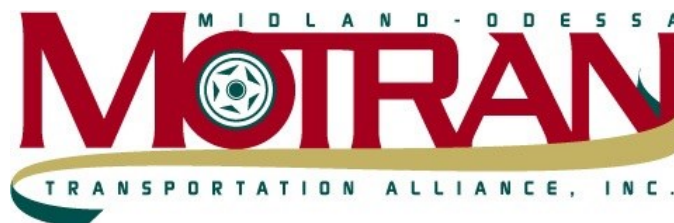


# REGIONAL ECONOMIC DEVELOPMENT REPORT

Prepared for



By



December 2012

# CONTENTS

## **SECTION 1:     BASELINE CONDITIONS**

## **SECTION 2:     ANALYSIS**

## **SECTION 3:     APPENDIX**

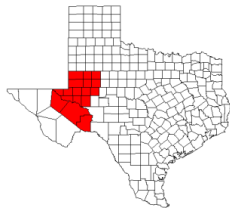
### **Notes:**

1. Data regarding Oil & Gas portion of ad valorem base is from the office of the Texas Comptroller of Public Accounts and based on 2009 values.
2. Population and housing units data comes from the US Census Bureau (2010), vehicle registrations are from TXDOT (2011), and population estimates are from the Texas State Data Center (1st number represents death/birth rates with no growth factor, while the second represents the impact of one half of growth factor from 2000 to 2010).
3. Ad valorem market value, tax rates, and taxes collected (reflect county government and not other entities) come from the Comptrollers Office.
4. Sales Tax collections represent gross sales in the county.
5. Data on active wells and oil and gas production comes from the Texas Railroad Commission.
6. Wind energy capacity information is from the Texas Public Utility Commission.
7. All farm data and values are derived from the US Department of Agriculture Censuses for 2002 and 2007.



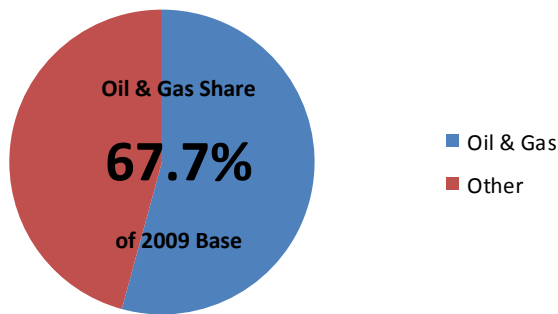
# Section 1:

## **BASELINE CONDITIONS**



# Permian Basin RPC

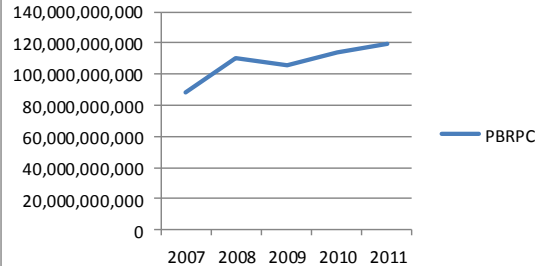
## Ad Valorem Tax Base



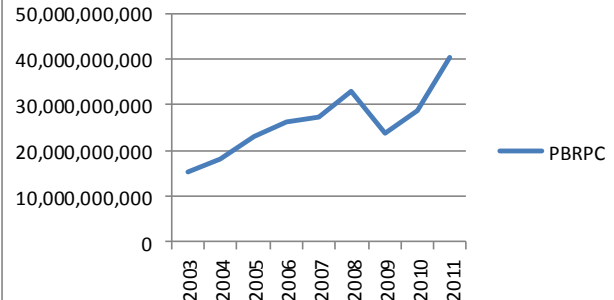
## QUICK FACTS

Population	417,679
Housing Units	162,530
Reg. Vehicles	455,407
2020 Pop. Estimate	459,444
	480,572
2030 Pop. Estimate	496,214
	547,500
2040 Pop. Estimate	529,307
	613,180

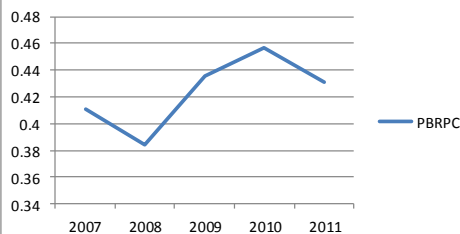
## Ad Valorem Market Value



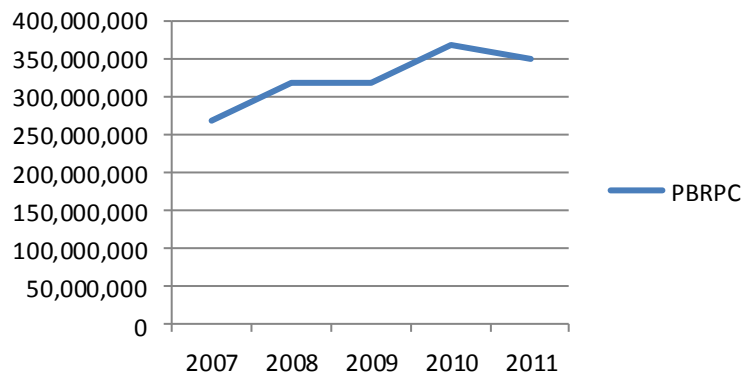
## PBRPC Gross Sales

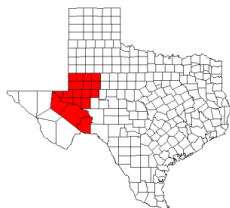


## PBRPC Average Tax Rate

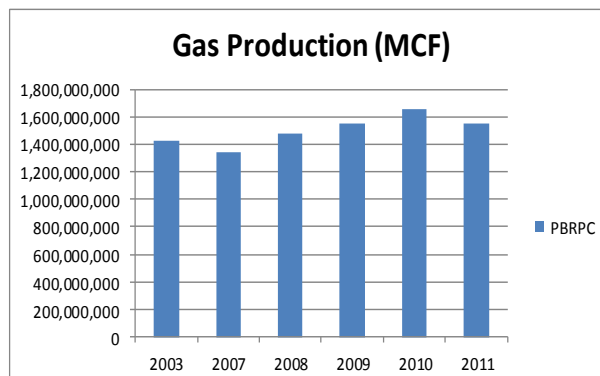
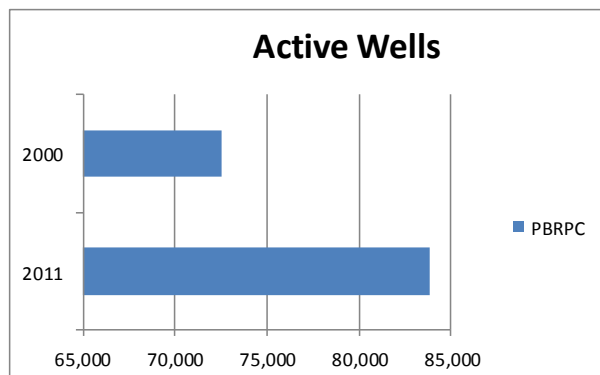


