

CONNECTING

THE DOTS
NEWSLETTER

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TABLE OF CONTENTS

Power Update	Page 1
Legislative Report	Page 4
National Movement	Page 5
Regional Economics	Page 6
Local Initiatives	Page 7
Notes from the Executive Director	Page 10

'P.O.W.E.R.' PROJECT UPDATE

The COG's new Economic Development Program Manager David Hinkle, assigned to lead the POWER project, finished his first full quarter of work, including numerous stakeholder meetings and consultations, hiring a consultant firm, and promoting the project in the region.

Staff has refined the marketing brochure and developed a website for the POWER initiative. <http://www.nwnmcog.com/power-grant.html>

On March 2, 2016, Project staff convened the Four Corners POWER Committee, preliminarily composed of representatives of each county in the Four Corners Region, and discussed the plan developed by the Four Corners Team and the team made the selection of Highland Economics LLC as our contractor to provide the Regional Economic Assessment & Strategy for the Coal-Impacted Four Corners Region under the POWER initiative for our

region. We have now completed and executed the PSA, conducted telephonic consultation with the consultants, and issued the Notice of Award and Notice to Proceed to Highland Economics LLC. Four Corners Region under the POWER initiative for our region. <http://www.highlandeconomics.com/>

Staff has met with representatives of the Navajo Nation and the City of Gallup to discuss rural economic development and with respect to collaborative tourism development.

In follow-up to the three national "Innovation Challenge" workshops co-hosted by NADO and NACo in 2015, the NADO Research Foundation hosted a webinar on March 22, 2016 featuring two regions that participated in last year's "Coal-Reliant Communities Innovation Challenge" and that are proactively moving forward with diversification strategies and goals. This webinar featured representatives from the Big Sandy Area Development District in Eastern Kentucky and the Northwest New Mexico Council of Governments. On behalf of the Northwest New Mexico COG, Project Manager Dave Hinkle presented in the webinar, sharing insights on how changes in the coal industry are impacting the Four Corners region and workforce, what efforts are currently underway to support the regional economy through key partnerships, and what local assets have been identified to drive future economic development. This webinar – available online on the NADO website - will be of interest to communities and regions that are home to coalfields, coal-fired power plants, or coal transportation networks and/or coal-related supply chain industries. It is also relevant to any region that is looking for examples for diversifying its economy to be more resilient to unforeseen economic shocks.

<http://www.nado.org/recording-and-presentation-slides-now-available-for-economic-diversification-in-coal-reliant-regions-webinar/>



COG staff participated by phone conference in the quarterly meeting of “New Mexico “Fund-It,” a one-stop-shop consortium of State, Federal and regional agencies that meets periodically to coordinate funding for economic development projects across the State of New Mexico. Included in this meeting was consideration of a project to construct pedestrian and bicycle-friendly improvements in downtown Farmington, with the goal of improving commerce and tourism in the downtown area.

Staff has attended public hearings in Gallup and Grants on the New Mexico Clean Power Plan, presented by the Air Quality Bureau of the New Mexico Environment Department concerning means, methods and impacts involved for New Mexico to meet US EPA’s CO2 air quality standards. The hearings were attended by both environmental activists and industry representatives, as well as a broad cross-section of the local community. Resulting plans by the State of New Mexico will likely affect coal-based electricity generation activity in the region.

The COG hosted project meetings to launch a major study of intermodal transportation alternatives in Gallup as a transportation and logistics hub for the region. In connection with the development of alternatives to traditionally coal-reliant employment opportunities within our region, few opportunities exist with greater potential to grow and attract companies that will create jobs than those associated with our transportation advantages. The Northwest New Mexico COG, through its Regional Transportation Planning Organization, recommended that special study resources be invested for the purposes of readying infrastructure and supporting a private-public-tribal partnership to provide a first class multimodal network to serve an emerging economic boom in northwestern New Mexico, while balancing safety and movement of residential, tourist, and regional consumer traffic. The “Four Corners Intermodal Transloading Equinox” – or “**4CITE**” – Initiative is a combination of planned freight- and rail-related infrastructure and industrial developments that inter-connect the Four Corners energy and agricultural clusters in San Juan County with the east-west transcontinental line of the Burlington Northern Santa Fe Railroad running through Grants and Gallup. In this case, the “equinox” describes the equality, access, and availability of 21st century rail and freight transportation infrastructure. <http://www.nwnmcog.com/4-cite.html>

