



*Carbon Coal Road
Open for Business!*

2023 ANNUAL REPORT

.....

GREATER GALLUP ECONOMIC DEVELOPMENT CORPORATION

June 30, 2023



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Ready ... Set ... Grow!

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GGEDC MISSION STATEMENT

It is the mission of the GGEDC to drive economic growth through building on local assets and strategic partnering to target attraction, retention & expansion of industrial employers that provide economic-base jobs in the Gallup-McKinley County area, and to support & promote a business-friendly environment.

GGEDC led a 9-member delegation to Chicago for the IMTS Manufacturing Tradeshow. Story on p. 9



The NM Partnership brought 3 site selectors to Gallup to learn about business location opportunities



State of NM recognizes GGEDC as a Certified Economic Development Organization. Story p. 10

READY...SET...GROW!!



Tommy Haws

President, Board of Directors
Sr. Vice President, Pinnacle Bank
2012-Present

I have found, and I think this bears out with research, that there is really no such thing as “stasis” when it comes to Economic Development. Economies behave more like living things than they do mere objects. They must grow to live or be in a constant state of entropy that will slowly (or quickly) die. We cannot ever stay the same.

The Greater Gallup Economic Development Corporation has been working hard this past decade and more to lay foundations so that we are Ready to Grow. We are finding ourselves always asking if we are really set to grow. Now we are at a point where efforts of many years are coming to a point where we must decide as a community if growth is our destiny or if we are going to slowly slip and fade.

Economic Base Jobs are the core of all we do with the GGEDC. We address and discuss other concerns and challenges, but they must all flow to that core mission of growing our base. All secondary and tertiary jobs that are the result of the base growing become the natural outflow of an economy that is growing. Without growth, we are just in more competition with one another to fight for each dollar in the community instead of adding dollars to us.

We have seen wonderful work done this year to bring together some opportunities for public, private, non-profit organizations, and citizens to unite in the goal to grow. We have seen efforts where the public sector has worked to help grow utilities, roads, and other assets that allow growth. We have seen private sector investment come to see where they can invest for the opportunities that are part of the new economy. We have seen communication between those groups and others benefiting from an organization like ours that help facilitate communication, prioritize needs, and press towards solutions.

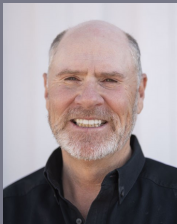
So, the question is, are you ready? Are you set? Are you ready to grow? We are ready. Now is the time. Please continue to join us to make this place we call home also a place our children and grandchildren can choose to return and find good jobs, a vibrant quality of life scene, and a place they can also call home. *- Tommy*



NM IDEA, the Statewide Professional organization for Economic Developers, awarded **Tommy Haws** (right) its **Volunteer of the Year Award** for his outstanding civic work in support of Greater Gallup area nonprofits and communities.

GGEDC BOARD MEMBERS

Rick Murphy



Vice President
2012-Present

Joe Mesich



Treasurer
2015-Present

Kent Wilson



Secretary
2015-Present

Tony Tanner



Director
2012-Present

Yogash Kumar



Director
2012-Present

Kevin Taira



Director
2023-Present

Louie Bonaguidi



Ex-Officio / Mayor
City of Gallup

STAFF

NEW STAFF & INTERNS



Bernadine Lee
Office Manager



Kaitlin Becenti
Intern

Bernadine is our new GGEDC office manager. She joined GGEDC in December 2022. She was raised in Red Rock, New Mexico, located on the Navajo Reservation. She attended high school in Gallup, NM and went on to attend undergrad. For the past 16 years, Bernadine has worked in the non-profit field. She is bilingual, speaking both English and Navajo.

Kaitlin is a summer intern for the GGEDC office. She was born and raised in Gallup, New Mexico. A junior at the University of Southern California, she is majoring in Journalism with plans to minor in Sports Business and Management. Her assignments at GGEDC, from June to September, include contributing to marketing materials, publications, and reports.

Carlette Gooden
Intern

During May, Carlette, a Social Work major at National University in San Diego, CA, joined GGEDC for a month-long internship. Among her assignments, Carlette completed a survey and developed a database of PROs (Prospective Recruitment Offerings) the GGEDC had the opportunity to respond to over the last 3 years. Her work will facilitate GGEDC's responses to future PROs.



Patty Lundstrom
Executive Director



Michael Sage
Deputy Director



Bruce Armstrong
Economic Development Mgr

NEW BOARD MEMBER KEVIN TAIRA



Kevin Taira

Kevin Taira, the newest member of the GGEDC Board, joined in February 2023. Born and raised in Gallup, Kevin attended Cathedral High School then went on to attend NMSU where he received his Bachelor of Arts in Government. Additionally, Kevin earned an M.P.A in Public Administration, also from NMSU.