## Ad Valorem Taxes

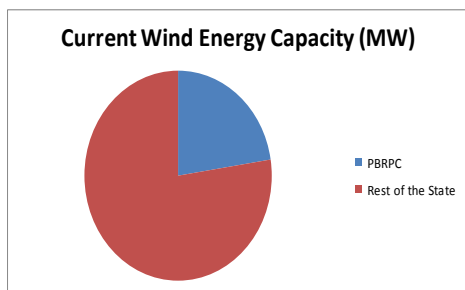




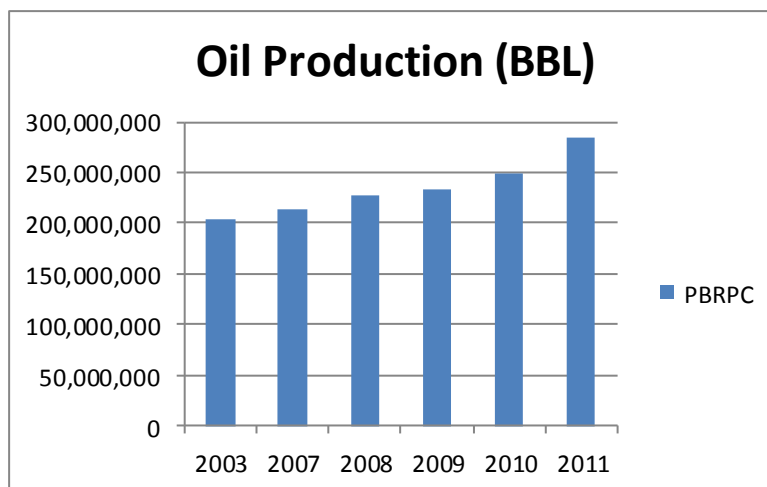
# Permian Basin RPC



PBRPC area has  
**2340 MW or 23%**  
 Of state's 10380 MW capacity



By 2014 PBRPC area is planned for  
**3784 MW or 19%**  
 Of state's 19895 MW capacity



## PBRPC AREA

### Number of Farms

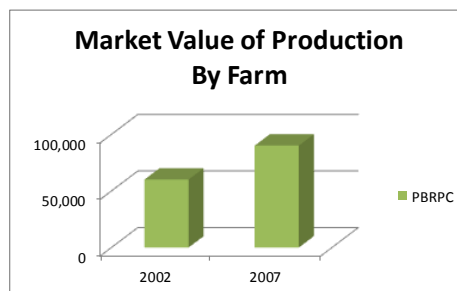
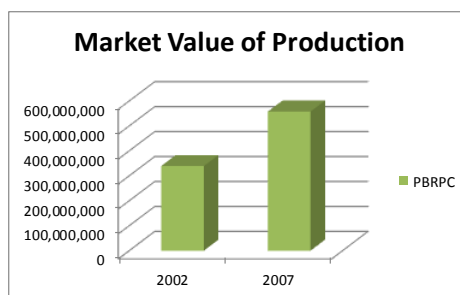
2002	4,183
2007	4,675

### Acres -Production/Grazing

2002	11,018,505
2007	11,043,497

### Market Value of Farm

2007	2,014,796
------	-----------



## PBRPC MARKET VALUE OF FARMS PER ACRE

2002

**\$267**

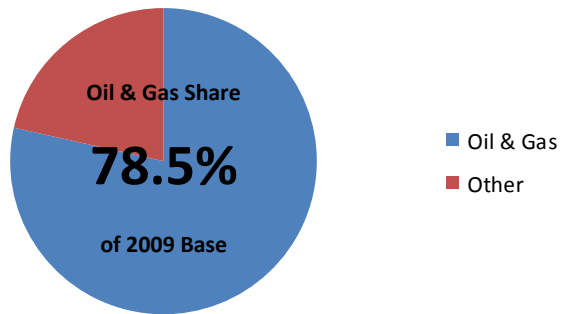
2007

**\$506**



# Andrews County

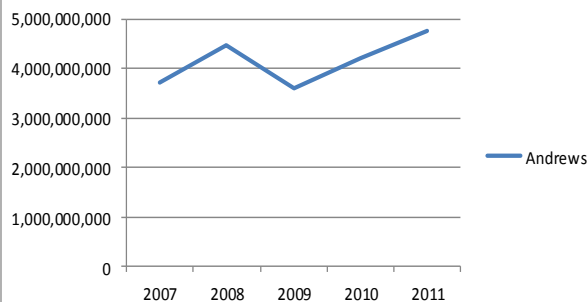
## Ad Valorem Tax Base



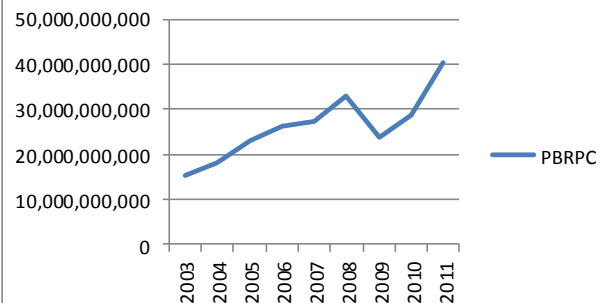
## QUICK FACTS

Population	14,786
Housing Units	5,814
Reg. Vehicles	18,284
2020 Pop. Estimate	16,447
	17,478
2030 Pop. Estimate	17,989
	20,246
2040 Pop. Estimate	19,449
	22,712

