



2018-2019 Annual Report



Inside This Report

- 2** Economic Indicators
- 3** Business Development in the EnergyPlex
- 4** Marketing/Trade Shows/Visits;
LEADS
- 5** New Mexico EnergyPlex Conference
- 6** Notable Events;
Business Retention & Expansion
- 7** Legislative Relations
- 8** FlyHobbs
- 9** Staff Training and Development;
Website Updates
- 10** EDCLC Members

EDCLC Staff

Steve Vierck; CEcD
President & CEO (until May 10)

Mike Barnes
Interim President & CEO

Geni Cavanaugh
Director of Marketing
& Business Development

Sally Tomar
Director of Human Resources
& Membership Services

Elyce Gobat
Manager of Research
& Special Projects

Sarah Bunch
Coordinator of Digital Media

Tammie Brooks
Executive Assistant

EDCLC Board 2018-2019

Finn Smith, Chair
Watson Truck & Supply

Joshua Grassham, Chair Elect
Lea County State Bank

David Shaw, Treasurer
Nor-Lea Hospital District

Lisa Hardison, Secretary
URENCO USA

Sid Applin
LEACO

Kevin Donovan
Nuclear Waste Partnership, LLC

Gordon Goodman
EOG Resources

Dustin Henry
Western Commerce Bank

Philip Ingram
Ingram Professional Services, Inc.

