

October, 2021

I. HOUSING RECRUITMENT

A. Michelle- I facilitated first meeting with the Southern Housing Coalition. In first meeting we had participation from Artesia Chamber of Commerce, City of Carlsbad, Ruidoso Downs, Village of Ruidoso, John Garcia Central Housing Builders, New Mexico Mortgage Finance Authority, Ventana del Sol. Everyone gave updates on current community happenings and on board with working on new initiative to attract builders and developers. We have a meeting set for November 16th to discuss outline. The goal is to contact builders and developers individually and sell our region as a group.

II. WORKFORCE RECRUITMENT

A. John- Met with Richard Dee from the Ironworkers Association. They are trying to get more of their members (especially welders) to look into working in Eddy County and the Delaware Basin in general. They were also very interested in participating in a training program with our local college and local employers.

B. Jeff – Unemployment for Eddy County was 5.1% for September, down from 5.6% the prior month. The state as a whole was at 6.9%, with our neighbors in Lea County at 8.0% and Chaves at 5.9%.

III. EDUCATION

A. Michelle- Worked with Tina Tiffany of Conoco Phillips to put together a meeting with Molly Young- Strategic Partnership of Permian, Rochelle Lentschke - New Mexico State Workforce and Mike McNair – NMSU/SENMC. Tina saw efforts being pulled together by each individual and put us in contact. We met at CDOD conference room Wednesday October 23rd. Everyone spoke on the efforts being made by their organizations to recruit, educate and sustain workforce. Molly from SPP will be assisting Mike McNair in Perkins grant fund available for a few programs. Rochelle spoke about apprentice programs available and how we could work together. We will have another meeting in January.

B. Michelle- Sent out a skills assessment survey this month with New Mexico State University/Southeast New Mexico College and Carlsbad Chamber of Commerce. The assessment will help identify skills needed by employers in Eddy County and help NMSU/SENMC develop programs and curriculum based on the needs. The survey was sent out to CDOD members, Carlsbad Chamber of Commerce members and will run through November 15th.

C. John- Met with a representative from Houston Community College about requirements to start up a successful industrial trades program at our college. He is sending information on a national association of trades programs for us to pass on to Dr. Nwanne and his staff.

IV. OIL, GAS & ALTERNATE ENERGY

A. Jeff – Attended Downstream USA 2021 Conference in Houston, TX on October 21-22nd. There were approximately 150 exhibitors on hand and roughly half of the attendance than normal for this event, prior to COVID.