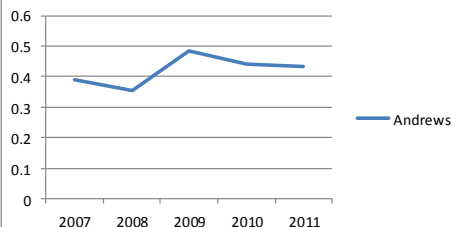
## Ad Valorem Market Value



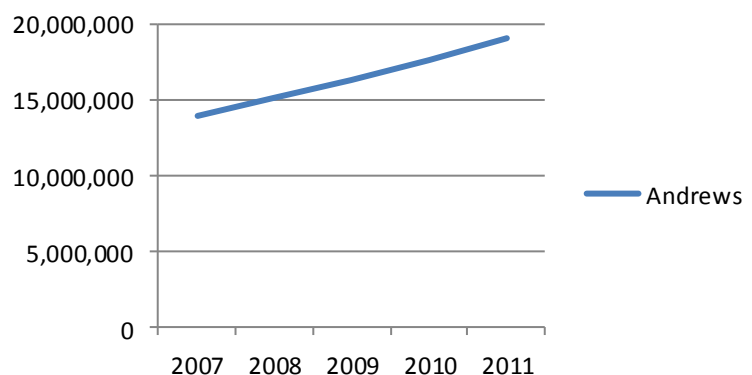
## PBRPC Gross Sales



## Tax Rate

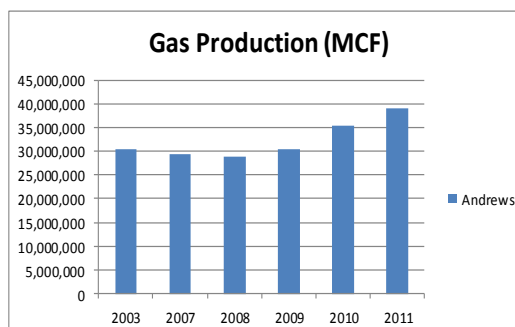
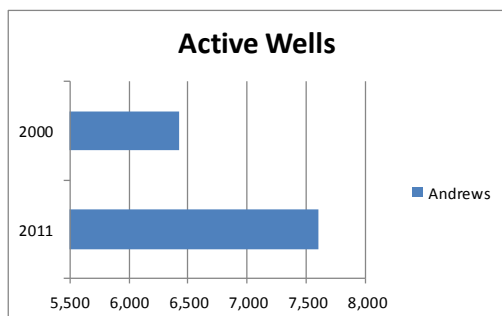


## Ad Valorem Taxes





# Andrews County

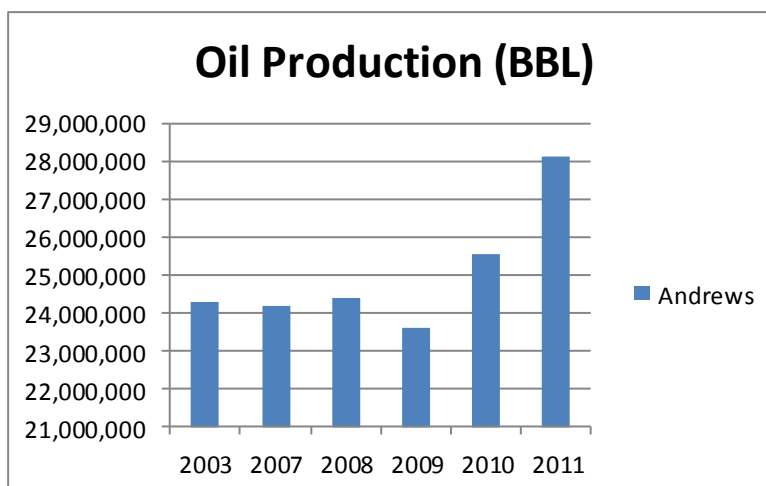


## ANDREWS COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 0

ANNOUNCED: 194

CANCELLED/DELAYED: 0



## ANDREWS CO.

### Number of Farms

2002 169

2007 175

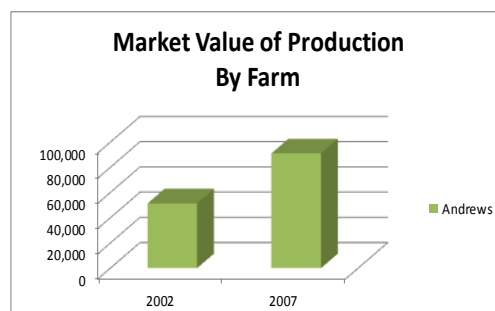
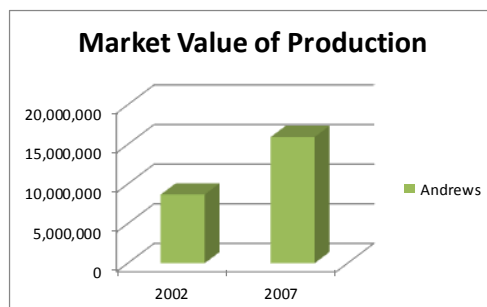
### Acres -Production/Grazing

2002 803,998

2007 808,474

### Market Value By Farm

2007 1,572,018



## ANDREWS CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$164**

2007

**\$340**

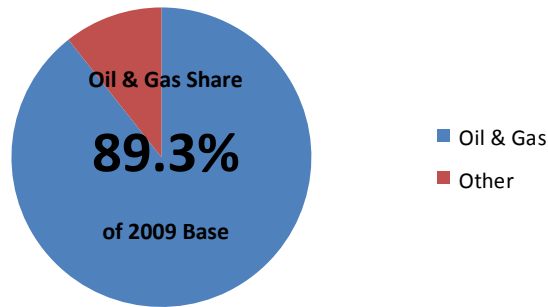


# Borden County

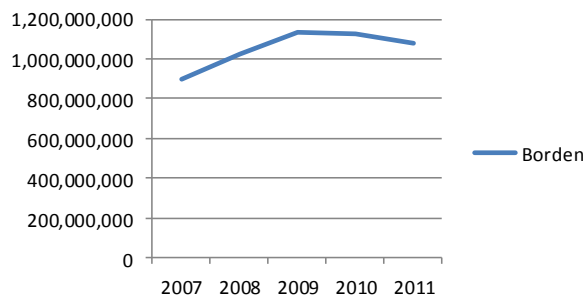
## QUICK FACTS

Population	641
Housing Units	385
Reg. Vehicles	1,143
2020 Pop. Estimate	663
2030 Pop. Estimate	680
2040 Pop. Estimate	651
	582