Kevin's family has rooted history in business ownership in the Gallup area since the 1960s. Some of those businesses included Eagle Cafe, and Taira's Restaurant, which is now named Pawnz. Growing up he worked at his family's restaurant, Taira's Restaurant, and at a then local restaurant, the Golden Lion Cafeteria. Kevin has followed in his family's footsteps. He now owns Bubany Insurance and Taira's Inc., both located in Gallup, NM.

Outside of his businesses, he has a passion for motorsports and enjoys watching F1 races, whether it's watching them on YouTube or recording the races on TV. Kevin also enjoys traveling, he says his favorite spot to travel to is Southern California. He hopes to one day revisit Europe. Furthermore, he has three children, two boys and one girl, with whom he immensely enjoys spending his time.

GGEDC HIGHLIGHTS FROM THE YEAR

Patty: "The key highlight for me is working with Coles Gray and Tallgrass."

Bruce: "Experiencing the onboarding process for a major new company and engaging with Dr. Henry McCoy, with DOE, before the Roundtable."

Michael: "Conceptual Design of Autonomous Test Track and Foreign Trade Zone / User Fee Airport."

Bernadine: "In each event hosted by GGEDC, I have seen the Striving & Compassion of GGEDC staff to make McKinley County a better place."

Kaitlin: "Having my article about GGEDC Business After-Hours get published in the Independent."

MESSAGE FROM THE EXECUTIVE DIRECTOR:

PLAYING THE LONG GAME WITH OUR HOME FIELD ADVANTAGE

“Every strike brings me closer to the next home run.” - Babe Ruth

Recently, a former president of the International Economic Development Council (IEDC) commented that economic developers “have the best profession on the planet. It’s always evolving and there’s always a new problem to solve.” The current IEDC president highlighted the critical role that effective economic developers play in their communities. Understanding the fundamental dynamics and interrelationships that play in their localities and regions, economic developers “often provide a bridge and can be the translator between the business and government communities,” he said.

The insights of the IEDC presidents are compelling. Many people are only able to see the problems and the downsides of trying to create economic growth and the changes it requires. They often become consumed with trying to preserve the status quo. Professional economic developers look beyond the current environment and its obstacles to envision a more promising economic reality and future, one that we can work strategically to bring to fruition over the long-term.

According to the IEDC, the practice of economic development entails fostering collaborative relationships between industry, government and multiple stakeholders in the community. During Economic Development Week (May 8-13, 2023), GGEDC acknowledged and applauded the very special relationships we enjoy among the business community, local nonprofits and local government. Impactful cross-sector collaborations have generated positive, concrete results over the last year, including the completion of Carbon Coal Road in November.

That road provides a critical 5-mile-long connection to accommodate heavy truck traffic between U.S. Highway 491 and the Gallup Energy Logistics Park (GELP). Multiple stakeholders have invested in planning, designing and beginning buildout of critical infrastructure to McKinley County’s three industrial parks: GELP, the McKinley County Industrial Park, and the Prewitt Industrial Park in Prewitt, New Mexico.

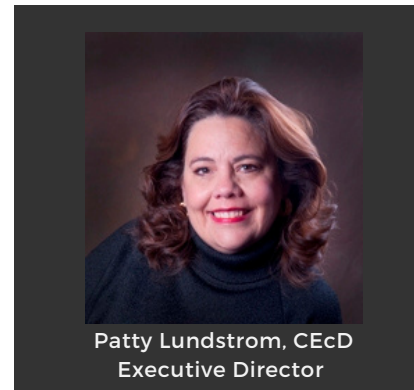
GGEDC’s mission to “drive economic growth through building on local assets and strategic partnering to target attraction, retention & expansion of industrial employers that provide economic-base jobs in the Gallup-McKinley County area, and to support & promote a business-friendly environment” has allowed our organization to remain clearly focused on attracting industries aligned with our strategic transportation assets, such as the co-location and ready access to Interstate 40 and the BNSF Southern Transcon Railway.

As economic-base companies sell products and services beyond McKinley County, they infuse new money into the local economy. Typically, those companies provide good-paying jobs and promising career opportunities. Each economic-base job typically generates over three local service sector jobs. This results in the opening of more restaurants, increased real estate development and shopping opportunities, and a growing local tax base to better support government services.

IT TAKES A TEAM

GGEDC collaborated with multiple entities and organizations to improve the overall economic development climate over the past year. GGEDC provided technical assistance to the City of Gallup to help plan the redesign of the Gallup Municipal Airport to make it more welcoming to travelers and also to house a U.S. Customs and Border Protection office associated with an anticipated Foreign Trade Zone (FTZ) designation. GGEDC foresees the FTZ creating new opportunities and tax advantages for manufacturing and warehousing operations throughout the region. The FTZ will provide another valuable tool for attracting industrial companies.

