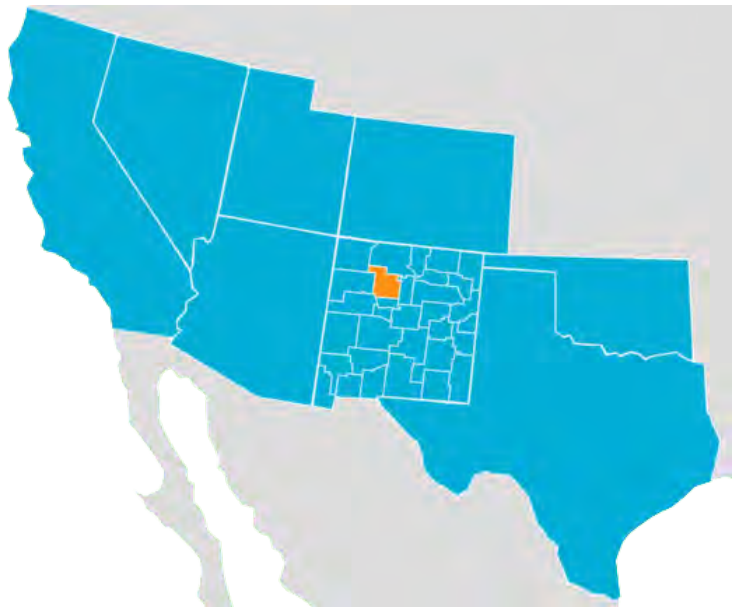# BUSINESS BRIEF

Rio Rancho & Sandoval County, New Mexico

The Bright Spot of New Mexico

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Introduction

We understand business in this new, evolving economic environment. We appreciate the meaning of your competitiveness and your factors of success. We are partners with business, not just a location. We realize the difference between just an address and a highly productive environment. We recognize and embrace the factors necessary for business success in today's intensely competitive landscape. We know that change is constant and is not a threat, but rather an opportunity.

Metro Overview
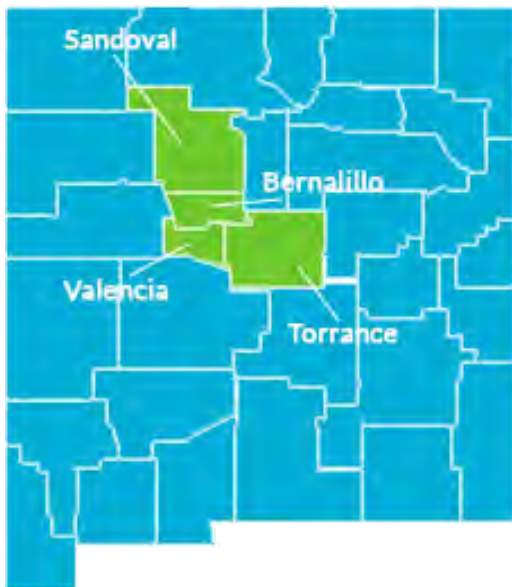
The Albuquerque Metro Area is located in central New Mexico and covers four counties: Bernalillo, Sandoval, Torrance, and Valencia. As of the 2010 census, the Metro's population reached 887,077, and is estimated to be 909,906, in 2016. The Albuquerque Metro forms a part of the larger Albuquerque – Santa Fe – Las Vegas combined statistical area.

The Albuquerque metro area offers forward-thinking business leaders, entrepreneurs and companies a supportive business environment that encourages idea generation, growth and innovation. The community applauds diversity, celebrates collaboration and promotes success.

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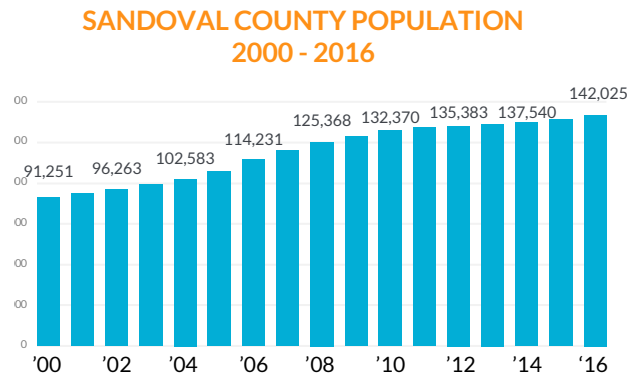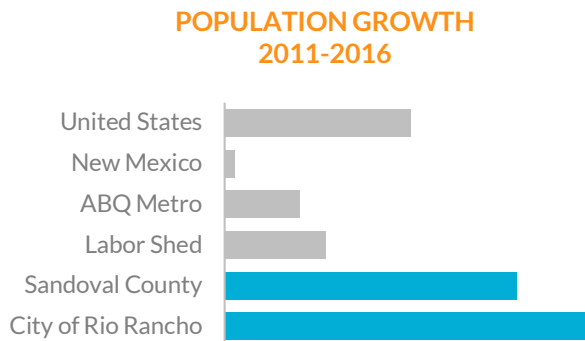1201 Rio Rancho Blvd. Suite C • Rio Rancho, NM 87124

Rio Rancho & Sandoval County Community Overview

Population

RATE OF GROWTH

Sandoval County is one of the fastest growing communities in New Mexico. While the state population largely did not grow over the past five years, the population of Sandoval County grew 5.8% - faster than the Albuquerque Metro (1.5%) and United States (3.7%).

POPULATION GROWTH 2011-2016

- United States
- New Mexico
- ABQ Metro
- Labor Shed
- Sandoval County
- City of Rio Rancho

SANDOVAL COUNTY POPULATION 2000 - 2016

91,251 96,263 102,583 114,231 125,368 132,370 135,383 137,540 142,025

'00 '02 '04 '06 '08 '10 '12 '14 '16

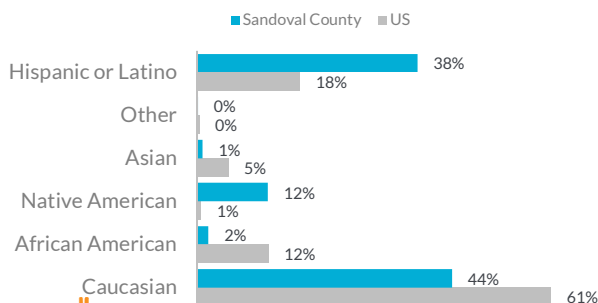Source: Avalanche Consulting/US Census Bureau

DIVERSITY OF POPULATION

Sandoval County's population is more diverse than the national average. In 2016, 44% of Sandoval County residents were white, non-Hispanic – compared to 61% nationally. Sandoval County has an above average share of Native American (12% locally vs. 1% nationally) and Hispanic (38% vs. 18%) residents. Sandoval County's non-white populations are also those that are growing. From 2011 to 2016, the fastest growing population groups were Other (which primarily includes mixed race and two or more race residents – 172% growth), Hispanic (12%), and Native American (12%).

23% Bilingual Population in the Albuquerque MSA

74% Bilingual Population Speaks Both English & Spanish "Very Well"

POPULATION DISTRIBUTION BY RACE & ETHNICITY 2016

■ Sandoval County ■ US

	Sandoval County	US
Hispanic or Latino	38%	18%
Other	0%	0%
Asian	1%	5%
Native American	12%	1%
African American	2%	12%
Caucasian	44%	61%

POPULATION GROWTH BY RACE & ETHNICITY 2011-2016
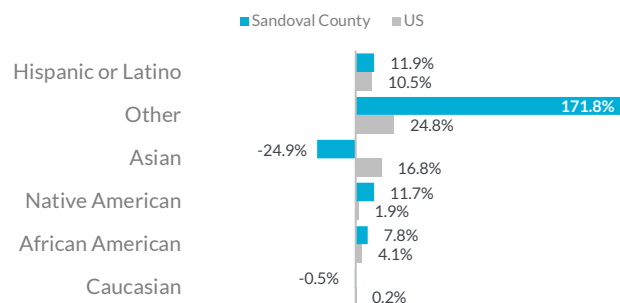
■ Sandoval County ■ US

	Sandoval County	US
Hispanic or Latino	11.9%	10.5%
Other	171.8%	24.8%
Asian	-24.9%	16.8%
Native American	11.7%	1.9%
African American	7.8%	4.1%
Caucasian	-0.5%	0.2%

Source: Avalanche Consulting/US Census ACS

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ABOVE AVERAGE MEDIAN HOUSEHOLD INCOME

Sandoval County's median household income reached $57,200 in 2016 – above the Albuquerque Metro ($50,500) and state of New Mexico ($45,700) but slightly below the United States ($57,600).

SANDOVAL COUNTY MEDIAN HHI 2011 - 2016

Year	Median HHI
2011	$53,200
2012	$57,800
2013	$55,800
2014	$55,400
2015	$63,600
2016	$57,200

MEDIAN HOUSEHOLD INCOME 2016

Area	Income
United States	$57,600
New Mexico	$45,700
ABQ Metro	$50,500
Labor Shed*	$49,300
Sandoval County	$57,200
Rio Rancho	$61,000
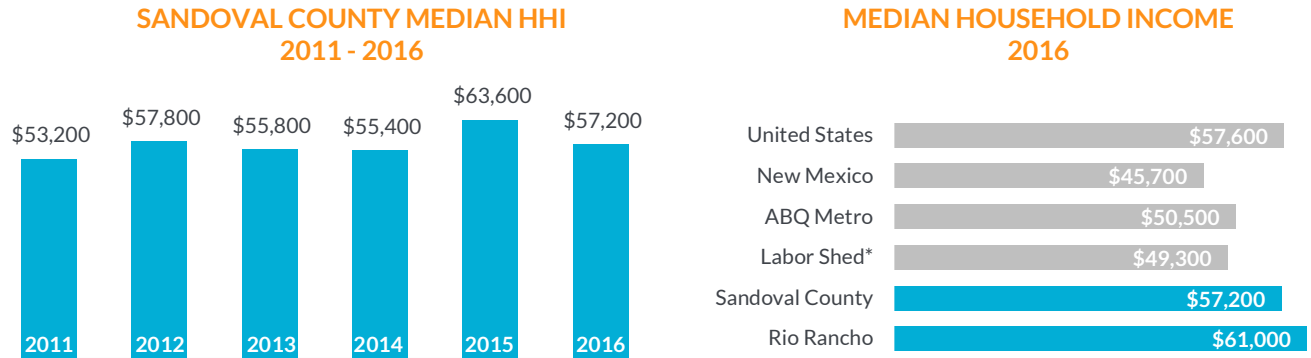
Source: Avalanche Consulting/US Census ACS

*Labor Shed data is from 2015

Education

PUBLIC SCHOOLS

A Top-Rated District

Rio Rancho Public Schools is consistently considered to be a high-performing district when compared to both the national and state averages. The district continues to earn state titles and awards for performing arts and athletics programs. In fact, RRPS holds 67 state titles for various

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extra-curricular activities. The district provides a rigorous curriculum with a wide variety of opportunities designed to engage and ignite student learning. RRPS is considered a 'technology-rich' district with well-maintained facilities and is constructing new ones as well.

