

ALBUQUERQUE MSA **BUSINESS LOCATION OVERVIEW**

PRESENTED BY ALBUQUERQUE ECONOMIC DEVELOPMENT, INC.





January 2021

Albuquerque Economic Development, Inc.
201 Third St NW, Suite 1900
Albuquerque, New Mexico 87102

Every reasonable effort has been made to ensure that the data contained herein reflect the most accurate and timely information possible and is believed to be reliable. This report is provided solely for informational purposes and is not to be construed as providing advice, recommendations, endorsements, representations or warranties of any kind whatsoever.

© Albuquerque Economic Development, Inc. All rights reserved.

TABLE OF CONTENTS

SECTION A: DEMOGRAPHICS	1
SECTION B: LABOR MARKET	5
SECTION C: INDUSTRY CLUSTERS	9
SECTION D: DOING BUSINESS HERE	13

SECTION A:



DEMOGRAPHICS



925,000 AND GROWING

The Albuquerque metro area is growing. According to EMSI's population projection estimates, in 2021 the metropolitan statistical area (MSA) population is estimated to be 925,958. Between 2000 and 2010, the metro population increased by 21.6 percent.

A large portion of the metro's growth has been on the northwest, especially within the community of Rio Rancho. Between 2000 and 2010, Rio Rancho grew by nearly 76 percent.

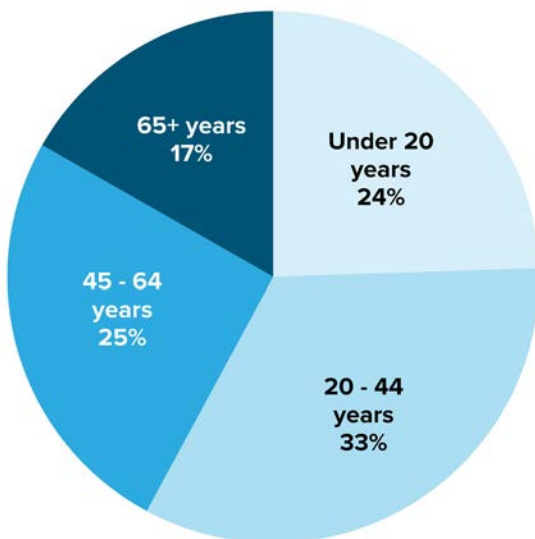
County	2010 Census Population	2021 Estimated Population
Bernalillo (Albuquerque)	662,564	682,762
Sandoval (Rio Rancho)	131,561	150,647
Torrance (Moriarty)	16,383	15,371
Valencia (Belen, Los Lunas)	76,569	77,178
MSA Population	887,077	925,958

*Numbers may not add to 100% due to rounding.
Sources: U.S. Census Bureau, Population Division, EMSI, 2021.*

SKILLED WORKFORCE

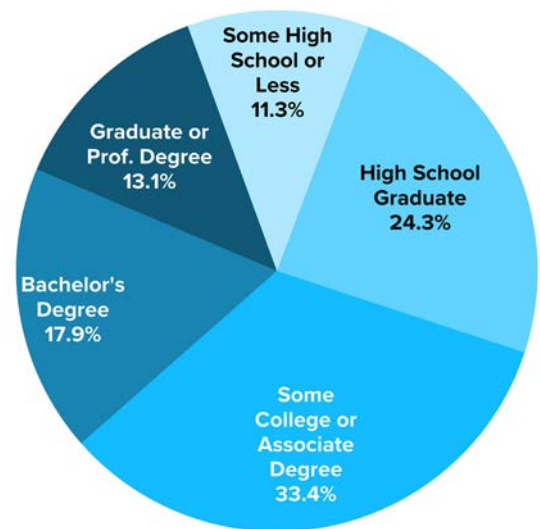


EDUCATIONAL ATTAINMENT OF ADULTS 25 AND OLDER



The Albuquerque metro area features a workforce that's younger and more educated than the national average. From a percentage standpoint, the city of Albuquerque ranks among the top in the nation for cities with the most college graduates: 31 percent of residents age 25 or older have a bachelor's degree or higher. New Mexico also has one of the largest concentrations of Ph.D.s per capita in the nation.

