

February, 2021

I. HOUSING RECRUITMENT

A. Sidney- Sent over rig count data for the last 10+ years, information on job creation/counts per rig, our understanding on the current executive orders impacting leases on federal lands, and a general overview on housing occupancy rates for Carlsbad to the Pecos Vista community manager. Stephanie Lengers, the community manager, has consistently fought to keep the pricing specials going to stay in a competitive price range. This information is relayed to the owners to continue those efforts.

B. Sidney –Posted available residential property to our website.

C. Sidney –Frequently looking online and collecting data for market changes in the average and median cost of available properties for rent and sale, and the number of property listings.

1. Median list price: \$210,000
2. Number of homes on the market: ~310
3. Number of rental properties listed: ~20

D. Sidney – Made additional changes to the online survey ‘Employer Survey – Employee Housing Needs’. This survey will be sent out Monday 2/22. It includes questions that address the kinds of housing desired, the price ranges that suit various needs, opinions on level of difficulty in finding housing, etc

E. Jeff –Came across a developer who has existing business in Carlsbad but would like to look at building homes. I passed his contact info on to Sidney. They have built homes in other neighboring markets.

F. Jeff – In speaking with a local broker I received news on the housing outlook. Currently, they are seeing more listings hit the market and few buyers looking and/or pulling the trigger on offers.

II. WORKFORCE RECRUITMENT

A. Sidney- I sent over individual links to open positions in Carlsbad and links to other resource pages where job postings can be found to individuals that is new to our area seeking employment that have submitted resumes through our website portal

B. Jeff - Unemployment for Eddy County was 6.9% for December, up from 6.8% last month. The state as a whole is at 8.2%, with our neighbors in Lea County at 10.3% and Chaves at 8.3%.

II. OIL, GAS & ALTERNATE ENERGY

A. John- Several of the Bat Brigade meetings this month focused on the situation with the federal activity ban for the extraction industries. The secretaries for the Energy Minerals and Natural Resources Department, the Economic Development Department, the Environment Department (Division heads represented secretary), and the State Land Commissioner were all concerned that this ban caught all of them unawares. The State Land Commissioner stated plainly that there was no revenue (current or proposed) that could come even remotely close to replacing the \$900 Million in revenue that she anticipated losing from this action. She also confirmed that feds were blocking approved activity on state leases by not approving rights of way to get to them. The OCD Director indicated that a letter was forthcoming from the state. The Governor indicated that she was writing a letter as well to the Biden Administration to let up on NM.

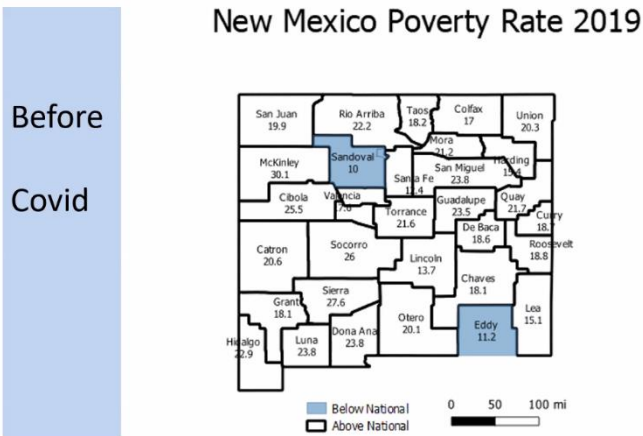
B. John- Sent a letter to Senator Lujan and Heinrich's offices asking for help with the restrictions on all federal lands. Senator Lujan's Washington and Roswell offices responded immediately and said they were looking into it and would get back to us. Sen. Heinrich indicated that he realized how important the revenue was from that industry but that there were other opportunities in green energy out there.

C. John- Met with local BLM staff who told me that as of last week, not a single extraction related right of way, drilling permit, road permit, etc. has been approved in Washington and returned to New Mexico. They indicated that, in addition to drilling permits, there were electric infrastructure (potash mine) approvals, road permits, waterline projects, collector line r-o-w and other projects awaiting approval from the single assistant secretary in Washington, DC.

