



FOUR CORNERS
ECONOMIC DEVELOPMENT

FINAL REPORT COMPETITIVE ASSET ASSESSMENT AND DIVERSIFICATION STRATEGY

Executive Summary

November 28, 2022



Manufacturing



Remote Workers



Energy



Val-Add Agriculture



Healthcare

Diane Lupke & Associates, Inc.

Consultants in Economic Development and Emerging Markets

with

Szatan & Associates



Jeremiah Hayes
4CED
Chairman of the Board

From the Chairman:

Friends, we have the challenge and the opportunity of a lifetime before us. While we face some steep challenges in adapting our economy for future stability, I remain confident that the wisdom and hard work which have always been the bedrock of our community will ultimately bring us into a season of unprecedented flourishing. And as a citizen of this great community, you have the opportunity and responsibility to help shape the evolution of that economy.

To that end, you have in your hands a powerful document. Within these pages you will find well-researched, evidence-based suggestions on strategies to advance our mission to build a vibrant and thriving economy in the Four Corners. The data was culled from community leaders, citizens, and businesses throughout our region and distilled by nationally recognized Economic Development experts into what you have in front of you now. As you read these pages, reflect on the amazing stewardship we have been given. Quite simply, there is no other place on earth with our unique blend of cultures, geography, weather, and tradition. And this treasure is ours! Ours to steer, celebrate, and enrich for us and the generations that will come after. It is our joyful responsibility to lay the groundwork so our children and grandchildren have the opportunity to thrive right here at home.

My parting admonition is "ENGAGE"! Find something in these pages you can be passionate about and add your voice to the chorus that will shape our future. It is an exciting time to be in the 4-Corners, and I am thrilled to be working alongside the people that make this such an amazing place to live.

Onward. Forward.

Jeremiah Hayes

Arvin Trujillo
4CED Chief Executive Officer



From the CEO:

Thank you for your interest in Four Corners Economic Development (4CED). This competitive asset assessment report is an important document to our community because it is the strategic foundation of this economic development organization's current and future work.

4CED's work focuses on building a more resilient, sustainable regional economy. Doing this work requires understanding what assets we have and what assets we lack. Beyond this understanding, taking advantage of our assets requires the collective investment, insight, and fortitude of the community.

4CED appreciates that all economic development work is done through relationships and partnerships. To that end, as you read through this report and learn about how 4CED is serving the needs of San Juan County and the Navajo Nation, I'd like to invite you to join with us in the work of transforming and enhancing our economy. I can't emphasize how important this work is for improving the quality of life for all citizens. Please reach out to me at (505) 566-3702 or by email at atrujillo@4cornersed.com to learn more and how we can connect you in with other like-minded individuals and companies working to create the economic future we desire.

Arvin Trujillo

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1 INTRODUCTION


It is a complicated time. While some industries flourish, others are being squeezed from all sides. Even before the pandemic, top-line growth had been stalling due to competition for top talent and other workforce challenges. The energy sector – no stranger to boom and bust cycles – is in transition. Although revenues are high, rapid technological advancements and changing preferences create uncertainty. In addition, business interruptions, closures, mergers and acquisitions, all have contributed to the daily shift in fortunes. Still, each of these shifts in preference, or response to necessity, provide an opportunity to the agile.

Economic diversification is a key element of economic development. Diversification is a process to help balance a local economy to weather such turbulent times by shifting away from single income sources to multiple and diverse sources. It examines local assets...both the obvious and the less so...to expose opportunities in alternative sectors and markets currently underdeveloped.

Economies dependent on single sources of revenue, even one delivering prosperity for many decades, may increase vulnerabilities to external shocks that can undermine current revenues and even prospects for longer-term growth. That said, diversification can be achieved by pursuing less volatile industry sectors, enhancing services, and/or expanding in more resilient markets in existing sectors.

Once a local economic diversification strategy is in place, analysis can be undertaken to measure and position a potential investment. Analysis can support the region in making informed decisions, attract needed partners, and identify necessary funding. More importantly, it can position the region for success over the long term. An advanced review of key assets enables decision-making based on clear evidence and potential for success.

Diane Lupke & Associates, Inc. was engaged to support Four Corners Economic Development with conducting a ***Competitive Asset Assessment and Identification of Associated Diversification Strategies***. The purpose of the work is to create immediate and longer-term strategies to build and diversify the economy of the Four Corners region. The methodology is a Competitive Asset Assessment (asset map) which will be used in a regional SWOT to identify and refine potential strategies. The process of decision making and prioritization is through the lens of the site selector and the potential for innovation.



Part I: Identify + Measure Assets

Part II: Assess Competitive Potential

Part III: Develop Diversification Strategies



2 FOUNDATIONAL CONCEPTS

This analysis is based on a series of foundational concepts that are common to the best practice of economic development engaged in around the world.

The first of these concepts might be considered the “meat and potatoes” of economic development: “keep what you have,” “attract what you can,” and “grow what you need.”

“Keep what you have” references the tremendous value of businesses already within your midst in terms of employment, stability, local investment, and leadership. These businesses need the first of your efforts to sustain themselves, access to local resources, support in solving vexing problems, and help for them to grow within your community. **This work is commonly called Business Retention and Expansion.**

“Attract what you can” means to identify and build on those assets that offer a competitive edge to San Juan County. Those assets may be unique to the area, deep talent, or an unusual concentration of economic activity that incoming companies will find attractive. **Making these assets the best they can be and marketing them to potential targeted business prospects is commonly called Business Attraction.**

“Grow what you need” refers to the work of entrepreneurship. Entrepreneurship involves training and nurturing entrepreneurs in their efforts to build new companies. Entrepreneurs need mentoring, business support, technical partners, investors, and an environment where new ideas can be generated, tested, discarded and developed. This is how you commercialize new, in-demand products and services, and thus build from within.

ASSETS TO OPPORTUNITIES

“The critical path for success is seeking regional competitive advantage, which requires the identification of regional assets of physical, scientific, and intellectual infrastructure; market opportunities; and a strategy for exploiting those market opportunities.”

The Honorable David A. Sampson, former Deputy Secretary, US Department of Commerce

Start-up companies are most likely to find needed resources when they are a part of a cluster of businesses within the same sector or group of similar companies, such as, manufacturing, healthcare or agriculture. Examining the customers and suppliers of a region’s existing cluster companies is one way to understand the gaps that exist within an industry cluster – specifically those resources (capital and labor) that are leaving the region in order to import needed products for use in local production. For example, consider what products a company like Raytheon or PESCO must import to San Juan County. Could some of these be locally sourced? Supporting and adding to the businesses within an existing cluster is the most effective way to invest an economic development organization’s resources and expand a local economy.



3 KEY FINDINGS

Key Findings represent a series of attributes of the Four Corners region that distinguish the area from other competing locations. These findings are classified into five categories: demographic, economic, industrial composition, potential to attract incoming businesses, and potential for innovation. The full report of findings is available in the Lupke PowerPoint report Competitive Asset Assessment and available on the Four Corners Economic Development website [here](#).

Regional Analysis at 50 and 100 Mile Radius

San Juan County is more than double the population of either La Plata or Montezuma Counties in Colorado. This may mean greater political clout in setting regional directions. It may also mean a larger supply of potential workers. In contrast, San Juan County population shrank 6.7% from 2010 to 2020. San Juan County is one of three counties in the 100-mile radius losing population. All three counties with declines contain significant portions of the Navajo Nation. Jobs and economic growth are occurring in Colorado counties with higher educational attainment levels and higher wages as shown on subsequent slides. It is critical to understand what's driving the population decline if one is to consider and potentially implement mitigating actions. (Note that simultaneously La Plata County is growing much faster than the national average.)

Sector Analysis

Healthcare represents the largest employment sector in San Juan County and earnings are 112% of the County average. Retail trade is not far behind healthcare in employment, but wages are only 73% of average. Accommodation and food services wages (potentially related to outdoor recreation) are only 47% of County average. Mining employment (which includes power plants) is shrinking, but wages are the highest in the region at 171% of County average.

