# GREATER GALLUP MOVING FORWARD

GGEDC SUMMARY REPORT 2012-2015

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### President's Letter LAYING THE FOUNDATION



TOMMY HAWS President, GGEDC Board of Directors Senior Vice President, Pinnacle Bank

Through strategic and conducive engagement, GGEDC has established a strong alliance with the City of Gallup and McKinley County. While other local governments both nationally and across the state are eliminating funds for economic development, the City of Gallup and McKinley County have recognized that investing in economic development is imperative if we are to be positioned for current and future growth. These investments have allowed the GGEDC to foster new business growth while expanding our local capacity for economic sustainability. Such initiatives include the launch of a business retention and expansion program as well as formation of the GGEDC Advisory Committee. The model calling for a public-private partnership for economic development has proven to be the right combination for success. It is with great pleasure we present our Summary Report, culminating a successful four-year effort to attract business to Gallup-McKinley County.

The success of GGEDC to capitalize on available opportunity while building long term capacity is due in large part to an ability to manage change.

Economic development is a science driven by data. Successful EDO's must have the ability to change rapidly in response to external pressures - political, economic, technological, social, cultural, and demographic.

Our Board of Directors boasts collective business and professional experience that exceed a combined 250 years of running businesses, finance, law and other areas of expertise. Such experience positions us well to be able to navigate change and adapt to new economic realities.

Under the leadership of Executive Director Patty Lundstrom, GGEDC developed and implemented an economic development plan with capacity to recognize change and respond proactively.

With economic development it is important to recognize how and where people are accessing information. Initial site selection is primarily done online and investments such as the GGEDC website provide Gallup with a considerable competitive advantage. Before we were organized to become the GGEDC, Gallup and McKinley County were not "on the map" for site selectors and other potential investors in our local econom. Now with a cutting edge website, data and resources are available to give companies and other interested parties the tools they need to investigate the area. We have started to see that the world is finding us. The launch of the GGEDC Advisory Committee has been very successful, providing the organization with new partners and an expanded pool of resources strengthening the ability to achieve business growth and job creation.

Successful execution of the economic development program developed by GGEDC has changed for the better the local business climate. Engagement with our economic base employers will maintain the base. Outreach and support for new and existing businesses will diversify the base.

The Gallup Energy Logistics Park remains a tremendous opportunity to change and strengthen the economic competitiveness of Gallup-McKinley County. Leveraging transportation assets for job creation remains a primary goal for GGEDC.

On going changes in the Transportation and Logistics industry provides Gallup-McKinley County with new opportunity and GGEDC is poised to capitalize.

Recognizing the importance of the mission and the need for results, GGEDC has changed the local approach to economic development, moving from adhoc to strategic strategies, rejecting silo work in favor of partnerships, and providing a foundation for long-term success. But foundations were meant to be built upon, not seen as finished projets - we have much more work to do. However, now that the foundations are in place, we are poised to build upon them for a better community today and brighter future for our families in the days and years to come.

Sincerely,

Tommy Haws

Tommy Haws, President GGEDC Board of Directors

### Organizational Overview

Greater Gallup Economic Development Corporation (GGEDC) is an economic development organization characterized by strong board and executive management, guided by the code of ethics of the International Economic Development Council (IEDC) and with professional staff possessing the necessary education, experience, skills sets and networks to deliver effective and efficient economic development services to the City of Gallup and surrounding area.