Economic Development Week this year (May 8-13) was a hugely collaborative effort. In addition to daily articles in *The Independent* featuring economic development topics from local nonprofit partners, multiple in-person events featured



Patty Lundstrom, CEd
Executive Director

presentations addressing topics such as how to start a business in Gallup, generating and training the workforce we need, developing more housing, and exploring entrepreneurial opportunities in the tourism industry.

Cabinet Secretaries from the New Mexico Department of Workforce Solutions and the Tourism Department gave keynote addresses on Wednesday and Friday afternoons followed by panel discussions.

While GGEDC remains cautiously optimistic about the resilience of the local post-COVID economy, we nevertheless are convinced that Gallup-McKinley County is uniquely well-positioned to benefit from national trends such as product scarcities from supply chain disruptions, onshoring companies requiring enormous industrial buildings, and the growing need for talented workers

We’re in this business for the long-term. Together with our business and community partners we confidently say:

“GAME ON!”



BRE OUTREACH PROGRAM

Since 2016, GGEDC's Business Retention & Expansion Outreach Program has played a critical role in fulfilling GGEDC's organizational mission. In addition to building and maintaining strong personal relationships with key staff among McKinley County's major employers and industries, the BRE Program gathers real time data that allows GGEDC to identify and engage in key trends and to develop and provide impactful approaches and solutions to engage challenges before they become dire.

As a traditional Economic Development Organization (EDO), GGEDC's work is organized around the core functions of Business Attraction & Recruitment (BAR) and Business Retention and Expansion (BRE). The BRE function informs the BAR work and vice-versa. BRE annual survey meetings and follow up meetings with the BRE Partners identify opportunities to help expand the partner companies' operations, as well as for the BRE Partners to help facilitate the attraction and siting of new businesses.

Executive Summary

GGEDC's FY 2022-23 Business Retention & Expansion (BRE) Outreach Program Report highlighted key findings from 10 annual Business Retention & Expansion survey and interview visits conducted with leadership of top economic-base employers in McKinley County between August 2022 and April 2023. The survey visits were conducted by Greater Gallup Economic Development Corporation (GGEDC) staff in collaboration with New Mexico Economic Development Department Region 1 representatives that serve northwest New Mexico. An NMEDD representative participated in most of the interviews.

Beyond conducting semi-annual surveys and interviews with top management at the economic-base employers, the one-on-one meetings allow GGEDC to identify opportunities to apply economic development expertise, best practices, and resources that can support the growth, success and expansion of those companies.

GGEDC helps the companies learn about and avail themselves of state and local incentives, including the Local Economic Development Assistance (LEDA) and the Job Training Incentives Partnership (JTIP) programs.

Key Program Objectives:

- **Build relationships and partnerships with economic-base companies** based on trust and reliable delivery of economic development services and support;
- **Add value to company operations and support company expansion plans;**
- **Educate companies on economic development initiatives,** regional priorities, and other work conducted by GGEDC and its partners;
- **Align state, regional and local economic development goals** for maximum impact;
- **Inform state and local legislation** to help enact laws and programs that support a more business-friendly environment throughout the Greater Gallup region; and
- **Support the GGEDC Business Attraction & Recruitment program** by aligning objectives with those of industrial partners already in McKinley County and by seeking opportunities to co-locate mutually beneficial companies.



The BRE Outreach Program Annual Report is available at www.gallupedc.com and in the GGEDC office

Highlights

- **Seven of the 10 BRE Partners stated they planned to upgrade or expand their facilities and/or make major equipment purchases between 2022 and 2024;**
- **Seven out of nine BRE Partners added 31 new jobs** to the local economy and expected to add more during 2023; and
- **Seven of the partner companies expressed confidence 2023 would be a better year for business than was 2022,** in terms of sales, orders, and profits.

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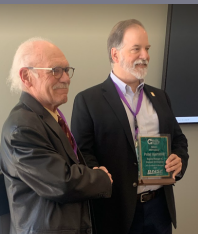
ECONOMIC DEVELOPMENT WEEK- MAY 8-12, 2023: BUILDING ON OUR HOMEFIELD ADVANTAGE

Each year, the 2nd week in May marks Economic Development Week. Created in 2016 by the International Economic Development Council (IEDC), the week serves to increase awareness of local programs that create jobs, advance career development opportunities, and improve communities' quality of life everywhere.

