

COMPETITIVE ASSET ASSESSMENT SUMMARY

July 2022

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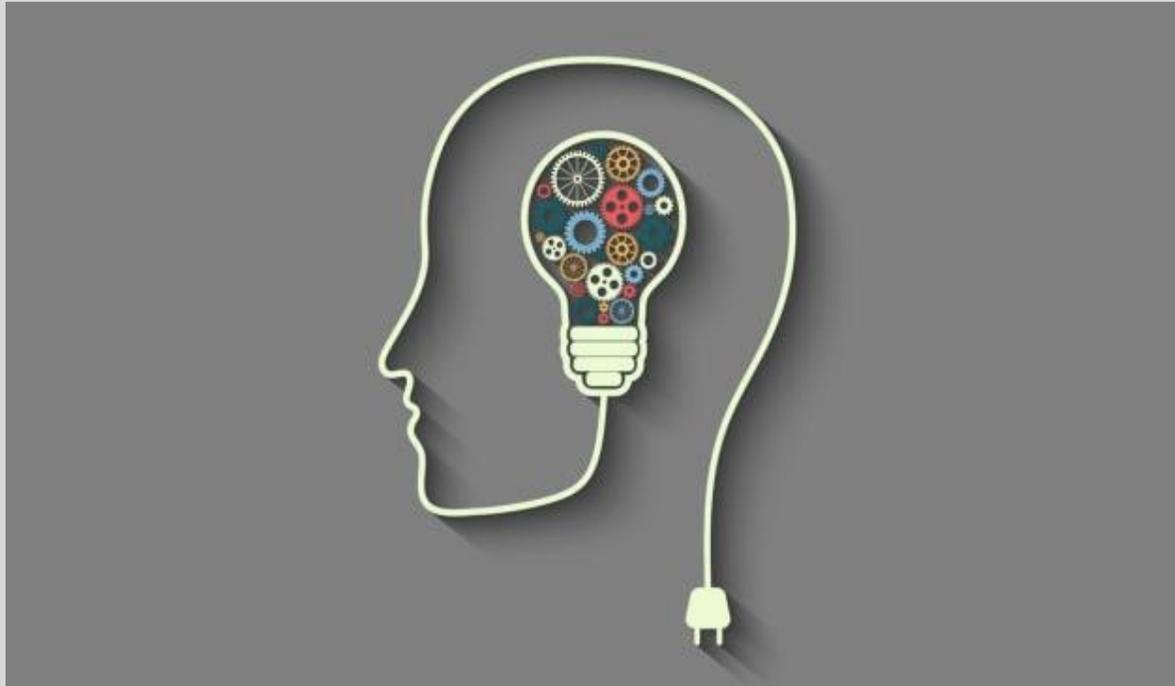


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Economists calculate that approximately **50%** of US annual GDP growth is attributed to increases in innovation.

Source: U.S. Council on Competitiveness



Competitive Asset Assessment Components

- Economic Overview
- Innovation Assessment
- Location Assessment
- Key Target Sectors





ECONOMIC OVERVIEW

Global Environment

- Geo-political instability cited as top risk of global and domestic economies. COVID 19 was #1 in 2020 and 2021.
- U.S. geo-political risk perceived to be considerably lower than global level.
- Energy insecurity and prices are of concern. *(NM and SJ County are more favorably positioned compared to U.S. as pertains to electricity, natural gas and potentially renewable energy.)*
- Inflation rages for all at rates not seen in 40 years.

Source: McKinsey Global Survey



Decarbonization will reshape the economy, opening new markets and imperiling others. Now is the moment for companies to spot green growth opportunities and move boldly to take advantage.

McKinsey Quarterly



Key Macroeconomic Drivers in San Juan County

- Energy Restructuring
- Population Loss and Associated Risks
- Tourism Rebound
- Agriculture + Manufacturing Potentials



50-Mile Region from Farmington

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% |

- 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.
- San Juan County shrank 6.7% in population from 2010 to 2020.
- Implication: Critical to understand what's driving the population decline and take mitigating actions. Note that simultaneously La Plata County is growing much faster than the national average.



50-Mile Region from Farmington

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% |

- Healthcare represents the largest employment sector and earnings are 112% of the County average
- Retail trade 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 171% of County average



100-Mile Region from Farmington

- SJC is by far the largest county in the 100-mile region
- Only three counties in the 100-mile region experienced population declines. SJ County is one of the three.
- All three counties with declines have significant portions of the Navajo Nation
- Jobs and economic growth are occurring in Colorado counties with higher educational attainment levels and higher wages (*shown on subsequent slides*)

Largest Counties by Population in 2021

| County (Metro/City) | Size |
|--------------------------------|---------|
| San Juan, NM (Farmington) | 120,993 |
| McKinley, NM (Gallup) | 71,780 |
| Apache, AZ (Eagar) | 65,623 |
| La Plata, CO (Durango) | 56,250 |
| Montezuma, CO (Cortez) | 26,175 |
| San Juan, UT (Blanding) | 14,489 |
| Archuleta, CO (Pagosa Springs) | 13,790 |
| San Miguel, CO (Telluride) | 8,074 |
| Dolores, CO (Dove Creek) | 2,397 |
| San Juan, CO (Silverton) | 733 |

Counties with Greatest 10-Year Growth

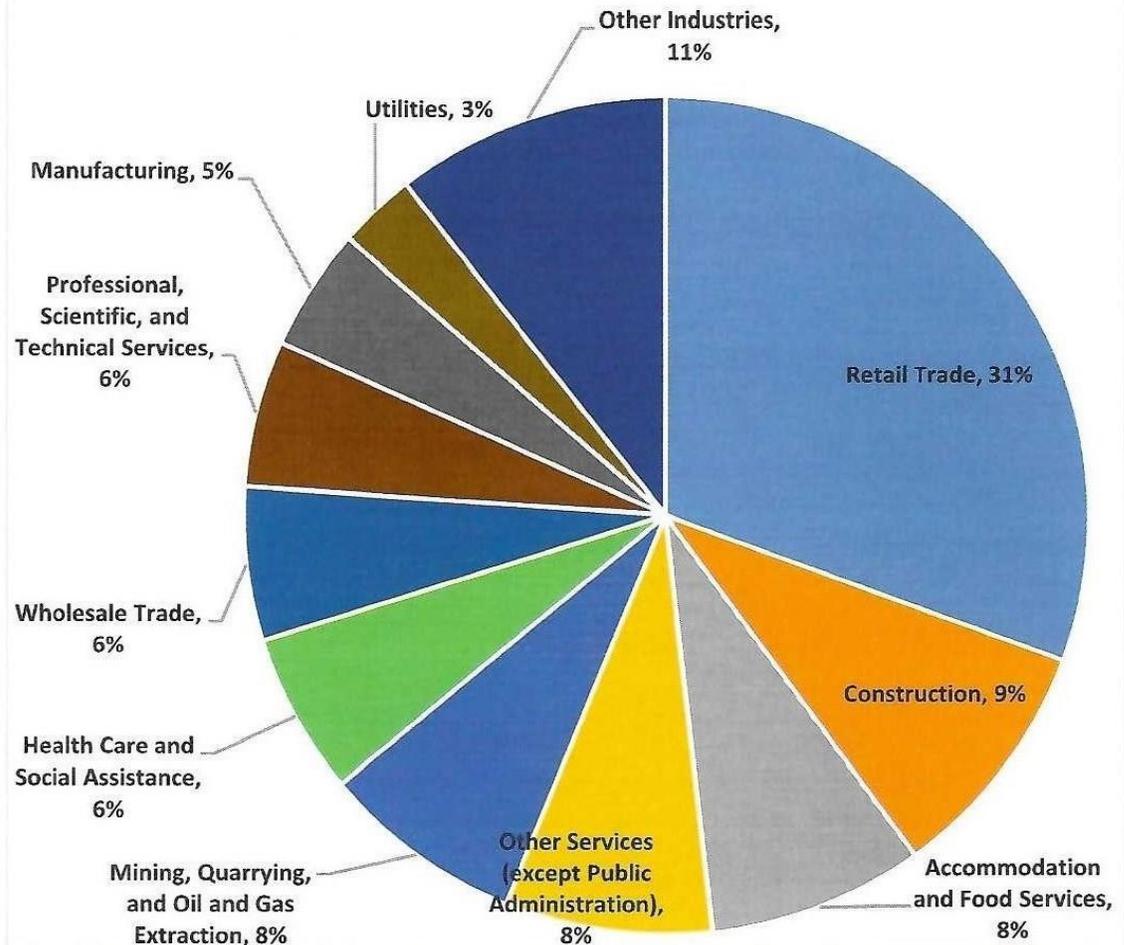
| County (Largest City) | Growth |
|--------------------------------|--------|
| Dolores, CO (Dove Creek) | 17.3% |
| Archuleta, CO (Pagosa Springs) | 14.7% |
| La Plata, CO (Durango) | 8.4% |
| San Miguel, CO (Telluride) | 7.8% |
| San Juan, CO (Silverton) | 6.2% |
| Montezuma, CO (Cortez) | 2.7% |
| McKinley, NM (Gallup) | -0.8% |
| San Juan, UT (Blanding) | -2.4% |
| San Juan, NM (Farmington) | -6.7% |
| Apache, AZ (Eagar) | -9.1% |



San Juan County Industry by Gross Receipts Tax Revenue

Note: The GRT mix is different from the employment mix. Note the Health Care sector doesn't charge GRT and hence its relatively small contribution. Note also the large contribution from retail. Lastly, note that the professional, scientific and technical services sector which has 3% of employment produces 6% of GRT. This reflects the sector's higher wage levels.

Chart 2. FY21 - Q3 Industry Size by Matched Taxable Gross Receipts



San Juan County generally has lower educational attainment levels than the nation.

Education levels are, however, well suited to support new growth in high-wage, blue collar industrial jobs.

Job growth in other higher-wage fields will require deliberate, long-term workforce training investment and career pathways initiatives. *(One example is information technology.)*

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



Location Quotient

- High Level Industry Sectors
- Occupations



What is a “Location Quotient”?

- 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.



What is a “Location Quotient”?