Largest Counties by Population in 2021

County (Metro/City)	Size
San Juan, NM (Farmington)	120,993
La Plata, CO (Durango)	56,250
Montezuma, CO (Cortez)	26,175

Counties with Greatest 10-Year Growth

County (Largest City)	Growth
La Plata, CO (Durango)	8.4%
Montezuma, CO (Cortez)	2.7%
San Juan, NM (Farmington)	-6.7%

Largest 2-digit NAICS Industries by Employment in Qtr 3 2021

2-Digit NAICS	Employment	% of Total	Annualized Earnings per Job	Relative to Total
00 Total	77,899	100.0%	\$49,581	100.0%
62 Health Care and Social Services	12,540	16.1%	\$55,651	112.2%
44-45 Retail Trade	10,541	13.5%	\$36,025	72.7%
72 Accommodation and Food Services	9,187	11.8%	\$23,165	46.7%
92 Public Administration	6,615	8.5%	\$57,925	116.8%
61 Educational Services	6,202	8.0%	\$38,728	78.1%
23 Construction	5,077	6.5%	\$54,990	110.9%
21 Mining	4,245	5.4%	\$84,613	170.7%
54 Professional, Scientific, and Technical Services	2,308	3.0%	\$90,781	183.1%
42 Wholesale Trade	2,256	2.9%	\$60,257	121.5%
31-33 Manufacturing	2,213	2.8%	\$46,988	94.8%



Education

Education for San Juan County, NM

 Excel  Word

Educational Attainment in 2020	Number	Percent of Population 25+	Rank in U.S.	U.S. % of Population 25+
Total Population 25 and Older	81,603	100%	N/A	100%
Less than 9th Grade	3,544	4.3%	<u>1,272</u>	4.9%
9th to 12th, No Diploma	7,725	9.5%	<u>895</u>	6.6%
High School Graduate (includes equiv.)	23,793	29.2%	<u>2,372</u>	26.7%
Some College, No Degree	23,390	28.7%	<u>128</u>	20.3%
Associate Degree	10,570	13.0%	<u>308</u>	8.6%
Bachelor's Degree	7,370	9.0%	<u>2,686</u>	20.2%
Graduate, Professional or Doctorate Degree	5,211	6.4%	<u>1,670</u>	12.7%

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates

San Juan County generally has lower educational attainment levels than the national average. Education levels are, however, well suited to support new growth in high-wage, blue-collar industrial jobs. Importantly, there is strong alignment among K-14 educational institutions and industry. Job growth in higher-wage fields will require deliberate, long-term workforce training investment and career pathways initiatives. *(One example is information technology.)*

Housing

San Juan County housing prices are nationally and regionally attractive. Housing cost data constantly changes as a result of local markets, interest rates and inflation. Published data often lags local sources. Anecdotal information indicates housing costs have risen rapidly locally, but less so than in competing area, such as, Durango. **San Juan County housing will appear attractive to retirees and location-neutral workers from a cost perspective.**

Housing Costs US Census 2016-2020	San Juan County	New Mexico	United States	
Owner-occupied housing unit rate	70.80%	68.00%	64.40%	
Median value owner-occupied housing units	\$155,000	\$175,700	\$229,800	
Median selected monthly owner costs with mortgage	\$1,282	\$1,293	\$1,621	
Median selected monthly owner costs without mortgage	\$320	\$360	\$509	
Median gross rent	\$803	\$857	\$1,096	
Households with a computer, rate	84.70%	88.10%	91.90%	
Households with broadband, rate	66.70%	77.90%	85.20%	
National Association of Realtors	Farmington MSA	Western US	United States	Albuquerque
Median sales price 2021	\$215,700	\$511,000	\$354,000	\$292,500
% change Q1 – Q1	15.6%	5.3%	15.7%	19.4%
Qualifying income for mortgage with 20% down	\$43,789	\$93,185	\$66,365	\$58,525



Location Quotient

The Location Quotient is a way of comparing the degree of concentration of a given industry type and associated employment levels for a given area (SJ County) relative to the nation. A location quotient of 1.00 means that, for the given measure, SJ County is exactly equal to the national average concentration. Location quotients are useful as descriptive characterizations of the economic profile of a given geographic area like SJ County. Industries are classified by “NAICS” codes. NAICS stands for the North American Industry Classification System and the system is used by government to classify and compare industry by types.

Quarterly Census of Employment and Wages
Private, High-Level Industries, San Juan County, New Mexico
2021 Third Quarter, All establishment sizes
Source: Quarterly Census of Employment and Wages - Bureau of Labor Statistics

Table Filter: (Filter Value) Page 1 of 1

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High-Level Industry	Quarterly Establishments	July Employment	August Employment	September Employment	Total Quarterly Wages	Average Weekly Wage	September Employment Location Quotient	Total Quarterly Wages Location Quotient
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10 Total, all industries	2,774	32,112	32,264	32,297	\$397,103,853	\$948	0.89	0.89
102 Service-providing	2,245	24,464	24,689	24,415	265,750,318	834	0.81	0.74
101 Goods-producing	529	7,648	7,575	7,882	131,353,535	1,312	1.23	1.55
1011 Natural resources and mining	186	4,040	4,099	4,231	82,699,995	1,543	7.77	13.77
1012 Construction	262	2,618	2,477	2,601	35,850,767	1,075	1.17	1.25
1013 Manufacturing	81	990	999	1,050	12,802,773	972	0.29	0.26
1021 Trade, transportation, and utilities	682	8,715	8,681	8,606	102,702,562	911	1.07	1.23
1022 Information	31	194	193	191	1,777,268	710	0.23	0.08
1023 Financial activities	243	1,079	1,099	1,081	12,710,735	900	0.44	0.28
1024 Professional and business services	384	1,883	1,890	1,875	26,837,960	1,097	0.30	0.27
1025 Education and health services	419	6,615	6,747	6,703	86,245,122	992	1.01	1.18
1026 Leisure and hospitality	254	4,813	4,909	4,809	23,865,098	379	1.10	1.00
1027 Other services	232	1,165	1,170	1,150	11,611,573	769	0.93	1.09

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Natural Resources & Mining nearly 14X national concentration average. Potential vulnerability.

Examining the Location Quotient shows the concentration of economic activity as a function of employment. That concentration may suggest a sector or subsector is an area of competitive advantage. It can also mean an area of vulnerability for a regional economy if the sector is in decline. However, even if a given sector is in decline, the concentration may present a depth of talent that can be transferred to other industries.

As an example, SJ County’s Location Quotient for Natural Resources and Mining is 7.77 which is seven times that of other regions. Also consider the Wages Location Quotient in the far right-hand column of the above table. It shows an even higher concentration in Natural Resources and



Mining. In addition, not all wages are equal. Intentional wealth building in a community requires understanding a given profession's educational requirements and associated wages.

Quarterly Census of Employment and Wages

Private, NAICS Sectors, San Juan County, New Mexico

2021 Third Quarter, All establishment sizes

Source: Quarterly Census of Employment and Wages - Bureau of Labor Statistics

More areas of high concentration.

Table Filter: (Filter Value)

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NAICS Sector	Quarterly Establishments	July Employment	August Employment	September Employment	Total Quarterly Wages	Average Weekly Wage	September Employment Location Quotient	Total Quarterly Wages Location Quotient
<input type="button" value="V"/> <input type="button" value="A"/>	<input type="button" value="V"/> <input type="button" value="A"/>	<input type="button" value="V"/> <input type="button" value="A"/>	<input type="button" value="V"/> <input type="button" value="A"/>	<input type="button" value="V"/> <input type="button" value="A"/>	<input type="button" value="V"/> <input type="button" value="A"/>	<input type="button" value="V"/> <input type="button" value="A"/>	<input type="button" value="V"/> <input type="button" value="A"/>	<input type="button" value="V"/> <input type="button" value="A"/>
NAICS 11 Agriculture, forestry, fishing and hunting	15	251	270	374	\$1,861,102	\$480	0.95	0.60
NAICS 21 Mining, quarrying, and oil and gas extraction	171	3,789	3,829	3,857	80,838,893	1,626	25.30	28.08
NAICS 22 Utilities	22	657	652	648	19,682,387	2,321	4.05	5.92
NAICS 23 Construction	262	2,618	2,477	2,601	35,850,767	1,075	1.17	1.25
NAICS 31-33 Manufacturing	81	990	999	1,050	12,802,773	972	0.29	0.26
NAICS 42 Wholesale trade	165	1,452	1,447	1,456	21,591,610	1,144	0.87	0.79
NAICS 44-45 Retail trade	396	5,745	5,670	5,577	49,170,522	668	1.24	1.46
NAICS 48-49 Transportation and warehousing	99	861	912	925	12,258,043	1,048	0.53	0.64
NAICS 51 Information	31	194	193	191	1,777,268	710	0.23	0.08
NAICS 52 Finance and insurance	122	748	767	766	9,351,529	946	0.42	0.25
NAICS 53 Real estate and rental and leasing	121	331	332	315	3,359,206	793	0.48	0.41
NAICS 54 Professional and technical services	230	826	815	804	16,633,645	1,570	0.28	0.28
NAICS 55 Management of companies and enterprises	26	108	110	100	1,329,563	965	0.14	0.08
NAICS 56 Administrative and waste services	128	949	965	971	8,874,752	710	0.36	0.36
NAICS 61 Educational services	27	197	277	286	2,438,028	740	0.34	0.27
NAICS 62 Health care and social assistance	392	6,418	6,470	6,417	83,807,094	1,002	1.10	1.32
NAICS 71 Arts, entertainment, and recreation	32	423	398	375	2,264,047	437	0.59	0.44
NAICS 72 Accommodation and food services	222	4,390	4,511	4,434	21,601,051	374	1.18	1.15
NAICS 81 Other services, except public administration	232	1,165	1,170	1,150	11,611,573	769	0.93	1.09