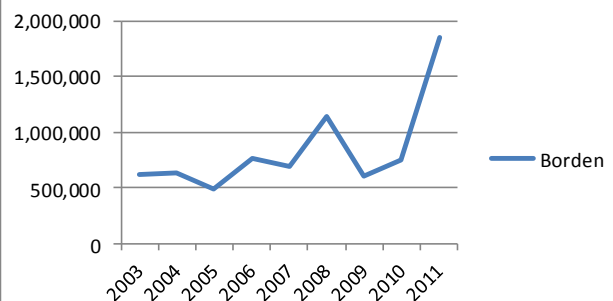
## Ad Valorem Tax Base



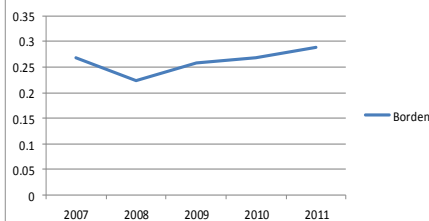
## Ad Valorem Market Values



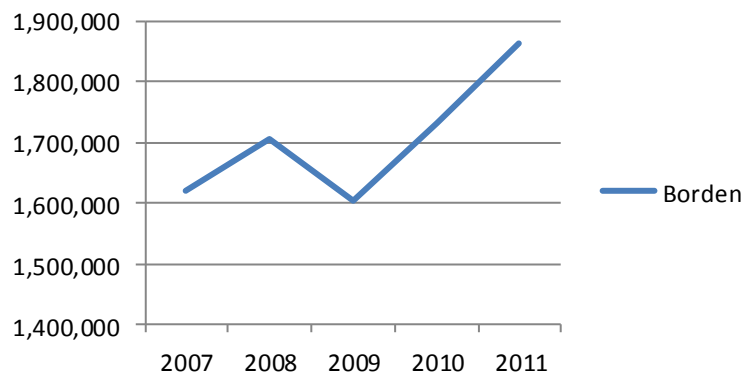
## Borden Gross Sales



## Tax Rate



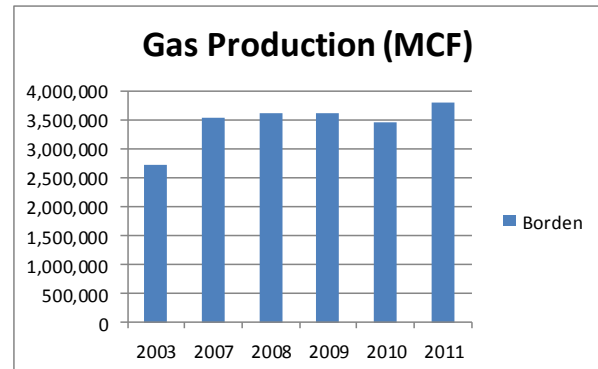
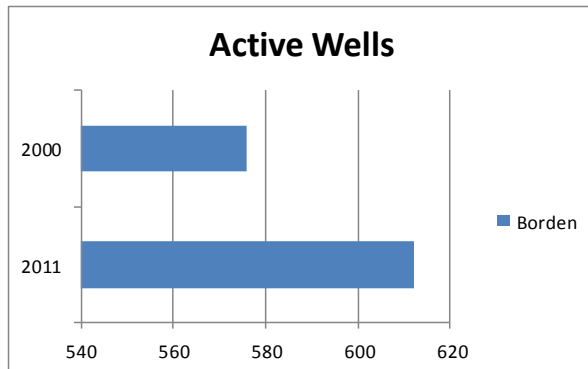
## Ad Valorem Taxes







# Borden County

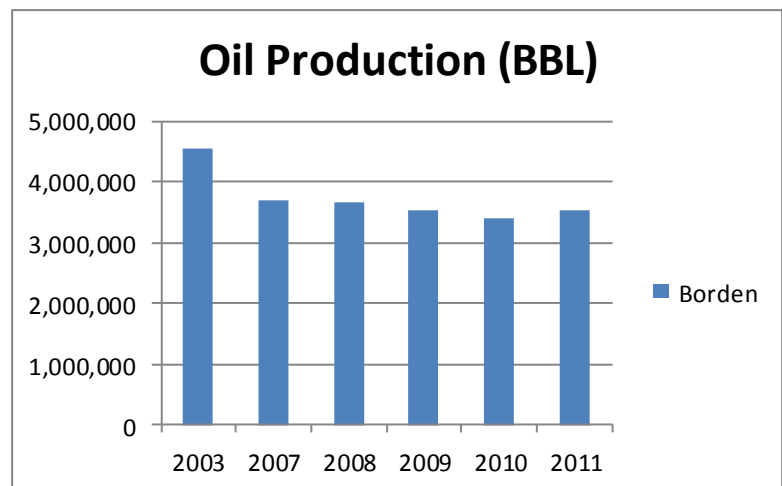


## BORDEN COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 264

ANNOUNCED: 200

CANCELLED/DELAYED: 325



## BORDEN CO.

### Number of Farms

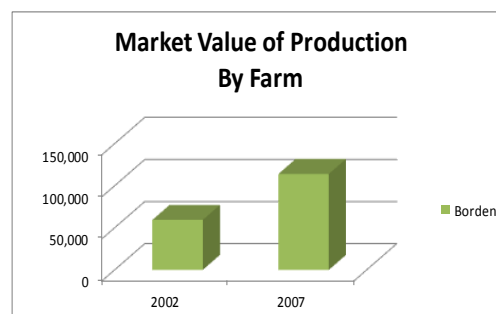
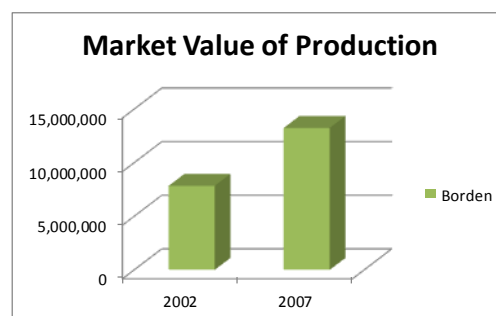
2002	132
2007	116