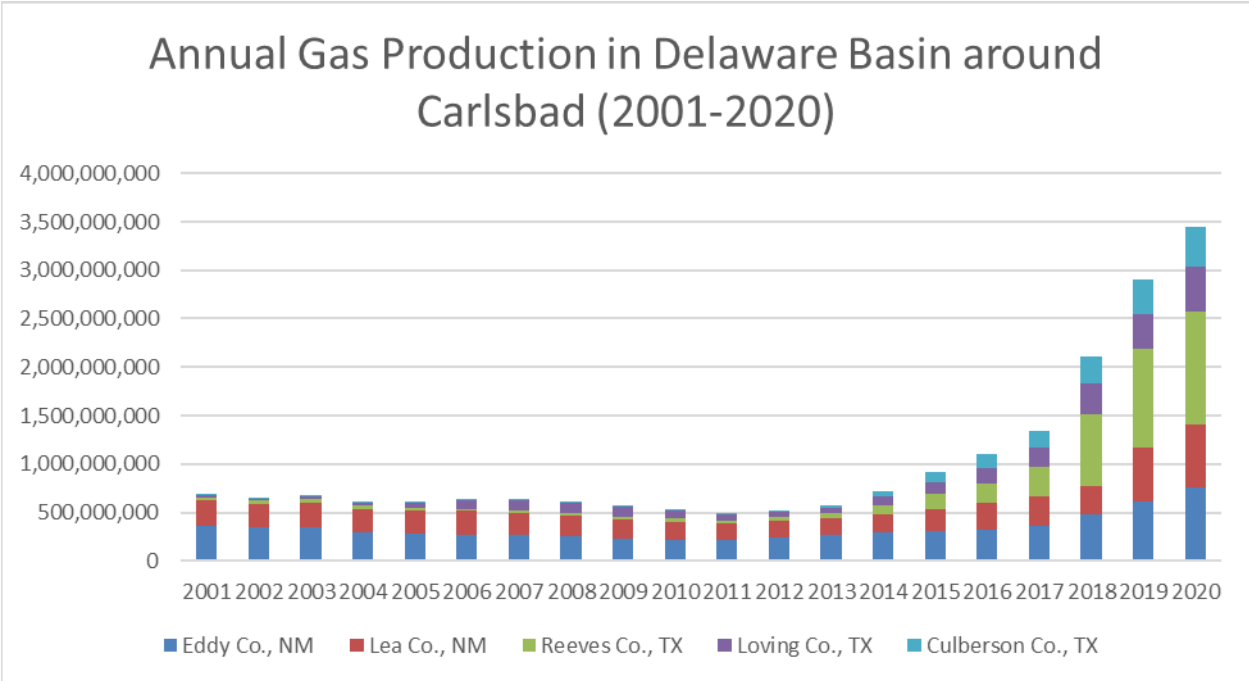
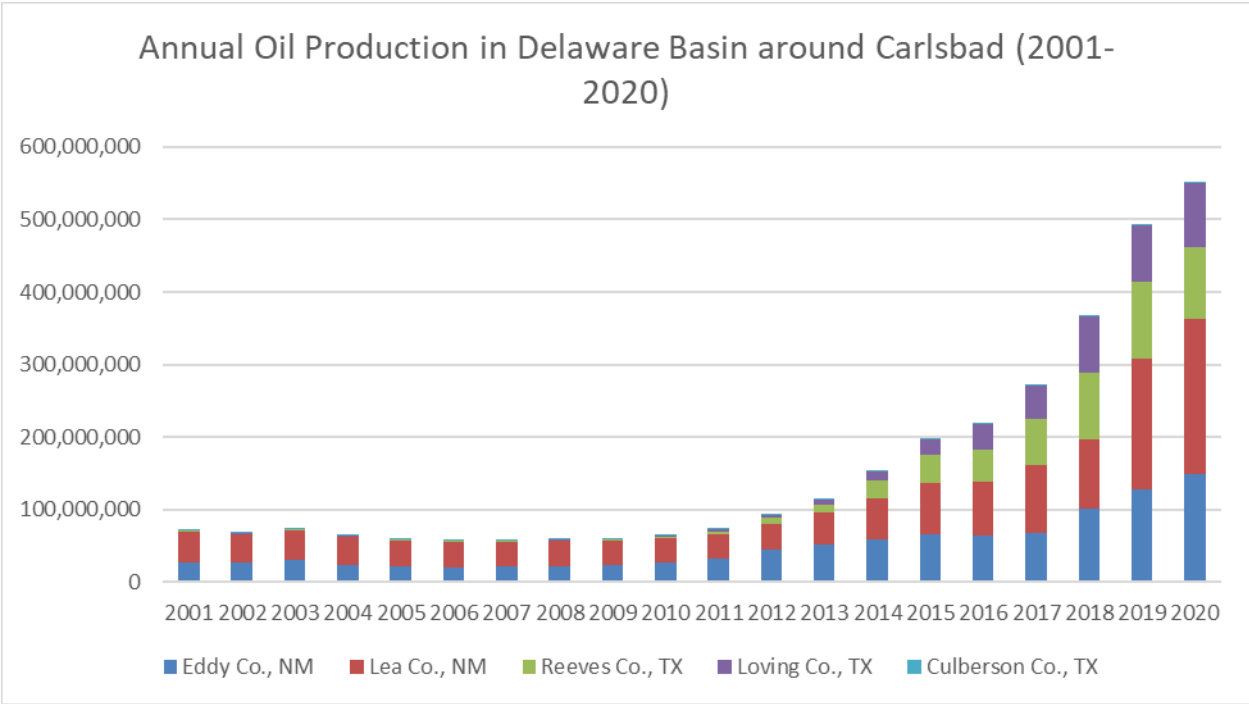
B. John- We had both a virtual and in-person booth with industry information and available incentives. At the Downstream Conference, I met with 13 representatives from various companies in the industry. Of those company representative, three had hydrogen production from gas hydrocarbons, one had a technology that created hydrogen from H₂S at the well or refinery site, five were companies that provided various maintenance services and products for the midstream and downstream industries, one was a large construction company interested in Delaware basin, four were engineering and design firms, and one was from KBR Capital (which invests in hydrogen production plants). As mentioned by Jeff last month, this was paid for by the LEADS Grant program from the state of New Mexico.