Daily Times file photo



COG Staff has developed the Northwest New Mexico Economic Model that displays a 5-year history of the region's economic condition and activity and developed a calculator that shows the effect on the local, county and state tax base of the loss or addition of an economic multiplier or non-economic multiplier job.

COG Executive Director Jeff Kiely and POWER Project Manager David Hinkle collaborated with the Greater Gallup Economic Development Corporation to provide substantial technical support and facilitation assistance for an Economic Roundtable workshop conducted on January 29, 2016 in Santa Fe with over 50 invited participants from McKinley County and from economic development agencies at the State level, looking at how our tax structure and indebtedness makes our region less competitive for economic development. In support of this substantial workshop, staff actively worked on the development of "The True Cost of Debt" white papers and calculations reviewing and developing models for each of our 3 counties analyzing tax structure and its effect on economic vitality and job creation.

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In cooperation with the Economic Development Organizations (EDOs) in McKinley and Cibola Counties, staff began a systematic program of business visits aimed at collecting useful information and business intelligence, focusing on the region's top providers of economic-base employment. Now, in cooperation with the New Mexico Economic Development Department, the Greater Gallup Economic Development Corporation and Cibola Communities Economic Development Foundation, staff are evaluating Customer Relationship Management Software tools that can be adopted throughout our region to facilitate the collection, storage and reporting of

Business Retention and Expansion efforts. Included in this effort is a focus on coal and coal reliant jobs and employers (Escalante Power Plant, El Segundo Coal Mine, Lee Ranch Coal Mine, Bio-Papel). Staff is looking into making an investment of POWER Resources in order to leverage state and local EDO funds to purchase the software.

POWER and COG staff continued involvement with consultants to the City of Gallup on development of a comprehensive Marketing and Branding strategy for the City.

Staff presented to the Region I Tourism Marketing Board on suggestions and alternatives for presenting the entire Northwest New Mexico Region as a tourism hub for amassing significantly higher tourism numbers in the region.

We have continued work with the Gallup Business Improvement District (BID) on implementation of their MainStreet, Metropolitan Redevelopment Area (MRA) and Arts & Culture District master plans, including setting up a venture capital group focused on purchase and renovation of downtown buildings and continued research on financing options for a Cultural Center.

A major initiative is for POWER to aligned with the Workforce goal emerging from the national workshop, staff initiated research and discussion with the Northern Area Local Workforce Development Board on use of WIOA Funds & development of a CRASH Team to (1) work with coal miners on-site at the time of layoff notice and (2) combine Northern New Mexico and Navajo WIOA Funds for flexible uses for displaced workers, such as for child care and transportation to training.

2016 LEGISLATIVE REPORT

Your Council of Governments participates and maintains a presence for the entire Session, as a service to our members, our rural and tribal communities, and our Legislators. We are here to serve your needs and track items of interest for our members. Our organization does not lobby but we understand our region and communities, making us valuable to Legislators, staff, and your hired Lobbyists as an informational resource. We can provide any breakdown or information, as requested for our members.

The 2016 Session and signing period concluded with Governor Susana Martinez enacting measures to increase public safety and curb crime in New Mexico. One major compromise was reached to make New Mexico Real ID compliant and tighten drivers' license regulations through a two-tiered system that provides a driver authorization card to illegal immigrants. The Governor also signed a ride-sharing bill to boost transportation options and tourism by creating a framework to regulate companies like Uber and Lyft in New Mexico.

The State budget was drastically cut in the Senate due to lack of revenues. Nearly every line-item was shaved about 3-6%, except critical departments like education, health, and corrections.

