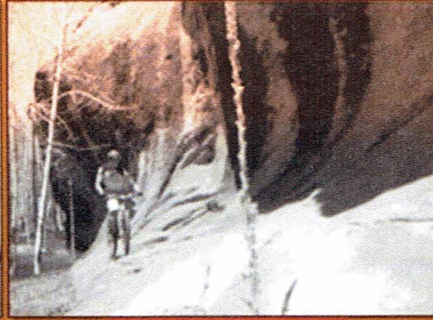


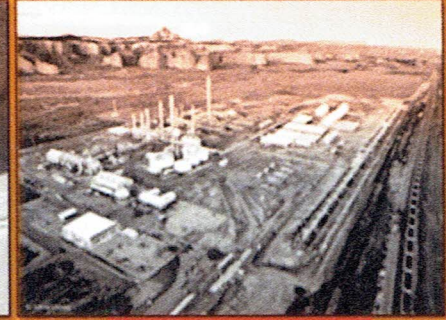
Economic Roundtable



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Strategic Challenges & Opportunities in Gallup's Historic Downtown Commercial District

a white paper
prepared by

Gallup Business Improvement District

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with assistance by
The Roundtable Planning Team

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PERSPECTIVE

Revitalization of Historic Downtown Gallup stands tall as one of the “Top Three” paths to the overall economic stability and prosperity of the Greater Gallup region. Investment in our downtown will build wealth and produce dividends across the coming generations, and will support and complement all efforts at economic development throughout the area. Failure to invest will result in the deterioration of our core urban asset, and will reflect an overall decline in the fortunes of the community.

*We invite and need your participation and support
in our efforts to revitalize Gallup’s local economy.*

Quality of Place

Located at the heart of the community, the Downtown district is the only part of a city that belongs to everyone. Wherever you may find your home in the city, the downtown is yours, too. Investing in the downtown of a city is the only place-based way to benefit all of its citizens at once.

Every decision to locate to a place, whether by a college graduate or a corporation, is made with an image of place in mind. That image is palpable, and it is powerful. It is definitely physical: a picture of buildings, streets, squares and the social life that those places engender. With only rare exceptions, that image is “Downtown.” Each city’s reputation rests in large part on its downtown’s physical attributes.

If Downtown Gallup doesn’t look good, people and businesses won’t want to move here. Also, it will be harder for citizens to feel good about the place where they have chosen to live. A beautiful and vibrant downtown, in contrast, can be a rising tide that lifts all ships.

CURRENT CONDITIONS & OPPORTUNITIES

The following analysis draws heavily from the Metropolitan Redevelopment Area (MRA) Master Plan produced in the past year on behalf of the City of Gallup, the Business Improvement District and community stakeholders of the Downtown.

SITUATION

Gallup’s Role as Regional Economic and Cultural Center:

Gallup’s role as a regional center is well established. Many of the mostly Native American communities throughout northwestern New Mexico and northeastern Arizona consider Gallup to be their primary destination for goods, services and entertainment, as has been the case for generations.

A regional center *must* have a great downtown as the heart of the community, the center for arts, celebrations, civics, entertainment, eating, drinking and professional services.

Gallup's role as a regional and cultural center positions it well for a successful downtown, but much work needs to be done to capitalize on this opportunity and grow downtown's impact on the long term success of the city.

Vacant and Under-used Buildings:

Scattered throughout the plan area are numerous vacant and under-used buildings. This contributes to a sense of deterioration and under-use. Most of the vacant and under-used buildings are in the historic fabric associated with Route 66 and Coal Ave. Several historic buildings downtown remain intact but go largely unused or altogether vacant. While building deterioration in the heart of downtown is largely unseen from the street, several buildings are reportedly facing serious structural and interior deterioration, largely due to neglect.

The issue is compounded by the relatively narrow deep lots owned by separate owners making it difficult to achieve economies of scale for redevelopment. Additionally, rehabilitating historic two story buildings is complicated due to the expense and difficulty of complying with modern building codes and ADA standards required for certain uses on the second floor. Finally, many properties may have environmental issues such as asbestos, which may require remediation for certain uses.

