

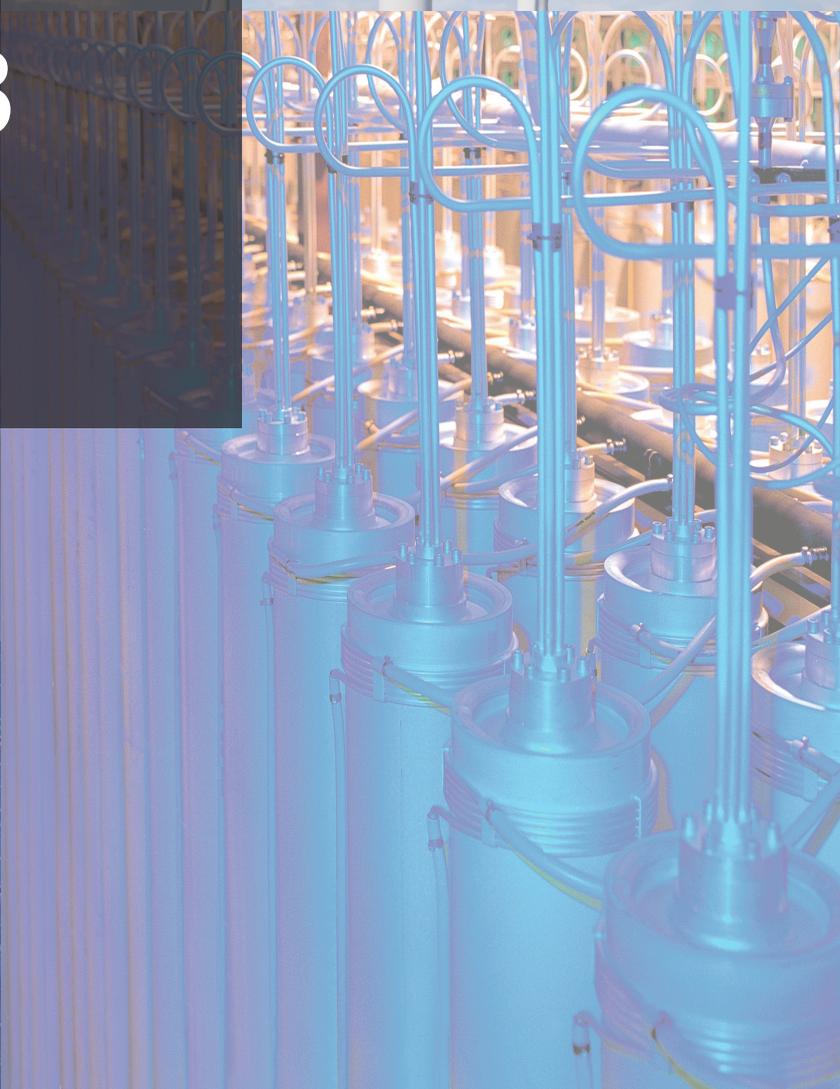


Annual Report

2017-2018



Economic
Development
Corporation
of Lea County



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EDCLC Staff

Steve Vierck; CEcD
President & CEO

Sally Tomar
Director of Human Resources
& Membership Services

Geni Cavanaugh
Director of Marketing
& Business Development

Elyce Gobat
Coordinator of Research
& Special Projects

Sarah Bunch
Coordinator of Digital Media

Tammie Brooks
Executive Assistant

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Watson Truck & Supply

David Shaw, Chair Elect
Nor-Lea Hospital District

Tres Hicks, Past Chair
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Zia Park Casino Hotel & Racetrack

