

# July 2020

## I. HOUSING RECRUITMENT

**A. Sidney** – John and I attended a southern NM Housing Coalition meeting where we discussed the housing narrative that has been developed for the region and the current economic status of our respective areas. The plan moving forward is to invite more builders and developers onto the next meeting.

**B. Sidney** – John and I met twice with Matt Nelson, a builder and developer out of Abilene, and once with his partner who are interested in building homes in Carlsbad. They want to start by building just a few homes to gauge interest in their product. Their product is factory manufactured panelized three bedroom/two bath homes set to be 1288, 1400, or 1600 square feet. They are currently building 10 homes in Artesia. We took Matt for a tour around town to see available properties, meet with the city's planning and zoning team, meet Larry Mitchell at his office, and to meet with the Mayor. In addition to building affordable homes here, they are looking to place a manufacturing facility to produce homes for the entire region. I have sent over contacts to Matt and his partner for realtors that can assist them in possible placement for the homes and facility. I also let Kevin Dillon know of this potential project and gave Matt Kevin's information so that they could discuss the potential for them to work together on utilizing the land on 6<sup>th</sup> street.

**C. Sidney** – Went to the treasurer's office and received copies of all of the properties that were sold in the 2019 tax sale. I cataloged all of the property and purchaser information into an excel spreadsheet and sent it over to Matt Nelson and his partner. The 2020 property tax division auction has been postponed until further notice due to COVID-19.

**D. Sidney** – Helping Dr. Lambis Papelis find housing that meets his needs in Carlsbad. I sent him a couple contacts that are also assisting in his search.

**E. Sidney** – Sent out email blast for Pecos Vista summer sale they are currently running. The sale is for one- and two-bedroom units.

**F. Sidney** – The Dallas homebuilder show John and I will be attending has officially been reschedule from August 26th and 27th to October 28th and 29th. Original date: March 17th and 18th.

**G. John**- Met with an El Paso appraiser about the health of the economy in Carlsbad and the housing situation.

**H. Jeff** – Distributed a press release related to the upcoming opening of Coyote Flats, a new RV park with 335 spots. The press release has been viewed nearly 1,000 times and has actually reached 22 countries outside of the US.

## II. WORKFORCE RECRUITMENT

**A. Sidney** –I have been collecting employer data from all industries in Carlsbad. I am working to update all of the numbers for total employee count for individual employers, and combine these numbers to get totals for each different industry sector. We often get questions about our primary employers and industries when we go out to promote Carlsbad to home and commercial developers. This information backs up how economically diverse we are, and allows us to see changes in growth over periods of time in the different industries

**B. Sidney** – I continue to add job postings to our website as I receive them from members and local entities.

**C. Jeff** –Unemployment for our area bumped back up to 6.7% for June, up from 5.6% for May. We have been closely watching the unemployment numbers for our area. The state as a whole is at 8.3%, with our neighbors in Lea County at 10.5% and Chaves at 8.5%. 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. OIL, GAS & ALTERNATE ENERGY

**A. John** – Updated the national rig count report for July. As of this week, we are **still leading the entire nation at 29** rigs in Eddy County. This is down from 60 rigs (or about 50%) in late February. Neighboring Lea County is #2 in nation at 22 active rigs. Midland and Loving Counties are tied at #3 in nation with 13 wells a piece. It is noteworthy to mention the “Foothills Front” area of the Province of Alberta, Canada, which lists 23 wells but in a 6-county area south of Calgary (Baker Hughes doesn’t breakout actual county locations for Canada).

If looking at the state of New Mexico (collectively just Eddy and Lea Counties right now) compared to all the nations of the world, only Saudi Arabia (at 100), India (at 104), and UAE’s Abu Dhabi (54) out-drilled the state of New Mexico (at 51) this month. The entire state of Texas is the only state or province ahead of us in North America right now at 103 active rigs this month (which also includes a number of offshore rigs). As of this writing, WTI oil sits at \$41.52 per barrel.

**B. John-** Have met with three oilfield-related companies about our community, available properties, and contacts for planning departments of Eddy County and City of Carlsbad.

**C. John-** Attended a digital Petroleum Industry Outlook Conference hosted by the Reuters News Agency. COVID impact and recovery efforts were the main topics of discussion this year. It was the consensus that by fall of 2021, the oil and gas markets and economy would be almost fully recovered.

**D. John-**

**E. John-** At the request of one of our larger international member energy companies, I have started working with their representatives and members of the governor’s cabinet to bring in a solar energy production facility to southern Eddy County. The facility will

be larger than any currently operating in New Mexico or west Texas and could also contribute to the grid in southern part of county.

#### IV. MANUFACTURING

**A. Jeff** – Looking for a 20,000 square foot building for a home manufacturer. Does not require loading docks or high ceilings.

**B. John**- Made an online presentation of our LEADS Grant Application for this year to NMEDD and a group of SBDC folks from Albuquerque (instead of the Economic Development Commission like we have for prior 7 years). Unfortunately this year, the CDOD and EDC of Lea County were not funded at all for the first time ever.

**C. John**- Met with one of our members about providing information to state and NM Partnership about our workforce and the largest employers.