AGE DISTRIBUTION



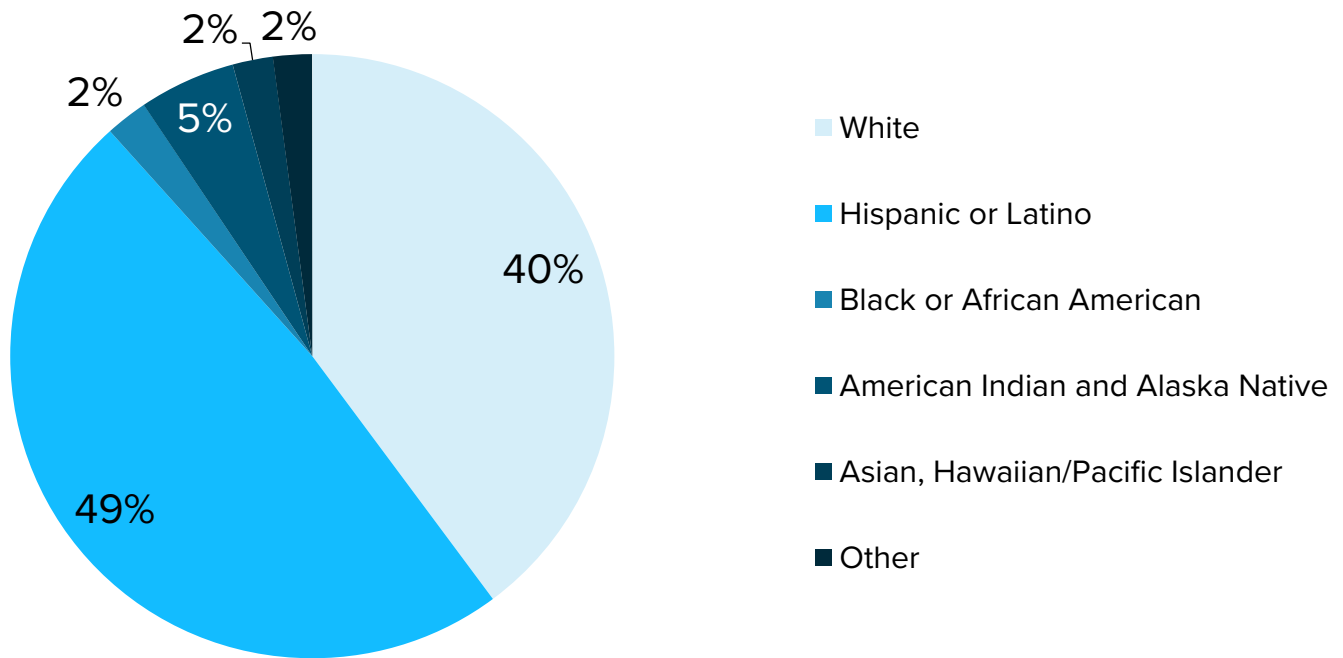
The region has a favorable ratio of residents in the key working age group of 20-34 years and includes a pipeline of more than 50,000 college students from which to recruit. In addition, New Mexico's labor force is often cited as being first in the nation for workforce productivity. A study conducted by Area Development Magazine ranked the Albuquerque metro area number one for manufacturing productivity in terms of dollars of output per worker.

SKILLED WORKFORCE

New Mexico has a long-standing reputation for its unique ethnic and cultural diversity, which are defining features of the social landscape. Because roughly 43 percent of the state's population is concentrated in the Albuquerque metro, the area's sundry population is particularly beneficial to companies that are looking for a diverse workforce. According to the American Community Survey,

22.9 percent of the Albuquerque metro area's population age five years and older is bilingual. The majority of these bilingual residents (74 percent) speak English and Spanish.