C. John- Met again with CEO of Project Distillate, the Canadian-based company that is building a condensate recovery/ centrifuge plant in Eddy County. Construction is underway and they have secured water for the project from a local rancher. Set him up early this month with a meeting with the NM Construction Industries Division. The plant will be located approximately 10 miles east of Carlsbad off of US 62-180 and they are scheduled to complete construction by November 15th. This operation will employ 15 people to start.

D. John- Attended the NMOGA conference in Santa Fe this month. Listened to Governor Lujan Grisham speak as well as several industry professionals that discussed their projections as far as industry growth in NM and across the globe. Also met individuals from several companies interested in business in Carlsbad and Eddy County. Several of the companies attending this conference stressed their commitment to carbon reduction and good stewardship.

E. John- Met with Rick Quintana, owner of Alpha Industrial Construction, based in Odessa, TX. They also have offices in Brandon, MS, Casper WY, and Anchorage, AK. He is considering expansion in Eddy County. I provided him with requested information on our community, the CDOD, and the mayor's Energy Summit.

F. John- Completed the Permian production report for oil and gas for 2020. It appears that from a production perspective, COVID did little to affect our outputs, with every county in our five-county area increasing production of both oil and gas (see graphs below).



G. John- Met with Joe Hedges from Ecovapor, a company that has a technology to eliminate flaring at well sites and processing facilities. They are interested in meeting with companies in our area about their product. If there is enough interest in the area, they are interested in looking for a sales and service office in Carlsbad.

H. John- Met several times with Larry Tree, the CEO of Proteum Energy, a company looking for an area to launch their blue hydrogen production and distribution industry. Mr. Tree is planning a site visit to Eddy County sometime in late October or November. We are currently facilitating meetings between Mr. Tree and the various producing companies and midstream companies in the area.

I. John- Submitted our proposal to the NM Partnership about a company wanting to produce hydrogen fuel from landfill gas.

J. John- Michelle and I met with the new owner of the 960 properties down by the port of entry on 62-180. They are interested in building industrial shops and laydown yards along the highway and possibly a truck stop.

K. Jeff – We received a Potential Recruitment Opportunity (PRO) from the New Mexico Partnership. PRO Roadrunner is an engineering firm that is searching for an expansion location in the Hobbs and/or Carlsbad area (Eddy and Lea Counties) to support their oil and gas clients as well as additional lines of business servicing multiple industries. The firm has been in existence for over 80 years and is exploring a realignment of resources to better service their clients and to plan for future company growth. I sent out the criteria to CDOD membership and received some possible locations.

L. Jeff – Assisting a company out of Colorado that is looking to expand into Carlsbad. They are an oil servicing firm. Looking for a very small office to start with. I provided them with a list of CDOD members who have indicated they have office space available.

V. MEDICAL

A. Jeff – Recently connected with individuals looking to expand a medical service business into Carlsbad. They have been searching for a permanent site for well over a year now, and they may have connected with another property owner I have been assisting. I spoke to the property owner and had lost this company's contact information so I provided him with it. More on this as it develops.

B. John- Project Tooth Fairy a.k.a. Cavern City Orthodontics is finally nearing completion of their office facility on Pierce Street. They are currently hiring for staff positions and will be opening within the next month. Dr. James Waters moved his practice here from Austin, Texas. He is also a 1989 graduate of Carlsbad High School.

VI. NUCLEAR

A. John- Attended an ECA Board meeting via Zoom to discuss the DOE budget and priorities for the upcoming year.

B. John- Met with City Councilor and ECA Board Member J.J. Chavez and other local ECA members about an ECA meeting that will be held in Carlsbad during the first week of May in 2022. He has requested our assistance with hosting this three-day event.

