



**The Economic Roundtable // Fall 2024**

***Moving Forward on the TradePort Project in  
Gallup/McKinley County***



**October 29, 2024**

**McKinley County Courthouse Annex,  
2<sup>nd</sup> Floor, East Conference Room  
Gallup, New Mexico**

# Contents

- 1. Roundtable Sponsor Acknowledgement ..... 3
- 2. Overview of October Economic Roundtable ..... 4
- 3. Background of GGEDC Economic Roundtables ..... 5
- 4. Presentations on Projects Status with Interim Recommendations & ..... 7  
Key Takeaways
- 5. Conclusion

## Appendices

- a. Agenda
- b. Speaker Bios
- c. List of Attendees
- d. PowerPoints



*Casey McElroy with Kimley-Horn presenting on the preliminary plans for the Autonomous Vehicles Test Track*

# GGEDC Extends a Special Thanks to its Roundtable Sponsors:



## & to the Presenters:

- Tommy Haws** Board President, Greater Gallup Economic Development Corporation
- Patty Lundstrom** Executive Director, Greater Gallup Economic Development Corporation
- Jeff Kiely** Principal, Kiely Consulting / Consultant to Greater Gallup EDC
- Jeff Sweeney** Project Manager & Senior Analyst Martin Associates
- Joshua Nelson** Principal Project Director for Transportation, Hatch Associates
- Rachel Bramwell** Director, Urban Solutions, Hatch Associates
- Casey McElroy** Project Manager, Kimley-Horn & Associates, Inc.
- Aaron Gordon** Hydrogen Project Manager, Kimley-Horn & Associates, Inc.

## Overview

On October 29, 2024, Greater Gallup Economic Development Corporation (GGEDC) convened its third Roundtable of 2024 on the topic of developing the **Gallup/McKinley County Regional TradePort**. This meeting followed Roundtable conferences held on January 26<sup>th</sup> in Santa Fe and on June 7<sup>th</sup> in Gallup. This October Roundtable, held in the East Conference Room of the McKinley County Courthouse Annex, actually was GGEDC's first of two roundtables scheduled for Fiscal Year 2025, with the next one planned for February 7<sup>th</sup>, 2025 in Santa Fe.

In keeping with the GGEDC's mission to promote economic-base industry in the area and the priority of taking fuller advantage of the community's energy, transportation, logistics and locational assets, the focus throughout the year has been on planning and developing an "inland port" (which we now call "tradeport") in the Greater Gallup/McKinley County area. The tradeport would target the industrial, transportation and logistics assets and opportunities along the Carbon Coal Road Corridor in Gallup, and would coordinate with Gallup Land Partners properties around that corridor, which include the Gallup Energy Logistics Park in Gallup's northwest quadrant.

The first two Roundtables of the year provided a strong information base on the trade and logistics world as it affects Greater Gallup and presented potential opportunities for economic growth. The project's expert consultants and keynote presenters provided a brilliant historical and geographical overview of global trade as it affects northwestern New Mexico. The presentations also called attention to the backlogs and stoppages in commodity flow along the continent's supply chain, leading to rapidly expanding interest and investment in "hinterland" port facilities that could relieve some of the pressure and congestion experienced by the seaports on the east, west and gulf coasts. The consultants outlined the primary features of what a tradeport complex would involve, provided an analysis of the logistics/trade marketplace, and presented preliminary concepts on special projects to be included in the mix: an autonomous vehicles test track (or "proving grounds") complex; a hydrogen fuel hub; and Foreign Trade Zone (FTZ) designation for the Gallup Municipal Airport. The Roundtables also highlighted the need for the critical infrastructure needed to attract and support industrial activity in the area.

The October roundtable sought to integrate the research and planning work completed to date by the several consultants, and to provide an opportunity for community members and local stakeholders to engage in this critical stage of the planning and development of the TradePort project. Roundtable participants have become well informed regarding the unique strategic assets and opportunities in Gallup and McKinley County related to their transportation and logistics facilities. But the challenge and task of the TradePort plan is to optimize this potential by putting in place actual facilities and capacities that directly respond to market demand in the logistics field. That means having the necessary infrastructure, regulatory tools, technology, partnerships, and political and financial support in place to be able to attract investors and industry to the community. The GGEDC and its partners are engaged in a complex process to lay the foundation for the regional TradePort to come to fruition. That effort requires time, resources, forward thinking and good fortune. With the expert consultants helping fit the puzzle pieces in place, Gallup and McKinley County are being positioned to build the local "opportunity economy," with increased local revenues and good-paying jobs.