Tim Thornell
Lea Regional Medical Center

Miguel Perez
Wells Fargo Bank

Sid Applin
LEACO

Gordon Goodman
EOG Resources

Deena Palmer
Pioneer Bank

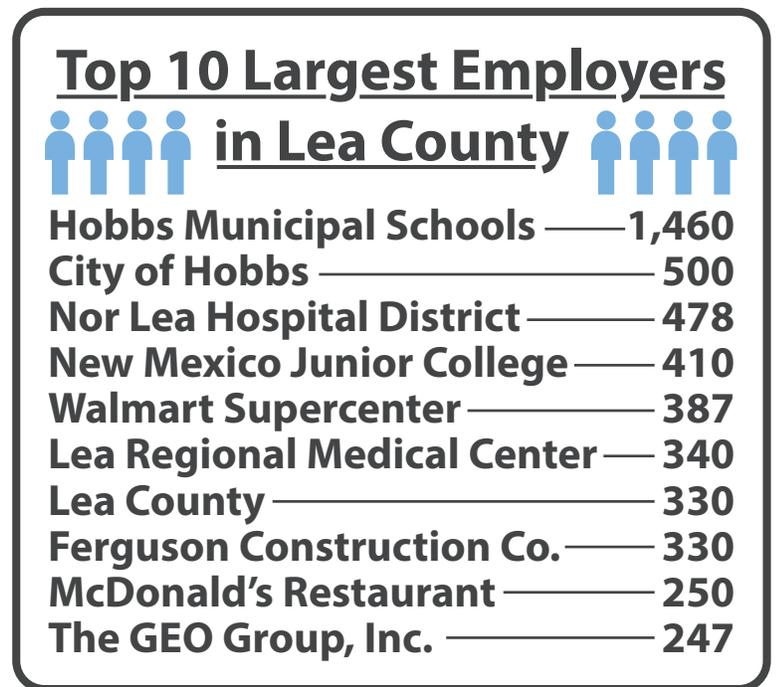