Quick Facts
- 3rd largest district in New Mexico with 17,711 students
- 19 Schools
  - 1 Preschool
  - 10 Elementary Schools
  - 4 Middle Schools
  - 2 Comprehensive High Schools
  - Cyber Academy (6-12)
  - Independence High School (Alternative 9-12)
- 2,213 Employees

The Best in New Mexico
- Niche.com's 2018 Best Public Schools in America list ranked the top schools in New Mexico:
  - Of the top 25 elementary schools, 9 (out of 10) were in Rio Rancho.
  - Of the top 25 middle schools, 3 (out of 4) were in Rio Rancho.
  - Of the top 25 high schools, 3 (out of 4) were in Rio Rancho.
- US News & World Report ranked Rio Rancho High and Cleveland High among the state's best high schools, awarding a silver medal status.
- "A lighthouse district," five RRPS schools received an A rating this year.

Data
Students in the Rio Rancho school district consistently outperform their peers in the Albuquerque school district and statewide. Nearly half of Rio Rancho school district students rate as proficient on statewide reading assessments – compared to 34% and 37% in Albuquerque and New Mexico respectively.

Nearly 30% of Rio Rancho school district students rate as proficient on the statewide math assessment – nine percentage points higher than the Albuquerque school district and New Mexico. More than 55% of Rio Rancho school district students are proficient on statewide science assessments. The figures for the Albuquerque school district and New Mexico as a whole are 39% and 40% respectively.

READING

Rio Rancho District	ABQ District	New Mexico
47%	34%	37%

MATH

Rio Rancho District	ABQ District	New Mexico
29%	20%	20%

SCIENCE

Rio Rancho District	ABQ District	New Mexico
56%	39%	40%
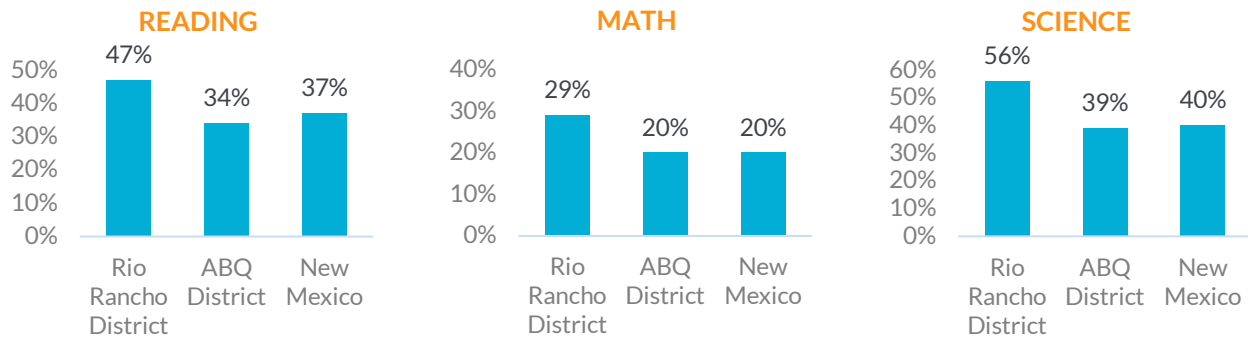
Source: Avalanche Consulting/New Mexico Public Education Department

EDUCATIONAL ATTAINMENT

The population of Sandoval County is well-educated at all levels – nearly 67% of all residents have some form of post-secondary education – compared to 59% in New Mexico and 60% nationally. More than 35% of local residents have received some college education (which includes Certificates and non-degreed training) or an associate degree.

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Additionally, 32% of residents have a bachelor's degree or higher level of achievement. These numbers all surpass the state, the US average, and the Albuquerque Metro. Sandoval County is one of the best educated communities in New Mexico.

SHARE OF 25 YEARS + POPULATION W/SOME COLLEGE OR ASSOCIATE'S DEGREE

United States	29.0%
New Mexico	31.6%
ABQ Metro	32.3%
Labor Shed*	31.9%
Sandoval County	35.1%
Rio Rancho	38.5%

Source: Avalanche Consulting/US Census ACS

SHARE OF 25 YEARS + POPULATION W/BACHELOR'S DEGREE OR HIGHER

United States	31.3%
New Mexico	27.2%
ABQ Metro	31.8%
Labor Shed*	31.6%
Sandoval County	31.7%
Rio Rancho	33.8%

*Labor Shed data is from 2015

Nearly 41% of residents with a bachelor's degree, received their first degree in a Science & Engineering field – slightly below the national average of 44%. Sandoval County has a higher share of residents with Business degrees (21%) and Education degrees (15%) than the national average. Reflecting the diversity of the community, residents also have an above average concentration of Literature & Languages degrees. Many residents also have studied the Visual & Performing Arts – an important sector in Sandoval County and New Mexico.

FIELD OF BACHELOR'S DEGREE FOR FIRST MAJOR OF RESIDENTS WITH A BACHELOR'S, 2016

Category	Field	Sandoval County	US
Arts & Humanities	Other	5.9%	5.6%
	Communications	3.5%	3.9%
	Visual & Performing Arts	5.7%	4.1%
	Liberal Arts & History	2.8%	4.9%
	Literature & Languages	6.1%	4.3%
Education	Education	15.0%	12.5%
Business	Business	20.6%	20.3%
Science & Engineering	Science & Engineering Related Fields	11.0%	9.5%
	Multidisciplinary Studies	1.0%	0.7%
	Engineering	6.6%	7.8%
	Social Sciences	7.6%	7.6%
	Psychology	2.1%	4.8%
	Physical & Related Sciences	2.5%	3.2%
	Biological, Agricultural, & Environmental Sciences	5.9%	6.2%
	Computers, Mathematics, & Statistics	3.6%	4.5%

Source: Avalanche Consulting/US Census ACS

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The modern knowledge economy requires more formal education to succeed than in the past, and these requirements are reflected in the increased educational attainment of younger generations. When looking nationally at the education levels of those Young Professionals aged 25 to 44, we see a slightly higher share of individuals pursuing postsecondary education.

Sandoval County is no exception – with 37% of Young Professionals receiving some college education or an associate degree - compared to 30% nationally and 35% of the overall local population. In terms of bachelor's degrees or higher, however, a lower share (28%) of Sandoval County Young Professionals have received degrees than the nation (33%) and the overall local population (32%).

SHARE OF YOUNG PROFESSIONALS W/SOME COLLEGE OR ASSOCIATE DEGREE, 2016

United States	30.4%
New Mexico	36.2%
ABQ Metro	36.9%
Labor Shed*	32.4%
Sandoval County	36.5%
Rio Rancho	38.9%

SHARE OF YOUNG PROFESSIONALS W/BACHELOR'S DEGREE OR HIGHER, 2016

United States	32.7%
New Mexico	23.0%
ABQ Metro	28.4%
Labor Shed*	27.5%
Sandoval County	27.6%
Rio Rancho	33.3%

Source: Avalanche Consulting/US Census ACS   *Labor Shed demographic statistics are from 2015

COLLEGES AND UNIVERSITIES

Central New Mexico Community College
CNM has an enrollment of more than 26,000 students over 8 area campuses with additional sites offering courses in Rio Rancho. In addition to traditional and specialized courses, CNM also offers customized training for new and expanding employers in conjunction with the NM Job Training Incentive Program.

FALL 2015 ENROLLMENT BY SCHOOL

Applied Technologies	2,352
Business & Information Technology	5,282
Communications, Humanities & Social Science	6,721
Health, Wellness & Public Safety	4,396
Math, Science & Engineering	5,301
Undecided/Non-Degree	1,708

DEGREES & CERTIFICATES AWARDED, 2014-2015

Accounting	124
Business Administration	166
Electronics Technology & Electrical Trades	135
Machine Tool Technology	28
Mechanical & Automotive Technology	157
Welding	53

Source: 2015-2016 CNM Fact Book

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CNM is a highly ranked secondary educational institution by US News & World Report:
- 81st among all community colleges in the United States (2017)
- Among the best for online programs (2014)
- 15th out of all community colleges in the west (2017)
- 8th of all community colleges in electrical degrees in the west (2017)
- 17th of all community colleges in mechanics in the west (2017)

Additional Educational Institutions

INSTITUTION NAME	ENROLLMENT	DEGREE OFFERED
University of Phoenix	3,190	Bachelor's, Master's
University of New Mexico (Valencia Campus)	2,500	Certificate, Associate's
National American University (2 campuses)	815	Certificate, Associate's, Bachelor's
Brown Mackie College	750	Certificate, Associate's
Southwestern Indian Polytechnic Institute	490	Certificate, Associate's
New Mexico Highlands University (branch)	467	Bachelor's, Master's
Brookline College	405	Certificate, Associate's, Bachelor's
Lewis University	300	Bachelor's, Master's
Southwest University of Visual Arts	235	Bachelor's
Webster University	Data not available	Varies
Wayland Baptist University (branch)	Data not available	Varies
Grand Canyon University (branch)	Data not available	Varies

Workforce

HIGHLY EDUCATED

The residents of Sandoval county are well-educated. Nearly 70% of adults have some form of college education and 41% of those with bachelor's degrees studied Science & Engineering. However, the majority of these workers commute to jobs outside of the county – presenting an opportunity to keep them closer to home if presented with the right local jobs.

