

International Economic Development Council recognizes GGEDC with two awards

Written by By Rick Abasta Sun Correspondent
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Deputy Director receives NM IDEA Award

The Greater Gallup Economic Development Corporation was recently honored with two awards from the International Economic Development Council for its efforts in expanding economic development in the region.

The International Economic Development Council has honored GGEDC with the Business Retention and Expansion Initiatives Gold Award for a population of 25,000-200,000.

The award honors the work done by GGEDC to help McKinley County Paper Plant at 295 County Rd. 19 in Prewitt, when the Tri-State Generation and Transmission Authority's Escalante Generating Station announced in January of 2020, that it would close within a year. That closure would cost the region 109 jobs. It would also threaten the dependent operations of McKinley Paper Company, which relied on the steam of the generating station, and had been a major local employer for 27 years.

The change meant that McKinley County Paper would have to stand on its own, becoming fully self-sufficient with the ability to generate steam. At the time the paper company had a single steam boiler, but needed an auxiliary boiler in order to provide redundancy and ensure operations were consistent, even as maintenance issues arose.

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The GGEDC helped the paper company obtain a \$5 million Local Economic Development Act grant from the state to keep them in business and save 125 jobs.

The process began when Certified Economic Developer and Deputy Director Michael Sage determined what it would take to keep McKinley Paper in the community and worked with colleagues at the state level to leverage economic aid. GGEDC brought the paper company together with the N.M. Economic Development Department to talk about state support and then helped the company to prepare and submit an application for funding from LEDA.

The grant was awarded Sept. 9, 2020. At the time, it was one of the five largest LEDA grants ever awarded by the state and represented the first time New Mexico awarded a project under the category of business retention, not business attraction.

GGEDC also brought McKinley County to the table and the County agreed to serve as the fiscal agent/pass-through entity for the paper company which resulted in a public-private partnership win. GGEDC also brought the paper company together with the Cibola Communities Economic Development Foundation to subsidize workforce training, since many of the paper company's employees traveled from Cibola County to get to their jobs. The state of New Mexico awarded \$256,000 in Job Training Incentive Program funds to McKinley County Paper. That resulted in the creation of ten more jobs with an average wage of \$32.38 an hour.

Because GGEDC foresaw the closure of the Escalante Generating Station in Prewitt, and worked closely with McKinley Paper and Peabody El Segundo Mine to minimize collateral damage, the organization was recognized for its work to save jobs.

The \$5 million grant allowed the company to purchase a cogeneration boiler to replace the steam that the Escalante Generating Station previously provided.

In addition to the GGEDC win of the 2021 Excellence in Economic Development Award, Sage was recognized by NM IDEA as Developer of the Year.

The IEDC is recognized as the premier professional economic development association in the

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country and internationally, promoting economic development principles and practices, while certifying economic developers.

NM IDEA is a non-profit volunteer organization dedicated to the advancement of economic development in New Mexico.

“Many people perceive of economic development as solely bringing new corporations into an area,” Economic Development Manager Bruce Armstrong said. “However, attending to the needs and challenges of existing local businesses can be equally important, if not more so.”

The GGEDC has attended to the needs of existing local business through its Business Retention and Expansion Outreach program, which is based around professional and personal relationships with local economic base employers such as McKinley Paper Company, Rhino Health, BNSF, Kinder Morgan, El Paso Natural Gas, RMCHCS, Continental Divide Electric Co-op, and Sacred Wind Communications.

In 2012, GGEDC was created with the mission of driving 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 County area, and to support and promote a business-friendly environment.

“In addition to supporting local industrial partners, GGEDC also works to promote development of industrial parks, such as Gallup Energy Logistics Park, a BNSF certified rail site, the Prewitt Industrial Park, also served by BNSF, and indirectly, the new industrial park being developed on Carbon Coal Road by McKinley County,” Armstrong said.

Industrial parks are highly sought after by manufacturers who need to move cargo in and out with ready access to highways and rail. GGEDC has been pursuing development of a spec building where it can locate new industrial employers, such as warehouse operations, logistics companies, and trucking hubs.

“Gallup’s strategic location and proximity to I-40 and the BNSF Southern Transcontinental

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railway mean that it needs to keep a sharp focus on ways to utilize and take advantage of these strategic corridors,” Armstrong said.

Although some activities fall outside of GGEDC’s core mission, the organization still lends support to affordable housing development, including retail retention and development. In 2020, GGEDC assisted the City of Gallup to access grant funding for a comprehensive housing analysis and retail marketing analysis. These efforts were to address the quality of life preferences that have a significant role in helping companies decide where they will locate their operations.

Although Gallup currently lacks suitably developed industrial sites and infrastructure, GGEDC continues to work at bringing in companies that provide high-paying jobs. A decade from now, Armstrong envisions Gallup as having a vibrant industrial park served by hundreds of trucks daily, warehouse operations, and a foreign trade zone that can clear cargo through customs locally, rather than waiting on ships outside the port of Los Angeles.

“GGEDC is working on all of these fronts and, with our hard work and hopefully some good luck, we will bring in companies that will see the benefits of locating in our region and will grow the economy substantially as we do so,” Armstrong said.

For more information visit gallupedc.com .

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