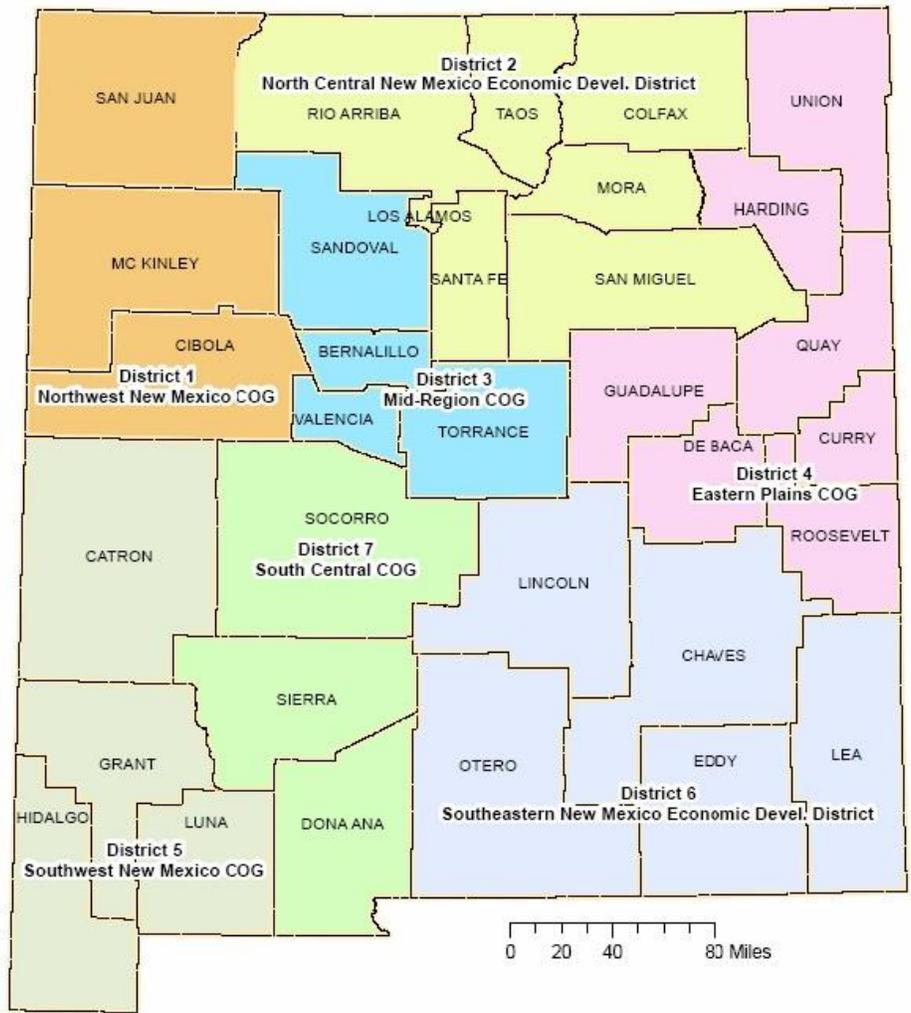




Northwest New Mexico Council of Governments  
Economic Development District

# COVID-19 ECONOMIC RECOVERY PLAN

Updated October 8, 2020



State Planning and Development Districts  
in New Mexico

## BACKGROUND:

On March 27<sup>th</sup>, President Trump passed the Coronavirus Aid, Relief, and Economic Security Act (The CARES Act), also known as the Third COVID-19 Supplemental Relief bill into law. Within this Act, the US Economic Development Administration (EDA) has been appropriated \$1.5B to assist with America's recovery.

On April 1<sup>st</sup>, EDA Regional Director Jorge Ayala held a conference call with each of the seven (7) Council of Governments / Economic Development Districts in New Mexico to discuss his understanding of the rules and direction on how the EDA-Austin in strategizing deployment of resources.

He believes that the EDA Austin will receive somewhere in the neighborhood of \$200M to spend from the EDA CARES Act, which is a historic amount for the Administration and the EDA Austin region, including previous disaster funding. This funding would be Economic Adjustment Assistance funds; EDA's most flexible source in terms of use, e.g. planning, technical assistance, construction, public works, etc.

