

# January, 2023

## I. HOUSING RECRUITMENT

- A. Steph** – Homes sales update: 109 active listings with a price range between \$110k – \$1.8 mil. Average price \$346,969 median price \$299,500. Pending 59 price range \$83k – \$759,000. 497 homes sold in 2022. In Jan so far 18 sold.
- B. Steph** – Affordable Multifamily construction and developers from the Wells in Artesia project confirmed site visit week of Jan 30, TBD on exact date with Robert Ashton, President of Liberty and N2M Contracting team.
- C. Steph-** Apartment updates from the major suppliers in the market:
1. Pecos Vista 100% waitlisted.
  2. Cavern City Apts, sold out for the first time since fully opened with all units completed.
  3. Arrowstone, Copperstone above 93% and Canyon Stone (Artesia) at 83% with 49 units available. Range \$1200 - \$1815.
  4. Dunagan Associates Rental Department approx. 370 units total with 19 units available. Price range, studios suites \$850 to 3/2 \$3,000.
  5. The Villages at Carlsbad, 94%.
- D. Steph** – Hotel, RV Park, Man Camp updates from the major suppliers in the market:
1. Hotels increased in weekday occupancy range between 80% to sold out. YOY, increase in occupancy and ADR over 15% margin.
  2. RV Parks have strengthened compared to Dec, occupancy average between 80% to sold out.
  3. Man Camps continue to sell out at over 98% occupancy.
- E. Steph** – Finalizing end of year summary for 2022 data housing reports.
- F. Steph** – Attended Planning & Zoning Committee Meeting, Jan 9
- G. John-** While attending the ICSC Meeting in Dallas, I met with an Amarillo broker/developer and discussed housing needs in Carlsbad

## II. WORKFORCE RECRUITMENT

- A. Steph** – Prep work for San Juan College career fair, several members will attend. School of Energy tour planned for the day prior on Feb 15 at 2pm. Focus is specific to the energy sector and trades.
- B. Steph** – Meeting with Marianna Martinez, NM Workforce regarding upcoming job fair at SENMC, date TBD also coordinating with HR and workforce team at SENMC.

- C. **Steph** – Upcoming Workforce Events:
1. San Juan College – Farmington, NM Career Fair, Feb 16.
  2. Fort Bliss - El Paso, TX TAP MEGA Job Fair, May 18.
- D. **Steph** – Met with Dr. Kevin Beardmore, President SENMC presented our Settling-In (onboarding project) information.
- E. **Steph** – Unemployment:
1. **December 2022 NM Labor Analysis Statistics not published as of January 24, 2023.** November 2022 State unemployment rate 4.1% (down from 4.3% in Oct and down from 6.0% previous year).
  2. Our region is down.
    - Chaves 3.8%.
    - Eddy 2.8%.
    - Lea 4.2%.
  3. Compared to Nov 2021- Chaves 6.2%, **Eddy 5.3%**, Lea 7.7%.

#### IV. EDUCATION

- A. **John-** Continue to meet with the Mayors SENMC Task Force on the Trades Program. Also had an opportunity to visit with the new College President, Dr. Kevin Beardmore, who comes to us from Kentucky.

#### V. OIL, GAS & ALTERNATE ENERGY

- A. **John-** I am happy to report that Durango Midstream has joined the CDOD at the \$5,000 tier (Level 1). Rick Cargile is the CEO of the company that operated locally as Frontier Services. Durango Midstream has 70 employees in the area and is getting ready to have more as they get ready to construct a second midstream plant north of Carlsbad. We assisted them with the County IRBs and look forward to helping them get JTIP funding from the state later this spring.
- B. **Steph-** One of the companies that I have been working with on employee recruitment has now joined the CDOD at level 5 (\$500). Archrock is a publicly-traded natural gas compression services and equipment company based out of Houston.
- C. **Jeff** – Met with a representative of a company that puts in electric car charging stations at the ICSC Red River show. We discussed the current market here and how limited it is for car charging stations, especially with all of the tourists we have that drive vehicles needing charging. We will follow up with this company in the near future.