Regional Clusters

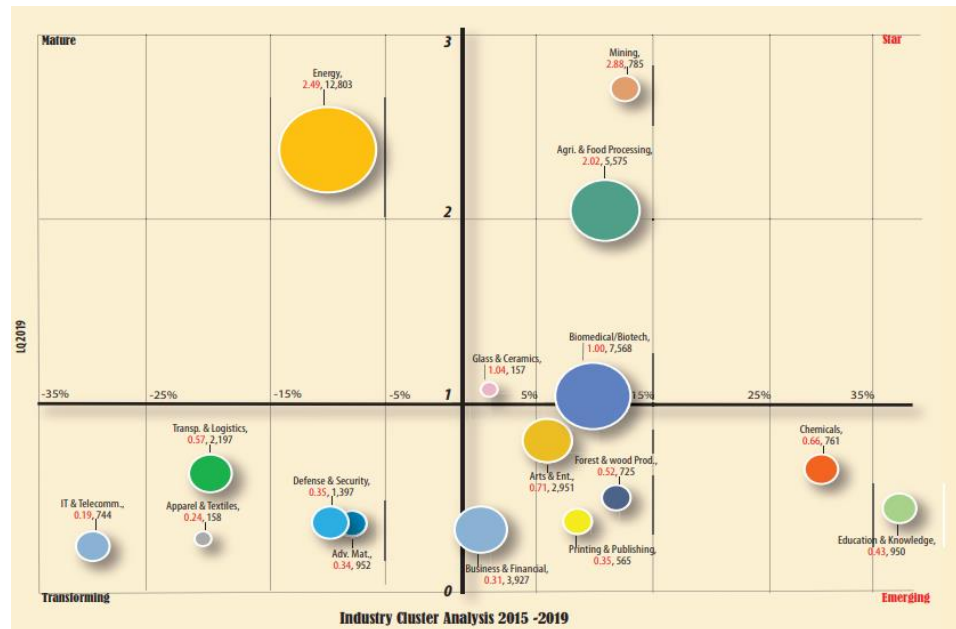
An industry cluster is a group of firms and related economic actors and institutions that are located near one another and that draw productive advantage from their mutual proximity and connections. A regional cluster is a geographic agglomeration of firms in the same or closely related industries. A best practice in local economic development is identifying clusters of firms within the region and cultivating those clusters, especially those that are drivers of economic activity and / or are growing. Traded clusters bring resources from outside the region to add to the overall wealth of the region. Those working in the traded cluster often have higher wages than those in other sectors due to higher education levels and lengthy experience. Local clusters



of businesses drive local economic activity which ensures that money brought in from the traded cluster revolves multiple times within the community which in turn drives higher levels of employment but often in lower-wage jobs of the retail and services sectors.

The illustration below shows the industry clusters for the northwestern region of New Mexico. The energy sector is the region's and San Juan County's largest and most productive traded cluster with significant depth of talent and related infrastructure. However, it is mature and shrinking.

The retail sector is San Juan County's largest and most productive local cluster (not shown) with high employment but at lower wage levels.



The above illustration is from the Comprehensive Economic Development Strategy prepared by the regional council of governments and reports on the larger northwest New Mexico region.

Potential for Innovation

The regional innovation environment or "Innovation Index" is described by a series of economic indicators. These consist of inputs such as human capital, business dynamics, and an area's business profile; combined with outputs, such as employment, productivity, and economic wellbeing.

The innovation index's predictive power is in the breadth of information it includes:

Linked assets – web of linked idea generators, managers, and capital

Collaboration – collaborative economic development partnerships involving leaders from business, education, government, and non-profits

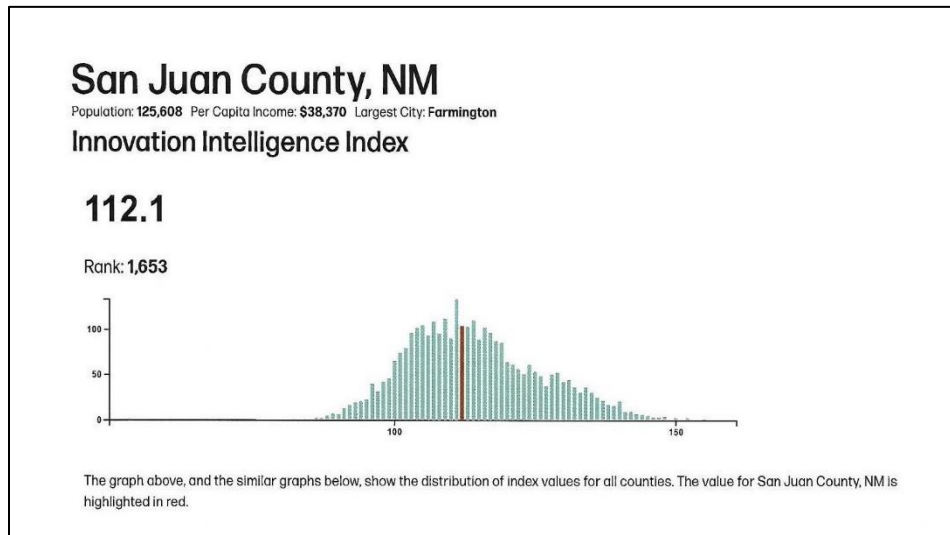
Organizations and resources – capacity and integration of regional organizations and other resources

Coopetition – willing to collaborate and share ideas with those whom one competes

Risk – risk as an accepted component of innovation

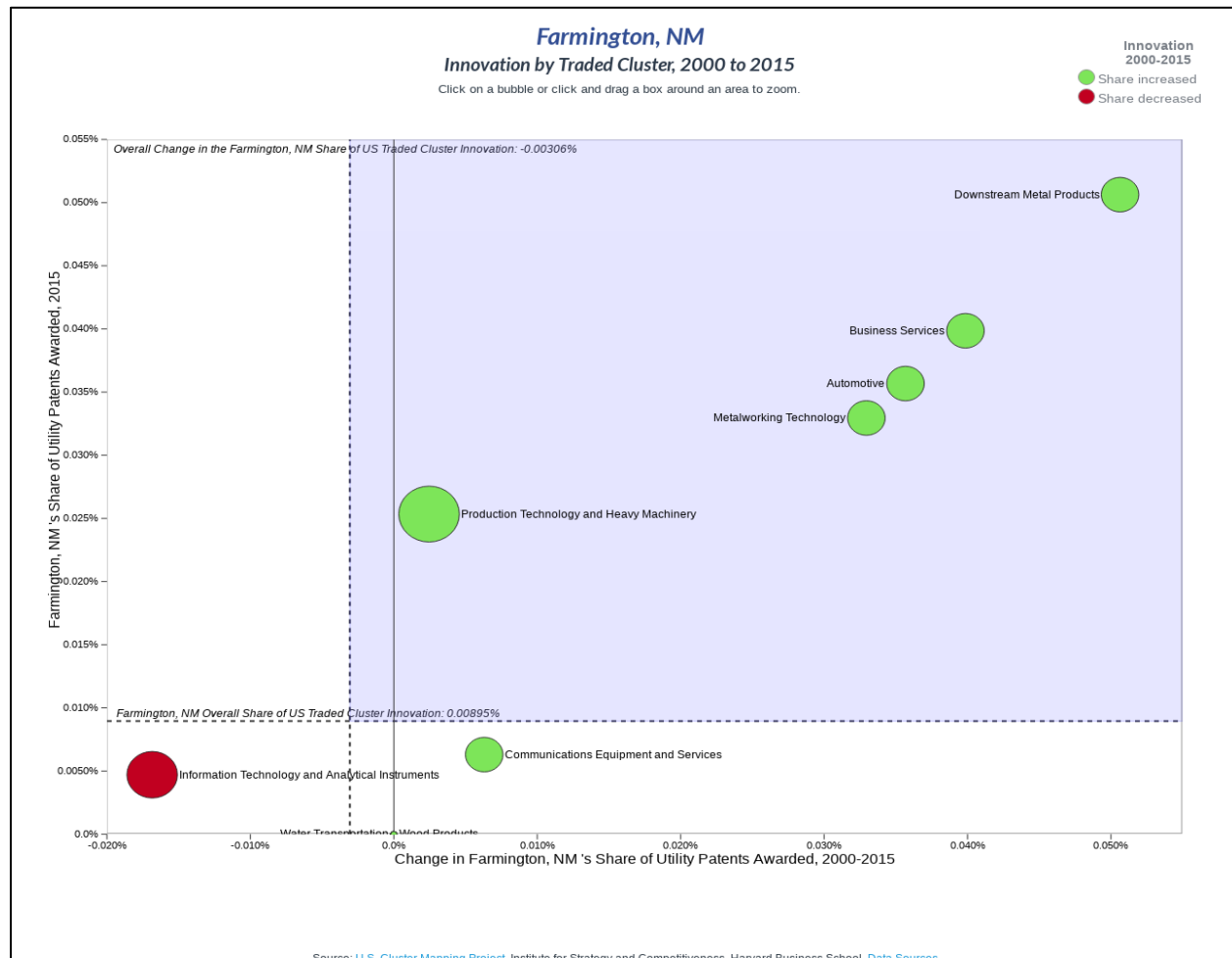
Diversity – regional appreciation of people from diverse experiences and backgrounds, seeing and accepting ideas from outside the norm





The illustration to the left represents San Juan County's summary Innovation Index. The red line's position in the center indicates that SJ County is just about average relative to the nation.