III. EDUCATION

A. John- The bill that will allow NMSU Carlsbad to become independent (HB 212, Reps. Brown & Townsend) is working its way through the legislature. It made it through the House Local Government, Land Grants, and Cultural Affairs Committee with a 7-1 vote and is scheduled for an 8 AM, Feb. 24th hearing before the House Education Committee. In a meeting with the Governor this month during Bat Brigade, Carlsbad participants were told that by the Governor that she was undecided on whether to sign the bill if it makes it to her, but that she understood from her people that the college would not support itself monetarily if it went independent.

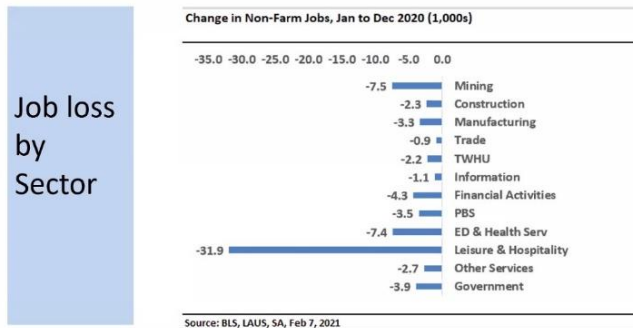
B. John- Attended NMSU's 10th Annual Economic Outlook Conference (online). Several speakers presented information about the impact of the COVID pandemic and the oil and gas industry challenges. Some of the speakers, like Dr. Peach, did not seem very worried about the potential economic impact of the federal land restrictions on extractive industries. As you can see from the table below, the top two affected sectors from COVID happen to be two of our top industrial sectors- mining (includes all extraction industries) and leisure and hospitality (tourism).



Source: Data: Census Bureau SAIPE, Map JP

Another interesting section was the number of counties below the national average for poverty rate. The graphic above is pre COVID. All of the speakers agreed that the 2020 numbers were no doubt going to be worse with possibly all of the counties below the national average. This was where two of the speakers pointed out the benefits that oil and gas could have in bringing the state out of poverty and the need to get the industry back up and running as soon as possible.

NM Non-farm payroll employment



Source: BLS, LAUS, SA, Feb 7, 2021

IV. MEDICAL

A. Jeff – In working to find a possible location for a mental therapist who is in the process of relocating to Carlsbad, I was informed that their funding source has pushed back their funding until later this year. They are exploring other sources for funds, but have not discovered anything yet. They will keep me in the loop as time goes forward.

V. MANUFACTURING

A. John- Attended a webinar put on by the NM Partnership focusing on manufacturing. Three site selectors discussed the opportunities that they were seeing in the market. Most revolved around urban projects and trends. They discussed at length the companies leaving California for places like Austin and Dallas. Tax structure and cost of living were the primary factors from moving away from California. They pointed to our low property tax rate as a positive for the state, but a lack of people as an obvious negative. There was a single site selector that was interested in what he believed was an opportunity to enter SE NM while the market was a little down. As requested, I sent him information on construction and growth pre-COVID. As many looking to invest here, he was worried about federal government rules and restrictions on our extraction industries.

VI. RETAIL/RESTAURANTS/ENTERTAINMENT/HOSPITALITY

A. Jeff – Project Dalmatian is very interested in Carlsbad. They are building a location in another market currently, but have asked for assistance in looking for potential locations. They have another business in our market already, and would like to not only build this new business, but other things as well.

B. Jeff – Project Tumble, one that I worked on for over a year now, had secured site that I found for them back in November. I recently found out that the client is progressing well in their due diligence. We expect to close on the property around June 1st at the present time. More on this as it develops.

C. Jeff – Spoke to a developer who is working on a project right now in Carlsbad. They are still looking for other tenants on the property they are developing. He confirmed what I have been hearing a lot lately, that there is a great deal of interest in Carlsbad, but nothing has solidified just yet.

D. Jeff – Touched base with a broker for a new strip center. They are largely still seeking tenants for the property, but have just about completed a deal with a local business to relocate to the new site. They also have a letter of intent (LOI) for a retailer in one of the other suites. Again, the concept of receiving a great amount of interest was mentioned here as well, with the same ending to the story of nothing firm just yet.

