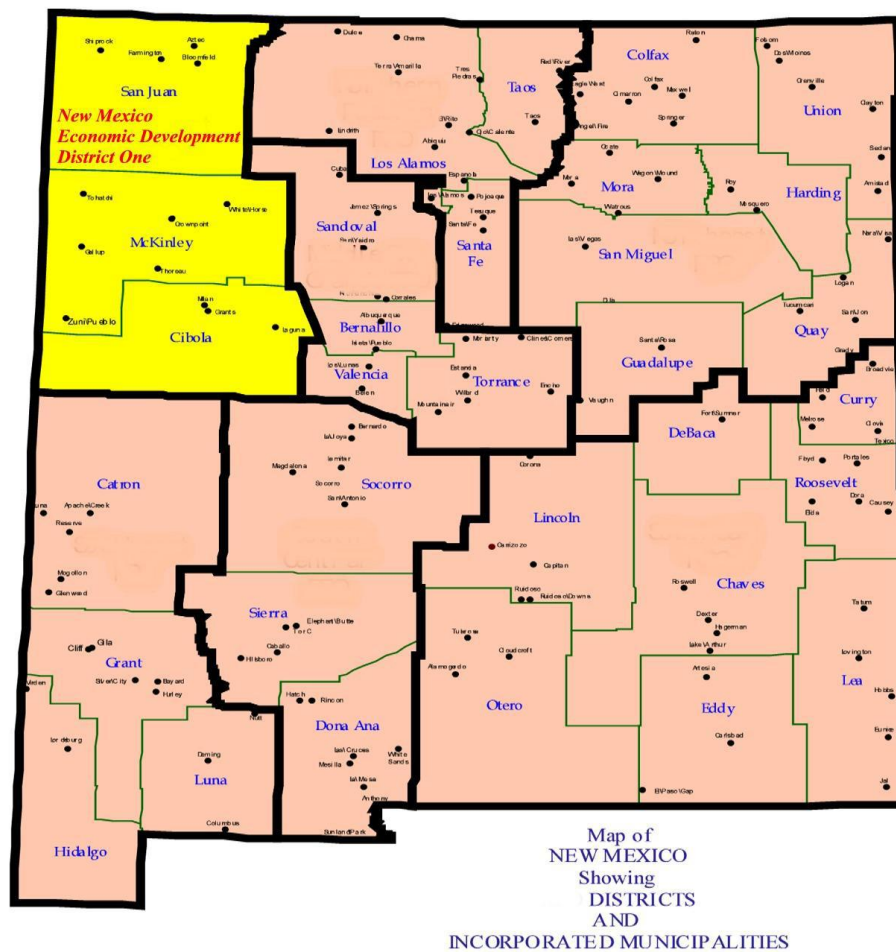


2009 Economic Development Forum Report

A Report of the First Northwest New Mexico Regional Economic Development Forum

November 9th and 10th, 2009

Farmington, New Mexico



Northwest New Mexico Council of Governments

409 South 2nd Street
Gallup, NM 87301
Tel: (505) 722-4327
Fax: (505) 722-9211

Table of Contents

BACKGROUND & CONTEXT	12
DAY 1: REGIONAL & COUNTY BREAKOUT SESSIONS	14
REGIONAL ISSUES.....	ERROR! BOOKMARK NOT DEFINED.
CIBOLA COUNTY	ERROR! BOOKMARK NOT DEFINED.
McKINLEY COUNTY.....	9
SAN JUAN COUNTY.....	ERROR! BOOKMARK NOT DEFINED.4
DAY 2: TOPICAL BREAKOUT SESSIONS	18
STRATEGIC INFRASTRUCTURE AND HOUSING DISCUSSION	19
BUSINESS POLICY & ENTREPRENEURIAL SUPPORT.....	22
EDUCATION & WORKFORCE DEVELOPMENT DISCUSSION.....	25
ENERGY & NATURAL RESOURCES DISCUSSION	28
TOURISM AND DOWNTOWNS DISCUSSION.....	33
SPEAKERS	38
DIANE DENISH, NEW MEXICO LT. GOVERNOR.....	38
BILL DODGE, REGIONAL EXCELLENCE CONSULTING	ERROR! BOOKMARK NOT DEFINED.
JOHN BROOKS, DIRECTOR OF COMMERCIAL LENDING	444
MARK F. VALENZUELA, CHIEF FINANCIAL OFFICER.....	50
JASPER WELCH, DIRECTOR, SAN JUAN COLLEGE ENTERPRISE CENTER.....	47
TOM TAYLOR, NEW MEXICO STATE REPRESENTATIVE	47
MOVING FORWARD	48
APPENDIX I: AGENDA	49
APPENDIX II: CEDS 2009 EXECUTIVE SUMMARY	51

Background & Context

The Northwest New Mexico Council of Governments (“the COG”) is one of seven regional planning councils in the State of New Mexico and is comprised of 6 municipal and 3 county governments in Cibola, McKinley and San Juan Counties – the New Mexico quadrant of America’s great Four Corners region. A population of about 230,000 is distributed across 15,000 square miles of high desert plateau country; approximately one-half of that population, and one-half of the land base, is Native American. The COG has good working relationships with the Navajo, Zuni, Acoma and Zuni Tribes, as well as with a diverse range of public, private and nonprofit institutions.

As an agency designated by the Economic Development Administration (EDA) as an “economic development district,” the COG researches, produces, manages and periodically updates the district’s five-year plan known as the ***Comprehensive Economic Development Strategy (CEDS)***. The most recently updated plan, spanning mid-2009 through mid-2014, was submitted to the EDA in June of this year. The updated CEDS:

- provides an **analysis** of the three-county region’s key economic sectors (Retail, Health Care/Social Services, Energy, Tourism, and Construction),
- identifies broad **goals** as targets for collective effort,
- puts forward a **compendium of projects** recommended by regional partners and advisors, and
- outlines a template for implementing a **plan of action**.

The plan of action called for the holding of annual CEDS Forums, the first of which would be slated for Fall 2009, with semi-annual or annual forums to follow. [A copy of the CEDS Executive Summary is attached as an overview of the plan.]

Keynote presenters for the Forum included:

Opening Keynoter: **Diane Denish**, New Mexico Lt. Governor

Evening Keynoter: **Bill Dodge**, Regional Excellence Consulting

Day 2 Keynoter: **Tom Taylor**, New Mexico State Representative & Minority Leader

The purpose of the Fall Forum was to bring together economic development stakeholders from across the Northwest New Mexico region in a collective learning process, in which we heard from knowledgeable speakers and shared insights with one another on the economic challenges and opportunities we faced, priority initiatives we could get behind, and the most promising strategies for tapping the human and financial resources needed for significant progress.

Regional challenges underlying our dialogue included:

- ⊙ A “**Discontinuous Economy**” – in which robust retail, service and industrial revenues co-exist with some of the nation’s highest rates of poverty and unemployment – a line-of-separation drawn predominantly (though not exclusively) between urban and rural, and between Native American communities and the balance of the region;

- ⊙ A “**Discontinuous Body Politic**” – in which sovereign Native American governments with unique Federal relationships co-govern the region side-by-side with governmental creatures of the State of New Mexico;
- ⊙ The “**Energy Revolution**” – in which the Four Corners region could end up playing a prominent role, but in the early stages of which conventional energy activities (oil and gas development, as well as coal and uranium mining) are facing serious threats and constraints;
- ⊙ A “**Workforce-in Waiting**” – threatened with further marginalization due to lack of employable skills for the 21st century economy, as well as the unavailability of jobs for which the local workforce is suited and qualified;
- ⊙ An “**Era of Rescission**” – in which the global recession and possibly protracted decline in public resources at state, local and tribal levels may have a domino effect on the economic well-being of expanding portions of the regional population.

On the other hand, we recognized – and looked for ways to build upon – the assets and opportunities uniquely available to the northwestern New Mexico community, such as:

- ★ **Natural resources** with economic potential – both conventional/underground minerals and untapped wind, solar and geothermal;
- ★ A rich diversity of **cultures**;
- ★ A well-developed **tourism** industry, tapping the region’s scenic beauty, world heritage sites and unique recreation opportunities;
- ★ An **entrepreneurial, “hang in there” spirit** that can buffer economic distress and keep an eye on future possibilities;
- ★ **Transportation corridors** coursing through the region (an Interstate and a railroad run through it);
- ★ A strong presence by **governmental and health care institutions**;
- ★ Our **downtowns**, along with a new commitment to their revitalization.

Following an opening keynote by Lt. Governor Denish, the Forum divided into discussion groups organized on a county-by-county basis. The results from these discussions are summarized here below. These results were then “regionalized” into topical areas, which served to form up the Day 2 discussion groups:

- **Tourism & Downtowns**
- **Strategic Infrastructure & Housing**
- **Energy & Natural Resources**
- **Business Policy & Entrepreneurial Support**
- **Education & Workforce Development**

Day 1: County Breakout Sessions

The Day 1 Discussion Series presented a unique opportunity for representatives, both public and private, to reflect on the strengths and weaknesses of their own respective counties. More importantly, the sessions allowed for representatives to engage and focus on the “macro” picture (a region competing in a world global economy) and away from the “micro” (individual, isolated communities competing in a local regional economy).

Cibola County representatives cited significant natural resources as the greatest strength of the county. Higher educational opportunities available to the workforce were a secondary strength of the county. Cibola County representatives identified the education levels of its current workforce as the primary weakness of the county. Environmental threats related to natural resource extraction and its impacts on tourism were identified as a secondary weakness.

McKinley County representatives identified the entrepreneurial spirit of its workforce as the top strength of the county. Tourism, including efforts toward revitalizing downtowns, was cited as a secondary strength of the county. McKinley County representatives identified jurisdictional barriers as the greatest weakness of the county. Educational attainment levels for the workforce were identified as a secondary weakness.

San Juan County representatives identified energy industry (natural resources) as the greatest strength of the county. The development of strategic housing plans to address housing shortages was a secondary strength of the County. San Juan County representatives cited the lack of transportation and telecommunications capacity as the greatest weakness for the county. Business policy including regulation and taxation was identified as a secondary weakness.

Based solely on highest cumulative votes received from all 3 counties, natural resources are by and far away the greatest strength of the region. Applying the same criteria, the greatest opportunity cited for the region is the regional workforce.

Based solely on the highest cumulative votes received, the greatest weakness of the region is the state of current infrastructure. Business regulations, cross-jurisdictional collaboration, and the educational attainment levels of the current regional workforce were close seconds in regional weakness.

The following are summaries of the strengths and weaknesses analyses performed for each county, in addition to potential strategies outlined, and lastly, flipchart notes. From these conversations information emerged, which helped to shape Day 2 facilitations.

REGIONAL / COMMON ISSUES

**Compiled from the respective County Breakout Groups
November 9, 2009 * Farmington, NM**

TOP STRENGTHS/ASSETS/POSITIVES

- ❖ **Cross-Jurisdictional Cooperation**
- ❖ **Entrepreneurialism**
- ❖ **New Tourism Opportunities**
- ❖ **Revitalizing Downtowns**
- ❖ **Natural/Energy Resources**

TOP WEAKNESSES/LIABILITIES/NEGATIVES

- ❖ **Multi-Jurisdictional Issues, including Excessive Regulation**
- ❖ **Educational Attainment**
- ❖ **Inadequate Private Sector Economy**
- ❖ **Water & Environmental Issues**

REGIONAL MEGA-ISSUES

- ❖ **QUESTIONABLE DIVERSITY & ROBUSTNESS OF OUR ECONOMY**
 - Too public sector-dominant?
 - Too much poverty?
- ❖ **IMPACT OF INTERNET COMMERCE**
 - Need research into effects, impacts, threats & opportunities.
 - There is a lack of Internet infrastructure.
 - Need better interface between Education, Business, Workforce.
- ❖ **WORKFORCE**
- ❖ **CROSS-JURISDICTIONAL COLLABORATION**
- ❖ **IMPACT OF EXCESSIVE REGULATION ON BUSINESS**
 - Need a public-private collaboration to reduce regulatory burdens.