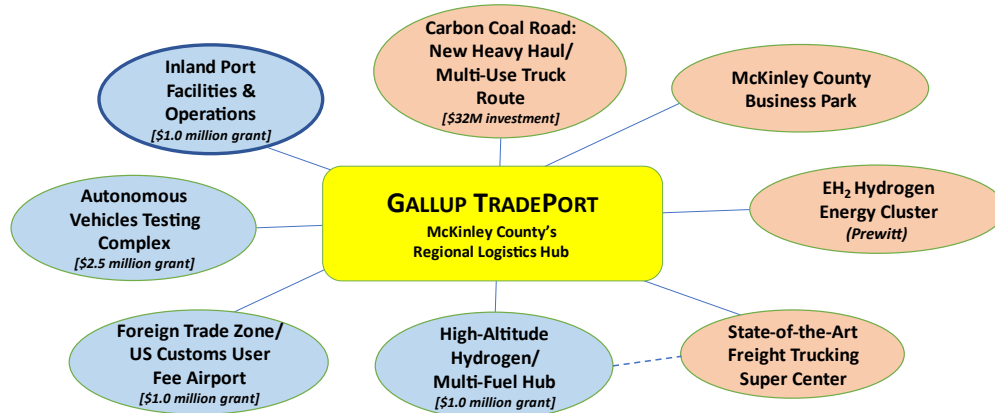
The October Roundtable convened a diverse group of 41 stakeholders, which included local elected officials, representatives from the New Mexico Environment and Transportation Departments, local business owners, and workforce developers and educators. The Roundtable was organized and facilitated by GGEDC, with assistance by its consultant Jeff Kiely.

The key objectives of the October Roundtable were to:

- Build understanding among local community members and public officials of what the TradePort is likely to be (as well as what it won't be);
- Provide in-depth "interim reports" by McKinley County's several teams of TradePort project consultants on the status of the planning work related to the TradePort layout and its needed infrastructure, the AV test track and the Hydrogen fuel hub; and
- Build understanding among all participants of the multiple linkages between the TradePort plans and their relationship to economic development initiatives championed by GGEDC and others during the last decade.

To create site-ready industrial capabilities in the Greater Gallup region, helped by planning grants from the New Mexico Department of Transportation, McKinley County and the City of Gallup are partnering with the GGEDC to work on weaving together several separate, but interrelated, initiatives, with the goal of building up the economy and generating thousands of jobs over time:

## **Greater Gallup's Value Proposition: A multifaceted TradePort cluster**



### **Background**

Since 2014, the GGEDC has hosted Economic Roundtables at least annually (fourteen in all to date) as an effective means of addressing economic development challenges and opportunities, launching new initiatives, and educating the public. The roundtables have served to increase the capacity of civic leadership in the City of Gallup, McKinley County and New Mexico State government to promote local, regional and statewide economic growth and to improve the overall quality of life.

Utilizing expert presentations and facilitated discussions, the roundtables provide a forum that enables participants to learn about and address multiple economic development issues in novel, collaborative ways that produce innovative results and drive positive outcomes. The roundtables also provide opportunities for participants to meet and network with regional leaders, innovators, businesspeople, and economic and community development practitioners and planners.

Since its founding in 2012, the GGEDC has engaged with local industry and other partners in a forward-looking planning process to develop and promote the Gallup Energy Logistics Park (GELP) northwest of Gallup. The Park, owned by Gallup Land Partners, was envisioned as a job creator, designed to attract and recruit companies with a need for access or proximity to rail and potentially large plots of land to support manufacturing and warehousing activities. The site would also support rail-driven commerce, including transloading from rail to truck of coal, diesel, and frack sand. The GELP came to be designated by BNSF Railway as a “BNSF Certified Site,” giving it profile as a site-ready venue for companies in BNSF’s book of business. Collaboration by Gallup Land Partners with the GGEDC, McKinley County, and the City of Gallup has literally paved the way for development of Carbon Coal Road as a high-capacity multi-use corridor and its functional connection with US Highway 491, which was four-laned in its entirety north to the Colorado border, thus facilitating safer transit and trucking into and from the Four Corners region.