An example NAICS structure is shown below:

| NAICS aggregation levels | | Example of NAICS structure | |
|--------------------------|-------------------|----------------------------|--|
| Digit designation | Aggregation level | Code | Titles of categories |
| 2 | Sector | 54 | Professional, scientific, and technical services |
| 3 | Subsector | 541 | Professional, scientific, and technical services |
| 4 | Industry group | 5411 | Legal services |
| 5 | Industry | 54111 | Offices of lawyers |
| 6 | National industry | 541110 | Offices of lawyers |



NAICS High Level Industry Sectors

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

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

Table Filter: (Filter Value)

Page 1 of 1

[Download Source Data](#) [Build Another Table](#) Display 75 rows per page

| 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 |
|---|---|---|---|---|---|---|---|---|
| | <input type="button" value="v"/> <input type="button" value="^"/> |
| 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 |

Page 1 of 1



NAICS High Level Industry Sectors

Quarterly Census of Employment and Wages

Private, NAICS Sectors, San Juan County, New Mexico
2021 Third Quarter, All establishment sizes

More areas of high concentration.

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

Table Filter: (Filter Value)

Page 1 of 1

[Download Source Data](#) [Build Another Table](#) Display 75 rows per page

| 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 |
|--|--------------------------|-----------------|-------------------|----------------------|-----------------------|---------------------|--|---|
| 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 |



Occupations – Farmington MSA

Not all wages are equal. Important to know if a community is desiring to grow high-wage jobs.

Intentional wealth building in a community requires understanding a given profession's educational requirements and associated wages.

| Occupation (SOC code) | Employment ⁽¹⁾ | Hourly mean wage | Annual mean wage ⁽²⁾ | Hourly median wage | Annual median wage ⁽²⁾ | Location Quotient |
|--|---------------------------|------------------|---------------------------------|--------------------|-----------------------------------|-------------------|
| All Occupations(000000) | 41210 | 23.71 | 49310 | 17.94 | 37300 | 1.00 |
| Management Occupations(110000) | 1950 | 48.47 | 100810 | 45.44 | 94520 | 0.75 |
| Business and Financial Operations Occupations(130000) | 1220 | 33.59 | 69860 | 29.36 | 61070 | 0.46 |
| Computer and Mathematical Occupations(150000) | 330 | 33.38 | 69430 | 29.89 | 62160 | 0.24 |
| Architecture and Engineering Occupations(170000) | 430 | 39.53 | 82230 | 36.07 | 75020 | 0.61 |
| Life, Physical, and Social Science Occupations(190000) | 290 | 32.57 | 67750 | 31.08 | 64650 | 0.77 |
| Community and Social Service Occupations(210000) | 630 | 24.72 | 51420 | 21.86 | 45460 | 0.96 |
| Legal Occupations(230000) | 200 | 35.60 | 74050 | 29.37 | 61090 | 0.57 |



Occupations – Farmington MSA

Bureau of Labor Statistics
 Occupation Employment Hr Mn Wg An Mn Wg Hr Med Wg An Med Wg LQ

| | | | | | | | |
|--|------|-------|-------|-------|-------|------|--|
| Educational Instruction and Library Occupations(250000) | 3000 | 27.07 | 56300 | 23.37 | 48610 | 1.25 | |
| Arts, Design, Entertainment, Sports, and Media Occupations(270000) | 230 | 21.54 | 44810 | 17.68 | 36780 | 0.43 | |
| Healthcare Practitioners and Technical Occupations(290000) | 2430 | 48.01 | 99850 | 36.25 | 75410 | 0.95 | |
| Healthcare Support Occupations(310000) | 2860 | 13.95 | 29020 | 13.33 | 27720 | 1.48 | |
| Protective Service Occupations(330000) | 1450 | 21.22 | 44130 | 18.58 | 38650 | 1.47 | |
| Food Preparation and Serving Related Occupations(350000) | 3700 | 12.68 | 26360 | 11.12 | 23130 | 1.13 | |
| Building and Grounds Cleaning and Maintenance Occupations(370000) | 1180 | 13.98 | 29070 | 13.28 | 27620 | 0.98 | |
| Personal Care and Service Occupations(390000) | 640 | 14.04 | 29190 | 11.48 | 23880 | 0.85 | |
| Sales and Related Occupations(410000) | 3950 | 17.31 | 36010 | 13.72 | 28530 | 1.02 | |

Retail jobs are vital but low wage jobs.

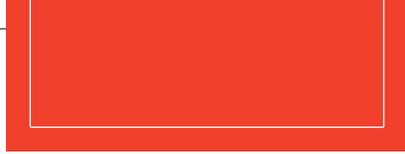


Occupations – Farmington MSA

Bureau of Labor Statistics

| Occupation | Employment | Hr Mn Wg | An Mn Wg | Hr Med Wg | An Med Wg | LQ |
|--|------------|----------|----------|-----------|-----------|------|
| Office and Administrative Support Occupations(430000) | 5200 | 18.09 | 37630 | 17.47 | 36330 | 0.97 |
| Farming, Fishing, and Forestry Occupations(450000) | 40 | 16.01 | 33310 | 14.33 | 29810 | 0.32 |
| Construction and Extraction Occupations(470000) | 3840 | 25.50 | 53040 | 22.81 | 47430 | 2.24 |
| Installation, Maintenance, and Repair Occupations(490000) | 2670 | 25.66 | 53370 | 22.65 | 47110 | 1.64 |
| Production Occupations(510000) | 1580 | 26.39 | 54890 | 22.65 | 47110 | 0.64 |
| Transportation and Material Moving Occupations(530000) | 3380 | 18.96 | 39440 | 17.46 | 36310 | 0.91 |
| (1)Estimates for detailed occupations do not sum to the totals because the totals include occupations not shown separately. Estimates do not include self-employed workers. (2)Annual wages have been calculated by multiplying the corresponding hourly wage by 2,080 hours. | | | | | | |