21.2% Sandoval County residents with bachelor's degrees who majored in technology or a technology related field
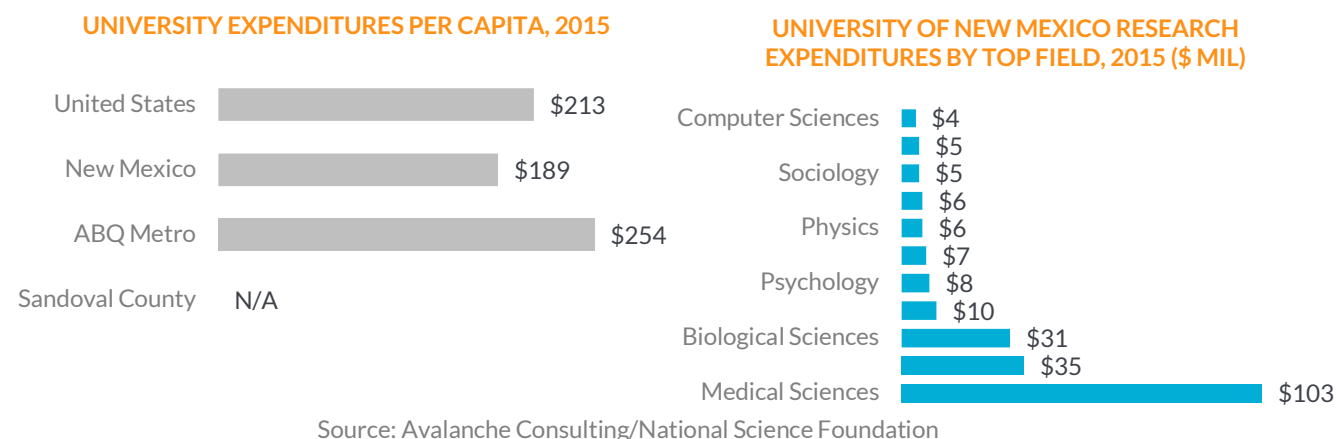
3x the National average of patents have been issued to Sandoval County residents over the past 5 years

For additional educational attainment data, please see pages 7-10.

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LABOR SHED

Avalanche Consulting identified a custom labor shed for Sandoval County comprised of 35 zip codes in New Mexico. (The map to the left appears to have gaps only because those areas have no zip codes and almost no population.) In addition to the 29,200 workers in Sandoval County, the Sandoval County Labor Shed includes another 304,800 workers across the region. This creates a pool of 334,000 workers from which Sandoval County employers can draw.

SANDOVAL COUNTY COMMUTER INFLOW/OUTFLOW ANALYSIS, 2015

16,830

14,760

43,070

Individuals employed in Sandoval County who live outside of the county (Non-Resident Workers)

Individuals who live in Sandoval County but work outside the county (Community Workers)

Individuals who live and work in Sandoval County (Resident Workers)

Source: Avalanche Consulting/US Census LEHD

Regional R&D

R&D ACTIVITY

Sandoval County is home to a University of New Mexico (UNM) campus, but research expenditure data is only provided for the full university system – not individual campuses.

Examining research expenditures across the region and state, the Albuquerque Metro has approximately $254 dollars spent on university research per resident – above the state average of $189 and US average of $213. All of this local research is occurring at UNM.

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The top research fields by expenditure at UNM in 2015 were Medical Sciences ($103 million), Engineering ($35 million), Biological Sciences ($32 million), Misc. Sciences ($10 million), and Psychology ($8 million). Within Engineering, the largest funded research areas were Electrical Engineering, Civil Engineering, and Chemical Engineering.

UNIVERSITY EXPENDITURES PER CAPITA, 2015

United States	$213
New Mexico	$189
ABQ Metro	$254
Sandoval County	N/A

UNIVERSITY OF NEW MEXICO RESEARCH EXPENDITURES BY TOP FIELD, 2015 ($ MIL)

Computer Sciences	$4
	$5
Sociology	$5
	$6
Physics	$6
	$7
Psychology	$8
	$10
Biological Sciences	$31
	$35
Medical Sciences	$103

Source: Avalanche Consulting/National Science Foundation

LABORATORIES AND RESEARCH FACILITIES IN SANDOVAL COUNTY

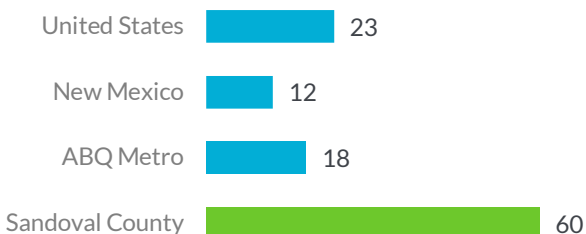| Center Name	Location	Research Specialty
Cavalla Inc.	Corrales	Biotechnology
Earth Star Entergy Consultants	Rio Rancho	Solar Energy
Indica Labs	Corrales	Biotechnology
Presbyterian Rust Medical Center	Rio Rancho	Biotechnology, Human Health
New Mexico Rehabilitation Center	Rio Rancho	Human Health
PPD, Inc.	Corrales	Pharmaceutical

UTILITY PATENTS ISSUED

Between 2010 and 2015, the United States Patent & Trademark Office issued 60 patents per 10,000 residents of Sandoval County. This rate of local patent production was three times higher than the US average (23) and nearly six times higher than the State of New Mexico (12).

These patents were issued in a range of technology classes primarily related to electronics, pharmaceuticals, and surgical processes. The top producers of patents were the Sandia Labs, University of New Mexico, US Air Force, Honeywell Corporation, Cabot Corporation, and Xilinix. Overall, this high concentration of patents reflects the incredible concentration of research and development occurring in the county.
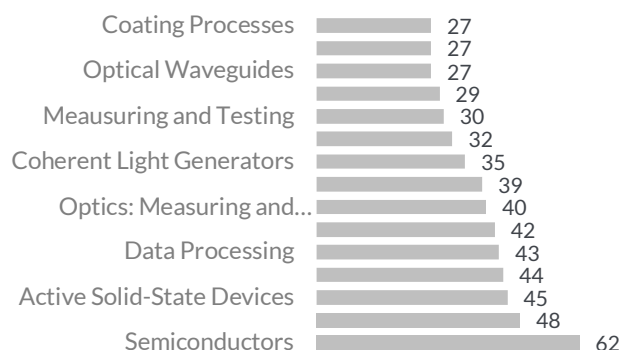
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TOTAL UTILITY PATENTS ISSUED PER 10,000 RESIDENTS 2010-2015

United States	23
New Mexico	12
ABQ Metro	18
Sandoval County	60

Source: Avalanche Consulting/US PTO

TOP SANDOVAL COUNTY PATENTS ISSUED BY TECHNOLOGY CLASS, 2010-2015

Coating Processes	27
	27
Optical Waveguides	27
	29
Meausuring and Testing	30
	32
Coherent Light Generators	35
	39
Optics: Measuring and…	40
	42
Data Processing	43
	44
Active Solid-State Devices	45
	48
Semiconductors	62

Economy

CLUSTERS AND TARGET SECTORS

Industry Cluster Recent Performance

In recent years, job growth in Sandoval County has been mixed – with a handful of industry clusters growing incredibly fast, many larger, non-primary clusters remaining stagnant, and one key traditional industry declining. The net balance was 0% overall growth from 2011 to 2016, but Sandoval County's story is more complex.

The fastest growing cluster was Healthcare (90% growth) followed by Industrial Machinery (64%), Biomedical (47%), Creative Content (31%), and Software/IT (31%). Back Office was the most concentrated (1.5 LQ) and fastest growing (29% growth) combined.

Other more concentrated industries performed less well – including Electronics (3.6 LQ, -48% growth), Aerospace (1.5 LQ, -9%), and Telecom (1.4 LQ, -7%). The second most concentrated local industry, Government (2.1 LQ) grew 3%.

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SANDOVAL COUNTY MAJOR INDUSTRY CLUSTERS*, 2016