Shannon Johnson
Devon Energy Corporation

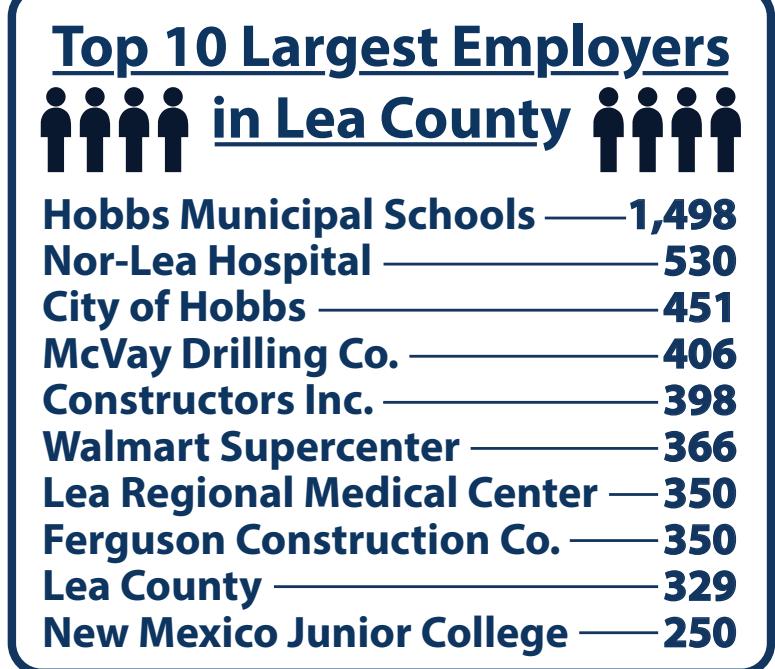
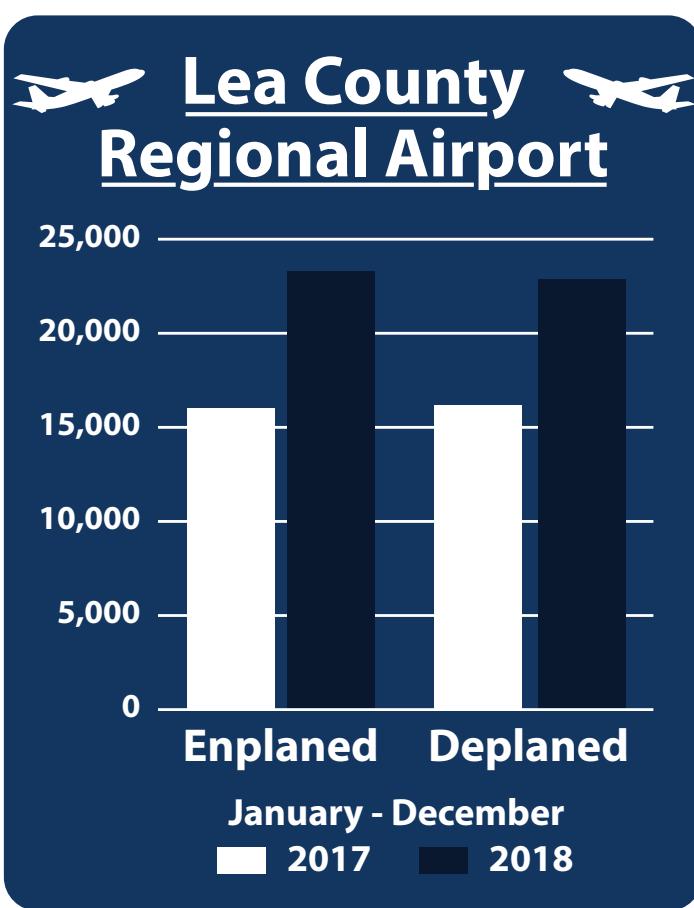
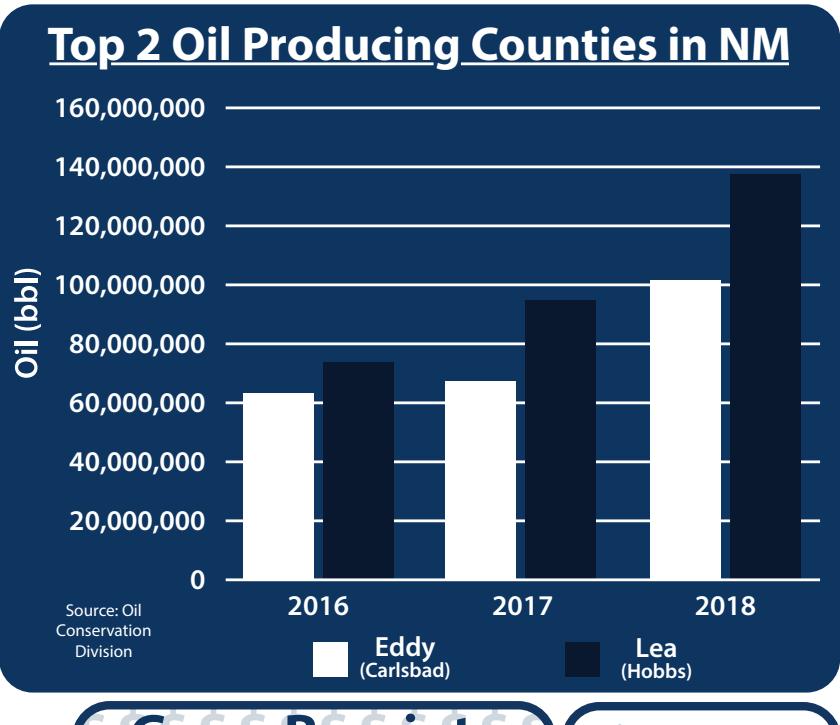
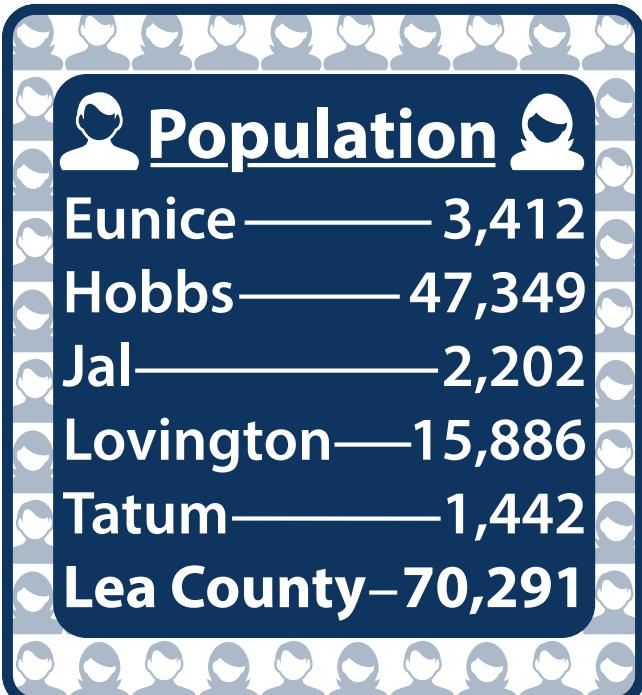
Steve Lambert
Zia Park Casino Hotel & Racetrack

