

RE: Query regarding the state funds to GGEDC and general economic development

Patty Lundstrom <patty@gallupedc.com>

Fri 4/5/2024 7:09 PM

To: Bruce Wetherbee <editor@thecandlepublishing.com>

Dear Bruce,

Please see my comments below, **highlighted in red**. I appreciate your giving me the opportunity to discuss these important issues with you. And I appreciate your pursuit of an understanding of an issue that is not just one-sided.

Best wishes,
Patty

From: Bruce Wetherbee <editor@thecandlepublishing.com>

Sent: Friday, April 5, 2024 11:52 AM

To: Patty Lundstrom <patty@gallupedc.com>

Subject: Query regarding the state funds to GGEDC and general economic development

Good Morning Representative,

First, thanks for the time you spent on the phone and providing the link to the Gallup City Council's YouTube meeting, which I watched.

I have attached a pdf of a spreadsheet of information provided on the New Mexico Sunshine portal which represents the direct funding the non-profit Greater Gallup Economic Development Corporation has received from the New Mexico Economic Development Department since January 2015.

The spreadsheet does not include any of the money that NM EDD provided to the City of Gallup which your non-profit may be under contract with for economic development related services. **I'm not sure what you're talking about here. All funding received by GGEDC from the City of Gallup is via contract based on a competitive RFP process, and to my knowledge none of this funding comes from grants to the City by NMEDD.**

The total of the direct dollars received by GGEDC from the NM EDD is \$263,650.00, according to the state portal, for that period. **I don't find an issue with your spreadsheet data, but I have not had time to independently research or verify the specific data.**

It also does not include the state funds that were used for the design and build of the Carbon Coal Road and other spending by the state for economic activity that has yet to develop into outcomes reflecting the expectations given the amount of public capital investment so far. **As an example that would help explain how economic development works, I would remind you regarding our earlier conversation, when I talked about how the Legislature and the Gov. Richardson administration put hundreds of millions of dollars into the SpacePort, and it isn't until recently that you see the returns on investment. Greater Gallup is no different in concept, as it takes time for investments to achieve return on investment – especially when you're putting in place the building blocks of economic development in an area chronically under socioeconomic distress. It's not a "build it and they will come" mentality, but it's an understanding that "if you don't build it, they won't come." If there is not industry-supportive infrastructure, or an available workforce, or State and local policies, etc., then it becomes very unlikely you'll convince any economic-base employers to come to your community. We don't build "bridges to nowhere," and none of our recommended lines of action are frivolous or overly speculative. They are based on constant analysis of market trends, local capacities and the needs and movements of companies that may have industry that is compatible with the community. Developments on Carbon Coal Road have been essential to the attraction of economic-base businesses along that corridor ... but actual siting of these new businesses takes time, and the cumulative effect will only be seen with the passage of time – as long as we keep**

the vision and keep putting in place the services and capacities that the businesses will need.

Based upon our conversation of several days ago, I gathered that the funds received from the state were substantially less than that figure and more recent. I don't know what you're referring to. Is it Carbon Coal Road investments?

Please take a look at the attached information, and if it is not accurate, please provide me with clarification.

Given your position in the legislature, including several years as the Chairwoman of the House Appropriations and Finance Committee which has considerable sway over state spending, can you provide a statement as to how being the executive director of the GGEDC as it received this funding does not at least present the appearance of a conflict of interest?

Here are some background thoughts:

To clarify, I was HAFC Chair from 2017 until 2022. GGEDC received the funds both before and after I became Chair. GGEDC is well recognized as a premier economic development organization, and I am a nationally certified economic developer. It is my profession. We are a citizen legislature, and many of us have full-time employment (our "day jobs" they call it). Even so, as regards legislative appropriations, I am very careful in keeping everything open and transparent with my Board and with local government recipients.

Outside of analysis and rulings of the State Ethics Commission, by what written standards would "conflict of interest" be interpreted as applied to volunteer legislators? My reflection is that you could say that every legislator has a "conflict of interest" with virtually anything they support – since we have a volunteer/non-salaried Legislature. Some examples include:

- current public school employees developing legislation and voting on public school benefit packages and for raises they directly receive
- Veterans introducing legislation for tax exemptions that Veterans will directly receive (if approved)
- Business owners creating and applying for/receiving pandemic-related business loans and grants for business relief.

All of these are examples of direct benefits to legislators. So all the funding you've researched that GGEDC received was subject to competitive grant applications, approvals, work programs, budgets, reports, audits and yes, accountability ... which is quite different from receiving direct benefits because of one's status in the economy. Our funding is all, as you have found out, accessible as public information. Additionally, I report to a governing board that understands the role of the GGEDC in the local community, and my role in applying my knowledge and experience to developing that community, and they support and approve my activities, my organization's budget and our professional relationships.

Avoiding "conflict of interest" in its purest and most rigid form would affect virtually every legislator! Until we become a full-time, salaried Legislature, many of us who are not independently wealthy will continue to have outside jobs – with the risk and potential of having our day-job activities "investigated" for possible conflict of interest. Once legislators become "public employees," they then come under a State policy structure that applies to all such employees.

Also, I have called the city and county and asked to speak with their officials. I hope to hear back from them, as well as from Mr. Kiely.

I expect The Candle will be publishing parts one and two of the multiple part series on state spending on economic development the end of the day and over the weekend.

We are also reaching out to GELP and GLP for their comments for part two of our reporting.

If we hear from the local officials subsequent to the publishing, we will consider updating.

And of course, would be interested in any information and statement you would want to provide.

Regarding your suggestion of the “appearance of a conflict of interest,” I do not cut deals or operate under the cloak of secrecy. I have open and collaborative relationships with local governmental managers and with administrators at the State and Federal levels, as well as with my constituents. I am known for my ethics, and even when I am disagreed with or opposed, folks know that I speak forthrightly and do what I say I’ll do. For nearly four decades, including a quarter century as a New Mexico legislator, I have dedicated my life to public service. I have learned the workings of government at the local, state and national levels, and I have committed myself to optimizing that knowledge on behalf of my constituencies – both in my professional work and in my legislative work. If I sponsor and/or support legislation of benefit to my community, I’m doing what every other legislator does: advocate on behalf of the populations they represent and “bring home the bacon” to the highest and best benefit possible within the system. If my professional company is in a position to assist in advising on or delivering results on legislative projects, by all means, my professional team and I need to be ready to do that. None of the resources that we might compete and contract for accrue directly to my personal benefit beyond enabling our organization to do the work within its existing salary and budget structure.

Thanks again for your time, and your public service.

Sincerely,

Bruce Wetherbee, editor

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