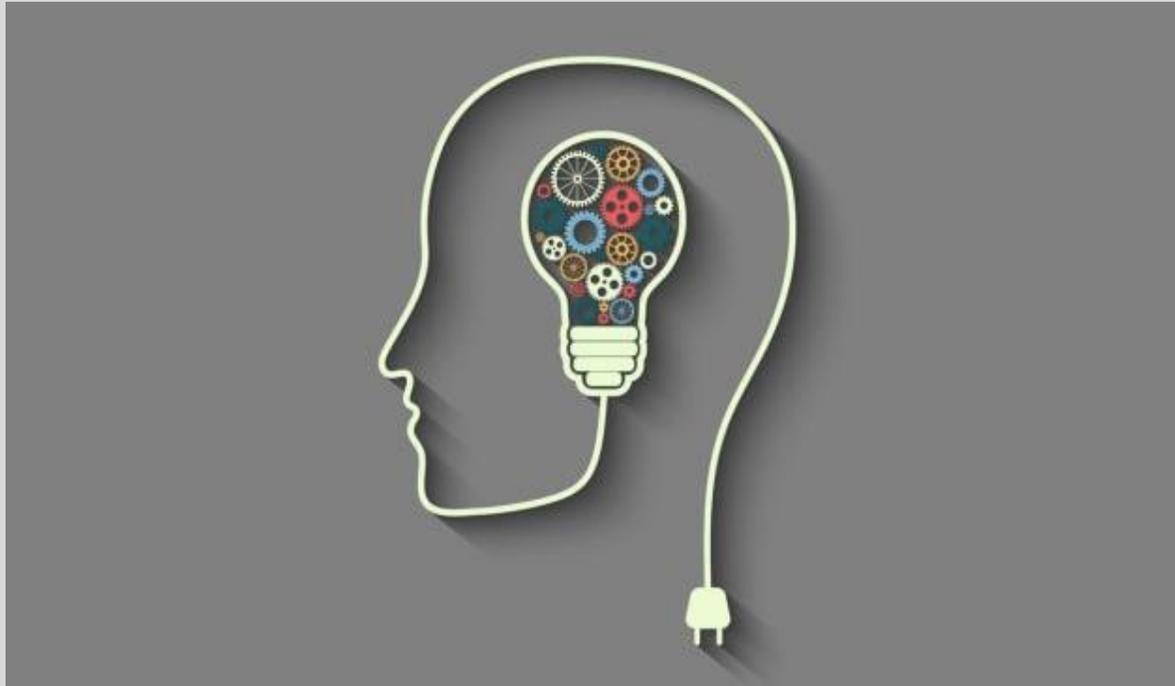


INNOVATION ASSESSMENT

“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



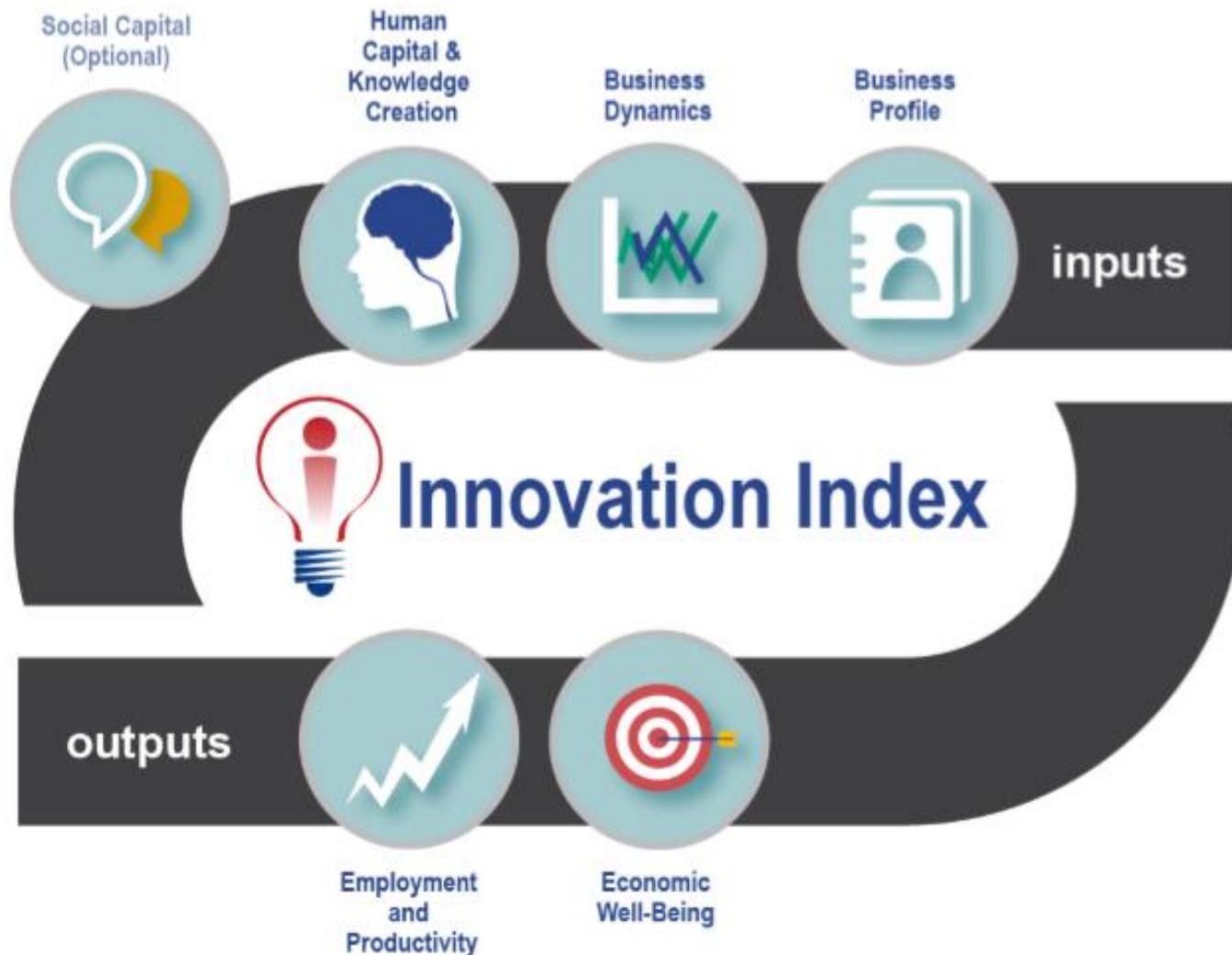


Economists calculate that approximately **50%** of US annual GDP growth is attributed to increases in innovation.

Source: U.S. Council on Competitiveness



Figure 1: Innovation Index Composition



Source: Indiana Business Research Center

Regional Innovation Environment

Inputs

Assets + Networks + Local Culture

Outputs

Innovation + Productivity + Prosperity

“Job growth is driven, essentially entirely by startup firms that develop organically.”

Tim Kane, Kaufman Foundation of Entrepreneurship



What assets support innovation?

- Human Capital
- Research + Development Institutions
- Financial Capital
- Industrial Base
- Physical Infrastructure
- Legal + Regulatory Environment
- Quality of Life



What types of Networks and Local Culture support innovation?

- 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 with whom you compete
- Risk – risk is an accepted part of innovation
- Diversity – regional appreciation of people from diverse experiences and backgrounds, seeing and accepting ideas from outside the norm



Business Innovation Summary Slide

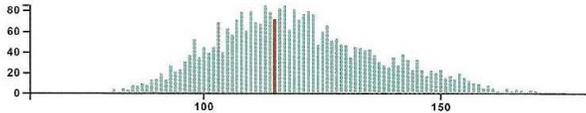
- Comparison Counties selected include La Plata, Gunnison, Montrose and Mesa Counties (Grand Junction) in Colorado and Deschutes County, Oregon (Bend).
- Selected counties are potential competitors in attracting new entrepreneurial investment and/or have similar economic development aspirations (e.g., outdoor recreation or outdoor recreation manufacturing.)
- SJ County has a higher than national average innovation intelligence index of 112, but substantially lags the comparison counties. *(With time and investment, gap can be closed effectively stimulating more entrepreneurial formation.)*
- SJ County lags the average of comparison counties by virtually every other innovation measure.



Human Capital and Knowledge Creation Index 115.2 (rank: 1,815)

Key Takeaways

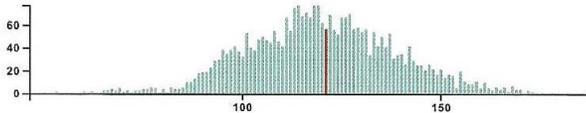
- Patterns of establishment formation and composition indicate a moderate level of business competitiveness.
- The top measures for this index are:
 1. Some College Attainment (rank 232)
 2. Associate's Degree Attainment (rank 402)



Business Dynamics Index 121.8 (rank: 1,425)

Key Takeaways

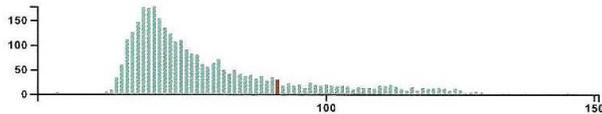
- Patterns of establishment formation and composition indicate a moderate level of business competitiveness.
- The top measures for this index are:
 1. Traded Sector Establishment Births to All Establishment Ratio (rank 193)
 2. Average High-Tech, Early-in-Life-Cycle Establishment Ratio (rank 474)



Business Profile Index 91.6 (rank: 542)

Key Takeaways

- The relative availability of resources for entrepreneurs and businesses is moderate in this area.
- The top measures for this index are:
 1. Farm Operators with Internet Access (rank 233)
 2. Industry Diversity (rank 556)



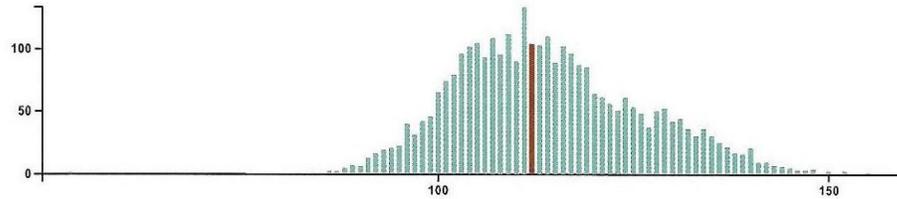
San Juan County, NM

Population: 125,608 Per Capita Income: \$38,370 Largest City: Farmington

Innovation Intelligence Index

112.1

Rank: 1,653

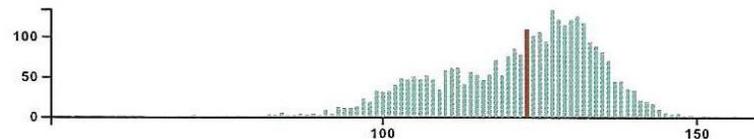


The graph above, and the similar graphs below, show the distribution of index values for all counties. The value for San Juan County, NM is highlighted in red.

Employment and Productivity Index 123.8 (rank: 1,622)

Key Takeaways

- Industry performance in San Juan County, NM indicate a moderate level of positive outcomes from existing economic activity.
- The top measures for this index are:
 1. Patent Diversity (rank 410)
 2. Change in Average Patenting Rate (rank 277)



The Innovation Summary Comparisons 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 Intellegence | 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% |



Innovation Intelligence

Human Capital + Knowledge Creation

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 |



Innovation Intelligence

Business Dynamics

| | SJCNM | LPCCO | GCCO | MTCCO | MSCCO | DCOR |
|---|-------|-------|-------|-------|-------|-------|
| i Business Dynamics | 121.8 | 151.8 | 156.9 | 140.5 | 134.7 | 168.4 |
| i Establishment Formation | 128.8 | 150.7 | 157.6 | 142.2 | 144.3 | 167.3 |
| i Establishment Births to All Establishments Ratio | 116.9 | 162.5 | 186.0 | 172.4 | 164.0 | 196.6 |
| i Traded Sector Establishment Births to All Establishment Ratio | 176.8 | 168.4 | 132.2 | 112.9 | 181.4 | 173.1 |
| i Jobs Attributed to Establishment Births to Total Employment Ratio | 122.0 | 115.6 | 148.6 | 132.5 | 110.8 | 177.1 |
| i Change in Establishment Births to All Establishment Ratio | 121.2 | 131.9 | 148.9 | 148.9 | 136.4 | 136.0 |
| i Average High-Tech, Early-in-Life-Cycle Establishment Ratio | 130.8 | 146.9 | 130.0 | 123.0 | 139.5 | 142.4 |
| i Establishment Dynamics | 114.8 | 152.9 | 156.2 | 138.8 | 125.2 | 169.5 |
| i Establishment Expansions to Contractions Ratio | 126.8 | 153.7 | 125.6 | 123.1 | 129.5 | 137.2 |
| i Establishment Births to Deaths Ratio | 108.4 | 140.5 | 154.7 | 153.0 | 131.0 | 180.6 |
| i Traded Sector Births and Expansions to Deaths and Contractions Ratio | 109.3 | 164.6 | 188.1 | 140.3 | 115.1 | 190.8 |



Innovation Intelligence

Business Profile

| | SJCNM | LPCCO | GCCO | MTCCO | MSCCO | DCOR |
|--|-------|-------|-------|-------|-------|-------|
| i Business Profile | 91.6 | 101.0 | 71.4 | 76.1 | 86.4 | 103.2 |
| i Venture Capital Dollar Measures | 87.6 | 104.6 | 50.0 | 50.0 | 67.7 | 102.6 |
| i Change in Average Venture Capital | 50.0 | 122.9 | 50.0 | 50.0 | 50.0 | 50.0 |
| i Venture Capital Count Measures | 69.9 | 93.6 | 50.0 | 50.0 | 70.0 | 73.5 |
| i Change in Average Venture Capital Deals | 50.0 | 113.2 | 50.0 | 50.0 | 50.0 | 50.0 |
| i Foreign Direct Investment Attractiveness | 83.5 | 50.0 | 50.0 | 50.0 | 83.4 | 83.0 |
| i FDI Employment Ratio, Foreign Source | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 111.1 |
| i FDI Investment Ratio, Foreign Source | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 120.8 |
| i FDI Employment Ratio, Domestic Source | 112.2 | 50.0 | 50.0 | 50.0 | 112.1 | 50.0 |
| i FDI Investment Ratio, Domestic Source | 121.8 | 50.0 | 50.0 | 50.0 | 121.8 | 50.0 |
| i Proprietorship | 125.3 | 156.1 | 135.9 | 154.4 | 124.6 | 153.7 |
| i Farm Operators with Internet Access | 196.6 | 199.8 | 93.9 | 199.6 | N/A | N/A |
| i Proprietorship Rate | 93.2 | 178.5 | 185.0 | 169.9 | 134.3 | 170.8 |
| i Change in Proprietorship Rate | 111.4 | 126.9 | 139.9 | 118.6 | 120.4 | 115.4 |
| i Proprietor Income to Total Wages and Salaries Ratio | 100.2 | 119.1 | 124.7 | 129.5 | 119.2 | 174.8 |



