

May 2020

I. HOUSING RECRUITMENT

A. Sidney — I sent out a request to our members to contact me if they had a suitable property for the affordable housing project I have been working on with the group out of Dallas. After receiving multiple people who were interested I compiled the property information and sent it over to my contact along with the landowners contact information. They are hoping to come to Carlsbad in person to check out the properties in the near future.

B. 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.

C. Sidney – I have begun re-contacting all of the apartment complexes, and will continue to do so throughout the last days of this month, to get an update on current vacancy rates, and how they have changed since COVID began. In addition, how the current rates compare to those in mid-February when the report was last updated. I will also be inquiring as to whether complexes have made any changes in their monthly rates.

D. Sidney – I sent over a bio for consideration by the Governor’s Office for a position on the NM Housing Trust Fund Advisory Board. In preparation for any follow-up on this, I reviewed the NM MFA Housing Trust Fund Act.

E. John- Have been working with, Kevin Hanford, the owner of the Village Apartments to provide information on our market. Mr. Hanford has been interested in helping Carlsbad meet its workforce housing needs for a few years now and we are happy to welcome him as our newest member of CDOD this month.

II. WORKFORCE RECRUITMENT

A. Sidney – – I am working on preparing a brief survey that will be sent out this month to all on members on how the DOD can best serve them during this time in regard specifically to workforce recruitment. This survey aims to gauge how I can best assist employers and individuals based on their set of circumstances. The responses from this survey will allow me to help employees being let go and seeking new positions in the area, fill, and advertise available jobs.

B. Sidney – I have been approving job postings to our website as they come in from outside sources and posting new positions as I receive them. I continue to share all workforce resources with individuals who submit their resumes or contact information through our website.

C. Jeff –We have been closely watching the unemployment numbers for our area. As we have been hit with the both the COVID-19 situation and oil prices going down, we have experienced both a drop in population and a rise in unemployment. From our water use-based projections, we believe that the population dropped by as much as 6% at the end of March. Preliminary numbers show Eddy County at 6.1%. The state as a whole is

at 11.4%, with our neighbors in Lea County at 8.8% and Chaves at 9.6%. Once again, our economic diversity proves that we can absorb the hits better than others, because we have more of an industrial base than just oil.

III. AVIATION

A. John- Met with Mayor and Ken Britt about a new MRO project looking at the Carlsbad Airport. At their request, I contacted the two principals with the new company to answer questions about Carlsbad's airport, as well as state and local incentives that might be available. I provided them with a diagram of how aircraft might be stored at the airport and am looking into the establishment of an import zone to be set up on our airport grounds. The company is very interested in our airport, but wants to put larger aircraft there, which will require blading and infrastructure work to strengthen up the tarmac to hold the heavier jets.

IV. EDUCATION

A. Sidney – Attended two online meetings as the consortia lead for the region regarding Perkins funding for this upcoming year. I am working to assist any school representatives that may want industry contacts or need assistance with their application.

B. Sidney – Attended a virtual training for Perkins V, which covered congressional and federal administrative updates, Perkins implementation, and revisions to EDGAR.

C. Jeff – NMSU-Carlsbad's Dr. John Gratton will be retiring at the end of June. There will be a virtual retirement party held on June 2nd via Zoom. For details on that, contact Sky Klaus, Director, Marketing & Publications at 575-234-9414.

V. OIL, GAS & ALTERNATE ENERGY

A. John – Updated the rig count report for May. As of this week, we are still far out in the lead for the entire nation at 41 rigs in Eddy County. This is down from 60 rigs (or about 30%) in late February. Midland County in Texas is down to 25 and neighboring Lea County is down to 22 active rigs. Midland Co. is #2 in nation, and Lea Co. is tied for #4. We have heard a variety of reports from various companies in Eddy County. One big company has told us that they were looking at 12-18 months before things picked up, while two other large companies have indicated that this summer will be lean, but things will start picking up in the early-mid fall. There are a few of the large companies actually hiring right now as well.

B. John- Provided information to a group that is trying to improve relations between oil and gas industry and northern NM. They are putting out a newsletter this month with information on industry from Eddy and Lea Counties.

VI. MANUFACTURING

A. John- Met with John Lonergan of Project Plastic to discuss the effects that COVID had on our local economy and the market. They are still working on their due diligence for their financiers and have been looking at properties in southern Eddy for last three months. The COVID situation has apparently demonstrated the shortcomings of the various plastic item bans and has buoyed the industry's outlook on the future.

B. John- We are helping a member who is trying to find and purchase a mobile office. If anyone has one that they would like to get rid of, please contact Jeff Campbell.

VII. MEDICAL

A. Jeff – Cathy Hibbs, Chief Executive Officer of Carlsbad Medical Center, has announced that she will retire on July 4, after 35 years in the healthcare industry. Hibbs joined Carlsbad Medical Center in 2015.

VIII. NUCLEAR

A. John- Attended a phone meeting with WIPP management and selected members of the Mayor's Nuclear Task Force (interested local company reps, the Chamber of Commerce, and City officials) to discuss ways that we could assist WIPP in getting more local companies interested in bidding on WIPP jobs as well as helping these businesses be more successful in their bidding. NWP agreed to work with us to come up with a training seminar or program to help the local businesses.

B. Jeff – Received a request to change the signage on the Greene Street Monument sign we operate. AECOMM has changed to Amentum. This appears on the sign as they have offices here at the Cascades building.

