



GREATER GALLUP ECONOMIC DEVELOPMENT CORPORATION
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Mid-Year Report FY 2022

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**A Word from the Board President:
*Building Upon a Strong Foundation***

Five years ago, my President’s message had the title, “Laying the Foundation”. My message conveyed how the Greater Gallup Economic Development Corporation (GGEDC) needed to be built on a strong foundation; one that would reach beyond the vision and capacity of its founders and would be built upon solid principles and best practices.

Looking at the second half of 2021, I will say as a matter of pride that GGEDC has built its programs and initiatives accordingly upon a formidable foundation within the community and within the framework of best practices for economic development organizations as set forth by the International Economic Development Council (IEDC).

One need look no further than the string of recent distinctions the GGEDC has achieved — from obtaining a \$5 million Local Economic Development Act (LEDA) grant from the New Mexico Economic Development Department that resulted in retaining McKinley Paper Company as one of McKinley County’s top ten employers, to the naming of the GGEDC Deputy Director by NM IDEA as the Developer of the Year, to the recent IEDC Gold level award in the category of Business Retention & Expansion.

Accompanying these awards was the recertification of GGEDC as a TBIC FDI-Qualified Community, one of three in the Southwest United States that can attract European investment and companies.



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

It is a distinct privilege to see GGEDC remaining true to its core mission—and using its assets to create well-paying economic-Base jobs that make Gallup a more dynamic place to live.

- Tommy

GGEDC Cultivates International and National Business Interest in Gallup and McKinley County

Patty Lundstrom, CEcD, Executive Director of GGEDC, attended a trade show in Chicago and an international business conference in Atlanta in November. Her primary objectives were to showcase Gallup-McKinley County, NM to international and national companies and investors, learn about state-of-art food and beverage processing techniques, and to explore new Foreign Direct Investment (FDI) opportunities.

The **Process EXPO** trade show convened 400+ companies from around the world in Chicago to exhibit the latest advancements, technology and equipment in food processing and packaging. The Food and Beverage sector (including canning, water bottling, beer brewing, milk processing, wine, cheese, dressing and baked goods production) topped a 2019 list



Patty Lundstrom, CEcD, walking the floor at Process EXPO in Chicago. The trade show presented opportunities to learn about cutting-edge food processing and to build valuable networks.



of industries that the Foote Consulting Group, LLC, a professional consultant, recommended to target and recruit to McKinley County.

Marketed primarily as a food manufacturing and equipment show,

What can we potentially grow that can be developed into a meat protein alternative? What kinds of manufacturing can we do that provides packaging for food products?"

Lundstrom stated that Process EXPO was "So much more! It is all about the cutting-edge issues surrounding food processing, distribution, R&D, etc.," she said. For Lundstrom, the most important portion of the show that she participated in was the discussion around

alternatives to meat protein. She stated, "The processing of meat is very labor intensive and is subject to an array of challenges." She learned that alternatives based in grain and

flour can all be produced mechanically using cutting edge tech. "There is incredible growth potential in meat protein alternatives," Lundstrom observed.

Connecting the topic with Gallup-McKinley County, Lundstrom asks, "What can we potentially grow that can be developed into a meat alternative? And, what kinds of manufacturing can we do that provides packaging for food products?"

From Chicago, Lundstrom headed to Atlanta to attend the **2021 Transatlantic Business & Investment Annual Conference** organized by the Transatlantic Business & Investment Council (TBIC). TBIC is the primary platform in Europe for companies interested in expanding operations and investment into the U.S. and Europe is, according to TBIC, the largest annual source of foreign direct investment for the United States.

As the founding member of TBIC in New Mexico, and one of four TBIC member communities in the Southwestern



Matthias Beier, President & CEO of TBIC and Patricia Lundstrom, CEcD, Executive Director, GGEDC

Business Attraction & Recruitment

United States, GGEDC was a bronze sponsor of the annual meeting. Lundstrom said that the meeting provided “incredible information on FDI-related opportunities and challenges in the near future with Europe.”

The theme for this year’s annual conference was: **“Jumpstarting Transatlantic FDI Recovery.”** The conference offered an abundance of workshops and opportunities to network with European companies and investors.