POPULATION BY RACE AND ETHNICITY



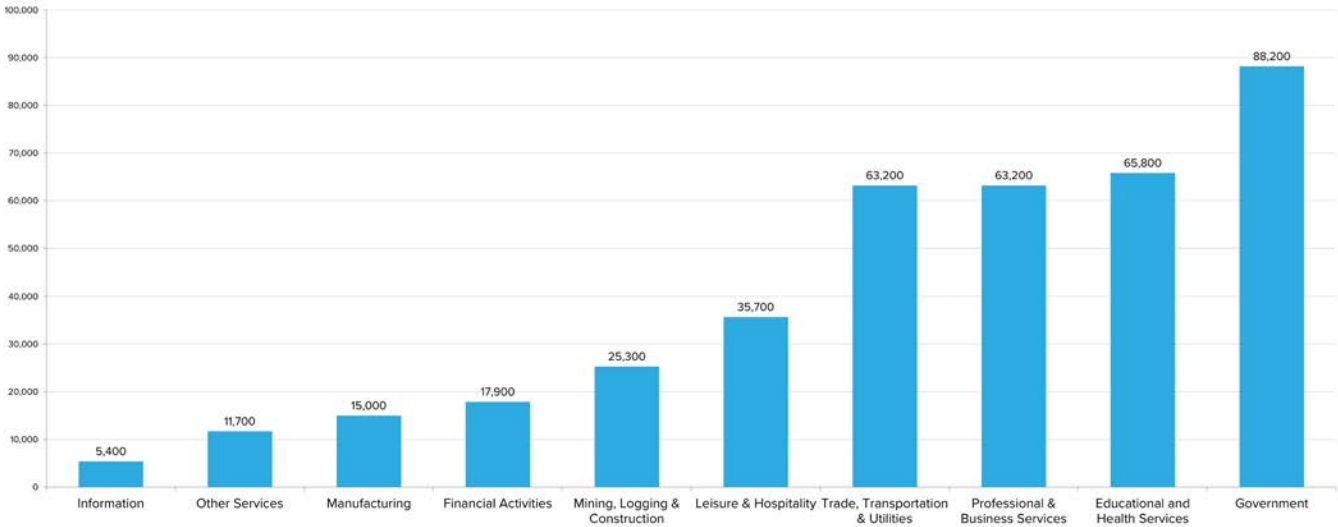
SECTION B:



LABOR MARKET

LABOR FORCE

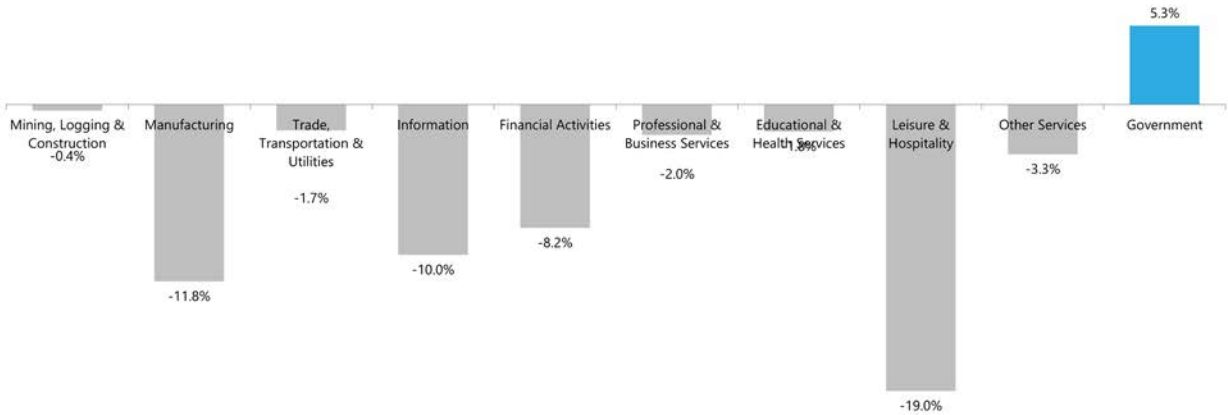
EMPLOYMENT INDUSTRY BY SECTOR (NOVEMBER 2020)



Source: NM Department of Workforce Solutions, Economic Research & Analysis Bureau

The Albuquerque metro region has a substantial labor force in terms of both size and productivity. In November 2020, Albuquerque’s unadjusted labor force was 433,270 with an unadjusted unemployment rate of 6.8 percent. Year over year, metro area nonfarm employment decreased by 3 percent. Albuquerque metro accounts for 46 percent of the state’s total nonfarm employment.

