

October, 2022

I. HOUSING RECRUITMENT

A. Steph – Homes sales update: 115 active listings with a price range between \$72k – \$1.6 mil. Average price \$325,766. Median price \$250,000. Pending 52, price range \$68,500 – \$1.6 mil. Average price \$315,046. Median price \$250,000. Closed on 386 home sales so far this year Jan – Sept.

B. Steph – Apartment updates from the major suppliers in the market:

1. Pecos Vista at 95% occupied with 10 units available, 2/2 at \$1,690
2. Cavern City Apts. with 120 units completed, 32 units available, 15 2/2 at \$1300 and 17 3/2 at \$1650
3. Arrowstone at 97% utilizing a waitlist, Copperstone nothing available
4. Canyonstone at 87.7% with 35 units available 1/1 at \$1805. and a mix of 2/2 range from \$1325 - \$1625. Depending on sq ft.
5. Villages at Carlsbad has 5 units 2/2 at \$1,215.

C. Steph – Hotel/motel sector trending in mid-90% occupancy during the week with weekends softer. ADR still high for market comparisons. RV Parks in 50-60% occupancy as an average and Man Camps holding firm in high 90%.

D. Steph – Connected Jeff Patterson, City of Carlsbad, Planning & Zoning data for updates to be included in the housing report.

E. Steph – New construction for phases 2 & 3 will begin at Arrowstone mid-2023.

F. Steph – Finalizing the housing report data for December meeting.

II. WORKFORCE RECRUITMENT

A. Jeff – Visited with a couple of people looking for assistance. One is a local business owner in need of employees. The other was inquiring about work and the companies at the recent job fair. I referred them both to Stephanie to get assessed and taken care of.

B. Steph – Final Prep for Fort Hood Job Fair, Nov 4, 2022, Killeen, TX. 16 employers: Artesia General Hospital, Archrock, Oxy, Crestwood, Xcel, Kodiak, Dept of Energy, Campbell Energy, CARC, Eddy County, Carlsbad Medical Center, Constructors Inc, Durango Midstream, Edgewater, Enterprise Products, Lakeview Christian Home.

B. Steph – Completed - Carlsbad Job Fair, Oct 5, 2022. Total employer participation 30 with estimated 148 job seekers attended. Feedback from employer survey: 10 onsite interviews, 57 planned in the future. Overall, yes on participation in future events. Quality of event overall above average to excellent.

C. Steph – Pursuing future out of market job fairs within the next 6 months. Evaluating potential ROI with a strong focus on the healthcare industry.

D. Steph – Spoke with Tanda McCombe at San Juan College, Farmington NM to qualify the upcoming career fair on Feb 16, 2023.

E. Steph – On Unemployment:

1. September 2022 State unemployment rate was 4.2% (down from 4.4% compared to Aug).
2. A mix for our region
 - a) Chaves up at 4.9%,
 - b) Eddy up at 3.8%,
 - c) Lea 5.6% flat.
3. Compared to Sept 2021- Chaves 6.6%, Eddy 5.8%, Lea 8.7%, and NM state rate 6.2%.

