


2019 Annual Report

Moving Forward



TABLE OF CONTENTS

2. A Word from the President
 3. Business Recruitment
 4. Workforce Development
 5. Business Retention & Expansion
 6. Marketing & Attraction
 7. GGEDC Financials
 8. Message from the Executive Director
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MISSION STATEMENT

To drive economic growth through building on local and strategic partnering to target attraction and recruitment of business and industrial employers that provide economic-base jobs in the Gallup-McKinley County area.

A Word from the Board Chair

Tommy Haws



As President of the Greater Gallup Economic Development Corporation (GGEDC) Board of Directors, I have had the distinct honor and great privilege to work with a team truly dedicated to generating economic growth for the City of Gallup and McKinley County.

GGEDC has never been stronger than it is today. With a commitment to excellence and a passion for economic development, the board and staff of this organization continue to reach new levels of distinction every day.

The GGEDC's devotion to adapting to meet new challenges and needs, while still preserving what is unique and special to GGEDC, speaks to the lasting and successful nature of this economic development organization.

2018 was a particularly exceptional year for GGEDC, and I continue to be astounded

at the magnificent work that is being done across our work plan. GGEDC's role in the recruitment of Rhino Health to McKinley County and the designation of Gallup-McKinley County as a FDI Certified Community is evidence of the organization's commitment to continuous improvement and economic development quality.

I believe that I speak for the entire Board of Directors when I say that I am proud to have Greater Gallup Economic Development Corporation serving as a catalyst for advancing the area, and look forward to continued success.

BOARD OF DIRECTORS

TOMMY HAWS
President

RICK MURPHY
Vice-President

JOE MESICH
Treasurer

PATRICK MASON
Secretary

TONY TANNER
Director

KENT WILSON
Director

YOGASH KUMAR
Ex-Officio

JACKIE MCKINNEY
Ex-Officio

ADVISORY COMMITTEE

BNSF Railway
Continental Divide Electric Cooperative

Gallup Land Partners
Marathon Petroleum Corporation

Rhino Health selects McKinley County \$49M investment to generate 350 Jobs



GGEDC Board President Tommy Haws and Ex-Officio Jackie McKinney join dignitaries including Mark Lee, CEO, Rhino Health to announce a Nitrile Glove Manufacturing facility

Rhino Health, LLC. announced McKinley County as the location for its first U.S.-based nitrile glove manufacturing facility.

With plans to produce 2 billion pair of gloves per year, Rhino Health will look to hire 350 employees and invest an estimated \$49 million.

GGEDC played an integral role in the recruitment of Rhino Health, cultivating a relationship with CEO Mark Lee and COO DJ Yoon. In addition to requested presentations, GGEDC hosted national and international delegations in support of Rhino Health.

As a member of the McKinley County Smart Growth Commission, GGEDC supported efforts by Rhino Health to secure industrial revenue bond financing from McKinley County. In addition, GGEDC assisted Rhino Health in securing Sandia National Lab participation to examine manufacture operations to increase efficiencies.

GGEDC awarded TBIC FDI Certification First in NM to achieve designation

TBIC and Navigator Consulting announced GGEDC is among the first eight in the U.S., and first in New Mexico, to receive the Foreign Direct Investment Qualified Community Certification.

Trans-Atlantic Business Investment Council (TBIC) is awarding the Foreign Direct Investment Qualified Community Certification (FDI Certification) to GGEDC with the purpose of promoting the Gallup-McKinley County to foreign, specifically, European industries.

“With the FDI community certification, TBIC will market Gallup-McKinley County to European manufacturing firms” said Executive Director Patty Lundstrom. “The, FDI community certification indicates that Gallup-

McKinley County has the necessary infrastructure, education ecosystem, talent pool, community support and existing base of manufacturers to support new manufacturing”.

FDI community certification involved an intense four stage review conducted over the course of six weeks beginning with development of a comprehensive 550-point community dataset, responding to a sample request for information, conducting a 2-day community site visit, and culminating with a FDI community workshop.

TBIC seeks to connect European industrial enterprises with American communities in efforts to develop distant yet promising economies.