ANNUAL INDUSTRY SECTOR CHANGE (NOVEMBER 2019 - NOVEMBER 2020)



Source: NM Department of Workforce Solutions, Economic Research & Analysis Bureau

WORKFORCE DEVELOPMENT

There are a variety of programs designed to offer local employers training and recruitment assistance. Training programs include existing classroom programs and customized classroom or on-the-job training. Training programs may be eligible for the State of New Mexico Job Training Incentive Program (JTIP) funding. JTIP funds customized training for newly created qualifying jobs in expanding or relocating companies in New Mexico. For more about JTIP, see the incentives section.

CNM INGENUITY

Albuquerque is home to CNM Ingenuity and the Workforce Training Center, which offers high quality and innovative employee training, professional development, continuing education, and skills development. Although CNM Ingenuity offers a wide selection of continuing education programs, it also specializes in developing customized

training programs. It is through its customized workshops, courses and training programs that CNM has earned a national reputation as a key industry partner in developing and training New Mexico's productive workforce. CNM Ingenuity has successfully partnered with a number of local companies to develop specific training programs.

The Workforce Training Center is housed in a state-of-the-art facility that offers video conferencing capabilities, a high-bay area for large pieces of equipment, computer stations, general office space, and classrooms to accommodate more than 900 students.



WORKFORCE DEVELOPMENT

DEPARTMENT OF WORKFORCE SOLUTIONS

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

- Pre-screening assistance
- On-the-job training program
- Labor market information
- Recruitment assistance

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



UNIVERSITY OF NEW MEXICO (UNM) CONTINUING EDUCATION

UNM Continuing Education's Customized Training Program builds courses specific to a company's requirements and delivers those programs on a schedule and at a location of the company's choosing. Continuing Education staff work with company officials to translate their needs into focused, effective courses or programs delivered by expert instructors.

In addition to offering custom training, UNM Continuing Education also offers consultation services to businesses. UNM's professional instructors are also consultants who can help employers design, develop, support, and implement training and organization solutions for a business. Consultants work to address the needs of ongoing projects as well as new organizational initiatives a business wants to implement.

SECTION C:



INDUSTRY CLUSTERS

INDUSTRY CLUSTERS

Several industry clusters excel in Albuquerque because of location, a skilled workforce, and proximity to major research facilities, to name a few.



TOP 15 MAJOR EMPLOYERS



Aerial view of Sandia National Laboratories

Organization	Employees	Description
Sandia National Labs	14,120	Science-Based Technologies that Support National Security
Presbyterian Health System	13,456	Hospital/Medical Services
Albuquerque Public Schools	12,000	Public School District
Kirtland Air Force Base	10,500	Air Force Materiel Command
University of New Mexico	7,527	Educational Institution
UNM Hospital	6,417	Hospital/Medical Services
City of Albuquerque	5,800	Government
State of New Mexico	4,950	Government
Lovelace Health Systems	4,239	Hospital/Medical Services
Central NM Community College	2,935	Educational Institution
Bernalillo County	2,754	Government
NM Veterans Affairs Healthcare System	2,500	Hospital/Medical Services
Rio Rancho Public Schools	2,600	Educational Institution
T-Mobile Customer Service Center	1,850	Customer Service Center
PNM Electric	1,850	Utilities Provider

**Kirtland's employment number includes active duty military, guard reserve, civil service and contract employees. Sandia National Laboratories employees are located at Kirtland Air Force Base, but employment number is shown separately.*