Innovation Intelligence

Employment + Productivity

| | SJCNM | LPCCO | GCCO | MTCCO | MSCCO | DCOR |
|---|-------|-------|-------|-------|-------|-------|
| 📍 Employment and Productivity | 123.8 | 122.9 | 116.1 | 128.4 | 132.2 | 142.0 |
| 📍 Industry Performance | 141.0 | 137.2 | 115.0 | 140.8 | 168.1 | 170.0 |
| 📍 Latent Innovation | 104.3 | 98.4 | 71.4 | 111.1 | 155.4 | 159.0 |
| 📍 Industry Diversity | 177.8 | 176.0 | 158.5 | 170.4 | 180.9 | 181.0 |
| 📍 Industry Cluster Performance | 84.4 | 86.9 | 85.0 | 83.9 | 84.1 | 84.1 |
| 📍 Industry Cluster Growth Factor | 116.5 | 116.5 | 116.5 | 116.5 | 116.5 | 116.5 |
| 📍 Industry Cluster Strength | 52.3 | 57.3 | 53.6 | 51.4 | 51.7 | 51.7 |
| 📍 GDP | 114.0 | 112.6 | 122.0 | 122.9 | 125.7 | 133.7 |
| 📍 Patents | 178.0 | 151.3 | 102.5 | 153.9 | 156.5 | 158.9 |
| 📍 Change in Average Patenting Rate | 164.8 | 112.6 | 155.1 | 118.1 | 123.5 | 126.7 |
| 📍 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.

| | | | | | | |
|---|-------|-------|-------|-------|-------|-------|
| 📍 Job Growth to Population Growth Ratio | 107.5 | 128.2 | 147.6 | 151.9 | 142.6 | 180.3 |
| 📍 Change in Share of High-Tech Industry Employment | 117.9 | 121.4 | 124.2 | 116.9 | 116.2 | 124.9 |

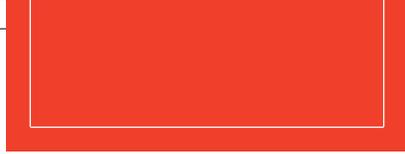


Innovation Intelligence

Economic Well-Being

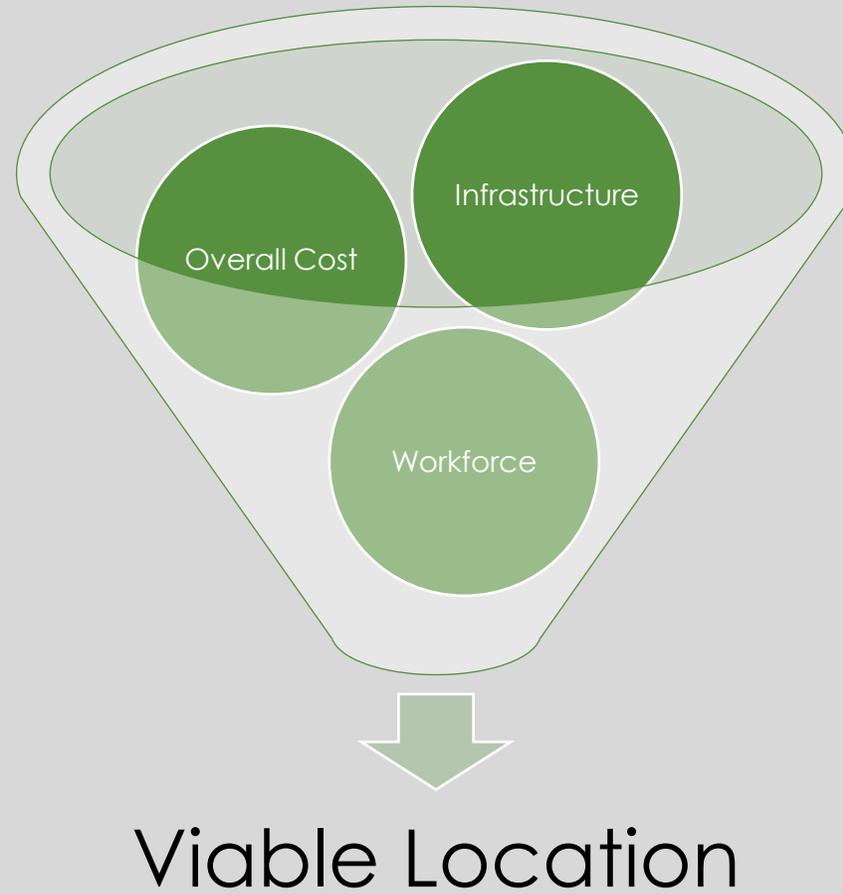
| | SJCNM | LPCCO | GCCO | MTCCO | MSCCO | DCOR |
|---|-------|-------|-------|-------|-------|-------|
| i Economic Well-Being | 108.0 | 148.0 | 163.4 | 134.0 | 138.6 | 147.6 |
| i Residential Internet Connectivity | 131.9 | 177.0 | 189.1 | 131.9 | 152.9 | 161.1 |
| i Broadband Infrastructure and Adoption | 123.9 | 118.6 | 140.2 | 140.1 | 152.7 | 129.6 |
| i Broadband Adoption Barriers | 139.3 | 196.1 | 197.9 | 123.4 | 143.8 | 175.7 |
| i Compensation | 101.6 | 101.5 | 156.9 | 157.8 | 135.8 | 163.2 |
| i Change in Annual Wage and Salary Earnings per Worker | 96.2 | 106.5 | 149.4 | 122.7 | 122.3 | 171.9 |
| i Per Capita Personal Income Growth | 117.3 | 111.8 | 147.5 | 126.5 | 138.4 | 155.5 |
| i Average Poverty Rate | 106.4 | 177.4 | 140.1 | 120.7 | 131.2 | 158.5 |
| i Average Unemployment Rate | 94.8 | 187.6 | 194.4 | 163.8 | 144.0 | 133.3 |
| i Government Transfers to Total Personal Income Ratio | 120.9 | 188.2 | 191.2 | 122.9 | 143.6 | 169.7 |
| i Average Net Migration | 50.0 | 129.1 | 174.3 | 123.3 | 124.8 | 102.8 |





LOCATION ASSESSMENT

Site location filter



| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | |
|---|---|---------------------|--------------------------|---|---|---|--|--|---|------------------------|---|---|----------------|---|--------------------|-----------------|---|----------------|-------|
| Site/Building Name | Rejection reason | Site size | price; sell/lease | Building | zoning | Water capacity | Wastewater | gas | Electric Demand | Telecomm | current use neighbors | environ | Flood plain | Highway; interstate distance | Airport | effluent limits | chloride | topo | shape |
| | | 30+ acres | wish to own | Phase I: 130,000 SF. Total 330,000 SF. Tanks add: 90,000 SF Phase I; 220,000 SF | | Phase I: 300,000 T/yr.; 190,000 gpd. Total 600,000T/yr.; 380,000 gpd. | Phase I: 250,000 T/yr.; 150,000 gpd. Total: 500,000T/yr.; 300,000 gpd | Therms/mon. TBD. 5 psi | Phase I: 3 MW demand; 500,000 KwH/month. Total: 7 MW and 1.33 million kwH/month | T-1 line or equivalent | avoid, chemical, dusty, odors | clean site; no issues | outside 100-yr | TBD | 1.5 hrs. to hub | TSS mg/L TBD | Limits TBD. An issue? | flat | rect. |
| Gateway II - Cannady. J.C. Cannady Rd. Statesboro | Wastewater (w/w) capacity. Neighbors | 41 total; 31 usable | \$30,000/ A. Negotiable. | | Lt Ind. Max ht 35"; more with setback. 2" ht for every 1' 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 & Ww capacity, price, owners unknown. Distance, freight costs | ??? | ???? | | | Assert can meet. No detail | 8 MGD capacity. Assert can meet. No detail | | Oncor can meet | | Was ranch. Odessa owned 9 years. | | | ..5 mi, IH 20 | | | | | |
| 10700 Telge. Rd. Houston, TX 77095 | Ww capacity | 70+ | Negotiable. Private. | 700,000 SF former food DC. 28-42' Freezer | | 12" main, 4" line | Infra needs improvement | | | | former Randall's Grocery Distribution Center | Phase I | | <1mi | 28 miles Bush | | | | |

Representative Site Screening Matrix

Site locators work to "screen out" a potential location to narrow their universe down to the best 3-5 locations.

Timely, thorough support of a site locator can make the difference!

