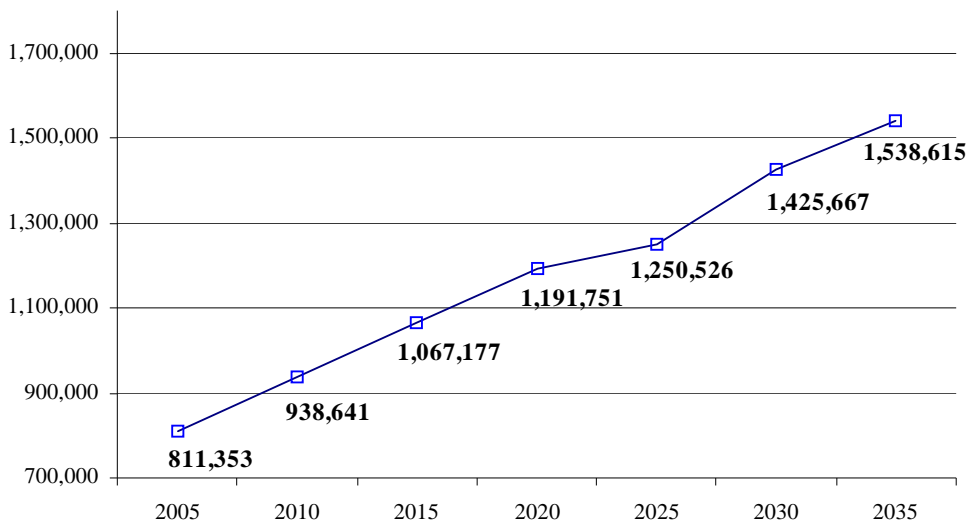
According to 2009 estimates, the Albuquerque metropolitan statistical area (MSA) population totals 859,428. Between 1990 and 2000 (Census) the metro population increased 21.73 percent from 599,416 to 729,649.

A large portion of the metro's growth has been on the west, with the bedroom communities of Rio Rancho and Corrales. Between 1990 and 2000, Rio Rancho grew by 59.3 while Corrales grew by 34.5 percent.

| County | 2000 Census Population* | 2009 Estimated Population |
|-----------------------------|-------------------------|---------------------------|
| Bernalillo (Albuquerque) | 556,678 | 645,018 |
| Sandoval (Rio Rancho) | 89,908 | 124,979 |
| Torrance (Moriarty) | 16,911 | 16,502 |
| Valencia (Belen, Los Lunas) | 66,152 | 72,929 |
| MSA Population | 729,649 | 859,428 |

* Albuquerque MSA was redefined in 2003 to include Torrance County
 Source: U.S. Census Bureau, Census 2000 and Claritas, Inc. 2009 Estimates

Albuquerque MSA Population (2005-2035)



Source: University of New Mexico, Bureau of Business & Economic Research.

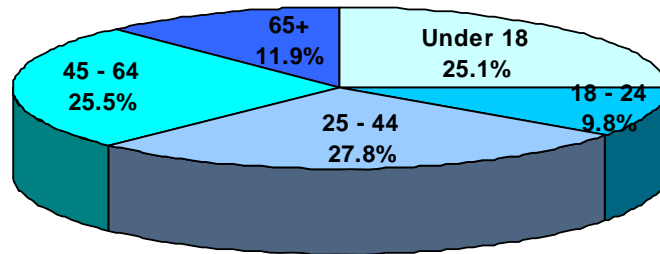
The City of Albuquerque is among the top 10 Brainiest cities in the nation, with 31.8% of its residents having a Bachelor's degree or higher.
- Bizjournals.com, June 2006

Albuquerque MSA Location Profile

Population

Age Distribution

The Albuquerque MSA is comprised of a young population. The average estimated age of an Albuquerque metro resident is 37 years; nearly sixty-three percent of the population is under 45 years old.

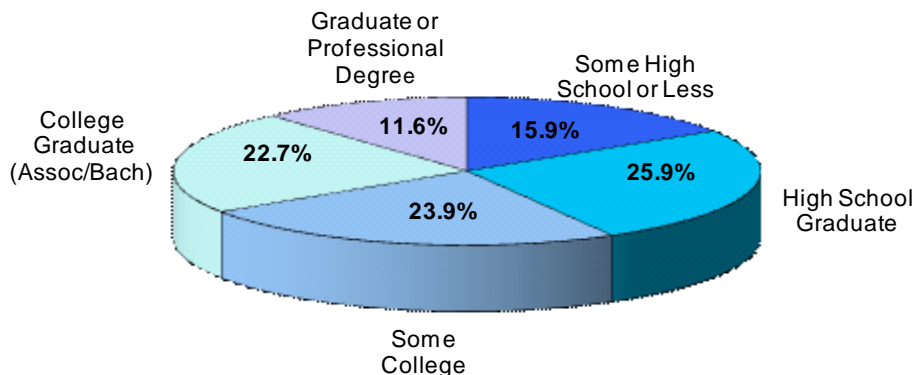


Source: Claritas Inc. 2009 Estimates.

Educational Attainment

On a percentage basis, the City Albuquerque ranks among the top in the nation for cities with the most college graduates; 32 percent of persons 25 or older have a bachelor's degree or higher (28 percent Albuquerque metro area). New Mexico also has one of the largest concentrations of Ph.D.s per capita in the nation.

Adults 25 Years and Older



Source: Claritas Inc. 2009 Estimates.

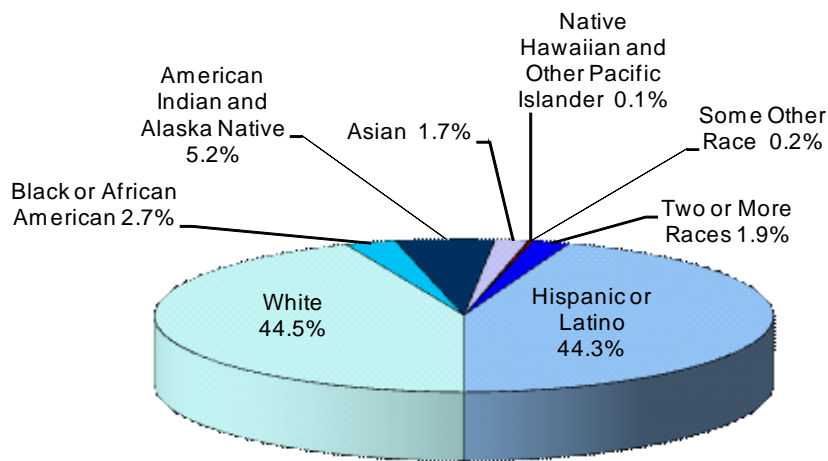
Albuquerque MSA Location Profile

Diversity

Diversity Distribution

New Mexico has long been known for its unique ethnic and cultural diversity, which are defining features of the social landscape. Since the majority of New Mexico's population is concentrated in Albuquerque, the area benefits from a wide variety of cultural activities and celebrations as well as business diversity. The city and state's sundry population benefits companies who are looking for a diverse work force.

According to the 2000 Census, **35.5 percent of New Mexico's population is bilingual**. Of the state's bilingual population, the majority (78 percent) speak Spanish/English.



Source: Claritas Inc. 2009 Estimates.

New Mexico's Pueblos and Tribes

In addition to encompassing a large Hispanic/Latino population, Albuquerque's Native American population offers its own unique culture and traditions to the Albuquerque area. Albuquerque is home to the largest powwow (The Gathering of Nations) in North America.

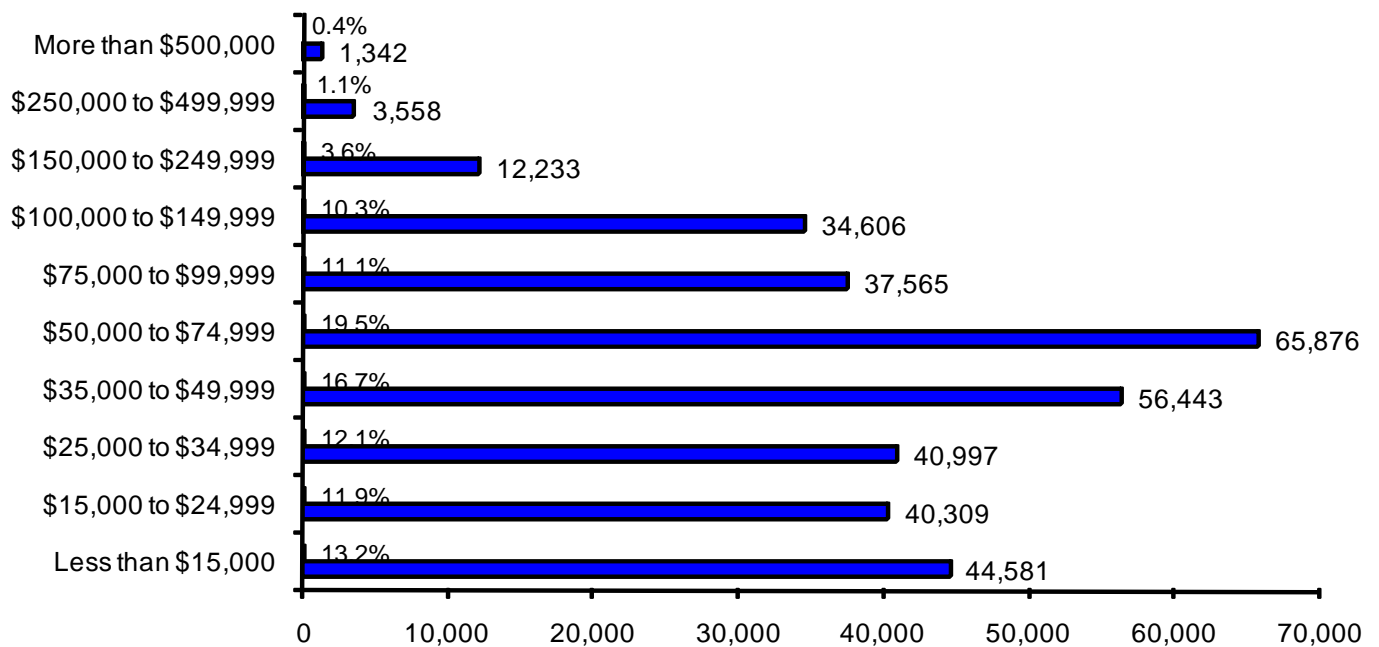
Albuquerque MSA Location Profile

Wages & Income

Income

The estimated median household income for the Albuquerque Metropolitan Area is \$46,392 while the per capita income averages \$24,303.

