

## Theater Definitions

### Employer

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**Definition:** The Employer Theater is focused on procuring economic base jobs by 1.) attracting new private sector economic base employers, 2.) retaining them, 3.) expanding them and converting non-economic base employers to economic base by pivoting their production to out of state markets. Jobs in this theater are predominantly W2 hires doing their work in centralized work in commercial office and industrial facilities.

Note that this theater excludes job creation program strategies for federal government economic base activity, retirement, tourism, agriculture, the energy and extractive industries startups, solo workers.

**Transaction:** A transaction occurs when a new economic base employer executes a contract that results in a location, expansion, or conversion project that creates new full time economic base jobs in New Mexico. NM economic base employers that are induced by state and local agents to retain employees instead of automating or leaving or shutting down could also qualify.

In this theater, economic base employers are private sector corporations, possess a NM Tax ID number with employees and is located in the state enterprises that have multiple full-time employees and derive more than 51% of their operating revenues from sources outside the state. This includes local companies selling goods and services out of state as well as operations in which salaries are paid by an external source.

### Federal Government

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**Definition:** This theater is focused on increasing the number of economic base jobs in the federal government sector. This includes general schedule (GS jobs), private sector federal contractor jobs, jobs generated in healthcare and higher education created as a result of certain grants, loans and transfer payments.

**Transaction:** Any spending by the federal government in the state in excess of the amount New Mexico taxpayers pro rata share of that federal line item that results in new employment can be considered an economic base transaction. If New Mexico gets \$1.85 from the federal government for every \$1 it contributes, then economic base jobs are those funded by the 85-cent margin. In other words, the salaries of those jobs-workers are paid by taxpayers in other states.

An economic base transaction in this theater would be considered procured if it occurred because of a strategic or tactical effort by a state or local, public or private entity, missioned, funded and staffed to create such jobs .

### Solowork

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**Definition:** A solo economic base worker performs work full time from a home office, workshop, studio or mobile platform. While they may work for a corporation, they do not work in a centralized workplace.

They are often sole proprietors with their own LLC or S Corp, and/or 1099 or W2 contract employees.

They must also be a resident of the state and a taxpayer. The qualifier for economic base is that 51% or more of the revenue from Solowork be generated from out of state. The level of income generated by a Solowork enterprise must exceed 200% of the federal poverty rate.

**Transaction:** A new economic base job transaction occurs when a Solowork program or agent causes a fulltime economic base Soloworker to start up, move to the state or convert from non-economic base solowork to economic base.

## Extractives & Energy

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**Definition:** The Extractives and Energy Theater is focused on creating economic base jobs in two primary areas of the economy: the extraction and processing of raw materials from the land for export and the production and transmission of energy for export outside the state. Energy and extractives in the state of New Mexico includes but is not limited to:

1. Extraction and processing of raw materials
  - a. Mining; potash, coal, copper, silver, gold, garnet, molybdenum, aggregate, silica, humate, perlite, gypsum, limestone, pumice, salt
  - b. Oil and gas production; oil, gas, shale;
    - i. Drilling
    - ii. Distribution; pipelines, trans-loading
    - iii. Refining
2. Energy Production
  - a. Power generation
    - i. Large plants coal, natural gas, nuclear, hydro
    - ii. Small and Micro scale generation
    - iii. Renewable Energy; Wind and solar farms, Geothermal (for export), biomass, energy storage
  - b. Transmission and distribution systems
  - c. Grid development and management
  - d. Biomass (sourced from agriculture activity): forest waste, fiber for energy

**Transaction:** An economic base job transaction occurs when contracts are executed that result in new employment directly related to the extraction of raw material from the ground or by employers that generate energy for export out of state. To qualify as an economic base job, average wages must be above the federal poverty guidelines and employees must be full time, tax paying New Mexico residents. In the case of seasonal work, the wage rates would be normalized to a monthly or hourly rate.

## Retirement

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**Definition:** The Retirement Theater is focused on recruiting economic-base retirees (EBR). These are retirees who have a combination of net worth and retirement income in excess of 200% of the federal poverty guidelines. The rationale behind this parameter is that the amount of income to qualify as contributory to the economic base needs to exceed the amount that could be made from welfare. The figure of 200% was reached in order to ensure that the risk of a Retiree falling below the poverty line would be minimized. Because their investment and retirement income are from outside the state, they will have the same impact on the local and state economy as the creation of a new economic base job.

