



## GREATER GALLUP ECONOMIC DEVELOPMENT CORPORATION

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# Mid-Year Report FY 2021

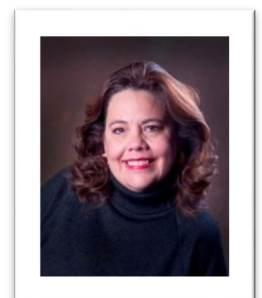
## July 1 – December 31, 2020

### In this Report:

- A Word from the Board President
- Industrial Workforce Program Goes Virtual
- A “Gallup Mobility Hub” for Autonomous Vehicle Development
- National Development Council Partners for Capital Investment & Training
- A Big Win for Business Retention & Expansion Efforts

## GGEDC Is Retooled and On Point

After keeping our collective chin above water and managing to move forward with re-prioritized, strategic projects, Greater Gallup Economic Development Corporation (GGEDC) sees relief on the horizon in the form of a COVID-19 vaccine that cannot arrive soon enough. We especially hope that 2021 will afford us the cherished opportunity to again meet face to face with the GGEDC Board, our partners, staff, site selectors and all others that will be able to shake our hand and look us in the eye during a discussion or while negotiating a deal. Though Zoom meetings probably are here to stay, we expect they will not occupy our every day.



Patty Lundstrom,  
Executive Director

GGEDC recognized early in the pandemic that the economic crisis it effected would be a complete game changer; that the new normal would not closely or perhaps even remotely resemble the pre-pandemic world. As with other businesses, GGEDC would need to be nimble, responsive to new opportunities, and on point to move its projects and plans forward within the constraints of the socially distanced economy and the Governor’s Health Orders.

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# A Word from the Board President

2020 was a difficult year for every one of us. Our County was particularly hard hit and our efforts not only to curb the spread of the virus but to overcome serious setbacks where economic base jobs were announced to be leaving our area. That meant we had a great deal of work to do in order to overcome the setbacks.

GGEDC's commitment to economic based jobs and our work to retain those jobs is starting to show some progress with being able to help secure additional Local Economic Development Act (LEDA) funds from the State for the paper mill, as well as to work towards trying to grow new industries in our area.



**Tommy Haws**  
*President, Board of Directors*  
*Senior Vice President,*  
*Pinnacle Bank*

The next year will be a significant one as we will strive to use opportunities to cultivate development funds and push towards leveraging resources for growth, understanding that we have a lot of work to do to create a business environment in our area that will be attractive to businesses seeking to grow or relocate here.

Our efforts going forward will be ever more crucial to securing, growing, and saving our local economy. We wish to build upon the foundations that have been established over the last several years in order to continue to lead the way and be an example for other New Mexico economic development organizations on how to have a professional staff, a growth mindset, and a holistic, yet focused effort in a promising 2021.

## GGEDC Is Retooled and On Point

GGEDC has continued to navigate through the third level of emergency, even as COVID-19 continues to plague the world and the economy.

As a significant result of the pandemic, economic development now is called upon to play a new role, that of rebuilding our economy almost from the ground up. To determine the extent to which GGEDC might pick up that mantle, staff collaborated with Jeff Kiely to develop a strategic framework to “retool” the way GGEDC approaches its work and priorities and to allow us to be more effective in the COVID-19 reality in which almost nothing remains the same as before.

### The Strategic Framework

The Strategic Framework (see page 5) breaks GGEDC's work into five focus areas tied directly to the GGEDC mission statement. The framework recognizes that GGEDC's Core Mission comprises three areas

of focus: Business Retention & Expansion (BRE); Business Attraction & Recruitment; and Industrial Workforce Development. Each of the Core Mission areas have associated projects or actions. It recognizes that in light of COVID, the BRE function is the number one priority.

The framework also acknowledges GGEDC's important role in the community in providing Economic Development Leadership. This area includes education and engagement around issues related to economic development, such as teaching classes, presenting workshops, and hosting economic roundtables.

Together with program administration (labeled “Operational Innovation”), the GGEDC recognized that these areas play a critical support role to its mission and help to keep GGEDC's work effective and on point.

With the focus on GGEDC's mission

front and center, the framework recognizes areas where GGEDC can play a support role—such as the retail attraction initiative it undertook last year. However, despite the economic toll the pandemic is exacting on small businesses, retail is outside our mission.