Workshops included:

- Building the workforce of tomorrow and developing the right local talent pipeline for existing and future European investors,
- The Status of transatlantic investment and the new U.S. Administration, and
- Utilizing new digital tools to stand



Gathering of 2021 TBIC Annual Conference attendees in Atlanta, GA

out in the post-Covid Marketplace.

In 2019, GGEDC undertook a complex TBIC assessment and certification process for the Gallup Energy Logistics Park (GELP) and the Gallup community to become a certified FDI-Qualified Community. TBIC recently recertified Gallup as a potential location for the

expansion of European companies.

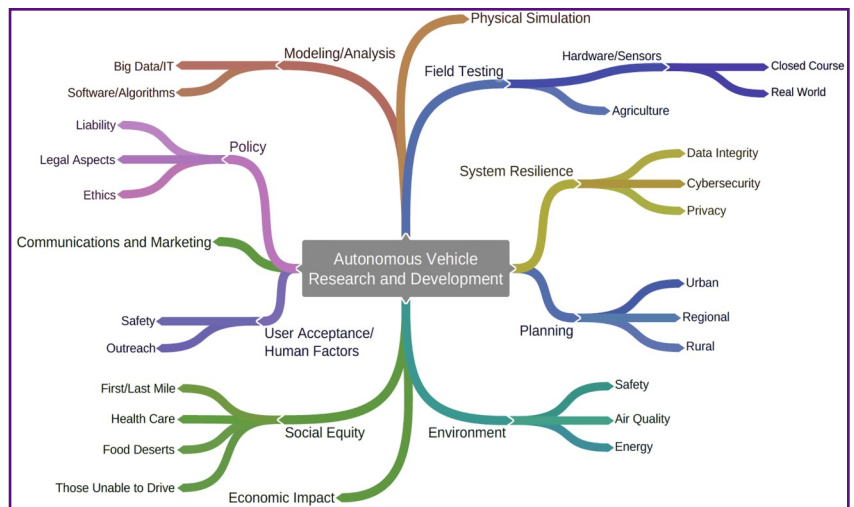
Executive Director Lundstrom continues to “sell Gallup” to the world and to champion greater efforts to help build Gallup-McKinley County from the outside in. She stated that GGEDC now plans to organize a European trade mission in the late Spring/Early Summer with the assistance of TBIC.

Building “The Gallup Mobility Hub” - Part 2

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.

Based upon Gallup’s location as the gateway to New Mexico on Interstate 40 and its long history as the center of logistics and transportation for Northwest New Mexico, it is appropriate for Gallup to take on the leadership role in adopting new transportation technologies in New Mexico.

In a recently completed study for the City of Gallup by GLD Partners, a consultant with expertise in mobility and airport development, the consultant recommended creating a “Gallup Mobility Investment District” that could support research and testing of Autonomous Vehicles.” The consultant defines a Mobility Investment District as “a



Research areas & considerations to address in testing autonomous vehicles

structured and secure setting for companies to collaborate, research, develop, test and certify products. The Mobility Investment Hub is an anchor from which concentrations of production and forward deployment high-velocity supply chain activities are centered.”

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Business Retention & Expansion

BRE Survey Elicits Concerns regarding the New Post – COVID “Normal”

Since 2013, GGEDC’s Business Retention & Expansion (BRE) Outreach Program has played a critical role in fulfilling GGEDC’s

organizational mission “to drive economic growth through building on local assets and strategic partnering to target attraction, retention and expansion of industrial employers that provide economic-base jobs in the Gallup-McKinley area”.

In addition to building and maintaining strong personal relationships with key staff across McKinley County’s major

employers and industries, the BRE Program gathers real time data from an annual survey and face-to-face interviews. The responses allow GGEDC to identify and engage in key trends and to develop and provide impactful approaches and solutions to challenges before they become dire.

Beyond the surveys and interviews with top experienced across the country were

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GGEDC Wins National IEDC Award

GGEDC won a Gold Rank Award from the International Economic Development Council (IEDC) in the category of Business Retention and Expansion (BRE) Initiatives for its McKinley Paper Company Expansion project. The honor was presented during the IEDC Annual Conference in Nashville, TN in October.