### Acres -Production/Grazing

2002	480,015
2007	435,166

### Market Value By Farm

2007	2,171,362
------	-----------



## BORDEN CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$347**

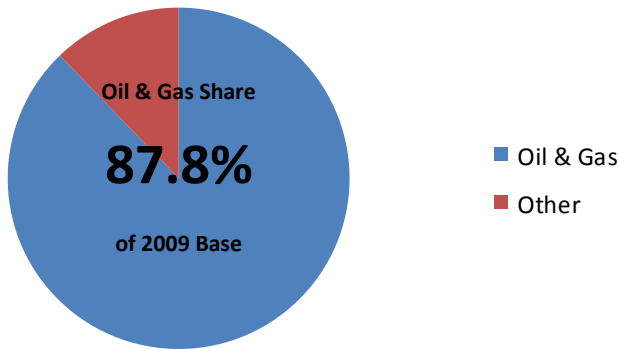
2007

**\$579**



# Crane County

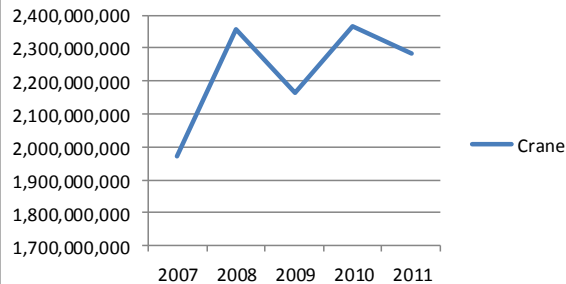
## Ad Valorem Tax Base



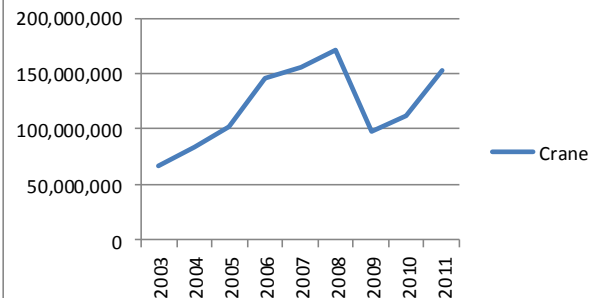
## QUICK FACTS

Population	4375
Housing Units	1632
Reg. Vehicles	5,068
2020 Pop. Estimate	4,993
2030 Pop. Estimate	5,291
2040 Pop. Estimate	5,594
	6,237
	6,003
	7,061

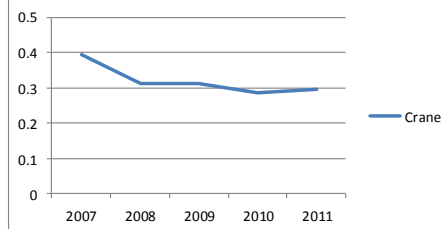
## Ad Valorem Market Values



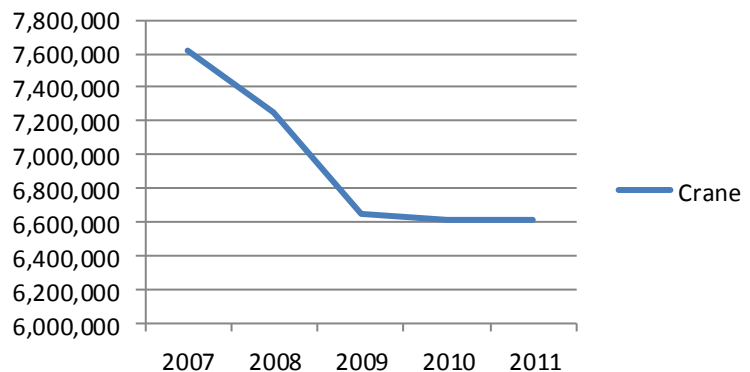
## Crane Gross Sales



## Tax Rate

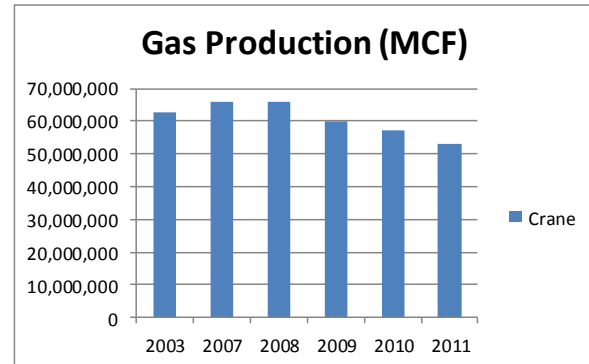
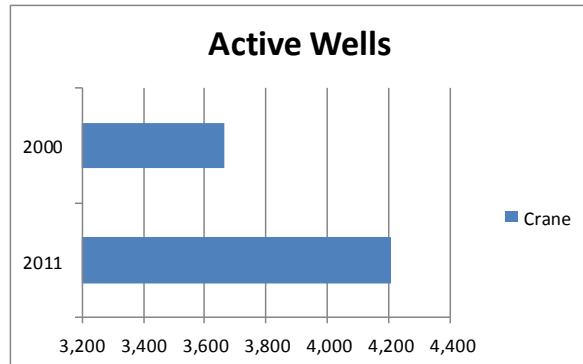


## Ad Valorem Taxes





# Crane County

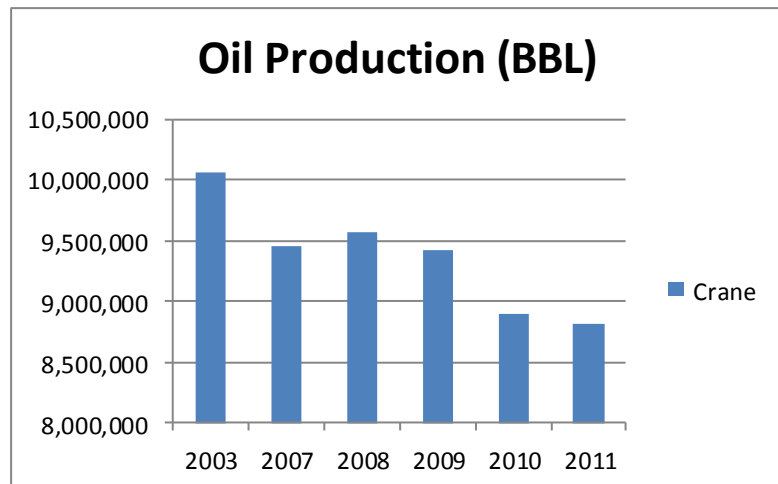


## CRANE COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 0

ANNOUNCED: 0

CANCELLED/DELAYED: 0



## CRANE CO.

### Number of Farms

2002 44

2007 37

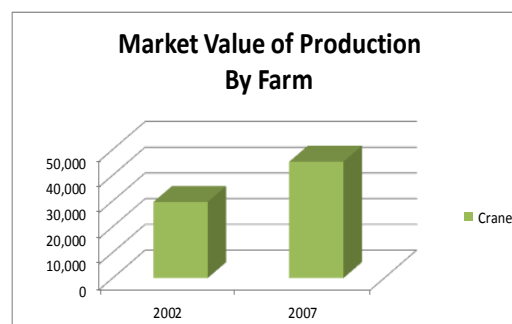
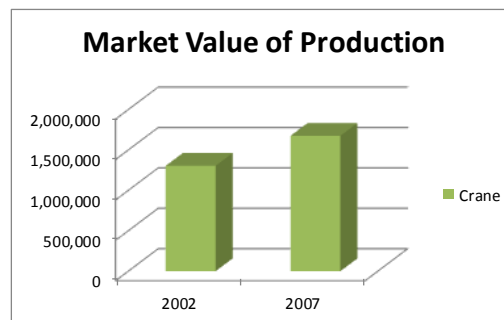
### Acres -Production/Grazing

