

GALLUP – MCKINLEY COUNTY

TRANSPORTATION, LOGISTICS, DISTRIBUTION

Transportation Infrastructure Revenue Subcommittee

July 25, 2017

Santa Fe, NM

Room 322



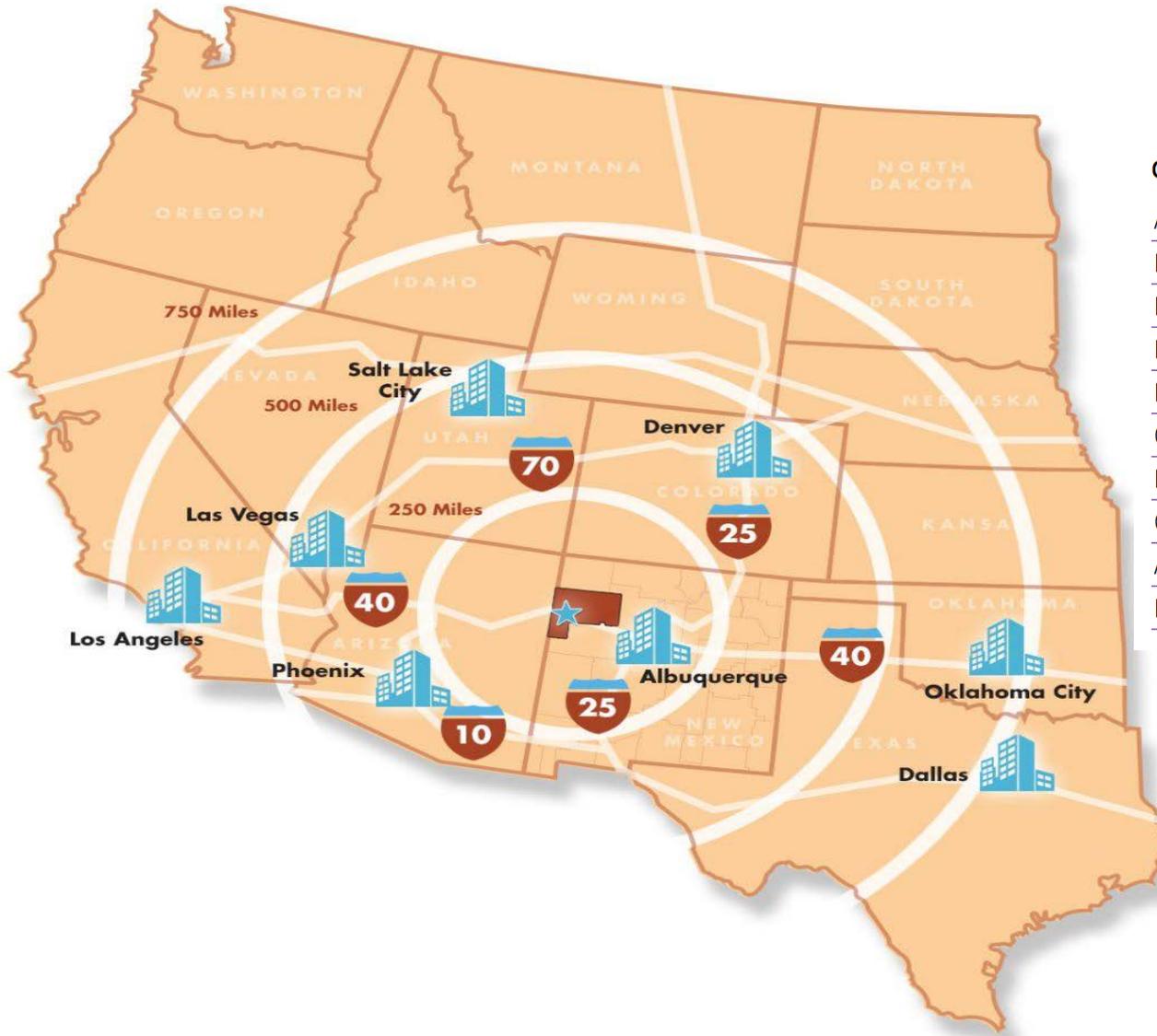
LOGISTICS INDUSTRY TRENDS – U.S.

- **Port congestion** especially in west coast ports ex. Long Beach and Los Angeles
- **Driver shortages** – average age is 57 years old
- **Security requirements**- increased
- **Freight and labor costs**- drives location decisions
- **Regionalization** - occurring for distributors
- **Companies integrating rail** – more **flexibility** and **competitive costs**
- **Highway access** is important
- **Inland port expansion** – more demand
- **E-commerce**- increased demand for distribution centers

NEW MEXICO TRADE - GATEWAYS

- Important to New Mexico's international trade:
 - **Port of Houston** – Europe and Latin American cargo
 - **Los Angeles/ Long Beach** - Asia and other pacific cargo
 - **Border crossing with Mexico** - New Mexico, Texas, and Arizona
 - **Border crossing with Canada** - Illinois, Montana and Washington