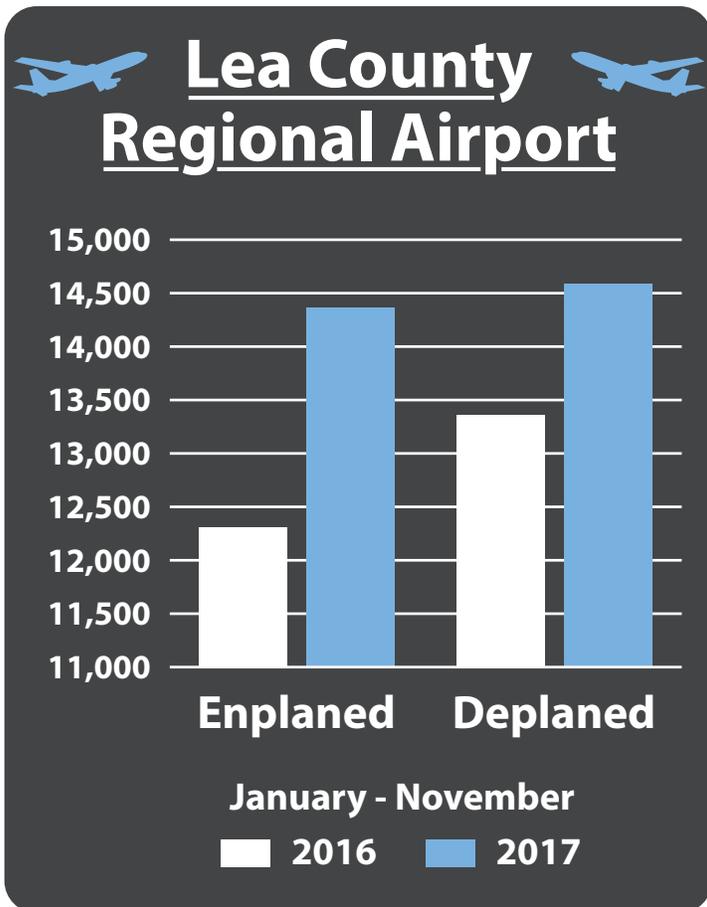
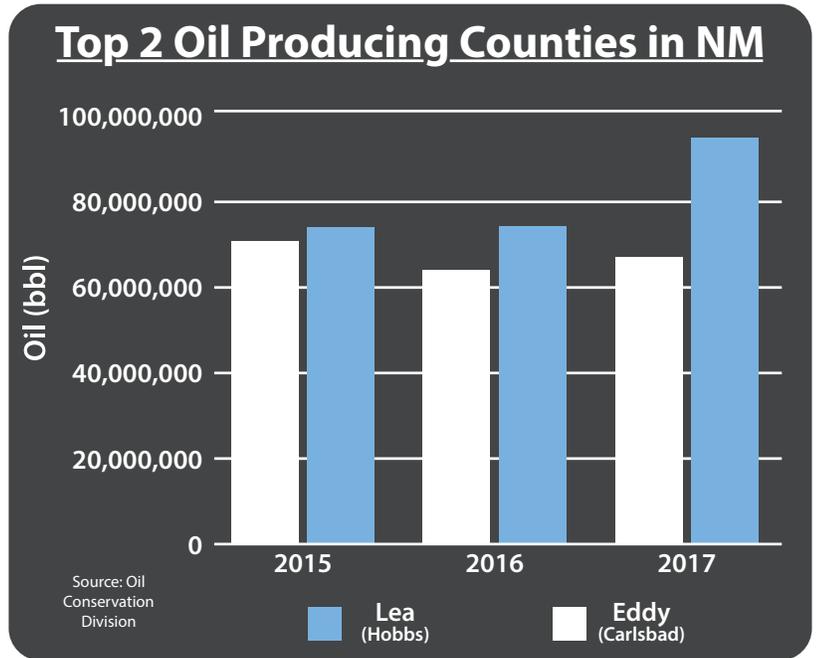
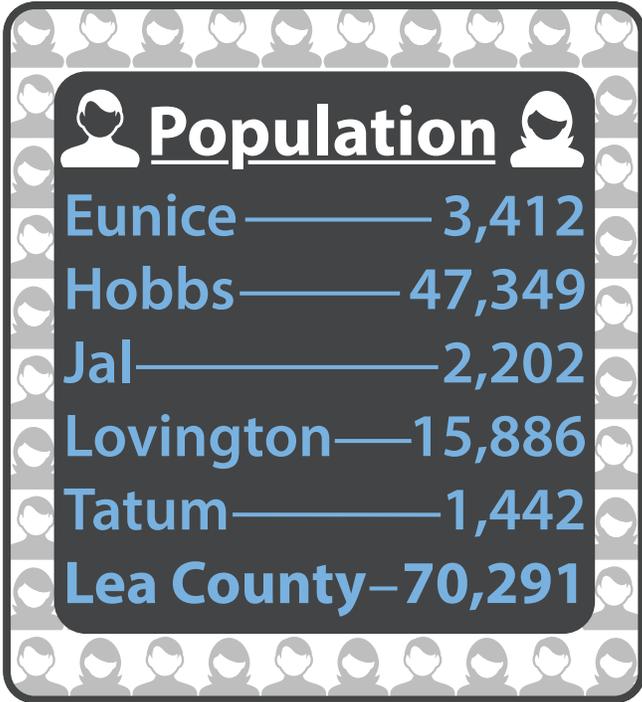
David Pyeatt
Elliot & Waldron Title Company

