



Economic Development Corporation of Lea County

ANNUAL REPORT

2015-2016



ENERGY



RETAIL

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Executive Assistant

Board of Directors 2015-2016

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PETTIGREW & ASSOCIATES

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URENCO USA

MONTY NEWMAN, PAST CHAIR
NEWMAN & COMPANY

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LEA COUNTY STATE BANK

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TATE BRANCH AUTO GROUP

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HB CONSTRUCTION

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WELLS FARGO BANK

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WATSON TRUCK SUPPLY

DAVID SHAW, TREASURER
NOR-LEA HOSPITAL DISTRICT

GARY SCHUBERT
SCHUBERT CONSTRUCTION

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ZIA PARK HOTEL, RACETRACK, & CASINO

STUART ROBERTS
TDS BROADBAND

ROBBIE ROBINSON
ROBINSON & ASSOCIATES REAL ESTATE

TIM THORNELL
LEA REGIONAL MEDICAL CENTER

GARY DON REAGAN
GARY DON REAGAN PA

Ongoing Business Development IN THE ENERGYPLEX

THE 2015-2016 year was a busy one for the EDCLC with many changes occurring both internally and externally. The goal of diversification continued with expanded interest from companies in solar, logistics, nuclear, manufacturing, and more. Several new businesses expressed interest and have entered into the process of selecting Lea County as the location for their projects.

The energy industry continues to grow in Lea County with Akuo Energy and SunCorp in the beginning stages of their projects. Akuo Energy, a French-owned company, located a 30MW windfarm outside of Tatum. This project has a projected capital expenditure of

\$55 million with a job creation of 3 in phase 1. A possible phase 2 could expand from 30 MW to 150-200 MW. With Akuo's commitment, Lea County's wind generation jumps from 20MW (from WildCat Wind) to 50MW total.

As wind expands, so does solar in Lea County.

SunCorp Power (Infgen Energy) was awarded Xcel Energy's RFP to bring more solar power to Xcel's power grid. This project could create 300 construction jobs and 5 full-time jobs. Solar in Lea County already consists of 40MW of power and continues to grow with Xcel's continued commitment to Lea County and growing their power grid.

Lea County's logistics sector continues to grow with the addition of CIG Logistics near Jal. The project, a transload

facility, has already created over 20 jobs and is expected to be \$3 million in capital expenditure. CIG was granted LEDA funds from the New Mexico Economic Development Department (NMEDD) to assist in bringing their facility to Lea County. Along with CIG, other logistic changes include Watco purchasing the Texas-New Mexico Railroad (TXN). The EDCLC expects this acquisition to be a step in the right direction for rail usage in Lea County.

This year, the EDCLC has brought more focus to increasing Lea County's retail opportunities. Along with the City of Hobbs and Catalyst Commercial, the EDCLC has generated interest in Lea County from

large retailers and developers. Several retail developments have expressed interest and entered into negotiations with land-owners and other officials to bring large-scale retail to the county. In addition to developments, several smaller retail projects have located in Lea County

including Carl's Jr., Jimmy Johns, Wingstop, and hotels such as the Hilton Garden Inn.

The EDCLC continues to see interest in Lea County in many sectors and is working on several projects intended to diversify the economy. As these projects come to fruition, the EDCLC is eager to see the progress made and the impact on Lea County and surrounding communities.

CIG LOGISTICS
CREATES 20 HIGH-
WAGE JOBS IN LEA
COUNTY



EDCLC Hosts Economic Development Summit

IN July, the EDCLC hosted an Economic Development Summit intended to provide local and regional economic development groups with information regarding site selection, marketing, BRE strategies, and more. The event was well-attended with many regional economic developers attending from both West Texas and Southeastern New Mexico.

The event highlighted the Rockwind Community Links golf course with a day of golfing before the conference to allow EDCLC members to visit with Summit presenters. The conference included presentations from four site selectors who discussed what they looked for in facilities and locations and how EDOs can help. Other presentations highlighted marketing methods for EDOs, developing effective BRE programs, and how to overcome negativity regarding certain types of projects and industries.

The Economic Development Summit was a great success in educating fellow Economic Development Organizations on problems faced and how to overcome them. The EDCLC was very pleased at the turnout and looks forward to hosting more events like this in the future.



Conferences and Trade Shows Market Lea County To The World

ATTRACTING business to Lea County is an ongoing process that combines attending trade shows and conferences in order to reach out to industries and companies that might be a good fit for the community. The EDCLC attends many conferences on a yearly basis to generate interest and spread the word about Lea County and its amenities.

