

# December, 2020

## I. HOUSING RECRUITMENT

**A. John-** Sidney and I are working with the company that produces the Home Building Expo in Dallas and Austin on the next show that is looking like it will move forward in mid to late 2021.

**B. John-** Met with officials with Monarch Investments out of Denver regarding the current market and outlook for the future. Provided him information from the Carlsbad Municipal Schools and two articles on the status of the Delaware Basin and what was expected for the future. They have an apartment complex expansion on hold until they see what the market is going to do this year.

**C. Jeff** – Assisted with the promotion of the opening of Longhorn Flats, a new extended stay facility in Loving. The owner, Steven McCutcheon, requested a press release for the new facility. Longhorn Flats has 72 rooms, as is positioned to be conveniently located near the oilfield work sites.

## II. WORKFORCE RECRUITMENT

**A. Jeff** - Unemployment for Eddy County was 6.8% for October, down from 7.3% last month. The state as a whole is at 7.5%, with our neighbors in Lea County at 10.6% and Chaves at 7.8%.

## III. OIL, GAS & ALTERNATE ENERGY

**A. John-** Met with a person from an Austin Energy Company that is still working on expanding into Eddy County. They are still planning on some construction to begin in March of this year and when their project is completed, will employ up to 24 people. They are also planning on joining the CDOD as well.

**B. John-** Met with one member that needed to advertise a vacant building and property that would be good for an oilfield service company. Passed on information to Jeff to get the word out on.

**C. John-** This month, we passed Lea County and then were passed by Lea County the following week as the most active drilling county in United States. Lea County now has 34 active rigs, followed by Eddy with 31 and Midland County with 20.

**D. Jeff** –Eddy County ranks number two in oil production and number one in gas production for the state as a whole. Overall, New Mexico ranks number three in oil production and number six in gas production in the United States, based on data reported by ShaleXP, an online oil and gas reporting tool.

## IV. MEDICAL

**A. Jeff** – A site selector for a medical business who visited Carlsbad twice last year requested information on population and taxable GRT. They are looking for entry into the market this year and have requested I keep them updated with new data as it becomes available.

## **V. RETAIL/RESTAURANTS/ENTERTAINMENT/HOSPITALITY**

**A. Jeff** – Project Dumbbell, one that I worked heavily on for the past year, is still negotiating a lease at a property I showed them. They asked if our EDC had any incentive monies for them, and I informed them that we did not.

**B. Jeff** – Project Bealls Afterlife is still working on their lease at the Carlsbad mall. As soon as they are ready, we will make a formal announcement. Work slowed over the holidays.

**C. Jeff** – Project Daddy Dough requested some information for a property inspector last month as they work on finalizing their purchase agreement. I gave them some contacts I received from our board members.

**D. Jeff** – Last month I moderated an online panel discussion put together by France Publications. The topic of the panel was “New Mexico Retail Outlook: What will New Mexico Retail Look Like in 2021?” Panelists included representatives from Base 5 Retail, Maestas Development Group, Colliers International, and Pegasus Group. The live panel had over 70 attendees, and the France Media Group made it available for people who could not attend as well as emailed the link out to their entire database.

## **VI. AVIATION**

**A. John-** Project Rose is now broken into Project Rose and Project Ace which both envision MRO and large aircraft storage operations at Carlsbad Airport. What was originally envisioned as a team is now separate efforts to move forward.

1. We received a site visit from officials (including its founder and CEO) from what is now project Ace. Project Ace is composed of an actual MRO company that specializes in jet engine repair and maintenance. Project Ace is also very interested in working with CDOD member Celtech and appears to be the first company with the certifications to actually work on a number of different engines.

2. Project Rose is composed primarily of two investors. Project Rose is interested in coming here but needs a Letter of Intent and an exclusivity agreement with the for a year and a half to move forward with investigations.

3. We are working with Mayor’s and City Administrator’s offices on both prospects.

## **VII. CASCADES**

**A. John-** Met with the City Public Works staff and Bob Forrest over the river pump operation and maintenance. In late November, the pump had stopped working and needed maintenance, which I went over with the City staff.

## **VIII. ADMINISTRATION**

**A. Jeff** – After several weeks of trying to work through an unforeseen issue at the site for the Albertsons sign, I turned everything we had tried over to United Family. Basically, the sign has been completed for a while. Upon installation, we received word from the contractor that we needed an NMDOT permit signed off by the property owner. The owner of the property is a man named Eddy Spurlin. He owns the tract of land where Little Caesars Pizza is located, and subsequently where the sign is to be erected. He claims he never gave United permission for the new sign. United has an agreement that allows them to repair and/or replace their sign on that piece of property. United said they would have their attorney look at it and we will proceed from here. As far as City of Carlsbad Lodgers Tax is concerned, since we received monies from them to build and install this sign, they have given us an extension. All but the installation for the sign has been spent.

**B. Jeff** – I passed along potential office spaces to a law office in El Paso who are looking to possibly expand into Carlsbad. No word on whether they have pursued the leads I provided yet.

**C. Jeff** – KCCC Radio, locally owned and operated here in Carlsbad, has closed. Sidney, John, and I have made numerous appearances over the years to provide updates on various initiatives. We even used to host a monthly show several years ago. Sad to see it go.

**D. John**- Attended a webinar put on by the New Mexico Economic Development Department and the Government of India about possible business opportunities between New Mexico and India in several different industries including biomedical, technology, defense, and energy. Our governor opened up the discussion by reminding everyone that all people that come into NM have to quarantine for 14 days. When the head of an Indian vaccine production company tried to put in a positive word by talking about the numerous vaccines currently under production in the US (one of which his company was looking for a second US production site), the governor downplayed the short-term impact that the vaccines would have on us here and stated that it would be at least another year before restrictions could be eased because we wouldn't get everybody vaccinated in 2021. She cut out of the webinar after that and the webinar progressed to each of the companies participating in the discussion. In addition to five Indian CEOs and two Indian Economic Development officials, the head ambassador from India to the United States was in attendance and spoke.

**E. John**- Completed the staff evaluations for CY2020. I want to thank the Executive Committee for their assistance and input.

**F. John**- Together with President Mitchell and Secretary/ Treasurer Cone, we attended a meeting with David Fritschy and his assistant to kick off this year's annual audit. The audit has started this month and should be completed in a couple of months.

**G. John**- Entire staff dedicated a majority of their time in early December to finish processing CARES Act applications, meeting with local businesses, and turning in both the results and boilerplate agreements to the City and County. Below is a recap of the program and the results.

1. We received 80 applications in total between the City (65) and the County (15).
  - a) Of these 80 applications, there are \$15.5 million in total requests (~\$13 million in eligible requests).

(1) Of the eligible expenses, \$10.6 million for city businesses and \$2.4 million for county businesses

b) Only one business was ineligible based on the required criteria in their application and a discussion with them.

2. The RLF/Cares Act Advisory Board reviewed and ranked all of the screened applications based upon the State DFA Criteria given to the local governments. We had four meetings of the group to complete the process.

3. As part of the final report submitted to the local governments, we produced a spreadsheet that, once the scores were turned in and entered, calculated the final score and prorated the amount recommended for award based upon the amount received by each local government.

4. Both the City and the County submitted the recommendations for award to the state in early December and sent out award notices and grant agreements to the local businesses at that time.

5. As per our agreements with the local governments, we have also invoiced each for the grant administration services.