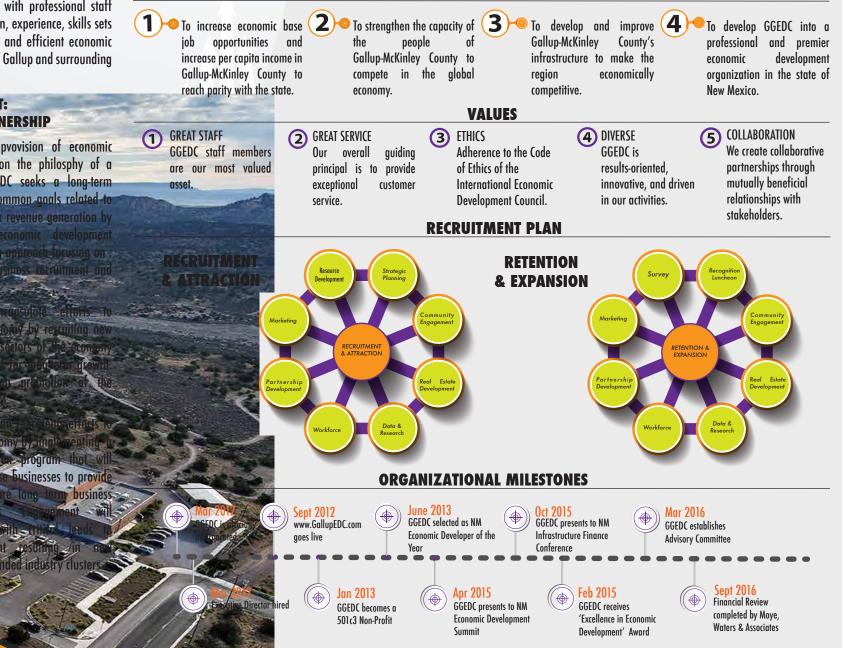
#### ECONOMIC DEVELOPMENT: A PUBLIC/PRIVATE PARTNERSHIP

The overall approach for the provision of economic development services is based on the philosphy of a public/private partnership. GGEDC seeks a long-term shared commitment to achieve common goals related to new job growth and enhanced tax revenue generation by implementing a customized economic development product consisting of a two prong approach focusing on (1) business entruction and 2) business retruitment and expansion

#### **MISSION STATEMENT**

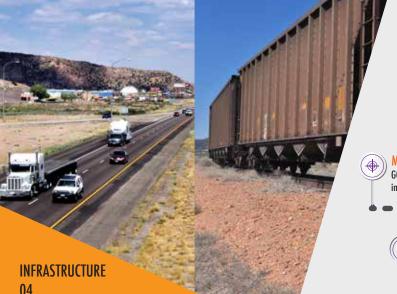
It is the mission of the GGEDC to drive economic growth through building on local assets and strategic partnering to target attraction and recruitment of business and industrial employers that provide economic-base jobs in the Gallup-McKinley County area.

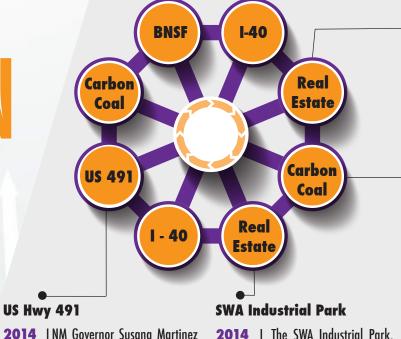
#### VISION



### Infrastructure Development STRFNGTHFN **OUR ASSETS**

Asset-based economic development is a strategy for sustainable economic growth, as it builds upon the community's existing assets. GGEDC has put forth an asset-based economic development plan which seeks to recruit and attract economic base employers by leveraging proximity and access to transportation assets including US Hwy 491, US Interstate I-40, and the TransCon rail line of BNSF Railway.



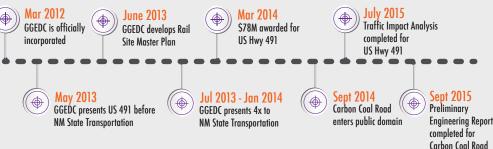


**2014** | The SWA Industrial Park, announced funding in the amount of \$78 located in Thoreau, NM, represents million for the completion of the US Hwy 320-acres with logistics, warehouse and distribution as its parimary focus.

> GGEDC redevelopmment efforts included completion a Phase I Environmental Site Assessment in addiition to a preliminary site master plan.

> Next steps involve development of market analysis and feasibility study. Long term prospects are good and lend itself well to support existing industry cluster.

#### **INFRASTRUCTURE MILESTONES**



491 corridor.

Presenting at a total of 6 meetings of the

NM State Transportation Commission

including hosting 3 breakfast workshops,

GGEDC outlined the economic

opportunities associated with US Hwy 491.

"We followed the Commission all over

the state talking about US Hwy 491

because there are real opportunities for

job creation in McKinley County associated

with its completion," noted GGEDC Board

President Tommy Haws.