One area in which SJ County excels is in the number and diversity of patents. The illustration below shows the number and diversity of earned patents in multiple clusters. The presence, diversity, and growth of patents is often used as a proxy for innovation and innovation potential.



Innovation Summary Comparison Against the Comparison Counties

Innovation Summary								
	SJ County, NM	La Plata County, CO	Gunnison County, CO	Montrose County, CO	Mesa County, CO	Deschutes County, OR	Mean	SJ County % of Mean
Innovation Intelligence	112.1	130.5	129.8	120.2	124.1	140.7	126.2333	89%
Business Dynamics	121.8	151.8	156.9	140.5	134.7	168.4	145.6833	77%
Business Profile	91.6	101	71.4	76.1	86.4	103.2	88.28333	127%
Employment & Productivity	123.8	122.9	116.1	128.4	132.2	142	127.5667	88%
Economic Well-Being	108	148	163.4	134	138.6	147.6	139.9333	80%

The counties selected for comparison include La Plata, Gunnison, Montrose and Mesa Counties (Grand Junction) in Colorado and Deschutes County, Oregon (Bend). Selected counties are potential competitors in attracting new entrepreneurial investment and/or have similar economic development aspirations (*e.g., outdoor recreation or outdoor recreation manufacturing.*)

SJ County has a slightly higher than national average innovation intelligence index at 112.1, but substantially lags the comparison counties. (*With time and investment, the gap can be closed which will stimulate more entrepreneurial formation.*) Unfortunately, at this time SJ County lags the average of comparison counties by virtually every innovation measure except patents.

Note SJ County's lagging educational attainment relative to the comparison counties.

	San Juan County, NM	La Plata County, CO	Gunnison County, CO	Montrose County, CO	Mesa County, CO	Deschutes County, OR
i Innovation Intelligence	112.1	130.5	129.8	120.2	124.1	140.7
i Human Capital and Knowledge Creation	115.2	128.5	141.1	122.3	128.4	142.2
i Educational Attainment	138.2	163.1	159.3	136.6	152.8	165.4
i High School Attainment	106.8	153.0	193.7	121.5	146.1	125.5
i Some College Attainment	189.0	165.0	107.7	173.7	182.4	182.8
i Associate's Degree Attainment	180.4	102.1	96.2	104.3	117.2	146.7
i Bachelor's Degree Attainment	99.9	198.7	199.9	160.3	165.7	189.1
i Graduate Degree Attainment	115.1	196.7	198.8	123.0	152.7	182.8
i Knowledge Creation and Technology Diffusion	114.9	119.2	123.3	86.6	96.9	98.3
i Patent Technology Diffusion	130.3	137.6	196.6	123.3	143.9	146.7
i University-Based Knowledge Spillovers	99.5	100.9	50.0	50.0	50.0	50.0
i STEM Education and Occupations	101.1	95.9	88.2	91.8	96.2	106.0
i Technology-Based Knowledge Occupation Clusters	138.7	113.3	101.1	106.5	116.5	118.5
i Average High-Tech Industry Employment Share	114.6	124.5	113.6	119.0	122.1	149.5
i Average Prime Working-Age Population Growth	106.6	135.9	193.5	174.4	167.7	199.0



Employment + Productivity

	SJCNM	LPCCO	GCCO	MTCCO	MSCCO	DCOR
1 Employment and Productivity	123.8	122.9	116.1	128.4	132.2	142.0
1 Industry Performance	141.0	137.2	115.0	140.8	168.1	170.0
1 Latent Innovation	104.3	98.4	71.4	111.1	155.4	159.0
1 Industry Diversity	177.8	176.0	158.5	170.4	180.9	181.0
1 Industry Cluster Performance	84.4	86.9	85.0	83.9	84.1	84.1
1 Industry Cluster Growth Factor	116.5	116.5	116.5	116.5	116.5	116.5
1 Industry Cluster Strength	52.3	57.3	53.6	51.4	51.7	51.7
1 GDP	114.0	112.6	122.0	122.9	125.7	133.7
1 Patents	178.0	151.3	102.5	153.9	156.5	158.9
1 Change in Average Patenting Rate	164.8	112.6	155.1	118.1	123.5	126.7
1 Patent Diversity	191.1	189.9	50.0	189.7	189.6	191.0
NOTE: In all three categories of patent related-research, SJ County beats the comparison counties. Patents are a proxy for innovation.						
1 Job Growth to Population Growth Ratio	107.5	128.2	147.6	151.9	142.6	180.3
1 Change in Share of High-Tech Industry Employment	117.9	121.4	124.2	116.9	116.2	124.9

Location Assessment

The location assessment reviews a given region with regard to overall cost, quality and content of supporting infrastructure and the capacity of the local workforce to determine if the area is a viable location for incoming businesses. Analysis from a site location consultant's perspective takes the notion of a location assessment to the next level by comparing one community against other communities to identify the **best** potential location for the site locator's client company. The best location is one in which the community not only meets a set of criteria or needs, but one in which the client company and its many employees will thrive.

It is important to understand two central factors characterize the site selection process:

- 1) Speed drives the process
- 2) Site selection is a process of elimination

Companies are typically in a hurry once they decide to embark on a site search for a new facility. Getting the operation up and running and speed-to-market are critical! It is likely that deadlines are even shorter in the post-Covid environment, as companies reenergize postponed projects.

Second, site selection is a process of elimination. Site selection consultants and presumably in-house staff for companies conducting their own searches are constrained by tight deadlines. In either case, there is not the time to make the best case for what could be as many as 100



community candidates. Instead, the site search team narrows the initial search universe by **eliminating** those places that seem less promising based on the community's weakness on some, often only one, factor critical to the new facility's operation; e.g., inadequate water and wastewater capacity required by a food processor.

The San Juan County area offers site selectors several assets but the County must also overcome some significant weaknesses. It should be emphasized that assets and weaknesses may be more or less important depending on the specific industry. For example, while water and wastewater availability is typically critical for food processors, it is less important for assembly operations.

Key Assets	Key Weaknesses
<ol style="list-style-type: none"> 1. Deep carbon energy industry experience, talent and infrastructure 2. Energy and natural gas resources and costs; available water 3. Technical workforce 4. Workforce development: training experience at San Juan College, alignment between business and educational institutions 5. Outdoor recreation, cultural and adventure opportunities 6. Agricultural history; products 	<ol style="list-style-type: none"> 1. Distance, isolation, from broader consumer and industrial markets 2. Declining labor force and population 3. Limited availability of larger buildings and sites 4. Uncertainty about replacing San Juan Generating Station and impact on electricity availability and cost 5. Poor MSA-level statistics on quality-of-life factors

San Juan County's key economic assets are linked with its history of gas and oil extraction and electric power generation. This knowledge developed over decades is vital for ongoing fossil fuel production, but it can also set the stage for attracting alternative energy and decarbonization programs. Generally available and low-cost utilities, especially natural gas, will be especially attractive to some. A strong technical workforce and the proven ability to train the workforce for companies will position the community well in an era of skilled labor shortages, which predates Covid, and changing skill requirements in manufacturing. Agricultural production, most notably at NAPI, but also at the many farms and ranches in the area, will be attractive to food processors seeking source crops and animals. Finally, San Juan County is an area rich in natural beauty and cultural history which offers the opportunity for recreation for both tourists and those who may wish to relocate to the community.

San Juan County has weaknesses to overcome in a site selection process dominated by speed and elimination. Companies typically seek available buildings or ready-to-build sites, often larger ones. If a community lacks these, it is often eliminated in the first round.



San Juan County's distance from larger population centers and industrial markets leads to a freight penalty for most manufacturers as raw materials like steel must be shipped in and the final product then shipped out. To attract such companies, San Juan County must offer some advantages to offset this cost, such as lower gas prices, or a better trained workforce.