This year, the EDCLC attended several conferences and trade shows targeted toward both specific and general industries including Gaines County Ag & Oil Appreciation Day, Interational Council of Shopping Centers, RECON, Global Petroleum Show, Southwest NM Energy Summit, Xcel Energy Forums, Industrial

Asset Management Council, Permian Basin Oil and Gas Conference, Design & Manufacturing Conference, New Mexico Association of Counties, Infrastructure conference, and NM Municipal League. These trade shows help introduce Lea County and the EDCLC to new industries and companies that may not have considered Lea County previously.

12
TRADE SHOWS AND
CONFERENCES
ATTENDED IN THE
2015-2016 YEAR

At these trade shows, the EDCLC made many contacts that could potentially lead to projects in many industry sectors. The EDCLC continues to attend conferences in order to generate leads and projects for Lea County.



Business Retention and Expansion Efforts Increase

BUSINESS Retention efforts are the backbone of a healthy community and the EDCLC is committed to helping local businesses reach their full potential and providing support for any needs that come up. With the Business Retention and Expansion (BRE) program, the EDCLC visits many businesses in the community—at least 80 per year—to visit and understand their requirements and any struggles they may experience to determine how/if we can assist.

The BRE program includes visiting EDCLC members as well as other economic-based companies within Lea County. The improved program includes follow-up on any issues a company may experience as well as gathering data and feedback from the community. The EDCLC will continue to meet with companies in Lea County over the next year. Expect to hear from us to schedule your BRE visit over the next year.

The EDCLC welcomed 4 new members in 2015-2016

CHEVRON CORPORATION
DEVON ENERGY

INTREPID POTASH
CONOCO PHILLIPS

Website Improvements Draw in Visitors

A website is the social face of a company these days and the EDCLC continues to invest time and resources into its websites. This year saw a complete redesign of the FlyHobbs website to make it more user-friendly and provide easier access to information and the ability to become a Friend of FlyHobbs online. The Live. Work. Play. section of the EDCLC's website was also revamped to include a plethora of information regarding Lea County housing, restaurants, a calendar of events, education, job services, hotels, and more. It is now more of a one-stop-shop for people looking for information on what there is to do in Lea County.

The EDCLC created two entirely new websites in 2015-2016: EnergyPlexPark.com and FlyHobbsAviationDay.com. The EnergyPlex Park website features a comprehensive gathering of data regarding the industrial park including technical data and nearby amenities. The website also provides a way to schedule a site visit online for potential companies. FlyHobbs Aviation Day website is the new landing page for Aviation Day and includes information about the event as well as online registration for sponsors, booths, and food vendors, as well as a section featuring pictures from prior years.

These websites continue to generate traffic and provide information to the public about EDCLC, FlyHobbs, and Lea County as a whole. Website improvement and enhancement is an important part of the EDCLC's efforts to market and attract business, so be sure to check them out online!



Industry Newsletter Broadens Reach

As part of the EDCLC's continuing efforts to market and share information with members, public officials, site selectors, and other industry contacts, a new quarterly newsletter was created: "EDC Visions." This new newsletter provides updates for the public at-large and highlights new industry in Lea County, FlyHobbs updates, economic indicators, member highlights, and much more. With this newsletter,



the EDCLC aims to broaden its reach to a wider audience and showcase growth in Lea County.

Collaboration with the State of New Mexico Mutually Beneficial

THE EDCLC is glad to work with the state of New Mexico in many different areas of economic development and was fortunate this year to host several events with state representatives including Secretary Jon Barela and Secretary Rebecca Latham.

As a part of the EDCLC's community engagement efforts, the Secretary of Tourism, Rebecca Latham, came to Lea County for a tour and to discuss tourism potential in Lea County. The EDCLC, along with "New Mexico True," hosted a session for the public to voice their opinions about Lea County's tourism potential as well as understand the New Mexico True brand. The EDCLC also hosted the Cabinet Secretary of Economic Development Department, Jon Barela, who came to Jal to announce CIG Logistics' LEDA fund grant.

In addition to legislative events, the EDCLC Board of Directors passed a resolution in support of lifting the Oil Export Ban, which was lifted by the US government this winter. The EDCLC participated in planning sessions with both the New Mexico Partnership and the Southeastern New Mexico Economic Development District to discuss future plans and regional development.



Professional Development in the EDCLC

PERSONAL and professional development is an important part of EDCLC training and this year, staff members attended and participated in several leadership development courses regarding data, marketing, and customer service.