The Gallup MRA plan area has 36 buildings that are over 10,000 square feet. Of those buildings the following are underutilized or vacant and should be considered for repurposing and/or redevelopment:

- Ricca Mercantile Building, (Grand Hotel) 308 Coal Ave.
- Drake Hotel, 212 Route 66
- "Navajo Garage", 383 Route 66
- Elks Lodge, 149 S. Strong Dr. (NE corner of S. Strong Dr. and E. Coal Ave.)
- Warehouse with parking on top, NW corner of E. Coal Ave. and S. Puerco Dr.
- 105 W. Coal Ave. (former Gallup Print and Office Supply)
- 117 W Coal Ave. Two story building west of Sammy C's Sports Bar
- 231-235 W. Coal Ave.

Redevelopment and/or repurposing of underused smaller buildings should consider the location within the block and adjacent buildings. There may be opportunities to assemble properties or rehabilitate several buildings in a row to lower costs and achieve efficiencies. “

The concentrated and vibrant mix of commercial uses continue to make downtown Gallup a regional destination on weekends and to a lesser extent on weekdays. With a renewed worldwide interest in authentic historic downtowns that serve locals there is an opportunity to meet economic development goals by expanding existing businesses, encouraging new commercial uses and repurposing buildings.

INDICATORS

“Since Gallup's founding in 1881, the City has repeatedly reinvented itself and taken advantage of transportation routes. Gallup's role as a regional retail and cultural center is well established. Through using its ingenuity, sense of place, and embracing a changing economy, Gallup can continue to grow and adapt to form the bright future its citizens want for their city.

Challenges to overcome include:

- The lack of a 24-hour presence due to limited business hours
- The low number of restaurants
- The lack of overnight accommodations
- Limited residential development and the noise associated with the rail line
- The difficulty of complying with modern building codes and ADA requirements (see Vacant and Under-used Buildings above).

Approximately 7% (9.2 acres) of the Gallup MRA plan area consists of vacant land scattered throughout the area. The largest such property is associated with the Alpine Lumber site north of the rail line.

Development on vacant lots provides an opportunity to meet objectives related to large-scale regional uses such as a museum, event center or library and, in appropriate locations, for higher density quality residential development.

Market Analysis:

Gallup's Historic Commercial Downtown is uniquely positioned for economic success. According to Place Dynamics' Market Analysis in the City of Gallup, "The Central Business District is estimated to account for 21% of the city's total sales."

The City of Gallup is the major center for commerce and services, drawing in thousands of customers over a huge region for shopping, services and entertainment. Downtown Gallup is fueled primarily by the arts and cultural trade, making it a completely unique place economically and culturally.

The customer base in the city as a whole is robust and Downtown is completely unique and an interesting place, **but** much work needs to be done Downtown to capitalize on these advantages.

Today the typical U.S. Downtown sectors such as retail, entertainment, eating and drinking are relatively weak in Downtown Gallup.

A regional center needs a great downtown as the heart of the community, the center for arts, celebrations, civics, entertainment, eating, drinking and professional services.

Gallup's role as a regional and cultural center positions it well for a successful downtown, **but** much work needs to be done to capitalize on this opportunity and grow downtown's impact on the long term success of the city.

The key findings in the report are summarized as follows:

- The Downtown is an important component of the regional economy; the secondary trade area has an estimated \$9.4 billion in total sales.

11% of these sales are a result of commercial activity in the Downtown.

Within the City of Gallup... "The Central Business District is estimated to account for 21% of the city's total sales volume." This is advantageous for the community in that money stays in and circulates in the local economy.

- 70% of Downtown sales are related to wholesale or manufacturing. The activity in the Downtown from these two sectors accounts for eight percent of total sales in the secondary trade area and represents the production and distribution of Native American Arts and Crafts.
- City-wide retail sales to existing residents total \$171 million per year while total sales in the city are in excess of \$566 million per year, meaning that the city enjoys retail surplus of nearly \$400 million annually from sales to regional residents and tourists.
- The arts and cultural economy is strong regionally and locally.
 - The City of Gallup and McKinley County have 2.5 times more than the state average percentage of workers engaged in the cultural economy.
 - 7.4% of McKinley County's workforce is involved in creative economy. The Downtown has a significant economic role in exporting and manufacturing of arts and cultural goods but not as strong of a role in more typical downtown sectors such as entertainment, eating, drinking and shopping. More activity and businesses in these sectors would expand livelihoods and add vitality to Downtown Gallup.
- 62% of people working in the Downtown are working in the professional sector.
- The Downtown district captures 14% of total retail sales occurring in Gallup, and most of these sales are related to non-food and beverage related activities.