BUSINESS EXPANSIONS

Company	Announcement Date	Anticipated Employment at Full Production	Company/Facility Description
Netflix (Expansion)	2020	1,000	Film Post-Production Studio
Torc Robotics	2020	60	Autonomous Driving Vehicle Testing Center
New Mexico Fresh Foods	2019	149	Food Manufacturer
Kairos Power LLC	2019	65	Advanced Reactor Research and Development
Faneuil	2019	700	Customer Contact Center
Systems Integration Inc.	2019	20	Customer Contact Center
Roses Paper Southwest	2019	26	Paper Goods Manufacturer
Jabil	2019	120	3D Printing/Medical Manufacturer
NBC Universal	2019	330	Film and Post-Production Studio
Intel (Expansion)	2019	300	Semiconductor Manufacturer
Indica Labs, Inc	2019	58	Life Sciences Software Developer
LSI	2019	170	Financial Services Support Center
Netflix	2018	1,000	Film Post-Production Studio
3D Glass Solutions	2018	139	Semiconductor Manufacturer
Carenet Healthcare Services	2018	244	Healthcare Customer Support
2NDGEAR	2018	100	IT Refurbishment Center
Flagship Food Group LLC (Expansion)	2017	200	Food Manufacturing and Distribution
SolAero Technologies	2017	100	Solar Panel and Solar Cell Manufacturer
Facebook	2017	30-50	Data Center
Safelite Autoglass	2017	900	Customer Support Center

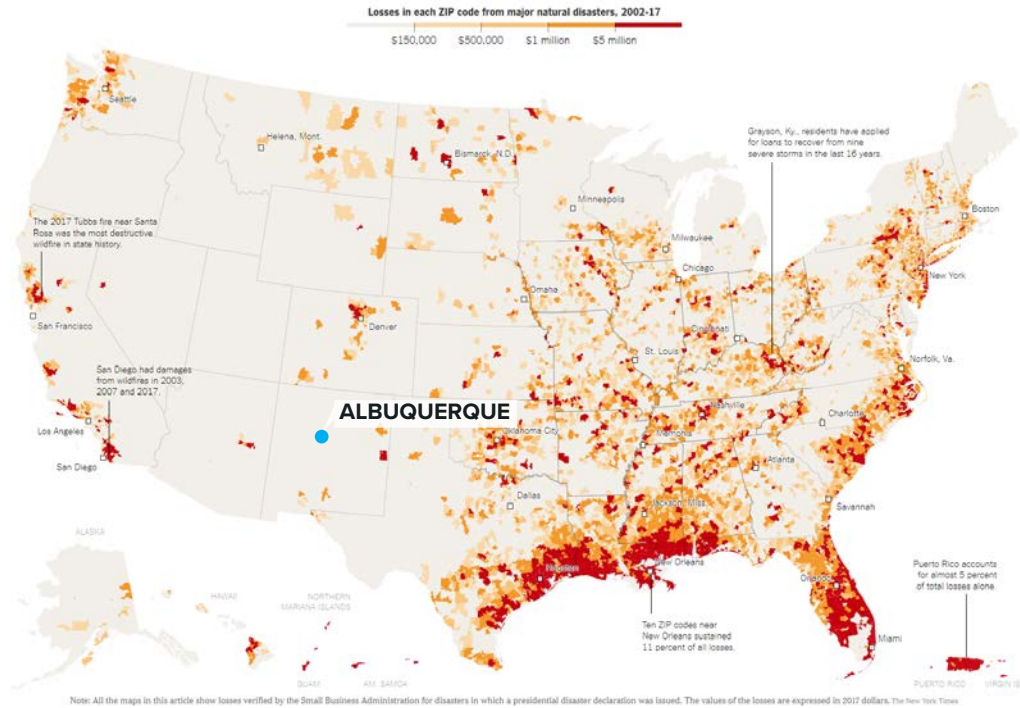


SECTION D:



DOING BUSINESS HERE

LOW RISK LOCATION



Albuquerque is the economic and geographic center of New Mexico. Here you'll enjoy peace of mind and certainty of operations 24 hours a day, seven days a week. With more than 310 days of annual sunshine, Albuquerque's weather is mild and predictable. No damaging floods. No ice to snap power lines. No massive snowfall to shut down roads. No tornadoes, earthquakes or hurricanes to take you offline. When companies operating in other locations experience disruptions from natural disasters, it's business as usual in Albuquerque.



