

NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

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CROWNPOINT CHAPTER

HIGHWAY COMMISSIONER
DISTRICT SIX

October 12, 1995

Gaynor McCown
Domestic Policy Council
The White House, Room 224 Old Exec Ofc Bldg
Washington, D.C. 20500

Dear Mr. McCown,

In June of 1994, the Northwest New Mexico Economic Development Community Strategic Plan was designated a "Champion Community" under the EZ/EC Initiative. We received information from the National Association of Development Organizations Research Foundation that your organization may be able to assist with funding for specific projects linked to the EZ/EC Initiative.

Northwest New Mexico comprises 15,503 square miles of land including three counties, six municipalities and portions of six Native American Reservations. Predominant ethnic groups include American Indian (49%), Hispanic (16%) and Anglo/Other (35%). There are three champion communities within Northwest New Mexico, one in the Farmington area, one in the Grants-Milan area and the other in Gallup. Poverty rates for the Grants-Milan area range between 28% and 31%, with a median household income between \$17,462 and \$19,495 (as compared to the national average of \$35,225). The Gallup Champion Community has a poverty rate of 32.6%, a median household income of \$19,457 and an unemployment rate for the county of 13.6% (as compared to the U.S. unemployment rate of 6.1% in 1994). Economic disparity in San Juan County, where the Farmington champion community resides is apparent with their slightly higher median household income of \$22,300, but an unemployment rate of 9.1%, a full 3 percentage points higher than the national rate of unemployment.

High unemployment with extremely low household income is the result of several factors. The area's economy in the past has been heavily reliant on natural resource extraction and energy production. The boom and bust cycles inherent in these types of economies have left a legacy of inadequate community planning and infrastructure development to support balanced economic growth adequate for the

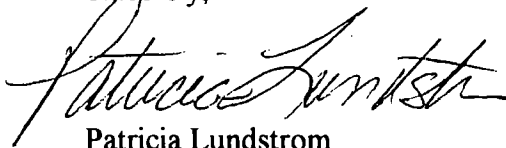
population of the District. Lack of education along with language barriers have typically kept the Champion Community residents out of the more stable and higher paying jobs. This socio-economic isolation is exacerbated by the physical remoteness of the region. There are 190,000 people living in 15,000+ square miles of land, giving an average of 12 people per square mile, and keeping the residents far from the resources that could potentially enhance their situations.

The overall purpose of the Northwest New Mexico Economic Community Strategic Plan is to create new, high-quality jobs for populations living in the economically distressed areas of our communities, and improve the kinds of infrastructure and human development opportunities which will support sustained economic development.

After reviewing the enclosed Mission Statement and general information, I would appreciate your letting me know whether you would be able to assist our efforts here, and in what fashion this assistance would arrive. Please call or write if you have any questions or require further information.

Thank you for your time.