GGEDC attends TBIC Annual Meeting

As the founding member from New Mexico, GGEDC’s attendance at the TBIC Annual Meeting, held from October 28-30, 2018 in Ft. Wayne, IN, was an opportunity to accelerate development of a foreign direct investment (FDI) manufacturing recruitment program through the cultivation of new relationships with economic development organizations from across the U.S., educating TBIC staff on New Mexico’s manufacturing climate, and learning community best practices for supporting manufacturing.



GGEDC Executive Director Patty Lundstrom among other community representatives during the annual meeting of the TBIC.

According to TBIC, Europe is the largest annual source of foreign direct investment for the U.S.



Left to Right: Michael Sage, GGEDC; Matthias Baier, TBIC; Patty Lundstrom, GGEDC; Jim Blair, Navigator Consulting; Philip Marschall, Navigator Consulting; Melody Natewa, GGEDC.

GGEDC welcomes Johnny Gonzalez Master trainer to lead new workforce program

Jonathan “Johnny” Gonzalez has been selected as GGEDC’s new Workforce Development Manager and comes to McKinley County from Biloxi, MS where he spent the last 10 years serving as a project manager for Women in Construction, a local non-profit organization.



During his tenure in Biloxi, MS, Jonathan helped train and certify over 600 women for employment utilizing industrial curriculum from the national industry group - NCCER.

As Workforce Development Manager, Johnny will oversee a team effort to design and develop a new innovative 10-week, 400 hours curriculum. In addition, Johnny will work with the industrial employers of McKinley County to design the innovative workforce training curriculum as well as establish apprentice pathways for program graduates.

BNSF Railway gives GGEDC \$10,000 for Workforce Program

A \$10,000 grant from the BNSF Railway Foundation is the first received by GGEDC from the railroad behemoth and is expected to generate additional contributions from industrial partners as the need for skilled workers reaches level critical.

The grant will be used for the GGEDC Industrial Workforce Program to train McKinley County residents for employment in various economic sectors including transportation.

As an industrial employer drawing from the McKinley County labor pool, BNSF Railway stands to benefit from the success of the GGEDC Industrial Workforce Program.

Gallup, NM is home to Energy Logistics Park; a BNSF Railway-certified site.

Program will incorporate career pathways placing residents on a trek that will see them obtain a general equivalency, industry certifications, and apprenticeship enrollment.

With support of the Northern Area Local Workforce Development Board (NALWDB), GGEDC utilized Jobs for Future, a national subject matter expert, and their representative, Francene Kennedy, to help design and participate in the workforce roundtable.

Workforce and Economic Development combine at GGEDC Roundtable

On February 20, 2019, GGEDC held a workforce roundtable with a consortium of workforce development stakeholders based in McKinley County to begin the formation of an industrial certification training program.



GGEDC Deputy Director Michael Sage with Francene Kennedy, Jobs for the Future; and Jeff Kiely, Northwest NM Council of Governments at the Workforce Roundtable.

Private employers, higher education, state workforce development, workforce development boards, state and local economic development organizations, industrial trade organization and tribal workforce development gathered to delineate roles and catalog available resources to undertake development of the local infrastructure needed to support the program.

Consensus regarding the need to continue the workforce development strategy of locally-led solidifies a role currently undertaken by GGEDC.

The GGEDC Industrial Workforce Program seeks to be industry driven and supported. Tailoring training around the skills required by local industrial employers in an environment which stimulates on-the-job conditions and a high quality pipeline of residents for participation will form the trademarks of the innovative pilot workforce development program.

The GGEDC Industrial Workforce

HM 72 completes Phase I economic planning with Prewitt Industrial Cluster



GGEDC Executive Director Patty Lundstrom presents a certificate of recognition to Don Russell, formerly plant supervisor for Escalante Generating Station.

A major initiative for the GGEDC business retention and expansion program, House Memorial (HM) 72 involving GGEDC and a consortium of public and private stakeholders

saw the completion of phase I economic development planning for the Prewitt Industry Cluster, which consists of McKinley County economic base employers Tri-State, Peabody Energy, and McKinley Paper.