Rose Scott
Nuclear Waste Partnership, LLC

Philip Ingram
Ingram Professional Services, Inc.

Russ Doss
Souder Miller & Associates

Economic Indicators



Business Development in the EnergyPlex

With the oilfield heating back up, Lea County has seen an influx of interest in the past year, a major uptick from the past few years. While the EnergyPlex's main focus is often oil and gas, companies from a wide range of industries have taken a hard look at Lea County this year including both industrial and retail projects that will help Lea County to diversify and offer a wider range of opportunities for both new and old residents.

The oilfield is on the rise and so is investment. This year, many large oil companies made investments in Delaware Basin including ExxonMobil, Concho Resources, ConocoPhillips, Lilis Energy, EOG Resources, Eagle Holdings and more. These investments are generally in land or drilling and Lea County expects to see over \$8 billion of investment in the next few years. In addition to large-scale investment, the EDCLC is in the process of assisting several midstream projects to locate processing facilities in Lea County. These would be high-wage jobs and large monetary investments in the county. The EDCLC expects to be able to announce a project formally within a few months.

Aside from oil and gas, the EDCLC continued to aide Holtec in the location of their nuclear intermediate storage facility. Currently, Holtec International is still in the

Nuclear Regulatory Commission licensing process. The HI-STORE facility will be located just within Lea County on the western side of the county and provide 150 jobs and \$5 billion worth of investment.

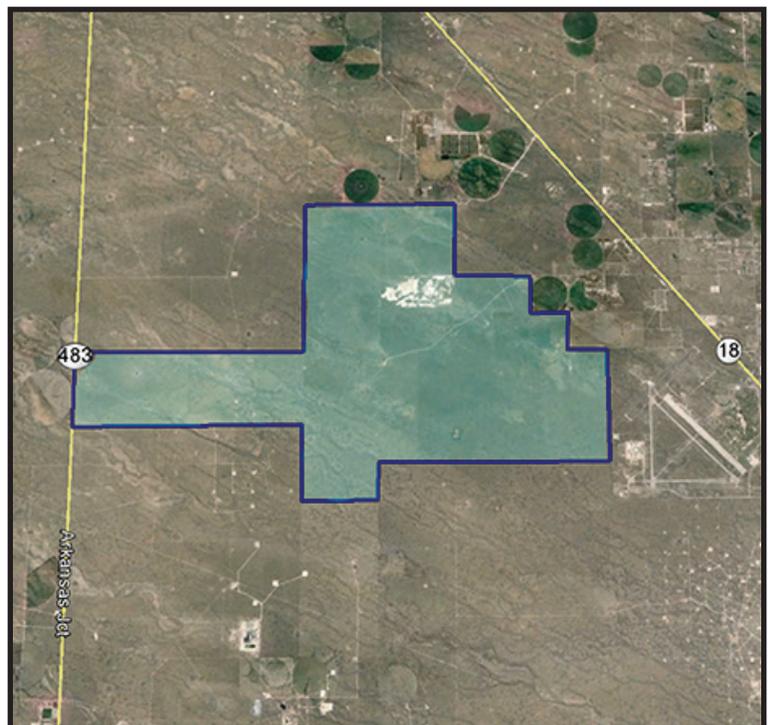
On the retail front, Hobbs in particular has seen a marked increase in interest over the past year. The EDCLC, along with Catalyst, is involved in targeting retailers and developers to come to Hobbs. This past year, the EDCLC has been involved in bringing both McAlisters and Firehouse Subs to Hobbs and continues to work with local developers to identify prospects and make contacts to increase the amount of retail in Lea County.

In addition to located projects, the EDCLC also responded to seven PROs (Potential Recruitment Opportunities) from the New Mexico Partnership. Of these seven, one has shown repeated interest in Lea County and the EnergyPlex Park, and another visited Lea County for a site visit and the EDCLC is working with this project to bring it to Lea County.

It's been a busy year for the EDCLC and we expect next year to be just as busy with projects showing renewed and continued interest in Lea County and all the great things it has to offer.

EnergyPlex Park Becomes a Certified Site

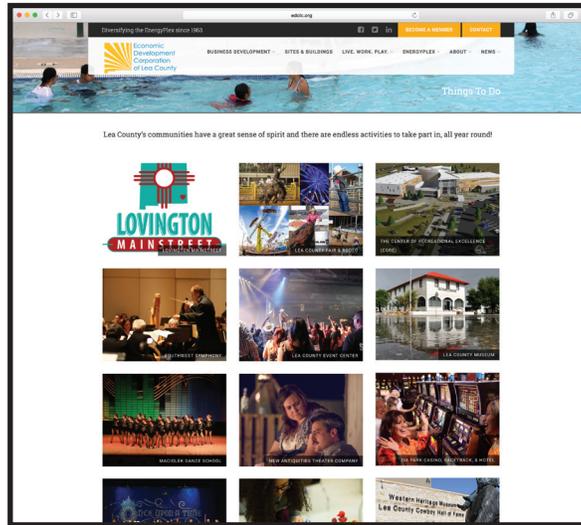
After many months of working with Xcel Energy's site certification team, the EnergyPlex Park has been certified! Site certification is not a new concept, but it has been gaining more traction in the past few years. Properties that have been certified offer to site selectors a guarantee that they are ready for development and become better prospects in marketing a community. The EDCLC worked with Xcel's team to provide documents and information on the EnergyPlex Park to certify two parcels. These parcels are listed on Xcel's website as well as EnergyPlexPark.com.