COMMERCIAL REAL ESTATE

OFFICE MARKET

The Albuquerque metro area offers new and expanding companies a wide variety of office real estate options and competitive rates. In addition, there are competitive build-to-suit opportunities across the metro area.

First Half 2020

- The office market totals 13.4 million square feet
- The office vacancy rate is 15.5 percent
- Average asking rental rate for class A is \$25.00 per square foot/year
- Average asking rental rate for class B is \$18.50 per square foot/year

**ASKING AVERAGE RENTAL RATE BY LOCATION
H1 2020**



Source: CBRE Research, H1 2020

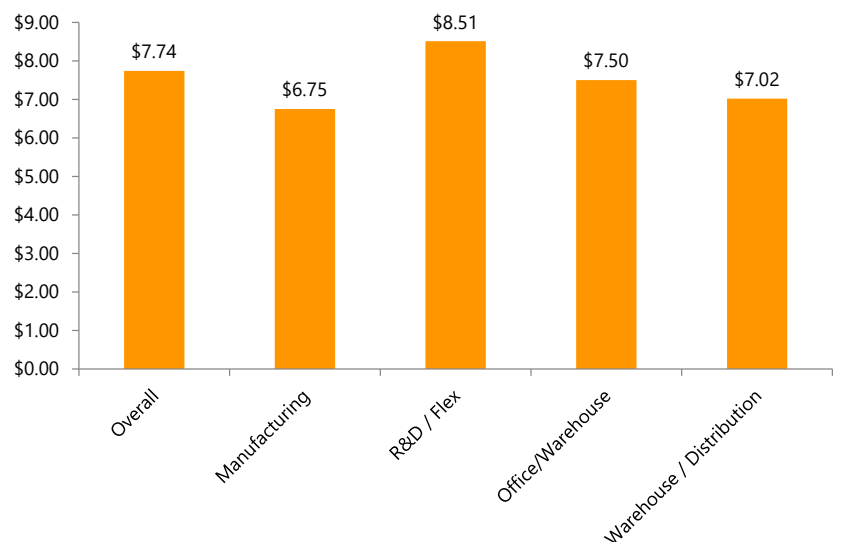
INDUSTRIAL MARKET

Existing industrial buildings are available 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 plus acres; meeting the needs of small technology companies to large manufacturers.

First Half 2020

- The industrial market totals 43 million square feet
- Industrial vacancy rate is 2.8 percent
- NNN Median asking rental rate for manufacturing space is \$7.74 per square foot/year

**AVERAGE ASKING RENTAL RATE BY PRODUCT TYPE
H1 2020**



Source: CBRE Research, H1 2020



ELECTRICITY

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 a combination of coal, nuclear, natural gas, and renewable resources.

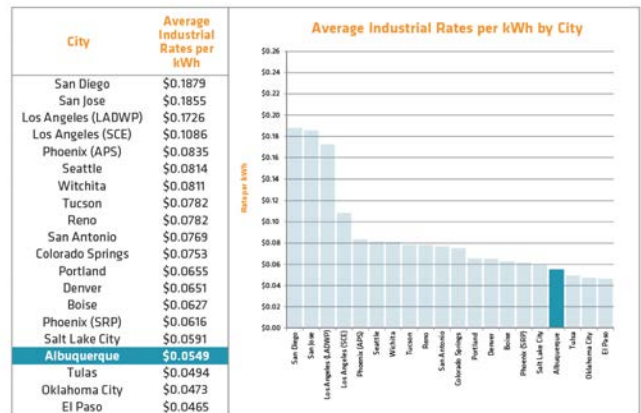
PNM is able to offer some of the lowest industrial electricity rates in the western U.S. Between 2015 and 2016, New Mexico offered the second lowest industrial electricity rates among 12 western states. PNM also is able to maintain an excellent reliability record. Over the past ten years, they have maintained an average reliability rating of 99.986%. In 2016, PNM won ReliabilityOne’s top mid-sized electric utility award for reliable electric service, major event response and customer engagement. Currently PNM is on track to derive 20% of its electricity from renewable resources by the end of the year.