State Budget. While the budgeted is balanced, it relies heavily on cash balances and fund transfers to plug holes left for decreasing revenues. There are concerns about how this budget will leave New Mexico in future years if revenues do not turn around. COG has worked on preserving funding for Behavioral Health Investment Zones and providing an extension to a San Juan County appropriation for a regional utility study.

Finally, the Governor acted on several appropriation bills, including the Capital Outlay Bill (HB219), General Obligation Bond Bill (SB122), and the Capital Outlay Reauthorization Bill (SB172). She provided an in-depth veto message that can be seen as a "declaration" for capital outlay reform.

Capital Outlay Requests (HB219). COG staff worked hard with its members and communities to submit requests by the deadline (January 31st). This year, the COG enjoys a partnership with the Navajo Nation, who dispatched Mark Freeland from the President/Vice President's office to support local Navajo Chapters in this process. Final projections were that each Senator received about \$876,000, while each Representative received about \$595,000. The COG staff also worked on reauthorizations (SB172) and general obligation bond projects (SB122). The COG staff is also monitored several bills on capital outlay reform (SB33/HB307) and possible sweeps on projects (SB277) – neither of which passed.

NATIONAL MOVEMENT ON REGIONALISM

NADO

Executive Director Jeff Kiely continued serving in his 2015-16 role as President of the National Association of Development Organizations (NADO). This included chairing monthly conference call meetings of the NADO Executive Committee, service on NADO's audit committee, and presiding over NADO's Winter Policy Conference in Arlington, VA April 4 - 6.

The Winter Policy Conference provided opportunities for follow-up with leaders in Congress and in the Administration, as well as high-quality presentations from Washington insiders on the state of the federal budget and on the implications of the 2016 national elections.

Culminating its "NADO on the Hill" briefings on April 6th, Mr. Kiely represented NADO in co-sponsoring and co-presenting with National Association of Counties President Sallie Clarke, Commissioner from El Paso County, Colorado, at a legislative briefing in the US Capitol on the roll-out of USDA's "Strategic Economic & Community Development" initiative. The SECD program provides "bonus point" incentives for applications to USDA-Rural Development that are part of adopted regional multi-jurisdictional development plans.

Following the NADO Winter Policy Conference, Mr. Kiely participated in the EDA National Economic Development Conference, held near Capitol Hill in Washington, DC. April 7 - 8. The conference featured a distinguished cohort of speakers and panelists, addressing opportunities for innovation and expanded prosperity across America's communities.



The Executive Committee of the National Association of Development Organizations participated in its annual "Fly-In" to Washington, DC in November 2015, involving over 15 meetings on Capitol Hill and in Executive Offices representing the interests of regional planning councils and local governments throughout rural and small-town America.

*Shown here are NADO's Officers for 2015-16, from left: Immediate Past President **Terry Bobrowski** of Tennessee; President **Jeff Kiely** of New Mexico; 1st Vice-President **Lynne Keller-Forbes** of South Dakota; 2nd Vice-President **Doug Elliott** of Iowa; Treasurer **Scott Koons** of Florida; and Secretary **Kevin Byrd** of Virginia.*

MOVING THE REGION

Regional Economics

The COG continued to work with its regional and state partners in drafting and finalizing a pair of regional plans for economic development:

The "High Plateau Country" Blueprint - a Comprehensive Economic Development Strategy (CEDS) for Northwest New Mexico. The CEDS planning and implementation process is supported by annual grants to the COG from the US Economic Development Administration. The CEDS strategy is organized around the themes of People, Community and Jobs & Enterprise. The "new CEDS" remained in final production and is due to be published online this Spring.

The "Trail of the Ancients" Regional Plan - a "high-quality plan" resulting from a regional rural development training and planning process sponsored by USDA-Rural Development under its "Stronger Economies Together" (SET) program. This rural plan was developed over the past year-and-a-half under the tutelage and facilitation of Cooperative Extension Economist Dr. Michael Patrick of New Mexico State University. This plan is also under final review and adoption. When completed, its implementation will be included in the overall regional CEDS program and will be guided by Working Groups for Agriculture, Manufacturing, Tourism and Entrepreneurship.