GGEDC continues to develop and refine its Industrial Workforce Program. With physical distancing and other public protocols in place, the whole field of workforce development is challenged to innovate its way into new methods of delivering training. At the heart of the program is close communications with employers and collaborating with them to design responsive training courses that generate the qualified workforce pool they need for their operations.

We are far from out of the woods, but 2021 already looks more promising just knowing the vaccines are being rolled out. We anticipate brighter days ahead for the national and local economy. For now, I won't hesitate to wish everyone a very Happy New Year!

*- Patty*



## Hands-Off Workforce Training

The Greater Gallup Industrial Workforce Program (GGIWP) responded to the COVID-19 pandemic by creating a functional and forward looking model for implementing future classes that would utilize distance learning and incorporate greater assistance from the New Mexico Department of Workforce Solutions (DWS) and Help New Mexico. Those organizations assisted in the processing of applications and provided funds for training equipment used by the students. DWS funding for adult work experience also enabled the participants to receive a stipend in the midst of the pandemic.

Recruiting for and implementing a new course for the GGIWP was difficult due to the fear of the little understood, fast spreading Corona virus. Despite the unprecedented challenge of continuing to train while seeking to ensure the safety of the program participants, GGIWP successfully implemented its third class. The program engaged and interacted with 400 prospective students, received 25 eligible applications, and selected five new participants, all of whom graduated in December. The students earned 40 NCCER certifications, an OSHA certification, and a heavy equipment operator certification.

Johnny Gonzalez, GGIWP Manager, stated, ***“While the third class was not without hiccups, the effectiveness is still strong and the multi process teaching and learning will continue to improve as it progresses.”***

**Expanding the Welding Program** - GGIWP grew its capacity to provide training in welding operations with the purchase of three Miller Welding machines that allow for multi process welding methods. Now, participants can be trained in-house in MIG, TIG, and Stick welding operations used to achieve the desired heat and melt on different metals.

GGIWP and SWIF built 2 homes for low-income families



Johnny Gonzalez demonstrating a new welding simulator





# Increasing Capital Investment through NDC Partnership

GGEDC and five other Northwest New Mexico economic development organizations (EDOs) have entered into a collaborative venture with the National Development Center (NDC) to access specialized trainings, expertise, and investment resources. For over 50 years, the NDC has had

Lundstrom stated, “The NDC course is a major tool for GGEDC to have in our tool box, to have that expertise.”

The participating EDOs — the GGEDC, the Cibola Communities Economic Development Foundation, City of

***“The NDC course is a major tool for GGEDC to have in our tool box, to have that expertise.”***

a mission of increasing the flow of capital for investment into low-income communities. NDC directs capital to support the development and preservation of jobs and affordable housing through training and small business lending. NDC also helps create quality communities by investing in social infrastructure.

Farmington Economic Development, Four Corners Economic Development, the COG, and the Gallup Business Improvement District (BID) — have entered into a Memorandum of Understanding. The BID will be the signatory to the NDC contract and the primary point of contact for the collaboration. The annual contract cost will be shared equally among the EDOs.

In the first year of the venture, NDC will offer training to staff and board members of the EDOs on understanding business balance sheets, including reading credit statements, and financing deals, especially in real estate. NDC also will provide expert analysis of various plans and projects of the EDOs. GGEDC Executive Director Patty

**Thanks to a \$50,000 grant from the New Mexico Economic Development Department**, the apportioned cost to each organization will be minimal. NMEDD hopes to replicate this regional NDC collaborative model elsewhere in New Mexico.

## A “Gallup Mobility Hub” for Autonomous Vehicle Testing and Development

Within 10 years, autonomous (driverless) vehicles will be the norm throughout the United States and much of the world. Autonomous trucks already operate in southern New Mexico, passing through the state on I-10. Presently, the trucks have human drivers on board who can take the controls if needed.

The focus of the **2021 Economic Roundtable, taking place virtually on February 11-12, 2021**, is on building the “Gallup Mobility Hub.” Working in close collaboration with the State of New Mexico and the City of Gallup, GGEDC plans to champion the implementation of the New Mexico Mobility Strategy that was drafted for the New Mexico Economic Development Department last June.