*Clusters with employment of 100 of more are displayed

SOURCE: EMSI / AVALANCHE CONSULTING
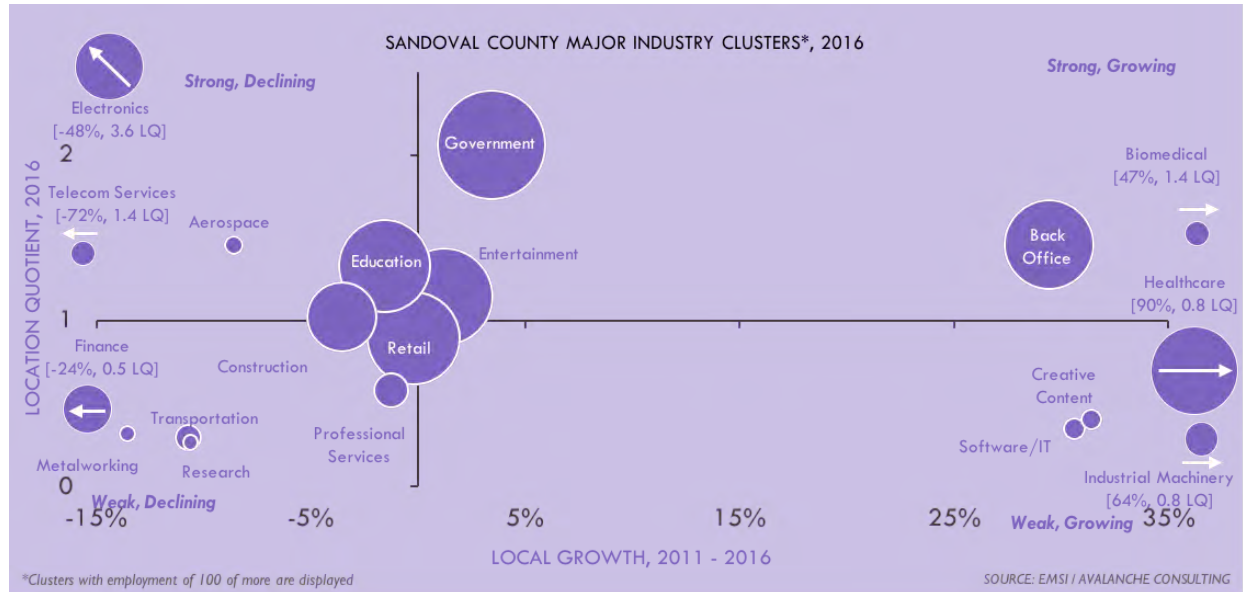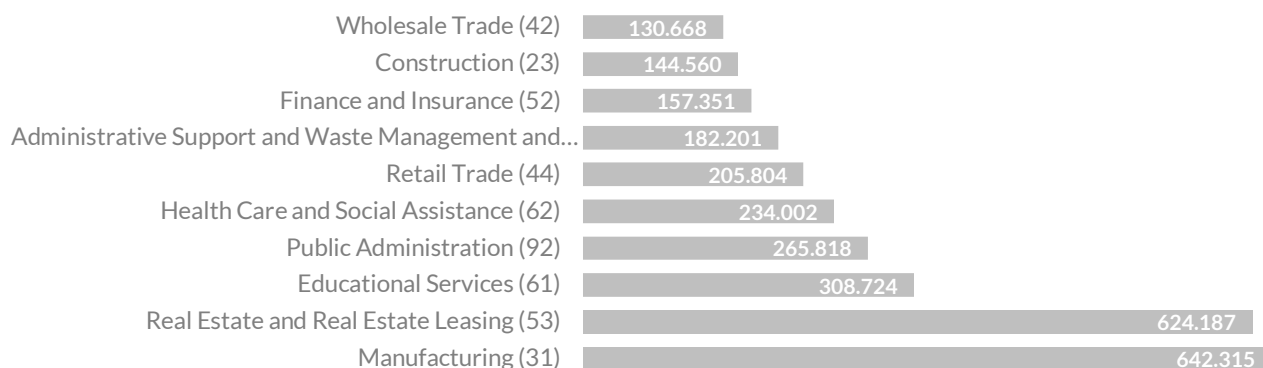
Industry Cluster Trends

Many of Sandoval County's most concentrated industry clusters are less concentrated in the overall Albuquerque Metro – indicating specialization in these areas within the county. These industries include Aerospace (1.5 LQ), Back Office (1.5 LQ), Electronics (3.6 LQ), and Mining & Logging (2.2 LQ). Conversely, a few key industries have a greater presence in the rest of the Albuquerque Metro – these includes Research (2.7 LQ in ABQ), Healthcare (1.2 LQ), and Professional Services (1.1 LQ).

From 2016 to 2021, Sandoval County is projected to see a higher job growth rate than both the Albuquerque Metro and the United States. The latest numbers expect more than 2,300 jobs to be created locally – a growth rate of 8% - compared to 3% forecasts in the Albuquerque Metro and 6% nationally. Above average job growth is forecast for almost all industry clusters in Sandoval County.

Industry Cluster	Sandoval County		Albuquerque Metro		Recent Growth, 2011 - 2016			Forecast Growth, 2016 - 2021		
	2016 Jobs	LQ	2016 Jobs	LQ	Sandoval	ABQ	US	Sandoval	ABQ	US
Aerospace	146	1.5	570	0.5	-9%	-8%	0%	16%	-6%	1%
Agribusiness & Food	72	0.1	3,380	0.4	-9%	45%	9%	11%	9%	4%
Automotive	46	0.2	1,050	0.3	816%	7%	22%	25%	5%	5%
Back Office	3,176	1.5	25,860	0.9	29%	-5%	16%	25%	-1%	8%
Biomedical	301	1.4	3,040	1.1	47%	8%	7%	11%	1%	6%
Construction	1,956	1.0	27,210	1.1	-4%	5%	19%	-1%	-4%	7%
Consumer Goods Mftg	87	0.6	1,320	0.8	12%	0%	3%	14%	-13%	-2%
Creative Content	180	0.4	4,060	0.7	31%	5%	1%	12%	-5%	-1%
Education	3,396	1.3	31,610	1.0	-2%	-6%	3%	8%	2%	5%
Electronics	1,838	3.6	6,300	1.0	-48%	-30%	1%	-48%	-26%	4%
Energy	81	0.3	1,500	0.4	-22%	13%	-7%	14%	8%	4%
Entertainment	3,728	1.1	43,240	1.0	1%	14%	17%	6%	5%	7%
Finance	809	0.5	15,470	0.8	-24%	10%	7%	-1%	7%	6%
Furniture	10	0.1	760	0.6	-62%	-10%	12%	0%	-6%	1%
Government	4,706	2.1	43,170	1.5	3%	3%	0%	6%	2%	1%
Healthcare	3,089	0.8	60,760	1.2	86%	15%	14%	32%	14%	12%
Industrial Machinery	487	0.8	4,080	0.5	64%	1%	3%	24%	-2%	3%
Materials	89	0.2	1,390	0.3	14%	-4%	4%	6%	-6%	-1%
Metalworking	120	0.3	1,450	0.3	-14%	-6%	4%	17%	-2%	2%
Mining & Logging	93	2.2	150	0.3	32%	-3%	3%	23%	17%	3%
Non-Profits	78	0.3	2,570	0.7	14%	-12%	4%	12%	-6%	3%
Professional Services	505	0.6	11,610	1.1	-1%	-9%	8%	10%	-6%	5%
Research	113	0.3	14,300	2.7	-11%	12%	19%	7%	5%	14%
Retail	3,460	0.9	49,920	1.0	0%	3%	6%	12%	1%	5%
Software / Info. Tech.	209	0.4	3,200	0.4	31%	9%	31%	21%	8%	15%
Telecom Services	233	1.4	4,440	2.1	-72%	-12%	-9%	-51%	4%	-5%
Transportation & Logistics	289	0.3	8,040	0.7	-11%	2%	18%	22%	-1%	7%
Total	29,215		370,520		0%	4%	10%	8%	3%	6%

GROSS DOMESTIC PRODUCT

SANDOVAL COUNTY GDP, 2016 ($ MILLIONS)

Industry	GDP ($ Millions)
Wholesale Trade (42)	130.668
Construction (23)	144.560
Finance and Insurance (52)	157.351
Administrative Support and Waste Management and…	182.201
Retail Trade (44)	205.804
Health Care and Social Assistance (62)	234.002
Public Administration (92)	265.818
Educational Services (61)	308.724
Real Estate and Real Estate Leasing (53)	624.187
Manufacturing (31)	642.315

Source: Chmura Analytics

COST OF DOING BUSINESS

Moody's Analytics estimates that the cost of doing business index is 94% for the Albuquerque Metro Area, 6% below the national average.

EMPLOYMENT BY INDUSTRY

The balance of industry employment in Sandoval County roughly mirrors the US with a few exceptions – the county has a much larger share of Government jobs and a smaller share of Financial Activities and Trade & Transportation. Sandoval County still has a large share of Manufacturing jobs (9.2% of the overall economy – compared to 8.7% nationally), but the county lost 38% of Manufacturing jobs from 2011 to 2016. Over the same period, Sandoval County lost jobs in Information (61%), Financial activities (22%), and Construction (10%). The fastest growing industries were Education & Health Services (73%), Professional & Business Services (16%), and Natural Resources (10%).

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SANDOVAL COUNTY EMPLOYMENT BY INDUSTRY, 2016

Industry	US Average	Sandoval County
Other	3%	2%
Government	15%	26%
Leisure and Hospitality	11%	13%
Education and Health Services	15%	12%
Professional and Business Services	14%	14%
Financial Activities	6%	3%
Information	2%	1%
Trade and Transportation	19%	14%
Manufacturing	9%	9%
Construction	5%	5%
Natural Resources	1%	

Source: Avalanche Consulting/EMSI
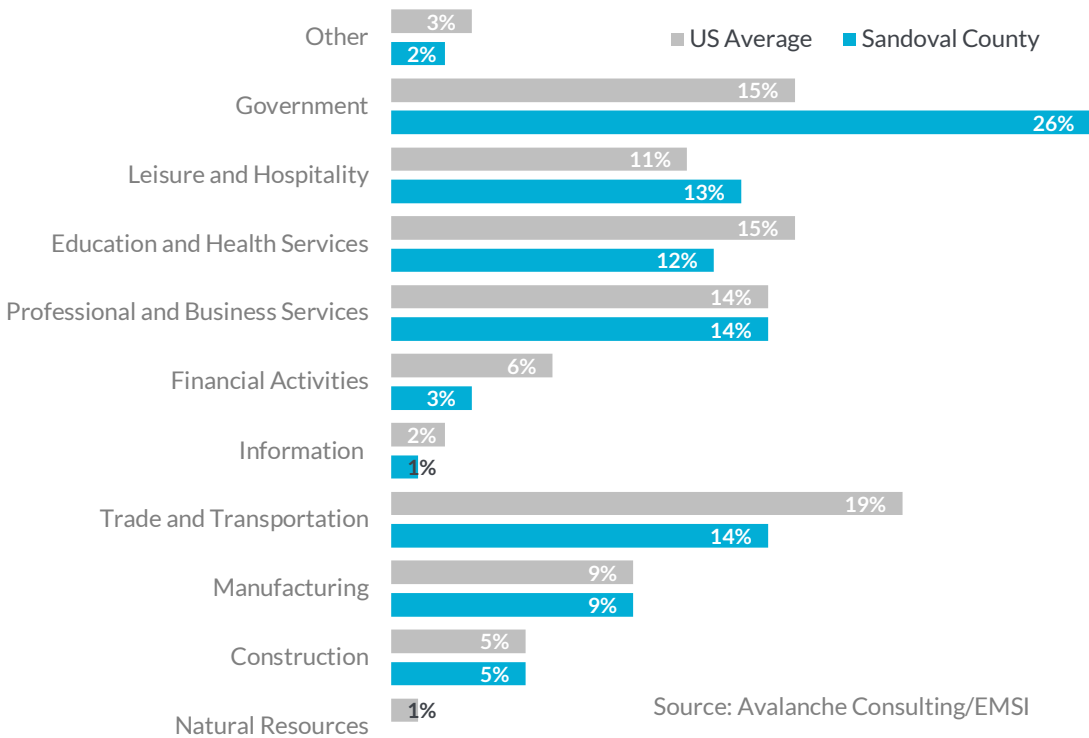
EMPLOYMENT GROWTH

If we remove Intel from the calculations, employment in Sandoval County grew 6.5% - faster than the Albuquerque Metro (4.3%), and State of New Mexico (3.6%). Job growth in the City of Rio Rancho actually increased at the same rate as the US when discounting Intel layoffs.