Assets: Sustaining Existing Business + Expansion – A Site Locator’s Assessment of SJ County

- Low cost and available utilities
- Supportive public sector
- K-12 Educators and business aligned on training and workforce development
- San Juan Community College proven training capability
- Animas Industrial Park offers expansion sites: many smaller sites and buildings at affordable costs
- Downtown Farmington / Aztec
- Outdoor recreation
- Animas River
- Cultural / historical sites
- Shopping destination / regional center for services. Healthcare availability.
- Community works together, volunteers, positive intergovernmental relations
- Proactive 4CED and chambers of commerce



Assets: Entrepreneurship

- Energy companies / talent / history / knowledge
- Long history in agriculture / 3,000 small farms
- Sandia / Los Alamos labs; possible spin-offs, consulting, partnerships
- Entrepreneurship support - Makerspace / coworking space / incubator / tech support



Assets: Business Attraction

- Energy industry talent / history / knowledge
- Electricity cost / locally owned nimble / availability
- Power transmission line network
- Water available, not dependent on Colorado River / Wastewater capacity. Planned improvements.
- Natural gas producer, low cost + availability
- Gas pipeline infrastructure. Are there other uses?
- Technical workforce: HS and AA degrees
- San Juan Community College training capability + responsiveness
- Agriculture products, resources, NAPI
- San Juan County Industrial Park building potential



Assets: Business Attraction

- Land available for smaller users; few sites over 20 acres. Perhaps SJC Industrial Park will add?
- Animas Industrial Park attractive environment
- Proximity to Sandia + Los Alamos Labs
- Some strong company names: PESCO, Raytheon
- Four Corners Regional Airport – corporate aircraft
- Proactive, cooperative community. Supportive public sector.
- Opportunity Zones
- Sales tax for Outdoor Initiative and Economic Development
- Robust website data for potential prospects
- Quality of life pluses: lower cost of living / housing availability / outdoors and historical sites / health care / regional service center



Weaknesses

- Relatively isolated – will need offsetting advantages
- No interstate highway
- No scheduled air service
- No rail service
- Limited larger buildings and sites
- Uncertain future of San Juan Generating Station
- Declining labor force / labor availability
- Transferring professional staff
- Small manufacturing sector
- No 4-year college or research university
- Poor MSA quality of life databases / indicators e.g., safety, education
(understand that the Farmington MSA and the City of Farmington are two different designations)
- Differing decision-making priorities slow agreements e.g., tribal and nontribal entities
- Long-term sustainable economic development resources to support 4CED
- Limited private land (6%)
- Dependable broadband lacking outside Farmington

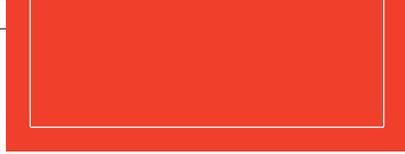


Population + Labor Force

| | SJC | NM | US |
|---|---------|-----------|-------------|
| Population Estimates, July 1 2021 | 120,993 | 2,115,877 | 331,893,745 |
| Population estimates base, April 1, 2020 | 121,661 | 2,117,522 | 331,449,281 |
| Population, Census, April 1, 2010 | 130,044 | 2,059,179 | 308,745,538 |
| Population, percent change - 2010-2020 | -7.5% | 2.7% | 7.0% |
| Population, percent change - April 1, 2020 -2021 | -0.5% | -0.1% | 0.1% |
| Persons under 18 years, percent | 26.0% | 22.7% | 22.3% |
| Persons 65 years and over, percent | 15.6% | 18.0% | 16.5% |
| Persons 18-64, percent | 58.4% | 59.3% | 61.2% |
| In civilian labor force, total, % population age 16 years+, 2016-2020 | 54.3% | 56.9% | 63.0% |
| Labor Force 2016 | 54,678 | 944,245 | 159,356 |
| Labor Force 2021 | 49,527 | 943,356 | 161,372 |
| Percent change labor force 2016-21 | -9.4% | -0.1% | 1.3% |
| Unemployment rate 2020 | 9.6% | 8.1% | 6.7% |
| Unemployment rate 2021 | 8.0% | 6.8% | 3.9% |
| High school graduate/higher, % of persons age 25 years+, 2016-2020 | 86.2% | 86.5% | 88.5% |
| Bachelor's degree/higher, % of persons age 25 years+, 2016-2020 | 15.4% | 28.1% | 32.9% |
| With a disability, under age 65 years, percent, 2016-2020 | 9.5% | 10.9% | 8.7% |

Shrinking workforce can be seen as negative for a labor-intensive business.

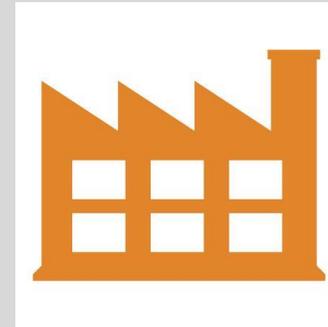




KEY TARGET SECTORS

Key Targets

- Energy
- Agriculture
- Manufacturing
- Tourism + Outdoor Recreation
- Retirees + Remote Workers



Energy Summary Key Takeaways

- Strong, historical base of energy production (coal, electricity, natural gas and oil)
- Well-trained, efficient workforce
- Excellent local vocational training available (SJ College School of Energy) including emerging energy related offerings like carbon sequestration
- Opportunities for renewable energy development particularly solar
- Abundant natural gas reserves
- Robust, high-voltage power line network for Western U.S. market access



- 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
- Wind supplies 30% of total utility scale energy production
- 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
- 279 sun days annually



Energy

Data



Assets

- 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? Underground storage potential
- San Juan Community College proven training capability
- K-12 + STEM education
- Skilled technical workforce; high level HS and AA degrees



Energy

Assets

Opportunities

- Federal Hydrogen Projects
- Carbon sequestration
- Solar power, possible Federal incentives
- Geothermal
- New natural gas leases and production?
- Natural gas export potential?
- Pipeline infrastructure reuse?
- Can SJ County become known for both fossil fuel and green energy? Can SJ County become a place where companies test and prove technologies?



Energy

Opportunities

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
- Need to look for ways to increase small operation average income levels to enhance sustainability
- Local food initiatives and concerns about food insecurity are underlying supportive macro trends



The Future of Agriculture is Smaller Smarter Farms

“Decarbonizing the global economy is going to create the greatest investment opportunity of our lifetime. It will also leave behind the companies that don’t adapt. ...BlackRock will use climate change as a defining factor to assess companies.”

Larry Fink Founder and CEO BlackRock, *the worlds largest asset manager*

“ 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 5 Lakes Institute



Agriculture + Ag Related Products



- 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 + Ag Related Products

Data



| 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 |
| | | | | | | |

Note: This data does not include Navajo Nation and NAPI.



Agriculture + Ag Related Products

Livestock Census 2017

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 | | | | |

NOTE: In 2017, San Juan County was home to the largest number of farms and ranches in NM.

Agriculture + Ag Related Products

Farms + Ranches Growth by County



| 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 (Acres) | 15,956,139 | (D) | 221,439 | (D) | (D) | 465,776 |
| Average Size (Acres) | 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 Farms | 6,126 | 7 | 92 | 27 | 42 | 89 |
| Number | 71,374 | 113 | 1,330 | 1,118 | 532 | 4,582 |
| Sheep & Lambs Farms | 10,172 | | 20 | | 1 | 84 |
| Number | 194,034 | | 198 | | (D) | 4,251 |
| Horses & Ponies..... Farms | 9,416 | 19 | 43 | 8 | 24 | 27 |
| Number | 48,794 | 107 | 131 | 20 | 85 | 102 |
| Layers Farms | 1,443 | 6 | 7 | 3 | 13 | 1 |
| Number | 10,670 | 54 | 345 | 52 | 99 | (D) |
| Corn, Traditional..... Farms | 1,977 | 6 | 7 | 17 | 17 | 3 |
| Acres | 4,977 | 5 | 6 | 29 | 35 | 8 |
| Pounds | 1,374,134 | 3,000 | 6,000 | 6,680 | 7,950 | 1,350 |
| Hay & Haylage Farms | 482 | 44 | 111 | 15 | 45 | 1 |
| Acres | 30,010 | 605 | 2,383 | 82 | 512 | (D) |
| Dry Tons | (D) | 759 | 6,447 | 140 | 735 | (D) |
| Land in Vegetables Farms | 1,243 | 4 | 8 | 31 | 17 | 1 |
| Acres | 8,394 | 3 | 9 | 42 | 16 | (D) |
| Under 25 Years..... | 591 | 2 | 14 | 1 | 2 | 6 |
| 25 to 34 Years | 1,439 | 14 | 3 | 3 | | 5 |
| 35 to 44 Years | 2,341 | 14 | 27 | 6 | 5 | 17 |
| 45 to 54 Years | 4,901 | 10 | 58 | 14 | 9 | 54 |
| 55 to 64 Years | 6,913 | 7 | 41 | 17 | 21 | 62 |
| 65 to 74 Years | 5,583 | 22 | 42 | 8 | 22 | 42 |
| 75 years & Over..... | 4,727 | 5 | 32 | 6 | 4 | 32 |
| Average Age of All Operators | 59.5 | 50.2 | 56.7 | 54.6 | 59.5 | 59.7 |

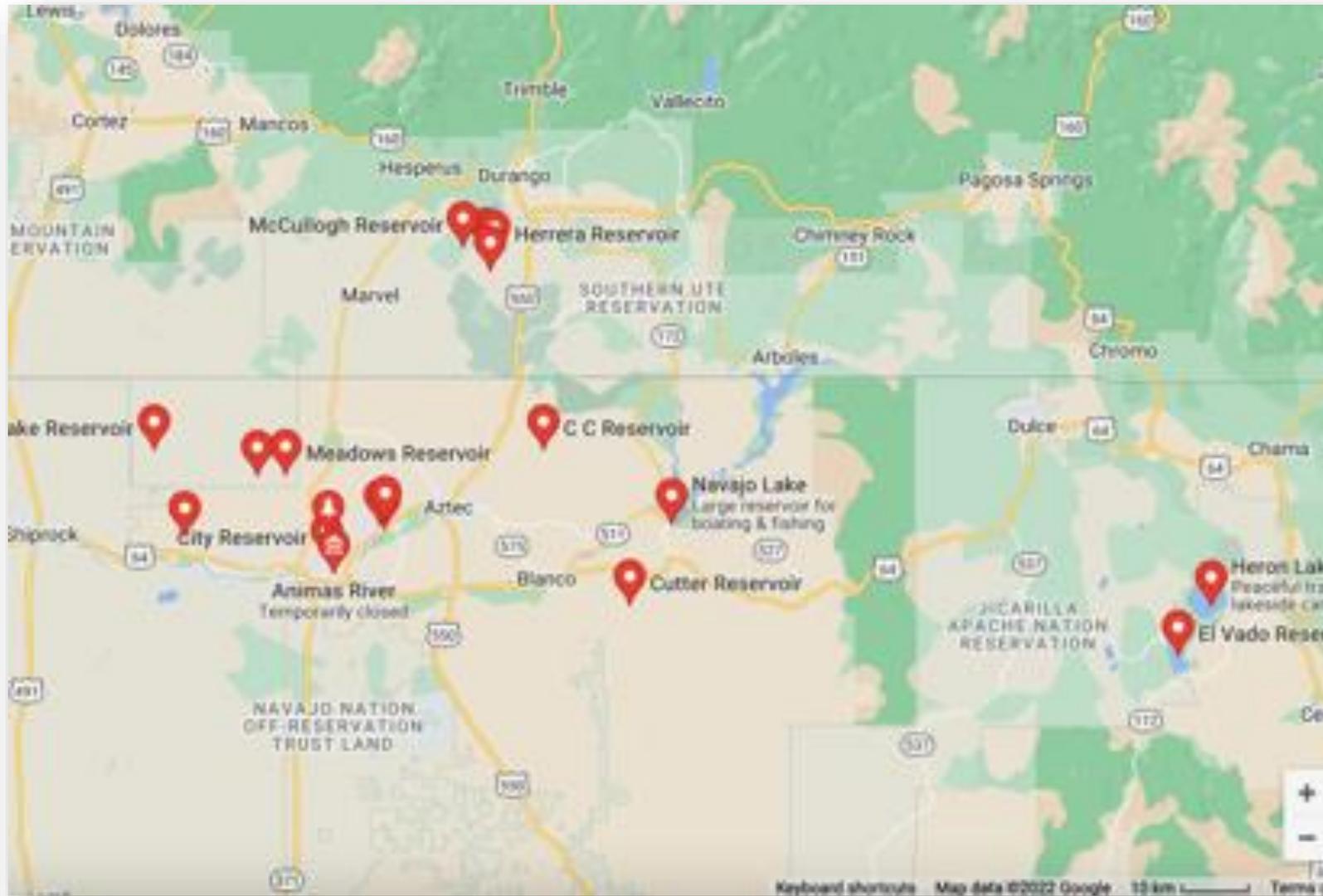
(D) Withheld to avoid disclosing data for individual operations.