The first step in a site selection usually is a statistical review. Some, likely many, companies will eliminate SJ County because of its declining labor force and aging population during the 2010s; a factor made more critical due to recent national hiring challenges. The same may happen when looking at MSA-level statistics on educational attainment and crime, even though San Juan County communities (including the City of Farmington) in the Farmington MSA offer robust educational options and safe environments. Finally, uncertainty can be as powerful a factor as a known negative in eliminating a community. The question about future electricity availability and cost given the closing of the San Juan Generating Station is an example. **To counter such statistics and potentially offset other weakness, it is critical that 4CED provide local information on its assets on its website and whenever it has a chance to tell the community's story in more detail.**

The following illustration shows an example of a site locators' matrix of community assets for evaluation and comparison. Something similar would support a "first cut" of communities during the site location process

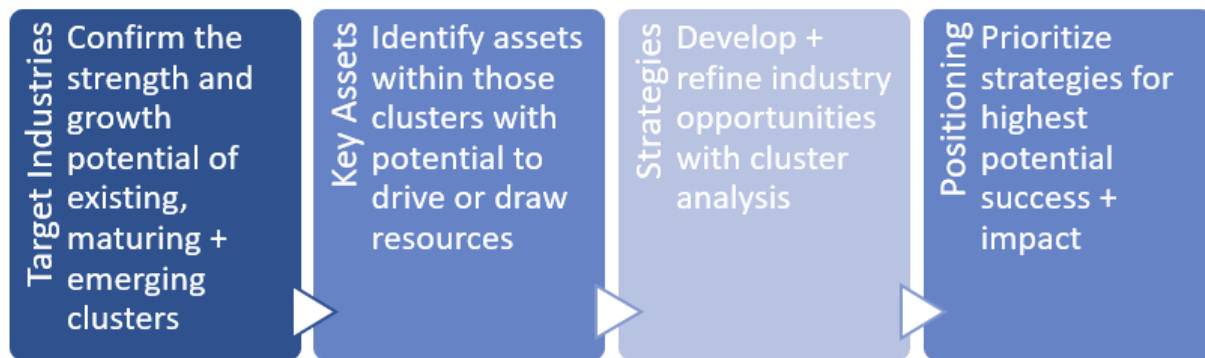
Site Locators Matrix

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
Site/Building Name	Project reason	Site size	price, willingness	Building	soiling	Water capacity	Wastewater	gas	Electric Demand	Telecomm	current use neighbors	environ	Flood plain	Highway, interstate distance	Airport	effluent limits	chlorides	topo	shape
		30+ acres	wish to own	Phase I: 120,000 SF. Total 330,000 SF. Tanks add. 30,000 SF. Phase I: 220,000 SF		Phase I: 300,000 T/yr.; 180,000 gpd. Total 600,000 T/yr.; 380,000 gpd.	Phase I: 250,000 T/yr.; 150,000 gpd. Total 500,000 T/yr.; 300,000 gpd.	Thermo/mos. TBD. 3 psi	Phase I: 3 MVA demand, 500,000 Kwh/month. Total TMMV and 1.5 million kwh/month	T-1 line or equivalent	void, chemical, dusty, odors	clean site; no issues	outside 100-yr	TBD	15 hrs. to hub	TSS mg/L TBD	Limits TBD. An issue?	flat	rect.
Gateway II - Cannady, J.C. Cannady Rd. Statesboro	Wastewater (VW) capacity. Neighbors	41 total; 31 usable	\$30,000/ A. Negotiable.		Li Ind. Max ht 35'; more with setback. 2" ht for every T setback	Current permit capacity: 5.875 million gallons/day (MGD); current average pumped per day: 3.2 MGD. 12" line to site. The City has capacity to serve Phase I of this projects with no modifications or upgrades to the	3200' to site. A sewer main extension would be needed to extend mains from the adjoining property to the site. Capacity to serve the requirements of Phase I would not call for any improvements to the system.	4" line adjacent to site; 6" line nearby if needed. 32 psi	Electricity will be available if it is not currently	10 gb	Industrial, Agricultural, Residential. Neighbors are Industrial uses (w/L Plastics and Great Dane Trailers) to the east and south, respectively. Residential and agricultural to the west and north, respectively	Phase I Wetland - "needs to be extended. "Arch. GRAD certified		US-301 South adjacent; 6 miles from Interstate 16	Savannah 50 miles.		Chlorides can be an issue in large quantities, more detailed information would be needed to make a determination.	"gentle grade"	irreg
????	Water & WWT capacity, price, owners unknown. Distance, freight costs	???	????			Asset can meet. No detail	8 MGD capacity. Asset can meet. No detail		Onco can meet		Was ranch. Odessa owned 9 years.			5 mi, IH 20					
10700 Telge Rd. Houston, TX 77035	WWT capacity	70+	Negotiable. Private.	700,000 SF former food DC. 28-42' Erector		12" main, 4" line	Infra needs improvement				former Randall's Grocery Distribution Center	Phase I		<1 mi	28 miles Bush				



4 DIVERSIFICATION STRATEGIES

The process for identifying diversification strategies begins with pulling data from the Competitive Asset Assessment to confirm and identify industry targets within existing maturing and emerging clusters. The process next considers assets from within the target sectors that are key or have the potential to drive or draw economic resources. The next phase of diversification strategy analysis refines industry targets by considering opportunities within existing clusters. **The highest potential for success can be found at the nexus of asset and opportunity coupled with an understanding of the local environment.** In the end, for a diversification strategy to be successful, it must be aligned with community interests and aspirations. **The final phase of analysis is to consider those outside forces that either support or undermine the success of a given project and prioritize project ideas accordingly.**



Through the identification and analysis of the assets present in San Juan County, Lupke has confirmed five of 4CED's seven original target industries and added one additional target industry sector. The six targets that present the strongest opportunities to advance San Juan County and the Four Corners region are Agriculture, Manufacturing, Energy, Outdoor Recreation, Remote Worker Attraction, and Healthcare.



Each of the six targets are summarized below including overall findings, key data points, assets that, if employed, could help drive success, potential opportunities, and project examples.





AGRICULTURE

Agriculture Summary Key Takeaways

- Strong, historical base of agriculture in SJ County – both farming and ranching
- SJ County has the most farms and ranches in NM – suggests strong economic base
- Navajo Nation has a large farm and ranch sector
- Small farms and ranches are an important lifestyle asset but require ways to increase operation average income levels to enhance sustainability
- Local food initiatives and concerns about food insecurity are underlying supportive macro trends

Key Data Points

- NAICS 11 – 15 establishments with 374 employees (9/21) Location Quotient (LQ) .95
- NAICS 22131 water supply + irrigation – 10 establishments with 48 employees (8/21) LQ 3.61
- NAICS 1121 Cattle Ranching + Farming – 4 establishments, 12 employees (7/21) LQ .23
- 2,965 Farms + Ranches (2017)

Agriculture Census

The following three illustrations are from the most recent Census of Agriculture. In 2017, San Juan County was home to the largest number of farms and ranches in NM. This data does not include the Navajo Nation and NAPI.

Census 2017		San Juan County		Livestock – Jan 1, 2021		Head
Number of Farms	2,965			Cattle & Calves		15,300
Land in Farms (Acres)	2,551,470			Beef Cows		9,700
Avg. Size of Farm	861			Sheep & Lambs		17,900
Value of Products Sold	\$74,118,000					
Avg. Farm Value Sold	\$24,998					
Avg. Farm Expenses	\$27,958					
Avg. Net Farm Income	-\$865					
		Crops 2020	Acres Harv.	Yield	Production	Unit

New Mexico Annual Bulletin 2020
USDA, National Agricultural Statistics Service

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THE FUTURE IS SMALLER SMARTER FARMS

“The farms that grow soybeans, corn, and wheat, largely are exported to China, Mexico, and other countries. Meanwhile, we’re importing fruits, vegetables, coffee, and cocoa. In other words, *we’re exporting the food we grow and importing the food we eat.*”

Kathleen Gallagher
Executive Director



This illustration does not include farms and ranches on the Navajo Nation.

Census Number of Farms & Ranches by County — New Mexico: 2007, 2012, 2017

District & County	2007	2012	2017	District & County	2007	2012	2017
	(Farms & Ranches)	(Farms & Ranches)	(Farms & Ranches)		(Farms & Ranches)	(Farms & Ranches)	(Farms & Ranches)
Bernalillo.....	635	1,006	1,248	Torrance	561	589	716
Cibola.....	317	522	640	Union	380	353	369
Los Alamos.....	7	9	2	Northeast.....			
McKinley	2,624	2,297	2,441	Catron.....	259	351	341
Rio Arriba	1,312	1,892	1,439	Grant.....	327	407	404
Sandoval.....	652	1,029	1,007	Hidalgo.....	162	171	151
San Juan	1,897	2,628	2,965	Luna.....	206	190	211
Santa Fe	489	715	639	Sierra	265	256	257
Taos.....	637	983	824	Socorro.....	536	704	658
Valencia.....	901	1,607	1,360	Southwest.....			
Northwest				Chaves.....	584	595	560
Colfax.....	302	290	304	Doña Ana.....	1,762	2,184	1,946
Curry.....	681	600	641	Eddy.....	543	551	507
De Baca	173	203	226	Lea.....	572	460	555
Guadalupe	258	372	297	Lincoln	361	362	454
Harding	168	202	184	Otero.....	493	486	473
Mora.....	589	597	700	Southeast.....			
Quay.....	636	553	613	New Mexico	20,930	24,721	25,044
Roosevelt.....	876	680	742				
San Miguel	765	877	1,170				

The below illustrates the very large agricultural presence on the Navajo Nation.