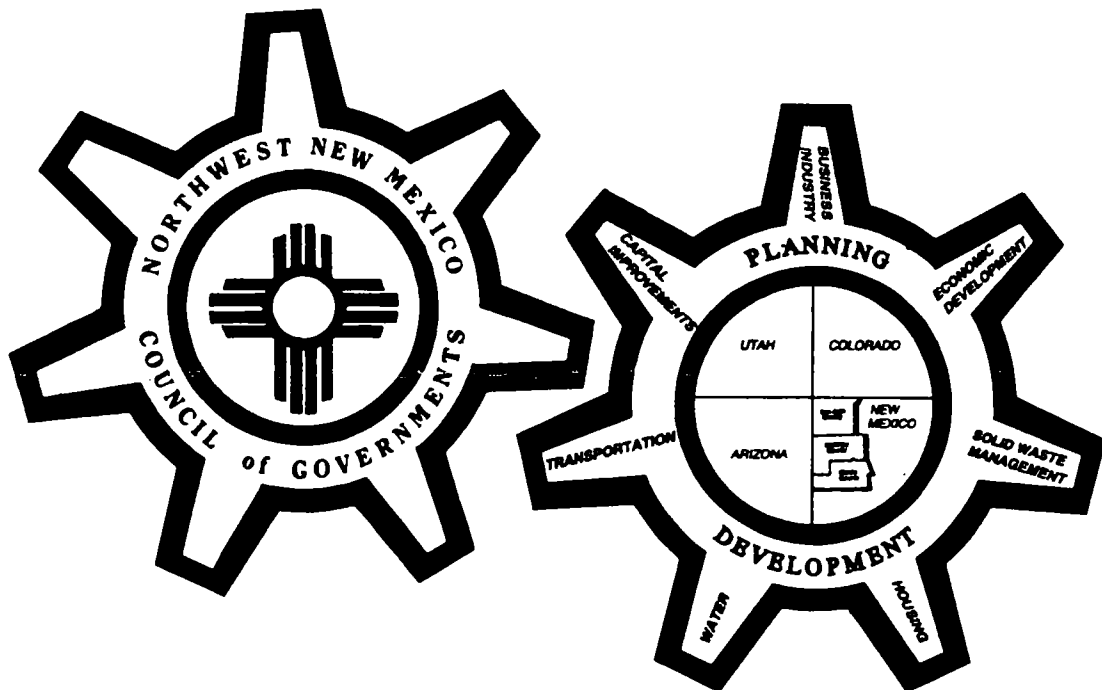
Sincerely,

A handwritten signature in cursive script, appearing to read "Patricia Lundstrom".

Patricia Lundstrom
Executive Director

NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

COG



WHO WE ARE

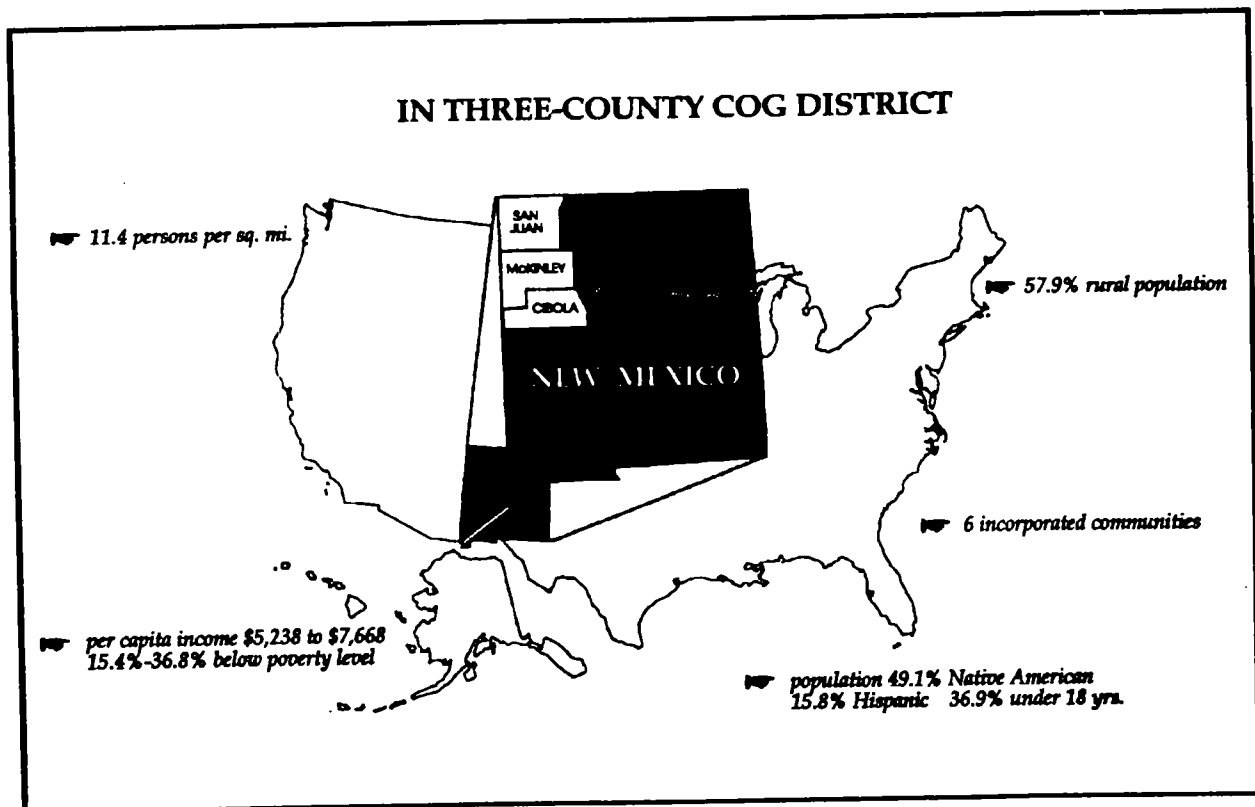
The New Mexico Legislature created the Councils of Governments (COGs) more than 20 years ago. The purpose was and is to coordinate community planning, development, and implementation efforts by various levels of government. The Northwest New Mexico COG is a strong force for such collaboration, including the private sector, in the Four Corners region.