#### Gallup Energy Logistics Park

**2013** | Gallup Land Partners, LLC announced plans to build the first integrated Energy Logistics Park in the State of New Mexico, to be located 5 miles northwest of Gallup, NM.

The Gallup Energy Logistics Park is a 2,000-acre master-planned business park connected to the BNSF Railway TransCon Line.

Accessible through US Hwy 491, the Gallup Energy Logistics Park is 8 miles from Interstate I-40. Carbon Coal Road, north of the City of Gallup, will connect the park to US Hwy 491, allowing park traffic to bypass the city of Gallup providing futher transportation efficiencies.

#### Carbon Coal Road

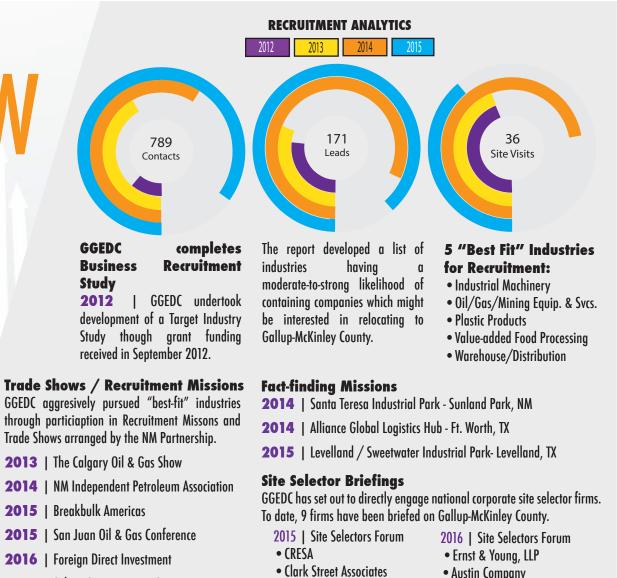
2014 | Carbon Coal Road, the primary transportation corridor for the Energy Logistics Park, was approved for public road status from the McKinley County Board of Commissioners. Designation of public road status for Carbon Coal Road will allow GGEDC to pursue federal and state transportation funding.

2015 The Preliminary Engineering Report was completed for Carbon Coal Road, paving way for preliminary design and engineering to begin.

# **Business Attraction & Recruitment** INDUSTRIES

Business Attraction & Recruitment is a core program for GGEDC. Business attraction is to encapsulate efforts to diversify and grow the local economy by recruiting new economic-based businessess into sectors of the economy representing the highest potential for long-term growth. Business attraction is based on promotion of the competitive strengths of Gallup, NM.





2016 | SelectUSA Investment Summit

- Clark Street Associates
- Foote Consulting Group

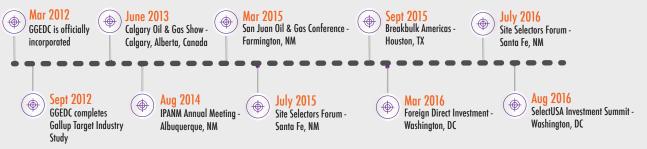
• Duff & Phelps, LLC

Newmark Grubb Knight Frank

CBRE Consulting

CrossCountry Consulting

#### **RECRUITMENT MILESTONES**



#### Business Retention & Expansion BUSINESS RETENTION & EXPANSION BUSINESS RETENTION BUSINESS RETENTION

Business Retention and Expansion (BRE) is a core program for GGEDC. A formal BRE program identifies the hurdles and challenges facing local businesses and provides assistance to address those issues.

The BRE program provides invaluable data and intelligence to strategically attract new companies and foster the creation of new businesses. The efforts of GGEDC focus on providing assistance with issues that could force a company to to fail and subsequently close, and to prevent companies from relocating to a new community.





#### Visitation & Surveying

**2015-16** | GGEDC surveyed top economic base employers::

- Bio-Pappel McKinley
- Continental Divide Electric Cooperative
- Kinder Morgan
- Peabody Energy
- Rehoboth McKinley Christian Hospital
- Sacred Wind Communications
- Tristate Generation
- Western Refining

Pipeline

#### **Recognition Luncheon**

**2015-16** | The first of its kind in McKinley County, business recognition luncheons hosted by GGEDC recognizes and celebrates the economic base employers in McKinley County that have had the largest impact in the region.