Number of Households within Income Ranges
2009 Estimates



| Income | Dollars |
|--------------------------|----------|
| Average Household Income | \$61,291 |
| Median Household Income | \$46,392 |
| Per Capita Income | \$24,303 |

Source: Claritas Inc 2009 Estimates.

Albuquerque MSA Location Profile

Wages & Income

Wages and Income

According to the most current Occupational Employment and Wage Estimates, management occupations top the list for paying the highest average hourly mean wage in Albuquerque followed by architecture and engineering related occupations.

Average Salary by Major Occupation

| Major Occupation Category | Hourly Mean | Hourly Median | Annual Median |
|--|-------------|---------------|---------------|
| Total All Occupations | \$18.65 | \$14.18 | \$29,486 |
| Food Preparation & Serving | \$8.62 | \$7.71 | \$16,045 |
| Farming, Fishing, Forestry | \$10.07 | \$8.25 | \$17,163 |
| Personal Care & Service | \$10.43 | \$9.30 | \$19,348 |
| Building & Grounds Maintenance | \$10.06 | \$9.21 | \$19,155 |
| Healthcare Support | \$12.05 | \$11.13 | \$23,155 |
| Office & Administrative Support | \$13.95 | \$13.01 | \$27,055 |
| Transportation & Material Moving | \$14.67 | \$12.80 | \$26,615 |
| Sales & Related | \$15.17 | \$11.11 | \$23,109 |
| Protective Services | \$14.59 | \$13.27 | \$27,594 |
| Construction & Extraction | \$16.56 | \$14.84 | \$30,867 |
| Production | \$15.58 | \$13.94 | \$29,003 |
| Installation, Maintenance, Repair | \$18.13 | \$16.76 | \$34,865 |
| Community & Social Service | \$18.63 | \$16.60 | \$34,523 |
| Arts, Design, Entertainment, Sports, Media | \$21.93 | \$18.91 | \$39,336 |
| Education, Training, & Library | \$20.53 | \$20.64 | \$42,939 |
| Business & Financial Operations | \$27.07 | \$26.23 | \$54,567 |
| Legal | \$31.88 | \$27.87 | \$57,976 |
| Healthcare Practitioners & Technical Occupations | \$33.14 | \$27.87 | \$57,961 |
| Life, Physical, & Social Science | \$31.47 | \$27.68 | \$57,584 |
| Computer & Mathematical | \$36.22 | \$33.27 | \$69,197 |
| Architecture & Engineering | \$35.97 | \$33.68 | \$70,058 |
| Management | \$41.11 | \$36.02 | \$74,927 |

Source: NM Department of Workforce Solutions, Economic Research & Analysis Bureau, Occupational Employment & Wage Statistics (OES), published May 2009.

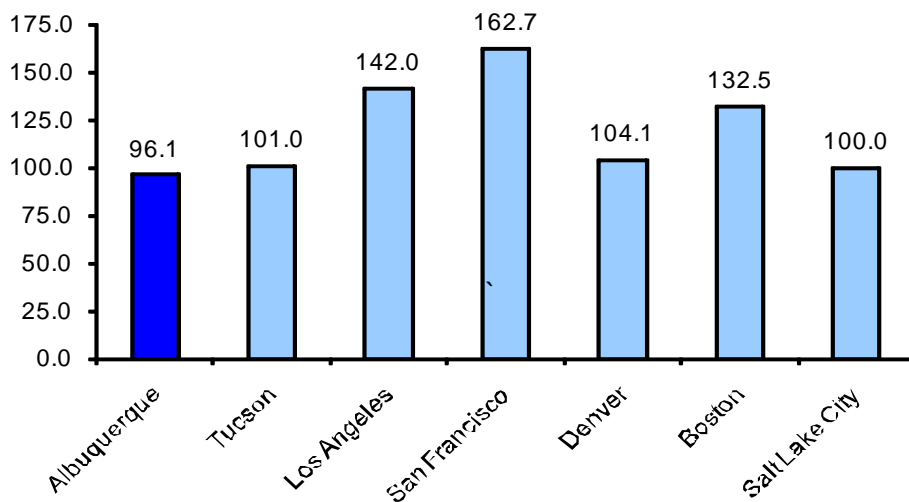
Albuquerque MSA Location Profile

Cost of Living

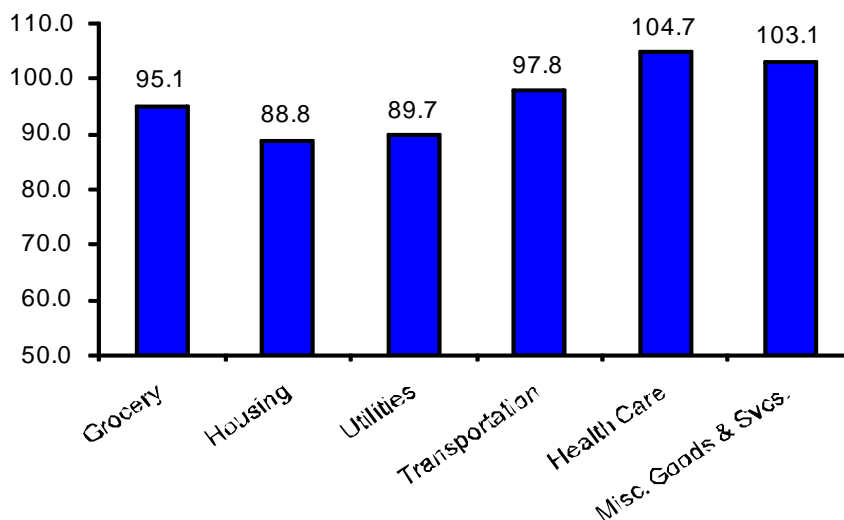
Cost of Living

Albuquerque is consistently near the national average mark of the ACCRA Quarterly Cost of Living Index. This study measures intercity differences in the costs of consumer goods and services, excluding taxes and non-consumer expenditures. The index is based on 57 items, with 100 being the index average standard.

Cost of Living Comparisons



Cost of Living Categories



Source: C2ER Cost of Living Index, 2nd Quarter 2009, Vol. 42 No. 2. Information was not collected for City of Albuquerque in 2nd quarter, thus graphs are derived from data reported for Rio Rancho.

Albuquerque MSA Location Profile

Housing

Housing Market

The relatively low cost of living and availability of affordable housing has caused home ownership to soar throughout the Albuquerque metro area. According to 2009 estimates, nearly 70% of the homes in the Albuquerque metro area are owner occupied. The metro area offers home owners an array of housing styles in both an urban and rural environment. In the third quarter of 2009, the median sales price of an existing single-family home in the metro area was \$183,500 eighteen percent lower than the western median of \$224,000.

The area's stable housing market is good for buyers and sellers. While other western communities have experienced a decline in median sale prices due to a slowing economy, the Albuquerque metro area median sales price remains steady.

Median Sales Price Existing Single-Family Homes 3rd Quarter 2009

| Location | Median Sale Price |
|------------------------------|--------------------------|
| Albuquerque, NM | \$183,500 |
| Austin, TX | \$189,100 |
| Boston, MA | \$348,000 |
| Colorado Springs, CO | \$195,100 |
| Denver, CO | \$229,100 |
| Jacksonville, FL | \$145,700 |
| Las Vegas, NV | \$138,500 |
| Los Angeles, CA | \$345,600 |
| New York-Northern New Jersey | \$389,100 |
| Phoenix, AZ | \$142,700 |
| Salt Lake City, UT | \$218,900 |
| San Francisco, CA | \$538,100 |
| Tucson, AZ | \$174,000 |
| U.S. | \$177,900 |
| Western Area | \$224,000 |

Source: National Association of Realtors

Albuquerque MSA Location Profile

Housing

Housing Rental Rates

The area offers residents an array of housing prices and construction styles. Nonetheless, the Albuquerque area has a large supply of affordable rental housing. There are some 79,000 apartment units in Albuquerque. In addition, several new constructions are underway, particularly in the downtown area.

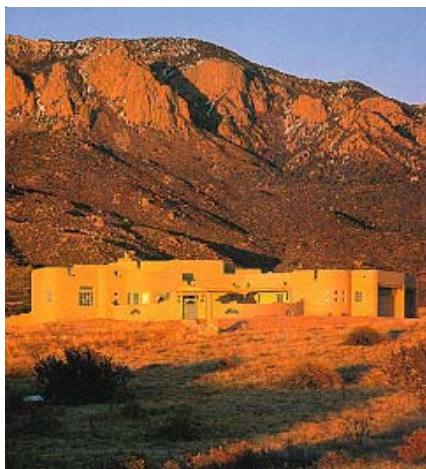
Average Monthly Rent Per Square Foot

\$0.80

Average Monthly Rental Rates

| | |
|-------------------|-------|
| Efficiency | \$442 |
| 1 Bedroom | \$545 |
| 2 Bedrooms/1 Bath | \$628 |
| 2 Bedrooms/2 Bath | \$679 |
| 3 Bedrooms | \$725 |

Source: Apartment Association of New Mexico. Comprehensive Apartment Market Survey. Rates quoted are with all utilities paid.



Albuquerque MSA Location Profile

Education

Primary Education

The city of Albuquerque has one school district: Albuquerque Public Schools (APS). In the 2008-2009 school year, [94,836 students attended APS schools](#). APS consists of 87 elementary schools, 26 middle schools, 13 high schools, 5 alternative schools (with 8 campuses), and 36 charter schools. The APS district employs more than 14,000 personnel.

APS schools perform well in standardized testing as well as in other methods of measuring success. AYP graduation rate for the district is 87%. In 2008, one hundred percent of APS teachers meet NCLB Highly Qualified Standards. One hundred thirty teachers hold National Board Certification.

Rio Rancho, Los Lunas, Belen, and Moriarty each have their own school districts with a total of more than 33,600 students.