Outcomes of HM72 included a Target Industry Analysis, Supply Chain Analysis, Workforce Assessment, and Preliminary Site Plan, and culminated with identification of a 640-acre tract of land for future development.

Phase II economic development planning will see a finalization of the site plan along with accompanying technical and engineering documents to generate site level

GGEDC presents GLP with Business in Excellence award

Gallup Land Partners was recognized with the Business in Excellence award during the 2019 GGEDC business retention and expansion luncheon. On hand to accept the award on behalf of the Gallup Land Partners organization was CEO Jake Bracken and General Manager Martin O'Malley.

Since 2013, Gallup Land Partners have overseen development of the Gallup Energy Logistics Park including construction of an 11,000-linear foot rail loop and securing certified site designation from BNSF Railway. Philanthropic efforts have included an internship program in conjunction with UNM-Gallup Branch Campus.

The Business in Excellence award was introduced in 2018 and the previous recipient was Marathon Petroleum Corp. The business retention and expansion luncheon is held annually in conjunction with National Economic Development Week.



GGEDC Board Members Jackie McKinney and Tommy Haws join GGEDC Executive Director Patty Lundstrom to present the Excellence in Business award to Gallup Land Partners' Jake Bracken and Martin O'Malley.

Inaugural Cabinet Secretaries Roundtable succeeds in promoting economic development

On February 22, 2019, in snowy Santa Fe, NM, GGEDC held an economic roundtable in which local members of the Gallup Executive Directors Alliance (GEDA) met with Cabinet Secretaries of the new administration for NM Gov. Michelle Lujan Grisham.

Dubbed the 'Cabinet Secretaries Roundtable', a total of 9 cabinet secretaries presented in a lightning round type format with each given 30 minutes to present followed by community Q&A. GGEDC served as program coordinators and facilitators.

The Cabinet Secretaries Roundtable

was the first of its kind for McKinley County and arose after it was identified that there needed to be a platform in which local entities of Gallup-McKinley County could engage state agencies capable of generating a direct economic impact on local residents quality of life.

GEDA consists of members from City of Gallup, McKinley County, RMCHCS, GMCS, GGEDC, Gallup BID, Gallup Chamber, NWNMCOG, and UNM-Gallup.

Going forward, the Cabinet Secretaries is envisioned as a yearly engagement to coincide with Gallup-McKinley County Day.

Business trade shows build profile for Gallup-McKinley County



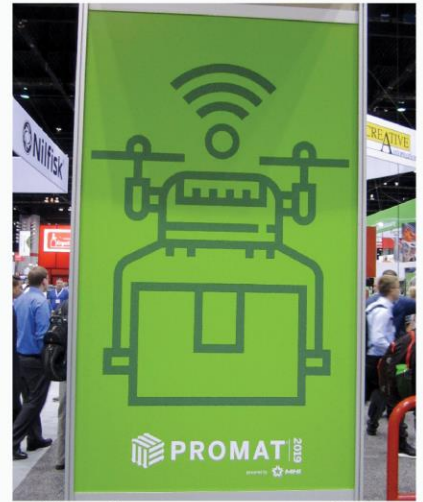
GGEDC Executive Director Patty Lundstrom in attendance at the 2019 SelectUSA Investment Summit in Washington, DC along with economic developers from across New Mexico.

To proactively market Gallup-McKinley County to businesses, site selectors, and brokers, GGEDC participates in national and international trade shows with the NM Partnership.



Attending the 2019 Global Petroleum Show in Calgary, Alberta was Michael Sage, GGEDC Deputy Director, and representatives from the NM Partnership and Lovington EDC.

Using a grant from the NM Economic Development Department, and in alignment with a Target Industry Analysis, GGEDC participates in 5 trade shows a year to actively recruit new business:



Held in Atlanta, GA, PROMAT is the largest North American for logistics and materials handling. GGEDC has been attended since 2017.

- SelectUSA Investment Summit
- Global Petroleum
- Promat
- Site Selectors Forum
- IMTS

NM State Land Office kicks-off Economic Development Week



Gallup Mayor Jackie McKinney, NM State Land Commissioner Stephanie Garcia Richard, and McKinley County Commissioner Bill Lee all smiles after signing JPA.