Also included elsewhere in this quarterly newsletter, the COG began implementation of the **Four Corners "POWER" initiative** under funding from the Economic Development Administration, focused on assessing the economy of our historically **coal-reliant region** and producing a report of recommendations on strategies for transitioning and diversifying the regional economy going forward.

Regional Water Planning

Over a decade has passed since Regional Water Plans were accepted by the New Mexico Interstate Stream Commission for the State's 16 water regions. This past year, the ISC gave the go-ahead to update these plans, which will then feed into and integrate with an updated State Water Plan.

The ISC's new approach provides unified templating and data development at the state level, while working with regional water planning groups to identify projects, programs, and policies to address long-term water supply and demand.

Our Northwest COG district contains two water regions, both of which are updating their plans (accepted by the ISC in January 2004): (1) Region 6, the Northwest New Mexico Region, includes the Puerco and Zuni Rivers in McKinley County (tributaries to the Little Colorado River) and the Rio San Jose in Cibola County (tributary to the Rio Grande); and (2) Region 2, the San Juan Region, includes the San Juan River and Nacimiento-San Jose aquifer in San Juan County.

State-appointed groups in both regions have gathered periodically over the past two years to consult with ISC and DB Stephens on plan development. Initial discussions revealed concerns from participants, such as how the previous approved plans were finalized and how the State failed to fund continued coordination and implementation of the plans. In the process, however, constructive working relationships were fostered, and the planning progressed. This Spring, the regions are addressing projects, programs and policies for inclusion in the updated plans. The COG continued its participation and support of the Regional Water Planning process for "Region 6."

In the coming months, lead consultants, state staff, and regional participants will work to continue to finalize the regional water plans. Any updates can be seen by visiting the Interstate Stream Commission website at: <http://www.ose.state.nm.us/index.php>

LOCAL INITIATIVES

Gallup Memorial Day Event: In commemoration of the 10-year anniversary of the establishment of the Veterans Park and Memorial located in the courthouse square. The Gallup-McKinley Veterans Committee will be unveiling the addition of two new Pillars and the updating of glass panels on the existing Pillars on Memorial Day, Monday, May 30, 2016.

The creation of the soon to be newly installed pillars is the result of committed efforts from the Gallup-McKinley Veterans Committee and funding from the State of New Mexico, McKinley County and the City of Gallup. The new Pillars will stand in testament to those Veterans who served in World War II and Vietnam.

The Veterans Park and Memorial located in the Courthouse Square, downtown Gallup was formally dedicated on Monday, May 29, 2006. The memorial is an array of Indian Black Granite Glass Pillars depicting the names of all Gallup and McKinley County Veterans who served our country, beginning with World War I to this present day. Various pillars also honor the Navajo Code Talkers, The Bataan Death March Veterans along with Hershey Miyamura, Korean War Congressional Medal of Honor Recipient.

Please join McKinley County, the City of Gallup and the State of New Mexico to honor past and present individuals who risk all for the freedom of the Nation.

The day's activity also include:

- 9:00 am** ***Observance Ceremony in the Veterans Plot at Hillcrest Cemetery***
- 10:30 am** ***Parade through downtown Gallup***
- 11:00 am** ***Unveiling of New Pillars and Official Ceremony at Veterans Park***

Guest speakers during the day's activities include:

Jackie McKinney, Mayor, City of Gallup,
NM State Representative Patty Lundstrom,
NM State Senator George Munoz, and
representatives from McKinley County.