RESPONSE STATUS: WHAT WE'RE WORKING ON

Local Focus & Leadership

➤ **Gallup Business Improvement District (BID)**

The BID was created by downtown property owners and the Gallup City Council "to promote and restore economic vitality to the central core of the Downtown Gallup business area and enhance commercial development which benefits the health, safety, and welfare of the citizens of Gallup."

Across the US, downtown and community development strategies are increasingly both incremental and entrepreneurial in order to overcome complacency or inertia, and the "business improvement district" structure has arisen as a mechanism for implementing those strategies. New Mexico's *Business Improvement District Act* was created to "provide municipalities and entrepreneurs a more flexible and proactive vehicle to collaborate in the revitalization efforts of their downtowns, commercial districts and central business districts." In enacting the *Business Improvement District Act*, New Mexico's Legislature recognized that effective action in improving downtown districts is more quickly addressed through the private sector.

The funding mechanism for a BID is firmly established by New Mexico State statute. The steady and stable source of funds enables projects to be reasonably planned, funded and executed. Commercial property owners within the BID voted to voluntarily pay an imposed assessment fee to fund the BID operation and programs, and the City Council voted to

provide matching funds. Accordingly, Gallup BID has enjoyed the ability to respond to capital proposals, event sponsorship requests, maintenance projects, marketing concepts, and other initiatives in a timely manner.

Continuous redevelopment of Gallup's Historic Downtown Business District creates significance and economic impact, and it creates a sense of stewardship for property owners, rather than simple ownership.

The Gallup BID, led by its Board of Directors and its Executive Director, recognizes that development and revitalization of Downtown is a process that requires time, resources, and the commitment of a focused organization. In recent years, the BID has been able to prioritize and implement a series of projects targeted to improvement of the overall District. Projects created and funded by Gallup Business Improvement District from 2009 to present include:

A. Organizational Growth

- (1) Created website – gogallup.com
- (2) Created Gallup MainStreet Arts & Cultural District
- (3) Created website – gallupculturaldistrict.org
- (4) Historic Downtown Commercial District designation
- (5) Worked with City of Gallup and NM MainStreet for creation of Gallup Metropolitan Redevelopment Plan and Gallup Cultural Plan.

B. Assessment Fee Rebate Program for Security and Façade Improvement successes:

- (1) Don Diego's
- (2) Silver Dust
- (3) City Electric Shoe Shop
- (4) Clay Fultz Insurance
- (5) Kauzlaric Family buildings
- (6) Gurley Motor Company
- (7) Millennium Media building
- (8) Gallup Vision Source
- (9) Makeshift Gallery
- (10) Progressive Insurance
- (11) First American Traders
- (12) American Bar
- (13) Tairas's Inc. office building
- (14) DePauli Engineering
- (15) Uniform Stop
- (16) First American Traders

C. Gallup BID Programs and projects

- (1) Summer Season Downtown Private Security Patrolmen
- (2) Summer walking tours
- (3) Beautification - Trash can receptacle painting contest, sidewalk powerwashing, sidewalk sweeping, alley cleanup
- (4) Wayfinding informational kiosks
- (5) Structural Gateways welcome visitors to Downtown

- (6) Business (neon) sign improvement grant program; 8 signs in 2015, 5 in 2016
- (7) Route 66/NM 118 pedestrian safety improvement project (*construction pending*)
- (8) Installation of permanent decorative lighting above 3 blocks of Coal Avenue

D. Event Support

- (1) Annual Ride Flight Cruise - 3-day event
- (2) Arts Crawl - monthly
- (3) Route 66 Car Show and Cruise cookout
- (4) "Route 66 Great Race" host city
- (5) Gallup Community Concert Association
- (6) American Bar 75th Anniversary
- (7) Business After Hours with GGEDC
- (8) Land of Enchantment Opera
- (9) Farmers' Market
- (10) Relay for Life
- (11) Gallup Economic Development training seminar (GGEDC)
- (12) Many smaller events

➤ **Creation of Gallup MainStreet and Arts & Cultural District:**

In 1985, Gallup was one of five original cities in New Mexico to receive "MainStreet" designation from the State. Important projects were successfully executed; for example, transformation of the historic Gallup train station into the Gallup Cultural Center. Millions of dollars in private funding were invested in Downtown redevelopment. In the 1990s, local funding for nonprofit leadership in the downtown was eliminated, and Gallup MainStreet ceased operations.