Census of Agriculture: American Indian Reservations - New Mexico: 2017

Characteristics	Navajo Nation	Pueblo de Cochiti	Pueblo of Isleta	Pueblo of Jemez	Pueblo of Santo Domingo	Pueblo of Zuni
Farms	16,129	54	159	45	60	171
Land in Farms	15,956,139	(D)	221,439	(D)	(D)	465,776
Average Size	997	(D)	1,393	(D)	(D)	3,105
Market Value of Ag Sold.....	87,653,000	100,000	961,000	273,000	184,000	1,240,000
Average per Farm.....	5,434	1,844	6,044	6,068	3,074	7,251
Crops, Incl. Greenhouse.....	69,354,000	73,000	695,000	80,000	118,000	7,000
Livestock & Products	18,299,000	27,000	266,000	193,000	66,000	1,233,000
Total Expenses	163,162,000	290,000	1,042,000	204,000	432,000	1,847,000
Cattle & Calves	6,126	7	92	27	42	89
..... Farms	71,374	113	1,330	1,118	532	4,582
..... Number	10,172		20		1	84
Sheep & Lambs.....	194,034		198		(D)	4,251
..... Farms	9,416	19	43	8	24	27
..... Number	48,794	107	131	20	85	102
Layers	1,443	6	7	3	13	1
..... Farms	10,670	54	345	52	99	(D)
..... Number	1,977	6	7	17	17	3
Corn, Traditional.....	4,977	5	6	29	35	8
..... Farms	1,374,134	3,000	6,000	6,680	7,950	1,350
..... Acres	482	44	111	15	45	1
Hay & Haylage	30,010	605	2,383	82	512	(D)
..... Farms	(D)	759	6,447	140	735	(D)
..... Dry Tons	1,243	4	8	31	17	1
Land in Vegetables	8,394	3	9	42	16	(D)
..... Farms	591	2	14	1	2	6
..... Acres	1,439	14	3	3		5
Under 25 Years.....	2,341	14	27	6	5	17
25 to 34 Years	4,901	10	58	14	9	54
35 to 44 Years	6,913	7	41	17	21	62
45 to 54 Years	5,583	22	42	8	22	42
55 to 64 Years	4,727	5	32	6	4	32
65 to 74 Years	59.5	50.2	56.7	54.6	59.5	59.7
75 years & Over.....						
Average Age of All Operators						

(D) Withheld to avoid disclosing data for individual operations.



Assets	Weaknesses
<ul style="list-style-type: none"> ◦ Water availability, wastewater treatment capacity ◦ Available electricity + natural gas at low prices ◦ Smart farming – irrigation experience ◦ NAPI, potential additional land & products ◦ Navajo Mesa Farms and other NAPI contract operators ◦ NMSU + Ag Extension ◦ 3,000 farms ◦ Products – wheat, alfalfa, potatoes, meat ◦ Food Hub and San Juan College potential shared kitchen 	<ul style="list-style-type: none"> ◦ No rail for large scale transport to urban markets ◦ Smaller operations are more difficult to scale and may have capital access challenges ◦ Smaller operations are more vulnerable to risks ◦ Multiple small farms are at risk of closure due to low incomes and high costs

Opportunities

- Value added products – pelletized alfalfa, potato dehydration, oil seeds crush plant
- Boutique food processors
- Meat packing & processing, likely specialized
- Sustainable, smart farm technology, perhaps irrigation related
- Shared ownership of smaller scaled processor



Project Ideas – Agriculture

- ✓ NAPI Brand Promotion
- ✓ Farmers' Market / Shared Kitchen / Incubator
- ✓ Sustainable Small Ranches / Shared Ownership Meat Processing



Agriculture Example – Bedre Chocolates Chickasaw Nation



Bedre Chocolatiers reflect the time-honored traditions of the Native American peoples who first cultivated this delicacy. Owned by the Chickasaw Nation, Bedre Fine Chocolate blends ancient tradition and modern flavor by adhering to the highest standards for a premium quality product. The company partners with their cacao farmers and beans are sustainably farmed and traceable. From ideation to production, Bedre is open to strategic partnerships for private label co-packing supported by FDA compliant labeling and SQF certified programming. Retailers such as Neiman Marcus and Bloomingdales sell Bedré chocolates in stores across the United States. Bedré creates chocolate guitars for guests at Hard Rock Hotels, and Dylan's Candy sells it under their own private label. In the past, the convenience store 7-11 distributed the chocolate under the name Watts Farm, and Braum's, a Midwestern dairy company, sold the chocolate under its brand name.

Bedré is a member of the Oklahoma Minority Supplier Development Council, and as an Oklahoma manufacturer, is also part of the Made in Oklahoma program. The company earned the internationally recognized ISO 9001 certification in 2009. The Intertribal Agriculture Council's American Indian Foods program featured the chocolates in Australia in 2009 as part of a showcase of American Indian foods. The company was started by an entrepreneur and later purchased by the Chickasaw Nation. It operates out of the above pictured 36,400 sq ft chocolate factory in Davis, Oklahoma.





MANUFACTURING

Manufacturing in San Juan County is a small sector overall, but employers benefit from a talented and appropriately educated workforce. The bulk of manufacturers are related to energy production and production support equipment and defense industry subassemblies. Lack of rail limits the spectrum of potential new manufacturing companies (including attracting new companies, supporting expansion of existing companies and start-ups) within sub-sectors reliant on rail for affordable bulk transport. The labor shed is well suited for heavy industrial manufacturing work. Power plant and coal mine closures are likely to result in available workforce increases if displaced workers don't leave San Juan County. San Juan College is a major asset in immediate and responsive training for new manufacturing and energy related opportunities.

Key Data Points

- San Juan County Industry by Revenue 5%
- NAICS 1013 Manufacturing – 81 establishments, 979 employees, Location Quotient (LQ) .29
- NAICS 33271 Machine shops – 11 establishments, 93 employees (9/21), LQ 1.23

Selected Sectors

Sector & NAIC	# establishments	# employees	
All	2944		Private 2753
All Mfg	81	929	Down from 90
Food processing 311	7	37	NAPI may not be here. These are private sector.
Petroleum & Coal Products 324	2	ND	
Fabricated metals 332	22	177	
Machinery mfg. 333	8	452	
Other			
Natural resource & mining	188		264 in 2011
Mining, Quarrying, Oil & Gas Extraction 21	172	3711	6700 employed 2014 251 est. in 2011 But mining is up from 4 to 8



Establishments

Sector	establishments	# employees
All	2483	35209
Manufacturing	70	1607
Mining, Quarrying, Oil & Gas Extraction	108	3195
Manufacturing by size establishment		
<5	27	N
5-10	16	N
10-19	17	N
20-49	6	N

Assets

- Electricity prices and availability
- Natural gas prices and availability
- Water and wastewater capacity
- Technical labor force/transferable skills
- San Juan College has proven training capability
- Some improved sites available
- Animas Industrial Park
- San Juan County Industrial Park building potential
- Manufacturers – PESCO and Raytheon
- DOD Native American preference for Federal contracts
- Farmington ORII program

Weaknesses

- San Juan County is distant from most industrial markets and suppliers resulting in a freight cost penalty for manufacturers considering the area
- Lack of rail makes area more expensive for users of bulk inputs and makers of large volume goods
- San Juan County has affordable industrial land and buildings but does not have many that are 20,000 sq ft+
- Existing manufacturers have a high degree of dependence on natural gas and oil markets which can be volatile
- Lack of larger 40+ acre sites

Opportunities

- Industries that use natural gas as an input – Petrochemicals, H2, urea, polypropylene
 - Energy intensive industries like data centers.
- Renewable energy and water-related businesses
- Location for cost sensitive/space constrained regional businesses, e.g. Durango
- Sandia and Los Alamos federal labs; partnerships, technology consulting, possible spin-offs
- San Juan County's Industrial Park building, when upgraded will be attractive to metal fabricators, machinery makers



- Boutique outdoor recreation equipment manufacturers, independent equipment artisans

Project Ideas – Manufacturing

- ✓ ID and promote featured properties
- ✓ Develop ED Product – Industrial Land Assembly and Building Upgrades
- ✓ Develop ED Product – Build from Within BRE
- ✓ Targeted expansion or relocation of outdoor recreation manufacturer or related activities

Example: Development ED Product – Industrial Park Spec Building, City of Tiffin–Seneca County, Ohio Economic Partnership

Tiffin–Seneca Economic Partnership, an economic development organization serving the City of Tiffin and Seneca County in Ohio, has built and sold several “spec” industrial buildings. The most recently developed spec building, illustrated below, is sited on 12 acres in the Eagle Rock Business Park. The building is 50,000 square feet including office space with expansion potential to 200,000 square feet. Funding is provided by local investors. Previous success planning, siting, building, financing, and selling with the “spec” model includes, standalone structure TH Plastics, MBDS at Eagle Rock Business Park, and QT2 and Sonoco at Northstar Industrial Park. Tiffin is a city of 17,473 population and Seneca County population is 55,251 (2020).