This year, GGEDC in collaboration with 13 partner organizations, presented daily in-person events, addressing and discussing topics including how to start a business in Gallup, creating more housing, generating and training the workforce we need, and exploring new economic opportunities in the tourism industry. Of special note, Cabinet Secretaries from the New Mexico Department of Workforce Solutions and the Tourism Department presented keynote addresses followed by panel discussions.

BRE LUNCHEON

A high note from Economic Development Week was GGEDC's 2023 Annual BRE Luncheon. Representatives of new businesses in Gallup presented an illuminating panel discussion on why businesses are choosing to locate in Gallup.



After the Panel discussion, **Kent Wilson**, GGEDC Board Secretary, presented BRE awards to **Peiter Hjertstedt**, Regional Manager of Economic Development for BNSF, and **James Orr**, Manager, the Gallup Yard, recognizing the substantial contributions BNSF makes to Gallup's economy.

INDUSTRIAL WORKFORCE TRAINING PROGRAM GROWS WITH SWIF

At the end of December 2022, the GGEDC completed its final year of a 3-year pilot project under an EDA grant that funded the planning and implementation of the Greater Gallup Industrial Workforce Program ((GGIWP). Since January 2023 the Southwest Indian Foundation (SWIF) has managed and operated the program. Under GGEDC management of the program and while gradually transitioning the program over to SWIF, GGIWP graduated 60+ students in seven 12-week classes.

Under SWIF management of the program, one class has graduated and a second cohort is nearing completion. Reporting on the results of the program during the first half of the year, Jeremy Boucher, Director of Operations for SWIF, reported on the program's progress, as follows:

The program has settled into a good rhythm this year, with the recruitment nearly reaching its goal of 15 students per cohort. The first cohort actually began with 15 students, but for various reasons, most of them having to do with transportation or drug testing, only 11 remained in the final tally.

This has been a consistent challenge for the program with the current student pool. Many are qualified to do the program but cannot pass the required drug test.

The other common challenge the program faces is finding NCCER certified instructors for several of the NCCER modules, such as "Intro to Pipeline" and "Control Systems". The program still offers training in those areas, but without a certified instructor the students cannot attain an NCCER certificate. This will be a main area of focus as SWIF focuses on program sustainability and expansion.

On the other hand, Boucher notes, even without all the certifications possible, our students have been finding work with local industrial type businesses. Two of the most recent graduates came to work for SWIF in the construction program.



Trades Instructor Liam McCarthy (right) at the graduation of Greater Gallup Industrial Workforce Program Class #6

Another major success was helping a young veteran with a wife and children through the program. He had been out of the marines for a few years and had been bouncing around with local restaurant jobs. The heavy equipment certification and hands on plumbing experience he gained through the program enabled him to land a job with Navajo Engineering. He now is steadily employed and makes a living wage.

Other GGIWP graduates landed jobs in areas including construction, auto repair, silversmithing, commercial driver (CDL), electronic technician, welding, and auto parts retail.

In addition to placement successes, the overall program has landed a \$750,000.00 grant with the help of the Northwest New Mexico Council of Governments. This grant will pave the way for sustainability over the next three years and assist with curriculum development, expanding administrative capacity, and partnering with Gallup-McKinley County Schools to help with recruiting certified instructors and also developing a more robust job placement system.

Future expansion plans for the program involve working with state union representatives and Associated General Contractors to begin offering journeyman classes locally for plumbers and electricians. Additionally, SWIF is working on obtaining a larger manufacturing facility that will provide enough space to accommodate larger classes.

GGEDC ECONOMIC DEVELOPMENT ROUNDTABLES BOLSTER DEVELOPMENT OF D.O.E. WISHH PROPOSAL

Hydrogen energy production is a focus for the U.S. Department of Energy to improve energy security, create jobs, and fulfill the nation's goal of achieving net zero greenhouse gas emissions by 2050. McKinley County in New Mexico is on the cutting edge of this initiative.

Last January, GGEDC convened its 11th Economic Roundtable titled, "Positioning the Escalante Generating Station & Northwest New Mexico for the Western Inter-State Hydrogen Hub." The Roundtable was the capstone for two prior roundtables hosted by GGEDC that helped position New Mexico and the Escalante Generating Station (EGS), a coal-fired power plant retired in 2019 that now is anticipated to become hydrogen-fired, as leading a components of the four-state Western Inter-State Hydrogen Hub (WISHH) initiative. The WISHH collaboration was formed in response to the Biden Administration's Regional Clean Hydrogen Hubs – or H2Hubs – program, which includes up to \$8 billion to establish six to 10 regional clean hydrogen hubs across the nation. New Mexico is partnering with Colorado, Wyoming, and Utah to become an H2Hub.