Several staff members attended the International Economic Development Council's (IEDC) "Introduction to Economic Development" course. The week-long course held in Silver City covered a variety of topics including data collection, marketing an EDO, business attraction and retention

strategies, and included a case study of a fictional town attracting a business.

Staff also participated in several webinars concerning data collection, website management, and mapping. In addition, the EDCLC partnered with Lea County to present a Customer Service Seminar to help local businesses improve customer service within their companies.

Powerful Power Hours with the EDCLC



THE EDCLC values its members and puts on quarterly Power Hours as a way of staying connected and connecting members to each other. This year, the EDCLC hosted several Power Hours including an update of county and city projects for the coming year, a meet and greet with Secretary of Tourism, Rebecca Latham, and a meet and greet with Steve Vierck, the new President/CEO of the EDCLC. These meetings allow members time to meet with local leaders and explore potential business expansion and partnering opportunities. The EDCLC will continue to host Power Hours in the coming year for our members.



Soaring Above and Beyond with FLYHOBBS

FLYHOBBS has had a good year, attending many community events to continue to market the airline and create goodwill in the community. Though ridership is down slightly, awareness is high within Lea County. With this change, FlyHobbs has plans to change the marketing strategy from awareness to education of the public and where they can fly with FlyHobbs.

This past year, FlyHobbs attended many events around the county including Lea County Fair & Rodeo, New Mexico State Fair, Gaines County Oil & Ag Day, ChiliFest, Eunice Business 2 Business, Light Up Lea County, Halloween on the Plaza, Taste of Home celebration, and URENCO USA's Women's Symposium. FlyHobbs aims to participate with the public as much as possible to raise awareness of the airport and the flights on United. While awareness is now high, FlyHobbs aims to educate the public on the benefits of flying out of Hobbs vs. Midland or Lubbock. A new marketing campaign will highlight locations beyond Houston that people can travel as well as the benefits of Lea County Regional Airport for consumers.

FlyHobbs put on FlyHobbs Aviation Day & Fly-In last year in June, drawing around 3,000 attendees from near and far.



The highlight of the event was the Bell Boeing V-22 Osprey aircraft that flew in from Cannon Air Force Base. This year, Aviation Day is expected to be bigger and better! It will take place on June 18th at the Lea County Regional Airport. Pilots are expected to fly in from all over southeastern New Mexico and West Texas to showcase their planes. There will be food vendors and booths with community businesses and giveaways. Sponsorships and booths are available.

As part of new marketing, FlyHobbs has a newly-redesigned website complete with dynamic pictures, interactive information, and online fillable forms to become a Friend of FlyHobbs. The program is free to join and mutually beneficial! If you would like to become a Friend of FlyHobbs, contact the EDCLC or sign-up online at <http://flyhobbs.com>.

The EDCLC and FlyHobbs continues to work to promote the airline and raise the number of enplanements through a variety of methods including a Steering Committee made up of FlyHobbs staff, United Airlines consultants, and other community members. FlyHobbs looks forward to another great year in 2016-2017!



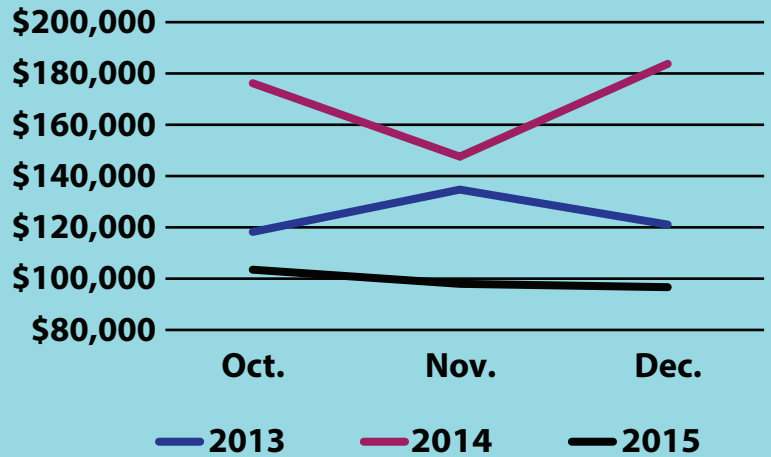
ECONOMIC INDICATORS



LC Rig Counts

| | 2015 | 2016 |
|------|------|------|
| Feb. | 33 | 12 |
| Mar. | 34 | 7 |
| Apr. | 26 | 9 |