#### IV. NUCLEAR

- A.** **John-** Met with Holtec Corporate Leadership about proposed new facility. The EIS is completed and it effectively greenlights the facility for an NRC Permit approval soon. This facility will be located halfway between Hobbs and Carlsbad on property purchased by the Cities of Carlsbad and Hobbs, Eddy and Lea Counties, and the CDOD (we put the first \$90K down to hold property). It will employ about 200 people and will have 3 billion in construction and manufacturing
- B.** **John-** Attended a hearing in Santa Fe to oppose a bill that would ban our Holtec Project. There were people there that were both for and against it. We had board members Jason Shirley and Eddie Rodriguez stand up and speak against the ban.
- C.** **John-** Attended the annual NWP legislative reception breakfast in Santa Fe this month. The event was well attended by legislative members and the new SIMCO management team was there as well. As mentioned last month, I have spoken with Donovan Mager about the possibility of a CDOD - WIPP tour for those interested. If you are interested in touring the WIPP Facility, please let me know. This tour would probably occur sometime after the legislative session this spring.
- D.** **John-** Attended an ECA/DOE Webinar on the future of fusion energy and what it could mean for our Communities.
- E.** **John-** Continuing to assist MNTF Members in planning their travel to this year's ECA/ Waste Management Conference in Arizona next month.

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

- A.** **Jeff** —John Waters, Steph Mervine, Jason Shirley Damian Capello and I attended the ICSC Red River show in Dallas on January 18-20. Over 3300 developers, brokers, and site selectors attended, along with over 200 exhibitors. I met with 28 representatives which breaks down into the following categories:
- 12 brokers/developers
  - 5 retailers
  - 4 restaurants
  - 5 retail consultants
  - 1 electric car charging company
  - 1 preschool
- B.** **Jeff** – Project Whale Update: I was able to meet with the developers about this project at the Red River show. They are continuing forward with the project, however, the rising interest rate and inflation is causing problems in making the financing portion of the deal. We are moving forward with plans to connect them with a big box retailer I visited with at the show, that could potentially help in the costs. They plan on the first closing of the property here in Carlsbad by the end of February.
- C.** **Jeff** – Received an update on Project DD31 at Red River. They have indeed closed on their location. The word we received is that they just commonly move very slowly on building. For now, all is still moving forward.

**D. Jeff** – In 2019, Whataburger sold its majority interest to new owners. As a result of the multitude of changes the company has undergone in that time, the site selector we had been dealing with for several years left the organization. At Red River, I met with the new representatives. We will have to begin a new relationship and see when/if Carlsbad will fit into their overall expansion plans.

**E. Jeff** – One of the brokers we met with at the ICSC show had been working with a local developer here in Carlsbad for a project on the north side of town. Last year, they had a death of the owner of that company, and they unfortunately had to pull out of the proposed project they had been working on. From what he told us, it would have been new retail that we have not seen, and would have been located next to a new doctor's office currently under construction. The broker told us they just didn't have the resources at the time and would like to do something in Carlsbad later on.

**F. Jeff** – Spoke with a representative of a quick serve restaurant currently not in the Carlsbad market. I told them what kind of competition they have here, and how our leakage study shows a big opportunity for this type of restaurant. This will be Project Utopian Hatchling.

**G. John**- We met with a representative from a major hotel chain, who is again looking at our community for another large hotel. They believe that there is a need for a hotel from their family of brands that they operate.

**H. John**- Spoke with the representative from HEB. They are still not interested in moving into New Mexico.

## **VII. POTASH & OTHER MINING**

**A. John**- As mentioned last month, we will be touring one of our community's potash mines. If anyone is interested in a tour, please let Belenda or myself know.

## **VIII. ADMINISTRATION**

**A. Jeff** – Board president Jason Shirley and I met with a company that builds preschools. We discussed the criteria needed for a market to get one of these establishments. Over the next few weeks, we will be talking with them to relay all of the market characteristics we have in Carlsbad to determine if we are a good match.

**B. Jeff** – We met with Retail Coach to discuss some of the aspects of the leakage report presented last month. We were able to get a conference call with LaVern Shan at Carlsbad Municipal Schools to discuss the discrepancies on high school graduation rates. Between now and the time we schedule Retail Coach to come in and give a formal presentation, they will work with us on other population numbers as well. We will schedule their visit within the next couple of months.

**C. Steph** – Continue with meeting our membership connections: this month I met with Means Real Estate, Forrest Tires, Stevens Inn, and Mitchell & Cruse Architecture.

**D. John-** Belenda, the auditors, and I have been working on the shift to internal book keeping this month. We should be up and running by the time you read this.

**E. John-** The CDOD and the Chambers of Commerce from Carlsbad and Artesia hosted an Eddy County legislative reception thanks to the very generous support of our sponsors and co-hosts the City of Carlsbad, Eddy County, Chevron USA, Xcel Energy, Devon, Oxy, NWP, ConocoPhillips, XTO /ExxonMobil and Bechtel / SIMCO. This was the best attended event of this kind that I have been to since we started hosting these in 2009.

**F. John-** Attended a meeting on way to improve media coverage of Carlsbad. Am currently following up on a few leads from the meeting.