The funding must be obligated by September 2022 and recipients will have until September 2027 to expend funds. Priority one is to work with the Districts on coming up with investment priorities and partnerships in the State of New Mexico. Part of this priority, is to provide the Districts with its own capacity to participate in the regional recovery effort. The conservative ballpark discussed was around \$300,000 per District to support capacity needs and resources for 2-3 years during the recovery. This will entail no match from the Districts, and a streamlined application process.

EDA would lean heavily on the Districts to assist in providing direction on investments, projects, programs, and resources needed to best support our regions and New Mexico in rebuilding the economy for the future.

He stressed that this is not an opportunity to repackage old proposals that were not funded in the past, but the chance for the Districts to advocate for investments to change New Mexico's economy forever to be more resilient, cross gaps made evident by COVID-19, and setup businesses for success in the new global marketplace.

A summary of the funding breakdown in the CARES Act can be found [here](#). In addition to the \$1.5 billion in supplemental funding for EDA in the CARES Act, the bill also includes additional funding for the following priorities that may be of interest to NADO members:

### **U.S. Department of Agriculture Rural Development**

- \$25 million to support Distance Learning and Telemedicine
- \$100 million for the ReConnect Program to help ensure rural Americans have access to broadband
- \$20.5 million to support \$1 billion in Business and Industry loans

### **U.S. Small Business Administration (SBA)**

- \$562 million for SBA Economic Injury Disaster Loans (EIDL) to businesses that need financial support
- \$10 billion in direct grants to businesses that do not qualify for the EIDL program
- \$17 billion for SBA to make six months of principle and interest payments for all SBA-backed business loans

**U.S. Department of Transportation (USDOT):** \$25 billion for public transit operators to protect public health and safety while ensuring transportation is available to allow people to access essential jobs, medical treatment, food, and other essential services.

**U.S. Department of Health and Human Services - Health Resources Services Administration (HRSA):** \$275 million for HRSA, including \$185 million to support rural critical access hospitals and rural and tribal health and telehealth programs.

**U.S. Department of Homeland Security (DHS) Disaster Relief Fund:** \$45 billion to address the immediate needs of state, local, tribal, and territorial governments to protect citizens and help them recover from the overwhelming effects of COVID-19.

**U.S. Department of Labor (DOL):** \$360 million for DOL to invest in programs that provide training and supportive services for dislocated workers, seniors, migrant farmworkers, and homeless veterans.

**U.S. Department of Housing and Urban Development (HUD) Community Development Block Grants (CDBG):** \$5 billion to allow states, counties, and cities to respond rapidly to the economic and housing related impacts of COVID-19.

EDA allows stressed the need for our guidance in the best ways and agencies to partner with the States. This would not be in a direct granting relationship but partnering in common purpose.

A second call with Regional Director Ayala occurred with Revolving Loan Fund operators in New Mexico as this would be a cornerstone of EDA's recovery investments.

One of the other important understandings is where the COG's can apply the most weight in the recovery process to make the biggest impact – rather than getting away from our core missions and focus.

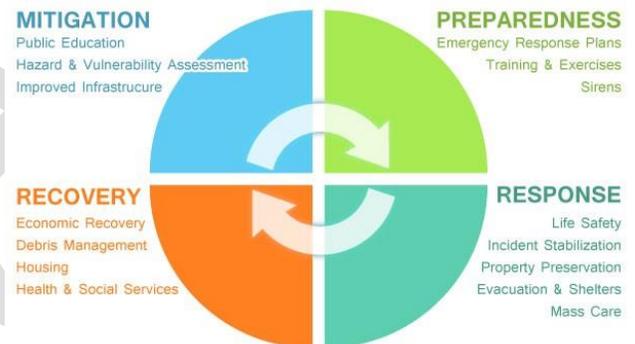
There are a lot of resources, guides and frameworks that could be referenced or attached to this plan including International Economic Development Council's Toolkit for Economic Recovery and Resiliency.