In 2013, members of the Board of Directors of Gallup BID, along with Mayor of Gallup, requested that the New Mexico Economic Development Department provide Gallup with the opportunity to start a new MainStreet organization. In 2014, they asked to be considered by State of New Mexico for designation as an Arts & Culture District.

The Gallup BID served as the "incubator" and fiscal agent for creation of Gallup MainStreet Arts & Cultural District, which is now an incorporated 501(c)(3) non-profit organization working to improve both quality of life and quality of place in the downtown district.

Gallup MainStreet Arts & Cultural District
gallupculturaldistrict.org

In Gallup, the MainStreet and the Arts & Cultural District initiatives have been merged into one entity, which embraces the full spectrum of the local creative economy as it works to improve the historic downtown area. Gallup MainStreet/Arts & Cultural District was incorporated as a 501(c)(3) nonprofit corporation in February 2015.

MainStreet Program

Since 1985, New Mexico MainStreet has been a powerful force for revitalization of communities across the state. MainStreet combines historic preservation with asset-based economic development to re-build resilient Downtown Main Streets as the foundation for healthy communities. The MainStreet program requires Directors of local MainStreet organizations to attend training sessions in topics related to Promotion, Economic Vitality, Physical Design and Organization-building and Management. The performance of local organizations is carefully monitored by New Mexico MainStreet and the New Mexico Economic Development Department. Achieving high levels of proficiency in these areas allows for gaining additional higher level technical and financial resources from New Mexico Departments and Programs.

Arts & Cultural District Program

The New Mexico Arts & Cultural District program helps communities to preserve their heritage, provide support to cultural entrepreneurs and institutions, and capitalize on the economic potential of the Downtown MainStreet District, as well as of the entire town.

MainStreet and Arts & Cultural District organizations also promote the vitality and unique artistic qualities of the district to markets within a day's drive of the organization's home.

➤ **Gallup Metropolitan Redevelopment Plan and Gallup Cultural Plan**

The Gallup MainStreet Arts & Cultural District Board of Directors, together with City of Gallup Management, served as the Steering Committee that worked with the consulting firms chosen to create the Gallup Metropolitan Redevelopment Plan and the Gallup Cultural Plan. The City of Gallup, New Mexico Economic Development Department, MainStreet and Gallup BID partnered to secure necessary funding for the research and creation of the plans.

A Downtown District Master Plan defines a community's vision for the core commercial area and identifies priority catalytic projects to revitalize that area, determined through a dynamic community participation process. Also called a Downtown Revitalization Plan, a Metropolitan Redevelopment Area Plan, or a Downtown Strategic Plan, the Master/MRA Plan examines existing conditions and assets, analyzes the core district economic market, develops a physical land use plan with livability/design guidelines, designs specific redevelopment sites and projects, and identifies sustainable implementation strategies and specific funding sources for each priority project for the district's future physical improvements, economic uses, and regulations.

The Gallup City Council adopted the Downtown MRA Plan in December 2015. It is a living document that will guide district revitalization and public and private sector investment for several years. The plans are available on the websites of the City of Gallup, the BID and the Gallup Arts & Cultural District. Goals and Projects emerging from the MRA Master Plan are included here in the Appendix.