National Economic Development Week in McKinley County began with a bang as GGEDC coordinated a historic Joint Planning Agreement (JPA) between state of New Mexico and local governments.

State Land Commissioner Stephanie Garcia Richard, Gallup Mayor Jackie

McKinney, and McKinley County Commissioner Bill Lee participated in a signing ceremony held at the McKinley County Rotunda. GGEDC Board President Tommy Haws served as emcee for the event which was attended by a number of local dignitaries, elected officials, and residents.

The JPA will establish a cooperative relationship for the marketing of state lands for economic development purposes. It also pledges collaboration with local governments before any long-term lease, sale or exchange of state trust lands occur.

This agreement will help the Gallup area and McKinley County to be a model of planned economic



GGEDC Board President Tommy Haws, NM State Land Commissioner Stephanie Garcia Richard, and GGEDC Executive Director Patty Lundstrom celebrate national economic development week.

development on state trust lands within McKinley County,” said GGEDC Executive Director Patty Lundstrom. “I look forward to working with the State Land Office on future development projects.”

The JPA will cover the approximately 700 square miles of state land in McKinley County.

GGEDC Financials

GREATER GALLUP ECONOMIC DEVELOPMENT CORPORATION STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
REVENUE:		
Grant Income	\$ 304,000	\$247,500
Contributions and Support	20,000	54,500
Interest Income	132	42
Other Income	908	-
Total Revenue	<u>325,040</u>	<u>302,042</u>
EXPENSES:		
Program Services	233,356	211,463
General & Administrative	74,425	65,892
Fundraising (Note 10)	<u>16,485</u>	<u>16,506</u>
Total Expenses	<u>324,266</u>	<u>293,861</u>
Change in Net Assets	774	8,181
Net Assets at Beginning of Year	<u>212,367</u>	<u>204,186</u>
Net Assets at End of Year	<u>\$213,141</u>	<u>\$212,367</u>



Message from the Executive Director

A Year of Building a More Prosperous Community

I am pleased to present the Greater Gallup Economic Development Corporation's Annual Report for 2018: A Year of Building a More Prosperous Community.

As an organization, we strive to put our best foot forward every day to generate economic growth in the most efficient and effective ways possible.

In this year's Annual Report, we are highlighting many, though certainly not all, of GGEDC's accomplishments and activities to advance our vision of ensuring McKinley County residents are provided opportunities for employment through a robust and vibrant local economy.

The past year, 2018, proved to be another eventful year for GGEDC. Most notably, business recruitment continued to dominate the headlines, with GGEDC working extensively on Qualified Opportunity Zones and a promising foreign direct investment program.

We worked closely with our partners in Berlin, the Trans-Atlantic Business Investment Council (TBIC), to support our first European foreign direct investment initiative: FDI Community Certification.

FDI community certification brought attention to the opportunities associated with the on-shoring of businesses to the U.S. and New Mexico. A successfully funded grant will allow GGEDC to continue FDI outreach to identify opportunities for foreign business recruitment.

Additionally, we have been working with existing McKinley County employers to learn more about the skillsets and certifications needed by the next generation of workers to develop new innovative industrial workforce training programs.

Building on our business retention and expansion program, the GGEDC Industrial Workforce Program will support the foundation for a skilled



workforce in McKinley County.

I hope you enjoy reading this Report and that it gives you further insight into the work that we do and the progress we have made as an economic development organization in partnership with others in 2018.



STAFF

Patty Lundstrom, CEcD

Executive Director

Michael Sage, CEcD

Deputy Director

Bruce Armstrong

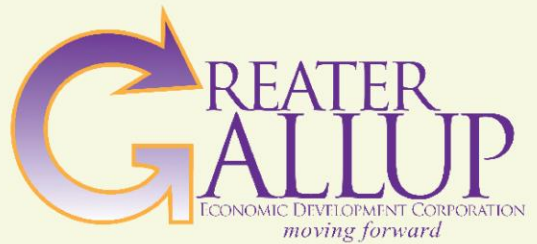
Economic Development Manager

Jonathan 'Johnny' Gonzalez

Workforce Development Manager

Melody Natewa

Administrative Assistant



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