2002 375,177

2007 375,177

### Market Value By Farm

2007 3,877,193



## CRANE CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$112**

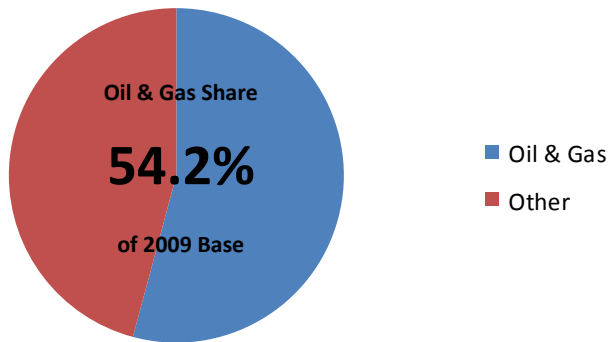
2007

**\$382**



# Dawson County

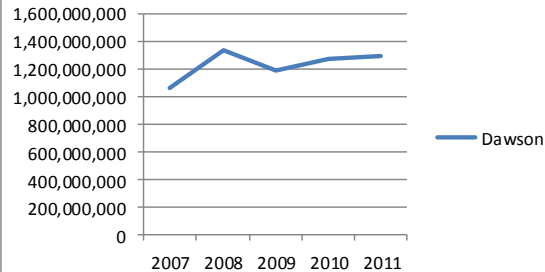
## Ad Valorem Tax Base



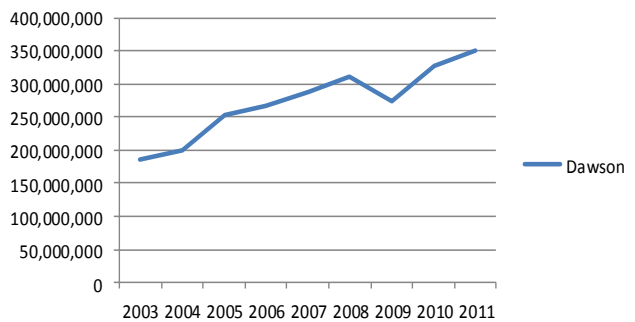
## QUICK FACTS

Population	13,833
Housing Units	5,220
Reg. Vehicles	12,202
2020 Pop. Estimate	14,727
2030 Pop. Estimate	15,570
2040 Pop. Estimate	16,512
	15,669

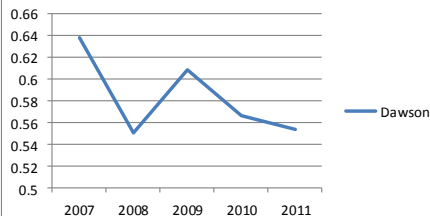
## Ad Valorem Market Value



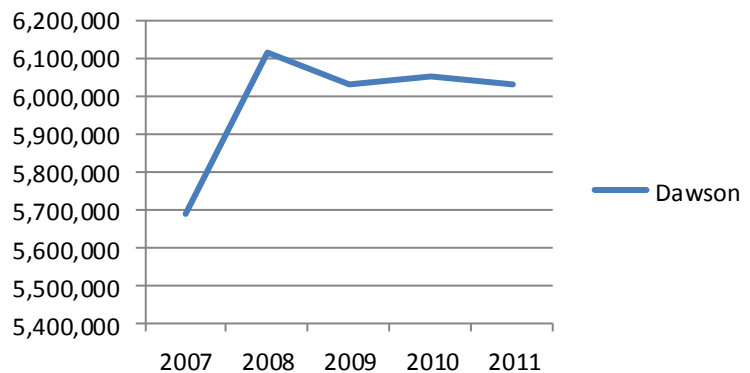
## Dawson Gross Sales



## Tax Rate



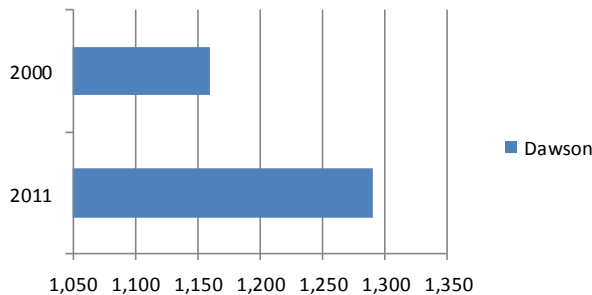
## Ad Valorem Taxes



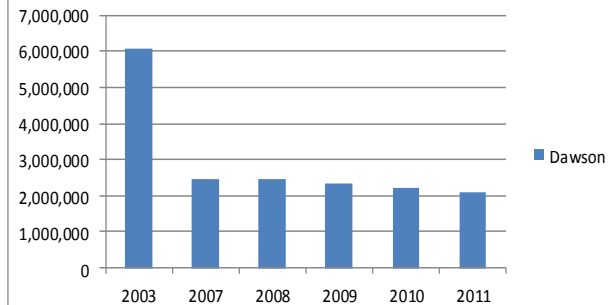


# Dawson County

**Active Wells**



**Gas Production (MCF)**



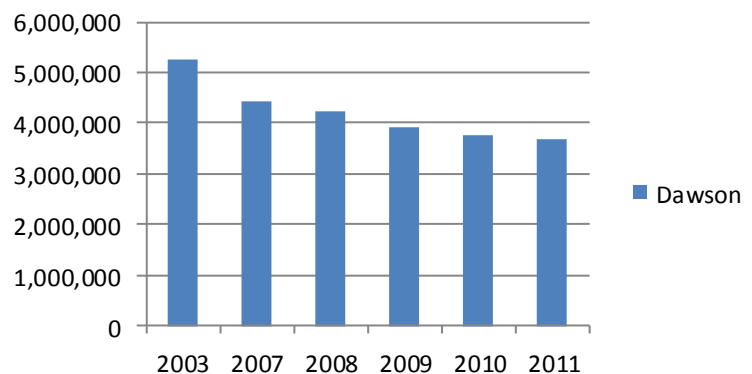
## DAWSON COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 0