CIBOLA COUNTY WORKSHOP GROUP

SWOT EXERCISE

November 9, 2009 * Farmington, NM

WEAKNESSES & THREATS		<i>VOTES</i>
❖ REGIONAL WORKFORCE		
○ Poverty		1
○ Educational Attainment		10
❖ NATURAL RESOURCES & TOURISM		
○ Environmental Threats		6
○ Water Scarcity		3
○ Jurisdictional Barriers		2
❖ ENERGY & INDUSTRY		
○ Stress on the Energy Economy		4
❖ TRANSPORTATION NETWORK		
○ Unsustainable Transportation Finance		3
❖ ECONOMIC CHANGE & RESILIENCE		
○ Reduced demand for manufactured goods		1
STRENGTHS & OPPORTUNITIES		<i>VOTES</i>
❖ TRANSPORTATION NETWORK		
○ Regional Transportation Assets		1
❖ EMERGING PROGRAMS & PARTNERSHIPS		
○ Creating New Strategic Partnerships		1
❖ ECONOMIC CHANGE & RESILIENCE		
○ A Diversified Regional Economy		2
○ A Commitment to Revitalizing Downtowns		1
❖ NATURAL RESOURCES & TOURISM		
○ Significant Natural Resources		10
○ Scenic Beauty & World Heritage Sites		5
○ New Tourism Assets in development		1
❖ REGIONAL WORKFORCE		
○ A Large Available Workforce		1
○ Entrepreneurial Spirit		1
○ Higher Education Opportunity		6
❖ ENERGY & INDUSTRY		
○ An Energy Industry in Transition		3
○ A Growing Healthcare Industry		4

CIBOLA COUNTY WORKSHOP GROUP
SWOT SUMMARY

TOP WEAKNESSES		VOTES
1.	WORKFORCE: Educational attainments.	10
2.	NATURAL RESOURCES: Environmental threats.	6
3.	ENERGY & INDUSTRY: Stress on energy economy.	4
4.	NATURAL RESOURCES: Water scarcity.	3
5.	TRANSPORTATION NETWORK: Unsustainable finance.	3
6.	NATURAL RESOURCES: Jurisdictional barriers.	2
TOP STRENGTHS		VOTES
1.	NATURAL RESOURCES: Significant natural resources.	10
2.	WORKFORCE: Higher education opportunity.	6
3.	TOURISM: Scenic beauty & world heritage sites.	5
4.	ENERGY & INDUSTRY: A growing health care industry.	4
5.	ENERGY & INDUSTRY: An energy industry in transition.	3

McKINLEY COUNTY WORKSHOP GROUP

SWOT EXERCISE

WEAKNESSES & THREATS		<i>VOTES</i>
❖ NATURAL RESOURCES & TOURISM		
○ Water Scarcity		3
○ Environmental Threats		2
○ Jurisdictional Barriers		12
❖ REGIONAL WORKFORCE		
○ Pockets of Unemployment & Poverty		1
○ Educational Attainment		8
❖ TRANSPORTATION NETWORK		
○ Unsustainable transportation finance		0
❖ ENERGY & INDUSTRY		
○ Stress on the Energy Economy		0
❖ ECONOMIC CHANGE & RESILIENCE		
○ A national economy in recession		0
○ Reduced demand for manufactured goods		0
○ A less robust private sector economy (45% for McKinley; 72% for region)		6
○ Weak public-private partnerships and excessive regulation		2
○ Impact of state regulation on local economies		3
STRENGTHS & OPPORTUNITIES		<i>VOTES</i>
❖ TRANSPORTATION NETWORK		
○ Regional Transportation Assets		0
❖ EMERGING PROGRAMS & PARTNERSHIPS		
○ Replicable Model Programs		0
○ Capitalizing on Innovative State Development Programs		0
○ Creating New Strategic Partnerships		0
❖ ECONOMIC CHANGE & RESILIENCE		
○ A Robust Regional Economy		0
○ A Diversified Regional Economy		0
○ A Commitment to Revitalizing Downtowns		4
❖ NATURAL RESOURCES & TOURISM		
○ Significant Natural Resources		3
○ Scenic Beauty & World Heritage Sites		0
○ New Tourism Assets in development		4
❖ REGIONAL WORKFORCE		
○ A Large Available Workforce		0
○ Entrepreneurial Spirit		6
○ Higher Education Opportunity		0
❖ ENERGY & INDUSTRY		
○ An Energy Industry in Transition		3
○ A growing Healthcare Industry		3

McKINLEY COUNTY WORKSHOP GROUP
SWOT SUMMARY

TOP WEAKNESSES		<i>VOTES</i>
1. Nat. Resources / Tourism: Concern about cross-jurisdictional barriers causing govt. to impede private sector opportunity (in broader ways than just tourism).		12
2. Workforce: Concern about educational attainment and competence (as well as poor skills and work ethic).		8
3. Economics: McKinley is more govt. driven – private sector makes up only 45% of its total economy.		6
4. Economics: Impact of state regulation on local economy.		3
5. Water: Water Scarcity.		3
TOP STRENGTHS		<i>VOTES</i>
1. Workforce: Entrepreneurial Spirit.		6
2. Economics: A commitment to revitalizing downtowns.		4
3. Nat. Resources / Tourism: New tourism assets in development.		4
4. Energy & Industry: An energy industry in transition.		3
5. Energy & Industry: A growing health care industry.		3
6. Nat. Resources / Tourism: Significant natural resources.		3

McKINLEY COUNTY WORKSHOP GROUP

RECOMMENDATIONS (STRATEGY)

GOALS & STRATEGIES	DISCIPLINES / STRATEGY AREAS
ROOTS: Retain Ongoing Economic Strengths	
❖ Health Care: retain a strong presence and press for new I.H.S. facility.	Energy & Industry
❖ Native Arts & Crafts: protect and preserve these; need investment support and enforcement protection for authenticity.	Nat. Resources / Tourism
❖ Retain our educational institutions and strategically expand and improve.	Regional Workforce
❖ Maintain 5 current primary sectors cited in CEDS document: retail, health care / social assistance, energy, tourism, construction.	Economic Change & Resilience
WINGS: New Directions for Future Economic Vitality	
❖ Energy Industry: retain and expand exploration for energy production – both safer current technology, and participating in new technologies – need to include an educational component.	Energy & Industry
❖ Increase cross-jurisdictional collaboration among municipal, county, tribal and state governments. Identify specific opportunities. NOTE: THE OVERWHELMING MAJORITY CITED THIS AS #1 – literally every member of the group cited this with a total of 16 votes! (supports "thinking regionally")	Economic Change & Resilience
❖ Examine how to better cultivate entrepreneurship.	Regional Workforce / Economic Change & Resilience
❖ Downtown revitalization.	Economic Change & Resilience

McKINLEY COUNTY WORKSHOP GROUP

ISSUES from the FLIPCHARTS

- ❖ Much concern expressed about jurisdictional barriers to effective collaboration, and over-regulation:
 - Need to strengthen public / private sector collaboration for economic / community development in examining (over) regulation to produce an environment more conducive for growth.
 - Jurisdictional / political issues continue to present barriers for public / private sector partnerships.
 - Need to address the impact of state regulation on local economies.
 - While not cited, there was much discussion about the need for stronger collaboration between (primarily:) tribal, municipal, county, (secondarily:) state, and federal govt.; including private sector input.
- ❖ Work force concerns expressed about educational attainment and competence, and general work ethic and skills.
- ❖ Water scarcity and environmental threats – while minimally emphasized, did get on the radar.
- ❖ Concern was expressed that McKinley has a less robust private sector economy – making up only 45% of its total economy, while in the tri-county region, the private sector takes up about 72% of the economy.
- ❖ Other issues that were brought forth:
 - Need to consider the impact of the Fire Rock Casino on the local economy.
 - Retail tax (GRT) may have an impact on “big ticket” items.
 - Consider the impact of pay-day loan business / industry in Gallup.
 - Current federal / government sector reductions.
 - Population is shrinking in Gallup.
- ❖ ROOTS: We need to sustain our ongoing base economic drivers as they appear viable well into the future, including: a) our educational institutions, our health care industry, and our tourism and Native arts and crafts industries; and b) our energy, construction and retail industries.
- ❖ WINGS: We need to improve cross-jurisdictional collaboration between tribal, municipal, county, state, and federal governments, and engage the private sector in this collaboration. We need to retain current and expand to new energy production industry and technology. We need to retain and cultivate stronger entrepreneurship, and revitalize our downtown (Gallup).

SAN JUAN COUNTY WORKSHOP GROUP

SWOT EXERCISE

November 9, 2009 * Farmington, NM

WEAKNESSES & THREATS		<i>VOTES</i>
❖ NATURAL RESOURCES & TOURISM		
○ Water Scarcity		9
○ Environmental Threats		1
○ Jurisdictional Barriers		2
❖ REGIONAL WORKFORCE		
○ Pockets of Unemployment		1
○ Poverty		6
○ Educational Attainment		10
❖ TRANSPORTATION & TELECOMMUNICATIONS CAPACITY		18
❖ ENERGY & INDUSTRY		
○ Stress on the Energy Economy		4
❖ ECONOMIC CHANGE & RESILIENCE		
○ A national economy in recession		0
○ Resistance to new taxation		0
○ Reduced demand for manufactured goods		1
○ Inadequate diversity in our export activity		6
○ Restrictive policy, regulation & taxation are depressing business		14
STRENGTHS & OPPORTUNITIES		<i>VOTES</i>
❖ TRANSPORTATION NETWORK		
○ Regional Transportation Assets		1
❖ EMERGING PROGRAMS & PARTNERSHIPS		
○ Replicable Model Programs		1
○ Capitalizing on Innovative State Development Programs		1
○ Creating New Strategic Partnerships		4
○ Strategic Housing Plans being worked on		9
❖ ECONOMIC CHANGE & RESILIENCE		
○ A Robust Regional Economy		0
○ A Diversified Regional Economy		4
○ A Commitment to Revitalizing Downtowns		0
❖ NATURAL RESOURCES & TOURISM		
○ Significant Natural Resources		7
○ Scenic Beauty & World Heritage Sites		2
○ New Tourism Assets in development		6
❖ REGIONAL WORKFORCE		
○ A Large Available Workforce		5
○ Entrepreneurial Spirit		3
○ Higher Education Opportunity		4
❖ ENERGY & INDUSTRY		
○ An Energy Industry in Transition		23
○ A Growing Healthcare Industry		0

SAN JUAN COUNTY WORKSHOP GROUP
SWOT SUMMARY

TOP 6 WEAKNESSES		<i>VOTES</i>
1. TRANSPORTATION: Transportation & telecommunications network capacity.		18
2. BUSINESS: Business burdens from restrictive policy, regulation & taxation.		14
3. EDUCATION: Low educational attainment.		10
4. WATER: Water scarcity.		9
5. ECONOMICS: Poverty.		6
6. ECONOMICS: Inadequate diversity in our export activity.		6
TOP 5 STRENGTHS		<i>VOTES</i>
1. ECONOMICS: An energy industry in transition.		23
2. HOUSING: Strategic housing plans being worked on.		9
3. NATURAL RESOURCES: Significant natural resources.		7
4. TOURISM: New tourism assets in development.		6
5. WORKFORCE: A large available workforce.		5