In addition to recruitment from other states, this segment includes international retirees from Canada, Mexico, EB-5 programs and other countries. They could also be government or military (including local military planning to retire out of state) as well as gradual or early retirees.

**Transaction:** A transaction occurs when a qualifying head of household establishes permanent residency, becoming a New Mexico taxpayer and purchases or leases, on a long-term basis, a principal residence, which doesn't serve as a second home or a vacation rental.

## Visitor

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**Definition:** The Visitor Theater of job creation focuses on creating new economic base jobs, which are jobs with salaries paid from the local sale of goods and services to visitors from out-of-state. Although most job creation activities in this theater can be considered tourism – defined as any journey for business or pleasure more than 50 miles outside your community in which you spend more than one night away from home -- the IJC process would exclude such in-state journeys for business or pleasure by New Mexico residents.

**Transaction:** An economic base job is created when there is an increase in revenue generating visitor activity, such that additional staff is required by employers to manage the increase. An economic base transaction is an increase in number of visits per year required to support an economic base job. By these definitions, the theater can account for new economic base jobs by measuring a given net increase in visitors. The Visitor Theater has 6 sub-theaters, and each could have a different economic base transaction formula and metric. Many have their own program attributes.

## Startup

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**Definition:** This Theater focuses helping local entrepreneurs create new economic base employers. An economic base startup is a new enterprise that becomes a significant employer that derives over 51% of its income from out of state.

Other terms used to describe program efforts in this theater include: Entrepreneurship, Business Startup, Innovation, Idea to Enterprise, Tech Transfer.

It should be noted that most community sponsored start up efforts are not focused on job creation. The few that are rarely differentiate between economic base startups and those that would merely compete with other local established businesses.

To have a significant impact on job creation, start up programs must create economic base enterprises that are bound to scale. Programs that invest the community's resources into starting

up new businesses that are not economic base often create no net new job growth because the projects must steal market share from existing taxpaying employers.

**Transaction:** A economic base transaction occurs when a new business is established that meets the following conditions: 1.) has a New Mexico tax ID number, 2.) earns in excess of \$300,000 of revenue per year, 3.) earns a minimum 51% of that revenue from out of state, 4.) Has at least one full time employee other than the owner. Otherwise it would be counted in the Solowork theater.

## Agriculture

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**Definition:** The Agriculture theater is focused on procuring economic base jobs by attracting, expanding and creating enterprises that grow, process and distribute food and fiber. This theater can include activities such as; farming, greenhouses, vertical farming, dairy, ranching, vineyards - viticulture, nutraceuticals, forestry, fisheries habitat management, food safety, pest management, fertilizers, bio-fuels; ethanol, algae, processing, packaging, warehousing, transport, logistics biotechnology; genetic, value-added exported services, marketing.

**Transaction:** An economic base job is created in this theater when a new or existing employer that is deriving 51% of its income from out of state, increases production or sale enough to add a new FTE employee or employees over the previous year. To qualify as an economic base job, average wages of each employee must be above the federal poverty guideline. In the case of seasonal work, the wage rates would be normalized to a monthly or hourly rate.

## Film/Digital Media

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**Definition:** The Film and Digital Media theater is focused on creating new economic base jobs by recruiting and developing the production of feature films, independent films, television, regional and national commercials, documentaries, animation, video games, webisodes, mobile applications and post production work intended for commercial exploitation and exhibitions out of state.

Emerging media is a potential new submarket of this theater and presents an opportunity for the state to expand the number of economic base jobs created over the next ten years. Emerging media includes: entertainment games, serious gaming, education gaming, medical, multi-media, interactive media, immersive media, design, entertainment-related software development, business marketing.

**Transaction:** An economic base transaction in the Film and Digital Media theater occurs when someone decides to produce a film, TV show, commercial or game in New Mexico where at least 51% of the contractors and workers hired are New Mexico residents or when New Mexico Residents are hired to work on a film project outside of the state.