## STATE AGENCY PARTNERSHIPS:

The natural State agency that come to mind in economic recovery could include:

- Governor and Lt. Governor's Offices
- Economic Development Department
- Division of Outdoor Recreation
- Department of Tourism
- Department of Transportation
- Department of Workforce Solutions
- Local Government Division
- Higher Education Department
- Department of Information Technology
- Small Business Development Centers (SBA)
- Sandia and Los Alamos National Laboratory



Some potential areas of collaboration might include:

- Partnering with New Mexico Economic Development Department on several initiatives already in the pipeline:
  - FUNDIT technology upgrade and integration to make this a virtual “shark-tank” process and be able to track projects through their life cycles and provide an investment tracker;
  - Collaborate on updating the Statewide CEDS and integrate our Regional CEDS plan, providing for new Opportunity Zone section and a Resiliency section that ties together the final New Mexico Recovery Plan.
  - Cost share the Statewide FUNDIT and Opportunity Zone Coordinator position with the Department.
  - Cost share and expand grantwriter function originally conceived as 2 FTE's in Santa Fe at the Department, and put these positions at the COGs.
  - Partner with MainStreet (see examples below).
  - Provide 1:1 match with other NMEDD's investment programs, e.g. LEDA, etc.
  - Incentivize Opportunity Zone projects.

- Partnering with Local Government Division and its new CDBG funded Small Business Assistance program by leveraging EDA's investment to help staff and deploy resources needed to implement this program. Integrate with existing RLF programs (if available) and other loan programs.

## Tourism

- **Catalytic Projects:** several years ago, the Tourism Development compiled a list of infrastructure projects that with investment could become regional anchors and tourism draws.
- **Regional Tourism Boards & Byways:** connect through these groups as touchstones for tourism investments and add participation in regional consortiums.
- **New Mexico True:** kick-off a post COVID-19 marketing campaign and promotion to get those tourism dollars flowing back into New Mexico – start planning now. Use this effort to continue to expand market share of New Mexico in the tourism space.
- **Hospitality Investments:** promote investments to rejuvenate our hospitality businesses and make specific investments to upgrade technology and other improvements to make these business more resilient.

## Arts & Creative Economy

- **New Mexico Arts & Markers' Expo:** invest in an international Marker's Expo event to promote our local artisans and our creative economy in a big way.
- **New Mexico Creative Startups:** Scale programs with NMEDD, including libraries as launchpads and entrepreneurial accelerator. Partner with online retailers to offer New Mexico True products.
- **1% for the Arts:** re-purpose and match 1:1 all unused funding from past capital outlay projects to invest in local artisan projects, similar to efforts completed under the Works Progress Administration (WPA). Distribution by jurisdiction that it was originally intended for.

## Downtown Survival

- **MainStreet/Art & Cultural Districts:** partner with NM MainStreet, NM Arts, and other creative agencies to support projects through the MainStreet Capital Outlay, e.g. Great Blocks Program and Catalytic Projects.
- **Entrepreneurial Resource Business Hubs:** Develop and renovate business hubs in downtowns to provide a physical but safe place for business services like applications, small business loan and support resources. These spaces could double as incubation and point of sales aggregation centers. Support online sales integration strategies.
- **CDBG:** New Mexico could use HUD's slum and/or blight removal and elimination objective to target its Small Business Assistance Program investments and to make strategic infrastructure investments that help catalyze and elevate our downtowns for the post-COVID-19 world.
- **Housing:** investment in growing densities in downtowns throughout New Mexico, including artisan live-work spaces, [integrated arts buildings](#), market-rate housing, and workforce housing units.
- **Modern Space Upgrades:** upgrading existing building stock (e.g. garage doors, open air markets, delivery, drive-up windows, co-occupancy spaces or businesses, etc.). Tie-into REHAB Act (if passed) and New Mexico's new Fire Suppression Equipment Tax Credit (HB145) program, and National Parks Service grant currently being administrated by National MainStreet and provides façade upgrades.