E. Jeff – Attended the first of regularly scheduled monthly meetings with the New Mexico Film Office. The meetings are hosted by the director and her staff. They are aggressively trying to help NM communities get photos and locations on their site for future scouts to come and bring new projects. They have been working on a new database that will better showcase our locations. I uploaded several photos I have compiled over the years of scenic spots in and around Carlsbad to a google drive that I shared with them.

F. Jeff – Last month I spoke to a film scout for a Disney production that was interested in caves. They visited the Caverns, and all of the production people liked what they saw. They are also looking at some caves on the east coast, and do not have plans to do any filming until the fall. They will let us know if they do decide to film at the Caverns. I will stay in touch.

G. Jeff – Received an inquiry from a local hair stylist who was looking for a small building to rent. I supplied them with several possible locations to review.

H. Jeff – Spoke with Project Daddy Dough. They are in the final process of purchasing a location. They asked me for referrals on general contractors and architects. We keep a list of CDOD members in various fields of expertise on hand for such inquiries, and I sent them the file for their reference.

I. Jeff – A company I worked with last year locally has acquired a new location based off of sites I had sent them. They needed more parking and room to better serve their clients.

VII. AVIATION

A. John- Spoke with the CEO of project ACE. He is still trying to work on a second site visit to Carlsbad with another one of his co-owners. It will probably occur in late March or early April.

VIII. CASCADES

A. John- Met with Bob Forrest this month in reference to the Cascades Development and Oxbow. They are working to sell their development to a professional development company that can come in and finish the building to the north and then finish the buildout of the subdivision. He gave me an advertisement that they produced and told us that it was going to be advertised in the Albuquerque Business Journal. We emailed out his flyer to our contacts and members.

IX. ADMINISTRATION

A. Jeff – I was asked to serve on the United Way scholarship committee. The committee will review applicants from all of Eddy County. There are some criteria to meet, and the deadline to apply is March 5th. All of these details can be found at the United Way website: <https://www.uweddyco.org/scholarship>

B. Jeff – I have been working with our representative from Golden Shovel on further revamping the CDOD membership section of the website. We have broken down our membership by category level now. Please review these sections when convenient, and point out any corrections that are needed.

C. Sidney –Our webhost provider's Golden Shovel content creator Ellen sent over a draft of this year's content plan. This plan is a tentative schedule for all articles that will be written and published to our website and shared over social media. I combined Jeff and I's feedback and additional new ideas for the plan and served as the point of contact on this with Ellen. On a monthly basis Ellen writes articles which I review and provide edits and feedback for. All articles can be found on the CDOD website under 'News and Media'.

D. Sidney – Attended the following Bat Brigade meetings via zoom: Economic Development – Alicia Keys, NM Environment Department, Department of Tourism, and meeting with Governor Michelle Lujan Grisham.

E. Sidney – Met and assisted a CARES act recipient that had not received their check. Got them the correct forms from the City to re-issue the check and contact information for any further concerns.

F. John- As mentioned above and last month, CDOD worked with the Chamber of Commerce and Jack Volpato for this year’s virtual Bat Brigade. Thank you to everyone who attended the meetings virtually. We had anywhere from seven to 50 people in attendance. Chad did a great job setting up the online meetings and all of the meetings were interesting. I hosted meeting with NMEDD Secretary Alicia Keyes. Clint Cone did a great job hosting the meeting with the governor.

G. John- At her request, we hosted a small in-person meeting with Representative Herrell, her staff, CDOD President Larry Mitchell, Chamber Director Chad Ingram, and Chamber President Clint Cone, at our office. The Congresswoman spoke about the climate in DC and the status of the federal restrictions on the BLM.

H. John- Completed new federal reports for RLF. There is a chance that our RLF can be defederalized within next 6 months. This would essentially grant us the federal portion left in the account, which would release us from having to give any portion of the program money back to the EDA. We would still maintain the program as per our approved RLF plan and we would be eligible for future grants as program is reauthorized.