Bret Moody
First American Bank

Miguel Perez
Wells Fargo Bank

Russ Doss
Souder Miller & Associates

Economic Indicators



Business Development in the EnergyPlex

Business is booming in Lea County and the EDCLC has spent a busy year assisting businesses of all sorts. From oilfield to manufacturing to retail, Lea County is seeing growth in every sector. The EDCLC works to ensure new businesses know about the advantages New Mexico and Lea County offers in order to best serve their company.

Continued interest in Lea County's oilfield potential has created a demand for new offices and operations. Cactus Wellhead moved their operations to Hobbs, occupied a larger, vacant building, and hired over 60 new employees in Lea County. The EDCLC is currently assisting Cactus to continue hiring and training new employees and expanding their facilities. Other oilfield companies have also been working on opening new offices in Lea County with two close to announcing. In addition to helping businesses, the EDCLC has been involved with the new Permian Strategic Partnership, providing information and assistance. 3 Bear Energy continues to build on their large midstream facilities west of Hobbs and has already invested over \$100 million in Lea County.

This year we saw several projects reinvigorated, including two nuclear industry projects: Moly 99 and International Isotopes. The EDCLC has been working with these projects for several years and is excited to see them moving forward. These projects will bring hundreds of jobs to Lea County and diversify the economy with manufacturing and nuclear positions.



The EDCLC works with every community in Lea County, and for several years, the EDCLC has been working with Eunice and Lea County on the Love's Truck Stop, which is scheduled to open in May of this year. The truck stop will be a great addition to Eunice and southern Lea County

for travelers and residents. The EDCLC took several tours this year around both Jal and Eunice to keep up to date on projects and learn how we could assist. Lea County Commissioner Dean Jackson, Mayor of Jal, Stephen Aldridge, and Jal City Manager, Matt White, volunteered their time to update the EDCLC on projects and initiatives in their communities.

In addition to industrial projects, the EDCLC continues work on attracting more, larger retailers to the area. This year, the EDCLC assisted Firehouse Subs in locating in Hobbs and continues to work with developers such as Pegasus to increase the availability of retail stores in Lea County. This year, the EDCLC made a recommendation

to the City of Hobbs to create retail incentives. The Gross Receipts Investment Program (GRIP) has been adopted by several cities in New Mexico and could be a good fit for Hobbs. The City Commission must pass the resolution and are in the process of doing their due diligence.

With so much activity, the EDCLC has seen interest from many different types of businesses and we expect next year to be even busier as projects come to fruition and Lea County continues to diversify and grow. We are excited for the future and the opportunities coming in the next few months and year!

Marketing/Trade Shows/Visits

A core function of the EDCLC, marketing Lea County to outside entities is one of the most important activities we perform. Lea County has many things to recommend it including our skilled, hardworking labor force, world-class energy resources, and available sites and getting the word out there increases our odds at landing projects.

This year, the EDCLC attended eight trade shows including FabTech Manufacturing show, Economix, a site selectors networking conference, Corenet for corporate real estate, Hannover Messe, a manufacturing trade show, Permian Basin Oil & Gas show, International Council of Shopping Centers (ICSC), and the EDCLC will also attend Global Petroleum Show and SelectUSA in June. These shows allow us to meet face to face with companies interested in expanding or relocating. The EDCLC provides information and follows up on leads generated from trade shows in order to attract businesses to the area.

Along with trade shows, the EDCLC also continued our annual visits to energy company headquarters. This year, we visited Midland, TX, and Denver, CO to meet with CEOs of companies including EOG Resources,

Schlumberger, Basic Energy, 3 Bear Energy, Midstream Capital Partners, and DCP Midstream. These visits have been successful in the past to garner renewed and continued interest in Lea County and encourage companies to expand their operations in Lea County.