The current top 10 employers list over 1,800 full time employees and also use the services of over 750 contractors to help in their businesses.

#### **ExecutivePulse CRM**

Identificatio

expansion,

and reporti

duplication

**2016** | Executive Pulse provides a shared platform to track business outreach in McKinley County.

GGEDC purchased the Customer Relationship Management program, in partnership with College PID and the NWNMCOG.

many benef **BRE PROGRAM MILESTONES** Jan 2015 June 2015 Apr 2016 Jul - Nov 2016 **BRE Survey Team GGEDC** joins Supply the GGEDC conducts **BRE Program is** formed Supplier Program officially launched business site tours June 2015 Dec 2015 Jan 2015 Ó Inaugural recognition **GGEDC** begins business **Gallup Pipeline secures** assistance with Gallup NMFA business loan luncheon

### Marketing lGIIΔ GATEWAY

98% of Site Selection Recruitment Happens Online

Any economic development organization without an effective Web presence gets bypassed without even knowing it lost its chance. GallupEDC.com gives us a competitive advantage and keeps Gallup-McKinley County on the list of locations for business investment.

The GGEDC website has generated year-over-year increases in user traffic quietly resulting in the website being ranked #1 out of 480,000 competing pages based on Google Analytics.



Jan 2013

Website surpasses

5.000 total visitors

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June 2014

#1 of 3,830,000 websites

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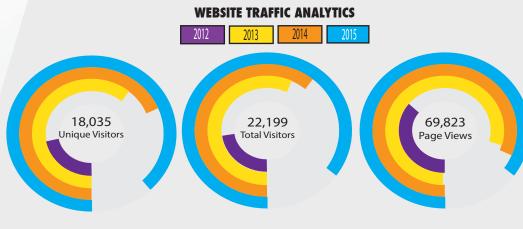
**WEBSITE MILESTONES** 

Aor 2014

Website surpasses

10.000 total visitors

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Sept 2015

20.000 visitors

Website surposses

 $\oplus$ 

Mar 2016

www.GallupEDC.com is

Redesigned

launched

 $\oplus$ 

Feb 2015

Website surpasses

15.000 visitors

#### DOMESTIC LOCATIONS USING GALLUPEDC.COM

1. Albuquerque, NM	11. Dallas, TX	20. Tucson, AZ
2. Gallup, NM	12. Washington, DC	21. Las Cruces, NM
4. Phoenix, AZ	13. Houston, TX	22. Chinle, AZ
5. Santa Fe, NM	14. El Paso, TX	23. Austin, TX
6. Paradise, NV	15. Farmington, NM	24. San Diego, CA
7. Denver, CO	16. Window Rock, AZ	25. Minneapolis, MN
8. New York, NY	17. San Francisco, CA	
9. Los Angeles, CA	18. Chicago, IL	
10. Ft. Defiance, AZ	19. Tempe, AZ	

#### **INTERNATIONAL LOCATIONS USING GALLUPEDC.COM**

1. United States	5. Canada	8. Philippines
3. United Kingdom	6. India	9. Italy
4. Brazil	7. Germany	10. China



#### Website Strategic Feat

What makes the GGEDC website unique:

- Interactive data on 16 communities
- Compare local communities vs. national
- Customizable & exportable reports
- Largest local real estate commercial database
- Comprehensive business resource & incentive directory



de the

## Stakeholder Engagement LIII)ING CAPACITY

The resilience of the Gallup-McKinley County economy is dependent on a strong foundation. Building a movement, a supportive and enabling policy environment and increasing the capacity of organizational actors are essential elements to strengthening the local economy

Benefits of capacity building include improved leadership abilities, improved organizational structures, increased and improved citizen participation, greater community/organizational self-reliance, and in general stronger community-based organizations at the local level which are more successful in addressing local concerns.

#### **Gallup Executive Directors Alliance (GEDA)**

2012 | GGEDC formed a core partnership to align community efforts:

- City of Gallup
- Gallup Business Improvement District
- Gallup-McKinley Chamber of Commerce
- Gallup-McKinley County Schools
- GGEDC

**Energizing the** 

efforts ond resources to

prepare workers for careers in

highest-priority fields such as

energy, transportation, and

Gallup-McKinley

health.