The Albuquerque MSA also has an excellent selection of private and parochial schools. Parents and students can choose from over 40 private or parochial schools in the community. The Albuquerque Academy is considered to be one of the area's top private, nondenominational schools and is first among area independent schools in endowment. Some of the larger private/parochial schools include:

[Albuquerque Academy](#)

[Manzano Day School](#)

[Mountain View Academy](#)

[Sandia Preparatory School](#)

[Bosque Preparatory](#)

[Menaul School](#)

[Sandia Heights Academy](#)

[St. Pius X High School](#)

Albuquerque MSA Location Profile

Education

Lottery Funded Scholarships

All resident New Mexican high school students with at least a 2.5 out of 4.0 grade point average are eligible for a New Mexico Lottery Scholarship, which pays for students to attend a state college tuition free. The scholarship is funded by a New Mexico Lottery program in which 100 percent of lottery net proceeds go to the Lottery Tuition Fund.

The lottery scholarship pays for eight semesters of tuition, beginning with the student's second semester, providing the student attends full-time and maintains a 2.5 out of 4.0 GPA. The lottery program has improved the public education system in the state as New Mexico colleges and universities have reported record enrollment since the program began eleven years ago. Since 1996, the New Mexico Lottery has raised more than \$300 million and more than 54,000 students from across the state have attended New Mexico public colleges, universities and technical colleges with the help of a Legislative Lottery Scholarship.

Higher Education

Albuquerque has an excellent higher educational system as well. The University of New Mexico (UNM) and Central NM Community College (CNM) each offer first-rate curriculum to more than 20,000 students. In addition, many other institutions of higher education are located in the area.

| <u>Institution</u> | <u>Enrollment</u> | <u>Description</u> |
|--|-------------------|--|
| Central NM Community College | 22,760* | Associate's and certificate degree programs |
| College of Santa Fe | 900 | Evening & weekend degree programs |
| Highlands University | 610 | Adult BA & MBA degrees |
| ITT Technical | 625 | Technology-oriented degree programs |
| National American University | 570 | Private university undergrad and grad programs |
| Pima Medical Institute | 500 | Medical vocational school |
| SW Indian Polytechnic Institute | 485 | National Indian community college |
| University of New Mexico (main campus) | 25,750 | State university |
| University of Phoenix | 1,450 | Adult BA & MBA degrees |
| Webster University | 470 | Prof. Masters degrees |

*Enrollment numbers include degree and non-degree credit students, but do not include students enrolled in the Developmental Education and Adult Education programs.

The University of New Mexico's graduate programs in law, engineering and medicine rank among the best in the nation.
- *U.S. News & World Report, 2008*

Albuquerque MSA Location Profile

Education

The University of New Mexico (UNM)

The University of New Mexico (UNM) has more than 25,000 students at its 600-acre Albuquerque campus, and over 32,000 students statewide. UNM has more than 5,500 student enrolled in graduate and professional degree programs. UNM's Division of Continuing Education and Community Services serves approximately 20,000 students annually in various certificate courses, workshops and training sessions.



UNM offers bachelor's degrees in more than 140 accredited disciplines, master's degrees in 83 fields and doctoral degrees in 42 areas, as well as degrees in law and medicine.

As the state's major research university, UNM enrolls 80% of New Mexico's Ph.D. candidates. UNM's excellent research facilities include:

Center for Advanced Studies

Center for Micro-Engineered Materials

New Mexico Engineering Research Institute

High Performance Computing Education & Research Center

Clinical & Magnetic Resonance Research

Center for High Technology Materials

Microelectronics Research Center

Manufacturing Engineering Training & Tech Center

Nanoscience at UNM

Central New Mexico Community College (CNM, Formerly TVI)

CNM is New Mexico's largest and most comprehensive community college. Over 26,000 students take advantage of CNM's certificate programs, associate degrees, and continuing education offerings at its four Albuquerque campuses. Instructional departments include technologies, trades, business occupations, arts and sciences, developmental studies, and health occupations.

CNM has a wide selection of continuing education programs and specializes in developing its nationally recognized customized training programs to meet specific company needs. Through its customized workshops, courses and training programs, CNM has earned a reputation as a key industry partner in developing and training New Mexico's productive work force.

Albuquerque MSA Location Profile

Healthcare

Healthcare

Albuquerque is the center for advanced medical treatment for the state of New Mexico, as well as portions of eastern Arizona, southern Colorado, and west Texas. Because the city’s area of influence is so wide, the number of facilities and the extent of care available to the local resident is much greater than that of most cities its size. Additionally, several of the city’s hospitals, research organizations, and medical research corporations have gained a national reputation for their innovative techniques, products and programs.

- ❖ Presbyterian Hospital ranks among the top hospitals of more than 500 integrated healthcare networks in the U.S.
- ❖ The University of New Mexico Hospital has been named one of the top 15 Major Teaching Performance Improvement Hospitals
- ❖ The Albuquerque metro area has more than 2,300 medical and osteopathic doctors and some 300 practicing dentists
- ❖ The metro area’s largest general hospitals have approximately 1,600 beds combined

| Major Hospitals* | Licensed Beds |
|---|---------------|
| Presbyterian | 453 |
| University of New Mexico | 618 |
| Lovelace Medical Center | 254 |
| Lovelace Westside | 98 |
| Presbyterian Kaseman | 170 |
| Major Health Maintenance Organizations | |
| Presbyterian Health Plan Lovelace Health Plan Blue Cross/Blue Shield of NM Molina Healthcare of New Mexico HMO New Mexico | |

*Data is for largest hospital location only

Albuquerque #1 Fittest City in America
“And no Wonder. Albuquerque’s natural resources are abundant...providing city dwellers with an imposing and daily connection to nature.”
- *Men’s Fitness, March 2007*

Albuquerque MSA Location Profile

Recreation & Culture

Recreation

Albuquerque’s mild climate makes outdoor recreational activities possible year-round. The metro area offers a variety of outdoor activities including golf, hiking, camping, horseback riding, and picnicking during every season.



- ❖ There are hundreds of parks throughout the city and over 80 miles of running and biking trails
- ❖ New Mexico has 31 State Parks and 13 National Parks
- ❖ Albuquerque has purchased and dedicated nearly 25,000 acres as permanent open space
- ❖ Petroglyph National Monument on Albuquerque’s Westside preserves tens of thousands of Native American petroglyphs



From Thanksgiving to Easter there is normally sufficient snow at the higher elevations for downhill and cross-country skiing. For dazzling views and access to skiing and wilderness areas, residents and visitors can take the Sandia Peak Tram, the longest single-span tram in the world. Other popular activities in the area include hot air ballooning, golfing, mountain climbing, hunting, fishing, and hang-gliding.

Sports fans appreciate the city’s amateur and professional sports teams. The Albuquerque Thunderbirds, part of the NBA Development League, is Albuquerque’s newest sports team. The area’s Triple A baseball team, the Albuquerque Isotopes, entertain fans in a new multimillion dollar stadium. Isotopes Park, a nationally acclaimed stadium, also hosts Major League Baseball games. In addition to these popular professional teams, the community also rallies around the University of New Mexico’s 16 varsity teams.

- ❖ Albuquerque is home to the Rio Grande Zoological Park, a nationally recognized 60-acre zoo
- ❖ Other city attractions include the Albuquerque Biological Park, which contains an extensive aquarium and botanical garden
- ❖ The Natural History Museum, which houses the LodeStar Astronomy Center
- ❖ Cliff’s Amusement Park

Albuquerque MSA Location Profile

Recreation & Culture

Culture



Santa Fe Opera

The Albuquerque-Santa Fe Region has become a nationally recognized mecca for the arts, offering audiences everything from innovative theater to brilliant classical performances. The area is a prolific art center offering a vast array of visual and musical arts, and is home to numerous artists of rare talent. Local galleries offer a rich display of local, national and international art.

Albuquerque has over 40 art galleries, 20 museums and some 30 performing arts groups while Santa Fe boasts 250 art galleries, 12 museums and some 20 performing arts groups. Albuquerque’s performing arts are vibrant with nearly a dozen drama companies, opera, ballet, the June Music Festival (chamber music), various choral groups, the Albuquerque Youth Symphony, and the New Mexico Symphony Orchestra. In addition to these resident professional groups, the University of New Mexico offers excellent facilities for guest artists and road-show series.

Albuquerque is home to the National Hispanic Cultural Center and the Indian Pueblo Cultural Center. Both facilities offer traditional art and cultural exhibits, craft demonstrations, museums, restaurants, and gift shops.

Events

Month

Attendance

| | | |
|----------------------------------|---------------|---------|
| New Mexico Arts & Crafts Fair | June | 15,000 |
| Chamber Music Festival | June - August | 12,000 |
| Santa Fe Opera | July - August | 74,000 |
| The Gathering of Nations Powwow | August | 150,000 |
| Santa Fe Fiesta (Zozobra) | September | 27,000 |
| Duke City Marathon | September | 17,500 |
| New Mexico State Fair | September | 645,000 |
| New Mexico Symphony Orchestra | Sept. - May | 112,000 |
| Albuquerque Intl. Balloon Fiesta | October | 800,000 |



Sandia Tram

“Albuquerque rated best among the various factors that we studied, including quality of labor, operating costs, electric reliability, transportation and leadership support.”
 - Robert Trussell, Jr., Tempur-Pedic International CEO

