

June, 2021

I. HOUSING RECRUITMENT

A. **John-**

B. **Jeff**– I have been approving and assisting people list their residential properties on the website. We have nearly a dozen properties listed currently. All residential listings, and the online form to submit listings, are located under the ‘Live’ tab on the main navigation of the CDOD website, www.DevelopCarlsbad.org

II. WORKFORCE RECRUITMENT

A. **Jeff** - Unemployment for Eddy County was 6.7% for May, down from 6.9% the prior month. The state as a whole was at 8.0%, with our neighbors in Lea County at 10.3% and Chaves at 7.2%.

B. **Jeff** – I continue to approve and post open job listings on the CDOD website. We currently have over a dozen positions listed, from various places including the City, County, Chamber, and more. Open job announcements can be found under the ‘Work’ tab on the top navigation menu.

C. **Jeff** – In total, we would have had 18 businesses lined up for the job fair we were forced to postpone. We were working with the New Mexico Department of Workforce Solutions as well as the Chamber to put this together. We were not going to charge businesses anything to partake. Once we have a new date lined up we will announce the event.

D. **Jeff** – We have received some resumes for distribution. I have sent these out to the CDOD membership for consideration. Another service we provide.

E. **John**- Met with a couple who were moving to Carlsbad from Texas. Husband has a job secured with the federal government and wife will be looking for a job in health care administration when she finishes her schooling at Baylor and moves up here in November. She will send an updated resumé in a couple of months which we will distribute to our health care members. They are also looking for a home and information on our member realtors were provided along with the numbers for several apartment complexes.

III. EDUCATION

A. John- Finished three week-long economic evaluation for SENM college that was submitted by Dr. Nwanne to department of higher education with the state. An examination was made of the current and near-future economic impacts on the community including job creation and retention, impacts to local business from annual operation, leakage to main campus via administrative fees, and anticipated benefits from planned capital construction projects. This examination found that there is a net positive economic impact on the community both before and after the transition to an independent community college. The immediate operational and capital impacts to the community are on average, \$5.5 million more annually after the transitional year of FY2022 than before, under the NMSU system.

The longer term, socioeconomic, impacts of the community college on the local community were also examined. This impact is largely dependent on the revenue projections created by the community’s 3-mill levy. Two perspectives were examined. SENMC staff projected a number for this revenue that is historically lower than the past few years and flat. The Carlsbad Department of Development (CDOD) used numbers from Eddy County treasurer’s office and the assessor’s office to determine a more optimistic number that is based on actual revenues and current trends. Both showed a significant positive impact on the community over the 43-year working lifetime used to quantify the impact.

| | FY22 | FY23 | FY24 | FY25 |
|--|-------------|--------------|--------------|--------------|
| Total Est. Economic Impact (SENC figures) | \$7,441,293 | \$13,104,994 | \$8,639,950 | \$13,229,837 |
| Total Est. Economic Impact (CDOD/ Eddy County figures) | \$8,495,969 | \$14,472,438 | \$10,325,940 | \$15,236,485 |

IV. OIL, GAS & ALTERNATE ENERGY

A. John- Attended a presentation on a Hydrogen production project that is large being done in Farmington and Albuquerque. The project was looking for remote-operated demonstration sites and WIPP was suggested as a location. There would be little jobs created here by this project, but it was interesting to lean about the process and its challenges. We are looking at another project in Eddy County that would bring in quite a bit of jobs.

B. John- Met with a member and a new oil field service company coming in to Carlsbad. Gave them information on membership and talked about the community with the manager.

C. Jeff – In April I reported on a company that is developing a mobile flaring mitigation system capable of being housed close to oil pads to reduce flaring. This system can also be used to mine bitcoin. They are getting closer to having a site available for us to visit. They are now targeting August.

V. MANUFACTURING

A. John- Working with Angelou Economics, a site selection firm from Austin, on Project Nike -an undisclosed type of manufacturing project that could bring in up to 75 jobs. Provided them with requested property information and information on incentives available in our area. They need at least 300 acres with access to 11,000 gpd of water.

VI. MEDICAL

A. John- Assisted Project Tooth Fairy owner with contacting one of our members regarding needed road construction services.

VII. NUCLEAR

A. John- Continue to meet with companies interested in WIPP as they visit Carlsbad and request meetings. Most are looking at becoming team members on the M & O bid for operation of WIPP.

B. John- Registered and are planning for the Washington DC trip in September to coincide with the National Cleanup Workshop put on by the DOE and the ECA of which we are members. Will also be visiting the delegation as well as several agencies. If there is an issue that your industry would like us to help on while we are in DC, please contact me to set up a meeting so that we can be prepared.

C. John- Attended a meeting with the management of Holtec. Environmental process is moving into the final step and construction could conceivably start in 2022. Have another meeting scheduled with their management this week to discuss public support and CDOD membership.