Workforce

- McKinley County
- Northwest New Mexico **Council of Governments**
- Rehoboth-McKinley Christian Hospital

#### Key components of the MOU include:

needs and maximize beneft- barriers its."

**Economic Roundtables** 

2014 | A primary activity for the

Economic Roundtable is the

collective development and

coordination of strategies that will

contribute to a robust economy

supporting a desirable quality of

• 'Economic Development in New

• 'Economic Development in

residents

Tourism

of

and

for

Topic areas include:

Mexico'

Gallup-McKinley County.

McKinley County'

'True Cost of Debt'

'Downtown,

Energy'

life

provide high-quality, cost-effective, short-term, career • Gallup-McKinley Chamber of relevant training solutions, as well as academic • GGEDC

programs and certification • Northwest New Mexico Council aligned with the needs of today's employers. "

#### **Economic Development Training for Local** Leadership

2015 | Nationally recognized certified economic developers (CEcD) delivered two and a half days of curriculum outlining economic development 101 including overview of business attraction and retention.

#### **Results:**

Over 45 participants including various city, county, and tribal officals completed course.

#### integrated education and GEDA Economic

workforce training that **Development Committee** 

produces highly skilled 2015 | GEDA subcommittee with workers, and leverages legialtive and policy focus to resources to aligned prioriy provide initiatives to reduce for economic development. Members:

- "Support college partners to Gallup Business Improvement District
  - Commerce

  - of Governments

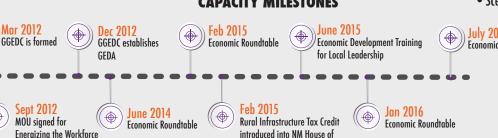
#### **Results:**

- Rural Infrastructure Tax Credit
- Scenic Byways to NMTD

#### July 2016

#### Economic Roundtable

**CAPACITY MILESTONES** 



Representatives

2012 | Energizing the • "Serve as the link between higher education and the Workforce is an innovative initiative, solidified in a MOU workforce and economic needs vital to Gallup-McKinbetween GGEDC, UNM-Gallup, and NM Associated General ley County."

Contractors (AGC), to focus • "Provide leadership in defining and advocating workforce development County's initiatives. "

> • "Partner with the private sector to develop an



# **NEW OPPORTUNITIES** OPPORTUNITY

In addition to Business Attraction and Retention, GGEDC aggressively pursues all avenues of growth for new and existing businesses, and to maximize employment opportunities, tax base, and quality of life.



#### **Gallup Regional Broadband**

**2014** | Recognizing the importance of broadband in a new economy, GGEDC has engaged partners to tackle issues of redundancy. availability, and affordability.

The Gallup Regional Broadband group brings together private, public, and tribal stakeholders to champion the expasion of broadband for economic developemnt efforts.

Extension of broadband to the Gallup Energy Logistics Park remains a GGEDC priority.

#### **Rural Infrastructure Tax Credit**

The economic development committee of the Gallup Executive Directors Alliance (GEDA) tasked themselves with addressing barriers impeding economic development in McKinley County.

The lack of available commercial warehouse space resulted in the Rural Infrastructure Tax Credit, an incentive for warehouse construction in rural New Mexico.

**2015** | Introduced as HB by Rep. James Strickler.

Santa Teresa Industrial Park -

Oct 2014

Ft. Worth, TX

Alliance Global Loaistics Hub

Sunland Park, NM

**2015** | Secured endorsement from the NM Jobs Council and the NM legislative Rural and Economic Development Committee.

#### **Medical Health Research Cluster**

2015 | Medical research, treatment and light manufacturing is a target cluster for economic development in the greater Gallup area. The medical research side of the cluster will build upon existing medical institutions, community of health professionals, concentration of patients, and ties with great research institutinos and laboratories located outside the community.

Research would focus on battling epidemics of liver, kidney and renal failure, along with high rates of diabetes.

#### **Truck Stop SuperCenter**

**2016** | Gallup, NM stands to benefit from recent changes in federal regulations impacting the transportation industry.