C. John- Currently working with Holtec to provide positive comments to NRC in support of our ELEA project east of town. Any member willing to offer comment, please contact me. We do have talking points that might be useful when putting comments together.

IX. RETAIL/RESTAURANTS/ENTERTAINMENT/HOSPITALITY

A. Jeff — I have been working with a site selector for a major chain that has been eager to move into Carlsbad over the last few months. Everything was on track for them to set up until COVID-19 hit. The good news is, upon talking to them recently, they are still holding Carlsbad near the top of their list for expansion, which could still happen this year. They are not happy with our governor continuing to extend specific businesses being closed down, but since that is apparently out of our control, they are just waiting like the rest of us.

B. Jeff – I continue to work with the developer of the new Taco Bell on Canal Street. He is working with another contact of a business I have been working on recruiting to Carlsbad about possibly including them along with the Taco Bell. There is room for one or possibly two more tenants at this location.

C. Jeff – Another potential recruit I have been working with for several months met with me this month, via telephone, on the Carlsbad economy. We discussed both the oil downturn and the COVID-19 situation. This business is also directly impacted by the continued shutdown of particular classes of businesses from reopening. This site selector lives in Lubbock, and he is very familiar with how oil can rise and drop, so he is not as concerned with that as others might be. He asked about support businesses that he could draw upon for his operation, and I informed him of what we have here. He seemed very optimistic, and also said he was waiting on New Mexico to open back up so he could potentially get going here.

D. Jeff – Domino's Pizza is looking for a second location for expansion. They specified that they are looking for property on the south side of Carlsbad. We are working on assisting them in finding potential sites.

E. Jeff – An iced tea beverage store that we met with at the January Red River States show is still interested in Carlsbad for future expansion. They have asked to see potential sites for review with their franchisee for the region.

F. Jeff – Project Pit is looking for locations in Carlsbad. They have previously looked to expand into our market, but it didn't work out. I am working on sending them market information and possible sites to consider.

G. Jeff – Albertsons Sign: The sign contractor and the general contractor for Albertson's parking lot have continued talking about the electrical logistics for the sign. It appears to all be in order, as the parking lot is in its final stages now and soon the sign project will begin. We are still on track for a June completion.

H. Jeff – COVID-19 Recovery Efforts: We provided the New Mexico State Economic Development Department with results of the impact survey we put out for businesses who have been hit hard by this situation. In addition, we have been getting information out to the general public regarding Federal, State, and local resources for dealing with economic impacts of the virus shutdown. Locally we have been checking with lending institutions to see if they are doing alright or if they need anything, and we have made efforts to let people know that they can get assistance locally in Carlsbad and Eddy County. Finally, efforts have been made to assist businesses locally in marketing their available services to consumers who may not be aware of these opportunities so businesses can continue to generate income.

X. CASCADES

A. John - President Stephens and I have met with Steve Kelley regarding the equipment that we have liens on downstairs and have come up with a preliminary understanding for how we will recoup some of our RLF money. As soon as Mr. Kelley's attorney forwards us an agreement, we will have it reviewed by our legal and get it to board for consideration.

XI. ADMINISTRATION

A. John- I continue to attend the state's ICount webinars to get updates on the Census statewide. I attended two of these meetings in May. Los Alamos County leads the nation with 77% response rate. Eddy County is about average around 50%, but Loving area is only at 11%, which is dragging us down. Due to COVID, the door to door response is delayed and the final census will not be completed until the first quarter of 2021.

B. John- I am happy to report that PVT was the recipient of a federal USDA Reconnect grant to make improvements in Eddy County. The program was created to facilitate broadband deployment in areas of rural America that don't currently have sufficient access to broadband, defined by the law as 10 Mbps (megabits per second) downstream and 1 Mbps upstream. This grant itself is for \$3.1 million and PVT is matching it with \$1.1 million. We are always on the lookout for grant opportunities for our members and will assist in any way to help them be successful.

C. John- I attended a national invitational meeting with the Department of Commerce regarding the RLF program and COVID. As a successful, long standing program, we were invited to participate in a COVID reauthorization of the program which will allow us to lend money to COVID affected businesses at rates of 0 % to 1.5%. I am currently working on the application.

D. John- Distributed two Invitations to Bid on road and landfill improvement projects for Eddy County. As mentioned above under the nuclear topic, the CDOD makes every effort to inform our members of possible opportunities that might be available for their businesses.

E. Jeff – Work continues with Retail Strategies, the firm we contracted with late last year to assist with a leakage study and recruitment. We have met with them continuously over the COVID-19 situation as well as several times recently.

F. Jeff – I continue to take photographs of all new construction sites related to projects CDOD has and continues to work on. These photos are included on the CDOD Instagram page. The CDOD news section on the website continues to be updated with press releases from the state related to COVID-19 and other resources. We continue to share pertinent information from the City and County there as well.

G. Jeff – Efforts continue to push Eddy County residents to answer the US Census. The current response rate as of this writing is 48.1%. The state's response rate is 47.6%. I have downloaded a response rate toolkit from the US Census site in hopes of utilizing their tips to increase our area's response rate.

H. Jeff – Took part in KCCC's Community Forum radio show to discuss COVID-19 resources and talk about how businesses can survive during this time.

I. Jeff – Attended a webinar put on by the New Mexico Economic Development Department focusing on Entrepreneurship as a Recovery Strategy for business owners. I have copies of the information provided for use as a resource.

J. Sidney – I have been working to cross-reference our member contact lists to create an updated master list.