IEDC Excellence in Economic Development Awards recognize the world's best economic development programs and partnerships, marketing materials, and the year's most influential leaders. 25 award categories honor organizations and individuals for their efforts to create positive change in urban, and rural communities.



The impact of the McKinley Paper Company Expansion project includes highlights such as:

- ◆ 125 good jobs were preserved, and the ongoing need for paper products is met by way of recycled materials manufactured in a sustainable, clean, “green,” manner.
- ◆ The project generated \$5M in state business incentives through the Local Economic Development Act (LEDA). At the time, the grant was among the 5 largest LEDA grants the State ever had awarded.
- ◆ The project generated \$256,000 in Job Training Incentive Program funds creating 10 new jobs, with an average salary of \$32 per hour.
- ◆ GGEDC Deputy Director Michael Sage was named Economic Developer of the Year by NM IDEA, the statewide association of economic and commercial developers.
- ◆ GGEDC received a \$1.25M donation from Tri-State Generation & Transmission Authority to promote economic development in the Prewitt, NM area where Escalante Generating Station is located.
- ◆ Tri-State Generation & Transmission Authority announced a \$200M / 200MW Solar Farm to be built next to McKinley Paper Company and Escalante Generating Station.
- ◆ Escalante H2 Power announced a letter of intent to purchase Escalante Generating Station and undertake a \$250M conversion of the power plant from coal to hydrogen.

GGEDC Welcomes New Staff Members



Teresa Mecale
Administrative Assistant II

Teresa Mecale was born and raised in Gallup. She is a 2007 UNM-Gallup Graduate with an Associates Degree in Accounting and an extensive background in Grants and Contract Management. Teresa worked with NWNMCOG for 9 years before working with the nonprofit Community Outreach and Patient Empowerment. Following 1.5 years with the City of Gallup Finance Dept., Teresa joined GGEDC. She believes the EDC provides an excellent opportunity to contribute back to the local community.



Kristen Dale
Intern

Born and raised in Arizona, **Kristen Dale** currently resides in New Mexico. After graduating High School in 2019, she started her major in Business at UNM. In July, 2021 Kristen began working with GGEDC. Previously, she worked with the Navajo Nation as an Administrative Assistant with the Housing Authority and with Fish & Wildlife. She enjoys traveling and exploring new experiences in nature, cities and communities.

Greater Gallup Industrial Workforce Program



Southwest Indian Foundation (SWIF) instructs GGIWP participants in GGIWP classes 4 & 5

GGEDC Partners with SWIF to Build Sustainable Industrial Workforce Program

The Greater Gallup Economic Development Corporation (GGEDC) continues to blaze the way for workforce development in McKinley County with its innovative Greater Gallup Industrial Workforce Program (GGIWP), a no-cost 10-week upskilling program involving classroom and hands-on construction training that leads to placement into an internship, a pre-apprenticeship program, or a long-term job or career in the trades.

“What we heard from our industrial partners in McKinley County year after year through the GGEDC’s Business Retention & Expansion (BRE) outreach program,” stated Patty Lundstrom, Executive Director of GGEDC, “was the companies were challenged to find people with the skills they needed when hiring from the local workforce.” In response to that need, GGEDC launched the GGIWP in 2019.

This rapid-response training that prepares workers for specific in-demand economic-base jobs is the first program in the area to be 100 percent industry-led. GGEDC and its education partner, SWIF, work with industry leaders to tailor the program to local industrial workforce needs.

GGIWP utilizes nationally recognized NCCER curriculum to provide the students with essential skills in the trades and stackable credentials that are recognized nationally and internationally.

“These trainees are ‘taught to fish,’ rather than simply given ‘a fish.’ states Liam McCarthy, primary instructor at SWIF. “With the tools and training they receive, they may begin to provide a better quality of life for themselves and their families by the work they will do in and for the community.”

Strong support and buy-in from McKinley County economic-base industries, including McKinley Paper Company, Marathon Petroleum, Peabody Energy, Advanced Technical Services, Four Corners Welding and Supply, Murphy Builders, and Rhino Health made the program possible.