NOTE: Large agriculture presence on Navajo Nation. Much in San Juan County.



Agriculture + Ag Related Products

Census - Navajo Nation



Agriculture + Ag Related Products

Water



Lupke & Associates, Inc.

A number of advanced connectivity use cases have the potential to radically transform many aspects of farming by 2030.

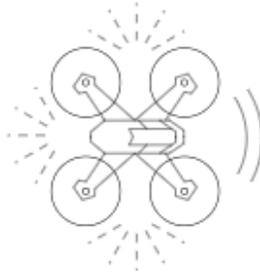
Agriculture connectivity use cases

Smart-crop monitoring



Connected-irrigation and nutrient-distribution equipment based on connected-sensor data and imagery analysis, aimed at optimizing resource usage and crop growth through real-time, precise, location-dependent adjustments

Drone farming



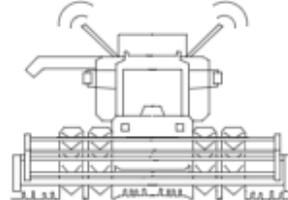
Drone surveillance and remote interventions based on image analysis and connected sensors communicating data with the drone, aimed at providing more frequent, cost-effective remote monitoring of large areas and enabling remote interventions to boost yield and reduce losses from pests as well as optimizing deployment costs

Smart-livestock monitoring



Individualized feeding-and-care plans based on connected-body-sensor data and movement tracking, aimed at detecting illnesses early and providing each animal with its optimal feed and medicine mix to maximize growth

Autonomous-farming machinery



Self-operated machinery and robots able to perform targeted interventions based on connected-sensor data, GPS data, and imagery analysis, aimed at optimizing resource usage, reducing labor requirements, and boosting yield through more precise and individualized interventions

Smart-building and -equipment management



Prescriptive maintenance and real-time environmental adjustments, aimed at improving performance and extending useful life of farm equipment and other assets as well as decreasing risk of mold, fire, and other threats

Agriculture + Ag Related Products

Agriculture's Connected Future: How Technology can Yield New Growth

McKinsey & Company
Center for Advanced
Connectivity and
Agriculture Practice



Assets

- 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
- San Juan College potential shared kitchen?

Agriculture + Ag Related Products

Assets



Opportunities

- Value added products – pelletized alfalfa, potato dehydration, oil seeds crush plant,
- Boutique food processors
- Meat packing & processing, likely specialized
- Are there opportunities to support new/existing small farmer & ranchers?
- New, high value crops? What might they be?
- Sustainable, smart farm technology, perhaps irrigation related?
- Are there enough livestock and crops to attract a processor? What scale could the area support?



Agriculture + Ag Related Products

Opportunities

Weaknesses

- 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



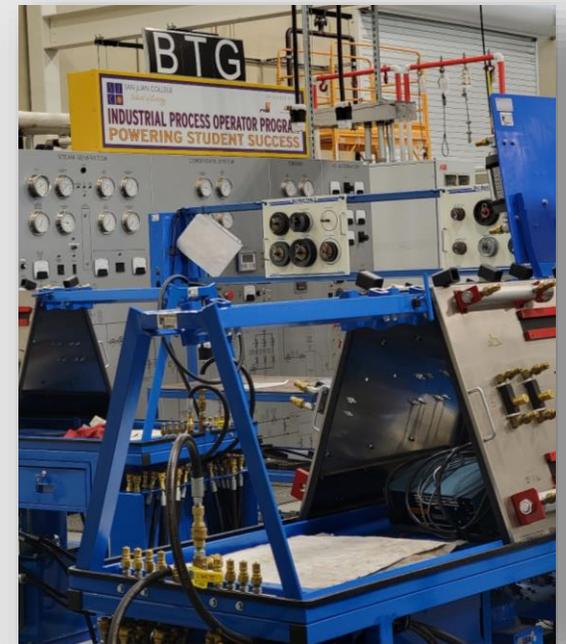
Agriculture + Ag Related Products

Weaknesses

- SJC 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

Manufacturing

data



Manufacturing Summary Key Takeaways

- Manufacturing in San Juan County is a small sector overall, but employers benefit from a talented and appropriately educated workforce
- Bulk of manufactures are related to producing energy production and production support equipment
- Lack of rail limits spectrum of potential new manufacturing companies (including attracting new companies, supporting expansion of existing companies and start-ups)
- Labor shed is well suited for heavy industrial manufacturing work. Power plant and coal closures are likely to result in available workforce increases if displaced workers don't leave San Juan County.



| 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 |

Manufacturing

Selected Sectors



| Sector | establishments | # employees | |
|---|----------------|-------------|----------------------|
| All | 2483 | 35209 | |
| Manufacturing | 70 | 1607 | Maybe NAPI included? |
| 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 |

Manufacturing

Establishments



Assets

- Electricity prices and availability
- Natural gas prices and availability
- Water and wastewater capacity
- Technical labor force / transferable skills
- San Juan CC proven training capability
- Some improved sites available, lack larger 40+ acres
- Animas Industrial Park
- San Juan County Industrial Park building potential
- Existing manufacturers Pesco, Raytheon, Bayotec
- DOD preference for Native American workers
- Farmington ORII program



Manufacturing

Assets

Opportunities

- Industries that use natural gas as an input
 - Petrochemicals, H₂, urea, polypropylene, plastics
- Energy intensive industries
 - 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.
 - What are they working on that could fit 4CED strengths?
- SJCIP building, when upgraded will be attractive to metal fabricators, machinery makers
 - Only two industrial buildings over 20,000 SF on database



Manufacturing

Opportunities

Opportunities

- Outdoor equipment boutiques, artisans
- Energy intensive businesses often need large sites or rail or other infrastructure, e.g., consider aluminum smelting. What scale could fit 4CED?
- Google or Meta hyperscale data centers will not fit. What size data center could be a target for 4CED? What are their power, fiber and other requirements. Can FEUS provide electricity? Are there sites with robust fiber?



Manufacturing

Opportunities

Weaknesses

- Lack of rail makes transport of large or voluminous manufactured goods more expensive relative to other communities with rail
- San Juan County has affordable industrial land and buildings but does not have many that are 20,000 square feet or larger
- Existing manufacturers have high degree of dependence on the natural gas and oil markets which can be volatile



Manufacturing

Weaknesses

- NAICS 1026 Leisure + Hospitality – 254 establishments, 4,809 employees, (9/21) 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 annually/ average winter temps 22-46 degrees / average winter rain monthly 2.6 inches
- 300+ Outdoor Equipment Manufacturers in Utah + Colorado



Tourism + Outdoor Recreation

Data



Tourism and Outdoor Recreation Summary Key Takeaways

- San Juan County and the Four Corners is largely undiscovered country
- 40 percent of visitors are looking for cultural sites and state and national parks. San Juan County has an abundance of both.
- Employment in tourism is growing faster than employment generally. Unfortunately, wages are lower than average.
- 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



Where do they come from?

Top 5 States

| | |
|------------|-------|
| New Mexico | 21.9% |
| Texas | 16.4% |
| California | 10.1% |
| Colorado | 7.8% |
| Arizona | 5.9% |

How do they travel to or in New Mexico? (Top 4 responses)

| | |
|---------------|-------|
| Own car/truck | 65% |
| Rental car | 23.8% |
| Plane | 21.8% |
| Camper/RV | 6.6% |

Why do they visit New Mexico? (Top Reasons for visit)

| | |
|----------------------------|-------|
| Visit friends/relatives | 32.8% |
| Touring | 16.4% |
| Business trip ^s | 10.5% |
| Special event | 8.3% |
| City Trip | 7.2% |
| Outdoors | 7.9% |
| Casino | 5% |
| Conference/convention | 3.2% |
| Resort | 2% |
| Skiing/snowboarding | 1.2% |

Other characteristics:

| | |
|-----------------------------|------|
| Average # of nights on trip | 3.58 |
| Average travel party size | 2.83 |

(77% Adults, 23% children)

Top 5 DMA's

| | |
|-----------------------|-------|
| Albuquerque-SantaFe | 18.8% |
| El Paso-Las Cruces | 6.2% |
| New York, NY/NJ/PA/CT | 5.6% |
| Denver, CO | 5.1% |
| Los Angeles, CA | 4.5% |

When do they come?

| | |
|--------|-------|
| Spring | 25.1% |
| Summer | 29.2% |
| Fall | 22.4% |
| Winter | 23.4% |

What do they do/visit in New Mexico? (Top 17 Activities)

| | |
|--------------------------|-------|
| Shopping | 28.3% |
| Landmark/historic site | 19.5% |
| National/State Park | 18.5% |
| Fine Dining | 18% |
| Museum | 15.6% |
| Hiking/backpacking | 14.4% |
| Casino | 12.2% |
| Art Gallery | 10.4% |
| Swimming | 10.2% |
| Camping | 7.9% |
| Fishing | 7.2% |
| Fair/exhibition/festival | 7.1% |
| Bar/disco/nightclub | 6.9% |
| Zoo | 6.4% |
| Business Meeting | 6.2% |
| Theater | 6% |
| Spa | 5.8% |
| Business Meeting | 6.2% |

NOTES: 40% of tourists come to see landmarks and national or state parks. SJ County has an abundance of both. Resource partners (FCVB and Aztec Tourism Center) are leveraging these attractions.