Albuquerque MSA Location Profile

Workforce

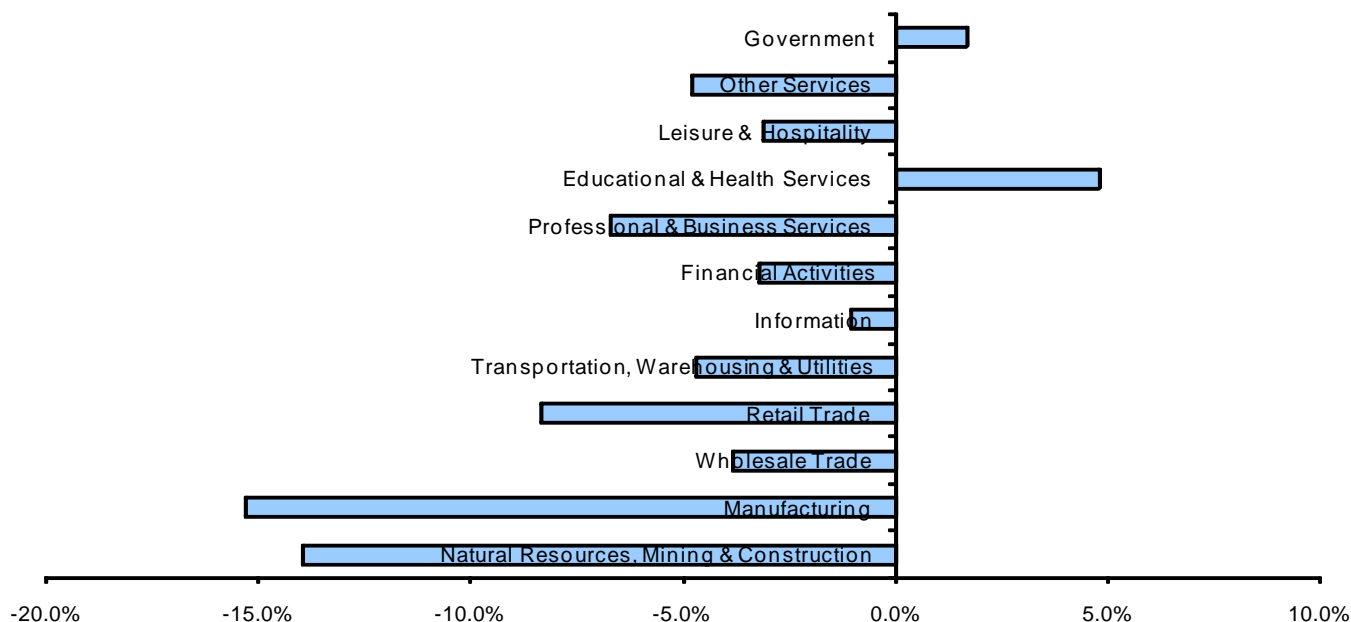
Labor

The Albuquerque metro region has a substantial labor force in terms of both size and productivity. In October 2009 Albuquerque's labor force was approximately 409,225 with a seasonally adjusted unemployment rate of 8.2 percent. Over the year, metro area employment declined by 3.7 percent vs the national average of 4.0 percent. Albuquerque accounts for nearly 47 percent of the state's total non-agricultural employment.

| Albuquerque MSA Historical Civilian Labor Force* | | | | |
|--|-------------|----------|------------|------|
| | Labor Force | Employed | Unemployed | Rate |
| 2008 | 409,500 | 387,100 | 22,400 | 5.5% |
| 2007 | 407,023 | 392,240 | 14,083 | 3.5% |
| 2006 | 404,558 | 388,134 | 16,424 | 4.1% |
| 2005 | 393,917 | 374,395 | 19,522 | 5.0% |
| 2004 | 386,793 | 366,162 | 20,631 | 5.3% |
| 2003 | 380,533 | 359,716 | 20,817 | 5.5% |
| 2002 | 376,325 | 357,089 | 19,266 | 5.1% |
| 2001 | 376,382 | 360,240 | 16,142 | 4.3% |
| 2000 | 370,857 | 355,580 | 15,277 | 4.1% |
| 1999 | 373,258 | 358,687 | 14,571 | 3.9% |
| 1998 | 369,579 | 352,489 | 17,090 | 4.6% |
| 1997 | 363,907 | 347,303 | 16,604 | 4.6% |

* Not seasonally adjusted

Annual Industry Growth (October 2008 - October 2009)

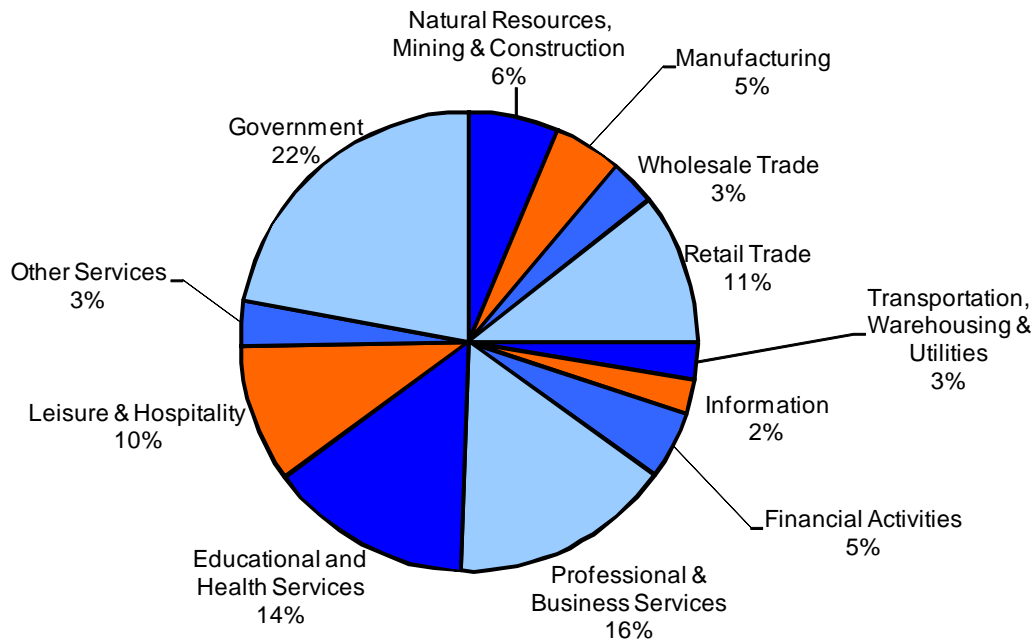


Source: New Mexico Department of Workforce Solutions, Economic Research & Analysis Bureau.

Albuquerque MSA Location Profile

Workforce

Industry Sector Percentage Share (October 2009)



*Numbers may not add to 100% due to rounding.
Source: New Mexico Department of Workforce Solutions, Economic Research & Analysis Bureau*

Workforce Productivity & Union Activity

New Mexicans exhibit an unusually high level of productivity in the workforce. New Mexico's labor force is often cited by various studies, including ones by Grant Thornton and Expansion Management as being first in the nation for workforce productivity. Most recently, a study conducted by Area Development Magazine, ranked the Albuquerque metro area **number one for manufacturing productivity in terms of dollars of output per worker.**

New Mexico is a non-Right-to-Work state. However, only 12.4 percent of Albuquerque's total workforce is covered by a union, of which 5.3 percent is employed in private industry. The vast majority of unionized operations are public entities and major food chains.

Albuquerque MSA Location Profile

Workforce Development

Workforce Development

Department of Workforce Solutions (www.dws.state.nm.us)

The New Mexico Department of Workforce Solutions operates three workforce development centers in the MSA. The Workforce Development Centers match the needs of employers with the skills of job seekers by offering the following benefits to employers looking for local labor:

Federal & state tax credits
Internet recruitment

Recruitment assistance
On-the-job training program

Labor market information
Pre-screening assistance

The Department, at no charge, will pre-screen applicants to a client's basic criteria, turning over a list of those meeting the criteria to the company for further interview.

CNM Workforce Training Center (www.cnm.edu/campus/wtc/index.php)

The CNM Workforce Training Center has a wide selection of continuing education programs and specializes in developing customized training programs to meet specific company needs. It is through its customized workshops, courses and training programs that CNM has earned its national reputation as a key industry partner in developing and training New Mexico's most productive workforce.

CNM's Workforce Training Center is housed in a new facility that offers video-conferencing capabilities, a high-bay area for large pieces of equipment, computer stations, general office space, and classrooms for over 900 students.

CNM can assist in a company's training programs in the following ways:

Make **instructors available on-site** to teach CNM courses or customize training programs defined by the company. These programs can include classroom and production floor work.

Lease equipment or use the company's equipment on or off-site to train employees or potential employees on the use of **specialized equipment**. An off-site pre-employment training program can be used to help identify the best qualified applicants prior to their hire.

CNM charges a \$50/hour instructional service fee (including preparation time). If these services are used in conjunction with the Job Training Incentive Program, the services are offered at **no cost**.

Workforce Development

Workforce Development, continued

UNM Career Works (505) 277-0562

UNM CAREER Works is a UNM Division of Continuing Education and Community Services Project that helps employers to find reliable, motivated employees. UNM CAREER Works helps qualified residents of Bernalillo County to make responsible choices, which will gain them entry into the paid workforce and opportunities for the pursuit of career paths.

UNM CAREER Works provides the following services to qualified residents of Bernalillo County:

- Assessment of skills, employment history and educational levels
- Streamlined employability skills training, including job-seeking, workplace orientation, communication and computer skills
- Job placement assistance
- Job retention and career path guidance
- Networking with the region's employers to identify paid jobs and meaningful career paths for qualified applicants
- Access to skills training consistent with the competitive needs of today's quality workforce.