## Shovel-Ready Industrial and Business Sites and Targeted Growth Sectors

- **Infrastructure Support:** Utilize FUNDIT and existing pipelines of planned sites, to build-out sites and spec-buildings for future recruitment of businesses to New Mexico, especially those like medical manufacturing and re-shoring supply chain businesses to the USA. Leverage the new flexibility in New Mexico's Local Economic Development Act (LEDA) due to passage of Senate Bill 118 in the 2020 Legislative Session.
- **Broadband & Resilient Technologies:** Invest in last-mile broadband to industrial parks including redundancy for future disasters and economic disruptions, as well as on-site innovations like advanced-tech manufacturing, recycled water plants, backup/on-site power generation, micro-grid technology, etc.
- **Tech & Product Transfer:** Invest in partnering with laboratories to develop the infrastructure and facilities needed to provide for research & development, prototyping, testing, and manufacturing of products developed in New Mexico.
- **Connected Car/Autonomous Vehicle:** Make New Mexico a fully integrated research and development, product testing and manufacturing/production/distribution hub for the new mobility/automotive industry, with a concentration on the connected car/autonomous vehicle sector of the industry.
- **Logistics Hub:** Continue to build on New Mexico's logistics and transportation assets to grow the Energy, Logistics & Manufacturing [E-L-M] Economic initiatives to grow economic-base industry and employment through building on the strong asset-base of the region, including: major transportation facilities running east-west and northward; 100+ years of history in energy-related industries; continued natural resource availability, including renewables, for development and contribution to the national and regional energy portfolio; and a workforce ready for retraining and deployment in new E-L-M employment opportunities.
- **Petrochemical Development and Supporting Infrastructure:** Continue planning work related to the development of a cluster in San Juan County along with needed infrastructure.

## Location Neutral and Solo-worker Programs

- **Broadband:** Invest in broadband to the home with public-private partnerships and other needed technology upgrades to allow work from home options to continue but be functional. This would also support educational opportunities both K-12 and higher education.
- **Higher Education:** upgrade traditional New Mexico learning institutions to offer online and remote classes, especially to rural areas through branch campuses, schools, and other public spaces that can act as learning classrooms.
- **Virtual Learning Libraries:** use New Mexico film businesses, digital media studios, and freelancers to push workforce training and certificate program, higher education, K-12 education classes to a virtual library and training platform. Support public sector businesses with creating a video and virtual training content.
- **Solo-worker Program:** Invest in expanding this network in New Mexico and fund specific solo-worker centers to build out technology needed, as well as, provide equipment and upgrades to Solo-workers as long as they are in program and/or employed.

## Food Systems & Agricultural

- **Food Deserts:** Invest in innovative distribution and technology service with transportation to close the gap on food deserts and food insecurity.
- **Food Systems:** Focused effort on building a regional food system value chain from producers to customers, including large institutions.
- **Agricultural:** Expanding current agricultural businesses and expanding value-added product development and manufacturing.

## Health Sector

- **Broadband:** Invest in broadband and telemedicine technologies.
- **Urgent Care Clinics:** Invest in clinics especially those that re-purpose existing building or Brownfields sites.
- **Rural Health Care Centers:** look for innovative ways to re-purpose existing facilities that could double as health care center, e.g. Senior Centers.
- **Mental Health Support Services:** increase access including virtual for persons coming out of the COVID-19 crisis.

## Workforce Development

- **Expand Grow Our Own Programs:** Continue to partner with Higher Education and Workforce Solutions on programs that grow our own workforce for New Mexico based and high demand occupations.
- **Apprenticeship:** COVID-19 could accelerate the rate of retirements from the existing workforce, which necessitates knowledge and job skills transfer, including through New Mexico's push in apprenticeships.

## University Centers

- **Growing Impact:** Finding EDA university centers and needed investments to grow what they are already doing to make a bigger impact.

## Revolving Loan Fund Programs

- **RLF Plan Updates:** Update plan to take advantage of new Federal rules and current flexibility
- **Portfolio of Investments:** Partner and leverage other loan programs to build a portfolio of capital, e.g. USDA, SBA, etc.
- **Grow the Network:** Partner with SBDC's, WESST, and other loan providers to market program, recruit applicants, and provide technical assistance.
- **Program Manager:** Utilize or leverage EDA investment to hire a program manager.

### COMMUNITY-FOCUSED RECOVERY

The responsibility of preparing for disaster recovery begins with the individual and builds to the larger responsibility of the community and local government. The local government has the primary role of planning and managing all aspects of the community's recovery. Community planning efforts are supported by voluntary, faith-based and community organizations; private sector; and State, Local, Tribal, Territorial and Federal Governments.