With partners, GGEDC has embarked on analysis and feasibility of establishing Gallup, NM as a truck stop supercenter serving as a logistics hub for the movement of freight cargo along Interstate I-40. GGEDC has undertaken extensive local research including surveys and traffic pattern analysis.

A preliminary report is currently being developed by NMDOT and will be presented in Oct. 2016.



Santa Teresa Industrial Park -

May 2015 Levelland / Sweetwater

Industrial Park

Levelland, TX

Sunland Park, NM

June 2015

Ó

Health Cluster Complex

July 2016 Truck Stop SuperCenter

### Financials

# **RESOURCE MANAGEMENT**

	FY12-13	FY13-14	FY14-15	FY15-16
Personnel	\$129,906	\$139,960	\$148,165	\$166,956
Travel	\$18,335	\$8,239	\$15,111	\$11,664
Office	\$29,596	\$27,935	\$24,836	\$40,017
Facility	\$17,142	\$20,268	\$23,696	\$18,215
Professional	\$32,940	\$23,574	\$39,395	\$30,708
Total Expenses	\$227,921	\$219,997	\$251,205	\$267,561
Revenues	\$261,000	\$287,502	\$308,913	\$308,763

#### **Financial Review**

**2016** | Moye, Waters and Associates, LLC was retained to conduct a Financial Review. Upon completion, the report stated:

"Based on our review, we are not aware of any material modifications that should be made to the accompanying finacial requirements in order for them to be in conformity with accounting principles generally accepted in the United States of America".

Ollie D. Waters, CPA, CMA Moye, Waters and Associates, LLC Albuquerque, NM 87108 September 1, 2016



#### FINANCIAL MILESTONES

Sept 2016 Financial Review of Financials by Moye, Waters & Associates



Annual Review of Financials

by City of Gallup

#### FINANCIALS 10

### **Board of Directors**

The GGEDC Board of Directors possesses over 250 years of collective business experience, providing to the organization:

- Direction Guard the mission of the organization and, through guidelines, steers it in the right direction.
- Oversight Monitoring the activities, the health, and the ethical behavior in the organization.
- Resources Ensuring that the organization is well-equiped to fulfill its mission adequate finances, capable staff, and esteemed reputation.



Tommy Haws\* Senior Vice President Pinnacle Bank



Rick Murphy\* President Murphy Builders, Inc



Patrick Mason\* Attorney Mason & Isaacson Law Firm

Joe Mesich\* President Advanced Te



Kent Wilson President Four Corners Welding



Yogash Kumar, Ex-Officio City Councilor City of Gallup



Jackie McKinney, Ex-Officio Mayor City of Gallup



Tony Tanner, Ex-Officio Commissoner McKinley County

\* Board Officer

### Staff

GGEDC Executive Director is responsible for day-to-day operations inlcuding:

- Programs and Administration hires staff and delegates operational responsibility to them.
- Strategic and Operational Plans Engages strategic planning with board involvement.
- Financial Management Prepares the annual budget and provides the board with regular financial statements.
- Fundraising Acts as the organization's main representative with major funders.
- Board Development Support the board in meetings, orientation, and retreat preparations.

### **Advisory Committee**

The GGEDC Advisory Committee, formed in 2015 to give advice and support to the organization's governing board, is a volunteer group without any

Continental Divide

**Electric Cooperative** 

Robert Castillo,

CEO

• Burlington Northern Santa Fe (BNSF) Railway

Ean Johnson, Regional Manager for Economic Devolopment legal or formal decision making authority. The GGEDC Advisory Committee provides counsel in key areas of expertise.

Gallup Land Partners

Jake Bracken, General Manager



Michael Sage Deputy Director



Melody Natewa Administrative Assistant

Patricia Lundstrom

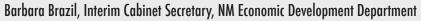
**Executive Director** 



ORGANIZATION

### Testimonials TRUE PARTNERS

Partnerships for economic development are critical because they are effective. With a partnership we bring together different skills. In economic development lots of skills are necessary but no single skill is sufficient. With a partnership we begin to multiply creativity. As we add partners we increase the opportunity for a greater number of creative responses to the particular challenge.