SAN JUAN COUNTY WORKSHOP GROUP
RECOMMENDATIONS (STRATEGY)

	DISCIPLINES/ STRATEGY AREAS
❖ Reduce age requirement for high school graduates, in favor of apprenticeships.	EDUCATION/ WORKFORCE
❖ Leverage the San Juan College School of Energy – as a model for partnerships.	EDUCATION/ WORKFORCE
❖ Concentrate on workforce career paths and more resources for client and student support.	EDUCATION/ WORKFORCE
❖ Get household/personal finance into the educational curricula, + courses on “getting into the workforce”.	EDUCATION/ WORKFORCE ECONOMIC DEVELOPMENT
❖ Air & industrial rail service.	TRANSPORTATION
❖ Create Artist Villages; tie them into the Scenic Byway.	TRANSPORTATION TOURISM ECONOMIC DEVELOPMENT
❖ Bring back the “hometown banker” – to increase help for people to develop their businesses.	ECONOMIC DEVELOPMENT BUSINESS SUPPORT
❖ Form an “Energy Think Tank” in San Juan County.	ENERGY ECONOMIC DEVELOPMENT
❖ A River Runs Through Us – take advantage!	TOURISM
❖ Build civic capacity for affordable housing development (CDCs, nonprofits).	HOUSING
❖ Industrial water re-use and better water use (NAPI).	NATURAL RESOURCES
❖ Regional water plan for the long-term, with rational allocations.	NATURAL RESOURCES
❖ Address jurisdictional issues to ensure <u>all</u> citizens benefit.	INTERGOVERNMENTAL RELATIONS

SAN JUAN COUNTY WORKSHOP GROUP

ISSUES from the FLIPCHARTS

- ❖ Export Activities need attention:
 - They're based on the volatile Energy sector.
 - There's low manufacturing presence.
 - Internet commerce is a new reality – do we have adequate E-infrastructure?
- ❖ Air Service – need to partner with Durango?
- ❖ Passenger Rail Service – as a spur from the Rail Runner?
- ❖ Tribal red tape, bureaucracy, especially as regards land use, infrastructure, laws and regulations.
- ❖ Taxation of small business, including fees and charges:
 - Need for review, to make sure the “public interest” is met, without burdening business.
 - These burdens are especially tough on small business; negative impact.
 - You're “protecting” certain things by the rules; how do we protect the businesses??
 - There's the “politics” of local taxation.
- ❖ The economic cost of drug abuse.
- ❖ “Affordable housing” is inadequate:
 - Needs to be proximate to work centers.
 - There's a shift from residential to commercial zoning – but there needs to be a mix, so people don't have to drive so far to get to work.

Day 2: Topical Breakout Sessions

The Discussion Series comprised the final event in a two-day forum on Economic Development in Northwest New Mexico; the Series included facilitated discussions on Energy and Natural Resources, Business Policy and Entrepreneurial Support, Tourism and Downtown Development, Education and Workforce Development, and Strategic Infrastructure and Housing.

The **Strategic Infrastructure & Housing** discussion revealed a need for improved planning, including a comprehensive mapping of existing infrastructure in the region. Additional themes that emerged from the conversation included the need for community leadership, innovations in affordable housing, and cross-jurisdictional cooperation.

The **Business Policy & Entrepreneurial Support** discussion focused on the creation of the ideal climate for businesses and entrepreneurs in northwest New Mexico. Discussion seemed to gravitate toward four main areas of concerns / recommendations for improving the business climate including government support and regulation; government support for new business or business expansion, the need for better public and private sector collaboration, and workforce needs and concerns.

The **Education & Workforce** discussion examined the perceived strengths and weaknesses related to northwest New Mexico's available workforce including the role of regional educational institutions in workforce development. Discussion involved the need to incorporate entrepreneurialism into the local high schools – but more importantly, the underlying theme is the business community needs a voice in the conversation regarding curriculum development. An additional theme involved the needed for increase collaboration between Tribal and State agencies tasked with workforce development.

The **Energy & Natural Resources** discussion examined the strengths, weaknesses, and economic development opportunities related to northwest New Mexico's energy and resource extraction industries. The primary focal point of the discussion revolved around the development of a regional energy plan that will serve to instruct and inform regional policies and economic development activities surrounding the energy and natural resource industries in northwest New Mexico.

The **Tourism & Downtown Development** discussion produced several overarching themes including the need to create access and flow for both tourist and locals, supporting the Region 1 Tourism Board as the main regional promotion and stakeholder group in northwest New Mexico, exploring and promoting regional niche marketing, and the expansion and focus on downtown development in communities throughout the region.

Day 2: Topical Breakout Session

Work Group: STRATEGIC INFRASTRUCTURE & HOUSING

ATTENDANCE:

Sanjay Choudrie	CARE 66, Gallup
Mary Ann Armijo	ClearChannel, Gallup
Frank Mraz	Gamerco Associates, Gallup
Ryan Downey	ECHO, Farmington
Ben Chavez	Milan Public Works
Joe Delmagori	Farmington MPO
Martin Lucero	Farmington Planning
David Martinez	NMDOT, District 5

INTRODUCTION:

COG Deputy Director Jeff Kiely facilitated discussion on the strengths and weaknesses related to Northwest New Mexico's strategic infrastructure and housing.

Although it is widely recognized that Northwest New Mexico is experiencing an economic downturn, such downturns present opportunities for proactive economic development activities and collaborative partnerships. The focus of the Infrastructure and Housing Discussion was to engage public officials, non-profits, economic developers, business representatives in a dialogue on the regional state of strategic infrastructure and housing and its impacts on economic growth in Northwest New Mexico.

IMPROVED PLANNING:

1. **Update Infrastructure Mapping:** To have a discussion on Infrastructure and Housing, we need to know what we have in the region. Begin by inventorying existing infrastructure in the region. Use the inventory to update infrastructure mapping including adding newly identified infrastructure.
2. **Envision / Project into the Future:** Improved planning requires that we look toward the future; to envision it so we can prepare for it. This is accomplished by starting with the vision, then 'working the plan backwards'. Another way to look at it is to think: 'IF we had the political will to do so...'.
3. **Address the issue of Land Scarcity:** The availability of land, or lack thereof, for infrastructure development and housing is of great concern.

One option includes consultation with BLM and the State and to request public land be given to the communities in the region for agricultural use (local food production and distribution) and development affordable housing. Another option involves obtaining access to existing land primarily through cooperative contractor agreements or adding infrastructure via innovative financing with City-private partnerships.

4. **"Change the Rules" that impede Infrastructure Development on the Navajo Nation:** The greatest needs for infrastructure and housing development are found within tribal communities including Navajo Nation. The rules governing infrastructure development on the Navajo Nation need to be changed.

COMMUNITY LEADERSHIP

1. **Build the Public Trust in (Local) Government:** Building public trust requires building a winning team; a team of people who can work to establish your 'community identity'. There needs to be a positive Public Relations presence, both within the community and by the community. Building public trust means knowing the existing rules; having a pulse on the community to time and pick your battles. Involve the community through grassroots efforts to help tackle bigger issues. Keep developing leaders to ensure leadership continuity. Continually educate local officials through 'non-public' forums to help them see the 'intersection of multiple interests'. Develop and implement a Media Plan to further build public trust. Lastly, in addition to great leadership, trustworthiness and follow through is key.
2. **Community Buy-In to meet Infrastructure Needs:** Gain community buy-in to self-taxation to meet infrastructure needs by building and cultivating a 'can-do' attitude.
3. **Be Proactive:** "The past should not control us – the future is not in the past". Be proactive in changing the perception of the community. Leadership should work to "make others look good".

INNOVATION IN AFFORDABLE HOUSING:

1. **Define 'Affordability' in the Housing Arena:** Innovation in affordable housing needs to begin with pricing – start by actually making the housing 'affordable'. There needs to be alternatives in how housing is built. Begin by changing the code to allow low-cost, energy-efficient housing to be constructed!
2. **Outside-In:** Based on a successful Colorado model, draw funding from 'outside-in' through an increment of lodgers' tax revenues allocated to Affordable Housing.
3. **Grow the Capital for Housing:** There are ways to bring in capital for housing, such as finding ways to work with private investment dollars. Based on a Ft. Worth model, communities could support self-help fix –ups of older stock homes. There is a need for someone who can help both customers and industry navigate the housing bureaucracy.

REGIONAL COOPERATION:

1. **Infrastructure:** Reintroduce rail capacity including the old short lines to increase regional cooperation. Use the new Highway 491 corridor to strengthen the Gallup-Farmington relationship to keep commerce in the region.
2. **Housing:** Cross-jurisdictional cooperation is need on housing.

CLOSING REMARKS:

In closing, the Strategic Infrastructure and Housing Discussion Group produced a substantial framework for a continued regional discussion on infrastructure and housing policy issues impacting local and regional economies. Continued discussions must be comprehensive, innovative and directed, and should result in the formation of a collaborative regional infrastructure and housing group and an actionable Workforce Plan specifically for Northwest New Mexico. A regional infrastructure and housing plan must preserve jobs, maintain the workforce and construct the infrastructure and housing necessary to spur and support future economic growth.

Day 2: Topical Breakout Session

Work Group: BUSINESS POLICY & ENTREPRENEURIAL SUPPORT

ATTENDANCE:

Richard Bowman	McKinley County
Bill Lee	Gallup McKinley Chamber of Commerce
Edward Michael	Cibola County Commission
Dell Martinez	San Juan County
John Yokie	Yokie Mortgage
Albert Lee	Eastern Regional Business Dev. Office – Navajo Nation
Sally Burbidge	Mayor, City of Aztec
Tiffany Karlin	Four Corners Community Bank
Al Henderson	UNM-Gallup

INTRODUCTION:

COG Planner Bob Kuipers facilitated discussion centered around the question of what the ideal environment for business and entrepreneurs in Northwest New Mexico would look like / consist of. Guiding themes for discussion included the following – which had emerged from the Nov. 9 County break out discussion:

1. **Regulatory Environment:** How do we address, review, and modify regulations that unnecessarily burden the creation, operation, and growth of business?
2. **Entrepreneurial Support:** What are strategies to strengthen and expand programs and other supports to local entrepreneurs?
3. **Access to Capital:** How do we expand and deepen access to capital and other innovative financing mechanisms for entrepreneurs? Discuss best practices, programs, and effective community models.
4. **Functional Entrepreneurism:** How do we transform our regional entrepreneurial spirit into real entrepreneurial strength and wealth in our communities?
5. **Public-Private Collaboration:** How do we create and support functional and effective public-private partnerships to grow the economy and serve the public interest?
6. **Cross-jurisdictional Collaboration:** What are strategies to improve cross-jurisdictional collaboration and overcome jurisdictional barriers to develop collaborative economic development to benefit all citizens?
7. **Sustainable Communities:** How do we create business policies and development in a manner that supports sustainable communities in our region?

Discussion seemed to gravitate toward four main areas of concerns and recommendations for improving the business climate as follows: 1) government support and regulation, 2) government support for new business or business expansion, 3) the need for better public and private sector collaboration, and 4) workforce needs and concerns.