In recent years, as the global economy has gone through major changes and disruptions, the GGEDC and its partners have kept an eye on trends in the marketplace, with particular attention to ways in which the transportation and logistical assets of the Greater Gallup region could find a competitive advantage. This has led to the concept of establishing an “inland port” complex, which could play a role in relieving and facilitating movement of goods along the supply chain while also forging new business and job opportunities in the region. Strategic planning and development efforts include:

- **Carbon Coal Road Reconstruction** – This completed road provides a 5-mile, 4-lane, state-of-the-art, heavy-haul, multi-use truck route serving the corridor and the GELP;
- **TriState/Escalante** – The decommissioned coal-fired Escalante Generating Station is now the focus of plans to use Hydrogen as an energy and fuel source;
- **McKinley County Business Park** – The County is working to stand up a business park facility to accommodate public and private sector developers along the Carbon Coal Corridor;
- **Super Center** – Preliminary plans outline a 21<sup>st</sup>-century freight trucking hub designed to meet the needs of the logistics industry, replete with modern facilities and multi-fuel stations;
- **Alternative Fuel** – Planning is underway to site and operate Hydrogen & Electric Vehicle refueling stations serving interstate commercial and other vehicles;
- **Autonomous Vehicles Test Track** – The nation’s top experts in the field are assisting in the planning and design of a state-of-the-art proving grounds and R&D complex for testing autonomous trucks and other vehicles;
- **TradePort System** – Planning is underway for a comprehensive inland port complex, to be developed in phases, to attract manufacturing, warehousing and other industries and to serve as a logistics hub to accelerate supply chain flow from West & East Coast and Gulf Coast seaports, and to tap into both trans-Pacific and trans-Atlantic trade.
- **Foreign Trade Zone** – The City of Gallup is contracting with the nation’s top foreign trade zone expert to assist in achieving designation by U.S. Customs and Border Protection of the Gallup Municipal Airport as an FTZ and User Fee Airport.

## Roundtable Presentations on Status of Projects with Interim Recommendations and Key Takeaways

The various consultants at the October economic roundtable presented the status of and interim recommendations for their respective TradePort projects. They addressed the preliminary general plan for the TradePort, the Autonomous Vehicles Test Track, and the Hydrogen Fuel Hub.

### Presentation 1: TradePort Market Analysis by Martin & Associates / Jeff Sweeney

The market assessment for the Gallup/McKinley County TradePort highlighted the strategic opportunity for regional development. Based on his analysis of both **intermodal and non-intermodal sectors**, it was the opinion of Jeff Sweeney, Project Manager & Senior Analyst with Martin Associates, that while traditional intermodal facilities were not immediately recommended, several key industries and sectors were primed for growth in the area.

Mr. Sweeney's analysis of **Intermodal Facilities** revealed that despite the potential for intermodal development, the Gallup region faces significant limitations including:

- **Low Population/Consumer Base:** The region's demographics suggest a lower demand for traditional intermodal services.
- **Self-Sufficiency of Texas Market:** Texas has its own self-contained intermodal services, which limits external demand.
- **Reduced Demand for Land Bridge Movement:** There is less demand for the movement of commodities across the U.S. via the "land bridge" from West Coast ports.
- **Area Already Well-Served by Rail and Trucking:** Nearby Phoenix, AZ already has well-established trucking and rail infrastructure, reducing the need for additional intermodal capacity.
- **BNSF's Expansion Plans:** BNSF Railway has long-term plans for expanding intermodal facilities at several key locations, including Barstow, CA, Surprise, AZ, and possibly in Albuquerque, and El Paso, and Amarillo, TX.