"Local partners like GGEDC are a tremendous asset to the state's economic development efforts, especially in our rural communities. Since its founding in March 2012, GGEDC has worked to improve the economic competitiveness of Gallup-McKinley County and continues to provide economic opportunity for the residents of the area."

#### Ean Johnson, Regional Manager for Economic Development, BNSF Railway

"BNSF Railway is proud to be a member of GGEDC. Patty and Michael run a first-rate economic development organization that has done a lot to assist our economic development team in understanding the Gallup regional economy and the economics of the state of New Mexico."

#### Jake Bracken, General Manager, Gallup Land Partners

"Since 2013, I have relied on the opinion and efforts made by the GGEDC to help with our development of the Gallup Energy Logistics Park. The professional drive and character of GGEDC form the basis for my confidence in the relationship. They have played a key roll in helping us with business and prattraction, navigating the state and local regulatory landscape, and assistance with additional development projects. In closing I would like to thank those who helped make the GGEDC into the success it is today. I have full confidence in the GGEDC as we continue to work together to maximize the economic success of Gallup and the surrounding area."

#### Robert Castillo, Chief Executive Officer, Continental Divide Electric Cooperative

"It's encouraging and exciting to see the GGEDC so committed to developing and implementing a sustainable economic development strategy that is moving the community forward. As an advisory member, it's great to actively participate as GGEDC strategically utilizes the area's resources and assets to compete for new business and industry, and takes significant steps toward transforming Gallup and surrounding areas into an attractive destination."

#### Deane Foote, Principal, Foote Consulting Group

"Foote Consulting Group (FCG) has worked in the Gallup area on a number of occasions, including on a site selection assignment. The Greater Gallup Economic Development Corporation (GGEDC) has been very helpful in all of our activities. They have provided necessary data, contacts and information critical to many aspects of our work. In addition, Patty Lundstrom was awarded the Economic Developer of the Year for Small City from our Site Selectors Guild (SSG) in 2015. Thank-you for your valuable assistance!"

TESTIMONIALS

# Executive Director's Letter MANAGING FOR SUCCESS



PATTY LUNDSTROM Founding Executive Director, Greater Gallup Economic Development Corporation

In laying the foundation for a viable and competitive economy, GGEDC has implemented an economic development program which seeks to leverage our proximity and access to state and national transportation assets such as US Hwy 491, US Interstate I-40, and the Burlington Northern Santa Fe (BNSF) TransCon Line. For economic development, to be successful in business recruitment and attraction, a location must have a strategic difference. For Gallup, our transportation assets is the strategic difference and creates our competitive advantage. In recognizing economic development as a courting process, our product in this process is our community, Gallup-McKinley County, NM. GGEDC's economic development program designed to showcase the product whether it be at industry trade shows, recruitment missions, or business site visits has proven successful.

Economic planning completed during the previous contract period provides the roadmap for GGEDC to meet stakeholder expectations. Metrics for tracking and demostrating success have been established. Recognizing the importance of the mission, it is central for GGEDC to set benchmarks. If you can't measure it you can't manage it.

Success in economic development is about doing the right thing. Doing things the right way is about leadership and leadership is managing and exceeding expectations. It is my philosophy as the Executive Director, events such as our Economic Roundtables provide opportunities to understand public expectations.

I also manage expectations to prevent unrealistic expections from taking hold as the more expectations you have the more disappointed you will be. GGEDC engages to understand expectations and educates to bring about consensus support.

#### **Managing Expectations**

• Managing expectations is about eliminating the gap between what is expected and what happens:

Likely Results

Promise only what you can deliver. Deliver more than promised has been the staff motto.

Things are getting better as GGEDC works tireless to improve the product - the community. The things we are doing help. Ensuring the community derives maximize benefit will require GGEDC to continue expanding our partnerships and networks.

Going forward, GGEDC will maintain focus and discipline. All opportunities will continue to be explored while simultaneously advancing strategic projects. With the program in place, partnerships established, and infrastucture readied, GGEDC has positioned Gallup-McKinley County for economic success and growth.

Sincerely,

Patty Lundstrom

Patty Lundstrom, Executive Director

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### UNITED. GREATER GALLUP



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