Albuquerque MSA Location Profile

Technology

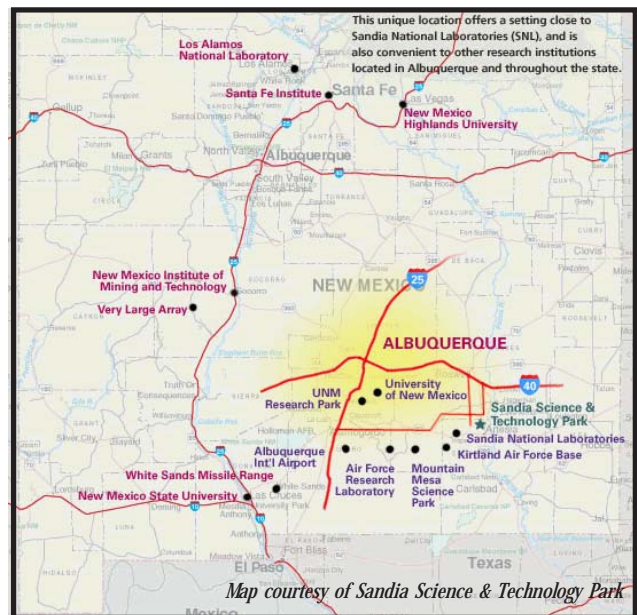
Science and Technology Corridor

Manufacturing and service related companies have the opportunity to tap into one of the world's greatest concentrations of technology assets within the Albuquerque metro area. The New Mexico Technology Corridor, stretching from Los Alamos National Laboratory northwest of Santa Fe to New Mexico State University just north of the Mexican border, contains an array of technology-based organizations. Renowned institutions along this corridor include:

Sandia National Laboratories - Albuquerque
University of New Mexico - Albuquerque
Lovelace Respiratory Research Institute - Albuquerque
Air Force Research Laboratory - Albuquerque
Los Alamos National Laboratory
The Santa Fe Institute
White Sands Missile Range
New Mexico Institute of Mining and Technology
New Mexico State University

Other high technology benefits include:

- One of the nation's highest per capita concentrations of engineers and scientists
- One of the largest expenditures of R&D money per capita in the U.S.
- A large selection of competitive, easily accessible, state-of-the-art research labs
- Cooperative research and development partners already collaborating on high-technology projects with the area's national laboratories
- A vast network of quality high-technology vendors and suppliers
- An unrivaled fiber-optic information infrastructure along the corridor



Albuquerque MSA Location Profile

Technology

Technology Commercialization

With nine world-class science, technology and R&D centers, New Mexico's entrepreneurial climate is unique, and both the state and the city of Albuquerque offers innovative programs to capitalize on technology transfer opportunities.

One catalyst moving technology to the private sectors is Technology Ventures Corporation (TVC). TVC is a nonprofit organization founded by Lockheed Martin to help identify technologies with commercial potential, develop business capabilities, and seek capital. TVC (www.techventures.org) assists entrepreneurs seeking help in commercialization and investors seeking profitable investment opportunities in New Mexico.

The state has instituted programs to lure more VCs into the area as well as programs that allow the state to directly invest in new and expanding companies.

Sandia has instituted an entrepreneur leave-of-absence program. Engineers at the lab can take up to two years leave of absence from their federal government jobs to work in the private sector. Typically, these spin-offs have been in the semiconductor, optics, aeronautics, and environmental sectors.

The U.S. Department of Energy also transfers engineers into the private sector on a contract basis using a technical assistance program. The federal government has a program in place which subsidizes area businesses who want to hire a Sandia engineer on a short-term basis to solve a tricky manufacturing or materials handling problem.

Albuquerque MSA Location Profile

Technology

The Flying Forty

The Flying Forty is a list of New Mexico's top grossing high tech companies. In fiscal year 2007 (2008 list), total revenue from the high tech companies was some \$774 million and total employment was more than 4,400 employees.

| Company Name | Description |
|---|--|
| Abba Technologies | IT solutions and professional services provider |
| AMO Wavefront Sciences, LLC | Design and manufacture of micro-optics and wavefront sensor based instrumentation |
| Applied Research Associates, Inc. | Research and engineering company that provides solutions to complex problems in the physical sciences |
| Applied Technology Associates | R&D in measurement & control, optical imaging, and software & data systems |
| CIC Photonics, Inc. | Designs and manufactures White Cells (long path gas cell) and FTIR spectrometer accessories |
| ClingZ | Manufacturer of electrically charged, printable, polypropylene film used in the printing industry |
| Commercial Data Systems | Specialized system integrator, offering a wide range of IT services to support client installation |
| Deep Web Technologies, LLC | Provides Federated Search products and solution to commercial and government clients |
| Delta Group Electronics | Full-service Ecoelectronic Manufacturing Services (EMS) company |
| DeVore Aviation | Manufacturer of internal and external lighting systems for aircraft |
| Digital Traffic Systems | IT infrastructure installation, maintenance and technical services |
| EMCORE | Maker of compound semiconductor industry products for broadband and wireless use |
| Energy Control, Inc. | System integrator and energy service company |
| Entereza Network Solutions | Operational testing & evaluation; network, system information & national security |
| Great River Technology Inc. | High performance digital video solutions for aerospace, military & commercial broadcasters |
| Holman's Inc | Provider of high-end computers and peripherals, software and technical support |
| HT Micro Analytical, Inc. | Complete switching solutions provider, performing design, development and prototype fabrication |
| HYTEC, Inc | Manufacturer of imaging equipment and high-speed x-ray scanning products |
| Innovasic Semiconductor | Provides embedded solutions for the long life-cycle market |
| Ktech Corporation | Design & manufacturing of automated industrial equipment, specialty manufacturing and technical services |
| Lumidigm Inc. | Biometrics company that has developed revolutionary fingerprinting technology |
| Mechtronic Solutions (MSI) | Turnkey product realization company |
| MZA Associates Corporation | High-energy laser weapons research and analysis |
| Omicron Safety & Risk Technologies, Inc. | Provides safety and risk analysis and operational & engineering support |
| Optomec | Develops additive manufacturing solutions for high-performance applications |
| PhDx Systems, Inc. | Provider of web based software applications for healthcare industry |
| Sacred Power Corporation | Provides renewable and distributive energy and telecommunications solutions |
| Sage Brush Technology, Inc. | Design and fabrication of precision motion control devices |
| Senspex, Inc. | Custom photonic technology solutions for security, surveillance, chemical analysis, and detection applications |
| Sequicia Technologies, Inc. | Manufacturer of gyro-stabilized gimbals |
| Speridian Technologies, Inc. | IT services and solutions to help businesses create new innovative products and improve service |
| Stolar Research Corp. | Develops several specialized technologies for various industries |
| Strategic Analytics Inc. | Offers software and services that enable retail lenders to build and manage loan portfolios |
| Team Technologies | Develops, fabricates, and tests state-of-the-art mechanical and electronic products |
| Technology Management Co. | Specializes in the reduction of uncertainty and risk for U.S. Government organizations and commercial firms |
| TMC Design Corporation | Engineering, circuit design, systems integration, and field test support |
| WithIT Networks, LLC | Customized computer, software, and IT solutions provider |
| ZTEC Instruments, Inc. | Designs and manufactures modular digital oscilloscopes and function / arbitrary waveform generators |

Albuquerque MSA Location Profile

Major Employers in the Albuquerque Metro Area

| Organization | Emp | Description |
|--|--------|--|
| Kirtland Air Force Base (Civilian)* | 16,533 | Air Force Materiel Command |
| University of New Mexico | 15,260 | Educational Institution |
| Albuquerque Public Schools | 14,000 | Public School District |
| Sandia National Labs | 8,400 | Science-Based Technologies that Support National Security |
| Presbyterian | 7,425 | Hospital/Medical Services |
| City of Albuquerque | 5,940 | Government |
| State of New Mexico | 5,710 | Government |
| UNM Hospital | 5,455 | Hospital/Medical Services |
| Lovelace | 3,400 | Hospital/Medical Services |
| Intel Corporation | 3,300 | Semiconductor Manufacturer |
| Bernalillo County | 2,530 | Government |
| Rio Rancho Public Schools | 1,920 | Educational Institution |
| Central New Mexico Community College | 1,855 | Educational Institution |
| New Mexico Veterans Affairs Healthcare Sys. | 1,800 | Hospital/Medical Services |
| Sandia Resort & Casino | 1,800 | Resort & Casino |
| T-Mobile | 1,500 | Customer Service Center |
| Verizon Wireless | 1,500 | Wireless Technical Data Services & Customer Service Center |
| Isleta Casino & Resort | 1,200 | Casino & Resort |
| Los Lunas Public Schools | 1,200 | Educational Institution |
| Route 66 Casino Hotel | 1,200 | Casino & Hotel |
| Citi Cards | 1,100 | Credit Card Collection & Customer Service Center |
| Honeywell Defense and Space Electronic Sys | 1,100 | Aircraft Avionics Manufacturer |
| PNM Electric Services | 1,065 | Utilities Provider |
| SiTel | 1,025 | Technical / Customer Support Center |
| Blue Cross Blue Shield of NM | 905 | Claims Processing |
| Belen Consolidated Schools | 900 | Public School District |
| Adelante Development Center | 890 | Non-profit Organization |
| Santa Ana Star Casino | 875 | Casino |
| Albuquerque Publishing Company | 870 | Publisher |
| Wells Fargo | 860 | Financial Institution |
| Sprint | 700 | Customer Service Center |
| ARCA | 670 | Non-profit Organization |
| Stream Global Services | 650 | Customer Service Center |
| City of Rio Rancho | 640 | Government |
| Social Security Albuquerque Teleservice Center | 630 | Customer Service Center |
| Lovelace Respiratory Research Institute | 620 | Biomedical Research |
| US Forest Service Management Center | 570 | Albuquerque Services Center |
| Moriarty Public Schools | 535 | Public School District |
| Bank of America | 530 | Customer Service Center |
| Ethicon-Endo Surgery | 530 | Medical Instruments Manufacturer |

*Kirtland's employment number includes civilian federal employees and contractors employed on and off base, including Sandia National Labs. However, Sandia National Labs employment is also shown separately since Sandia and Kirtland publish data in different cycles.

Note: Figures updated annually and as data regarding changes in employment becomes available. Subject to revision.