The EDCLC attended the New Mexico Partnership's Southern Familiarization Tour for the fourth year. The Fam Tour invites site selectors to New Mexico where local economic development professionals can visit with several site selectors at one time. It is an efficient and informative way to meet influencers and speak to the benefits of Lea County.

Marketing Lea County is an important task that the EDCLC continues to do in many ways, through trade shows, conferences, and headquarter visits. These trips have resulted in several billion dollars' worth of investment over the years, including hundreds of jobs and new construction for Lea County. The EDCLC continues to look for the best marketing outlets in order to maximize success in our efforts in the coming year.

FabTech Manufacturing show



LEADS

For the third year, the EDCLC received the LEADS grant from the State of New Mexico, an economic development grant to help with specific initiatives. This year, the EDCLC received \$15,000 to be applied to projects such as energy headquarter visits and trade shows. The EDCLC used the funds to help us travel to both Midland, TX and Denver, CO to talk with energy company executives about their operations in Lea County and possibilities for expansions and increasing operations. The grant is renewed yearly, and the EDCLC expects to apply in the coming months for fiscal year 19-20.

New Mexico EnergyPlex Conference

One of the biggest marketing tools for the EDCLC is our annual New Mexico EnergyPlex Conference that took place on June 26th last year and attracted over 225 attendees! The purpose of the conference is to exchange updates and information about energy sector developments within Lea County and to provide an opportunity for people within the energy sector, local and state governmental officials, and people from the community at large to network and exchange ideas.

Speakers at last year's event included State and Federal officials such as representatives from the New Mexico Energy, Minerals, & Resources Department, State Land Commissioner Aubrey Dunn and BLM Acting State Director Aden Seidlitz. The conference featured informative sessions such as the Produced Water panel, Oil & Gas Executives panel, Support Services panel, and more! Some interesting facts came out of the conference including:

- The oil and gas industry uses less than one-tenth of a percent of the water used in the state
- By 2025, there will be seven barrels of water produced per barrel of oil, and the total will be 2 million acre-feet of produced water per year
- Of the county's 1,200 miles of roads, 37.5% are strictly for oil and gas traffic, which typically exceeds 2,000



vehicles per day

- Local schools are working to establish vocational training to prepare students for immediate employment
- Companies such as Devon Energy, ConocoPhillips, and XTO are looking to expand their operations and efficiency while limiting their footprint
- Oil companies are cognizant of water challenges and are working to find viable solutions to produced water and reuse
- The Delaware Basin continues to be one of the most prolific and cost-effective locations for the oil exploration
- Oil and gas accounts for 92% of the State Land Department's revenue stream
- sPower is planning a 240MW solar power generation facility in Lea County's EnergyPlex Park

The EDCLC is already looking forward to this year's event, scheduled for June 25th at the Lea County Event Center. Sponsorships and registration are available online at www.energyplexconference.org and we encourage our members to attend and learn more about what's going on in Lea County's energy industries!



EnergyPlex®
Lea County, New Mexico

Save The Date



For more information, visit www.EnergyPlexConference.org

June 25, 2019

7:30 am

Lea County Event Center
Hobbs, NM

FREE Event

Sponsorships and
Booths are available

Notable Events

Opportunity Zone Information Session

In late 2017, the federal government enacted the Tax Cuts and Jobs Act of 2017, creating a new designation across the country: Opportunity Zones. An economic development and job creation tool for low-income areas, Opportunity Zones benefit from capital gains tax deferrals and are a new way for companies and individuals to invest in Lea County. This year, the EDCLC hosted an information session, along with the New Mexico Economic Development Department, to educate investors, business people, and the public on Hobbs' Opportunity zone, which is located in south Hobbs, a census tract bordered by Marland Blvd/St and Stanolind Rd to the north and south, and Turner St and S. Landfill Rd to the east and west. If you are interested in Opportunity Zones or need more information, don't hesitate to contact us.

Senator Leavell Reception

The EDCLC partnered with URENCO to host a reception honoring New Mexico Senator Carroll Leavell. The reception celebrated his accomplishments in the NM legislature and his longtime service to New Mexico. Several people spoke on what Senator Leavell has accomplished and his impact on the lives of everyone around him. The EDCLC appreciates the opportunity to have worked with Senator Leavell during his time in the legislature and is grateful for all of his help with projects and legislation.