The COG is the "one-stop-shop" for the region—resource center, sounding board, and clearing house on regulations, mandates, funding, and legislation. We are coordinators for interagency cooperation, regional grantsmanship, and both public and private participation.

In the years since the COG began, the demands—and the COG's responses—have increased dramatically. We need continued legislative support to carry out our mandate. We are, in fact, state government's instrument for effective economic development in northwestern New Mexico.

WHAT WE DO

The Northwest New Mexico COG's board of directors (who serve without pay) now represents an association of 14 local entities—county, tribal, city, and private—in the Four Corners region. We serve the 180,000 people who live in the 15,500 square miles of Cibola, San Juan, and McKinley Counties. And we serve you by *leveraging* dollars spent for community development.



Regional Development Initiative

Our Regional Development Initiative sets out ambitious development objectives:

- ***Year 2000 Strategies:*** (in part)
 1. diminish region's dependence on governments of all types for salary, wage, and welfare payments.
 2. increase the importance of private sector employment.
 3. tie regional planning and development activities closely with those of the Navajo Nation.
 4. continue to emphasize regional integration.
 5. direct development toward capitalizing on under-utilized resources.

We have begun, in addition to our basic mandates as a COG, significant new initiatives for the achievement of these targets, including

- ◆ ***Empowerment Zones/Enterprise Community Initiative***

a regional application for up to \$40 million in federal funding to develop target industry and appropriate trade strategies in the Farmington and Gallup areas to reap the benefits of NAFTA.

- ◆ ***Infrastructure Capital Improvements Planning***

- **San Juan River Gallup/Navajo Water Supply Project**
to transport San Juan River water to Navajo communities and Gallup for municipal, rural, and industrial uses. The COG serves as steering committee chair.
- **Intermodal Surface Transportation Efficiency Act (ISTEA)**
The COG administers ISTEA for the planning, construction and improvement of roadways and bridges.

WHY THE COG's WORK IS IMPORTANT

We can prevent much of the waste, duplication, and fragmentation that inevitably result from the "scatter-shot" approach to providing basic services and bricks-and-mortar infrastructure to rural areas.

You've probably heard some of the horror stories:

- the school erected long before there was even one road to it.
- Navajo families given vouchers for natural gas, but no gas line served their area.
- the housing development built three years before its water lines were connected.

The Northwest New Mexico COG works to stop such unfortunate situations. We constantly seek innovative solutions to local problems and act as a catalyst for strategic planning and development in rural communities.

The COG can leverage all kinds of resources. Not only wiser use of dollars and coordinated efforts. But most important, *the people you serve* have a real say, through the COG, in how to meet their real needs at the grass-roots level.

WHAT PEOPLE SAY ABOUT COG

"Northwest New Mexico's COG does a superb job representing the people from its tri-county region. When bridges need to be built between the people and their various levels of government, no one does it better than the Northwest COG."

—Pete V. Domenici, US Senator (R-NM)

"I am a strong supporter of the regional councils. Far from representing another layer of government, they serve to unite and coordinate efforts among local governments and communities. I am particularly proud of the work of the Northwest New Mexico Council of Governments, whose Regional Development Initiative shows great promise in achieving development breakthroughs in the northwest corner of our state."

—Jeff Bingaman, US Senator (D-NM)

"The Northwest New Mexico Council of Governments has become a major force in economic development for this area since they were funded by the Economic Development Administration in October 1988."

—Marvin W. Hagemeyer, Chief, Planning & Technical
Assistance Division, Economic Development Administration

"Regional organizations have been laboratories for new ways of governing in rural America. When 'reinventing government' became the focus at the national level, we saw an opportunity to be partners and carry the program to thousands of localities."

—Alicann Wohlbruck, Executive Director,
National Association of Development Organizations

WHAT THE LEGISLATURE CAN DO TO HELP

Continue support for the Northwest New Mexico Regional Development Initiative. That support will then be augmented by combined private and other public funds, including potential congressional appropriations. This support will provide the COG with the adequate core capacity to lead comprehensive and effective development of the region.