### IMPLEMENT THE NATIONAL DISASTER RECOVERY FRAMEWORK IN YOUR COMMUNITY

- ☑ Identify candidates for State/Local/Tribal/Territorial Disaster Recovery Coordinator(s)
- ☑ Reach out to recovery partners and stakeholders
- ☑ Start developing a pre-disaster recovery plan
  - Ensure that your plan includes the "successful recovery factors"
  - Include an assessment of your strengths, weaknesses, opportunities, threats
- ☑ Organize State/Local/Tribal/Territorial agencies, local private and nonprofit sectors into Recovery Support Functions
- ☑ Develop ways to measure recovery progress



FEMA

## National Disaster Recovery Framework

### ECONOMIC RECOVERY SUPPORT FUNCTION

The National Disaster Recovery Framework introduces six Recovery Support Functions (RSF) that are led by designated federal coordinating agencies at the national level. RSFs involve partners in the local, state and tribal governments and private and nonprofit sectors not typically involved in emergency support functions but critically needed in disaster recovery. These new partners may include public and private organizations that have experience with permanent housing financing, economic development, advocacy for underserved populations and long-term community planning.

The processes used for facilitating recovery are more flexible, context based and collaborative in approach than the task-oriented approach used during the response phase of an incident. Recovery processes should be scalable and based on demonstrated recovery needs.

Each RSF has a designated coordinating agency along with primary agencies and supporting organizations with programs relevant to the functional area. The RSF Coordinating Agency, with the assistance of the Federal Emergency Management Agency, provides leadership, coordination and oversight for that particular.

When coordinating agencies are activated to lead a RSF, primary agencies and supporting organizations are expected to be responsive to the function related to communication and coordination needs.

#### Economic Recovery

Economic Recovery is the ability to return economic and business activities (including agricultural) to a state of health and develop new economic opportunities that result in a sustainable and economically viable community. The Economic Recovery RSF integrates the expertise of the Federal Government to help local, regional/metropolitan, state, tribal, territorial, and insular area governments and the private sector sustain and/or rebuild businesses and employment and develop economic opportunities that result in sustainable and economically resilient communities after an incident.

**Coordinating Agency:** Department of Commerce

**Primary Agencies:** Small Business Administration; Department of Agriculture; Department of Homeland Security; Department of Labor; Department of the Treasury

**Supporting Organizations:** Corporation for National and Community Service; Delta Regional Authority; Department of Health and Human Services; Department of Housing and Urban Development; Department of the Interior; Environmental Protection Agency; General Services Administration; Department of State

#### Objectives:

- Serve as a vehicle for enhancing Federal interagency coordination, information sharing, communication, and collaboration in both the pre- and post-disaster timeframes
- Support the capacity of local, state, tribal, and territorial governments, nonprofits, and the private sector to produce a multi-dimensional strategy capable of supporting economic recovery and enhancing community resilience

## **COMMUNICATION STRATEGIES:**

### **EDA-NewMARC Weekly Check-ins:**

The COG and EDA will have weekly conference calls to discuss plans, strategies, outcomes, and results through the recovery process.

### **Member Government Check-ins:**

Several COGs are hosting and facilitating regular check-ins and exchanges to discuss response actions, best practices, what is working and what is not to interface on these challenges. These check-ins could be built upon to start thinking and planning recovery efforts and discussing strategies that will provide results in that region.

### **Building a Regional Recovery Consortium:**

The COG can develop a grassroots private-public consortium made up of their Regional Comprehensive Economic Development Strategy (CEDS) Committee members; local, tribal, and regional economic development organizations, Chambers of Commerce, MainStreets, banks, real estate, utilities, and other business and civic organizations. This consortium could be used to discuss, suggest, and help implement recovery strategies. They could be trained to push out programs and interface directly with businesses, entrepreneurs, and business retention & expansion (BRE) programs.