ANNOUNCED: 0

CANCELLED/DELAYED: 147

**Oil Production (BBL)**



## DAWSON CO.

### Number of Farms

2002	581
2007	555

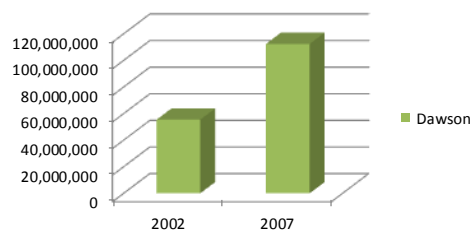
### Acres -Production/Grazing

2002	572,422
2007	568,036

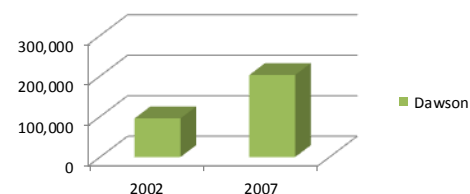
### Market Value By Farm

2007	871,403
------	---------

**Market Value of Production**



**Market Value of Production  
By Farm**



## DAWSON CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$720**

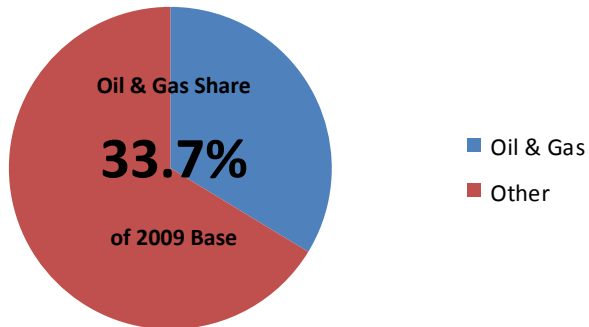
2007

**\$851**



# Ector County

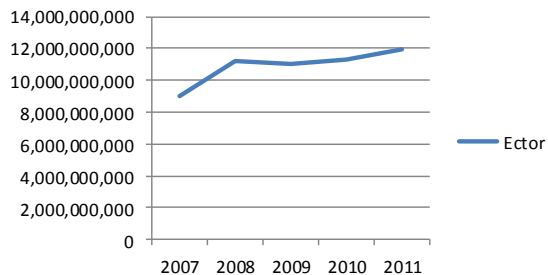
## Ad Valorem Tax Base



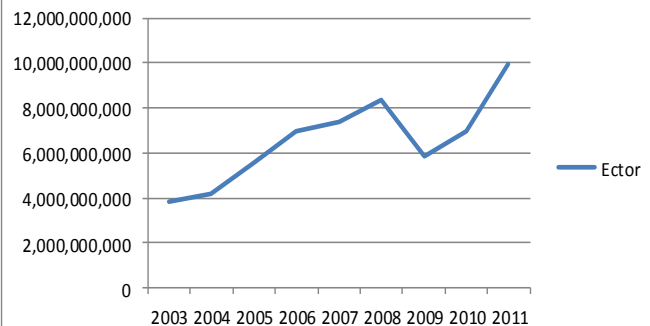
## QUICK FACTS

Population	137,130
Housing Units	53,027
Reg. Vehicles	145,025
2020 Pop. Estimate	153,425
2030 Pop. Estimate	159,443
2040 Pop. Estimate	167,707
	184,168
	181,788
	209,829

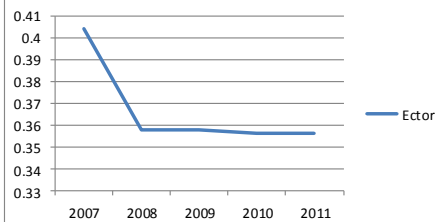
## Ad Valorem Market Value



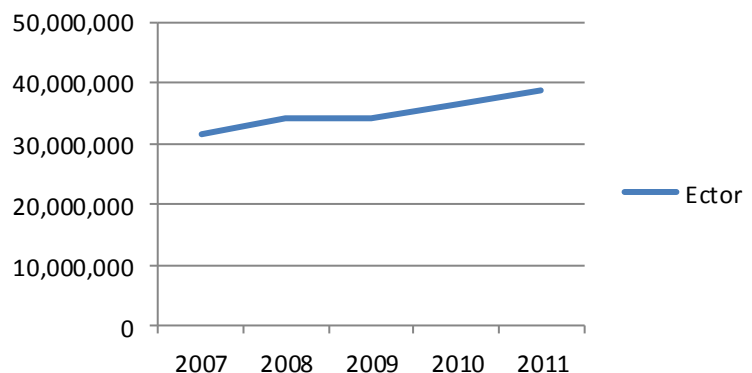
## Ector Gross Sales



## Tax Rate

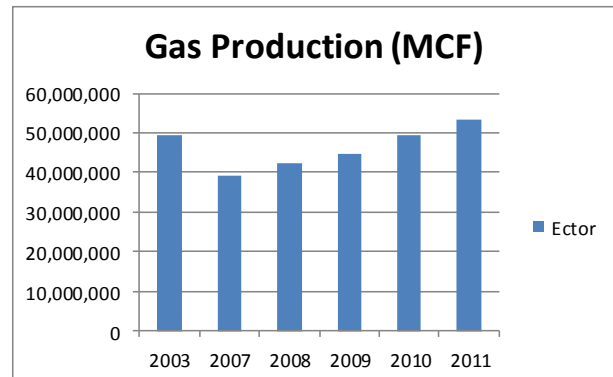
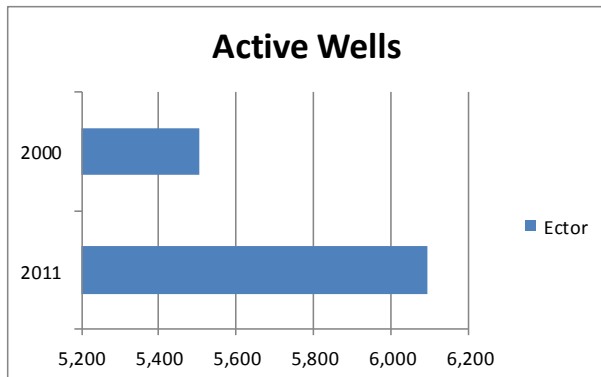