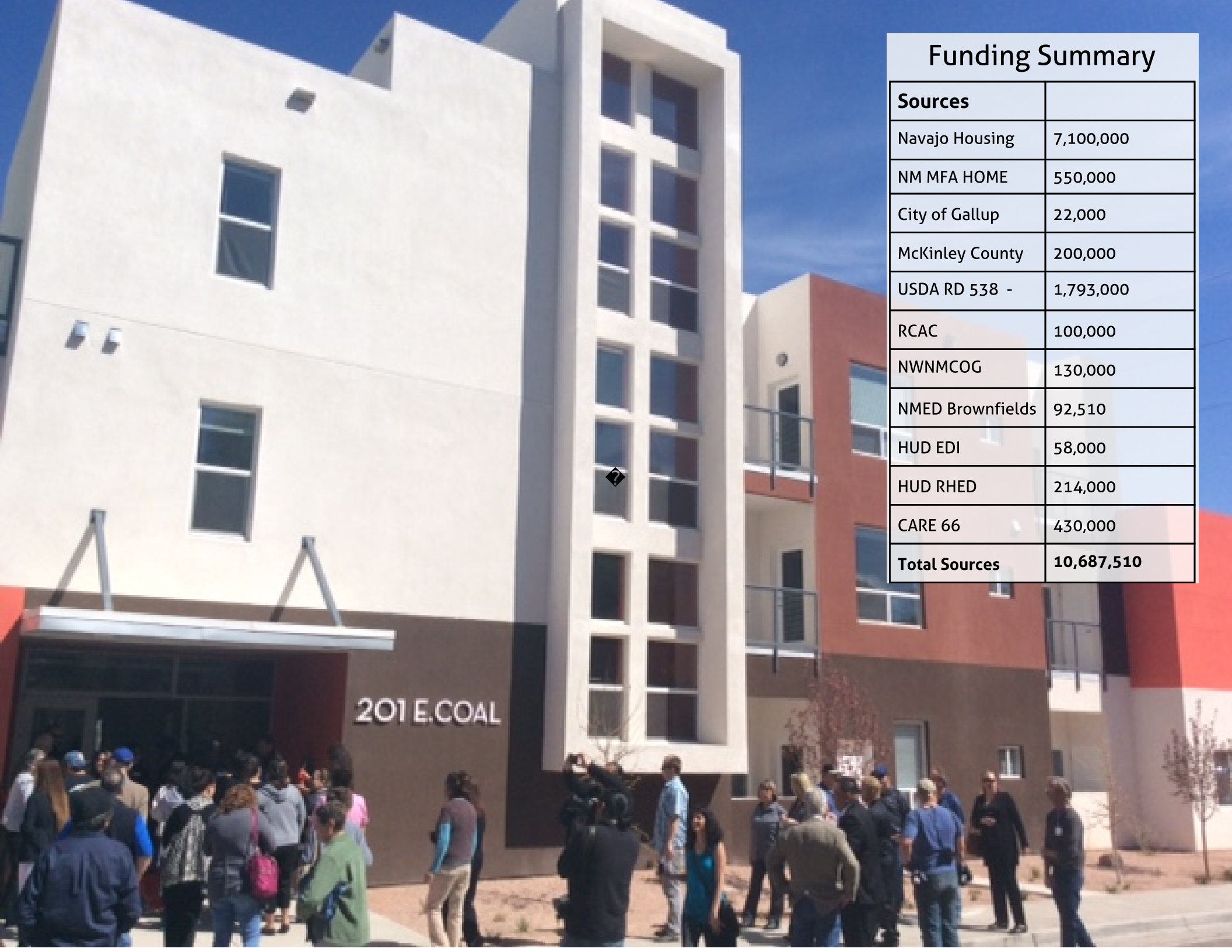
LOCAL INITIATIVES

continued

Ripples of Success Continue from our Brownfields Program:

In 2009, the Northwest New Mexico Brownfields Coalition Assessment Program, led by the COG, received \$1M to provide environmental assessments aimed at inspiring redevelopment of blighted and under-utilized properties and buildings. By the end of 2012, the COG invested in 22 sites throughout our region, including a portfolio of urban, rural, and tribal projects. One of our early partners was CARE 66, a non-profit organization aimed at eliminating homelessness and developing a range of housing options in McKinley County. CARE 66 was a perfect partner, who thought big and knew how to deliver innovative projects through public-private partnerships. They also knew how to leverage the EPA Brownfields funding. So, when your associates ask “what does the COG do?” You can tell them the COG invests in literal holes in the ground. As seen in this picture (taken during the Phase I assessment), this site had a major sloping issues causing us to name it Leyba’s Vacant Lot. This site located in the heart of Downtown Gallup was an eyesore and haven for negative social activities. The site was further complicated by adjacent and historic environmental concerns.