VIII. RETAIL/RESTAURANTS/ENTERTAINMENT/HOSPITALITY

A. Jeff –I was able to create a virtual site visit for a site selector out of Albuquerque. They are representing a bit national client looking for property to expand their operation within Carlsbad. They wanted a video showing the site in question as well as the traffic flow in front of the site and other businesses near the site. After approximately 16 takes at filming this, numerous cars honking at me, getting drenched in a flash thunderstorm, and one interruption by a guy with a Dollar General shopping cart walking into the shot, I nailed it. They were very pleased with the efforts and information provided and are planning an official visit in August.

B. Jeff – A project that I began working on last February and was put on hold due to COVID has come to life once more. They are looking for 1 to 2 acres, with existing office space if possible. If it is along the main roads that would be preferred. Please let me know if you have anything meeting these criteria.

C. Jeff –Project Bealls Afterlife has run into a problem at the mall with the lease. It's all but a no-go and negotiations have broken down. So, they came to Carlsbad recently and looked around the market for another spot. I put them in touch with a property owner of a great location that might work, but they need another retailer to come in and partner up with them. The other retailer is one I have worked on for years, and they have not been able to get a good lease opportunity. We will see if all three parties here can negotiate a win for them all that will work.

D. Jeff –Batteries + has become the second tenant of the new strip center across from La Tienda. They join local food truck vendor turned restaurant owner El Charro at this location. Batteries + offers batteries, light bulbs, lighting fixtures and phone repairs.

E. Jeff – The second Dominos building is well under construction in front of The Village apartments on National Parks Highway.

IX. AVIATION

A. John- Still working diligently with representatives from Project ACE (a team consisting of a jet engine repair MRO company and large aircraft storage company). Have had two meetings with ACE reps and City Management. They are continuing to investigate placing operations at Carlsbad Airport. We are now considered as among the top three communities in competition for this project. The operation would start with about a dozen jets at the largely unused, north end of the airport.

X. ADMINISTRATION

A. John- As most of you may be aware of by now, our annual meeting was changed to August 5th due to scheduling conflicts with another entity.

B. John- Attended a meeting of the EDC directors from across SE New Mexico regarding recovery efforts following COVID. Most areas are trying to assist the companies that were hardest hit. There was also a general agreement that the extra \$600 assistance to unemployed people was hurting businesses trying to bring people back to work. The group is also working on a Comprehensive Economic Development Strategy (CEDS) plan for SE NM.

C. John- Met with Della that runs our SBDC office on Main Street on ways we can work together to assist businesses. She is sending a couple of people looking for properties to Jeff next week.

D. John- Met with officials from the Roswell District Office of the State Engineer, Otis Water Coop, and the City of Carlsbad to acquire water use data for the water systems around Carlsbad. This was necessary to update the population estimates. I have included a table of the estimated population based on residential/apartment/hotel water usage.

| | CY 2020 Figures from the OSE or the Water System | | | | | High Middle | Low Middle |
|----------------------------------|--|-------------------------------|------------------|------------------|--------------------------|-------------------------------|--------------------------------|
| | Conversion Factor | Non-irrigation/Non-Industrial | | Acre Feet pumped | | USGS New Mexico* | NM OSE Technical Reports^ |
| | Gallons to Acre Foot | Gallons Water/Year | gpd | for Consumption | Annual Conversion Figure | 98 Gallons per capita per day | 100 Gallons per capita per day |
| Carlsbad Municipal ('20) | 0.000003069 | 2,534,783,000 | 6,944,611 | 7778.953081 | 892.74 | 70,863 | 69,446 |
| Otis Water Users ('20) | 0.000003069 | 212,031,000 | 580,907 | 650.6983835 | 892.74 | 5,928 | 5,809 |
| Loving Municipal ('20) | 0.000003069 | 143,100,000 | 392,055 | 439.1571925 | 892.74 | 4,001 | 3,921 |
| Malaga MDS** | 0.000003069 | 70,228,171 | 192,406 | 215.5220563 | 892.74 | 1,963 | 1,924 |
| Happy Valley Water Coop*** | 0.000003069 | 28,804,559 | 78,917 | 104.39 | 892.74 | 951 | 932 |
| White's City (unincorporated)** | 0.000003069 | 82,927,670 | 227,199 | 254.4953363 | 892.74 | 2,318 | 2,272 |
| Domestic Wells in Southern Eddy# | 0.000003069 | 86,024,777 | 235,684 | 264 | 892.74 | 2,405 | 2,357 |
| TOTAL | | 3,157,899,177 | 8,651,779 | 9707 | | 88,429 | 86,660 |

E. Jeff – Preparations for this year’s CDOD Annual Meeting are well under way. We will be honoring businesses and individuals with Economic Development awards as well as other CDOD business.

F. Jeff – I continue to update company bios on our website. If you would like to have a short bio on your company listing page, please send them to me and we will get them published for you. Jeff.campbell@developcarlsbad.org

G. Jeff – We have begun a new traffic study with Souder Miller & Associates as of June 21st. They will conduct counts at 27 locations throughout the City of Carlsbad and Eddy County. Once we receive their report, we will distribute the new counts to interested parties. Remember that this was budgeted and originally planned for last year but COVID and the dip in oil and gas happened right as we had begun the process, so we postponed it.