### **Survey:**

Based on quick survey from NCNMEDD, COG's could plan and prioritize recovery strategies for their regions and the State of New Mexico. This survey or a modified one could be sent to COG members as well as other consortium members. On April 15<sup>th</sup>, Northwest NM Council of Governments sent out a survey to its Board members and local/tribal economic development professionals. To date, **19** respondents have participated. This information helped to shape this plan.

NWCOG: <https://www.surveymonkey.com/r/ZVTWHDJ>

### **Resource Guide:**

A central repository of programs for the CARES Act, especially the ones aimed at getting incomes to workers, business back open, and employees back to work.

<https://gonm.biz/about-us/covid-19-response>

### **Investment & Project Mapping:**

Partnering with New Mexico Economic Development Department and others through FUNDIT, maybe it is possible to track EDA investments and results in real time. This would be important for the longer-term recovery.

# Prioritize these sectors for investment?

Answered: 19 Skipped: 0

Score

- Tourism
- Arts & Creative Economy
- Downtown Vibrancy
- Shovel-Ready Industrial Sites
- Target Industries Recruitment
- Location Neutral and Solo-worker Programs
- Health Sector
- Workforce Development
- Revolving Loan Fund / Access to Capital
- Entrepreneurial & Business Resource Hubs
- Broadband / Technology Investments



What investment sectors are missing that you think are critical to develop strategies and projects around, especially for our region?

## Economic Recovery Plan – Survey Results

- Strategic Infrastructure
- Spec Building – capital building investment
- Financial, Access to capital, venture capital, infrastructure-broadband
- Business Incubators; Light manufacturing cooperatives; Community College innovation accelerators; Youth training & employment; Social supports for workers
- Collaborating with tribal governments to develop projects and boost the economy.
- Freight rail transportation, specifically to San Juan County.
- Rail and Transportation.
- Support businesses for the Tourism and industrial sector. Also recreation amenities for the quality of life as those business grow.

- Petrochemicals, Dimension Stone Mining
- Renewable Energy
- Enterprise Zones
- Sustainable Food Systems
- **Agricultural (several votes)**
- Commercial
- Bioscience
- Small Business on MainStreet
- Social Services (remote learning platforms & training on how to use & access them, especially for Seniors, to help create virtual communities for distance participation in pre-Covid19 Senior Center activities.)

If you were in charge of New Mexico's Recovery, what is the one investment you would make and why?

- Freight rail to San Juan County
- Invest in Human Capital. People need to return to the workforce and invest in themselves to further the quality of life for their families.
- Workforce Development – focused on established industry.
- Small Business R&E grants, via decentralized structure with local EDOs, COGs, or other entities as block grant recipients, allocators, and managers.
- Broadband! 21<sup>st</sup> Century Infrastructure to grow/expand our businesses profitability and create jobs.
- Tourism support businesses because, that will be the last to come back (including entertainment) and the last sector to be able to get any aid.
- Health care worker education, training, and certifications.
- **Health care supply manufacturing (several votes)**. The nation needs to produce or have a way to produce the basic health care supplies in the US; NM should get a chunk of that market.
- Closing fund and incentive packages that are competitive with neighboring states.
- Investing in a mixed-use space that is a tool for business growth, support, retail, and tourism.
- Re-invest in current businesses that are shut down right now.
- The main thing would be light industry related to 1) medical supplies & medical testing, and 2) solar & wind (renewable energy) devices, parts and assembly. Both these areas will be crucial to economic growth in the post-covid19 economy which needs to focus on responding to & averting the growing threat of emerging zoonotic diseases which are engendered by global climate change.
- I'd double down on green economy sectors and support to provide jobs, make New Mexico independent of large fossil fuel interests, and provide more public transit to reduce the local pollution that makes people vulnerable to respiratory disease.
- Clean energy
- Workforce Training and Skill Development to ensure the ability to recover
- Capital outlay projects in rural communities. Some communities severely lack basic infrastructure to help businesses and economic development projects.

Are there any State agencies/programs would be strategic to partner with that will get results? To match, expand, or incentivize, any suggestions?

- There are a number of NMED agencies that work with rural water systems, as well as supplemental financial assistance programs, that could be matched with local/county/state governments.
- Any of them would work form in the ground infrastructure to buildings. Mostly, State agencies should not micromanage the project, but ensure that the results are achieved.
- Department of Indian Affairs is a critical partner since many are consumers to border towns. Education is the equalizer and PED should be offering suggestions.
- Erase silos, bring Econ, Labor, Tourism & Community Development together.

