



News Release

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Albuquerque & New Mexico Seeing Uptick in Aerospace & Defense Industry Interest

ALBUQUERQUE – As 2020 comes to a close, the Aerospace & Defense Industry is showing renewed interest in the City of Albuquerque and the Central Rio Grande Corridor. The last quarter of the year has been filled with exciting new announcements.

Making an impressive impact is the November announcement by Group Orion, which is firming up plans to build 4.1 million square feet and employ 1,000 at the City's Aviation Center of Excellence, a former north/south runway that was decommissioned in 2012.

At the same time, the United States Air Force is preparing to build a new mixed-use development on Kirtland Air Force Base (KAFB) - MaxQ at Kirtland. The project will transform 70+ acres of under-utilized base land into over 2 million square feet of office, laboratory and retail space. "It's the best of both worlds — both proximity and convenience. While our tenants will technically be located on base, they won't be behind the military fence. It will be an open campus with a dedicated base entrance," said Dale Dekker of Dekker/Perich/Sabatini, the project design firm.

Albuquerque is well positioned to capitalize on the nation's growing space sector interest. The city is home to the Air Force Research Laboratory, KAFB, Sandia National Laboratories and regionally connected to Los Alamos National Laboratory and Spaceport America.

"We like to say Albuquerque is the Place for Space," said Danielle Casey, President/CEO of Albuquerque Economic Development. "The global space economy is expected to grow to \$3 trillion by 2045. No other region has the assets that greater Albuquerque does, and we are ready and excited to see the sector grow. And of course, the region boasts miles and miles of wide-open space for people to explore and enjoy, a new top consideration for skilled workers in the COVID era, who can work from anywhere and select their ideal quality of place."

Kirtland Air Force Base (KAFB) is playing a major role in the U.S. Space Force, the newest branch of the Department of Defense. KAFB missions that have transferred to the Space Force include the Air Force Research Laboratory Space Vehicles Directorate, the Directed Energy Directorate's Electro-Optics Division and the Air Force Safety Center – Space Safety Division. Kirtland's Space Rapid Capabilities Office is also now a Space Force unit.

It therefore seems obvious that KAFB – and Albuquerque – has made the short list for consideration as the future home of U.S. Space Command. The selection of the location should be made in the near future.

“With this opportunity and the exciting news around the Group Orion, we are on track to become home base for space,” said Mayor Tim Keller. “Our state’s emergence as a center for space exploration and research means we have a highly-skilled and knowledgeable workforce ready to welcome the permanent U.S. Space Command to the Land of Enchantment.”

None of this is shocking when considering the density of highly skilled positions in the region. The Albuquerque metro has 18 times the concentration of astronomers and physicists as compared to the national average. It has more than 10 times the national concentration of semiconductor processing techs, and more than seven times for nuclear engineers. This sort of talent intensity did not happen by chance. In 2019, Sandia National Labs completed an unprecedented hiring round of 1,900 positions, of which, 1,100 were newly created positions. In August of 2020, Sandia kept up the momentum and announced another round of 100 open positions. And as the lab grows so does the rest of the community. In FY 19, businesses in New Mexico received more than \$509 million in subcontracts, which was a \$47 million increase from the previous fiscal year.

Besides Albuquerque offering an excellent quality of life, high-tech workers also benefit from greater purchasing power. Workers enjoy a lower cost of living than competing aerospace and defense markets in the southwest. Albuquerque offers a cost-of-living index score of 96.8, 3.2 percentage points lower than the national average. Albuquerque’s cost of living is 16% lower than Denver and 8% lower than Tucson. Housing is affordable; a two-bedroom apartment will cost \$1,023 in Albuquerque versus \$1,813 in Denver. The cost of buying a home is only half that of buying in the Denver area (\$258,000 versus \$506,000).

It is also a region of cutting-edge innovation, due to the natural convergence of technical skill and the proximity to Sandia National Labs and the Air Force Research Lab (AFRL). The Albuquerque Metro boasts an education pipeline of more than 60,000 college students. AFRL capitalized on this confluence of skilled minds and worked with the University of New Mexico to establish a state-of-the-art Agile Manufacturing Center at UNM’s Science and Technology Park. The Agile Manufacturing Center will supply cutting-edge robotics and computer systems that AFRL and UNM researchers, students and private companies will use to create rapid design-build techniques for satellite systems and directed energy technologies and is backed by a five-year, \$6.7 million U.S. Air Force grant.

UNM also boasts the COSMIAC research center. The organization’s goal is to be the nation’s center of excellence and specialized talent source for developing technical solutions for aerospace and defense applications. COSMIAC promotes innovation, including collaborative efforts with government, business and academic institutions on grant and contract proposals. In addition, COSMIAC has a small business accelerator that helps businesses create prototypes and provide associated research. Some of COSMIAC’s customers include the US Air Force,

NASA, Leidos, Northrop Grumman and SAIC. In 2020, COSMIAC scientists and students are helping AFRL build next-generation space technology under two new AFRL contracts totaling \$25 million. The awards will finance basic research on new space communications technology, upgrades to the nation's Global Positioning System, and impacts of radiation on satellites and other spacecraft.

The community also boasts a highly successful and aggressive approach to workforce development assistance. In 2000, Eclipse Aviation relocated to Albuquerque with three employees. By 2006, Eclipse needed skilled employees to support production ramp up and turned to Central New Mexico Community College's workforce training center. A custom program was created that included instruction in sheet metal and structures and systems installation, including wiring, hydraulics, plumbing and cables and rigging. Average attendance is approximately 200 and includes local as well as out-of-state applicants with a hire rate to-date into Eclipse of 92%. Remaining students are easily able to find employment at other aviation-related companies in the area.

"There are so many opportunities and reasons for companies to consider Albuquerque," Casey added. "In addition to the federal agencies here, Albuquerque has been listed as a Top 10 Best Cities for STEM Workers, and New Mexico has one of the highest percentages of people performing STEM jobs compared to 2,000 cities across the U.S."

To learn more about the exceptional talent, environment, or location opportunities in the greater Albuquerque region of New Mexico, visit www.abq.org.

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About AED

AED is a private, nonprofit organization whose mission is to recruit business and industry, help local companies grow and generate quality job opportunities throughout the Albuquerque metro area. AED provides confidential assistance to businesses considering the area for expansion and new investment. Since its creation in 1960, AED has recruited more than 250 companies and more than 35,000 jobs to the Albuquerque metro area. AED also provides retention and expansion assistance to existing industry. For more information about AED, visit www.abq.org.