GGEDC and SWIF are collaborating to expand the instruction and services GGIWP offers to its students and the

Between July and November GGIWP and SWIF built 2 homes for low-income families



Student Dynelle Nez learns how to operate a forklift while SWIF Instructor Liam McCarthy observes

community and to make the program sustainable. GGEDC has also recognized the local need for training up to the Journeyman level in the plumbing, electrical, mechanical and construction trades.

This specific goal is addressed in a pending \$5 million grant request to the U.S. Economic Development Administration (EDA) under its Build Back Better Program.

To date, 36 students have graduated from the program. The next GGIWP class begins at the end of January 2022. The deadline to register for the class is January 5, 2022.

EDA Offers an Excellent Opportunity to Build Back Better

The Economic Development Administration (EDA) of the United States Department of Commerce is offering a “Build Back Better Regional Challenge” designed to assist communities nationwide in their efforts to build back better by accelerating the economic recovery from the coronavirus pandemic and building local economies that will be resilient to future economic shocks.

The \$1 billion Build Back Better Regional Challenge will provide a transformational investment to 20-30 regions across the country that want to revitalize their economies. These regions will have the opportunity to grow new regional industry clusters or scale existing ones through planning, infrastructure, innovation and entrepreneurship, workforce development, access to capital, and more.

Locally, the Northwest New Mexico Council of Governments submitted an application in the amount of \$50 million to address various infrastructure needs throughout a 3-county area.

Within the application is a request by GGEDC for \$5M to build and sustain the GGIWP program. The funds would help SWIF to hire instructors to teach the crafts to the Journeyman level in select trades.

Business Retention Update

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Although COVID-19 no longer remains as the critical variable in this year’s economic calculus, the post-COVID normal emerging in its wake is characterized by wild fluctuations in fossil fuel demand and costs, with rapidly rising gas prices driving an inflationary spike in consumer prices of 6.2% in October.

Meanwhile, choked up supply chain-caused shortages and delays throughout the country, coupled with shortages and an immense demand for qualified labor across the board, are driving a new degree of anxiety and uncertainty.

Primary concerns identified in the 2021 BRE surveys included various expressions of that Economic Uncertainty and Change. COVID-19 and its variants continue to concern McKinley County economic-base employers, but this year, responses to the question, “What is keeping you awake at night?” elicited concerns ranging from the need to continue working safely within a climate of great uncertainty to facing shortages of workers and various materials and machinery (impacted by supply chain shortages) to wondering whether workers who left town would come back if the companies that closed reopened.

From the BRE survey, one-third of the companies cited as their top concerns challenges with finding, hiring and maintaining the workforce they need. An equal number of companies cited matters of worker and facility safety; many of which are due to the companies being short-staffed and/or to worker absenteeism.

Notwithstanding the complex challenges underpinning their concerns, 7 of the 9 companies surveyed were optimistic that 2022 will be a much better year for business than was 2021.

The “Gallup Mobility Hub”

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Toward developing the Gallup Mobility Investment District (GMID), GGEDC crafted the scope of this project to be a City of Gallup economic development initiative to create assets that will support long-term investment and jobs in the City and the wider region.

The GMID would position New Mexico as an important component of a national transport/logistics/supply chain system. As planned, industry would come to see the GMID District as “a national model for cargo transport efficiency, particularly around autonomous cargo movement technologies, clean powertrain technologies, and as a next generation logistics center,” the consultants stated.

The New Mexico Mobility Strategy from 2020 recommended that the Gallup region focus primarily on heavy and medium-weight cargo transportation equipment.

The consultants stated in their report that over the next 5-10 years, as electric and hydrogen powered trucks are increasingly deployed, Gallup can play a critical role in their development.

The consultants determined that Gallup is particularly well-suited for both closed course testing and public highway testing of Class 8 tractor-trailers.



Save the Date!

The 2022 GGEDC Economic Roundtable will take place January 28, 2022 at the La Fonda Hotel in Santa Fe, NM. The in-person Roundtable will follow up on last year’s Economic Roundtable - “The Gallup Mobility Hub”, which focused on developing opportunities to research and test Autonomous (driverless) Vehicles (AV) in Gallup.

The 2022 Roundtable will have a dual focus; half the day will address creating the “Gallup Mobility Investment District” ; the other half will focus on developing a “Hydrogen Hub” that will have direct commercial applications to Autonomous Trucking.