For over eight years, the GGEDC has engaged with local industry, Cibola County, and other partners in a forward-looking planning process to position the Escalante Generating Station (EGS) in Prewitt, New Mexico, to create jobs in the area and to responsibly transition the plant facility to an environmentally sustainable, industrial asset in the region. As a result, EGS uniquely positions the northwest New Mexico region as a nearly shovel-ready participant in the WISHH initiative. GGEDC anticipates that hydrogen development in the area will be a strong driver for attracting companies – that can use hydrogen for energy, heat, and carbon offset applications – to the Prewitt Industrial Park next to EGS.

The January Roundtable convened 75 stakeholders; a diverse group of NM elected officials, cabinet secretaries, various representatives of state agencies, officials with the U.S. Department of Energy (DOE), businesses developing and operating within the emerging hydrogen sector, City of Gallup and McKinley County officials, members of Navajo Nation and Navajo Nation Oil & Gas, LANL, hydrogen and transportation experts, and economic development practitioners from three Northwest NM counties.

The January Roundtable highlighted the opportunity for New Mexico – and Escalante in particular – to take a lead role in developing the 2023 WISHH application to the U.S. Department of Energy's (DOE) Regional Clean Hydrogen Hubs (H2Hubs) program. As part of the Bipartisan Infrastructure Law (BIL), the H2Hubs program aims to rapidly promote regional clean hydrogen hubs and improve energy security across the United States. The New Mexico Environment Department was the primary author of the WISHH proposal.

The Roundtable objectives were to:

- Identify potential companies and entities that might become "end user" consumers of hydrogen, either energy, gas, or heat;
- Educate public officials and key government agencies staff on the opportunities and ramifications of developing the New Mexico portion of the Western Inter-State Hydrogen Hub (WISHH) initiative; and

- Help to prepare New Mexico and the Four Corners region for emerging hydrogen development and challenges.

The Economic Roundtable generated clear strategies to support the WISHH application to benefit the economic growth of the Greater Gallup and Northwest New Mexico region, including the cities of Gallup, Grants, and Farmington, and the Navajo Nation. Representatives from two DOE programs participated in the roundtable together with the Cabinet Secretaries of the New Mexico Environment Department, the Energy, Minerals, and Natural Resources Department, and the New Mexico Economic Development Department.

By providing in-depth information on the multifaceted Hydrogen opportunity and by allowing for a rich exchange of ideas, questions, and comments in an interactive setting, participants came away with an understanding of GGEDC's various economic development projects and programs that have set the stage and provided critical support for Escalante Generating Station and the Prewitt Industrial Park to become a regional hydrogen hub.

The Roundtable was a genuine example of a public-private partnership (P3), bringing together a diverse group of 75 stakeholders, that included New Mexico elected officials, and cabinet secretaries, representatives of multiple state agencies, DOE officials, businesses operating within the emerging hydrogen sector.

The GGEDC 2023 Roundtable succeeded in terms of meeting its key objectives, providing invaluable information, and engaging the participants in identifying potential end users for hydrogen produced in New Mexico.

(Continued on page 13)

BUSINESS ATTRACTION & RECRUITMENT

GGEDC AND NM PARTNERSHIP REPRESENT NEW MEXICO AT GLOBAL ENERGY SHOW

The Greater Gallup Economic Development Corporation and representatives from McKinley County joined the New Mexico Partnership and Albuquerque Regional Economic Alliance (AREA) at this year's Global Energy Show, Exhibition and Conference at the conference and exhibition.

“Gallup-McKinley County is uniquely positioned to capitalize on the energy revolution currently underway.”

- Michael Sage, Deputy Director

The conference, which took place in Calgary, Canada from June 13-15, highlighted a new generation of leaders and a future diverse workforce, the new energy investment landscape, global energy markets and long-term geopolitical impacts.

Michael Sage, GGEDC Deputy Director, stated that GGEDC prioritizes attendance at the Global Energy Show due to the abundance of energy resources and assets in Northwest New Mexico. Sage noted that “Gallup-McKinley County is uniquely positioned to capitalize on the energy revolution currently underway.”

GGEDC JOINS MCKINLEY PAPER COMPANY AT SELECTUSA INVESTMENT SUMMIT

GGEDC Executive Director Patty Lundstrom traveled to National Harbor, Maryland to attend the 2023 SelectUSA Investment Summit, which ran from May 1-4, 2023. The summit is the top event in the United States for Foreign Direct Investment (FDI) promotion. Connecting investors, companies, economic development organizations (EDOs) and industry experts, the summit helps to facilitate investment deals that benefit U.S. companies and regions.