GOVERNMENT SUPPORT & REGULATION:

Recommendations and discussion strongly called for a reduction in regulation; many felt that the public sector was over-regulating the private sector, with a stifling impact upon business. A more pro-business political climate is needed in northwest New Mexico. The group recommended government support for business regulation maneuvering, in an equitable manner, and collaboration / cooperation to reduce bureaucracy and “red tape”. Broader private sector representation is needed in advisory and other capacities for area governance, and collaboration with state governance was recommended to capitalize and de-regulate smaller business development – particularly in smaller communities. An environment is needed that buffers and minimizes political consequences and repercussions to the business community – particularly in small towns, where many elected officials are also members of the business community. Recommendations were made to create accessible financing resources for business development and expansion, and consideration for more reasonable fees and tax incentives.

GOVERNMENT SUPPORT FOR NEW BUSINESS OR BUSINESS EXPANSION:

Start up incentives and partnering from government for new business development was recommended from the perspective of how we might ask local govt. to reasonably share the expense or defer up front expense for business start up. Public and private sector collaboration was recommended to develop creative strategies to phase or extend or diminish up-front costs for business startups, improvements and expansions – and in an indirect way provide benefit to the government as well.

PUBLIC-PRIVATE SECTOR COLLABORATION & MUTUAL SUPPORT:

The group recommended stronger collaboration and open communication between the public and private sectors of our communities; perhaps best facilitated by a business (and economic development) advisory team consisting of leaders from both sectors. Business and other organizational stakeholders should have a periodic place – at least in an advisory capacity – at the government table. A Regional Chamber of Commerce (of sorts) might craft stronger regional collaboration for business support, and legislative advocacy, toward creating a better business climate. Local and regional positioning was highly recommended as a more forward thinking and strategic way of business development. Perhaps a regional leadership group such as “Leadership Northwest New Mexico” might help in positioning and other methods to model and promote “quality of place”.

WORKFORCE TRAINING:

Concerns were expressed about our workforce, and the need not only for better competence in a variety of basic employment areas, but the need for a better work ethic as well. Workforce training resources are needed, and educational institutions are encouraged to become more responsive and participatory toward community workforce needs. A broader, more comprehensive resource and support system that thinks training through from start to finish, with entrepreneurial education that commences in high school. In general, there is a need to tighten collaborative relationships between educational institutions, workforce organizations, and the community. Training should be provided to local entrepreneurs, high school students, and private sector stakeholders, on how government works – within business and entrepreneurial training programs; this could include training from relevant municipal or county departments (*economic development, business development, SBDCs, etc.*) on the pro’s and con’s of different types of business designs and organizations. On the other hand, political leaders and elected officials should also receive training on private sector economic development and business needs & strategies. We need training programs on modern

technology for older business leaders and entrepreneurs – perhaps a “Jetsons 101 for Flintstones” would be a clever course! In general, a strong, practical mentoring program – across jurisdictional lines is needed (especially in northwest New Mexico), along with outreach by academic institutions, trainers, and workforce organizations to strategically develop our workforce.

OTHER FACTORS INFLUENCING THE BUSINESS ENVIRONMENT:

We need reliable, expandable infrastructure, and a trained workforce. Another recent factor generally out of our immediate (local) control is the economic downturn – but only collaborative local, state, and federal mutual support will help move us toward a more robust economy again.

There are resources available including a “Business Resource Guide” from the N.M. Workforce Solutions Dept. at: www.nalwdb.org; and a resource from the U.S. Chamber is “Free Enterprise America” – link at the US Chamber, or local Chambers for more information.

Day 2: Topical Breakout Sessions

Work Group: EDUCATION & WORKFORCE DEVELOPMENT

ATTENDANCE:

Jerry Gaussoin	NALWDB
Adrian Ortiz	NALWDB
Jackie Allen	New Mexico Workforce Connections
Al Henderson	UNM – Gallup Campus
Tim Hagaman	NM Economic Development Department
Jay Moolenijzer	Pueblo of Jemez
Star Gonzales	Cibola County Economic Development Foundation
Alex Martinez	SER- Jobs For Progress, Inc
Ken Ortiz	New Mexico Dept of Workforce Solutions
Tony Lee	APS Four Corners Power Plant

INTRODUCTION:

COG Planner Michael Sage facilitated discussion on the strengths and weaknesses related to Northwest New Mexico's workforce and its supporting educational institutions.

The focus of the Education and Workforce Development Discussion was to engage public officials, private industry and government workforce and education professionals in a dialogue on the regional workforce including needed skills for continued sustainable economic growth in Northwest New Mexico.

HIGH SCHOOLS & ENTREPRENEURIALISM:

One major theme throughout the conversation focused on the need to engage students at the High School level. More particularly, there exists a need for a one-stop center in High School. There are programs such as Johnson O'Malley and NM Rural Entrepreneurial in area High Schools which shows some promise.

There are currently 5 career centers, similar to 'one-stops', in the state of New Mexico. State-wide expansion is limited by lack of funding. Participants expressed a desire to have a 'one-stop to work', where individuals can partake in a mix of high school and community college courses to prepare for entry into the workforce. But most important, teachers and business leaders should decide the curriculum.

In addition to closer collaboration with High Schools, collaboration with regional employers is needed. Through private sector partnerships, several key pieces of information can be obtained or better understood, such as: **Where jobs are being created? What skills are needed in those jobs?**

In order to properly assist businesses here in our region, we need to know additional information on emerging markets and businesses. New small businesses are the most vulnerable so there should be a concentrated effort to target these businesses.

To build entrepreneurialism in Northwest New Mexico, concepts and terms must be understood by all. Terms such as "entrepreneurship" must be understood by the local populace. One key question is: **How do you market Entrepreneurship?**

Currently, UNM-Gallup is offering an Entrepreneur Certificate, awarded after successful completion of a 30-hour program.

One major obstacle impacting education and workforce is unrealistic federal mandates. The *No Child Left Behind Act* is commonly cited and viewed as an institutional barrier for public schools.

HOW DO YOU CONNECT EDUCATION & BUSINESS?

To bridge the gap between what is taught in high schools and the need for a skilled labor force, the business community needs a voice in the conversation regarding curriculum development.

One suggestion is to have business owners on local school boards. School Boards can create a Business Advisory Subcommittee, tasked with reviewing curriculum, and comprised of:

- WIA
- Chambers of Commerce
- Economic Developers
- Business Owners

Career centers need to be brought into Northwest New Mexico. Secondly, career centers should be overseen and administered by the local schools – have the school take ownership. Additionally, there needs to be the option of dual-credit enrollment. In terms of Navajo Nation, NALWDB should be working more in tandem with local chapters and less with the regional and central bureaucracy.

NALWDB in San Juan County meets with business leaders at least monthly, and occasionally, more as needed.

HOW DO WE GET CURRENT ECONOMIC DEVELOPMENT INFO?

In order to effectively shape and develop policy addressing workforce development, current economic development data is needed. More importantly, data unique to this region is needed.

There are some resources out there that currently offer information regarding economic development and workforce, and include:

- State Workforce Board – which includes the Secretary of Education
- State Workforce Plan – approved by the State Workforce Board

INTERGOVERNMENTAL COLLABORATION

The group expressed a desire to have greater collaboration between NALWDB and the Navajo Nation. In terms of workforce, both NALWDB and Navajo Nation receive money to assist individuals seeking employment. With Navajo Nation, funds are allocated based solely on agency and not on need. To further hamper efforts, discretionary moves between agencies to reflect need are not allowed.

For instance, once the Shiprock workforce office runs out of money, they stop assisting clients. No funds are transferred from other agencies. When that happens, all individuals are then referred to NALWDB.

The disallowance of discretionary moves results in NALWDB subsidizing the Navajo Nation. Since discretionary moves are not allowed, the Navajo Nation is finding itself returning money every year to the feds.

If funds are not being used in a particular agency, then the funds need to be transferred to agencies where the need exist. Returning money to the federal government is not a desired outcome.

LOCAL COLLEGES & UNIVERSITIES

There are some positive signs within our local college and university institutions with respect to workforce development. There are programs in place within these institutions, such as Pathways to Success and WorkKeys Skill Assessments, which allow for individuals to assess their current skill levels and based on those levels, develop a curriculum/program to increase proficiency in needed areas. More support for these programs are needed.

CLOSING REMARKS:

In closing, the Education and Workforce Discussion Group produced a substantial framework for a continued regional discussion of workforce policy issues impacting local and regional economies. Continued discussions must be comprehensive, innovative and directed, and should result in the formation of a collaborative regional Workforce group and an actionable Workforce Plan specifically for Northwest New Mexico. A regional workforce plan must preserve jobs for today's workforce and can create jobs for future generations.

Day 2: Topical Breakout Sessions

Work Group: ENERGY & NATURAL RESOURCES

ATTENDANCE:

Fran Fillerup	Planner, City of Farmington,
Keith Johns	CEO, San Juan County
Keith Johnson	City Manager, City of Bloomfield
Tony Lee	Public Relations, APS Four Corners Power Plant
Joe Lister	Mine Manager, Mt. Taylor Mine

INTRODUCTION:

COG Planner Roshana Moojen facilitated discussion on the strengths, weaknesses and economic development opportunities related to Northwest New Mexico's energy and resource extraction industries.

The focus of the Energy and Natural Resources Discussion was to engage private industry and government professionals in a dialogue on future growth and policy planning for energy and natural resource economies in Northwest New Mexico.

CURRENT INDUSTRY SITUATION:

Prior to entering dialogue regarding the future of the energy and natural resource industry in Northwest New Mexico, the discussion group briefly reviewed the strengths and weaknesses impacting the regional industry; some of these are enumerated below.

STRENGTHS:

- Northwest New Mexico contains large natural resource reserves, including coal, uranium and natural gas, as well as moderate supplies of oil. Discussions of alternative and renewable energies tout the region as having potential for solar energy installations.
- An extensive pipeline system in the region transports oil and natural gases throughout the state and into outlying areas. Portions of this system could potentially be retrofitted to transport alternative energy products (for example biofuels). The same can be said for the numerous processing facilities in the region that are utilized for collecting and refining the various products of natural gas extraction.
- Industries in Northwest New Mexico can easily access the scientific and technological expertise available at Sandia and Los Alamos labs.
- Due to its extensive history of fossil fuel production and resource extraction, this region contains a substantial workforce that is educated and experienced in these respective fields.
- Our region benefits from the corporate presence and economic investments made by private industries from neighboring states that operate satellite operations in this region.
- Relative to uranium supplies in the region, U.S. energy policy currently indicates that additional nuclear power plants will be constructed. This may spur a renewed focus on uranium extraction and place New Mexico in a competitive position.

WEAKNESSES:

- Northwest New Mexico's economic dependence on natural resource extraction and fossil fuel production makes the region vulnerable to the 'boom and bust' cycle of the energy industry, more so than if the region was economically diversified and included substantial economic generators that were not connected to the energy and natural resource industries.
- Given the current political climate, resource extraction and fossil fuel industries suffer from negative public perceptions.
 - At the state and federal levels, there is often a lack of industry support from elected representatives.
- State and Federal regulations, particularly those associated with environmental compliance, hamper some aspects of economic development activity relative to the region's energy industries.
 - These regulatory policies are frequently implemented in very short time frames that are not always financially or operationally realistic for industries attempting to meet compliance.
- Although the region contains a great deal of technological expertise associated with fossil fuel extraction and production, the region lacks scientific and technological expertise in alternative and renewable energies, placing the region at a competitive disadvantage with other regions in the state.
 - Additionally, should the region acquire such expertise, the region would still face substantial hurdles in educating (or re-educating) an alternative and renewable energy workforce.
- There is a significant lack of funding for the installation and operation of alternative or renewable energy production facilities.
- Relative to uranium extraction, the State is not currently promoting this industry, nor does national policy indicate nuclear power will be an immediate focal point for energy production.
- From a long-term perspective, the reality of fossil fuel energy production and natural resource extraction is that such resources are finite and will eventually be exhausted. Although this does not mean an immediate cessation of economic activity associated with such resources, this should be considered in long-term economic development planning for Northwest New Mexico.
- Regarding renewable energy sources and large-scale production, depending on the amount of energy production, this region may encounter the same issue faced by renewable energy producers nationwide- the standard electric grid does not yet accommodate such sources. Thus, electric utilities must still provide fossil fuel based energy sources as a means of energy storage. This may impact the viability of associated energy industries.