IV. OIL, GAS & ALTERNATE ENERGY

A. Steph- Attended final planning meeting for Mayor’s Energy Summit and assisted at evening event on Oct 19th.

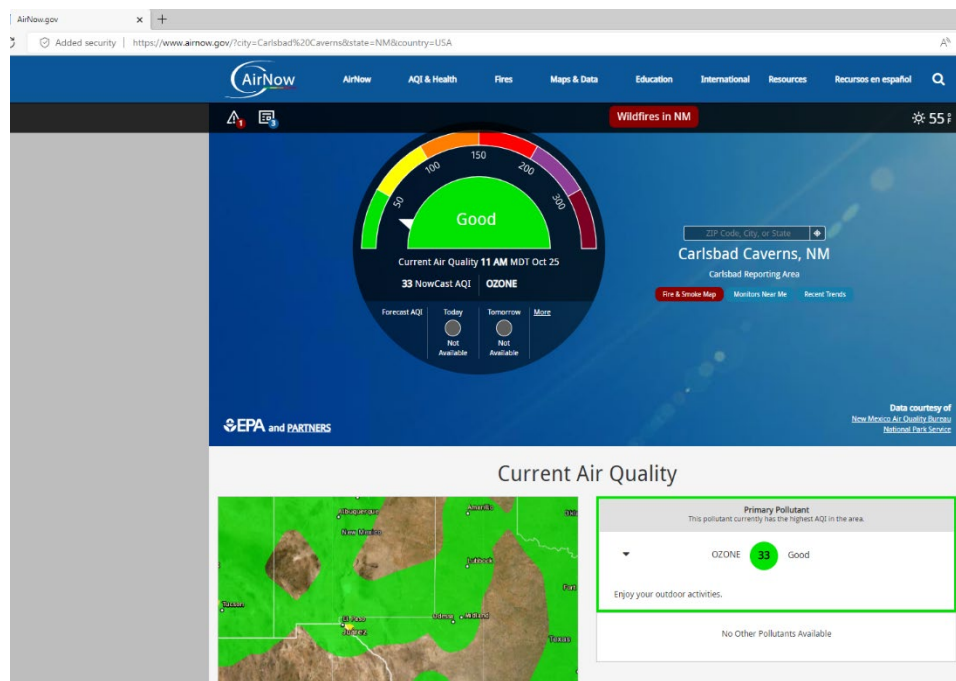
B. Jeff – A company I assisted with when they were locating here in Carlsbad, Toolpushers Supply, is hosting an open house on October 26th from 12 to 7 PM at their location, 5450 Production Lane. I have been visiting with them to talk about membership in the CDOD as well. This company is an oilfield supply business.

C. John- Met with West Texas/NM Manager of Torcsill, a national construction services company that provides helical pile foundations to the oil/gas industry. They are interested in possibly expanding to other industries. Provided them with information on mining, nuclear and manufacturing, as well as information on the CDOD and membership.

D. John- Met with company officials with Proteum Energy. They are interested in building a blue (natural gas-based) hydrogen production facility in Eddy County. Will be setting up meetings between their management and midstream providers this month.

E. John- President Shirley and I attended the NM Oil and Gas Association meeting in Santa Fe. Presentations were made on the state of the industry, the real state of the environment (by Michael Shellenberger), and the future outlook. Two of our congresswomen and the governor made presentations as well. One of the highlights was a presentation by San Juan College on their energy trade school. As a result of the presentation, we are planning to both host a job fair there in the spring and also tour the facility.

F. John- Continue to send information on ozone levels from EPA's own website (<https://www.airnow.gov/?city=Carlsbad&state=NM&country=USA>) to state and federal officials to illustrate the real ozone pollutant source for west Texas and southern NM (see EPA Map, below)



G. John- Working with management from Durango Midstream and Eddy County on IRBs and State incentives to facilitate the construction of a second midstream plant in Carlsbad area. Upon its completion, Durango will have 100 employees in Eddy County. Their two plants are in a new location in the county about 9 and 12 miles north and northwest (respectively) of Carlsbad. Also spoke with CEO and COO about CDOD membership and the mayor's energy summit.

H. John- Stephanie and I participated in a tour of the new Chevron solar field that is being constructed in southern Eddy County by the Texas state line. The 20 MW facility will be the largest in Eddy County and the second largest in the state and will have 56,000 solar panels when completed.

I. John- Belenda, Stephanie and I attended the Energy Summit with our booth. Talked with a number of different companies and officials about our economy and the CDOD.

IV. POTASH

A. John- Met with two different companies regarding ammonia production. They are interested in working with our local potash companies to produce a higher value fertilizer product.

V. MANUFACTURING

A. John- Met again with principals of Project Plastic. They are still working on their facility and were planning a trip to Loving later this month to look at properties.

B. Jeff –Received a Potential Recruitment Opportunity (PRO) from the New Mexico Partnership. This project involved a consultant representing a large steel fabrication & galvanizing operation seeking a rail served 100 +/- acre greenfield property. The consultant is identifying aligned sites across New Mexico based on the request of their client. I sent this out to our CDOD membership and received one reply with someone that had these criteria, but nothing else was submitted before the deadline.

VI. MEDICAL

A. John- Met with a local physician interested in technology transfer from one of our national labs in NM. Provided him with contact information for the lab's technology transfer official as well as a link and information on a new state grant that focusses on tech transfer.

VII. NUCLEAR

A. John- Staff met with Ekta Bhakta, who took Kush's place at NWP with community affairs. We discussed the CDOD – NWP economic development partnership and described what we did in detail.

B. John- Met with Mayor, John Heaton, Jack Volpato, and CDOD President Shirley over recent DC trips. Also discussed preliminary plans to arrange a visit for a group to tour the Reprocessing Facility in La Hague, France next spring. Have met with the French Embassy to get necessary information to begin planning.