Contrastingly, examining local employment without the gains from companies assisted by the Sandoval Economic Alliance is revealing. Without the 2,600 SEA assisted jobs, Sandoval County would have lost 9% of all jobs from 2011 to 2016. These estimates do not incorporate indirect and induced job growth from SEA projects – indicating that job losses may have been even greater without the impact of the Sandoval Economic Alliance.

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EMPLOYMENT GROWTH DISCOUNTING INTEL, 2011-2016

United States	9.6%
New Mexico	3.6%
ABQ Metro	4.3%
Labor Shed	5.9%
Sandoval County	6.5%
City of Rio Rancho	9.4%
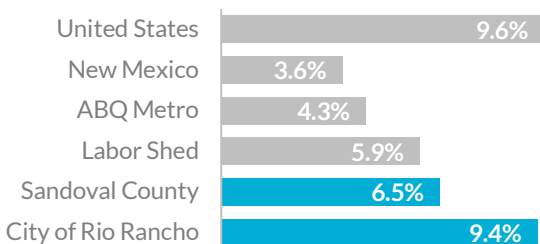
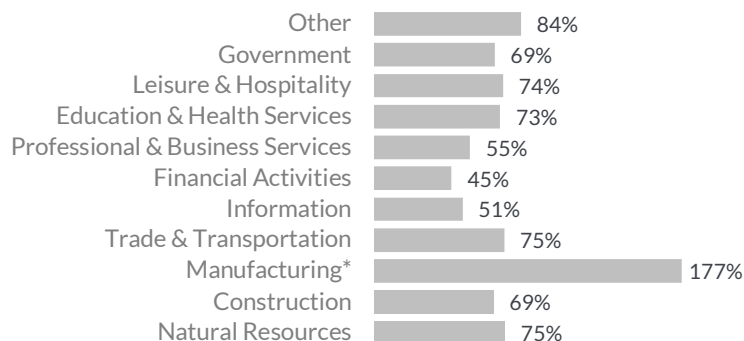Source: Avalanche Consulting/EMSI
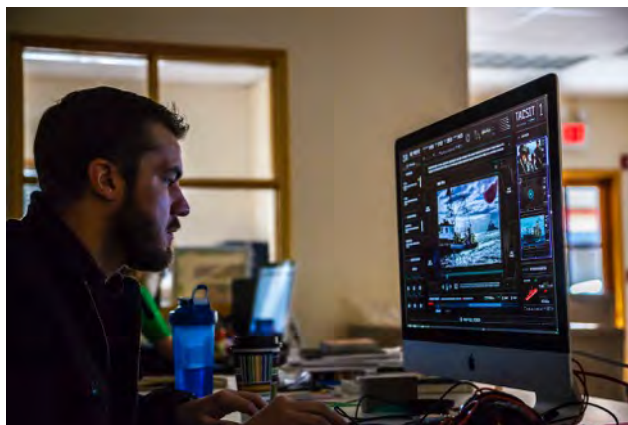
AVERAGE SALARY BY INDUSTRY

At $41,600, the overall average salary in Sandoval County is 78% of the US average ($53,600) and just below the New Mexico average of $42,600. Manufacturing pays the highest salary in Sandoval County at an average of $115,000 – 77% higher than the US average for the same industry. If we remove the 1,6000 local jobs in Semiconductor & Other Electronic Component Manufacturing that pay an average salary of $167,100, the remaining 1,140 Manufacturing jobs pay an average salary of $40,300 – 62% of the US average.

The next highest paying local industries are Information ($50,200 average salary), Natural Resources ($42,300), and Construction ($40,300). The lowest paying local industries are Leisure & Hospitality ($16,600), Other ($30,400), and Trade & Transportation ($33,500) – all primarily service jobs.

SANDOVAL COUNTY AVERAGE SALARY BY INDUSTRY, 2016

Other	$30,353
Government	$37,646
Leisure & Hospitality	$16,637
Education & Health Services	$34,855
Professional & Business Services	$38,727
Financial Activities	$39,678
Information	$50,209
Trade & Transportation	$33,548
Manufacturing*	$114,978
Construction	$40,345
Natural Resources	$42,298
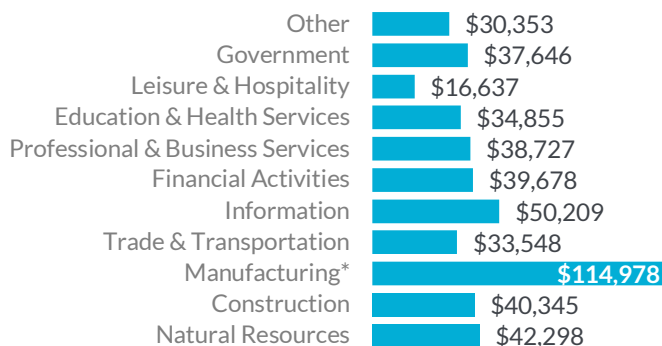
SANDOVAL COUNTY SHARE OF THE US AVERAGE SALARY BY INDUSTRY, 2016

Other	84%
Government	69%
Leisure & Hospitality	74%
Education & Health Services	73%
Professional & Business Services	55%
Financial Activities	45%
Information	51%
Trade & Transportation	75%
Manufacturing*	177%
Construction	69%
Natural Resources	75%

*This average is distorted by the large number of high-wage jobs at Intel
Source: Avalanche Consulting/EMSI

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SHARE OF NON-FARM EARNINGS BY INDUSTRY

In Sandoval County, Manufacturing is the largest source of income generation – producing 26% of all non-farm earnings locally – compared to only 10% of national earnings. The second highest income generating industry in Sandoval County is Government – with 23% of all earnings – followed by Trade & Transportation (13%), and Professional & Business Services (9%).

From 2010 to 2015, the fastest growing industries by income in Sandoval County were Natural Resources (100% earnings growth), Education & Health Services (80%), and Professional & Business Services (70%). Three industries lost earnings over this period - Information (19% earnings lost), Trade & Transportation (12%), and Manufacturing (11%).

SANDOVAL COUNTY SHARE OF NON-FARM EARNINGS BY INDUSTRY, 2015
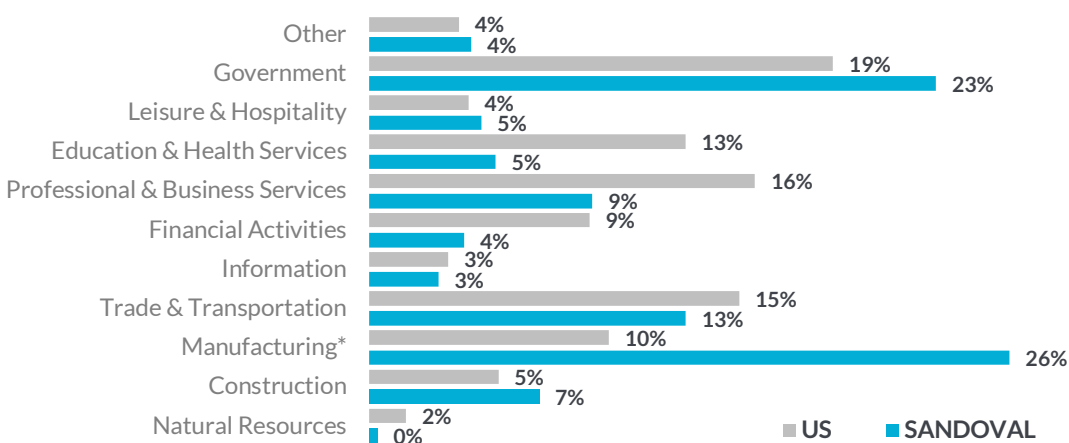
Source: Avalanche Consulting/US Bureau of Economic Analysis

MICROBUSINESSES

Businesses that have fewer than ten employees are the heart of the national economy. While few create big job gains all at once and some may fail, positive growth of small businesses reflects a healthy economy and the presence of an ecosystem that encourages entrepreneurship. Numerous studies show that the majority of jobs creation across the nation occurs in small and medium sized businesses.

In 2015, 74% of all businesses in Sandoval County had fewer than 10 employees – a higher share than the labor shed, metro area, state, and nation.

Not only does Sandoval County have a large share of micro businesses, but they are also growing more quickly. From 2010 to 2015, the number of businesses with fewer than 10 employees grew 4% in Sandoval County. Over the same time period the Albuquerque Metro lost 1% of these businesses and the state of New Mexico lost over 2%. Nationally micro businesses grew less than 3%.