ECONOMIC DEVELOPMENT DIALOGUE:

In reviewing the strengths and weaknesses affecting the energy and natural resource economy in Northwest New Mexico, a number of **THEMES** emerged. First, there was broad consensus among the group that future dialogue must be collective and must include participants from both the public and the private sector. Second, there exists an overwhelming belief that strategy discussions and results must be “outside the box”, due to current economic realities as well as the various weaknesses impacting the industry, “business as usual” is no longer an option. Third, economic development and industry dialogue must have a business focus; continuing to oppose environmental regulations may be a long, uphill battle but devising an economic development strategy that is business-centric (i.e. business planning, investments, etc.) has the potential for a positive return on investment. Finally, Joe Lister referenced an industry “renaissance” or reinvention; the intent of which is not to do away with the energy industry but to retrofit it in a manner that will allow it to remain economically viable while also expanding its scope and increasing its competitive angle.

The discussion group reviewed a number of strategies and opportunities with the potential to positively impact economic development in Northwest New Mexico and bring about a renaissance in the energy and resource industry. Discussion points included:

- **Compressed Natural Gas:** This is a technology that warrants additional research for its potential benefit and application to the local energy industry. Is technology development complete? What are the costs associated with compressed natural gas? What are the risks? Does a viable market exist for compressed natural gas?
- **Bio-fuel:** As previously noted, bio-fuel production may be a viable alternative energy industry for Northwest New Mexico. Numerous refining facilities exist in this region that may be easily retrofitted to accommodate bio-fuel production (depending on engineering requirements) and the substantial pipeline system already in place may allow for easy transport. Additionally, depending on the form of bio-fuel produced, wastewater resulting from natural gas extraction may be utilized as a component of bio-fuel production (such as in algae based bio-fuels). As with compressed natural gas, the installation and operating costs associated with this technology would need to be evaluated prior to any serious consideration of fuel production.
- **Geothermal:** Geothermal energy production was discussed as a byproduct of uranium extraction. As uranium mining produces significant amounts of water, there is the potential to drill deeper during the mining process to reach hotter water sources for use in geothermal energy production.
- **Solar:** Studies indicate that Northwest New Mexico represents an advantageous location for solar energy production. Additionally, given the numerous sources of wastewater as a byproduct of energy production and resource extraction, such wastewater may be utilized to cool solar panels.
- **Water:** Again, given the numerous sources for wastewater, it may benefit this region to research cost-effective processes for reclaiming water locally to allow for increased industrial use of reclaimed water; this would reduce the demand for fresh water, already a very finite resource in the San Juan Basin.

A REGIONAL ENERGY PLAN:

The primary focal point of the energy and natural resource group discussion revolved around the development of a regional energy plan that will serve to instruct and inform regional policies and economic development activities surrounding the energy and natural resource industries in Northwest New Mexico. The general consensus from the discussion group was that a regional energy plan should include strategies addressing the following issues (among others):

- **Policy** – *Creation of a business friendly policy environment and the attraction of additional energy commerce to the region.*
- **Risk Assessments** – *Objective and unbiased assessment and mitigation of health risks and environmental impacts associated with energy production and resource extraction.*
- **Alternatives** – *Development of alternative and renewable energies (inclusive of funding, operation, technology development and workforce education considerations).*
- **Transmission** – *Insufficient transmission lines and the potential for line expansion within the region.*
- **New Infrastructure** – *Funding analyses that consider public, private and joint financing and investment schema that will allow for sufficient infrastructure installation to support emerging and expanding industries.*
- **Asset Conversion** – *Potential second uses for infrastructure currently in use by traditional fossil fuel and resource extraction industries.*
- **Think Tank** – *Establishment of an “Energy Think Tank” to serve the region’s needs for technological, educational and research and development needs; such a think tank may operate as a tele-think tank (similar to tele-health), not requiring a fixed location or building for collaboration and information sharing.*

Additionally, the discussion group felt the process for developing a regional energy plan should be a collective action involving participation from all stakeholders, to include representatives from the coal, uranium, oil and natural gas and supporting industries, as well as local government and environmental compliance specialists. The discussion group widely acknowledged that the energy industry and associated energy dependent economies can no longer sustain themselves by operating in policy and planning silos. Although the energy plan should be primarily focused on leading the development plans of private industry, the plan must be supported and endorsed by the public sector for maximum regional impact and economic benefit. In order to achieve successful plan implementation, the discussion group feels local governments must express a show of support for energy industry expansion and renovation; endorsement or adoption of a regional energy plan may serve this purpose.

A REGIONAL ENERGY GROUP:

To ensure development of a comprehensive and fully vetted regional energy plan, the energy and natural resource discussion group feels a regional energy group should be formed to guide conceptualization and plan development. Although all regional local governments should be represented in this group, representatives from the private sector should lead the energy group. Private sector leadership will ensure the group remains cognizant of all business options and opportunities within the industry and will also prevent the energy group from analyzing options that are already being practiced within the industry or are already being researched and tested.

The discussion group also considered a regional charter for the energy group that may provide planning and governance authority to the group for purposes of addressing policy issues impacting the regional energy economy.

CLOSING REMARKS:

In closing, the Energy and Natural Resource Discussion Group produced a substantial framework for a continued regional discussion of economic policy issues impacting the regional energy and natural resource economy.

Continued discussions must be comprehensive, innovative and directed, and should result in the formation of a collaborative regional Energy Group and an actionable Energy Plan for Northwest New Mexico. By ushering in a renaissance of the regional energy and natural resource industry, a regional energy group can preserve jobs for today's workforce and can create jobs for future generations.

Day 2: Topical Breakout Sessions

Work Group: TOURISM & DOWNTOWN DEVELOPMENT

ATTENDANCE:

Sally Burbridge,	Mayor, City of Aztec
Dan Darnell	City of Farmington
Doug Decker	McKinley County
Doug Evilsizor	LRL Magazine
Star Gonzales	Grants Chamber of Commerce
Tim Hagaman	NM Economic Development Department
Ina Hoffman	Grants Mainstreet Project
Randy Hoffman	Grants Mainstreet Project
Cindy Lopez	City of Farmington
Bill Lee	Gallup McKinley Chamber of Commerce

INTRODUCTION:

COG Senior Planner Evan Williams facilitated discussion on the strengths and weaknesses related to efforts in Northwest New to support tourism and downtown development.

The focus of the Tourism and Downtown Development discussion was to engage public officials, non-profit organizations, and community and business leaders in a dialogue on regional efforts to support and sustain tourism and downtown development for continued sustainable economic growth in Northwest New Mexico.

OVERALL THEMES OF THE SESSION:

1. **Access & Flow** – Creating access and flow for tourists and locals alike:
 - Aligning seamless travel from the backbone of the Trail of the Ancients, our region's scenic byway, which nicely aligns our three-county area's major corridors with local mainstreets and thoroughfares in our large and small communities.
 - From the local streets, we need convenient parking and safe walkability through tourist and business districts and/or historic sites and vendor booths.
2. **Regional Tourism** – Connecting to and supporting the Region 1 Tourism Board (Indian Country) as the main regional promotion and tourism stakeholder group in Northwest NM.
3. **Niche Markets** – Exploring and promoting regional niche marketing including the following themes:
 - Arts
 - Adventure
 - Authenticity and Culture
4. **Focus on Downtowns** – Expand and focus on downtown development to create a “heart beat” in communities throughout the region that reverberant and resonate in locals and builds positive images that attract tourists.

IMPORTANT FACTORS, CONCEPTS, & IDEAS:

The following are important factors, concepts, and ideas to both Tourism and Downtown Development that need education, focus and development movement in our communities.

- **Access.** The creation of traffic flows (both vehicle, bike, and pedestrian) to help calm traffic, increasing safe walk ability and the incentive to stop.
- **Parking.** Having convenient, accessible parking to promote both local and tourist use.
- **Signage.** Maximizing coordinated signage programs to promote towns and sites, especially in downtown zones and/or areas.
- **Livability/Walkability.** Understanding and fostering this concept including creating needed policy changes to make them a reality. Creating residential and lodging opportunities in downtown creates an expanded and almost automatic customer base.
- **Quality of Place.** A major economic development concept that has real value for smaller towns and rural areas creating places, spaces, and communities that people want to stay, play, live, and retire.
- **Creating the Business Case.** Develop and sell the business case for downtown investments to local merchants, to possibly incentivizing re-investment, building improvements, and more convenient hours of operation.
- **The Ripple Effect.** Focusing on downtown development in a three-phased ripple:
 - Make it a place locals go, shop, work, play, and do business;
 - Locals will make it authentic and create a buzz that will capture visitor use;
 - Combination local and visitor use will increase year-round profitability for businesses and communities.

THINK REGIONAL, ACT REGIONAL: PROMOTION OF OUR REGION & BUILDING THE “FOUR CORNERS” BRAND:

- Good transportation and highway corridors throughout Northwest NM;
- Capitalize on in-State travelers, especially in this economic recession;
- Have a designated State & soon-to-be Federal scenic byway: *Trail of the Ancients*
- Tourists gain access to the Four Corners region through our region;
- Major promotional theme for region is “Indian Country” and cultural tourism;
- Need to develop partners under the mantra “what’s good for the region is good for us/me” to reduce “turf-ism”;
- Communities need to work together to create regional assets/promotion of their piece of that larger pie;
- Need to join with our four states to join and promote a international “Four Corners” brand;
- Promotion and expansion of the State’s first regional arts trail – “Ancient Way Arts Trail” in areas of McKinley and Cibola counties;
- Utilize flagship international sites and themes, including Chaco Canyon, a World Heritage Site, and our Mother Road, Route 66 Corridor – both which already draw substantial international tourists;
- Let’s grow this industry together and support one another.

SUPPORTING REGION-ONE TOURISM BOARD:

- Administrates the Trail of the Ancients byway and represents a regional group of stakeholders;
- Unified under the marketing brand: Indian Country Tourism;
- Region 1: San Juan, McKinley, and Cibola counties;
- Produce collateral materials including: maps, brochures, and website;
- Stakeholders can be expanded and could lead to additional funding:
 - Currently the Region 1 Tourism Board receives \$50,000 from the State Tourism Department and mostly contracts to Rick Johnson & Company for marketing materials, etc.
 - The Board holds currently meetings throughout the region.

NEW DEVELOPMENTS - OPEN TO POSSIBILITIES & REMAINING ROOTED IN OUR HISTORY:

- Navajo Ministries are working on a new tourism project – need more information;
- Heritage Tours – linking heritage and creating new heritage that then can be packaged as a regional tour – could be tied into archeological expeditions;
- Educate locals and expand promotion of the byway - Trail of the Ancients – possibly produce a promotional CD or MP3 recording that links to the drive, sites, and stories along the way (could be used to support byway improvements and programs);
- Tapping into the Four Corners Area/Region marketing and potential branding opportunities;
- Consolidating, preserving, and promoting WPA period artwork;
- Discussed holding a marquee event like the Nevada Passage race or Nissan Xterra races.

