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State Spurs Job-Saving Development in Roswell Rail Yard

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Roswell officials knew the city needed a new railroad spur if it hoped to save jobs in local industries dependent on rail shipping and to stimulate job creation in emerging industries. Occasional derailments underscored the risk of using the old Burlington Northern tracks, which didn't meet the weight and gauge requirements of modern railroad cars.

But building industrial infrastructure is expensive — more than the city, the railroad or the rail-dependent businesses could afford on their own.



So the city launched a public-private partnership to upgrade and modernize the rail spur in a way that benefits the entire community and allows more public access to the privately owned tracks.

Empowered by New Mexico's Local Economic Development Act (LEDA) and the availability of funds appropriated to the New Mexico Economic Development Department for the LEDA-Capital Outlay program, the city submitted an application requesting \$100,000 for the project and matched that amount with city funds. It also engaged Xcel Energy and Southwestern Railroad to contribute \$70,000 in labor to repair and expand the city's tracks.

The result is a modernized facility that city officials are confident will raise Roswell's profile as a regional hub for rail shipping.

Sustainability and Growth

At the ribbon-cutting ceremony in September, state Economic Development Secretary Jon Barela expressed the hopes of everyone involved that the project would expand economic opportunities as more businesses make use of the resource. Good rail lines, Barela noted, are essential to manufacturers, farmers and the shipping industry.

"That was the purpose of the city getting involved — to save jobs and create jobs," said Michael Vickers, the city planning and support services director for Roswell. The jobs saved were at Nu-Mex Plastics, which had considered discontinuing its operations because of the rail

shortcomings, and at least two new hires were made at RLC Logistics, which was able to move forward with expansion plans.

The project included the addition of 800 feet of space that the public — mostly businesses — could use to load and unload products or raw materials. Before, Vickers said, “there was no public access to siding like this. People had to pay trucking companies to ship goods. This will alleviate shipping problems and strengthen future opportunities for our air center.”

Community Collaboration

LEDA allows public support to be pledged to eligible economic development projects in partnership with private industries or companies, as long as they demonstrate a public benefit as defined by state law. At the core of the partnership is a project participation agreement — a contract between the local governing body and the private party to cooperate on — and contribute to — a mutually beneficial goal.

Since 2002, 83 New Mexico communities have passed ordinances to align with their comprehensive plans or economic development plans. The success of those efforts prompted the Legislature in 2013 to appropriate \$3.3 million for future projects.

New Mexico Economic Development Department representatives are available to guide local governments in shaping the ventures to align with laws that oversee the use of public funds.

For more information about the LEDA-Capital Outlay program, visit the Economic Development Department website at www.gonm.biz/local_economic_development_act.aspx or call (505) 827-0264.

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