SPEC BUILDING TIFFEN OHIO

“This strategic project will position Tiffin for new opportunities to grow our manufacturing base and bring good, high-paying jobs to our area. I am proud of the work we have done to bring this project to fruition and than our investors who made this possible.”

*Mayor Aaron Montz
Tiffin, Ohio*





ENERGY

San Juan County and New Mexico as a whole have a strong historical base in energy production including coal mining, electric power generation, natural gas, and oil. This depth and breadth of carbon energy experience has fostered a talent reservoir that is considered well-trained, productive, and efficient. Moreover, San Juan College through its School of Energy, provides vocational training that maintains that workforce with cutting edge skills. San Juan College not only serves a local populace but trains students nationally in emerging energy technologies such as carbon sequestration. The depth of talent in energy would support transferable skills for renewable energy development, particularly solar and hydrogen. In addition, San Juan County has abundant natural gas reserves and a robust, high-voltage power line network for western US market access.

Key Data Points

- SJC Industry by Revenue 8%
- NAICS 1011 Natural Resources + Mining, 186 establishments, 4,099 employees (8/21) Location Quotient (LQ) 7.77
- NAICS 2111 Oil + Gas Extraction – 36 establishments, 1,001 employees (9/21) LQ 30.69
- NAICS Support Activities for Mining – 127 establishments, 2,208 employees (9/21) LQ 32.72
- New Mexico ranked #2 producer of oil in US
- New Mexico has 6% of US natural gas reserves
- New Mexico is 6% of total US natural gas production, ranked #8
- New Mexico has 3% of US recoverable coal reserves, ranked #10
- 93,000 active oil and gas wells in New Mexico. SJ County has 20,000 to 30,000
- Oil and gas provides 134,000 jobs in New Mexico
- San Juan County has 279 sun days annually

Key Assets	Opportunities
<ul style="list-style-type: none"> ◦ Industry knowledge, expertise and innovation ◦ Natural gas available, lower cost ◦ Electric power availability and prices, city ownership and responsiveness ◦ Electric transmission line infrastructure ◦ Pipeline distribution network ◦ San Juan College training capability ◦ K-12 + STEM education alignment ◦ Skilled technical workforce; high level HS and AA degrees 	<ul style="list-style-type: none"> ◦ Federal Hydrogen Projects ◦ Carbon sequestration ◦ Solar power, possible Federal incentives ◦ Geothermal ◦ Natural gas leases, production, export ◦ Pipeline infrastructure reuse ◦ Both fossil fuels and green energy ◦ Potential to test and prove technologies



Project Ideas – Energy: Build on San Juan County’s Deep History and Experience

- ✓ Alternative energy application opportunities in solar, wind, carbon capture, and hydrogen

San Juan County’s deep history and experience in carbon energy development will serve it well in the new economy. Although the jobs will not be the same, the breadth of experience will transfer to developing technologies in solar, wind, carbon capture, and hydrogen.

Lupke recommends no specific new projects, but does encourage the region to continue broad exploration and development of alternative energy applications within the county already underway, such as, hydrogen, solar, and carbon capture.





OUTDOOR RECREATION

San Juan County and the Four Corners is largely undiscovered country. Forty percent of visitors to the state are looking for cultural sites and state and national parks. San Juan County has an abundance of both. Tourism employment is growing faster than employment generally. Unfortunately, wages are lower than average. However, tourism and outdoor recreation is a year-round passion in San Juan County and provides consistent economic activity. Multiple and immediate opportunities exist for additional tourism capture and tourism is the gateway to attracting future retirees and location neutral workers to San Juan County. Moreover, the best way to build manufacturing in outdoor recreation is to increase the time that company owners spend in the area.

Key Data Points

- NAICS 1026 Leisure – 254 establishments, 4,809 employees, Location Quotient (LQ) 1.10
- NAICS 45111 Sporting Goods Stores – 12 establishments, 133 employees (7/21) LQ 1.49
- NAICS 45392 Art Dealers – 7 establishments, 19 employees, (9/21) LQ 3.94
- New Mexico tourism spend \$7.4 billion 2019
- New Mexico tourism related taxes \$1.5 billion (\$737 million to local communities)
- San Juan County tourism spending captured \$288.4 Million 2016
- 279 sun days/ average winter temps 22–46 degrees / average winter rain month 2.6 inches
- 300+ Outdoor Equipment Manufacturers in Utah + Colorado

Visitor Profile

Where do they come from?			
Top 5 States		Top 5 DMA's	
New Mexico	21.9%	Albuquerque-SantaFe	18.8%
Texas	16.4%	El Paso-Las Cruces	6.2%
California	10.1%	New York, NY/NJ/PA/CT	5.6%
Colorado	7.8%	Denver, CO	5.1%
Arizona	5.9%	Los Angeles, CA	4.5%
How do they travel to or in New Mexico? (Top 4 responses)*		When do they come?*	
Own car/truck	65%	Spring	25.1%
Rental car	23.8%	Summer	29.2%
Plane	21.8%	Fall	22.4%
Camper/RV	6.6%	Winter	23.4%
Why do they visit New Mexico? (Top Reasons for visit)		What do they do/visit in New Mexico? (Top 17 Activities)	
Visit friends/relatives	32.8%	Shopping	28.3%
Touring	16.4%	Landmark/historic site	19.5%
Business trip*	10.5%	National/State Park	18.5%
Special event	8.3%	Fine Dining	18%
City Trip	7.2%	Museum	15.6%
Outdoors	7.9%	Hiking/backpacking	14.4%
Casino	5%	Casino	12.2%
Conference/convention	3.2%	Art Gallery	10.4%
Resort	2%	Swimming	10.2%
Skiing/snowboarding	1.2%	Camping	7.9%
Other characteristics:		Fishing	7.2%
Average # of nights on trip	3.58	Fair/exhibition/festival	7.1%
Average travel party size	2.83	Bar/disco/nightclub	6.9%
(77% Adults, 23% children)		Zoo	6.4%
		Business Meeting	6.2%
		Theater	6%
		Spa	5.8%
		Business Meeting	6.2%



Assets

- Cultural / historical / natural sites and spectacular surroundings
- Year-round recreation opportunity
- City of Farmington ORII
- Regional events / activities / tours / sports
- Public investment in historic downtowns and outdoor access
- Multiple low – moderate lodging options, including major chains; RV parks, including drive through sites, one park includes corrals
- Shooting sports (bow and arrow events and rifle and pistol shooting competitions);
- Strong community + activity base in hunting, fishing, horses, dirt bikes
- Regional draws associated with city parks and water attractions

Project Ideas – Outdoor Recreation and Tourism Capture

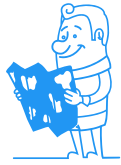


- ✓ Targeted Expansion or Relocation of Manufacturers, Outfitters, and Service Providers
- ✓ Capture Additional Visitor Spending in San Juan County with New Lodging and Expanded Events

Example – Pere Marquette River Lodge – Outfitters – Guides – Entrepreneurs

The Pere Marquette River Lodge is the headquarters for year-round Northern Michigan exploration. The 14-acre complex claims 750 ft. of prime frontage on the famous “Flies Only No Kill” section of the Pere Marquette River – the longest un-dammed trout stream in Michigan, a National Scenic River and among the first rivers in America to be stocked with brown trout. A variety of lodging options are offered, from cozy rooms in the main lodge to charming cabins and full houses for large groups. They are an Orvis-endorsed outfitter. The fly shop carries everything needed for a visitor’s time on the water. Guides are experts at ensuring the best possible fishing experience. They are licensed, insured as well as federally & state permitted. The Lodge is within walking distance to the Pere Marquette River and sleeps a maximum of 34 people in 10 rooms. The great room, with its toasty log fireplace, is an ideal place to gather to tell your fishing stories from a day on the river. There is also a full kitchen where meals can be prepared. The lodge is great for family reunions, getaways, and corporate retreats. Cost for 2-person full day is \$500. Includes lunch/dinner, tackle and transportation 2 person half day is \$350. Includes snack, beverages, tackle and transportation.





REMOTE WORKERS

According to business consulting firm McKinsey, 35% of current U.S. job holders, or 55 million people, can work remotely on a full-time basis. According to an article in Fast Company Magazine, the highest-rated criteria for selecting a location by digital nomads was technology capability, download speed and the presence of free WIFI hotspots. As many remote workers are relocating from high-cost locations, the more reasonable cost of housing in San Juan County is big allure. Remote workers often still have friends and family in their previous locations, so the presence of an airport is attractive. Third on their list of desirable attributes is climate...a year-round community that has more moderate weather or embraces their weather with a host of seasonal activities is a strong preference. Finally, while many are leaving big urban areas, these are people looking forward to outdoor activities. The presence of a national park, cultural or historic sites, or more modest but highly valued park environments is important.