The Gallup Mobility Hub aims to link various long-term GGEDC initiatives together with a new Airport Industrial Park at the Gallup Airport. The plan is to include the Gallup Energy



**The Gallup Mobility Hub, a GGEDC white paper, is available at [www.gallupedc.com](http://www.gallupedc.com) in “Resources”**

Logistics Park (GELP), including developing Carbon Coal Road, and the proposed Transportal (formerly the Truck Super Center). Each component will have a role to play within the Mobility Hub, from autonomous vehicle

# Gallup Hub for Autonomous Vehicle Testing & Development

(continued from p. 4)

research and testing sites to automated warehousing, transload, and manufacturing facilities. In addition, GGEDC anticipates that the Mobility Hub will serve to leverage additional assets, such as establishing a Foreign Trade Zone (FTZ) in Gallup and the return of air passenger service.

To underwrite this effort, the City and GGEDC collaborated on an EDA CARES Act federal grant. The grant was awarded in the amount of \$600,000. It required a local match of

\$150,000 from the City. The grant will fund a Master Plan for the Gallup Airport and a Mobility Feasibility study.

**Save the dates of February 11-12, 2021 for the GGEDC Economic Roundtable—The Gallup Mobility Hub.** It will amaze you to realize how much of your wildest sci-fi future dream is already here! And that future presents an opportunity for Gallup to join the mobility sector in a direct and significant way.

## Business Retention Efforts Yield a Major Result

In the COVID-19 economy, GGEDC's number one priority focus, around which all other activities revolve, is Business, Retention & Expansion (BRE).

When the Escalante Generating Station (EGS) in Prewitt, NM announced it would close, there was great concern that McKinley Paper which relied on EGS for steam power for its operations might follow suit.

### A Big Win for McKinley Paper

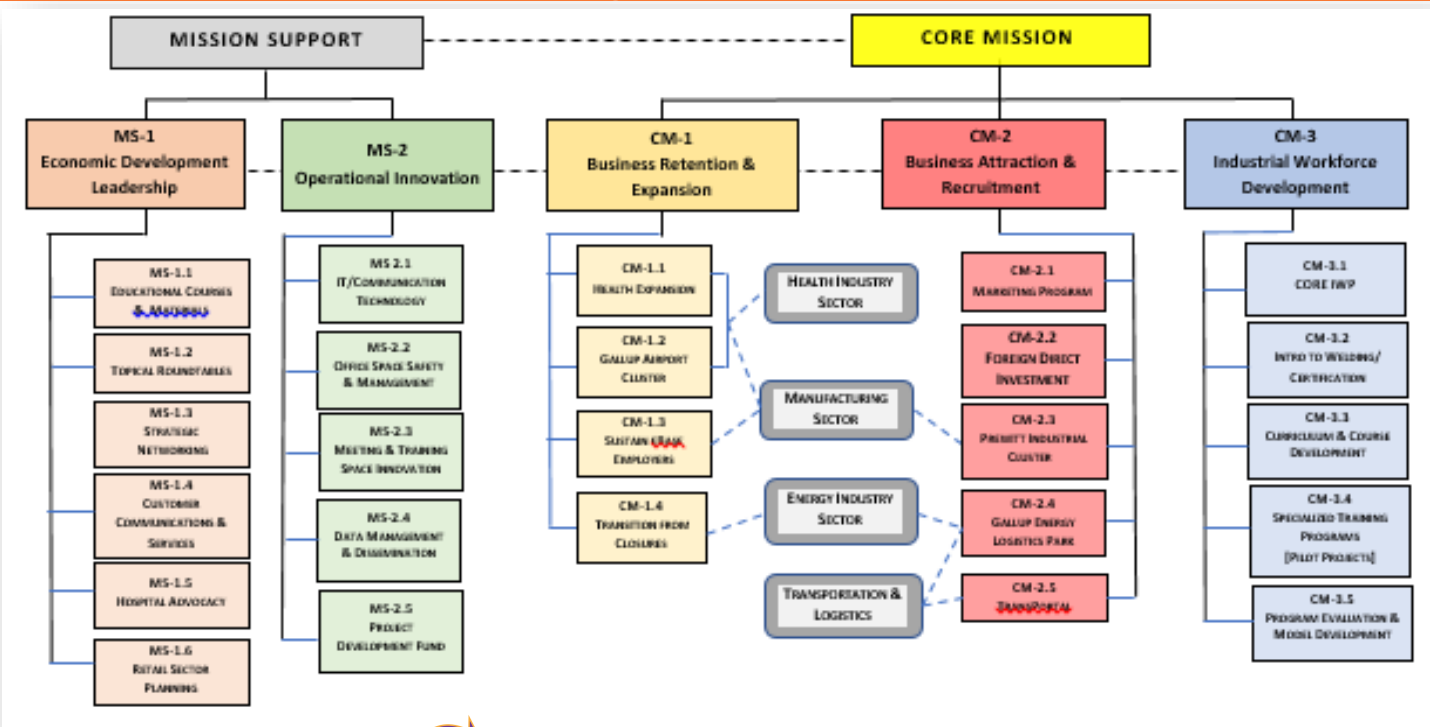
The GGEDC Deputy Director stepped up and, working in close collaboration with McKinley Paper, shepherded an application through the LEDA process of the New Mexico Economic Development Department.