Number one reason people visit is they were asked by a friend or relative. Social media from 4CED amplifies reasons to see San Juan County.

NM and SJ County is a year-round destination making tourism a consistent economic activity. Remember, tourists can turn into relocating retirees and location-neutral workers!

Tourism + Outdoor Recreation Data

Visitor Profile 2015-2016





Tourism + Outdoor Recreation Data

Tourism Economics

Direct / Indirect / Induced

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes



Visitor Spending

Visitors to New Mexico spent \$7.4 billion in 2019, which generated \$10.4 billion in total business sales, including indirect and induced impacts.



Continued Growth

Tourism-sustained jobs generated total income of \$2.8 billion in 2019, a 4.8% increase over the prior year.



Employment Generator

A total of 96,064 jobs were sustained by visitors to New Mexico in 2019. This included 72,537 direct and 23,527 indirect and induced jobs.



Fiscal Contributions

Tourism in New Mexico generated \$1.5 billion in tax revenues in 2019, with \$737 million accruing to state and local governments.

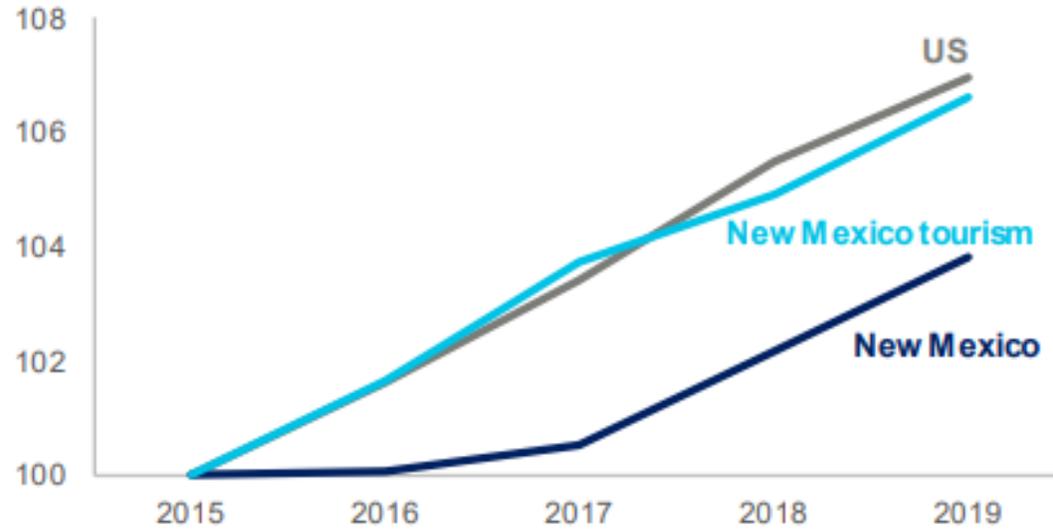


Tourism + Outdoor Recreation Data

Tourism Economics

Tourism employment in New Mexico

Index (2015=100)



Source: BEA; BLS; Tourism Economics



Lupke & Associates, Inc.

Tourism + Outdoor Recreation Data

Tourism Economics

Tourism is a rapidly growing employment sector. Will accelerate coming out of COVID.

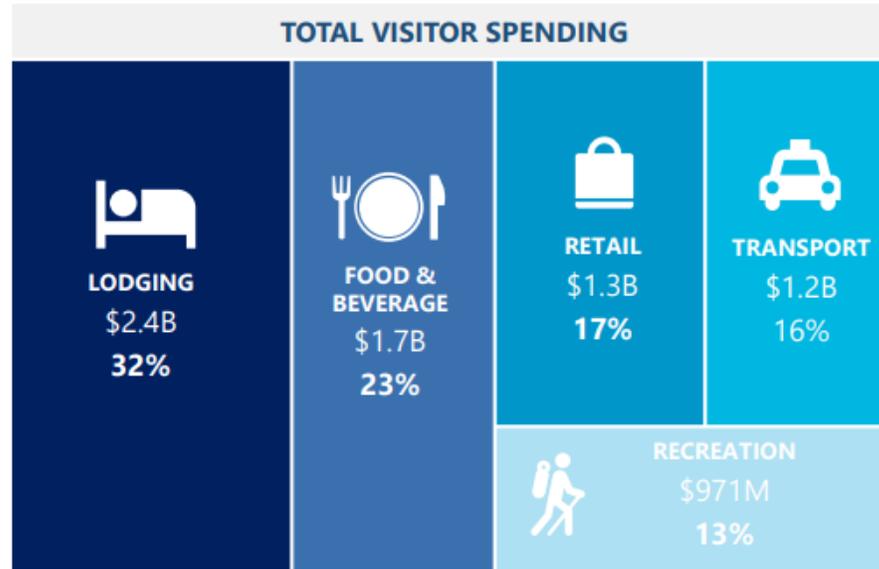
VISITATION AND SPENDING

Visitor spending by industry

Visitors to New Mexico spent \$7.4 billion across a wide range of sectors in 2019

Visitors spent \$2.4 billion on lodging, \$1.7 billion on food and beverages, \$1.3 billion on retail shopping, \$1.2 billion on transportation, including both local transportation and air, and nearly \$1.0 billion on recreational activities in 2019.

The value of second home accommodations, included in lodging spend, tallied \$739 million.



Note: Lodging spending is calculated as an industry, including meetings, catering, etc. Spending also includes dollars spend on second homes. Transport includes both air and local transportation.

Source: Tourism Economics



Lupke & Associates, Inc.

Tourism + Outdoor Recreation Data

Tourism Economics

Assets

- Cultural / historical / natural sites and spectacular surroundings
- Year-round recreation opportunity
- City of Farmington ORII
- Regional events / activities
 - Mountain biking trails and events ie Road Apple Rally; Alien Run; Anasazi Loop
 - Off-roading trails ie Arch Canyon Trail, Chokecherry Canyon Trail, Dunes Recreation Area
 - Animus & San Juan Rivers
- Historic downtowns
- Public investment in downtowns and outdoor access
- Multiple low – moderate lodging options, including major chains; RV parks, including drive through sites, one park includes corrals



Tourism + Outdoor Recreation

Assets

Assets

- Shooting sports (bow and arrow events and rifle and pistol shooting competitions)
- Strong hunting and fishing communities
- Dirt track racing and off-road motocross races
- Jeep tours
- Regional draws associated with city parks and water attractions



Tourism + Outdoor Recreation

Assets

Opportunities

- Capture additional tourism
- Build on existing events, i.e., mountain biking, horseback riding, fly fishing: cross market all local offerings as event participants enjoy multiple activities. Market area to participants and exhibitors from the perspective relocation and retirement.
- Target outdoor retailers + outfitters, pop-up boutiques related at events
- Continue/expand Farmington and Aztec efforts at attracting outdoor retailers and manufacturers.
- Boutique equipment start-up entrepreneurs like rafting guides, photo guides, etc. and outdoor equipment and food manufacturers (e.g. energy bars, etc.)
- High-end RV park / Long-stay RV parking / Corralling?
- Unique, boutique, and higher-end lodging?
- Agritourism and other experientially related tourism



Tourism + Outdoor Recreation

Opportunities

Retirees and Remote Workers Summary Key Takeaways

- There are a lot of retirees in the U.S. and 38% move to another state as they retire
- Utah sees 17% of its retirees locate to another state upon retirement
- 35% of job holders in US or 55 million people can work remotely full time. San Juan County has lots to offer them, and real estate is affordable relative to Durango and the national average.
- San Juan County and its municipalities are advised to look at development and offering of relocation packages to targeted and qualified location-neutral workers and retirees.



- 16.9% US population 65 and older, approximately 55 million Americans
- 400,000 US retirees moved their residences in 2020
- 38% of retirees moved to another state (Virginia 15%, Florida 13.5 %, Wyoming 10.3%, Pennsylvania 7%, and Idaho 4.9%)
- 17% of Utah's retirees moved to another state. (Source: The M Report)
- 26% of retirees moved away from larger cities + metropolitan areas
- 35% or 55 million workers can work remotely

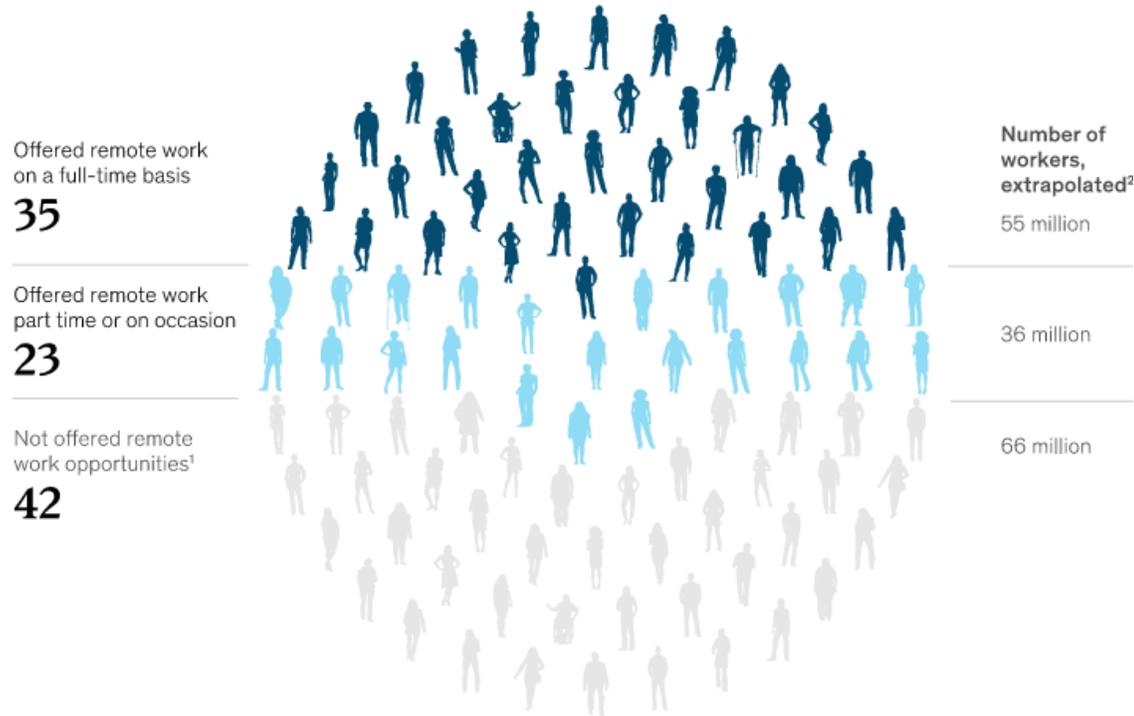
Retirees + Remote Workers

Data



Of job holders in the United States, 58 percent—the equivalent of 92 million people—say they can work remotely at least part of the time.

