

Hope for economic recovery discussed at forum

Written by By Melinda Russell Sun Correspondent
Friday, 12 June 2015 15:04



Some of the top business minds in Gallup and McKinley County met three days this week to look over plans for economic development, discuss the pros and cons of doing business in the immediate area and become more informed with regard to the possibilities of growing this community.

The training session, that took place June 8-10, was sponsored by the Greater Gallup Economic Development Company in downtown Gallup. Sectors represented included city, county, tribal and chapter governments, hospitals, schools, universities, utility companies and many local business owners.

Kent Wilson, retired owner of Four Corners Welding and Gas Supply and current Chairman of the Planning and Zoning Commission for the City of Gallup said, "For the first time in over 50 years, Gallup has an opportunity to grow because it has land and resources."

He was excited to see so many leaders and concerned business people working together for the benefit of Gallup and McKinley County.

The top three concerns identified by the group were: leadership development, creative economic development strategies and infrastructure.

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This forum was the first step in addressing the leadership development part of the concerns. City Councilor Linda Garcia said about the first day of training, "It was intense. It's like taking an economics class."

A small part of the infrastructure problem was addressed with the passing of the Capital Outlay Projects bill, which allocated \$4.5 million to Gallup for the Allison Road Bridge project.

In total, the bill allocates nearly \$12 million to the Gallup and McKinley County area. Rep. Patty Lundstrom, D-Gallup and Executive Director of the GGEDC, was pleased that all parties were able to work together to get the bill passed.

"We were able to do 60 days worth of work in four and a half hours," she said.

Lundstrom further explained that with the completion of Highway 491, and the \$1 billion Navajo-Gallup Water Supply Project, Gallup is ready for economic development.

"Having water is like gold now, especially in the Southwest," she said.

Adding to those resources is Interstate Highway 40 and the BNSF Railroad. In a handout addressing the planned Gallup Energy Logistics Park, the GGEDC lists future opportunities that could be available: natural resource transloading, cross-docking and light manufacturing. All of these opportunities are dependent upon the quality and quantity of transportation resources available.

The Gallup Energy Logistics Park is planned for the west side of Gallup on the land purchased from Gamerco Associates by the Gallup Land Partners. Transloading is the process of bringing resources into Gallup by truck and transferring them to railcars or vice-versa. Direct truck-to-train transloading is scheduled to begin in the fourth quarter of 2015.

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Cross-Docking is a logistical plan that transfers products from one source to another whereby little or no storage time is required. Loads received from various sources would be directly transferred into another transportation medium with the same destination.

As a result of her work with the logistics park, Lundstrom was honored with The Excellence in Economic Development Award for 2015 by the Site Selector's Guild. The guild is a group of international site selection consultants who provide education, networking and services to those involved in the industry. They are some of the top advisors who will be sending potential businesses to look at Gallup for new industry.

State Support

As a part of the event, Barbara Brazil Deputy Secretary of the New Mexico Economic Development Department gave a presentation regarding incentives available to New Mexico businesses. Brazil said the department is in good shape.

They are working with a 28 percent increase in funding that is allowing them to work with Main Street programs, job development and new technology.

Brazil reported there are five business incubators around the state that are partnering with localities to ensure success with their new businesses. One such partnership is that of Santa Fe and the Zuni Pueblo. She said the Santa Fe incubator runs an extremely successful program.

One of the things that makes New Mexico very competitive in attracting new or relocating businesses is the fact that the state is run with a balanced budget. This gives new companies confidence they will benefit from the incentives they are promised. Other positive aspects of doing business in New Mexico include the reduced corporate income tax, workforce training programs and extremely low property taxes.

Brazil said manufacturing is growing in New Mexico. Ernst and Young recently ranked New Mexico as the best state in the west to develop manufacturing businesses because of the incentive package the state offers.

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Two programs that are available to Gallup and McKinley County businesses are Job Training Incentive Program and Local Economic Development Act. Both will pay up to 70 percent of training fees for employees in rural areas for the first six months of their employment. Restrictions apply, but the savings can help ensure success to a new business.

LEDA funding is available for land, building and infrastructure. A project must be attached to the allocation of these funds. This incentive requires the private sector to invest in the project. The State negotiates performance measures such as job creation goals and project completion dates that will be attached to the funding to safeguard a solid return on the investment. Any business interested in these incentives can refer to the New Mexico State Economic Development website.

Bill Lee, county manager, said it takes collaboration between agencies and the private sector to make economic development happen. That is happening during this training session.

“Economic development is not an overnight process,” he said. “Five percent of all deals across the country get done. It is a long process. You have to be patient and stay the course.”