President Shelly breaks ground for Phase I of Thoreau Industrial Park Railhead

THOREAU, N.M.—Phase I of the Thoreau Industrial Park Railhead is officially underway.

On the afternoon of May 8, Navajo Nation President Ben Shelly broke ground in Thoreau for the proposed rail port that will import goods to the Four Corners and export agriculture, coal and oil throughout the country via the Intercontinental Railway.

The grand design of the three-phase project is to have a rail spur connecting Thoreau to Farmington. Thoreau’s 380-acre industrial park will accommodate up to 20 companies through a transcontinental loading center.

“We have talked to New Mexico DOT and they really like this idea,” President Shelly said. “The New Mexico House and Senate are also supportive”

He said the storage area of one railcar is equivalent to four semi trailers.

Phase II of the project will involve construction of a four-lane highway on Highway 371. The middle of the roadway will be reserved for the railway, which will connect Farmington with Thoreau and then on to the Transcontinental Railway.

“The right of way will have to widened from the 160-feet width it currently is today. The feasibility study has been done and we have an investor for the $14 million cost on Phase I,” President Shelly said.

New businesses will follow, he added, for the benefit of Thoreau residents.

Elroy Drake of Blue Horse Energy, LLC, said it’s been a long journey to get to the groundbreaking ceremony for the project. Blue Horse Energy was selected to develop, operate, finance and manage the operation of the railhead.

“Sovereignty. Indian tribes are sovereign. It’s important to understand that,” Drake said.

Sovereign authorities, such as taxation, played a significant role in providing the Navajo Nation self-determination for their future economic efforts, he said.

In 1985, the U.S. Supreme Court’s decision to uphold the Navajo Nation’s right to tax companies doing business on the Nation paved the way for the Permanent Trust Fund and the Narbona Growth Fund, he added.

“I wrote the concept paper for the Permanent Trust Fund,” Drake said. “It was capital resource creation through compounded rate of return. Now we have $2.6 billion.”

In 2013, the Navajo Nation established the Narbona Growth Fund, a for-profit company under Section 17 of the Indian Reorganization Act, to execute business with states and foreign countries.

“The Narbona Growth Fund will be a holding company, so we can have subsidiaries under it. If a company wants to joint venture with us, it can be done,” Drake said.

He noted that the Nation would not be subject to federal, state or corporate taxes.

“The Farmington power plants are closing units. Oil prices are dropping. The Navajo Nation must look into other opportunities like partnering with BNSF,” Drake said.

Pete Deswood, senior economic specialist with DED, said the Narbona Growth Fund is structured to allow the Navajo Nation to work with entities like BNSF.

“We have an investor waiting in the wings to help us with a bridge loan,” Deswood said.

The Thoreau Industrial Park Railhead will not only establish the Navajo Nation’s master lease agreement, but it will also be a business multiplier and create new shops for repairs, mechanics and other businesses associated with the industry.

The transcontinental loading center will reduce shipping costs, spur investment opportunities in new and existing markets and reduce the carbon footprint left behind by the trucking industry.

“That’s what this is all about. The opportunity is there,” Deswood said.

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