Turning to analysis of the **Growth in Facility and Service Capacity**, the consultant determined that the Southwest U.S. market area, particularly in intermodal and rail services, has seen a steady annual growth of 3.5% since 2019, indicating potential opportunities in alternative logistics, such as warehousing, transload, and advanced manufacturing.

Mr. Sweeney's assessment suggested that the TradePort offered substantial **Potential Market Opportunities** across a range of industries, including:

- **Agribusiness**
- **Aluminum & Steel Manufacturing**
- **Warehousing**
- **Plastics & Resins**

- **Oil & Gas Transload**
- **Railcar Maintenance & Storage**
- **Advanced Manufacturing**
- **Gas Feedstock**
- **Hydrogen Development, and**
- **Autonomous Vehicle Research and Development (R&D)**

Mr. Sweeney concluded by noting several additional lower-priority opportunities in the areas of large-scale renewable energy projects, hydrogen production and use, rare earth elements, and refining.

---

**Presentation 2: Inland Port Layout – Preliminary Report by Hatch Consultants / Joshua Nelson and Rachel Bramwell**

Joshua Nelson, Principal Project Director for Transportation and Rachel Bramwell, Planning Lead with Hatch Consultants presented on the infrastructure and physical layout of the TradePort. They sought to draft the design to maximize the region’s logistical and industrial potential. Ms. Bramwell outlined the preliminary design concept.

**Design Concept**

- **Land Use and Site Plan:** Ms. Bramwell presented a preliminary comprehensive map detailing land use within the Carbon Coal Road Corridor.
- **Infrastructure Plan:** She further identified the need for specific transportation and utility infrastructure improvements to support new industrial uses.
- **Cost and Schedule Estimates:** Ms. Bramwell provided high-level estimates for development, including anticipated costs for land preparation, facility construction, and infrastructure improvements.
- **Implementation Plan:** She highlighted the need to sequence capital improvements to ensure effective development.

**Future Infrastructure Improvements**

- **Land:** The development of an Autonomous Vehicles proving ground and construction of the County Business Park on Carbon Coal Rd are key projects.
- **Roads:** Planned improvements include upgrades to I-40 interchanges and extensions to County Road 1.
- **Rail:** Key rail access is provided through BNSF’s Southern TransCon route and the existing spur to the Gallup Energy Logistics Park. Additionally , BNSF is considering siting a railcar maintenance and storage facility in the area. Costs will also be impacted by the area topography.



- **Utilities:** Extending power, water, and telecommunications utilities service to the TradePort area is a critical priority. Ms. Bramwell was researching the ability to ensure there would be a sustainable supply, including water from the Navajo-Gallup Water Supply Project. The Navajo-Gallup Water Supply Project would ensure the sustainability of the Gallup/Navajo region and of the tradeport, but significant resources are still needed to complete the pipelines.

### **Strengths, Opportunities, and Constraints**

- **Strengths:** The strengths of the TradePort study area include ample land availability for development, a strategic location BNSF and Carbon Coal Road access, and regional and state-level support for sustainable development. The proximity to Navajo Nation and the well developed local leadership and coordination are important additional assets.
- **Opportunities:** Opportunities include good potential to be designated a Foreign Trade Zone and User-Fee Airport, partnerships with BNSF especially for a railcar facility, autonomous vehicle research & development, shared infrastructure benefits between McKinley County Industrial Park and the Gallup Energy Logistics Park, and state level support for hydrogen development.
- **Constraints:** Ms. Bramwell stated that among the challenges of the area were limited shovel-ready sites, high topographical costs and challenges, a low regional population base, and the need for skilled labor all of which affect regional competitiveness.

### **The Value Proposition for a Gallup/McKinley County TradePort**

Ms. Bramwell stated that the Value Proposition for the Gallup/McKinley TradePort included strong and well-established collaborative efforts between public and private sectors, the ability to leverage the strategic location, and ample local support for heavy industry and sustainable development. The proposition would benefit from targeted interest from industries such as advanced manufacturing and autonomous vehicle R&D, that have significant potential for creating jobs and economic growth. There is also potential for special expansion.