Albuquerque MSA Location Profile

New Companies

New Businesses in Albuquerque Metro Area

| Company | Start-up Date | Anticipated Employment at Full Production | Company/Facility Description |
|--|---------------|---|---|
| Solar Array Ventures | 2010 | 1,000 | Solar Panel Manufacturer |
| Signet Solar | 2010 | 600 | Solar Panel Manufacturer |
| ReelzChannel | 2009 | 100 | Cable/Satellite Network and Corporate Headquarters |
| Everything Channel | 2009 | 100 | Sales and Marketing Services Center |
| Hewlett-Packard | 2008 | 1,350 | Technical and Customer Support |
| SCHOTT Solar | 2008 | 1,500 | Photovoltaic Modules and Receiver Tubes Manufacturer |
| Fidelity Investments | 2008 | 1,250 | Human Resources Service Center |
| Sony Pictures Imageworks | 2007 | 250 | Computer-Generated Special Effects and Animation |
| PR Newswire | 2007 | 250 | Operations and Customer Service Center |
| Albuquerque Studios | 2007 | 75 | Film/TV Production Studio |
| Shamrock Foods | 2007 | 100 | Food Products Distribution Center |
| Prime Therapeutics | 2006 | 120 | Mail Service Pharmacy |
| Verizon Wireless | 2006 | 1,800 | Technical Support Center |
| Merillat Industries | 2006 | 700 | Cabinet Manufacturer |
| Tempur-Pedic | 2006 | 300 | Mattress Manufacturer |
| Convergys | 2006 | 500 | Customer Service Center |
| AeroAstro | 2006 | 50 | R&D and Manufacturer of Spacecraft Technology Products |
| Emcore | 2006 | 15 | Headquarters |
| Aero Mechanical | 2005 | 175 | Aircraft Repairer |
| U.S. Forest Service | 2005 | 1,400 | Management Center |
| Stainless Motors, Inc. | 2004 | 20 | Stainless Steel Products Manufacturer |
| Stream Global Solutions (formerly eTelecare Global) | 2004 | 800 | Customer Service Center |
| Intersections Inc. | 2004 | 400 | Consumer and Corporate Identity Risk Management Customer Service Center |

Albuquerque MSA Location Profile

Commercial Real Estate

Real Estate

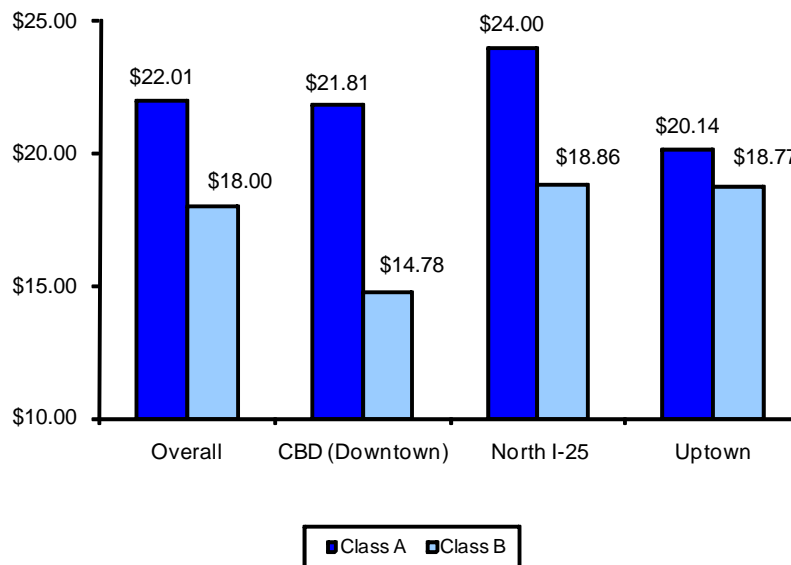
Office Market

The Albuquerque metro area is often recognized as one of the best business real estate markets in the nation. The area has abundant real estate choices and affordable prices. The diversity of Albuquerque's market provides a variety of locations for office and industrial companies seeking to expand or relocate. In addition, there are competitive build-to-suit opportunities across the metro area.

Third Quarter 2009

- The office market totals 13.3 million square feet
- The office vacancy rate is 14.2%
- Average rental rate for class A is \$22.01 per square foot/yr
- Average rental rate for class B is \$18.00 per square foot/yr

Average Rental Rate by location
3rd Quarter 2009



Source: Grubb & Ellis/New Mexico, 3rd Quarter 2009 Office Trends Report

Albuquerque MSA Location Profile

Commercial Real Estate

Real Estate, continued

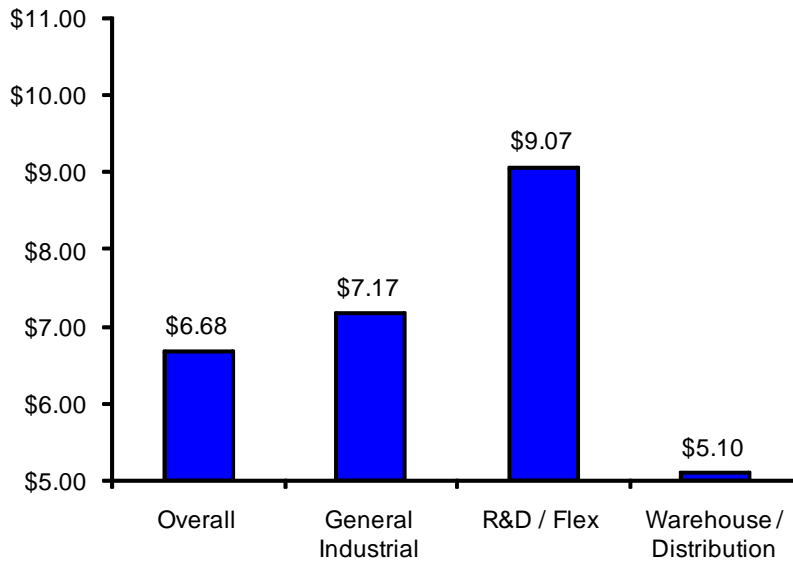
Industrial Market

There are available existing industrial buildings throughout the metro area as well as a number of industrial parks and other land sites for build-to-suit opportunities. The area's industrial parks range from 20 to 5,000+ acres; meeting the needs of small technology companies to large manufacturers. Industrial property in the Albuquerque metro area is fairly inexpensive for companies looking to expand or relocate.

Third Quarter 2009

- The **industrial market** totals 36.8 million square feet
- Industrial **vacancy rate** is 9.1%
- Average **asking rate** for general industrial is \$7.17 per square foot/yr

**Average Asking Rate by product type
3rd Quarter 2009**



Source: Grubb & Ellis/New Mexico, 3rd Quarter 2009 Market Trends Report

PNM is recognized by Edison Electric Institute as one of the most reliable electric service providers in the nation.

Albuquerque MSA Location Profile

Utilities

Electricity & Natural Gas

Albuquerque electricity is provided by the Public Service Company of New Mexico (PNM), an investor-owned electric utility. PNM serves about 100 communities in New Mexico. New Mexico has an abundant supply of electricity from coal-burning plants (primary), natural gas, hydropower, and petroleum sources.

PNM is able to supply reasonably priced, large quantities of electricity for residential and commercial use. The supply and relative low-cost of energy helps the Albuquerque MSA continue to develop and employ in all sectors of the economy. PNM also is able to maintain an excellent reliability record. Over the past ten years, they have maintained an average reliability rating of 99.986%.

Albuquerque's natural gas is also provided by New Mexico Gas Company (NMGCO). Since New Mexico is the fourth largest gas producer in the United States and has the second largest reserves in the U.S., Albuquerque has an abundance of natural gas at costs among the lowest in the nation. NMGCO also offers large gas users the option of purchasing gas from a third party and transporting it over NMCGO lines.

Telecommunications

Albuquerque benefits from the use of digital technology by **Qwest**, **Time Warner Telecom**, **Xspedius** (formerly e.spire Communications), and **Verizon**. Qwest employs digital technology throughout most of its Albuquerque facilities with the local central office a 5ESS Digital Switch; Time Warner and Xspedius are 100% digitally switched. There are POPs throughout the metro area, most notably in the North I-25 Corridor and Downtown. There is a sonet ring around these areas.

Area telecomm providers offer a variety of service plans, including DS 1, DS 3 and OC 3, and most have 24-hour technical support to respond to any system or circuit problem. Redundancy and rerouting are available (at an extra cost).

Albuquerque is also home to a data co-location facility (www.bigbyte.cc). The 65,000 square foot building in the heart of Downtown offers 450 volts of electricity per square foot. Over 100 wired telecom cages are available to business networks.

Albuquerque MSA Location Profile

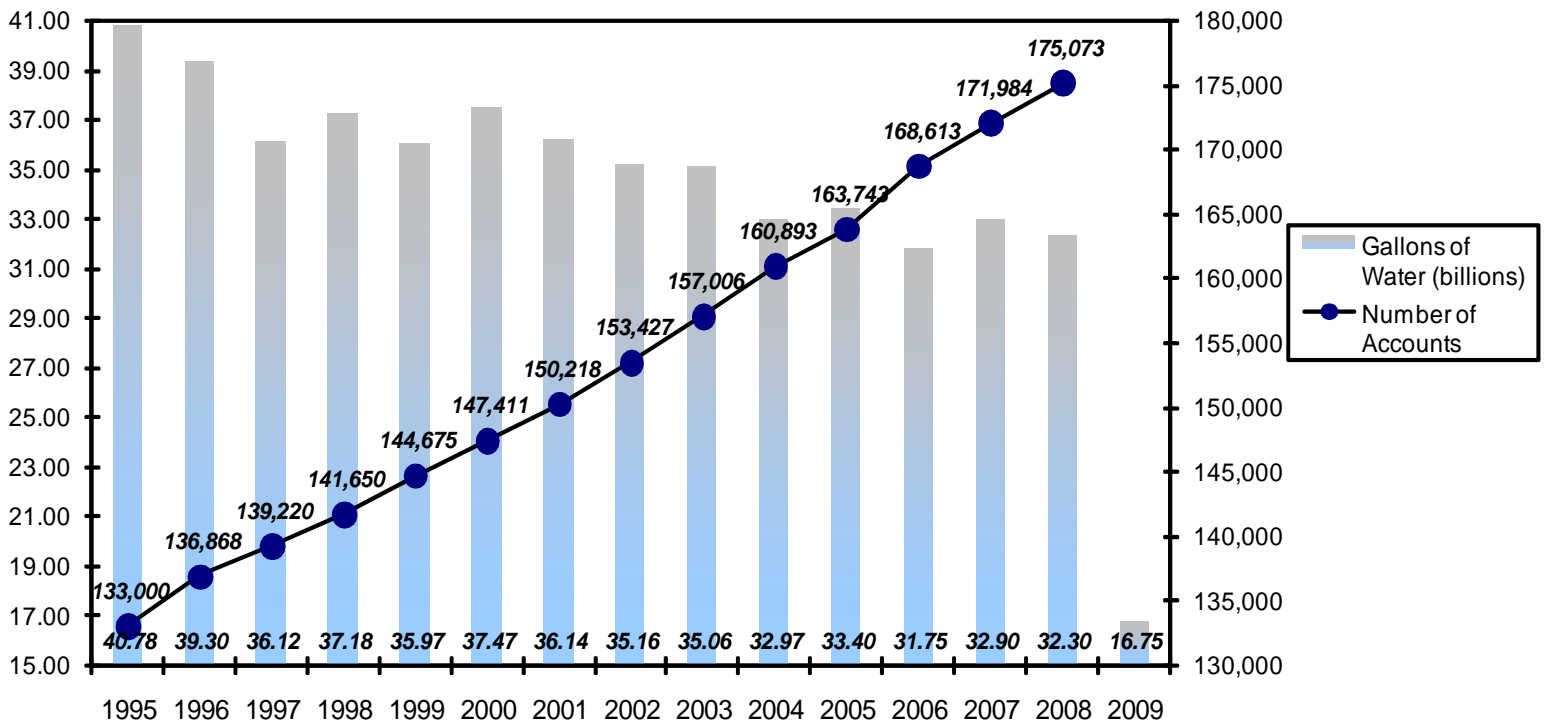
Utilities

Water

The City of Albuquerque has taken a number of far-reaching steps in the past few years to ensure an adequate and safe supply of water for residential, commercial, and industrial uses well into the future.