NATURAL GAS

Albuquerque’s natural gas is 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 NMGCO lines. Across the U.S., the average price of natural gas for industrial users was \$15.37/ 1000 cubic feet. New Mexico ranked 5th for lowest natural gas cost for industrial users, 40 percent lower than the national average in June 2020.

Comparison of Industrial Electric Rates by City

(Source: Energy Information Administration Form EIA-861M Data for Utility(ies) Serving City - From 07/2018 through 06/2019)



UTILITIES

WATER

Albuquerque is in a great position to meet the community's future water demands. The Albuquerque Bernalillo County Water Utility Authority's (ABCWUA) award winning San Juan-Chama Drinking Water Project, coupled with other initiatives, has the community in an enviable spot.

San Juan-Chama water diverted from the Rio Grande is transported to a state-of-the-art treatment plant, from which

purified water is being delivered to Albuquerque area homes and businesses, and to recharging of the aquifer. In fact, since 2008, monitoring wells throughout the City are demonstrating recovery of the aquifer by a range of 15 to 30 feet, depending on the location.



TELECOMMUNICATIONS

Albuquerque benefits from the use of digital technology by CenturyLink, Comcast Business, Verizon, and new to the market in 2018 Unite Private Networks. CenturyLink employs digital technology throughout most of its Albuquerque facilities with the local central office a 5ESS Digital Switch; Level(3) is 100 percent 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 telecommunications 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 colocation 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.



AIR TRANSPORTATION

Albuquerque International Sunport is served by nine major airlines and four regional airline service providers. Southwest Airlines is Albuquerque's largest carrier, handling a little more than 50 percent 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. 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. The Sunport has expanded its flight offerings and now include a direct flight to Chihuahua and Guadalajara.

NONSTOP DESTINATIONS

Albuquerque International Sunport offers travelers nonstop service to twenty one out-of-state cities, including Atlanta, Baltimore, Chicago, Dallas, Los Angeles, New York City, Portland, and San Francisco.

AIRLINES

Albuquerque is served by several major commercial carriers and also receives regular in-state service.