- State Land office, Electric Companies and Cooperatives.
- NMDOT, NMEDD.
- Bring back Coal and oil and gas. Which ever state agencies that could help that out.
- Better loan guarantee programs that would not be so hard to fund with New Mexico's very slow process.
- MainStreet, USDA
- New Mexico Economic Development
- EDD, JTIP, Sandoval Economic Alliance, Rio Rancho Regional Chamber of Commerce, SBDC/SBA
- Department of Energy for the light industries. Departments of Health, Education, & Social Services for the Senior citizen outreach programs.
- Council of Governments
- Councils of Government, Economic Development Agencies

The following are roles that our District could play and examples of services? What services to you want NWNMCOG to provide for your community? Please rate these from least critical to most critical.

Ranking	Program	Weighted Average
1	Assistance with infrastructure planning, financing, and development	4.11
2	Developing a Recovery Plan and Investment Strategy	4.05
3	Finding, Funneling, and Financing Support including Grantsmanship	3.89
4	Assistance with Economic Development Administration applications & projects	3.44
5	Facilitation of a Regional Recovery Consortium	3.26
6	Role-out of the new State's CDBG Small Business Assistance Program.	3.00
7	Using Wealthworks to Re-envision Communities & Their Economy	2.94
8	Re-energizing a Revolving Loan Fund	2.56
9	Providing VISTA volunteers	1.95

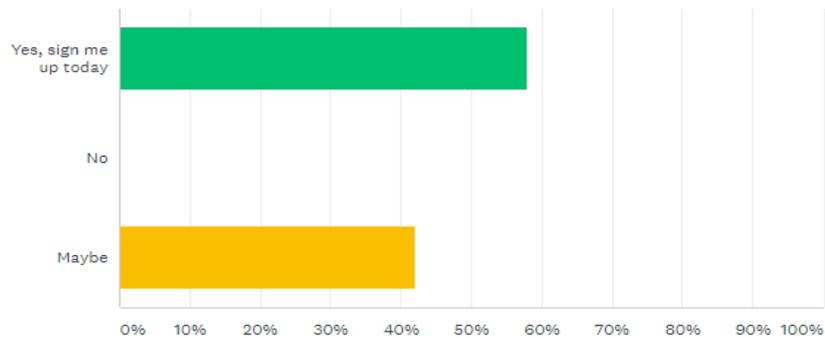
Do you have a specific project, program, or investment needed in your community that you want investment for? How much would it take to get the full results?

- 1. The Navajo Gallup Water Supply Project could become a catalyst for rural communities localized along the waterline that is slated for completion in 2024. In addition to this major development, Navajo Chapter communities need assistance in tapping/connecting to the NGWSP pipeline, with local investments. 2. Some rural water systems have 'low-hanging fruit' projects. Some of the recovery funds could be used to assist the water systems in the NW region of NM.
- **Rhino Health expansion (several votes)**
- Put in infrastructure like water & power along the industrial corridors like Carbon Coal Road and Prewitt.
- Tribal communities need small businesses to grow and provide local services. How can we work with tribal governments to help them develop their economy?
- Broadband implementation
- Consortium of local business incubators, and new incubators – especially in downtown locations – well staffed and resourced to support entrepreneurship & innovation
- Milan Industrial Park (\$14M); Cibola Industrial Park (\$5M); Soloworks Program (\$1.5M)

- Design for a freight rail line from San Juan County to the rail on the I-40 corridor. Design at +/-10% of total cost would be approximately \$30M.
- Yes. Would need streamlined compliance streamlining
- Yes, our entrepreneur resource center. To get full results, including rehabbing of a vacant building: \$750,000
- Commercial projects need funding.
- Bridge connecting Hwy 528 to I25, site ready infrastructure, public transportation, broadband access

Would you or your organization being willing to partner in a Regional Economic Recovery Consortium? We are thinking a half-a-day a month commitment.

Answered: 19 Skipped: 0



DRAFT