The Albuquerque Bernalillo County Water Utility Authority’s San Juan-Chama Drinking Water Project will supply up to 90% of the metropolitan area’s future water. San Juan-Chama water diverted from the river will be transported to a state-of-the-art treatment plant, from which purified water will be delivered to Albuquerque area homes and businesses. The project will infuse more than 16 billion gallons of water annually into the city.

Not only is the City examining other sources of water, it is emphasizing the importance of water conservation in all areas of use. Since 1994, Albuquerque reduced its water usage by 38 percent. The majority of the conservation has come from residential and institutional customers. Incentives for utilizing low-flow toilets, and “xeriscaping” instead of landscaping, have significantly helped this conservation process.



1 Water use in billions of gallons produced, not sold. About 10% of the water is lost through leaks as it is delivered.

2 Average number of accounts per year; includes Residential, Commercial, Industrial & Institutional customers.

“(Gov.) Bill Richardson has cut New Mexico’s top rate of personal income tax to 5 percent from 8.2 percent, reduced the capital gains tax and kept spending in check.”
- *The Wall Street Journal* editorial, February 2005

Albuquerque MSA Location Profile

Taxes

Corporate Taxes

Franchise Tax

Each corporation engaged in business in New Mexico and submitting a corporate income tax return must pay a franchise tax of \$50 per year.

Calculating Corporate Income Tax

Corporate income taxes “piggyback” on federal taxable income using the three factor formula: property, payroll and sales in New Mexico calculated as a percentage of the corporation’s property, payroll and sales. A corporation may select one of three methods for reporting their state corporate income tax: Separate corporate entity, combination of domestic unitary corporations or federal consolidated group. New Mexico utilizes the “throwback rule,” which requires a New Mexico plant which sells its product or service in a political subdivision outside the state to count those sales as New Mexico sales.

Corporate Income Tax Brackets

| If Net Income Is | The Tax Shall Be: |
|--------------------------|--|
| \$1 to \$500,000 | 4.8% of net income |
| \$500,000 to \$1,000,000 | \$24,000 + 6.4% in excess of \$500,000 |
| \$1,000,000 and over | \$56,000 + 7.6% in excess of \$1,000,000 |

Double Weighting the Sales Option

Companies can elect to double weight the sales, in which a corporation takes the New Mexico portion of plant, payroll, sales and sales (counting the sales twice) and uses a divisor of four. Double weighting the sales benefits manufacturers who have a significant investment in plant and payroll in New Mexico but sell most of their product outside the state.

Albuquerque MSA Location Profile

Taxes

Unemployment Compensation

Employers must make quarterly unemployment compensation contributions. For newly located firms, the initial contribution is 2.0 percent of the employee's Taxable Wage Base for the first four years. After the four-year period, each employer is given an experience rating which can cause a rate to increase or decrease. The Taxable Wage Base for the year 2009 is \$20,900.

Workers' Compensation

In New Mexico Workers' Compensation is privatized and thus, employers can solicit Workers' Compensation insurance from any company authorized to provide insurance in the state. According to a 2008 study conducted by Actuarial & Technical Solutions, New Mexico manufacturers' average workers compensation costs were 2.1% lower than the national average. New Mexico ranked 23th* lowest in costs among 45 states evaluated (five of the 50 states are self-insured and not rated).

Employers must make quarterly payments to the Workers' Compensation Administration totaling \$4.30; \$2.30 must be paid by the employer and \$2.00 withheld from the employee's wages.

Gross Receipts Tax

Instead of a sales tax, New Mexico imposes a Gross Receipts Tax, which is a tax imposed on persons engaged in business in the state. In almost every case the business passes along the tax to the consumer, so the tax resembles a sales tax. Sales and leases of goods and other tangible property are taxable. Sales and performances of services are also taxable in New Mexico. The gross receipts tax rate for purchases made in the metro area ranges from 5.6875 to 7.3125 percent throughout the MSA; Albuquerque's Gross Receipts Tax rate is 6.875%. The compensation tax (use tax) for purchases made outside New Mexico is 5.0 percent.

Property Tax

Unless otherwise expressly exempt, all tangible personal and real property located within New Mexico is subject to a tax on the assessed value of property. Property is assessed by each county at the rate of 1/3 percent of value. The mill levy is dependent on the location of the property. Throughout the metro area, the non-residential mill levy rate can range anywhere from roughly 26.207 to 51.547. In the City of Albuquerque, the current non-residential mill levy rate is 46.587.

Property Tax Formula

Full Value of Property x 1/3 percent = Assessed Value
Assessed Value x Mill Levy Rate / 1,000 = Taxes Due

Albuquerque MSA Location Profile

Incentives

Industrial Revenue Bonds

The Incentive

Significant real and personal property tax and compensating tax exemptions can occur through the use of an Industrial Revenue Bond (IRB). An IRB is a loan from the bond purchaser to a company where the loan proceeds and repayment flows through a governmental issuer. Instead of purchasing a facility directly, companies can enter into a lease with the issuer, provided the company will lease the facility from the issuer and at end of lease, purchase the facility from the issuer for a nominal amount.

IRBs can also be used when a developer is involved. A separate series of bonds is issued to finance the developer’s real estate and building costs and the tax savings of the IRB can flow through to the ultimate user through a sublease.

The benefit of remaining property tax exemptions can be passed on to the new owner or flow through a lease in the event of a sale or lease to a new user under certain qualifying conditions. City Council must vote to induce an IRB, and the community does not lend its credit to an IRB. The company must secure its own purchaser of IRBs or the company can purchase its own IRB.

Amount of property tax exemption and term of bond is determined (subject to negotiation) by the appropriate governing entity in each community.

- Albuquerque: up to 20 years; up to 95% abatement
- Rio Rancho: up to 30 years; up to 61% abatement
- Belen: up to 30 years; up to 67% abatement
- Los Lunas: up to 30 years; up to 67% abatement

Example

Assume a company invests \$10,000,000 in Albuquerque: \$5,000,000 in land and building, and \$5,000,000 in equipment purchased out of state:

| Tax Exemption | Calculation | Value |
|--|---|---------------------|
| Property Tax Exemption on Land and Building | $(\$10,000,000 / 3) \times 0.046587 \times .95$ | \$ 147,526 |
| Nominal value for 20 years: | \$148,048 x 20 years | \$ 2,950,510 |
| Property Tax Exemption on Equipment (first year) | $(\$15,000,000 / 3) \times 0.046587 \times .95$ | \$ 221,288 |
| Nominal value for 7 years | (Depreciated value / 3) x 0.046587 x .95 | \$ 885,153 |
| Tax Exemption on Equipment | \$15,000,000 x 0.05 | \$ 750,000 |

Out-of-state purchases subject to compensating tax rate of 5% are exempted. Property is assessed at 1/3 of book value. The current mill levy rate for a portion of the City of Albuquerque is 46.587. Actual mill levy rate is based on location of property.

Note: The ultimate value of incentives will be dependent on actual investment values, adherence to program guidelines, the availability of funding, funding cycles, and approval by the appropriate state or local governing bodies in New Mexico. Incentive laws and regulations subject to change.

Albuquerque MSA Location Profile

Incentives

Job Training Incentive Program

Incentive

The New Mexico Job Training Incentive Program is a highly flexible state program to provide on-the-job training. Customized training may be provided by post-secondary educational institutions, company trainers, or outside trainers.

The state will reimburse

- Up to 50% of trainees' wages up to 1,040 hours in urban areas and up to 65% of trainees' wages in rural areas
- Classroom training costs provided by NM post-secondary educational institutions, \$35/hr for instructors' time capped at \$1,000 per employee)

Conditions

- Must be a new or expanding company in New Mexico that manufactures/produces a product or a non-retail company that generates more than 50% of its service revenue from outside the state
 - Contract customer service centers must meet or exceed at least 90% of the median county wage to qualify
- Maximum wage reimbursement is tied to hours required to learn the job and the hourly wage
- Applicants must be New Mexico residents for one year during their lifetime
- "Hands-on" or production jobs qualify; technical jobs such as first-line supervisors and engineering generally qualify; support, administrative and sales positions are limited to 10% of total number of positions that qualify for funding
- Re-training does not qualify for assistance
- Companies can apply for subsequent assistance if they have maintained hiring levels that exceed the peak employment as established by the initial application
- In urban areas, companies hiring more than 20 people must offer health insurance and subsidize at least 50% of the premium for employees
- Temp to perm qualify provided trainees becomes full-time employees of the company prior to the end of the approved training period; and trainees working through temp agency receive comparable medical, dental and vision benefits as full-time employees of the company
- Reimbursement is subject to availability of funds and approval by the Job Training Incentive Board

Example

| Job Title | Eligible Employees | Hourly Wage | Est. Allowable Training Hours* | Reimbursement Rate** | Value Per Employee |
|--|--------------------|-------------|--------------------------------|----------------------|--------------------|
| Engineers | 7 | \$31.25 | 1,040 | 50% | \$ 16,250 |
| First-Line Supervisors of Production Workers | 3 | \$24.58 | 960 | 50% | \$ 11,798 |
| Technicians | 50 | \$15.00 | 640 | 50% | \$ 4,800 |
| Manufacturing Manager | 1 | \$36.06 | 1,040 | 50% | \$ 18,751 |
| Plant Manager | 1 | \$48.08 | 1,040 | 50% | \$ 25,002 |
| Total Eligible Employees | 62 | | | | |
| Estimated Job Training Value | \$432,898 | | | | |

*The Job Training Board uses the "O-Net" to determine the maximum allowable training hours for a position. Proof of actual training hours will be required.