MCKINLEY COUNTY – TRANSPORTATION RANGE



Gallup, NM to US Metropolitan Cities

Albuquerque, NM	135 Miles
Phoenix, AZ	285 Miles
Las Vegas, NV	430 Miles
Denver, CO	580 Miles
Los Angeles, CA	646 Miles
Oklahoma City, OK	675 Miles
Dallas, TX	780 Miles
Chicago, IL	1,468 Miles
Atlanta, GA	1,520 Miles
New York, NY	2,120 Miles

GGEDC is taking advantage of existing infrastructure assets to develop new economic base generators for McKinley County



www.gallup.com - 094172

High density transport infrastructure and highly connected networks are commonly associated with high levels of development

GALLUP TARGET INDUSTRY ANALYSIS

“BEST FIT” INDUSTRIES

- Gallup has **competitive advantage** in:
 - Oil/gas/mining equipment & services
 - Warehouse/ Distribution (DC)
 - Industrial machinery
 - Plastics products
 - Food processing

TRANSPORTATION ASSETS

Gallup area is good for serving western regional markets → Albuquerque, Denver, Phoenix, Los Angeles



BNSF-certified site – one of 10 in the country



BNSF Class 1 mainline rail w/ existing spur loop at ELP



I-40 Interstate & US491 highway access



Adequate air carrier service (ex. UPS, FedEx)

Source: Foote Consulting

MCKINLEY COUNTY LOGISTICS ASSETS

- **Gallup needs to take advantage of existing infrastructure assets which include:**
- **Assets:**
 - Transportation
 - Lower labor costs
 - Electric power cost/reliability
 - Gallup Energy Logistics park
 - Future container transload capability
 - Potential FTZ sub-zone area
 - No inventory tax
 - Incentives (training)
 - Close to west coast and 4 Corners Region (oil/gas/mining)
- **This will create new economic base generators for McKinley County**

REGIONAL TRENDS

- Greatest intermodal/transload needs come from oil/gas/mining equipment & food processing /production sectors.
- The oil/gas/mining equipment and service the most important target sector
- Oil/gas/ mining equipment and services will rely more and more on rail transportation to get products to west coast and gulf markets
- Maintenance of SR 491 and related funding should be a regional priority

DISTRIBUTION CENTER: SITE SELECTION NEEDS

Top priority first:

1. Access to market/transportation/freight costs
2. Labor costs/availability
3. Electric power (costs/reliability)
4. Access to interstate highways (“5 to 55”)
5. Large sites (50 -250 acres) and large buildings
6. Rail service for select operations
7. Incentives (infrastructure, training)
8. Good labor/management relations

GALLUP ENERGY LOGISTICS PARK

Contains:

- 2,500 acres
- 20,000 ft. rail loop
- Carbon Coal Road
- Natural Gas Pipeline
- Navajo-Gallup Water

BNSF Certified Site

- 350 acres
- Biological Survey
- Geotechnical Report
- Rail Site Master Plan

ENERGY LOGISTICS PARK MAP- "BNSF CERTIFIED"



DATE: 01/20/2024	SCALE: 1"=40'	NO. 01	REV. 01
APP'D: [Signature]	DATE: 01/20/24	NO. 02	REV. 01
DESIGNED BY: [Signature]	DATE: 01/20/24	NO. 03	REV. 01
CHECKED BY: [Signature]	DATE: 01/20/24	NO. 04	REV. 01



PROJECT: GALLUP ENERGY LOGISTICS PARK
CLIENT: GALLUP LAND PARTNERS
CITY, STATE: GALLUP, NM

OVERALL MASTER PLAN

NO. 01
OVMP-01
of 16

COMPANIES WHO USE THE RAILROADS: MCKINLEY COUNTY

- **Escalante Power Plant**
- **McKinley Paper/ Bio-Pappel**
- **Peabody Energy**
- **Western Refining**
- **National King Coal**

APPROVED ACTIONS

- Regionally support existing logistics sites
- Spearhead and participate in an aggressive regional marketing campaign with leaders in Gallup, the surrounding area, and the logistics site owners/staff
- Pursue “best fit” targets
- Develop research materials on the targets
- Pursuit of the Gallup supercenter (for trucking)

NEXT STEPS – “ FIND THOSE BEST FITS”

1. **Independent Petroleum Association of New Mexico (IPANM) Annual Meeting – Recruitment**
 - T.I. #1 Oil/Gas/Mining Equipment & Service
2. **Breakbulk Americas – Trade Show**
 - TI #2 &3: Warehouse/ Distribution & Industrial Machinery
3. **NM Partnership Site Selectors Tour – Recruitment**
 - Promote Gallup- McKinley County, Energy Logistics Park, and Top 5 ‘best -fit’ industries
4. **SelectUSA – Trade show**
 - Promote Gallup- McKinley County, Energy Logistics Park, and Top 5 ‘best -fit’ industries
5. **Global Petroleum – Trade Show**
 - TI: Oil/Gas/ Mining Equipment & Service

Questions?