C. John – Continued to collect signatures on the petition supporting WIPP. Belenda even went table to table at the Energy Conference to collect additional signatures there.

VIII. RETAIL/RESTAURANTS/ENTERTAINMENT/HOSPITALITY

A. Jeff – Wing Stop is now projected for a November opening. They are currently completing the inside build out and hiring/training the management team for the store, located in the strip center next to Tractor Supply and Body Evolution.

B. Jeff – The new U-Haul facility continues to build its impressive store. They are located at the South Y intersection, between Financial Services Credit Union and Pizza Inn. They have begun building the RV/Boat parking covers, and they have topped out the Elevator & Stair shafts. The first floor is framed, and they should begin erecting the structural steel soon. The steel package got delayed due to some owner revisions. Once the steel is erected, they will pour the second floor and begin the framing process all over again. The structure will be three stories when complete.

C. Jeff – I am in conversations with a local person who working with a producer that would like to film a television series here in Carlsbad. The project is a comedy series focusing around a young race car driver wanting to hit the big time. There would be many benefits for our local businesses on this project, as the team would actually like to bring their film productions to Carlsbad and build a studio.

D. Jeff – Details are scarce currently, but we found out that the Red River ICSC show will be held January 18th through the 20th 2023 in Dallas. I was told the event site and registration will be open soon. This has historically been the best tradeshow we attend in terms of ROI and leads produced.

E. Jeff – Planet Fitness continues to build on the lot in front of Lowes Home Improvement. The foundation has been complete and the frame is being built now. No word on the opening date, but they had specified December.

F. Jeff – Project Whale update: They have plans to close on the land purchase in early 2023. The project is moving forward, albeit slowly. They are continuing lease negotiations with the planned big anchors for the site at this time.

G. Jeff – Met with a local business owner who is looking to venture into a family entertainment project. They have the resources to do this, and are looking into the feasibility. I imparted the fact that we can offer a variety of forms of assistance. More on this as it develops.

H. Jeff – Kroger recently purchased United/Albertsons. In doing so, they have impacted several stores across the country. They have had to close some stores that would have infringed on monopoly laws in some locations. Luckily, we do not have that issue here in our market. However, we will need to evaluate what this will mean for Carlsbad's endeavors to get another grocery store here. Kroger now owns Albertsons/United, Smiths, and others.

I. John- Forwarded information on a county bid opportunity to local heating & A/C companies.

III. ADMINISTRATION

A. Jeff – A company from Saskatchewan will be looking to visit Carlsbad sometime during January 19-23, 2023. They would like to meet with oil, gas, and potash companies while here to form relationships with them for future interactions. They also have questions about the types of employees they should be looking for. We will contact potential companies as we receive further information from the New Mexico Partnership.

B. Jeff – We received nearly 700 new photos representing the Live, Work, and Play aspect of Carlsbad and Eddy County from CDOD member Burlap and Light. We will be utilizing several of these photos for our new website design. Once we decide on a short video banner for the homepage, our newly designed site will launch. In addition, many of the new photos are being used in new booth graphics, notably the Eddy County booth we are taking to Fort Hood for the job fair being held there.

C. Jeff – We are excited to announce a new member! Terracon has joined at the level four membership. Terracon is a leading provider of environmental, facilities, geotechnical, and materials services. Their Carlsbad office supports oil and gas, commercial, and public clients.

D. Jeff - A new design for the CDOD billboard located on South Canal street across from Wal-Mart is being developed. We are focusing on Live, Work, and Play, as well being a resource for employers/employees. More on this as the design is finalized.

E. Jeff – Printed out construction plans for a CDOD member. This is another service we provide to CDOD members as we are equipped with a plotter for such requests.

F. John- Jeff, Stephanie, and I met with Cory Yates and CEO Dr. Joe Salgado of Artesia General Hospital. Discussed the potential hospital expansion plans and Eddy County economy.

G. John- We also met with Jim Meyers, the new CEO and Ross Horner, the new Sales Manager at PVT Communications about the company, its expansion, and Eddy County growth.

H. John- Met with the NMEDD over the certified EDC grant program.

I. John- Met with City Management and Mayor about upcoming projects. We discussed the City's need for property along the Hobbs highway and the CDOD property that we have had since the 1970's at the Orchard Lane intersection. As this property was acquired by CDOD for the purpose of signage, we discussed the possibility of quick-claiming the property to the City so they can install a large entry sign that is clearly visible to incoming traffic.