New and Improved Websites

Websites are the gateway to a community, and the EDCLC works hard to keep our websites up to date and informative for both site selectors and others wanting to know more about Lea County. The EDCLC website, EDCLC.org, was updated this year with more visual interest, including new pictures, a revamped Entertainment page (pictured), and a streamlined menu.

In addition to the EDCLC's existing websites, which include EDCLC.org, EnergyPlexPark.



com, FlyHobbs.com, and FlyHobbsAviationDay.com, a new website was created this year to promote the EnergyPlex Conference. EnergyPlexConference.org features online registration, a section for speakers and the upcoming program, as well as a place to download and view presentations and photos from previous years. We expect many people will use the website to register online and encourage our members to do so as well!

Marketing the EnergyPlex Through Trade Shows & Headquarter Visits

Half of marketing is brand recognition and the EDCLC's brand is the EnergyPlex. The best way to advertise is by getting the name out there and marketing what Lea County can offer a business or a company in the way of workforce, land, and training. The EDCLC does much of this through sales trips and conferences where we can meet a variety of companies and promote the EnergyPlex.

The 2017-2018 year was packed full of sales trips and trade shows. The EDCLC attended eight trade shows throughout the year including FabTech, the largest manufacturing trade show in the United States, Airventure, an aviation-focused show, Corenet, a corporate real estate network show, Economix, a site selector conference, International Council of Shopping Centers, both in Dallas and coming up in Las Vegas, and the EDCLC will attend the Global Petroleum Show in June for the fourth year in a row as well as SelectUSA in Washington DC shortly after. These shows provided many leads and contacts for follow-up. In particular, Global Petroleum has been a great show for the EDCLC, especially as the oilfield picks up again.

In addition to trade shows, the EDCLC also participated in sales missions organized by the New Mexico Partnership. This year, the EDCLC traveled to Cleveland and Detroit to meet with site selectors and manufacturers and present Lea County and its assets. These meetings were very productive and provided some good contacts. The EDCLC

also participated in the NM Partnership's Southern Familiarization Tour where they brought in three site selectors and Economic Development Organizations were able to meet with them individually to talk about their communities.

This year, the EDCLC continued our new initiative of visiting oil and gas headquarter locations including Dallas and Houston. A group including EDCLC Chair Finn Smith, President/CEO Steve Vierck, additional board members, and City and County government leaders including Matt Geisel, Secretary of the Economic Development Department, visited six oil and gas companies in Dallas in October and recently made a Houston trip to visit with oil and gas headquarters including Occidental Petroleum Corporation, Marathon, Chevron, Sendero Midstream, Crestwood Equities, and Targa Resources. Lea County representatives met with companies to speak on the advantages of Lea County and how it presents opportunity for investment and location of facilities.

These trade shows, conferences, and trips all serve to market Lea County to the outside world, to create interest and showcase what Lea County has to offer companies both big and small. The EDCLC will continue to attend trade shows in the future and target industries and companies we feel to be a good fit for Lea County as well as welcome all who wish to know more.

Notable Events

Tour Brings Site Selectors to Lea County

One of the most effective ways to get on a site selector's radar as a potential location for a project is to get site selectors to visit your community, at least according to the site selectors that the EDCLC brought in for a tour of Lea County and a breakfast conference for EDCLC members.

Mike Barnes, Deane Foote, Jim Coulson, and John Talhelm (pictured from left to right) all came to Lea County in February where they went on a driving tour of Lea County including the EnergyPlex industrial Park, a private tour of the CORE facility, and a tour of URENCO USA. The EDCLC provided them with information about Lea County's resources and

potential for projects searching out new locations.

With the tour, the site selectors also participated in a breakfast event for EDCLC membership where they spoke on topics such as the importance of workforce and workforce training, the growing interest in certified sites and what communities can do to increase their visibility and marketing potential.