Hooghan Ho’zho Mixed Income Family Housing: On a “gateway” site into Downtown Gallup, the 44-unit Hooghan Ho’zho multi-family rental apartments transforms a vacant city block to provide affordable housing in a mixed-income setting, with 30 units set-aside for Native American families. Entered from Coal Avenue, the ground floor of Hooghan Ho’zho contains a secured courtyard, residential units and offices for property manager. Forty-four units of family housing are configured in three levels incorporating several unique outdoor courtyards for residents, to foster community, and wellness. This project contributes to community revitalization providing residents with ready access to jobs, transportation, retail, city services and civic amenities.



Funding Summary

Sources	
Navajo Housing	7,100,000
NM MFA HOME	550,000
City of Gallup	22,000
McKinley County	200,000
USDA RD 538 -	1,793,000
RCAC	100,000
NWNMCOG	130,000
NMED Brownfields	92,510
HUD EDI	58,000
HUD RHED	214,000
CARE 66	430,000
Total Sources	10,687,510

NOTES FROM THE EXECUTIVE DIRECTOR

Dear Friends,

I return to you from a Winter of medical crisis, surgery and recovery. I can report to you that, after several months of "aggressive dieting" and research, in early February I underwent surgery for prostate cancer at the MD Anderson Cancer Center in Houston. It appeared to be successful, and in late March I returned to Houston for post-op consultation with my surgeon, Dr. Neema Navai. Following review of the pathology report and updated PSA tests, Dr. Navai was able to give me a clean bill of health, and as I exited the Center I was given the honor of "ringing the bell" signifying I am now "cancer-free." To all of you who sent me forth with prayer, positive thoughts and good wishes, thank you from the bottom of my heart.

And now I re-enter the fray, restored and renewed ... and looking forward to tackling the challenges and embracing the opportunities before us. I owe a great debt to my wonderful staff, who had my back" big time and kept things moving forward in my absence. Thanks to my Deputy Director **Evan Williams**, who took his 50-hour weeks up another notch by maintaining his high-level technical assistance to our members and legislators at the State Legislature, while at the same time serving as Acting COG Director during my medical leave. Thanks to my Finance Manager **Teresa Mecale**, who kept our finances in good order, celebrated a clean audit, and went above and beyond to meet the needs of the staff. Thanks to my Executive Secretary **Bebe Sarmiento**, who powered through as the "voice of the COG" in our front office, and kept things humming through the flux and flow of our challenging winter season. Thanks to my Associate Planner **Brandon Howe**, who stepped up to the challenge of many projects and assignments in the absence of daily supervision and interaction with Evan and myself, and who cemented his value as a major emerging professional asset in our region. Thanks to Finance/Admin Assistant **Martina Whitmore**, who kept the faith in us all throughout our ups and downs, and who lent her energies to many tasks on all fronts. And finally, but certainly not least, thanks to our new Economic Development Program Manager **David Hinkle**, who joined us just prior to my medical leave, and who brought the warm embrace of his outreaching personality, along with decades of experience and wisdom on which we have come to depend - not only in his economic development mission, but in many facets of the COG work.

Special thanks to the COG Board of Directors, and especially to its Executive Committee members: Chairman **Billy Moore**; 1st Vice-Chairman **GloJean Todacheene**; Treasurer **Louie Bonaguidi**; and Immediate Past Chairman **Dr. Bill Hall**. Without their help, understanding and support, well ... it just wouldn't have worked out! Bless you all!



Jeff Kiely



NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS



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