RECOMMENDED ACTION STEPS

Investing in Downtown

- Investing in Downtown Infrastructure – Once work has commenced on replacing existing infrastructure, including alleys, water and sewer and broadband internet access, Gallup’s downtown commercial district will be able to attract or create new businesses downtown that have a low carbon footprint, generate a high net (taxable) profit and require little in the way of cash incentives to start operating in Gallup. Internet based businesses; light artisanal manufacturing and work in the areas of the creative economy are appropriate targets. An attractive and functional downtown will magnetize new business growth, and new high-paying jobs will likely concentrate in the Downtown.
- Infrastructure Finance – Downtown infrastructure improvements, as identified and prioritized by the Business Improvement District, need to be separately categorized in the City of Gallup’s Infrastructure Capital Improvement Plan (ICIP). The City’s upcoming bond issue will provide some funding for such downtown improvements, but other financing sources are also available and existing BID dollars need to be leveraged against other financing options in order to accelerate much-needed essential infrastructure improvements.
- Internet Technology – Given the rapid growth and dominance of the technology-based economy, it will be critical to have state-of-the-art broadband capacity in the Downtown that will support a range of current and emerging entrepreneurial opportunities and technologies, including artificial intelligence applications. However, all relevant stakeholders should cooperate in order to bring Gallup into the contemporary technology-based economy.
- Staff Up – To accommodate full ICIP build-out, and in order to meet expected timeframes for accomplishing projects, a corresponding plan will need to be put in place identifying the human and other resources needed, both within and outside City government – possibly to include a larger Public Works department. The current system needs to be upgraded in order to accomplish the variety and scope of Downtown projects already approved by the City Council.
- Incentives for Redevelopment – All potential incentives need to be evaluated for full utilization by business and property owners in the Downtown district, with technical assistance provided by the City, the cooperating Downtown organizations, and State and Federal government. These resources can be used to improve the appearance and safety of the buildings and to put unused buildings back into service.
- Downtown Incubator – Establish a uniquely configured Entrepreneurial Incubator in the Downtown, to include support for business start-ups in digital media and the creative economy.
- MainStreet Model – The City of Gallup and its civic partners need to follow America’s MainStreet program model, which includes organizing teams of enthusiastic volunteers to work on specific projects in the areas of design, appearance of property, events and promotions held within the district, and economic development activity.
- Volunteer Corps – A local Downtown volunteer corps needs to arise to continue to assist with implementing the plans and programs outlined for the revitalization of the Downtown. The BID, in particular, invites and needs your participation in our efforts to keep Gallup’s downtown district economically healthy with a vibrant culture.

We invite and need your participation in our efforts to keep Gallup’s downtown district economically healthy with a vibrant culture. Please contact us if you wish to help your city or to examine existing programs that may help your own businesses or property values.

APPENDIX

Goals & Projects **From the** **Downtown Gallup Metropolitan Redevelopment Area Plan:**

Short-Term Goals:

- New Library- Phase 1: Needs Assessment/Programming/Site planning
- Coal Ave “Event Street”: Phase 1 Improvements
- Alleyway Pedestrian Improvements
- “Little Perky” Interpretative Viewing Deck
- South Entry on Second St: Community Art Garden
- Establish Quiet Zones at Rail Crossings- Phase 1: Pedestrian Crossing Improvements
- Raised Rotosphere/Interstate Display
- Façade Improvement Program
- Planned Skatepark
- Aztec, 2nd & 3rd St bike lanes, and BikeShare program

Mid-Term Goals:

- Youth Arts/Performance Center
- Bike and Pedestrian Railway Underpass
- Oasis Park
- Courthouse Square Enhancements
- Proposed Skatepark Expansion
- Rio Puerco Pathways and Underpass
- Makerspace / Fabrication Shop

Long-Term Goals:

- Library Adaptive Re-Use: Museum
- Comcast Adaptive Re-Use: Museum
- Native American Community Center
- Railroad Themed Parking Lot with Railroad Observation Deck
- Potential Mixed Use Parking Structure

Goals & Projects From the Downtown Gallup Cultural Plan:

Gallup Cultural Plan:

Short-Term Goals:

- New Library- Phase 1: Needs Assessment/Programming/Site planning
- Coal Ave “Event Street”: Phase 1 Improvements
- Alleyway Pedestrian Improvements
- “Little Perky” Interpretative Viewing Deck
- South Entry on Second St: Community Art Garden
- Establish Quiet Zones at Rail Crossings- Phase 1: Pedestrian Crossing Improvements
- Raised Rotosphere/Interstate Display
- Façade Improvement Program
- Aztec, 2nd & 3rd St bike lanes, and BikeShare program

Mid-Term Goals:

- Bike and Pedestrian Railway Underpass
- Oasis Park
- Multi-Cultural Event Center
- Courthouse Square Enhancements
- Makerspace/Fabrication Shop

Long-Term Goals:

- Library Adaptive Re-Use: Museum
- Comcast Adaptive Re-Use: Museum
- Railroad Themed Parking Lot with Railroad Observation Deck
- Potential Mixed Use Parking Structure