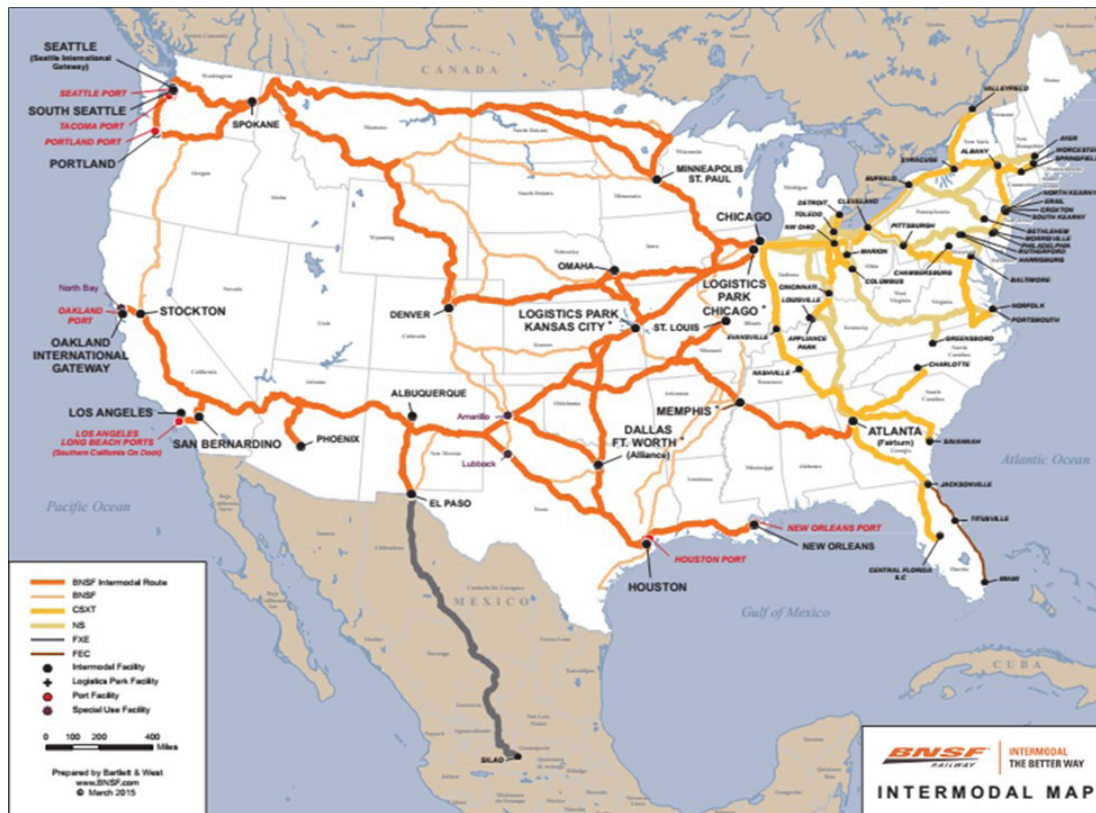
- Advanced Air
- Alaska Airlines
- Allegiant Airlines
- American Airlines
- Boutique Air
- Delta Airlines
- Frontier Airlines
- JetBlue Airways
- Southwest Airlines
- United Airlines



TRANSPORTATION

RAIL

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. Albuquerque is equidistant from both the Port of Los Angeles and the Port of Houston. Additionally BNSF is the only railway that crosses the border into central Mexico.



Amtrak provides rail passenger service throughout New Mexico. The east-west route between Chicago and Los Angeles passes through Albuquerque. Amtrak trains operate by contract over the BNSF tracks.

The New Mexico Rail Runner Express, a light rail passenger commuter system, provides transportation from Belen (35 miles south of Albuquerque) to Santa Fe (60 miles north of Albuquerque).



HIGHWAYS

Two major highways (I-25 and I-40) bisect the city, providing national access for business and industry in the city as well as for several motor freight companies operating in the Albuquerque area. New Mexico is a net-consumptive state, resulting in very competitive outgoing freight rates. Albuquerque's mean commute time is 26 minutes.



CORPORATE INCOME TAX

Manufacturers and headquarters/regional headquarters may elect the Single Sales Factor tax apportionment when computing Corporate Income Tax (CIT), wherein CIT is determined solely on revenue generated from sales within New Mexico. New Mexico enacts CIT on the net income of every domestic and foreign corporation doing business in and out of the state. The CIT is calculated as a percentage of the corporation's property, payroll, and sales. A corporation may select one of three methods for reporting their state CIT: separate corporate entity, a combination of domestic unitary corporations or a federal consolidated group.

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 2020 is \$27,000.

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 2009 study conducted by Actuarial & Technical Solutions, New Mexico manufacturers' average workers compensation costs were 7.3 percent lower than the national average. New Mexico ranked 21st 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 6.375 to 8.3125 percent throughout the MSA; Albuquerque's Gross Receipts Tax rate is 7.875 percent. The compensation tax (use tax) for purchases made outside New Mexico is 5.125 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 26.309 to 52.108. In the City of Albuquerque, the current non-residential mill levy rate is 47.983.

Property Tax Formula

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



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 280 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.

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.

**CONTACT US TODAY:
ALBUQUERQUE ECONOMIC
DEVELOPMENT, INC.**

**1-800-451-2933
505-705-3777**

info@abq.org

WWW.ABQ.ORG