**Northwest New Mexico
Council of Governments
208 West Coal Avenue
Gallup, New Mexico 87301
Telephone (505) 722-4327 Fax: 722-9211**

Northwest New Mexico Enterprise Community

Application to the U.S. Department of Agriculture

June 30, 1994

Executive Summary #1

The State of New Mexico, in conjunction with the Northwest New Mexico Council of Governments and its local governmental members, has co-nominated eligible census tracts within the City of Gallup (in McKinley County) and the Village of Milan and the City of Grants (in Cibola County) for designation by the U.S. Department of Agriculture as an *Enterprise Community*.

The portion of northwest New Mexico being nominated as an Enterprise Community consists of three individual census tracts:

- Block Numbering Area 9732, City of Gallup [minus Block Group #1, which contains Indian lands] -- comprising portions of the Northside and Chihuahuita neighborhoods and part of the downtown area;
- Block Numbering Area 9742, City of Grants -- comprising the east-northeastern portion of the community; and
- Block Numbering area 9744, Village of Milan -- comprising most of the village area.

A "sister zone" is currently being actively developed for designation by the State of New Mexico as "*Enterprise Zones*" in each county area, beginning with the Farmington/San Juan County area. As a consequence of prohibitive Federal regulations governing eligibility of census tracts for this major program, none of the census tracts in San Juan County qualified, and most of the census tracts in McKinley and Cibola Counties likewise were ineligible. The primary restriction was the exclusion of Indian lands from eligibility for Empowerment Zone or Enterprise Zone designation, thus rendering all but 3 out of a total of 38 census tracts *ineligible* for this Federal initiative.

This exclusion has occurred in face of the compelling socioeconomic statistics characterizing the northwest New Mexico region, which show that as many as 16 census tracts (42%) would otherwise have met all eligibility criteria for EZ/EC designation and that 30 of the tracts (79%) would have met at least the minimum criteria. The statistical profile further shows that *one-third of the census tracts* have poverty levels of 50% or higher, and that *one-third of the population* of the region lives in poverty according to the Federal guidelines.

An Enterprise Community strategic plan has been put together which (a) includes preliminary plans for the Farmington Area Enterprise Zone as part of the overall regional strategy and (b) includes specific plans for Federal designation of the eligible census tracts in the Gallup and Grants/Milan areas.

The strategic plan is organized around the three key development arenas defined by the Federal guidelines, i.e.: Economic Development; Community & Infrastructure Development; and Human Development. It is further organized into geography-specific plans: a Regional Plan; a Gallup Plan; a Grants/Milan Plan; and a Farmington Plan.

Most importantly, the plan has been defined to be both specific (where possible) and flexible (allowing for modifications, deletions and additions throughout the course of the process). A total of 38 specific *projects* have been identified for inclusion in the Federal Enterprise Community area itself. An additional 15 projects have been preliminarily identified for inclusion in the Farmington Area Enterprise Zone.

A summary of the major Strategies, followed by the associated projects, is attached to this Executive Summary for reference. A number of these projects are already prioritized and/or underway within the respective jurisdictions, but have nevertheless been included as part of the Strategic Plan.

The overall purpose and objective of the Northwest New Mexico Enterprise Community Plan is to *create new, high-quality jobs* for populations living in the economically distressed areas of our communities, in conjunction with the kinds of infrastructural improvements and human development opportunities which will support *sustained economic development*.

The Enterprise Community (along with the State Enterprise Zone) initiative provides our communities with the opportunity to *identify, prioritize, coordinate and potentially obtain new funding for* specific development projects which will benefit our impoverished neighborhoods in ways which are tangible and which actively involve local citizens in the development process. A total of \$2.95 million is available to the 30 successful rural applicants for Enterprise Community designation, and more significantly, designated Enterprise Communities will be accorded *preference* for a wide range of Federal programs.

Regardless of the outcome of the highly competitive Federal designation process, great progress has already been achieved in (a) involving local communities in strategic planning, (b) compiling and focusing statistical data with reference to targeted development strategies, and (c) putting together a multi-faceted strategic plan which will be actively utilized, updated and implemented through a variety of public and private funding mechanisms.

Announcements of Federal designation decisions are expected in late August 1994. In the meantime, work is proceeding on the State designation of Enterprise Zones, as well as on refining the Enterprise Community Strategic Plan for immediate follow-through and implementation.