The importance of site visits can't be understated when it comes to site selection and the EDCLC continues to work to bring in site selectors and showcase what Lea County has to offer.

2nd Annual Lea County Buyer-Supplier Networking Conference a Success

For the second year in a row, the EDCLC, along with its partners, the Hobbs Chamber of Commerce, Hobbs Hispano Chamber, New Mexico National Black Chamber of Commerce, Lovington EDC, Lovington Chamber of Commerce, and Eunice Chamber of Commerce, put on the Buyer-Supplier Networking Conference. This conference mirrors a traditional trade shows except that instead of having smaller companies selling a product behind a booth, the larger "Buyer" companies man the booths and "Suppliers" visit them to offer their products or services.

This year, we had 18 large "Buyer" booths attend including

URENCO USA, EOG Resources, City of Eunice, City of Hobbs, City of Lovington, Lea County, Intrepid Potash New Mexico LLC, Lea Regional Hospital, New Mexico Junior College, Nor-Lea Hospital District, Nuclear Waste Partnership, State of New Mexico, Waste Control Specialists, Xcel Energy, Zia Park Casino, LEACO and GEO Group. With over 75 attendees, the small business turnout was smaller than last year but good connections were made between companies and all of the feedback from the event was positive.

The EDCLC intends to continue this event in the future and look for more ways to boost attendance and interest!



New Mexico EnergyPlex Conference Approaching Soon!

The second annual New Mexico EnergyPlex Conference is fast-approaching as the year closes out. Last year's event drew over 200 attendees from all over Southeastern New Mexico and West Texas. 2017's event included speakers such as Cabinet Secretary Ken McQueen of the State Energy, Minerals, and Natural Resources department; Aubrey Dunn, New Mexico State Land Commissioner; and Bureau of Land Management State Director, Amy Lueders. These speakers presented information on New Mexico's position in the energy industry, updates on policy changes, and answered questions relating to businesses and energy rulings.

Last year's event, while a success, was a two day event. This year, the EDCLC has opted to condense the event to one day, June 26th, 2018. Mark your calendars!

The conference will feature panels such as Southeast NM Oil & Gas Sector Outlook, Oil & Gas Company Regional

Executives panel, Diverse Energy in Southeastern New Mexico, and more! Panels and speakers are in the process of being scheduled and we look forward to announcing them in the coming weeks.

We encourage everyone to attend and learn something new about the energy industry in Lea County. To register for free, visit EnergyPlexConference.org!



Save The Date

June 26th, 2018
8:00 am - 5:30 pm
Lea County Event Center

New Mexico EnergyPlex[®] Conference

FREE Event
Sponsorships and
Booths are available

For more information visit
www.EnergyPlexConference.org

Membership PowerHours Connect Businesses

Every year, the EDCLC aims to provide our members with helpful programs and updates. This year, PowerHours included an update from URENCO USA where they spoke of their progress with the facility, community outreach, and planning for the future and the sustainability of the business. The EDCLC's other PowerHour featured a legislative update where Senator Leavell, Senator Kernan, Representative Scott, and

Representative Gallegos spoke on the 30 day session and its unusual civility and what legislation they accomplished.

The EDCLC holds these membership meetings as a chance for networking as well as to get information and updates on various topics of interest for Lea County and its communities.



Business Retention and Expansion Fundamental to Business Development

Does your business need help with a problem? The EDCLC is here to help. With our continuing Business Retention & Expansion program, the EDCLC aims to help businesses solve problems and find solutions. In addition, meeting with businesses helps the EDCLC to target new leads and projects that could be beneficial to the

community and existing companies.

This year, the EDCLC will meet with 100 local businesses to assess needs and just to check in. If you would like to talk to the EDCLC, contact Geni Cavanaugh at geni@edclc.org to set up a visit!

New Members in 2017-2018

Devon Energy Production Company, L.P.

Rice Operating Company

Ingram Professional Services, Inc.