Business Retention & Expansion

This year, the EDCLC met with 100 local businesses to assess needs and identify ways we could assist. Business Retention visits are an essential part of economic development, a way for the EDCLC to identify new leads, solve problems, and get to know the local businesses.

Does your business need help with a problem? The EDCLC is here to help. If you would like to set up a meeting or have a conversation, contact Geni Cavanaugh at geni@edclc.org to arrange one!

New Members 2018-2019

Holtec International
Lovington Mainstreet
Lucid Energy
Lucky Family of Excellence

New Mexico Oil and Gas Association
Schlumberger
XTO Energy

Legislative Relations

The EDCLC has spent a busy year when it comes to State involvement. Earlier in the fiscal year, Governor Susana Martinez visited Lea County for a luncheon. She spoke on her initiatives in education and some of her accomplishments during her terms as governor. The EDCLC arranged a tour of The CORE for the governor and her staff as well.

For our membership, the EDCLC hosted a membership luncheon after the session where Senators Fulfer and Kernan, and Representatives Scott and Gallegos updated EDCLC members and public partners on outcomes of the 2018-2019 legislative session. The EDCLC encourages our members to attend these membership meetings to learn about what's happening at a State level.

Along with our yearly legislative update, this year, the EDCLC hosted "Meet and Greets," partnering with the Hobbs Chamber, with candidates for our U.S.

Congressional candidates: Xochitl Torres-Small and Yvette Herrell. These "Meet and Greets" allowed the public to meet the candidates and ask any questions they might have about their viewpoints and campaign platforms.

With the change in State leadership this year, there have been many interesting bills proposed, and the EDCLC took a position on several this year. The EDCLC opposed both SB459 (four-year fracking ban) and HB208 (Environmental Review Act). Neither bill passed this year but it's important to stay on top of bills potentially harmful to the energy sector. Steve spoke in Santa Fe on the negative impact the fracking ban would have on both Lea County and the state as a whole.

It has been a busy year in the legislature and the EDCLC continues to monitor activities as well as keep communication open between leadership and area businesses to voice concerns and find solutions together.

Evening with Lea County

Every two years, during the 60-day legislative session, the EDCLC hosts "Evening With Lea County" in Santa Fe, a reception and dinner where Lea County's leadership, residents and State Legislators come together to honor award recipients and bring awareness to Lea County's contributions to New Mexico. This year's event was a great

success with over 220 people attending the new location at the Eldorado Inn & Spa in Santa Fe. Many State Senators, Representatives, and Cabinet Secretaries attended the dinner where NM Governor, Michelle Lujan-Grisham, spoke about the importance of working together to create a stronger economy and workforce for

the state. The 2019 theme, "Lea County, Where Energy Thrives" highlighted Lea County's importance within New Mexico as well as all the activity taking place and making Lea County a great place to do business. Daniels Insurance, The Veteto Foundation, and Senator Carroll Leavell were honored with the EDCLC's Human Energy Awards.

In addition to dinner, EDC staff scheduled several meetings with the new Cabinet Secretaries for Environment, Transportation, Economic Development, and Energy, Minerals and Natural Resources. The EDCLC also with State Land Commissioner Garcia Richard, and the New Mexico Association of Commerce and Industry's new CEO Rob Black to discuss Lea County's needs and assets. These meetings are important to put the EDCLC in front of decision-makers, especially with the change in leadership at the State level this year.

The EDCLC will host this event again during the 90-day legislative session in 2021. We appreciate the continued support from our members that helps make this event a success year after year!



FlyHobbs



FlyHobbs spent a successful year participating in community events and seeing our ridership rise as the airline continues to benefit Lea County's economy.

Ridership was up 20 points over last year, keeping steady at around 70% for many months. This rise in ridership can be attributed to increasing oilfield activity as well as more leisure travelers. Lea County Regional Airport has one of the highest ratings for on-time departures for United Airlines. The FlyHobbs Facebook page continues to highlight travelers who use FlyHobbs to visit interesting destinations. The "Where will FlyHobbs Take You?" campaign encourages fliers to take a photo of themselves with the FlyHobbs flag at their destination.