Availability of remote work options, % of employed respondents (n = 13,896)¹



Note: Figures may not sum, because of rounding.
¹Includes respondents who answered "I don't know" (1%).
²Of 158,105,000 employed people; US Bureau of Labor Statistics, Apr 2022.
Source: McKinsey American Opportunity Survey Spring 2022

McKinsey
& Company



Lupke & Associates, Inc.

Retirees + Remote Workers

35% of job holders in US or 55 million people can work remotely full time

Top Ten Locations (of 100)

- Seattle, Washington
- Portland, Oregon
- Chicago, Illinois
- Atlanta, Georgia
- San Jose, California
- Washington, DC
- San Francisco, California
- New York, New York
- Philadelphia, Pennsylvania
- Denver, Colorado

Criteria for Selection

- Tech Capability: download speed + free WiFi hotspots
- Cost of housing / accommodations
- Airport availability
- Climate
- Outdoor experiences: nearest national park + recreation areas

Retirees + Remote Workers

Best Locations for Digital Nomads Fast Company



- Honolulu Movers + Shakas – Free airfare, affordable housing, volunteer work, cultural orientation, networking
- West Virginia Ascend - \$12,000 cash, co-working space, social events, free outdoor-gear rentals (Morgantown)
- Opportunity Maine Tax Credits (after 1-year residency) against student loan payments
- Call Newton (Iowa) Home - \$5,000–10,000 based on home purchase price, welcome package of local gift cards
- Tulsa Remote - \$10,000 cash, affordable housing, co-working space, 36 Degrees North entrepreneur basecamp
- Choose Topeka - \$5,000 to renters, 10,000 to home buyers, \$1,000 if within Jimmy Johns delivery zone
- Finding NWA (Arkansas) Talent - \$10,000 plus free bike
- Remote Tucson - \$1,500 cash, free internet, co-working, real estate services, networking, concierge, gift cards
- Savannah Tech Workforce - \$2,000 cash (limited to 50 annually + must have 3-years tech experience)

Retirees + Remote Workers

Sample Incentive
Packages





Retirees + Remote Workers Success Factors

Bonuses

Training

Buddy

Concierge

Relocation benefits

Co-working memberships

Invitations to clubs, activities

Childcare

Check-ins

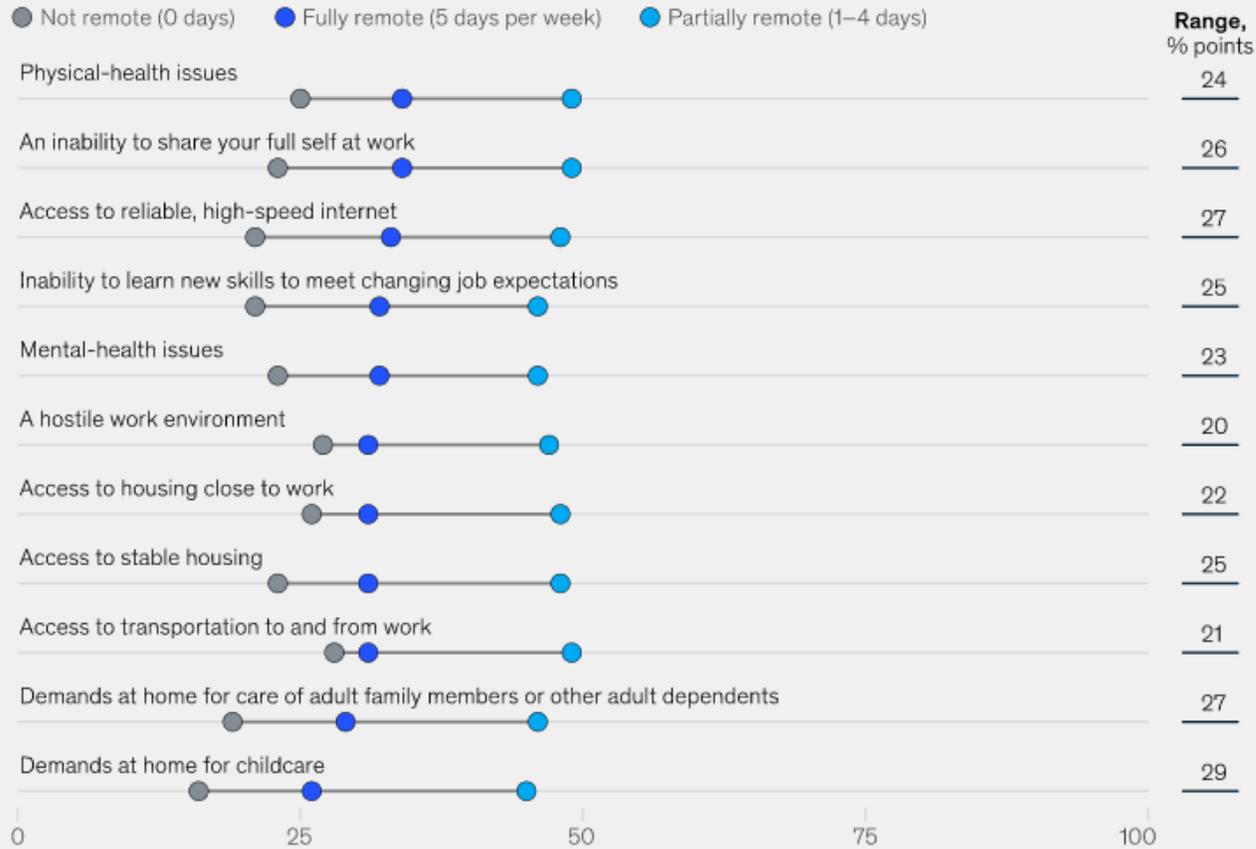
Meet-ups

Life coach



For many working remotely, flexible arrangements still have their challenges.

Factors that impact ability to effectively perform work,¹ % of respondents (n = 13,896)



¹Question: If you think about your job today, or your most recent job, to what extent are/were any of the following impacting your ability to effectively perform your work?; answers from % of employed respondents citing "major impact" or "moderate impact."
Source: McKinsey American Opportunity Survey Spring 2022

McKinsey
& Company



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Retirees + Remote Workers

Challenges to Making Remote Work Work

There are many other items besides cash that can be used to attract retirees and location neutral workers.

Top Ten Cities

- Sarasota, FL Score 7.5
- Naples, FL Score 7.3
- Daytona Beach, FL Score 7.3
- Melbourne, FL Score 7.3
- Lancaster, PA Score 7.2
- Tampa, FL Score 7.2
- Fort Myers, FL Score 7.2
- Port St. Lucie, FL Score 7.2
- Ann Arbor, MI Score 7.2
- Pensacola, FL Score 7.2
- #86 Colorado Springs, CO Score 6.6
- #89 Boise, ID Score 6.6
- #100 Boulder, CO Score 6.5
- #116 Tucson, AZ Score 6.3
- #124 Salt Lake City, UT Score 6.2
- #128 Fort Collins, CO Score 6.1
- #133 Denver, CO Score 6.1
- #140 Phoenix, AZ Score 6.0
- #141 Albuquerque, NM Score 6.0

Best Places to Retire

Source: US News & World Report
(retirement issue)

Criteria

Source: survey of 3,087 individuals nearing retirement age

- Housing Affordability 20.2 % (total homeownership + rental costs)
- Happiness 22.3% (crime, air quality, well-being)
- Desirability 13.6% (no criteria, subjective by respondent)
- Retiree Taxes 15.5% (sales + income taxes, including SS income)
- Job Market 9.3% (ease of finding employment + earning potential)
- Healthcare Quality 19.1 (access to top quality care)



Retiree Relocations

Source: The M Report (2020 data)

Winning States

- Virginia 15%
- Florida 13.5%
- Wyoming 10.3%
- Pennsylvania 7%
- Idaho 4.9%

Losing States

- Utah 17.3% 
- Maryland 12.3%
- California 11.1%
- Texas 9.9%
- New Jersey 8.6%



Assets

- Affordable housing and cost of living; range of housing types
- Healthcare
- Cultural / historical / natural sites + spectacular surroundings and recreational opportunities
- Mild winter / year-round activities
- New assisted living facility downtown nearing completion
- New downtown apartments recently completed
- Historic downtowns
- Shopping destination
- San Juan College (Encore Program, credit courses and cultural programming)
- Coworking, makerspace, incubator
- Award winning schools + public services



Retirees + Remote Workers

Assets

Opportunities

- Market lower cost of living
- Market active lifestyle
- Marketing at events attended by retirees
- Try to attract retirees and potential remote workers as visitors/tourists first
- Remote worker incentive packages. *(City of Farmington is initiating an offer on the “Make My Move” platform and can use 4CED's support.)*
- Is broadband sufficient to support remote workers throughout the area?

Retirees + Remote Workers

Opportunities



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