FINDING THAT NICHE AND STRATCHING IT:

- Adventure, including the new Zuni Mountain Trails planning and development project;
- Arts & Cultures;
- Building on resources and assets to create Niches or Cross-Discipline Themes – Cultures, Adventures (Ex. Zuni Mountains Area – History, Train, & Logging History), Arts, & History (Ex. Westward Development);
- “Authentic” Tourism: moving towards experiential tourism, since the modern tourist desires authentic experiences versus sightseeing or visiting an attraction, especially in our Downtowns;
- Wine Industry – Wines of the San Juan and San Fidel winery.

IF YOU BUILD IT, WILL THEY COME?

The group discussed the need to have longer business hours that are convenient to the tourist, which lead into a discussion of creating the business case and showing business profitability. Other comments and ideas included:

- What is available after hours?

- To be a tourism center and become a draw, we need tourist-friendly hours especially to keep people longer;
- Change attitudes and business mindsets by creating the business case, education, and promotion;
- If you build it, will they come - scenario?
- Need locals to support downtown and tourist assets in non-tourist or seasonal seasons;
- Is it a good decision for businesses to stay open? Does it make business sense?
- We need critical mass and to create a one-stop of activities;
- Livable Downtowns - building a radius of users and creating intensity of use:
 - Policies limit 2nd floor housing development.
 - Farmington's MRA should help open up solutions.
 - Access – car built development and parking issues.

BUILDING MOMENTUM AND CREATING QUALITY OF PLACE:

- Art Crawls/Walks – more often, better organization, and more marketing;
- Summer Dances;
- Farmers Market;
- Creating districts of activities.

CREATING A BUILT ENVIRONMENT (e.g. infrastructure) THAT SUPPORTS TOURISM AND WALKABILITY:

- Traffic Flows – moving visitors into/around effectively (especially on Route 66 and State Highways);
- Building to slow traffic/move people into downtown;
- Parking: Discover best practices parallel parking versus low angled parking for easy in, easy out;
- Utilizing effective signage.

SUGGESTED ACTION STEPS / FOLLOW-UP TASKS:

1. Present and deliver information on Region One Tourism Board and the Trail of the Ancients to all governments and tourism groups in the region – to inform, grow regional approach and coordination, increase stakeholders, and possibly increase funding.

IDEAS FOR THE NEXT FORUM FROM THE TOURISM / DOWNTOWN FOCUS GROUP

- Specialized Presentations (Chris Leinberger on downtown development);
- Connecting the Dots between other sessions (like Workforce Education and training customer service personnel to act in service to others and increase their training to be community minded);
- Trail of the Ancients presentation.

Speaker Summary

**Diane Denish, Lt. Governor
State of New Mexico**

KEYNOTE ADDRESS

1. What are the things that should be our priorities for NM?

- Help small businesses grow and succeed.
- Build a workforce for the future.

A. Small business continues to be the backbone of the State

- Backbone of job creation and small communities
- Access to capital needs to be made available to even the smallest entrepreneur.

B. What about Education?

- Education is the best economic stimulus there is!
- As a result of the economic downturn, adults are returning to 2 yr and 4 yr schools in greater number than ever before
- Students want relevant coursework that leads them to a career path.
- San Juan College – HS seniors can take dual credit classes in health care and when complete, receive certified nurse's certification – ready to enter the workforce.
- In order to recruit and create 21st century jobs in NM, we need to have to 21st century workforce.

2. Energy – A Comprehensive Energy Policy for NM

- The opportunity to be leaders in energy means having a Comprehensive Energy Policy

A. NM's Comprehensive Energy Policy will be based on:

- Entrepreneurism.
- Innovation.
- Workforce.

B. NM's Comprehensive Energy Policy – Regional Impact

- There is very much a place in NM for the petroleum, natural gas, and extractive industries.
- The San Juan and Permian Basin will continue to play vital role in our energy future.

C. NM's alternative energy economy?

- Make sure job training funds are available.
- Tax credits for creating high wage jobs.
- We have a future in energy.

3. How do we create a 21st century workforce for the 21st century jobs?

- What can we do here to make it happen for us?

Speaker's Notes

Diane Denish, Lt. Governor State of New Mexico

What are the things that should be our priorities for NM?

- Help small businesses grow and succeed.
- Build a workforce for the future.
- New Mexico 'open for business' sign needs to be hung out and shining brightly.
 - NM needs not be afraid to recruit to take advantage of incentives we have in place.

Small business continues to be the backbone of the State

- Backbone of job creation.
- Backbone of small communities.
- Access to capital needs to be made available to even the smallest entrepreneur.
- Helped to create mechanism so NM can partner with micro lenders to provide access to capital through small business Investment Corporation, partnering with Accion, Community Development Loan Fund to ensure small business had access to capital, for people who couldn't get that traditional capital through banks.
 - 1,600 small businesses helped – half outside of Rio Grande Corridor.

What about the cuts to education?

...does education share equally in the cuts or do we try to protect education?

- One of the key factors in growing a nimble workforce is to make sure we have an educated workforce.
- As a result of economic downturn, adults are returning to 2 yr and 4 yr schools in greater number than ever before – about a 20% uptick – people are repotting themselves like never before.
- We need to make sure school is relevant to the workforce of the future.

Health occupations –one area of tremendous job growth

- There are actually vacancies, can't fill those jobs.
- San Juan College – HS seniors can take dual credit in health care, when complete get certified nurses certification – can get job in workforce.
- Students want relevant coursework that leads them to a career path.

Education is the best economic stimulus there is!

- Education is what makes it happen.
- Kids are our future workforce.
- Time for valued Public-private partnerships:
 - SJ College, HS, and local private assisted living facilities and hospitals – partnership that is working.
 - Santa Fe – Capital High, Santa Fe Community College, St Vincent's Hospital
 - Albuquerque – UNM Hospital, Atrisco Heritage Academy, and CNM.
- Bringing innovation to schools may not be easy but it is absolutely necessary to make sure that we are doing what regional and local workforces need to supply their workforce.

We are creating 21st century jobs.

- Raytheon – may participate in new small satellite industry in NM.
- In order to recruit and create 21st century jobs in NM, we need to have to 21st century workforce.

Energy – NM #1 best opportunity

- Lived in Farmington for 7 years.
- NM has suffered from drop in oil and gas prices, same as in 1980s.
- Discoveries of natural gas on national market have depressed prices.

- We have an opportunity to be leaders in energy in NM - that means having a Comprehensive Energy Policy
 - Does not mean throwing out an oil and natural gas economy for an alternative energy economy – solar, wind, bio mass, bio diesel.
 - New comprehensive policy –
 - There is very much a place in NM for the petroleum, natural gas, and extractive industries.
 - San Juan and Permian Basin will continue to play vital role in our energy future even as we transition to a more establish alternative energy.
- How do establish industries participate in a comprehensive energy policy?
 - NM companies are engaged in wind industry – putting together sidings for wind farms.
 - Partnering up in solar, wind, biomass, and bio diesel – we need to encourage it.
- T. Boone Pickens – investing in 21st century comprehensive energy economy.
- In NM – I want to be able to lead and not follow
 - We’ve got it all!
 - We could energize our region – We can energize our country.

Comprehensive Energy Policy

- Entrepreneurism
- Innovation
- Workforce
 - We need Mesa Lands Community College to be training wind turbine technicians
 - We need solar manufacturing companies in NM.
 - We need Las Cruces Dona Ana College and NMSU to be training people to install and help transmit solar energy being collecting the southern NM.

What are the ingredients of this alternative energy economy?

- NM was selected to become home to Tres Amigas Superstation, beating out Texas, which connects America’s three main power grids, providing efficient delivery of our renewable energies through the nation’s power transmission infrastructure.
- Superstation is the only one of its kind in the country – located in Clovis, NM.
- Entrepreneur grew up in Lovington, NM.

We need to make the investments

- Make sure job training funds are available.
- Tax credits for creating high wage jobs.

Lets challenge ourselves to look to the future

- 50% more green jobs created in the last 10 years.
- Clean energy sector – grew by 120%.
- Energy efficiency – grew by 184%.

Our future is in Energy - renewable and clean energy

- We have the innovation we need.
- We have most important element - human capital.
- We have leadership in education institutions, economic development, etc.
- We have leadership in private sector – people who value innovation and want to make investments.

As we look forward – I want to challenge you – as those who care about their communities

- What does a new energy economy look like?
 - What can we do here to make it happen for us and be a model for the future?
- What does our film industry look like?
- What does our health system look like?
- How do we create those workforce jobs?

There are some things we are responsible for here – 21st century workforce for the 21st century jobs.

Speaker Summary

Bill Dodge

Regional Excellence Consulting

“BUILDING THE CAPACITY TO COOPERATE REGIONALLY”

1. Regional Cooperation

- Building an effective regional community takes confidence.
- A regional community that has confidence can face and address challenges both present and future.

2. Regional Perspective

- Regions have vital organs - all tied together by the arteries of commerce, the sinews of transportation, and the protoplasm of community.
- We have failed to make investments in reconnecting all the pieces.

A. How have we gotten away with this?

- We have had a great deal of wealth and prosperity, so we only cooperate when we have to.
- Regional cooperation is counter-cyclical – a certain industry that does well when the economy is going down.

3. What does it have to do with Northwest New Mexico & the 4 Corners Region?

- No single jurisdiction in northwest New Mexico has all the resources to compete successfully in the global market. No one alone has all the attributes – jobs, training, capital, facilities, and the amenities that make a good life – that’s going to attract the employers and employees.

“HELPING THE FRAGILE LIVING ORGANISM SURVIVE AND THRIVE”

4. Develop the Regional Citizen

- As locals, we know how to use the region but we are reluctant to become “regional citizens”.
- If we don’t have regional citizens, we don’t create the “parade” for leaders to address the really tough challenges.

A. COGs can help to create regional citizens.

- Regions are spending energy in bringing similar groups together.

5. Develop a Regional Charter

- Creating a regional charter provides local governments with the capacity to deal with common challenges.

A. What is involved in putting a Regional Charter together?

- Identify emerging challenges.
- Analyze the challenges.
- Gather stakeholders to design a strategy.
- Test actions and strategies of the stakeholders.
- Final decision lies with the local governing body.

What can we do to strengthen our capacities as a Region – develop Regional Charters!

Speaker Notes

Bill Dodge

Regional Excellence Consulting

Regional Cooperation

We must have an effective capacity to cooperate. Building effective regional community takes confidence. A community that has the confidence to face and address challenges both present and future. Achieve that confidence by having capacity to take on challenges at beginning when one identifies, defines, and analyzing it, all the way to the end when you implement your actions and monitor for success or not.

Regional Perspective

Regions are living organisms – easy to see in urban centers – with central cities, outer suburbs and exurbs. Regions have vital organs – downtown business districts, suburban shopping centers, and regional entities – regional parks, regional sporting facilities - all tied together by the arteries of commerce, the sinews of transportation, and the protoplasm of community.

We have spent the last century dividing up regions – local governments have spent the last half century trying to figure out to reconnect regions. Federal, state and local governments have thrown enormous amounts of money in to trying to deal with common challenges but often doing it in piecemeal sort of ways. Often we have failed to make investments in reconnecting all the pieces.