City of Hobbs Lodgers' Tax



Top 20 Largest Employers

in Lea County

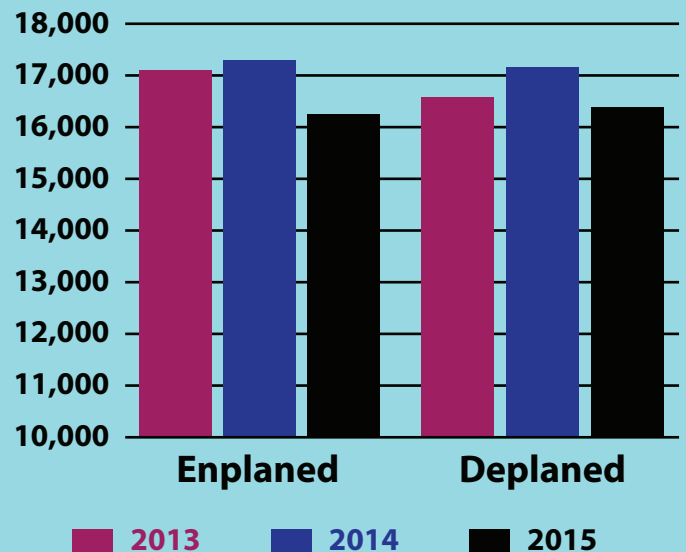
| | |
|--------------------------------------|-------|
| Hobbs Municipal Schools | 1,185 |
| City of Hobbs | 473 |
| Halliburton Energy Services | 469 |
| Nor Lea Hospital | 437 |
| Lea Regional Medical Center | 420 |
| Ferguson Construction Co. | 411 |
| Key Energy Services | 387 |
| Walmart Supercenter | 384 |
| URENCO USA | 350 |
| Lea County | 315 |
| GEO Lea County Correctional Facility | 273 |
| Zia Park Hotel & Casino | 260 |
| New Mexico Junior College | 215 |
| McDonald's Restaurants | 215 |
| Waste Control Services | 187 |
| Baker Hughes | 183 |
| Lin-Mar | 170 |
| Albertson's Market | 167 |
| B&D | 164 |
| BJ Service Company | 164 |

Gross Receipts

2015

\$6,461,224,650

Lea County Regional Airport



CERTIFICATE MEMBERS

B&D Industries, Inc.
Bobby Shaw Realty
Chevron Products Company*
ConocoPhillips*
Constructor Inc
Daniels Insurance Inc.
Del Norte Heights, Inc.
Devon Energy*
Elliott & Waldron Title Co., Inc.
Enrichment Technology US
First American Bank
Forrest Tire Inc.
Geo Group, Inc.
Goff Dairy
HB Construction
Hobbs Iron & Metal
Hobbs News Sun
Hobbs Rental

Intercontinental Potash Corp., USA
International Isotopes
Intrepid Potash New Mexico LLC*
Jaynes Corporation
Johnson, Miller and Co.
Joule Unlimited Technologies, Inc.
Lea County State Bank
LEACO
Lea Regional Medical Center
Leavell Insurance, Inc.
Maddox, Holloman & Moran PC
McVay Drilling
Me-Tex Oil & Gas, Inc.
Newman & Company
Nor-Lea Hospital
Nova Mud, Inc.
Nuclear Waste Partnership LLC
Occidental Petroleum Corporation

Permian Basin Materials
Pettigrew & Associates, P.A.
Pioneer Bank
RPC CPAs & Consultants, LLP
RMS Foods, Inc.
Robinson and Associates Real Estate
Schubert Construction
Tate Branch Dodge Chrysler Jeep
TDS Broadband
The Color Printer
The Financial Firm
URENCO, USA
Watson Truck and Supply
Wells Fargo Bank
Western Commerce Bank
Xcel Energy
Zia Natural Gas Company
Zia Park Race Track and Casino

ASSOCIATE MEMBERS

Angell Ranch
Baymont Inn & Suites
ConocoPhillips
Dekker, Perich, Sabatini
Enterprise Rent-A-Car
Estacado Federal Credit Union

Fairfield Inn & Suites
Gary Don Reagan, PA
Lea Power Partners
McFadke
Miller Bonded
Noalmark Broadcasting Corp.–Hobbs

Rental Self Service Storage
Richards Energy Compression
Souder Miller and Associates
Windscape Apartments
Youngs Homes

PUBLIC PARTNERS

City of Eunice
City of Hobbs
City of Jal

City of Lovington
Hobbs Municipal Schools
Lea County

New Mexico Junior College
Town of Tatum

***New Members 2015-2016**



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