The resulting \$5 million award will help to sustain long-term operations at the plant. The grant will go toward constructing a new boiler and

associated equipment, inbound water systems, and wastewater treatment. Most importantly, the grant will help the company to preserve 125 well-paid jobs.

This success story illustrates the critical importance of GGEDC's work. BRE is even more crucial in the midst of a pandemic crisis compounded by decreasing demand for fossil fuels.

## GGEDC Strategic Framework for FY 2021





# City of Gallup & McKinley County, New Mexico, USA

Gallup is a premier transportation, energy, and logistics hub of the Southwestern United States serving the Interstate 40 highway and Southern Transcontinental railway corridors

**Distance to Major Cities**

Phoenix, AZ	281 mi.
Denver, CO	584 mi.
Albuquerque, NM	138 mi.
Los Angeles, CA	650 mi.
Dallas, TX	784 mi.



## McKinley County Quick Facts

Total Land Area:	5,450 Square miles
Population/sq. mile:	13.1
Veterans:	2,992 (2014-18)
Homeownership Rate:	71.1% (2018)
Median Home Price:	\$162,500 (2020)
Labor Force:	20,786 (2018)
18 years and older:	71.9%
Elevation:	6,467 ft (Gallup)
Sunny Days per year:	280

## Area Demographics

City of Gallup Population:	21,929 (2018)
McKinley County Population:	71,367 (2019)
Trade area Population:	196,122 (2020)
Median Age:	31.6
Labor Force:	20,786 (2018)
18 years and older:	71.9%
Median Household Income:	\$30,336 (2017)
Cost of Living (McKinley Co):	83.9% x US ave

## Regional Assets

- Transportation Hub
  - BNSF/Southern Transcontinental Railroad
  - U.S. Interstate Highway 40 (I-40) - 4 exits
  - 4-Lane north-south highway connects Gallup to Farmington, NM and Colorado
- Ample Land & Investment Opportunities
  - 2 Rail-Served Commercial/Industrial Parks
  - BNSF Certified Site
  - TBIC FDI-Qualified Community
  - 3 Federally Qualified Opportunity Zones
- Sustainable Water Supply
  - Navajo-Gallup Water Supply Project assures reliable municipal & industrial supply

## Local & State Incentives

- Local Economic Development Act (LEDA)
- Job Training Incentive Program (JTIP)
- High-Wage Jobs Tax Credit
- Rural Jobs Tax Credit
- Gross Receipts Investment Policy (GRIP)

## Utility Costs

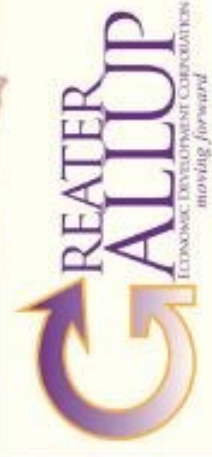
- City of Gallup (Residential)
  - Electric (average): \$0.1096/kWh
  - Water (average): \$0.03 to \$0.05/cubic ft
  - Plus \$8.66 monthly service charge
  - Solid Waste -Weekly Pickup: \$14.72/month

## Workforce & Education

- Greater Gallup Industrial Workforce Program
  - Rapid response workforce training providing industry certifications and stackable certificates.
- Navajo Technical University
  - 4-yr University with a focus on STEM curriculum and programs.
- University of New Mexico - Gallup
  - 2-yr College providing Associates Degrees and Certificate programs.

## Distinctions

- "Adventure Capital of New Mexico"
- "Indian Jewelry Capital of the World"
- "Most Patriotic Small Town in America"



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