There are many other items besides the cost of living that can attract remote workers. Arrangements that remove obstacles and ease a new resident's way into a community can increase the potential for a successful move and be more valuable than cash. Non-cash factors that improve remote worker attraction success include features like a "buddy" system. The buddy is someone with whom to attend various events or be the "go-to" person to help with settling into a new location. A more official "concierge" or "help line" for questions about where to find a doctor, hair stylist, or childcare is also helpful. A "mentor" or "coach" to navigate the business community and work environments is another huge help to a successful move. Invitations to events (work and social), meet-ups, entry to clubs, and other places that can be tough for newcomers to find and feel comfortable are proactive ways to demonstrate a welcoming community.

Key Data Points

- 35% of job holders in US or 55 million people can work remotely full time
- Cost of living is a key motivator. Real estate is affordable relative to Durango and the national average
- Average Remote Worker Income \$150,000, Tax \$13,000, Annual spending \$125,000, New jobs created .8 per relocated worker

Assets	Opportunities
<ul style="list-style-type: none"> ◦ Affordable housing and cost of living ◦ Cultural / historical / natural sites ◦ Mild winter / year-round activities ◦ New downtown apartments 	<ul style="list-style-type: none"> ◦ Market lower cost of living and active lifestyle ◦ Marketing to retirees and potential remote workers as visitors/tourists first



<ul style="list-style-type: none"> ◦ Historic downtowns ◦ Shopping destination ◦ San Juan College ◦ Coworking, makerspace, incubator 	<ul style="list-style-type: none"> ◦ Enhance worker incentive package with noncash benefits such as a “buddy” or “coach”
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Remote Worker Attraction Project Idea

- Remote Worker Attraction Package focused on Building a Welcoming Community and Successful Work Experience

Project Example MakeMyMove

According to [MakeMyMove](#), an online directory for workers considering relocation, the key decision points for relocating workers are cost of living, nearby family, finding a sense of community, productivity support (such as a co-working space, available childcare, and nearby university), affordable and attractive housing, healthcare, and multiple things to do (such as restaurants, events, outdoor recreation).

The City of Farmington already has a listing with [MakeMyMove](#), and has received some offers, but its incentive package could stand out more with elements that help newcomers feel welcome and part of the community.

MAKEMYMOVE

Potential Package Inclusion:

- Concierge to navigate everyday challenges e.g., childcare, doctors, cleaners
- Mentor to support successful work with information and access
- Buddy to make introductions, share events, and be the first friend to the newcomer
- Invitations and reduced fee memberships, activities, events
- Moving support potentially with a stipend



Indiana says
“MakeMyMove is the
highest yield program in
the State”

The State of Indiana
invested \$3,000,000 in the
program and it yielded
\$25 million in new tax
revenue.





HEALTHCARE

Healthcare was not part of the Lupke team's initial analysis because it was not a targeted industry within Four Corners Economic Development's strategic plan. However, it is evident that healthcare is a major San Juan County employer and a growth industry. Initial analysis also shows that wages are higher than average and increasing faster than other sectors. There appears to be potential to capture a greater share of regional healthcare with an anchor strategy. Possible strategies include elder care, healthcare joint ventures with the Navajo Nation, and chronic illness research and treatment for diabetes. Each deserves additional analysis.

Project Ideas

- ✓ Anchor Institution Analysis

Project Idea: Healthcare – Example Health Systems Adopting Anchor Strategies

HEALTH SYSTEMS ADOPTING ANCHOR STRATEGIES

LOCAL & DIVERSE PROCUREMENT

University Hospitals Cleveland, OH

Vision 2010: Leveraged \$1.2 billion construction investment over 5-year period; voluntarily set (and exceeded) goals for local spending, local hiring and spending with disadvantaged businesses. **Evergreen Cooperative Initiative:** Key partner in supporting "green," employee-owned businesses linked to hospital, university procurement.

Johns Hopkins Health System Baltimore, MD

HopkinsLocal: "Embraces our role as an economic engine to create lasting opportunities" and created a "firm commitment" to build, hire and buy local with public goals.

University of Chicago Medicine Chicago, IL

UChicagoLocal: Provided a catalyst for Chicago Anchors for a Strong Economy (CASE), now comprising 15 anchors, including Rush University Medical Center and Advocate Healthcare, focused on local, diverse business development and

COMMUNITY INVESTMENT

Trinity Health 21 U.S. States

Community Investing Program: Invests percentage of investment portfolio with Community Development Financial Institutions (CDFIs), financial institutions that provide credit, financial and technical services to low-income and underserved people and invest in affordable housing, grocery stores, FQHCs, transit-oriented development, and business start-ups.

Dignity Health California, Nevada, Arizona

Community Investment Program: Addresses upstream social determinants of health through direct and indirect loans as a patient capital lender. Currently leverages more than \$100 million from its savings in low-interest loans for underserved communities.

Gundersen Health System Lacrosse, WI

Envision: Redirected 5% of investment portfolio into local, renewable energy production, achieving higher ROI and 100% energy independence in 2014.

LOCAL & INCLUSIVE HIRING

University of Colorado Hospital and Children's Hospital Colorado Aurora, CO

Hire Local: Hospital, university, community foundation partnership to create a pipeline for positions with career ladders for the diverse and low-income community of North Aurora.

Partners Healthcare (MGH & BWH) Boston, MA

Partners in Career and Workforce Development: Created a targeted healthcare careers training and employment program for up to 60 low-income community residents per year; 450 placed to date with \$15.50/hour as the current average wage.

University Hospitals Cleveland, OH

"Step Up To UH": Developed a targeted employment strategy for frontline positions that links a community-based organization, local workforce intermediary and the hospital's human resources department to create a jobs pipeline from targeted disinvested and low-income neighborhoods.

UPSTREAM COMMUNITY BENEFIT

Bon Secours Health System Richmond, VA, Baltimore, MD

CommunityWorks: Constructed more than 650 units of affordable housing and has worked with residents to convert more than 640 vacant lots into green spaces in West Baltimore. **Supporting East End Entrepreneurship (SEED):** Partnered with community development intermediary LISC to grant \$150,000 (\$50,000/3 years) to support locally-owned businesses in disinvested neighborhood in Richmond.

ProMedica Toledo, OH

Market on the Green: Identified hunger as a community health need and developed a "community hub" with a hospital-operated grocery store, dental services, financial literacy programs and job training.

Mayo Clinic Rochester, MN

First Homes: Partnered with the local community foundation and the state to develop a community land trust to preserve housing affordability; Minnesota's largest community-based assisted-housing program with 875 units.

Data collected by Katie Parker.
Prepared by Michelle Starn.
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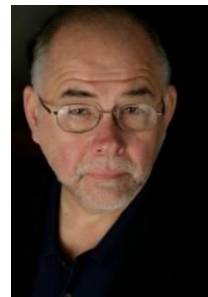
Diane Lupke & Associates, Inc. is an economic development consultancy. We support communities to shape the places where they live and work with better data, rigorous analysis, strategic thinking and collaborative action. Since its founding in 1990, Diane Lupke, her associates, and staff have worked in more than 100 creative central cities, distinctive urban neighborhoods, spunky rural towns, collaborative regions, and emerging knowledge economies.

Lupke consultants are experienced economic development practitioners with strengths in four key areas: **Economic Restructuring**, including the tools, processes, and organizational structures that support it; **Knowledge Economy**, including technology-based development, commercialization, and venture funding; **Econometrics** and private and commercial data sources, proprietary algorithms; and **Site Location Assessment and Selection** for industrial location decisions. The Lupke team assists communities in shaping the marketplace to attain the community its residents and businesses envision.

Ms. Diane Lupke CEcd FM HLM has over thirty years of experience, as President of Diane Lupke & Associates, Inc., an economic development consulting firm, and previous experience in banking, government, and academia. Her work focuses on the identification of unique assets and opportunities on which a community can build and sustain itself over time and the financial and organizational structures to support them. She has worked with over 100 cities, states, and organizations to realize their aspirations.



Mr. Ronald C. Kysiak, FM HLM is a Principal Consultant for Diane Lupke & Associates, Inc. Mr. Kysiak has worked in economic development for 40 years, largely in non-profit, technology-based development in the creation and support of early-stage companies. Mr. Kysiak was responsible for the development of the Science Park and technology incubator at Yale University and the development of the Northwestern University Research Park. Mr. Kysiak is a consultant on research parks, incubators and technology transfer.



Mr. Jerry Szatan is Founder and Principal of Szatan & Associates. He has thirty years' experience in site selection, economic development, and real estate investing in the United States and abroad. He formed Szatan & Associates, a location strategy, site selection and economic development consulting firm in Chicago in 1998. Mr. Szatan advises economic development organizations nationally on strategy, marketing, labor markets and best practices benchmarking. Previously, he was a senior manager at The Fantus Company, a regional economist at the Federal Reserve Bank of Chicago, and worked in real estate investment and public policy analysis.