VII. RETAIL/RESTAURANTS/ENTERTAINMENT/HOSPITALITY

- A. Jeff**— Sent a recruitment package to a national chain restaurant that has recently opened in neighboring markets. The information sent includes employment data, gross receipts tax information, data on market leakage within this specific category to show opportunity in Carlsbad, and other pertinent information. This is Project Swayze.
- B. Jeff** –Put together a recruitment package for another nationally branded restaurant that is a competitor to Project Swayze. I included much of the same information for this company as I did for Project Swayze. Both of these restaurants use our roadways for distribution routes and Carlsbad’s market would definitely fill in a gap of their regional coverage. This is Project Feast.
- C. Jeff** – Met with an individual looking at starting a franchise here for an ice cream shop. He is working with the franchise development team out of Albuquerque on this, as well as with the franchisee in Hobbs to get this off the ground. I sent him over to the Small Business Development Center to begin work on his business plan. I also gave him my contact information and discussed what the next steps would likely be once he gets his plan and financials in order to proceed.
- D. Jeff** – Met with the owner of the Best Western Plus that is currently under construction on South Canal Street. I learned that much of the delay last year in building was due to him getting COVID, as well as some of his construction crews. He was out of action for two months. He feels that the hotel should be completed within approximately four months. I also discussed the possibility of having other businesses out there on his property, as he at one time indicated the desire to have a restaurant out there. I provided him with two possible opportunities.
- E. Jeff** –Project Nugget, which had been looking for property on National Parks highway, did a site visit six weeks ago. They felt that the location they had been eyeing was too far south for their liking. They have asked me to look for something a bit further north. I have been working to find something suitable.
- F. Jeff** – I have been working with the owner of a strip center on the south side of Carlsbad to find tenants. The center will have four spots. I created a flyer for the owner to use and I have also sent this out to several developers who have expressed interest in this area of Carlsbad. In speaking with the center’s owner, I was also able to put him in touch with the franchisee for Project Dalmatian, which I reported on in February of this year. Project Dalmatian is, however, working on developing their own location. More on this as it develops.
- G. Jeff** – Had a site visit with Project Annex Stopover. I have been working with them since January of 2020, and last reported on this in January of this year. They have secured a site in Carlsbad and are now working on getting into operations here within the next few months. This is a national chain opening their first location in our market.
- H. John**- Project Freedom- Met with the owner of a West Texas firearm and ammunition chain based in El Paso, TX. Discussed the market in Carlsbad. He will be visiting Carlsbad this next weekend to tour the community and attend the local gun show to assess the market demand.

VIII. CASCADES

A. John –Neal Dungan signed the amended Cascades agreement language that was approved by the Board last month. I have contacted Neal to ask when the lot to the north of us will be cleaned up.

IX. ADMINISTRATION

A. John- Assisting the City of Carlsbad with an Economic Impact Assessment associated with a water line grant they are working on with the EDA.

B. John- Attended this month's SNMEDD council of governments meeting. Updates were given on COVID recovery and available grants.

C. John- Jeff and I met with a local business person interested in purchasing and opening an insurance agency up in Carlsbad.

D. Michelle- We had a booth at Mayors Energy Summit. Brittany, Belenda and I manned the booth. We spoke with various individuals from Midland, Pecos and Albuquerque. One developer from Pecos was interested in coming into Carlsbad – housing and business development. We had about 30 people stop by our booth.

E. Michelle- John and I were invited to do Lions Club presentation on what we are seeing in the current economic conditions and also give a brief description of my position, what I was here to assist with. We discussed current projects like the workforce needs survey.

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 – I created new marketing materials for the Carlsbad market overall, as well as for Oil and Gas. We distributed these at the Downstream USA tradeshow and at the Mayor's Energy Summit.

H. Jeff – Sent out a press release for the City regarding the 2021 Carlsbad Mayor's Energy Summit. This event took place on October 21st with the keynote speaker being Tony Dorsett.

I. Jeff – I received our quarterly report from Golden Shovel regarding our CDOD website. Here are some insights:

1. The site received 13,329 page views this quarter
2. 89.8% of our visits were from new users to the site
3. Top five states visiting our site were NM, Texas, Arizona, California and Illinois
4. Top five cities visiting our site were Carlsbad, Phoenix, Dallas, Chicago and Columbus