University of the Southwest

LEADS Grant Helps EDCLC Market Communities

For the second year in a row, the EDCLC received money from the LEADS grant, a state-run program intended to encourage economic growth in New Mexico. The EDCLC received \$12,500 for the 2017-2018 fiscal year, an increase from the previous year.

using the grant to support the Buyer-Supplier Networking Conference and the Site Selector Tour in which we brought three site selectors to Lea County. The grant has been useful in expanding our limits and helping to sustain some of these events for the future.

The LEADS grant has a stricter usage than its predecessor, the CCI grant. This year, the EDCLC focused on headquarter visits to both Dallas and Houston, along with

The next LEADS application has already been submitted for 2018-2019 year and presentations are scheduled for later in May!

Staff Training and Development

The EDCLC constantly strives to improve, both its methods and its staff. It was a busy year for staff with a lot of training and development taking place.

This year, several staff members attended International Economic Development Council (IEDC) courses including Credit Analysis and Marketing and Attraction. These courses focus on economic development skills and can be applied to becoming a Certified Economic Developer (CEcD). In addition to IEDC courses, staff participated in a day-long oil and gas training, generously provided by New Mexico Junior College and taught by Kelly Tooker, Director of Oil and Gas Technology. The course went through the process of what goes into drilling a well, subsequent processing of materials, and an introduction to



oil and gas job positions and terms used in the oilfield.

Staff also participated in organizations such as New Mexico IDEA, a group of economic developers who meet quarterly to discuss topics in economic development as well as network with other ED professionals. Other training staff attended included leadership and community development trainings, and President Steve Vierck

participated in the Leadership New Mexico program this year.

Along with in-person training, staff also participated in online webinars to learn more including webinars on Opportunity Zones and New Market Tax Credits. Staff development is important to economic development and continuing to learn more and improve skills for the future.

Legislative Relations in the EnergyPlex

The EDCLC is committed to supporting state efforts to make New Mexico more business friendly and encouraging legislators to consider Lea County when making decisions. In this year's 30-day session, the EDCLC organized a trip up to Santa Fe to speak with key decision-makers and state departments including Ken McQueen, Secretary of the Energy, Minerals, and Natural Resources department, Mike Miller of the Permian Basin Petroleum Association, Aubrey Dunn, the New Mexico Land Commissioner, and Matt Geisel, Secretary of the New Mexico Economic Development Department. Staying connected with New Mexico leadership is crucial to Lea County's stake in state affairs.

Along with visits to State leaders, EDCLC staff participated

in Job Creator's Day, a day in which economic developers from the state tour the capitol and visit with legislators to discuss the importance of incentives such as JTIP and LEDA. In addition to visits to the capitol, the EDCLC organized a legislative luncheon for our membership, featuring our local legislators, Senator Leavell, Senator Kernan, Representative Scott, and Representative Gallegos. The EDCLC also participated in SET meetings (Stronger Economies Together) to create a new SET region in southeastern New Mexico.

Staying in touch with leadership is very important to economic development and cultivating strong working relationships in order to continue ED efforts both in Lea County and the state.



From left to right; Senator Leavell, Senator Kernan, Representative Scott, and Representative Gallegos

FlyHobbs Soars to New Heights

FlyHobbs has seen increased activity this year, from a rise in ridership to another successful FlyHobbs Aviation Day and the excitement only grows as we begin planning for our fourth annual Aviation Day & Fly-In, scheduled for fall 2018. Keep your ears open as more information becomes available!

Along with the help of FlyHobbs' marketing partner, Wilson Binkley, ridership has risen almost 10% over last year, averaging around 57%. In addition to more people using the air service, prices between Hobbs, Midland, and Lubbock have stabilized. About 3/4th of the flights are now equally priced or less than \$30 difference with Midland airport. This is good news for residents of Lea County, who also save on drive-time, hotel stays, and paid parking versus Midland or Lubbock. The convenience of FlyHobbs can't be beat!