CHANGE IN % SHARE IN MICRO BUSINESSES (<10 EMPLOYEES), 2010-2015

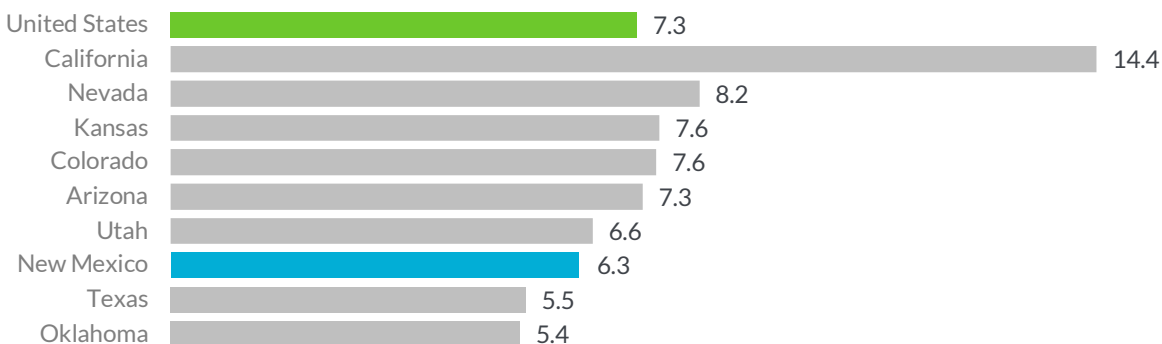|	
United States	2.5%
New Mexico	-2.4%
ABQ Metro	-1.2%
Labor Shed*	0.1%
Sandoval County	4.1%
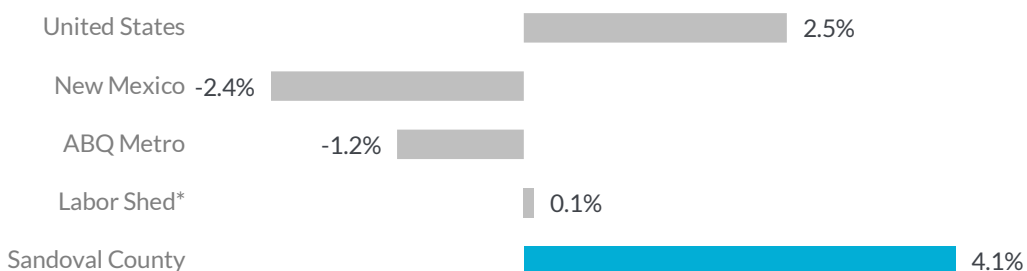
Source: Avalanche Consulting/US Census County Business Patterns

UTILITIES

Electricity in Sandoval County is provided by PNM – Public Service Company of New Mexico. PNM offers competitive rates and includes an Economic Development Rate for qualified industrial users that can average to approximately a 31% discount each month.

Compared to surrounding states, New Mexico offers competitive electrical rates for commercial and industrial users. At 10.8 cents per kWh, commercial rates are below the US average, Arizona, Kansas, and California. At 6.3 cents per kWh, industrial rates are even more competitive. Only Oklahoma (5.4 cents per kWh) and Texas (5.5) are lower.

AVERAGE PRICE OF ELECTRICITY FOR INDUSTRIAL USERS PER KWH, AUGUST 2017 (IN CENTS)

United States	7.3
California	14.4
Nevada	8.2
Kansas	7.6
Colorado	7.6
Arizona	7.3
Utah	6.6
New Mexico	6.3
Texas	5.5
Oklahoma	5.4

Source: Avalanche Consulting/US Energy Information Administration

TAXES

Corporate Income Tax
New Mexico imposes a corporate income tax (CIT) on the net income of every domestic corporation and every foreign corporation employed or engaged in the transaction of business in, into, or from this state, or which has income from property or employment within this state. "Corporation" means corporations, joint stock companies, real estate trusts organized and operated under the Real Estate Trust Act, financial corporations, banks, and other business

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associations. "Corporation" also means limited liability companies and partnerships taxed as corporations under the Internal Revenue Code. "Net income" generally is federal taxable income adjusted to exclude amounts not taxable by states.

New Mexico corporate income tax is imposed on total net income (including New Mexico and non-New Mexico income). The percentage of New Mexico income is then applied to the gross tax:

- Up to $500,000: 4.8%
- Over $500,000 but not over $1 million: $24,000 plus 6.4% of net income over $500,000
- Over $1 million: $56,000 plus 7.3% of net income over $1 million*

*The 2013 tax reform bill signed into law by Governor Susana Martinez will reduce the top two corporate income tax brackets to 5.9% over the next five years. In addition, the bill phases in a single sales factor apportionment methodology for the income of multi-state corporations over the same five-year period.

Unemployment Insurance Contribution

New contributing employers will have a rate that is the greater of their industry average Unemployment Insurance Contribution rate of 1%. Industry classifications for contributory, experienced employers are used to determine the average industry rates of new employers. Based on the NAICS code for the establishment, this is the employer's Assigned Industry Rate. This rate will remain in effect until the employer has acquired 2 years as an experience rate employer. The annual industry rate averages are provided by the New Mexico Workforce Solutions Department (DWS).

After becoming experienced rated, contribution rates will be set based on the employer's benefit ratio. The benefit ratio is measured by dividing the employer's claims experience over the previous 3 years by the employer's taxable payroll over the same time period. The resulting benefit ratio is then multiplied by a "reserve factor," which is set by the DWS based on the solvency of the Unemployment Trust Fund. The maximum contribution rate is 5.4% and the minimum rate is 0.33%.

The maximum weekly benefit amount for 2017 is $425, and the minimum is $79. The taxable wage base for wages paid during the calendar year 2017 is $24,300.

Gross Receipts Tax

Gross receipts are the total amount of money or value of other consideration received from:

- Selling property in New Mexico
- Leasing or licensing property employed in New Mexico
- Granting a right to use a franchise employed in New Mexico
- Performing services in New Mexico
- Selling research and development services performed outside New Mexico, the product of which is initially used in New Mexico

Gross receipts is the total amount of money or other consideration received from the above activities. Although the gross receipts tax is imposed on businesses, it is common for a business to pass the gross receipts tax on to the purchaser either by separately stating it on the invoice or by combining the tax with the selling price.

The gross receipts tax rate varies throughout the state from 5.125% to 8.6875% depending on the location of the business. It varies because the total rate combines rates imposed by the state, counties, and, if applicable, municipalities where the businesses are located. The business pays the total gross receipts tax to the state, which then distributes the counties' and municipalities' portions to them. Changes to the tax rates may occur twice a year in January or July.

The tax is on the businesses' gross receipts. Whether the receipts (net of returns and allowances) are taxable depends on whether the business can take advantage of an exemption or deduction.

Property Tax
New Mexico has the lowest per capita property tax in the nation. Taxes are imposed on one-third of assessed value ("net taxable value"), which is typically between 80 and 100 percent of market value.

Most property is appraised by county assessors in the county in which it is located. The Taxation and Revenue Department assesses certain types of non-residential property, typically industrial property that extends across county boundaries, including property associated with railroads, pipelines, communication systems and mineral extraction. Property taxes are collected and distributed by county treasurers. Major revenue recipients include counties, municipalities and school districts.

Rates vary substantially and depend on property type and location. Rates applicable to residential property range from about $9 to $38 per $1,000 of net taxable value after exemptions are taken. Non-residential property tax rates range from $12 to $44 per $1,000 of net taxable value. The statewide average rates are about $26 per $1,000 for residential property and $29 per $1,000 for non-residential property, or about .8% of assessed value.

New Mexico does not tax property-in-transit through the state or warehoused for delivery out-of-state, inventory, intangible property, and real estate transfers. New Mexico has no estate, inheritance or gift taxes.

RECENT AREA DEVELOPMENT

UNM SRMC
200,000 SF acute care facility and research teaching hospital including 72 inpatient, two 24-bed medical/surgical units, 12 intensive care & 12 senior behavioral health beds.

Rio at Cabezon
24/7 skilled healthcare facility in the Unser Gateway across from Presbyterian Rust Medical Center. $10.5M facility over 51,000 SF and employs 120.

Unser Gateway

A current hotspot for development, UG is home to Presbyterian Rust Medical Center. It is located in south Rio Rancho near Albuquerque and offers excellent transportation access.

Plaza at Enchanted Hills

163,000 square feet of retail leased by fantastic national credit tenants including: TJ Maxx, Bed Bath & Beyond, Michaels and more at Enchanted Hills Blvd and NM 528.

Presbyterian Rust Medical Center

Since opening its doors in 2011, this state-of-the-art hospital has served Rio Rancho, Sandoval County, and Albuquerque's West Side. Presbyterian was named a "Best Regional Hospital" for 2017-2018 by U.S. News & World Report. It is the only hospital in New Mexico to receive the Best Regional Hospital designation.

TRANSPORTATION

Sandoval County is part of the Albuquerque Metro Area, located just northwest of the city. Sandoval County's location allows for direct access to both coasts, Texas, the Midwest, Canada, and Mexico. Interstate 25 runs north and south through Sandoval County and US 550 runs east and west. Additionally, the county is just minutes from Interstate 40, also running east and west.