“GGEDC has participated in the SelectUSA Investment Summit for the past three years. Attending the summit is an invaluable opportunity to gain new perspectives in ongoing industry investment in the United States and to keep abreast of ongoing investment trends,” stated Ms. Lundstrom.

When meeting with investors, she added, “It is important to have representatives of companies like McKinley Paper by your side that can speak to specific advantages of doing business in Northwest New Mexico.”



Patty Lundstrom, Wilfrido Rincon, CEO of McKinley Paper Company (right), and Ignacio Rincón, Jr., with Bio Pappel US (left)

GGEDC LEADS A 9-MEMBER DELEGATION OF PUBLIC AND PRIVATE SECTOR PARTNERS TO IMTS, THE LARGEST MANUFACTURING TRADE SHOW IN THE UNITED STATES

In September, GGEDC organized and sent a 9-member delegation from Gallup-McKinley County to attend the International Manufacturing Technology Show (IMTS) in Chicago. The delegation included the Mayor of Gallup, the President of the McKinley County Commission, three GGEDC staff members, private company representatives from Tri-State Generation and Transmission Authority and Gallup Land Partners, and a consultant.



The delegation included the Mayor of Gallup, the President of the McKinley County Commission, County Manager, three GGEDC staff members, representatives of private companies and a consultant.

Executive Director Lundstrom considered IMTS to be “immensely beneficial for us.” She noted that IMTS demonstrated the most cutting-edge technology in manufacturing from throughout the world. For Ms. Lundstrom, the most impressive takeaway was learning about Additive Manufacturing (3D printing), as well as other high tech manufacturing processes in several presentations she attended.

Tradeshows and Sales Missions Attended by GGEDC

- **Dallas Sales Mission 2022** - Bruce Armstrong attended the Sales Mission with the NM Partnership. The group met with site selectors and international trade officials, including the Consul and Senior Trade Manager of the Consulate General of Canada. Key takeaway was guidance on Hydrogen - related trade shows to attend and opportunities for collaboration in building the hydrogen economy.
- **IMTS 2022** - A 9-member delegation from Gallup-McKinley County, including the Mayor, President of the McKinley County Commission, the County Manager, representatives of private industry, and GGEDC staff attended the International Manufacturing Trade Show (IMTS) which showcased digital technology addressing manufacturing's biggest challenges. The team spent nearly a week in Chicago visiting with leaders of companies in 17 states where New Mexico has a competitive advantage in terms of operating, labor, utility costs, and taxes.
- **PROMAT 2023 & Chicago Sales Mission** - Bruce Armstrong attended ProMat and the sales mission. Sited at the junction of manufacturing and supply chain professionals, ProMat is "helping to build the future of supply chains and discover that trend or technology that will take their supply chain to the next level of success." A key takeaway from meetings between the NM Partnership delegation and site selectors was that there is a dire need for leasable warehousing & logistics space. Presently, site selectors can't even find warehouse space in Oklahoma! "If you have a rail-served warehouse facility, we can fill it," said the site selectors. Also, today, companies are more interested in leasing than in owning property.



Staff of the NM Partnership, GGEDC, and Mesilla Valley Economic Alliance (MVEDA) met with a Chicago Site Selector who grew up in Los Lunas, NM

- **JOC Breakbulk & Project Cargo Conference** - Patty Lundstrom attended Breakbulk23, the tradeshow that attracts "the most specialized project and breakbulk cargo audience in the industry. Breakbulk23 serves as a platform for essential and intensive networking, negotiations, and relationship-building within the project and breakbulk logistics supply chain, including shippers, carriers, forwarders, land transport providers, technology providers, ports, terminals, railroads, and others who participate in this market." Of particular interest to Patty were challenges around the transition to green energy at the Ports of LA.
- **2023 SelectUSA Investment Summit** - Patty Lundstrom attended the Summit, the top event in the U.S. for FDI promotion, connecting investors, companies, economic development organizations, and industry experts that help make investment deals happen through U.S. investment. The event yielded a foreign paper company interested in co-locating in Prewitt with McKinley Paper Company.
- **World Hydrogen North America** - Patty Lundstrom and Michael Sage attended this event which brought together 700+ hydrogen professionals from across the USA, Canada and worldwide. "Hydrogen development is set to explode across the region with new projects being announced continuously."
- **Global Energy Show 2023** - Michael Sage attended this tradeshow geared toward energy professionals who are leading "the path of meeting energy demand, discussing energy transition, showcasing technology and innovation, and discovering the role of all energy sources in the greater energy system."