#### V. MEDICAL

**A. John** – Attended the groundbreaking for the new wing of Lakeview Christian Homes. When completed, the new facility will house 24 more residents at the facility. It's part of a larger plan to modernize all of Lakeview's 112 rooms which began in 2014 with the construction of the 18-bed Heaton House. The construction is expected to be complete in nine months. The latest phase will be about 16,000 square feet and represents a \$4.5 million investment in the community.

#### VI. NUCLEAR

**A. John**- Attended the Energy Communities Alliance's new Nuclear Energy Industry subcommittee meeting this month. In past ECA has primarily looked at only defense-created nuclear wastes and the sites that waste occurs on. The committee is was created to:

1. Define the role of energy communities in support of nuclear energy, advanced technologies and nuclear fuel cycle developments.
2. Outline opportunities and challenges for local governments regarding nuclear energy development.
3. Identify partnerships that can be fostered with the federal government, national laboratories, industry, trades to leverage efforts and results.

**B. John**- Met with a company looking at a sub-contract at WIPP and answered questions about the community and our leadership. Provided contact information for City and County Leadership and helped arrange a meeting with Mayor and Mr. Heaton.

**C. John**- Working on a resolution for the Board to pass that supports the current WIPP Permit Modification being considered by the New Mexico Environment Department.

**D. John** – Attended an ELEA meeting this month. John Heaton, Lea County Commissioner Jonathan Sena, Commissioner Susan Crockett, and Jack Volpato were elected as officers for the organization this year.

## VII. RETAIL/RESTAURANTS/ENTERTAINMENT/HOSPITALITY

**A. John-** Put together an Emergency Resolution of Support for our Restaurant Industry at the request of the Executive Board. The resolution asked the governor to reconsider the ban on indoor dining and the travel ban on our visitors and workers along the Texas border.

**B. John-** Craig Stephens and I met with a reporter from Fox New Affiliate out of Roswell (KRQE) to discuss our restaurants and the damage that is being done to that industry and the businesses that serve the visitors to our community.

**C. Jeff –** Working with Retail Strategies on finding a business for the soon to be empty Bealls at the Carlsbad Mall. So far there are two promising tenants, but nothing has been confirmed yet.

**D. Jeff -** The Post Time Inn is looking to do some direct marketing to government employees and agencies. They are working up a flyer and I suggested they let us send the flyer out to our CDOD members, and for them to use the same approach with the Chamber of Commerce.

**E. Jeff –** Work continues with Planet Fitness. They had worked on getting things lined up back before the COVID-19 outbreak, and it looked like they would move into the market quickly. However, with all the delays associated with the virus, coupled with a change in their site selection team, it looks like they are in a bit of limbo now. The new site selection person requested an in-depth labor and Gross Receipts Taxes (GRT) analysis, along with more population information recently. Currently we are awaiting their next move, whether it is more market information or perhaps moving into property selection.

**F. Jeff –** I have been reporting on one of the new contacts I made at the Red River States show back in January in Fort Worth. They had requested initially the usual market information, which I provided. They then wanted local bank information and contacts to pursue financing. Most recently, they informed me that their move into Carlsbad would not just be for us, but a move for them into New Mexico in multiple market locations. I have been attempting to connect them to the local bankers as mentioned and await to see how it progresses.

**G. Jeff –** Tracked down a new owner of a property on National Parks Highway that would be a good fit for a couple of site selectors looking for additional locations of existing businesses in Carlsbad. Working on connecting the parties so they can hopefully negotiate a deal for expansion.

**H. Jeff –** Lowes Home Improvement has partnered with Local Initiatives Support Corporation to offer small business grants. The grants are broken down into two major categories: \$30 million will focus on small businesses owned or led by minorities and women, who often lack access to affordable capital. An additional \$25 million will support enterprises in rural communities, which typically face even more hurdles than their urban counterparts due to limited access to bank credit, capital and other support services.

**I. Jeff** – Albertsons Sign: The sign has been in fabrication for several weeks. Fabrication is nearly completed. They are working on the masonry for the bottom of the sign now. They estimate completion in August as the sign has to be shipped once the mason work is completed.

## VIII. ADMINISTRATION

**A. Jeff** – The Payroll Protection Program, or PPP, has been extended to August 8<sup>th</sup> for businesses to apply. Interested parties may apply at the following website: [sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program](https://sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program)

**B. Jeff** – Participated in a virtual listening session with the FDIC for our county along with John Waters and other stakeholders in our area. They provided some information but really wanted feedback from us about the market and various industries, which we provided.

**C. Jeff** – Continue to update the membership portion of the CDOD website. Please let us know if you notice anything incorrect.

**D. Jeff** – Efforts continue to push Eddy County residents to answer the US Census. The current response rate as of this writing is 50.8%. The state's response rate is 52.4%.

**E. Sidney** – Went on KCCC's Community Forum radio show and discussed current housing projects, housing and job recruitment, and how COVID has affected all of these activities.

**F. Sidney** – Continuing to work with webhost provider to get interviewees for website articles on local businesses strategies for facing COVID-19 restrictions.

**G. John**- Larry Mitchell and I met with County Manager Al Davis about the state of the Economy in Eddy County and what county's priorities were for us. Mr. Davis pointed out that affordable housing was still of paramount importance for the county and its staff. Will be meeting with Mayor and City administrator on same subject tomorrow.

**H. John**- Continue to participate in the NM Icount meetings hosted by the state. We continue to lag behind the National Average on Census returns. Door-to-door census visits will start as soon as COVID restrictions allow.