### **Preliminary Goals for the TradePort Plan**

Preliminary goals for the TradePort plan included: consolidating similar land uses into designated “districts”, concentrating heavy industrial uses in rail-adjacent zones, and prioritizing expansion space while minimizing costly infrastructure developments.

### **Next Steps**

Ms. Bramwell concluded by identifying the next action steps the project would require. The immediate need by Hatch Consultants was to finalize the infrastructure assessments, design concepts, and cost estimates. She stated that there was an additional need to partner with stakeholders to ensure the plan aligns with the market demands and economic realities.

Casey McElroy, Project Manager with Kimley-Horn & Associates, highlighted that the establishment of an Autonomous Vehicles Research & Development proving ground in Gallup presented a significant opportunity to capitalize on future mobility trends and to create a cutting-edge facility for testing and developing autonomous vehicles (AVs).

**What is a Proving Ground?** A proving ground serves as a controlled environment where companies can test autonomous vehicles and related technologies, train operators, and validate products before they hit the market.

**Future Mobility Trends** - The demand for autonomous vehicles is driven by advancements in automation (Levels 1-5),<sup>1</sup> connectivity, and electric capacity.

**Market for Proving Grounds** - Proving grounds are concentrated in regions like Michigan, Ohio, Texas, and California. Mr. Casey believed that a location like Gallup offered strategic advantages due to its relative proximity to key markets and low congestion.

**Types of Customers** – Mr. Casey stated that the proving ground would serve:

- Full-vehicle manufacturers
- Autonomous vehicle tech companies
- Research institutes, and
- Driver training organizations

**Ecosystem and Job Creation** - A proving ground will generate a wide range of jobs, including in security, track safety, engineering, maintenance, hospitality, and customer service, Mr. Casey said.

**Key Steps and Challenges Moving Forward** - To successfully develop the proving ground, Mr. Casey said that the project would need to quickly respond to market demands, ensure the necessary staffing and resource requirements, and create strong partnerships with industry stakeholders.

---

**Presentation 4: The Hydrogen Fueling Hub – Preliminary Report by Kimley- Horn & Associates, Inc. / Aaron Gorden**

The development of a hydrogen fueling hub presents an opportunity to meet the growing demand for clean, sustainable energy sources, particularly in the transportation and industrial sectors, stated Aaron Gordon, Hydrogen Project Manager with Kimley-Horn & Associates.

---

**<sup>1</sup> Levels of Automation:**

- Level 1: Driver-assisted
- Level 2: Partial automation
- Level 3: Conditional automation (human drivers as backup)
- Level 4: High automation
- Level 5: Full automation (no steering wheel)

**What is Industrial Hydrogen?** Mr. Gordon began his presentation by defining industrial hydrogen. He stated it was a zero-emission energy carrier used in sectors like oil refining, ammonia production, and steel manufacturing. However, he noted that its low volumetric density required it to be stored under high pressure or in liquid form.

**Hydrogen Fueling & Supply** - Mr. Gordon stated that the hydrogen fueling market is still maturing, with infrastructure needs outpacing the current supply. Developing fueling stations for hydrogen-powered trucks is a key step toward achieving energy sustainability in the region.

**Funding Opportunities** – Mr. Gordon stated that key funding sources for hydrogen-related transportation improvements included the Clean Fuels Initiative (CFI) grant from the Federal Highway Administration (FHWA) and state-level reimbursements for replacing diesel fleets with hydrogen-powered vehicles.

**Location Criteria for Fueling Stations** – He said that the key factors for selecting station sites included accessibility, cost, environmental impact, and their proximity to I-40.

#### **Next Steps**

Mr. Gordon stated that the next steps in his project would include finalizing management structures and site location analysis, completing the preliminary design work, and preparing for emerging funding opportunities.

---

#### **Conclusion**

The consultants presentations highlighted the fact that the Gallup/McKinley County TradePort holds significant promise for a variety of industries, including autonomous vehicle R&D, hydrogen fueling, and advanced manufacturing. With continued collaboration between public and private stakeholders, strategic investments in infrastructure, and targeted market development, the TradePort is well-positioned to become a hub for innovation, logistics, and sustainable industrial growth, as anticipated by GGEDC, McKinley County, and other area stakeholders.