Carbon Coal Road - Then & Today



GGEDC IS A NEW MEXICO-CERTIFIED EDO

Greater Gallup Economic Development Corporation is one of seven community-based Economic Development Organizations (EDOs) recognized last fall for state certification by the New Mexico Economic Development Department (NMEDD) because of the high level of expertise and technical support GGEDC delivers to the community. This certification exemplifies a new level of prestige and funding.

The certification can be renewed for up to 10 years, with each organization eligible for up to \$40,000 annually, depending upon annual recertification and funding availability.

What Does Being a Certified EDO Mean?

The Certified EDO program recognizes NMEDD's partner Economic Development Organizations that provide a high level of professional service to their communities. Through the program EDD supports build the organizational capacity of local EDOs so that they are able to provide more comprehensive and effective economic development services and support to their communities. The program emphasizes the importance of having a strong, well-rounded, and well-prepared EDO at the community level.

NMEDD's objectives for the Certified EDO program are to:

- Recognize excellence in local EDOs
- Heighten the visibility of the economic development process in New Mexico
- Build capacity for economic development among organizations
- Encourage professional development for New Mexico's economic developers
- Facilitate the recruitment, retention, expansion, and creation of economic-base jobs throughout New Mexico
- Establish a stable, diversified economy that will improve the quality of life for New Mexicans



The New Mexico Economic Development Department certified seven EDOs in its first round of EDO certifications awarded last fall.

GGEDC recently completed its recertification application for FY 2024. The \$40,000 award that accompanies the annual certification, covers the cost of a large portion of GGEDC's travel costs to attend trade shows, sales missions, economic development meetings, and to provide professional development for staff.

GGEDC SUCCESS - BY THE NUMBERS

Number of Partnership Recruitment Opportunities (PRO) Responses - 13 PROs, as follows:

- 10 PROs submitted to the NM Partnership;
- 1 PRO requested by NMEDD;
- 1 request from NWNMCOG for a list of suitable properties for a university client; and
- 1 request from a site selector seeking to site a distribution center for a major brand.

Number of Site Visits by Prospective Companies Seeking Location or Expansion - 20 Visits.

Number of Business Expansions or Locations - 1 location completed; 1 expansion and 2 locations in process.

Number of New Jobs - 31 jobs created by GGEDC BRE Partner Companies between May 2022 and April 2023.



Panelists representing new companies in Gallup & McKinley County, honored guests from BNSF, GGEDC Board Members, and the Executive Director at the Annual BRE Luncheon.

FINANCIAL STATEMENT

REVENUE:

	<u>FY 2023</u>	<u>FY 2022</u>
Grant Income		\$ 826,522
Contributions & Support		\$ 23,000
Interest Income		\$ 2,648
Other Income		\$ 215
Total Revenue		<hr/> \$ 852,385

EXPENSES:

Program Services		\$ 558,110
General & Administrative		\$ 184,590
Fundraising		\$ 18,571
Total Expenses		<hr/> \$ 761,271

Change in Net Assets \$ 91,114

Net Assets at Beginning of Year \$ 1,790,890

Net Assets at End of Year \$ 1,882,004

GGEDC SPECIAL INITIATIVES

CITY AND GGEDC CLOSE OUT 3-YEAR EDA GRANT THAT FUNDED MULTIPLE COMMUNITY UPGRADES AND PROJECTS

The City of Gallup and Greater Economic Development Corporation (GGEDC) received \$600,000 from EDA funding to fund the GALLUP Project. Funding helped the City of Gallup and GGEDC to achieve multiple economic development objectives.

To further support and leverage the EDA-supported projects, non-EDA grants were given to those projects to make a positive economic impact. In June 2023, two contracts were approved with NMDOT. The first grant is a \$1M planning effort to continue the work of the 'Autonomous Economic Development Plan' with the Gallup TradePort. A second \$1M planning effort is to continue advancing the work of the 'Gallup Mobility Investment Report' with the Supply Chain Accelerator.

AV TEST TRACK

An AV Test Track builds on existing transportation assets such as Interstate 40 and Carbon Coal Road to provide an ideal location and staging ground to conduct single-or multi-state transit using autonomous and mobility technology. The development of an autonomous vehicle test track is intended to bring the research, testing, and deployment of autonomous and mobility technology to the state of New Mexico and Gallup-McKinley County.

In June 2023, GGEDC received and disseminated to the local working group the final report for the AV Test and Fueling Station.

DECARBONIZATION

Gallup-McKinley County is strategically located on Interstate 40, equidistant between Oklahoma City, OK and the ports of Los Angeles and Long Beach. The shift from diesel fuel to a zero-emission fuel is underway in the commercial trucking industry. Hydrogen fuel cells are seen as the long-term solution offering diesel-like performance with the need for heavy battery packs. The objective is to use hydrogen fueled commercial trucks to begin moving cargo and freight on Interstate 40.