This year, FlyHobbs hosted the 3rd Annual Aviation Day & Fly-In out at Lea County Regional Airport. The day turned out to be rainy and wet, but FlyHobbs still had a great turn-out of attendees, who were able to enjoy the indoor booths, games, and giveaways, along with the fire station who brought out trucks for the kids to enjoy. FlyHobbs is already planning for the next event, which we hope to schedule for this fall, 2018.

FlyHobbs continues to engage with the local communities,

participating in events such as the Western Heritage Museum's Christmas around the World display, the City of Eunice's Business Meet & Greet, Lea County Fair & Rodeo, and gave away many free flight vouchers to various organizations within Lea County. In addition to community events, FlyHobbs strives to engage with the community on a personal level through presentations to groups on the benefits of FlyHobbs. This year, FlyHobbs presented to five different community organizations about what FlyHobbs can do for them, including Hobbs Jaycees, New Antiquities Theater Company, Hobbs Rotary Club, Community Players of Hobbs, and Coffee with the Cops. If you are a member of a community group and would like FlyHobbs to come present, let us know!

This year has also been a year of growth for FlyHobbs' "Friends of FlyHobbs" program. This program is FREE to join for local businesses and will get your logo featured on the FlyHobbs website in exchange for either posting a link to FlyHobbs on your business website or displaying FlyHobbs promotional materials at your place of business (or both!). FlyHobbs has added six new 'Friends' this year, including Hilton Garden Inn, New Antiquities Theater Company, TownePlace Suites, Western Heritage Museum, Travel Unlimited, and Estacado Credit Union, and hopes to add many more! Contact us if you would like to become a Friend of FlyHobbs.



EDCLC Members

Certificate

Carr, Riggs, & Ingram
Chevron Products Company
Concho Resources, Inc.
Constructors, Inc
Daniels Insurance Inc.
Del Norte Heights, Inc.
***Devon Energy Production Co., L.P.**
Elliott & Waldron Title Co., Inc.
EOG Resources, Inc.
First American Bank
Forrest Tire
Fulfer Oil and Cattle Co. LLC
GEO Group, Inc.
Goff Dairy LLC
HB Construction
Hobbs News-Sun

Ingram Professional Services, Inc.
Intercontinental Potash Corp., USA
International Isotopes Inc.
Intrepid Potash New Mexico LLC
Jaynes Corporation
Johnson, Miller & Co.
Lea County State Bank
Lea Regional Medical Center
Leaco Rural Telephone Cooperative
Leavell Insurance, Inc.
Maddox, Holloman & Moran PC
McVay Drilling Co.
Me-Tex Oil & Gas, Inc.
Nor-Lea Hospital
Nuclear Waste Partnership LLC
OXY USA, Inc.

Pettigrew and Associates, P.A.
Pioneer Bank
RMS Foods, Inc.
Robinson & Associates Real Estate
Schubert Construction
Suerte Land Group LLC
TDS broadband
The Financial Firm
*URENCO, USA
Watson Truck & Supply
Wells Fargo Bank
Western Commerce Bank
Xcel Energy
Zia Natural Gas Company
Zia Park Racetrack, Hotel & Casino

Associate

Angell Ranch
Baymont Inn & Suites
Dekker Perich Sabatini
Enterprise Holdings
Estacado Federal Credit Union
Lea Power Partners

McDonalds
Noalmark Broadcasting Corp.
Rental Self Service Storage
Rice Operating Company
Richards Energy Compression LLC
Souder Miller & Associates

Tate Branch Dodge
TownPlace Suites
United Rentals
University of the Southwest
Windscape Apartments
Young's Homes

Public Partners

City of Eunice
City of Hobbs
City of Jal
City of Lovington
Eunice Chamber of Commerce
Hobbs Chamber of Commerce

Hobbs Hispano Chamber of
Commerce
Hobbs Municipal Schools
Lea County
Lovington Chamber of Commerce
Lovington EDC

New Mexico Junior College
New Mexico National Black Chamber
of Commerce
Town of Tatum
University of the Southwest

* Certificate Plus Members

New Members in 2017-2018



200 E Broadway St., Suite A201 | PO Box 1376
P: (575) 397-2039 | F: (575) 392-2300
EDCLC@EDCLC.org | www.EDCLC.org