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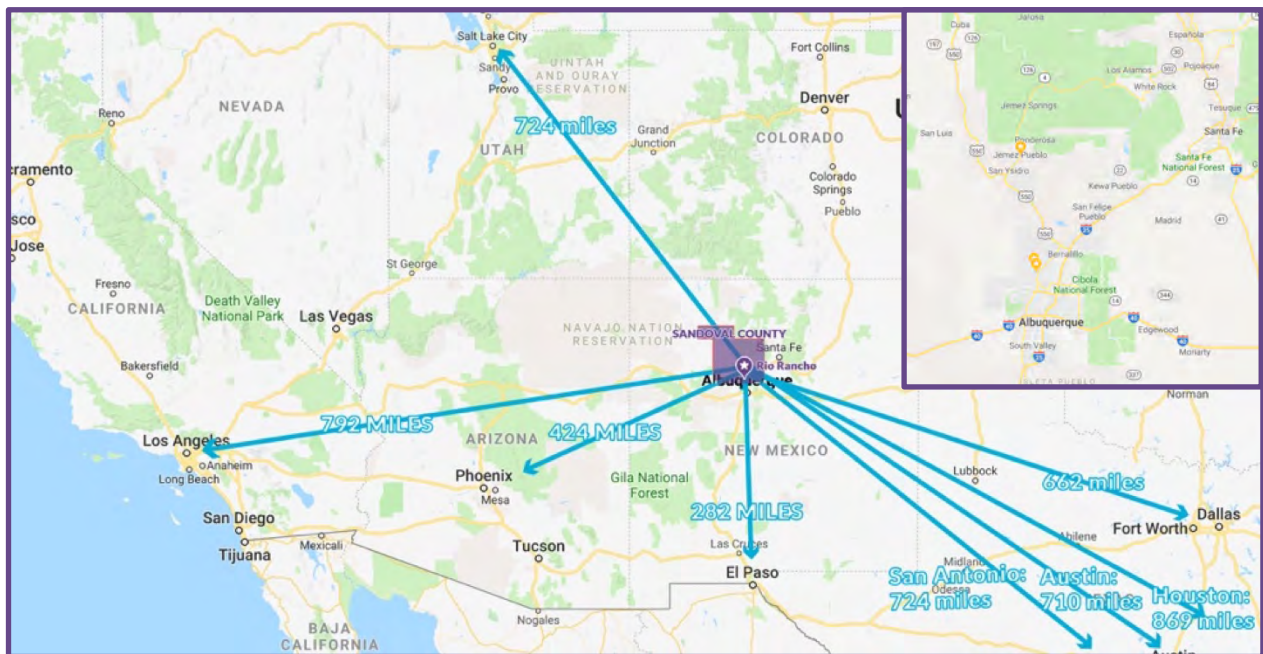
The Albuquerque International Sunport is just 30 minutes from Sandoval County and offers nonstop to 24 cities per day, via 8 commercial carriers. Additionally, Double Eagle II is an active general aviation facility located on the west-side with 240 based aircraft and 120,000 annual operations including training, military, air ambulance, charter, private and corporate flights.
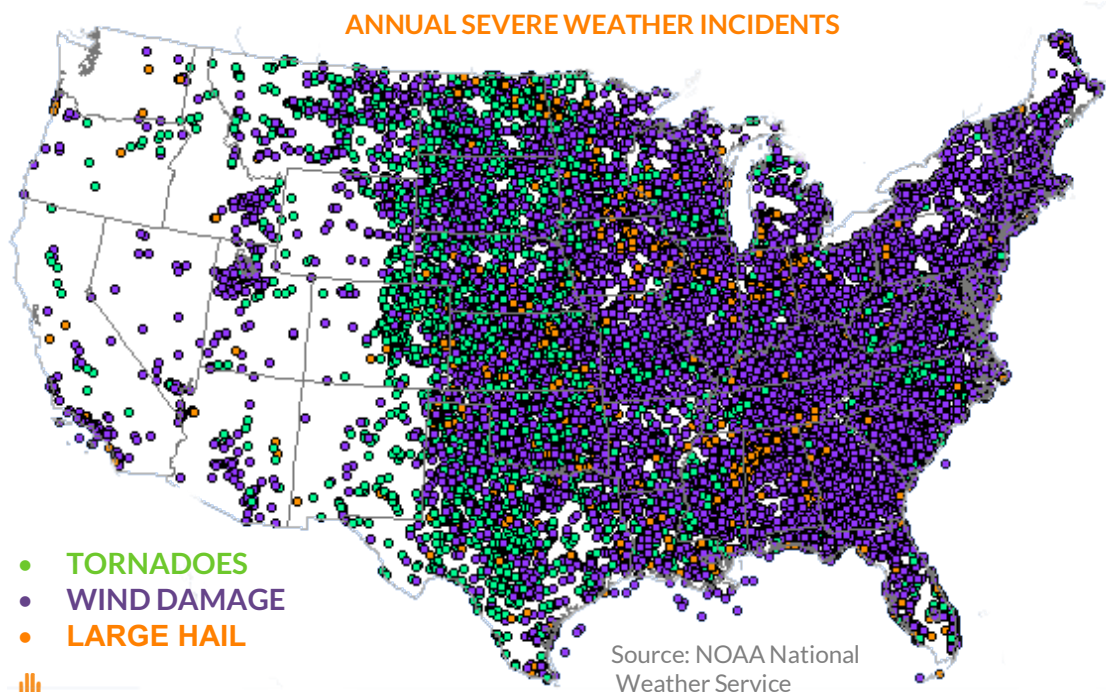
The Burlington Northern Santa Fe Railway (BNSF) serves 28 states and 2 Canadian provinces with 32,500 route miles and operates a multimodal rail yard in Belen, about 45 miles south of Sandoval County. The railway is investing $68 million on a double-track project in New Mexico. BNSF is also investing approximately $1.1 billion on locomotive, freight car, and other equipment acquisitions, many of which will serve New Mexico.
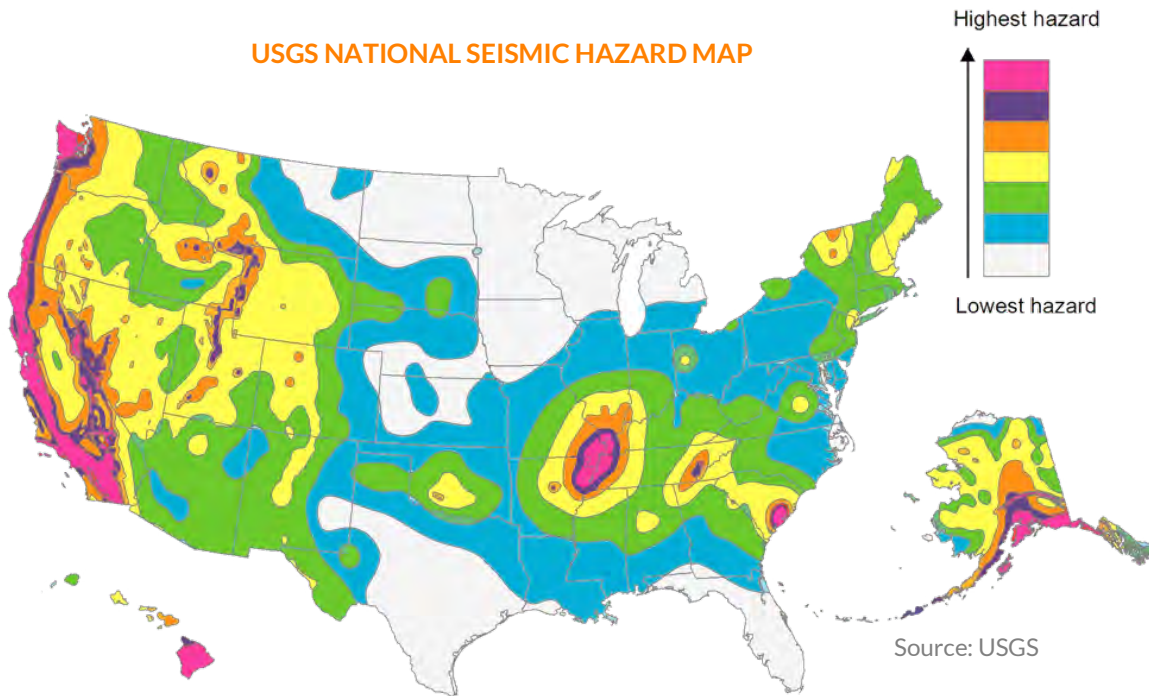
The State of New Mexico owns and operates the Rail Runner Express, a commuter railroad that provides service from Belen, NM to Santa Fe via 14 stations, including Albuquerque International Sunport. Additionally, Amtrak services the metro twice daily on the Southwest Chief route out of the Alvarado Transportation Center in Albuquerque.

FREE OF HAZARDS

Sandoval County has approximately 300 days of sunshine per year with little to no risk of natural disasters. Weather extremes that hinder business operations are extremely rare, so you can count on seamless management without interruption 24 hours a day, 7 days a week, 365 days a year. Sperling's Best Places rated Sandoval County with a Comfort Index of 73 – higher than New Mexico (71) and the US average (54).

ANNUAL SEVERE WEATHER INCIDENTS

- **TORNADOES**
- **WIND DAMAGE**
- **LARGE HAIL**

Source: NOAA National Weather Service

USGS NATIONAL SEISMIC HAZARD MAP

Source: USGS

WHO'S HERE

Aero Mechanical Industries
AeroParts Manufacturing and Repair
Alliance Data
AMFAB Steel
Cable ONE
Convergys

Insight Lighting
Intel Corporation
Lectrosonics
Safelite Auto Glass
SolAero Technologies Corp
US Cotton

Ideum, Corrales

Ideum is one of the fastest-growing companies in New Mexico and part of the Flying 40, a program that recognizes the state's high-tech growth leaders. Ideum creates compelling digital experiences and designs integrated hardware products to engage visitors in public spaces.

HP, Rio Rancho

HP operates a 900-employee facility in Rio Rancho's City Center. A build-to-suit project, the facility is home to a sales center that runs a Commercial PC and Print business for US and Global Accounts. The 218,000 SF, 3-story building took 11 months from start to finish.
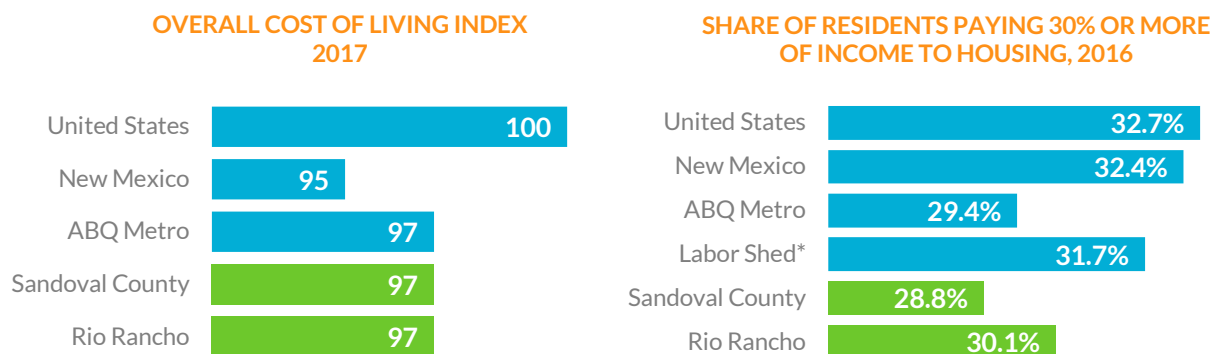

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PCM-G
California-based PCM-G opened a sales center in the HP building in Rio Rancho's City Center in 2016. PCM has remained ahead of their original hiring schedule and plans to expand beyond their original promise of 224 hires. The Rio Rancho location is the highest performing of all the PCM locations.