How have we gotten away with this? Primarily, we have had great deal of wealth and prosperity. We only cooperate when we have to but we hold onto our sense of our sacred jurisdictional independence. But days of wealth are ending. State and local governments are willing to consider more cooperative approaches.

Regional cooperation is counter-cyclical: it's a certain industry that does well when the economy is going down.

What does it have to do with Northwest New Mexico – 4 Corners region?

Rural Regions are also living organism – but more difficult to perceive because there not easily defined by geography and do not grow by continually expanding into the hinder lands. Rural regions are defined by groups of human settlements that have become interdependent for their survival. Rural regions are defined by common challenges – both opportunities and threats. For instance, on economic competitiveness, no single jurisdiction in NWNM has all the resources to compete successfully in the global market. No one alone has all the attributes – jobs, training, capital, facilities, and the amenities that make a good life – that's going to attract the employers and employees.

It's hard to define the boundaries of rural regions because there are different kinds of regions.

- Economic Marketplace
- Environmental Area – Air and Watersheds

The advantage of rural vs. urban regions – do not wrestle with a history of constantly dividing up the region. Rural regions have a history of breathing life into the region.

COG in the future.

The challenge is to help the fragile living organism (regions) survive and thrive

Regional Citizen

Regional Citizen – we know how to use the region; we know where to go for work, play, recreation, shop, and pray. Don't give consideration to whether we are crossing a jurisdictional boundary. But we are reluctant to become regional citizens.

If we don't have regional citizens, we don't create the parade for leaders to address the really tough challenges. We need regional citizens - COGs can help to create regional citizens.

Regions are spending energy in bringing similar groups together. Public – police chiefs, public works director, etc. Private – Chambers of Commerce, etc. So there are regular meetings going on across the region – get to know each other, work together, and come up with common ideas together.

Regional Charter

Regional Charter – regional cooperation will continue to disappoint us until it has the capacity to address the toughest regional challenges. Past challenges include transportation and air/water quality. New challenges include energy self sufficiency and sustainable growth. Difference is time is now not on our side. The rest of the world is getting its governance act together – Europe, South Africa, etc. Regions are held accountable for performing – they are provided resources and authorities then held accountable. If we don't get our act together locally, we are going to lose control of the future.

Develop a Regional Charter

Explore creating a regional charter – to provide local governments with the capacity to deal with common challenges as effectively as the charters in each of your jurisdictions allow you to deal with your local challenges.

History of creating Regional Charters

Regional charters address a particular issue. For instance, in the process of becoming an MPO its necessary to want and be responsible for your own transportation planning, to have a pot of money that you then pass out for transportation projects, but one has to reach agreement with key actors – all levels of governments, all transit providers, and interested parties in the region. An agreement that lays out very specifically what the governing body look like, how you do planning, how you distribute the money, and how you are going to hold people accountable for the use of those resources.

A Regional Charter may be important for NGWSP.

Existing Regional Charters

There are some regions that have formally established charters – Portland Oregon, Minneapolis-St Paul Minnesota, and San Diego County, CA. Having a regional charter eliminates any fights on how you wrestle with cross cutting challenges and it does allow those regions to focus on not how they are going to do it but on the substance of the challenges they are addressing. It provides a capacity to address the challenge of performing the task required to resolve it.

What is involved in putting a charter together?

First, have to identify emerging challenges. Second, analyze challenges. Next, gather stakeholders to design a strategy. Have to test actions and strategies of stakeholders. Final decision lies with the governing body.

In financing action - local governments have taxes or fees, can tap state and federal funding, or even go to the public in referenda to get money set aside.

In financing action – on the regional level, the COG can go after resources – federal and local sources – but in most regions, there is not an opportunity to put some sort of financing initiative or regional referenda to see if there is support for pursuing it or not.

In terms of monitoring and reporting, holding accountability – most local governments have annual report and regularly revise their charters. Regions started putting out annual state of the region reports. Regional charters would go through periodic revisions.

Regional charters are going to be different from local charters - would not have the same powers and authorities, have to have flexible geography. The key thing is they have to be driven by local governance but there also have to fully involve the private, nonprofit, academic, and civic sectors.

What can we do to strengthen our capacities as Regions.....develop Regional Charters?

John Brooks, Director of Commercial Lending

New Mexico Finance Authority (NMFA), Santa Fe, NM

Smart Money Initiative, New Market Tax Credits, and ARRA Bonding Mechanisms

Enacted in 2003, the Statewide Economic Development Finance Act (SWEDFA) partners the New Mexico Finance Authority (NMFA) and the New Mexico Economic Development Department (NMEDD) to help stimulate economic development by providing greater access to capital in rural and underserved areas of the state. *Smart Money Loan Participation Program*, the first program implemented under SWEDFA, is a public-private partnership developed to provide businesses with below-market financing through their local banks. *New Markets Tax Credit Program*, created December 21, 2000 as part of the Community Renewal Tax Relief Act of 2000, aims to create additional, more flexible sources of private capital for businesses in rural and underserved areas of New Mexico. *ARRA Bonding Mechanisms*, modifying existing tax regulations and easing restrictions, expands the investor base for municipal-debt by attracting new bond purchasers through new tax-credit bonds and creating new tax-exempt bond programs.

Mark F. Valenzuela, Chief Financial Officer

City of Albuquerque, Community Development Finance Strategies

Tax Increment Development Districts

Tax Increment Financing is widely used by municipalities to promote economic development or redevelopment for a targeted area, based on new tax revenues generated from that targeted area, without drawing from existing municipal base revenues. These funds can only be used for public infrastructure purposes (common good) for the targeted area, and therefore achieve tax exempt interest rates. TIDD projects help achieve economic development for targeted areas, without disturbing base revenue, creating jobs and elevating property value, most commonly targeted toward a) attracting new business, b) existing business retention &/or expansion, and c) downtown redevelopment. Tax Increment Financing provides new gross receipt & property taxes (*from the targeted area, without general tax increases*), and compensates for federal (CDBG) funding reductions, for municipal economic development; they are non-dependent on federal or state funding, do not rely on existing revenues, and provide local flexibility for project activities. Establishing a TIF District comes in 5 phases: 1) feasibility study, 2) create TIDD plan, 3) adopt plan / form district, 4) issue bonds for new (public) infrastructure, and 5) evaluate & terminate when bonds retire. A TIF / TID District is a political subdivision of the state with the powers state statutes and the municipality provide it, governed by a board that often consists of public / private sector leaders / stakeholders that minimally include a financial advisor, underwriter and bond counsel. A municipal ordinance process is used, including public disclosures and adoption of a TID application policy. TIF / TID Districts can pledge up to 75% of new property & gross receipts tax from the district toward the revenue bond, with no liability against other municipal revenues; a third party determines financial viability for the project. Bond payment terms are typically 25 years – most often at a fixed rate. Mr. Valenzuela offered two major TID / TIF district project examples with his presentation, in the form of the Winrock Town Center Redevelopment Project, and the Mesa Del Sol Project.

Jasper Welch, Director, San Juan College Enterprise Center
San Juan College, Farmington, NM

Quality Center for Business
“One Stop Location for Business Support & Training”

The Quality Center for Business (QCB) is located within the San Juan College Enterprise Center at San Juan College in Farmington, NM. The QCB is comprised of various arenas of business support and organizations including Center for Workforce Training, Enterprise Center (business incubator), Small Business Development Center, San Juan Economic Development Service, and serves as the NWNMCOG satellite office. Development of the QCB in 1999 was a collaborative effort involving local private/public, state, and federal partners.

The QCB's goal is to provide a “one-stop shopping” for business support and training through an integrated approach to programming and customer service with access to college programs and affiliated economic development programs. Results include increase in job creation, loan demand, business leases and expansions. With over 50 companies served, the Enterprise Center has been recognized as NM Certified business incubator by NM Economic Development Department. The San Juan College Enterprise Center offers 21,000 sf. of leasable space and currently houses 13 companies in business incubation. San Juan College Enterprise Center next steps include achieving sustainable funding for an increase in staff to improve technology support and developing an “on-line” entrepreneurial learning portal.

Tom Taylor, New Mexico State Representative, R-District 1
and former Mayor, Farmington, New Mexico

“Regional Economic Development in Northwest New Mexico, Past & Future”

Representative Taylor noted his lifelong involvement in thinking about the beautiful Four Corners region, raising a family and operating businesses within it, and serving for over two decades as an elected leader representing the citizens of Farmington and its neighbors. He recounted his involvement in the Farmington Industrial Development Service and its transition into the current San Juan Economic Development Service; the founding and policy work of the San Juan Forum which brought public and private leaders together from all over the San Juan Basin; and the founding and conflict-resolution work of the Colorado Plateau Forum, which identified core issues in the broader region and convened town halls to generate consensus on balanced solutions.

Rep. Taylor addressed the recently concluded Legislative session, noting that clearly, State government is facing unique challenges as the impacts of the recession reach us, but government is part of the problem, and the business community can be a big part of the solution. But government tends to regulate first and think later. We over-regulate business activity in the State's most productive regions, and then we complain when the State budget nose-dives for lack of tax revenues from those very same productive regions!

Rep. Taylor expressed his frustration with typical “SWOT” analyses (“Strengths, Weaknesses, Opportunities & Threats”), because they just recycle “inert” information and don't tend to lead to action. From a entrepreneur's perspective, you don't hamstring yourself with these kinds of exercises; rather, you look at what the market needs, you look at what you can do to tap that market, you take some informed risks and you try to create something. So, if that's what entrepreneurs do, then we need to make it more friendly for them to do that – and they're the ones who will innovate and create new jobs, etc.

Moving Forward

The key themes emerging from Fall Forum 2009 will need further dialogue and collaboration to “put meat on the bones,” generate practical action plans, assemble public and private resources and then implement priority strategies that will make a difference in the regional economy. The Big Ideas from the Forum include:

- | | |
|------------------------|---|
| Energy: | Create the Energy Policy – both for the region and for the State. Take Lt. Governor Denish at her word and use our status as the State’s primary energy corridor as the basis for a balanced, effective and practical policy going forward. |
| Business: | Reform the Business Policy Environment – restoring the ability of business and commerce to thrive and grow in our region and our State |
| Tourism: | Create and Promote the Four Corners Brand – tying in with Region I “Indian Country” Tourism, and the multi-state Trail of the Ancients Scenic Byway. |
| Downtowns: | Follow the Heartbeat – Focus investments and cultural, commercial and tourist activity into the region’s downtowns. |
| Infrastructure: | Plan & Prioritize – getting away from wish-list, shot-gun and opportunistic approaches. Get clear on priorities, and tie them to economy and quality-of-life outcomes. Develop regional partnerships where needed to capture additional funding. And get “shovel-ready”! |
| Housing: | Innovate – Nowhere is innovation more needed than in housing. There should be new approaches to affordable housing, including high energy-efficiency concepts, and other housing capacity is also needed. |
| Workforce: | Collaborate & Integrate – creating much stronger ties between educational outcomes (K-12, community & technical colleges, universities) and workforce needs and opportunities. |

No single organization, community or leader can accomplish this alone. The Council of Governments has a role in “convening the region,” facilitating ongoing dialogue and action, and keeping track of progress. But the many public and private sector partners who are part of the region’s “comprehensive economic development strategy” will need to each play a role in carrying out the innovations and communicating the results.

Fall Forum 2010 will attempt to assess some of the progress, and some of the shortfalls, experienced over the past year, and then point assertively toward priority efforts for the coming year.