Over time, hydrogen fueled commercial trucks will become autonomous. The move from diesel to hydrogen fueled commercial trucks will decarbonize the western I-40 corrido from California to New Mexico.

GALLUP MUNICIPAL AIRPORT

With the successful return of commercial air passenger service, efforts are underway to improve the user experience at the Gallup Municipal Airport Main Terminal including renovation or complete reconstruction. In addition to updating infrastructure to accommodate the daily influx of passengers, new demands such as potential stationing of a federal US Custom and Border Protection(USCBP) Officers are being incorporated in layout design and configuration. Additionally, A strong economy is synonymous with a strong airport. In June 2023, Gensler, a contracted consultant, provided a Terminal Concept Phase Report for the Gallup Municipal Airport.

FOREIGN TRADE ZONE (FTZ)

The City of Gallup is currently pursuing a Foreign Trade Zone/User Fee Airport designation for the Gallup Municipal Airport which would result in the placement of a federal US Custom and Border Protection Officer at the facility to clear for entry into the United States both international cargo and passengers. Outreach GGEDC conducted with Gallup-McKinley County businesses led to a project summary provided by Miller & Company for beneficiaries of FTZ/UFA. Coles Gray/Alva Enterprises was identified as a beneficiary.

NEW MEXICO REMAINS IN THE RUNNING FOR U.S. DOE FUNDING TO HELP BUILD A REGIONAL HYDROGEN HUB

New Mexico and its "Western Inter-State Hydrogen Hub" (WISHH) proposal partners in Colorado, Utah and Wyoming remain in the race to win federal funding for a regional hydrogen hub after receiving a favorable assessment of their initial proposal. The Escalante Generating Station in Prewitt and plans to convert it to hydrogen-fueled generation are key components in the proposal.

The U.S. Department of Energy issued its first responses in December regarding proposals, or "concept papers," that states submitted in November to compete for a slice of \$7 billion in new federal money to build hydrogen hubs around the country. Of 79 project proposals submitted, the DOE "encouraged" 33 of them to continue pursuing their applications.

The WISHH Inter-State members developed a detailed application about their collective plans that they submitted to the DOE in April, which could lead to up to \$1.25 billion in federal funding for the initiative. The first grant awards will likely be announced in the fall, according to state Environment Department Secretary James Kenney worked with the Economic Development and Energy, Minerals and Natural Resources department heads to advance the WISHH proposal together with officials from the other states.

GGEDC ROUNDTABLES

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Among the key takeaways from the Roundtable:

- The U.S. Department of Energy has substantial funding and technical assistance resources available to assist companies and communities transition to the emerging hydrogen economy;
- The promise of New Mexico's hydrogen efforts and plans to transition the Escalante Generating Station in Prewitt, NM, is reaching a national audience, even with President Biden's Climate Advisor mentioning the project in an international forum.
- The Western Interstate Hydrogen Hub (WISHH) application process to the U.S. Department of Energy is very complex and involved, but New Mexico is leading the way forward for the four-state collaborative.
- The drafters of the proposal are confident that New Mexico and the WISHH collaborative have the key assets, legislation in place, and expertise for a winning proposal.

Following the Roundtable, GGEDC supported the New Mexico WISHH proposal writing team in drafting and submitting the proposal to DOE by the early April deadline. GGEDC continues to build momentum for the development of the Prewitt Industrial Park as a New Mexico Hydrogen Hub, pitching the industrial park to multiple site selectors and in various trade shows.

The Escalante Generating Station and the 640-acre Prewitt Industrial Park, targeted for a hydrogen end-users cluster, support job creation through clean hydrogen production, processing, delivery, storage, and end-use. Few assets in the United States offer a similar level of job creation and opportunities to step into the hydrogen-focused clean energy economy of the future.



A Breakout Group at the GGEDC Economic Roundtable in Santa Fe in January 2023 addressing key concerns, such as identifying off-take users for Hydrogen / energy developed at Escalante Generating Station in Prewitt, NM

BRE OUTREACH PROGRAM

(Continued from page 5)

Challenges

- Workforce shortages coupled with continuing widespread challenges related to recruiting and retaining qualified talent;
- Multiple rapid and sometimes drastic market shifts;
- Volatile fuel prices and rising costs and prices causing critical logistics challenges;
- Congested supply chains causing delays in obtaining essential equipment, tools and materials;
- An increasing federal and state regulatory environment; and
- The need to expand the economy and create more good jobs so as to not lose more skilled workers and their families from McKinley County.



Once it purchases the Escalante Generating Station from Tri-State, Tallgrass plans to convert the facility from coal-fired to hydrogen-fired electric generation using a unique process.