LIVING HERE

Sandoval County residents enjoy a mild, four-season climate, affordable housing options, a quality educational system, one of the state's lowest crime rates, a declining New Mexico personal income tax, and a cost of living index below the national average.

Cost of Living
Sandoval County's overall Cost of Living Index rating of 97 is below the national average of 100 and slightly above the New Mexico rating of 95. Overall the county is not significantly expensive or inexpensive – but offers a high quality of life at a relatively affordable price point. Examining the share of households in "unaffordable housing" (measured as paying 30% or more of their income to housing) helps reveal how the costs of a community stack up relative to incomes. In 2016, 29% of Sandoval County households were in unaffordable housing – less than the overall Albuquerque metro (32% unaffordable), New Mexico (29%), and US (32%).

OVERALL COST OF LIVING INDEX 2017

United States	100
New Mexico	95
ABQ Metro	97
Sandoval County	97
Rio Rancho	97

Source: Avalanche Consulting/Sperling's Best Places

SHARE OF RESIDENTS PAYING 30% OR MORE OF INCOME TO HOUSING, 2016

United States	32.7%
New Mexico	32.4%
ABQ Metro	29.4%
Labor Shed*	31.7%
Sandoval County	28.8%
Rio Rancho	30.1%

Source: Avalanche Consulting/US Census Bureau

Education System
Widely recognized as the best school system in the state, Rio Rancho Public Schools have some of the highest achievement scores and graduation rates in New Mexico, with graduation rates and ACT scores consistently at or above the national average. In addition to academic excellence, the district is known for outstanding performance in sports, fine arts, and technology.
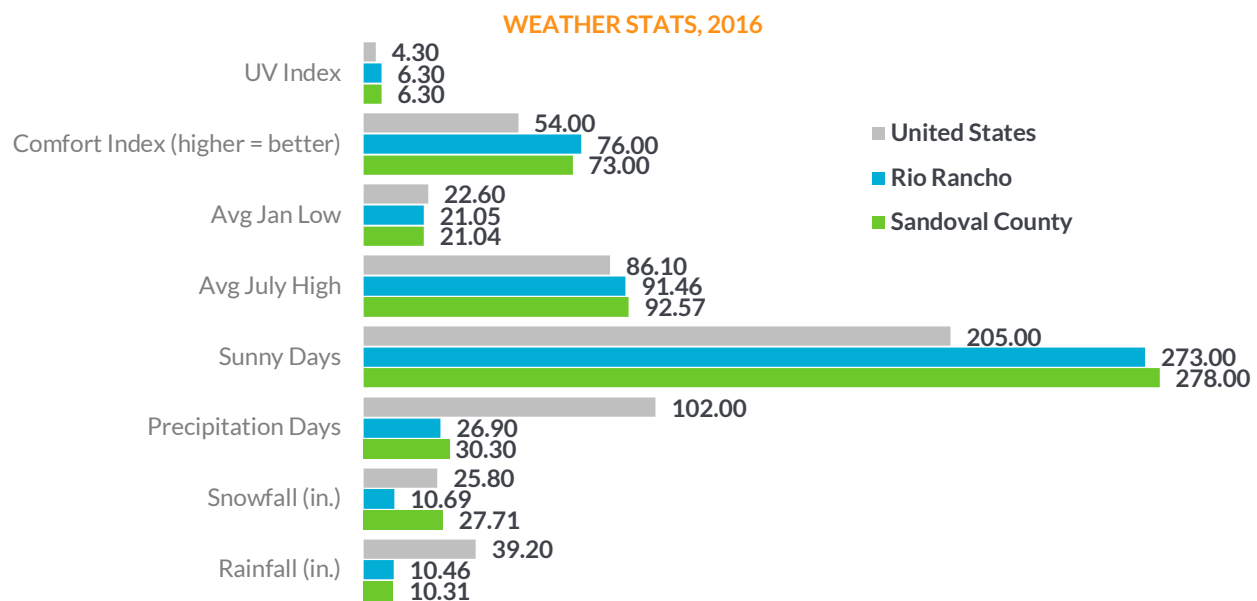
Crime Rate
Sandoval County has violent and property crime rates well below the New Mexico and United States averages. In 2016, Sandoval County had only 1.7 incidents of violent crime per 1,000 residents – compared to 8.9 in the Albuquerque Metro, 7.0 in New Mexico, and 3.9 nationally. The same year, Sandoval County only saw 17 incidents of property crime per 1,000 residents compared to 53 in the Albuquerque Metro, 39 in New Mexico, and 25 nationally.

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Climate

Sandoval County residents enjoy a high desert climate and all four seasons over a beautiful 3,709 square miles of uneven terrain at an average elevation of 5,314 feet where you can ski in the morning and play golf that very afternoon.

Sandoval County gets an average of 10 inches of rain per year and 27 inches of snowfall. The number of days with any measurable precipitation is 30. On average, there are more than 278 days of sunshine per year in Sandoval County. The July high is around 90 degrees and the January low is 21. The comfort index (based on humidity during the hot months), is a 73 out of 100, where higher is more comfortable. The US average on the comfort index is 54.

WEATHER STATS, 2016

Legend:
- United States
- Rio Rancho
- Sandoval County

Category	United States	Rio Rancho	Sandoval County
UV Index	4.30	6.30	6.30
Comfort Index (higher = better)	54.00	76.00	73.00
Avg Jan Low	22.60	21.05	21.04
Avg July High	86.10	91.46	92.57
Sunny Days	205.00	273.00	278.00
Precipitation Days	102.00	26.90	30.30
Snowfall (in.)	25.80	10.69	27.71
Rainfall (in.)	39.20	10.46	10.31

Source: Sperling's Best Places

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MEDIAN HOME VALUE

In 2016, Sandoval County had a vacancy rate of 3.2% among homes for sale – with a median home value of $180,000. This vacancy rate was higher than the Albuquerque Metro (2.2% vacancy), New Mexico (2.8%) and US (1.8%) – indicating that there are more homes currently available for purchase than many other locations.

The median value is higher than New Mexico, but lower than the overall Albuquerque Metro and US values – also indicating overall affordability of homes for purchase in Sandoval County.

MEDIAN HOME VALUE, 2016

United States	$205,000
New Mexico	$167,500
ABQ Metro	$183,600
Sandoval County	$180,200
Rio Rancho	$178,100

Source: Avalanche Consulting/US Census Bureau

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DIVERSE CULTURE AND HISTORY

Sandoval County is one of the most geographically and culturally diverse counties in a very diverse state. It is as old as the first Paleo-Indian people who lived here thousands of years ago and as new as the silicon photonics manufactured at Intel. The largest city in Sandoval County, Rio Rancho, is one of the state's newest – founded in 1981. Conversely, the Town of Bernalillo, which is the county seat, is one of the oldest towns in the nation.

With archaeological findings dating as far as 2,500 BC, ruins of pueblo settlements from more than 500 years ago and visits from the Spanish explorer Coronado, Sandoval County is derived from a unique cultural tapestry of traditions and legends.

OUTDOOR RECREATION

With 12 Native American communities, Sandoval County is home to many ruins, national parks and monuments. There are natural hot springs, hiking trails and cliff dwellings over a beautiful 3,709 square miles of uneven terrain at an elevation of 5,314 feet. Add to that the Rio Grande River, Jemez Mountains and our lakes, and Sandoval County offers an abundance of year-round outdoor activities for the adventure seeker. It's central location in New Mexico also provides quick access to all that the land of enchantment has to offer.

CULTURAL ACTIVITIES AND MUSEUMS

Many centuries-old traditions continue in Sandoval County today. Public dances at Jemez Pueblo resemble those that have been celebrated for generations; the ruins of the Pueblo of Kuaua feature a museum and gallery showcasing kiva paintings and a self-guided trail. Jemez State Monument, the prehistoric site of the Pueblo of Giusewa, features the early 17th century ruins of the mission Church of San Jose de los Jemez. Bandelier National Monument is the site of extensive 12th century pueblo cliff dwellings. Visit Anasazi ruins or explore the trails. The convent that is now El Zocalo was built on El Camino Real, portions of which followed the Rio Grande Indian Trial and has been in use since before the arrival of the first Spanish explorers to the area.

RECOGNITION

Rio Rancho is the Best Place to Live in New Mexico: The Best Place to Live in Every State, MONEY (January 2018)

RRPS #2 of Best School districts in New Mexico: 2018 Best School Districts in New Mexico, Niche (January 2018)

NM Best Place for Female Entrepreneurs: Best States for Women Entrepreneurs – Definitive Ranking of All 50 States, FitSmallBusiness (January 2018)

NM #1 for R&D, #2 for High Tech Jobs & #3 for Innovation: 2017 State New Economy Index, Information Technology & Innovation Foundation (November 2017)

Rio Rancho Among Most Diverse Cities in NM: 2017 Most Diverse Places to Live in New Mexico, Niche (October 2017)

NM Among Most Diverse States in America: 2017's Most & Least Diverse States in America, WalletHub (September 2017)

New Mexico ranked fourth for states with the most "Highly Skilled Developers": HackerRank: Washington, not California, has the most highly skilled developers, VentureBeat (July 2017)

Corrales, Rio Rancho, Among Top 20 Safest Cities in NM: The 20 Safest Cities in New Mexico – 2017, SafeWise (March 2017)

Rio Rancho 50th Most Diverse Small City in the US: 2017's Most & Least Culturally Diverse Cities, WalletHub (February 2017)

Rio Rancho 27th Best Place to Live in the US: America's 50 Best Cities to Live, 24/7 Wall St. (October 2016)

Rio Rancho 37th Best City in the Country for Young Families: America's Best Cities for Young Families, Apartment List (March 2016)

Rio Rancho Named One of Top 20 Safest Cities in NM: The 20 Safest Cities in New Mexico – 2016, SafeWise (March 2016)

NM #1 for Job Growth in Exports: New Mexico is No. 1 in export-related job growth, US Department of Commerce (April 2015)

Rio Rancho Ranked in America's 50 Best Cities to Live: America's 50 Best Cities to Live, 24/7 Wall St. (September 2014)

Rio Rancho is 9th Best Town for Families: 10 Best Towns for Families: Family Circle (2013)