Appendix I: Agenda

Northwest New Mexico Economic Development Forum			
*** DAY 1 ***			
<u>November 9, 2009</u> * Farmington, NM			
A G E N D A			
12:00 – 12:30 p.m.	Registration	—	McGee Park
12:30 – 1:45 p.m.	Luncheon		McGee Park
	Welcome and Introduction of Keynote Speaker	Dr. Jim Henderson, Chairman, San Juan County Commission	
	<u>Keynote Address</u>	Lt. Gov. Diane Denish	
	Forum Overview	Jeff Kiely, Deputy Director, Northwest NM COG	
1:45 – 3:30 p.m.	Breakout Session I	Facilitated by COG Planners	McGee Park
3:30 – 4:00 p.m.	Break	—	McGee Park
4:00 – 5:00 p.m.	<u>The Power of Incubation</u>	Jasper Welch, Director, The Enterprise Center, San Juan College	McGee Park
Afternoon Adjournment			
6:30 – 7:00 p.m.	Evening Reception <i>With No-host Bar</i>	—	Courtyard by Marriott
7:00 – 9:00 p.m.	Dinner		Courtyard by Marriott
	Welcome and Introduction of Keynote Speaker	Dr. Bill Hall, Northwest NM COG Board Chairman	
	<u>Keynote Address:</u> "Regional Economies: New Strategies for New Times"	Bill Dodge, Author of <u>Regional Excellence</u> and former Executive Director of the National Association of Regional Councils	
Evening Adjournment			

Northwest New Mexico Economic Development Forum

*** DAY 2 ***

November 10, 2009 * Farmington, NM

A G E N D A

8:00 – 8:30 a.m.	Breakfast Reception	—	McGee Park
8:30 – 9:15 a.m.	Morning Address		McGee Park
	Welcome and Introduction of Keynote Speaker	Joe Murrietta, 1 st Vice-Chairman, COG Board	
	<u>Morning Address</u>	State Rep. Tom Taylor	
9:15 – 10:00 a.m.	<u>NMFA Lending Programs</u>	John Brooks, Director of Commercial Lending, NMFA	McGee Park
10:00 – 10:15 a.m.	Break	—	McGee Park
10:15 – 11:15 a.m.	<u>Tax Increment Development Districts (TIDDS)</u>	Mark Valenzuela, CFO, City of Albuquerque	McGee Park
11:15 a.m. – 12:45 p.m.	Breakout Session II (lunch provided)	Facilitated by COG Planners	McGee Park
12:45 – 1:00 p.m.	Break	—	McGee Park
1:00 – 1:30 p.m.	<u>Closing Remarks</u>	State Rep. Patty Lundstrom & Jeff Kiely, Deputy Director, Northwest NM COG	McGee Park

Conference Adjournment

brought to you by

**Northwest New Mexico
Council of Governments**

www.nwnmcog.com

Appendix II: CEDS 2009 Executive Summary

Tough News

As we prepare to enter the second decade of the 21st century, and as we embark on the next 5-year program of economic development in the Northwest New Mexico region, we find ourselves in the midst of a global and national economic crisis – reflected in a recession that has seen unprecedented job losses in most sectors of the economy.

Viewed from a distance, our region has been affected by this economic downturn, but the overall statistics show us “holding our own.” By late 2008 and early 2009, we could see, as a local businessman put it, “We’re slowing down, but we’re not tanking.” There have been some fluctuations in gross receipts, but they have remained fairly robust. Unemployment is up, but not radically. At the same time, however, the struggle appears to be deepening for the most vulnerable of our citizens (about one in four households remain in poverty), with pockets of poverty reflecting unemployment well over 50%, low levels of household income and extremely low attainment of economic assets. A Gallup trader noted, “When the gas prices go up, some of us feel the inconvenience; but for a lot of my friends and customers from the Reservation, it’s more serious. It’s a question of gas for the car, or food for the table.”

Changes in the national and global economy are affecting the “staples” and economic drivers of our regional economy. Environmental regulations and fluctuating commodity prices have caused oil and gas companies in San Juan County to pull back, lay off and re-consider their market position. Historically prominent activities in the energy industry involving coal and uranium mining and power generation are likewise affected, with heightened public, governmental and scientific concern over environmental impacts. National trends suggest that economic uncertainties and the prospect of rising gas prices may begin to stem the flow of visitors to the region’s tourist venues and events.

Our regional workforce reflects a dichotomy between high availability (a workforce of some 100,000 strong) and spotty employability and educational attainment. While employment rates in the cities are close to state and national averages, job seekers in rural communities are often left out of the mix. Employers throughout the region bemoan applicants’ lack of basic employability skills, as well as lack of technical knowledge and experience. Schools and workforce programs are being asked to re-tool and re-focus, to ensure that we have the human resources needed for a viable economy in the coming generations.

Local and state governments are experiencing new budget shortfalls, and the federal budget is under extreme stress – though temporarily buffered by huge levels of debt-driven public investment in projects all over the country under the American Recovery and Reinvestment Act (ARRA). The Highway Trust Fund, having received the first of the notorious 2008 bailouts, is “bouncing on empty,” and the demands of the nation’s transportation infrastructure – even for maintaining and upgrading existing facilities, much less new development – far exceed the resources that can even be imagined at this point.

Better News

At the same time ... our region is resilient and resourceful. There are assets to build upon, resources to develop, opportunities to be tapped and new partnerships to be forged.

Northwest New Mexico's top economic sectors (Retail, Health Care & Social Assistance, Energy, Tourism and Construction) have been stable in these first years of the new century, showing less than 2 percent change in any sector over the past 7 years.

Job growth has been very positive: between 2001 and 2007 our population only grew 2%, while our labor market grew by nearly 15%. The region has actually added an average of 1,500 new jobs to the economy each year.

During the previous 5-year CEDS period (2004-2008), regional gross receipts grew by more than 50%. More recently, the region's annual gross receipts grew by 11% between 2007 and 2008, reaching over \$12 billion in 2008. Even with the majority of the region's lands being under some kind of public ownership, and with strong governmental presence, the private sector is surprisingly strong and prominent, with 3 out of every 4 jobs being provided in the private sector.

The region's 100,000-member workforce represents a human resource asset, including several thousand people who are out of work and need steady employment. Skill levels vary, but there are niches in which the region's workforce has particular potential – including various iterations of Native American arts and crafts production, component assembly, retail services and construction labor. The WorkKeys program of skill testing and training represents an important tool for potential use by communities and institutions to identify existing employable skill sets, as well as needs for focused educational and training services.

The region evinces a high degree of entrepreneurial spirit. Much of this spirit resides in microenterprise or in the "informal economy," and so the challenge will be to reach out and tap this spirit and to provide educational opportunities, market linkages, technical support and access to capital.

There are substantial economic assets on which the region can build: a historically strong energy industry; a well-developed tourism industry, tapping the region's scenic beauty, world heritage sites and unique opportunities for outdoor recreation; our downtowns – and a commitment to their revitalization at the core of our cities, towns and villages; major national, state and regional transportation corridors and facilities; and a strong health care industry.

The spirit and practice of partnership are also growing, with emerging collaborations and coalitions being formed around a variety of social and economic issues and initiatives. These include new opportunities for cooperation between tribal and non-tribal entities, such as in the COG's *Native American Economic Development Investment Strategy* (NAEDIS), which is working to build portfolios of investment-ready projects to attract public and private funding.

So What?

The Comprehensive Economic Development Strategy will serve as an effective guide for action to the extent that it provides for strategies and projects that build upon the region's strengths and opportunities, while addressing the problems, challenges and weaknesses that need to be overcome. These strategies need to be marshaled toward achievement of meaningful outcomes, which along the way can be monitored, documented and reported out – both within the region and to our funders, investors, supporters and champions in local, state and federal government, as well as in the private sector. The overall outcomes toward which all initiatives will be geared have been shaped as:

- JOBS:** Create a net gain of 5,000 jobs.
- INCOME:** Increased per capita and household income.
- POVERTY REDUCTION:** Decrease the percent of people living in poverty.
- DIVERSIFICATION:** Maintain diversity in the regional economy.
- EDUCATION:** Increase educational attainment.

Taking into account the foregoing analysis, the following strategic goals and objectives that have emerged for this new 5-year CEDS:

- Goal #1** **STRONG SECTORS:** Remain strong in our five key economic sectors.
 - Objective 1.1:** **RETAIL:** Retain and expand our retail businesses.
 - Objective 1.2:** **HEALTH CARE & SOCIAL ASSISTANCE:** Retain and expand health care and social assistance infrastructure.
 - Objective 1.3:** **ENERGY:** Sustain our energy sector with new initiatives.
 - Objective 1.4:** **TOURISM:** Collaborate on regional tourism initiatives.
 - Objective 1.5:** **CONSTRUCTION:** Retain and expand our construction industry.
- Goal #2** **DIVERSIFICATION:** Improve our competitive position by increasing diversification of the economy.
 - Objective 2.1:** **DOWNTOWNS:** Work toward vibrant and prosperous downtowns.
 - Objective 2.2:** **AGRICULTURE:** Expand agriculture initiatives.
 - Objective 2.3:** **MANUFACTURING:** Expand our manufacturing industry.
 - Objective 2.4:** **TRANSPORTATION:** Expand transportation and warehousing options.
- Goal #3** **REGIONAL INNOVATION:** Increase our capacity for regional cooperative innovation.
 - Objective 3.1:** **ORGANIZATION:** Improve our organizational infrastructure.
 - Objective 3.2:** **WORKFORCE:** Improve education and workforce development.
 - Objective 3.3:** **BEST PRACTICES:** Research and implement best practices in economic development.

Now What?

The current CEDS document takes a relatively broad-brush approach to strategies and actions being recommended for implementation throughout the region across the 2009-2014 timeframe. An implementation program has been sketched out, but it will need to be further articulated, with actions being more rigorously prioritized and organized along a timeline.

The compendium of projects and initiatives (catalogued in Section V of this CEDS plan) was generated and compiled based on innumerable conversations with planners, stakeholders and partners throughout the region. Preliminarily, some of the projects have risen to the top as “vital projects” based on their potential to make a difference in the region, and/or on their readiness to implement.

To deepen CEDS Implementation planning, the COG will coordinate a “Readiness Triage Process” over the course of Summer 2009, during which time all of the recommended projects and initiatives will be subjected to a more systematic screening process. This will include rating and ranking projects based on both “significance” and “readiness” criteria. These initiatives will also be categorized based on the availability of “champions,” or lead agencies that have signed up to take on primary responsibility for implementing and reporting on respective projects.

In Fall 2009, the COG will convene and facilitate the “Fall Forum” to which stakeholders, partners and representatives of local governments will be invited, at which time the CEDS Implementation Program will be considered in greater detail. The Forum will feature presentations on the results of the “Readiness Triage” process, update economic trend data, reports from project champions on initiatives underway and other discussions pertinent to launching an effective and collaborative Implementation process.

The Council of Governments will serve as coordinator, ombudsman and “CEDS network” communicator throughout the course of the 5-year CEDS implementation process. This will include completion of the COG’s re-built website and its use as a primary communication tool. COG staff will directly work on selected projects and initiatives contained within the Strategy, while serving as monitor, data collector and resource-linker on the many other initiatives being worked on by stakeholders and partners throughout the region. As projects achieve “investment ready” status, the COG will collaborate with project champions on formulating funding strategies, including preparation of applications for public works and other funding from the Economic Development Administration.

The COG looks forward to a robust, innovative and productive five years of economic development work in Northwest New Mexico.