**Job Training Incentive Program provides reimbursement of up to 50% of wages in urban areas and up to 65% of wages in rural areas.

Albuquerque MSA Location Profile

Incentives

High Wage Jobs Tax Credit

The Incentive

In 2004, the New Mexico State Legislature approved the High Wage Jobs Tax Credit, which provides businesses with a tax credit equal to ten percent of the combined value of salaries and benefits for each net new job paying a salary of at least \$40,000 per year in the Albuquerque metropolitan area and other communities larger than 40,000 in population. The value of the credit cannot exceed \$12,000 per job. Qualified employers can take the credit for four years. The credit can be applied against the modified combined tax liability of a taxpayer, including the state portion of gross receipts tax, compensating tax and withholding tax.

Eligible jobs are those created by qualified employers after July 1, 2004 and prior to July 1, 2015.

In New Mexico, companies located in communities smaller than 40,000 persons, are eligible for a tax credit equal to ten percent of the combined value of salaries and benefits paid for each new job created paying at least \$28,000 annually.

Example

| No. of Employees | Hourly Wage | Annual Employee Benefits | Annual Value of Salary plus Benefits Per Employee | Annual Tax Credit = 10% of Wages & Benefits | Value of Credit Over 4 Years |
|--|-------------|--------------------------|---|---|------------------------------|
| 25 | \$19.25 | \$10,010 | \$50,050 | \$125,125 | \$500,500 |
| 20 | \$25.00 | \$13,000 | \$65,000 | \$130,000 | \$520,000 |
| 10 | \$30.00 | \$15,600 | \$78,000 | \$78,000 | \$312,000 |
| Estimated High Wage Jobs Tax Credit Value | | | | | \$1,332,500 |

Example Notes:

Assumes value of benefits at 25% of base salary per employee per year.

Assumes a service company generates more than 50% of its sales outside of New Mexico.

Technology Jobs Tax Credit

In order to keep New Mexico competitive with the types of recruitment projects that continue to add value to the local economy, the legislature enacted the Technology Jobs Tax Credit to give credit to qualified expenditures on qualified research at qualified NM facilities.

The Incentive

Qualified New Mexico facilities may take a credit equal to 4% (8% in rural areas) of expenditures related to qualified research for land, buildings, equipment, computer software and upgrades, consultants, technical books and manuals, test materials, costs associated with patents, payroll, and labor. The credit may be taken against gross receipts tax, compensating tax or state payroll tax, and may be carried forward.

Additional Incentive

An additional 4% (8% total urban, 16% total rural) may be applied against state income tax if base payroll expenses increase by at least \$75,000 per \$1,000,000 of expenditures claimed. The credit may be carried forward.

Credits are not available for expenditures on buildings owned by a local government entity in conjunction with an Industrial Revenue Bond or already owned by the taxpayer or an affiliate before 2/2/00.

Albuquerque MSA Location Profile

Incentives

Manufacturing Investment Tax Credit

The Incentive

New Mexico tax law provides for a credit equal to five percent of the value of qualified equipment and other property used directly and exclusively in a manufacturing operation. The credit can be applied against compensating or gross receipts tax or withholding tax due. Gross receipts tax acts very much like a sales tax; the city rate is 6.875 percent. Compensating (or use) tax applies to purchases made out of state and totals 5.0 percent.

The credit is limited to 85% of the sum of the taxpayer's gross receipts tax, compensating tax, and withholding tax due for the reporting period. Any remaining available credit may be claimed in subsequent operating periods.

The credit may be claimed for equipment acquired under an IRB. This is a double benefit since no gross receipts or compensating tax was paid on the purchase or importation of the equipment.

Credit below applies to purchases made on or before June 30, 2020. After June 30, 2020 the value of equipment available for the credit is capped at \$2M.

Criteria

For Claims

\$0 - \$30,000,000
Over \$30,000,000

1 New Worker Employed for Each

\$500,000 in qualified equipment
\$1 million in qualified equipment

Example

Value of qualified equipment is \$15,000,000

$\$15,000,000 / \$500,000 = 30$ employees required

$\$15,000,000 \times .05 = \$750,000$ Savings

Albuquerque MSA Location Profile

Incentives

Alternative Energy Product Manufacturer's Tax Credit

In 2007, the New Mexico State Legislature approved the Alternative Energy Product Manufacturer's Credit which provides for a credit equal to 5% of the value of qualified equipment and other property used directly and exclusively in a manufacturing operation that makes components or systems for alternative energy products.

Alternative Energy Product: an alternative energy vehicle, fuel cell system, renewable energy system or any component of an alternative energy vehicle, fuel cell system or renewable energy system or components for integrated gasification combined cycle coal facilities and equipment related to the sequestration of carbon from integrated gasification combined cycle plants.

The credit can be applied against compensating, gross receipts tax or withholding tax due. Any remaining credit can be carried forward for up to five years.

The effective date of this credit is July 1, 2007.

Criteria

- Company must employ one new full-time employee for each \$500,000 in qualified equipment up to \$30,000,000 to receive the credit
- Company must employ one new full-time employee for each \$1,000,000 in qualified equipment over \$30,000,000 to receive the credit

Example

Value of qualified equipment is \$5,000,000

$$\$5,000,000 / \$500,000 = 10 \text{ jobs required}$$

$$\$5,000,000 \times .05\% = \text{\$250,000 Savings}$$

Albuquerque MSA Location Profile

Incentives

Interstate WATS Tax Exemption

New Mexico tax law provides for an exemption from interstate telecommunications gross receipts taxes (4.25%) for receipts from the provision of wide-area telephone service (WATS) and private communications services. Therefore, there are no local or state taxes on interstate WATS or private communications services. (Private communications services are defined as dedicated services for a single customer that entitles the customer to exclusive or priority use of a communication channel or group of channels between a location within New Mexico and one or more specified locations outside the state.)

Child Care Tax Credit

New Mexico tax law provides for a corporate income tax credit of up to 30 percent of eligible expenses, net of reimbursements for child care services incurred and paid by the taxpayer in the taxable year for dependent children of their employees. A taxpayer that operates a child care facility used primarily by the dependent children of the taxpayer's employees may also claim a corporate income tax credit of up to 30 percent of the net cost of operating a child care facility. The credit may not exceed \$30,000 in any taxable year and unused credits can be carried forward for three consecutive years.

Additional Incentives

Out-of-State Tuition Waiver and Lottery Funded Scholarships

UNM and CNM will make in-state resident tuition rates available to relocating employees and their families who qualify for admission.

In addition, all resident New Mexican high school seniors with at least a 2.5 GPA are eligible for a New Mexico Lottery Scholarship which pays for students to attend a state college tuition free. The scholarship is funded by a New Mexico Lottery Program in which 100 percent of lottery net proceeds goes to the Lottery Tuition Fund.

Access to Local & State Government

This type of "incentive" is difficult to place a value on, however, many New Mexico companies explain that access to the Governor of New Mexico and the Legislature is common and very valuable. This extends to local government as well as to the state's congressional delegation.

Albuquerque MSA Location Profile

About AED

Albuquerque Economic Development

Albuquerque Economic Development, Inc. (AED), is a private, nonprofit, membership-based organization that is focused on the recruitment of new industry into the Albuquerque Metropolitan Area and also assists with the retention and expansion of existing industry. AED has served the Albuquerque area since 1960, recruiting more than 200 companies. AED actively recruits those companies that will export goods or services from New Mexico, thereby bringing new investment dollars to the state. These economic base jobs contribute to the area's economic growth, development and diversification, thereby improving the standard of living and opportunities within the Albuquerque area. A few examples of the companies AED has recruited or assisted include:

- BF Goodrich Aerospace
- Ethicon Endo-Surgery
- Fidelity Investments
- Gap Inc.
- General Mills
- Hewlett-Packard
- Honeywell Defense & Space Electronic Systems
- Intel
- Prime Therapeutics
- PR Newswire
- SCHOTT Solar
- Sennheiser Electronic
- SUMCO USA
- T-Mobile
- Tempur-Pedic
- Verizon Wireless

[Albuquerque Economic Development, Inc.](#) is eager to provide assistance specific to your company's location or expansion needs, in complete confidence. Our team of economic development professionals is organized to help you obtain the facts you need to thoroughly evaluate the Albuquerque metro area. We can save you countless hours of research and analysis by providing a full complement of services, all at no cost or obligation to you. For more information about expanding your business to the Albuquerque area, please visit our web site at www.abq.org or call **(800) 451-2933**. You can also call any of our team members. For AED staff information, please see the following page.

Albuquerque MSA Location Profile

Albuquerque Economic Development Team



Gary Tonjes

President
(505) 246-6202
gary@abq.org



Bob Walton

Vice President, Business Development
(505) 246-6207
bwalton@abq.org



Jeannine Aylward

Director of Administration
(505) 246-6206
jaylward@abq.org



Debra Inman

Vice President, Business Development
(505) 246-6212
dinman@abq.org



Rebecca Trujillo

Vice President, Investor Relations
(505) 246-6208
rebeccat@abq.org



Jennifer Myers

Business Development Manager
(505) 246-6203
jmyers@abq.org



Terry Sullivan

Business Development Contractor
(505) 246-6209
tsullivan@abq.org



Dennis Houston

Retention & Expansion Contractor
(505) 821-8218
houstoncma@comcast.net



Marisa de Aragón

Director of Research
(505) 246-6205
marisa@abq.org



Deena Perry

Office Manager
(505) 246-6201
deenap@abq.org



Eric CdeBaca

Research Manager
(505) 246-6220
eric@abq.org



Linda Towne

Investor Relations Coordinator
(505) 246-6211
ltowne@abq.org