For the third year in a row, FlyHobbs held its annual Aviation Day and Fly-In. Despite inclement weather, many people came and enjoyed the booth giveaways and the planes that were able to make it. The Lea County fire department also brought out fire trucks for children to



Aviation Day and Fly-In 2018

climb into and take pictures. Lots of fun was had by all, and hopefully next year's event will take place on a sunnier day!

In addition to Aviation Day, FlyHobbs participated in the Lea County Fair and Rodeo where we gave away a free flight voucher every day to fair attendees! Thousands of people visited the FlyHobbs booth where they received giveaways and asked many questions about the air service. Along with the fair, FlyHobbs participated in several other community events this year including Eunice's Homecoming Meet and Greet and the Hobbs' Chamber's FeBREWary Festival and gave away a flight voucher.

FlyHobbs gave several civic presentations including Carlsbad Rotary and others. Free flight vouchers were provided throughout the year to several organizations for their fund-raisers and prize drawings.

Education is still a big part of FlyHobbs, getting out in front of the public and encouraging use of the airport and United air service, and FlyHobbs looks forward to next year's events and using our marketing campaigns to reach even more people!



FlyHobbs at the Fair and Rodeo and FeBREWary Fest

Staff Training and Development

Learning new skills is an important part of staff development and training, and this year, the EDCLC staff attended several classes and informative sessions to increase knowledge and efficiency.

As members of the International Economic Development Council, the EDC staff has the opportunity to attend classes specific to economic development. This year, both Tammie and Geni attended the Introduction to Economic Development course held in Silver City, NM. This week-long course teaches economic development basics and covers many topics. In addition, Geni



attended the Business Retention & Expansion course in Denver. Elyce continued her path to Certification with two classes: Real Estate Development and Reuse and Workforce Development Strategies. With these classes, Elyce has completed the requirements to take the Certified Economic Developer exam. This year, Steve attended and spoke at the IEDC Leadership Summit as well.

Throughout the year, EDC staff also attended several informational sessions put on by the Hobbs Chamber of Commerce, including sessions on Angel Investors and Chamber luncheons where businesses spoke about their progress and projects. Sarah Bunch participated in and graduated from the Maddox Leadership Institute program. Staff also attended NM IDEA meetings, which present information on economic development topics and encourage networking with other economic development professionals.

Website Updates

This year, the EDCLC undertook the task of completely redoing the EDCLC website. A new theme and design features easier navigation, more data, and a new layout with colorful graphics and photos. Streamlined and easy to use, the new website helps everyone find what they need. Historical data is now available in download-able formats and the website is updated regularly by staff.



Click here to download current or historical economic indicators.

- Economic Indicators Update 1-7-19
- Economic Indicators 2019

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.**
EOG Resources, Inc.
First American Bank
First American Title Insurance Co.
Forrest Tire
GEO Group, Inc.
Goff Dairy LLC
Hobbs News-Sun
Holtec International
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.
***Lucid Energy**
McVay Drilling Co.
Me-Tex Oil & Gas, Inc.
Nor-Lea Hospital
Nuclear Waste Partnership LLC
Occidental Petroleum USA, Inc.
Pettigrew and Associates, P.A.
Pioneer Bank
RMS Foods, Inc.

Robinson & Associates Real Estate
Schubert Construction
Souder Miller & Associates
Suerte Land Group LLC
Tate Branch Hobbs
TDS Broadband
The Financial Firm
***URENCO, USA**
Watson Truck & Supply
Wells Fargo Bank
Western Commerce Bank
***Xcel Energy**
XTO Energy
Zia Natural Gas Company
Zia Park Racetrack, Hotel & Casino

Associate

Angell Ranch
Baymont Inn & Suites
ConocoPhillips
Estacado Federal Credit Union
Lea Power Partners
Lovington Mainstreet

Lucky Family of Excellence
New Mexico Oil & Gas Association
Noalmark Broadcasting Corp.
Rental Self Service Storage
Rice Operating Company
Richards Energy Compression LLC

Schlumberger
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
Jal Chamber of Commerce
J.F. Maddox Foundation
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 2018-2019



Economic
Development
Corporation
of Lea County

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