## Ad Valorem Taxes





# Ector County

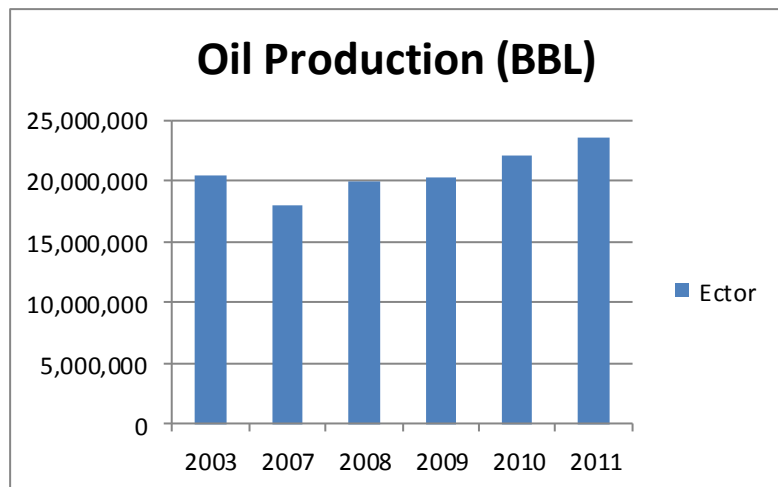


## ECTOR COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 153

ANNOUNCED: 535

CANCELLED/DELAYED: 0



## ECTOR CO.

### Number of Farms

2002 287

2007 301

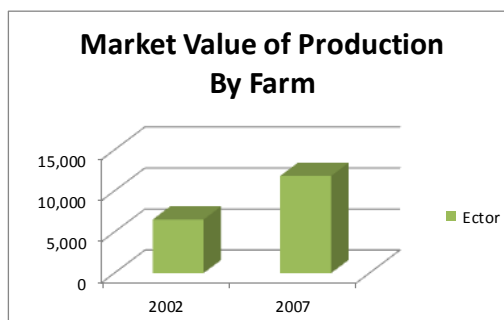
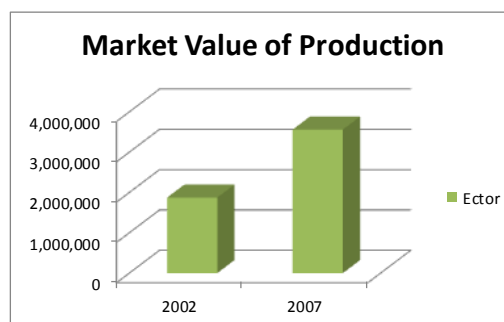
### Acres -Production/Grazing

2002 503,781

2007 423,919

### Market Value By Farm

2007 560,521



## ECTOR CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$141**

2007

**\$398**

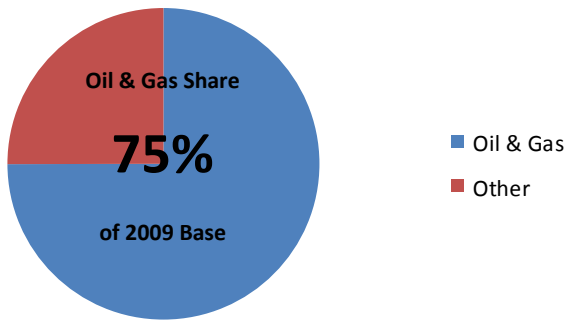


# Gaines County

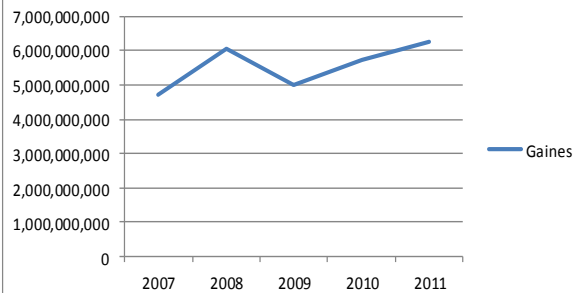
## QUICK FACTS

Population	17,526
Housing Units	6,301
Reg. Vehicles	18,160
2020 Pop. Estimate	20,133
	22,260
2030 Pop. Estimate	23,017
	27,687
2040 Pop. Estimate	25,939
	34,027

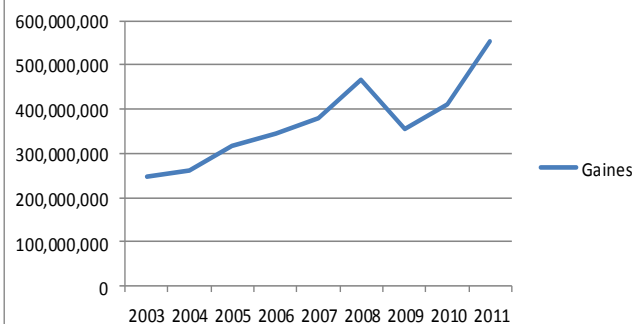
## Ad Valorem Tax Base



## Ad Valorem Market Value



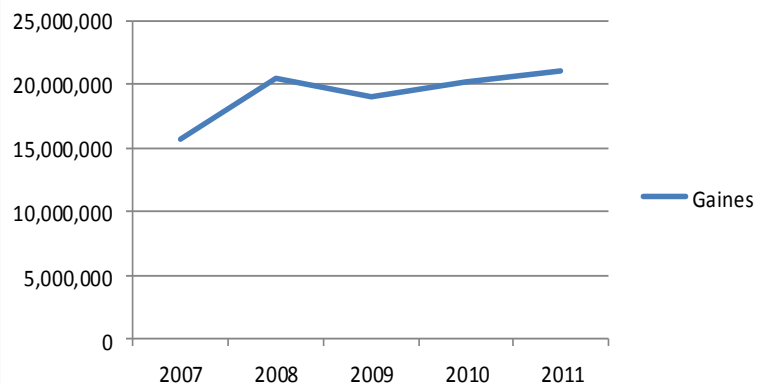
## Gaines Gross Sales



## Tax Rate



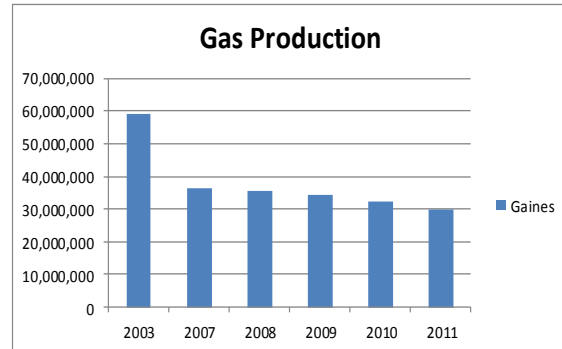
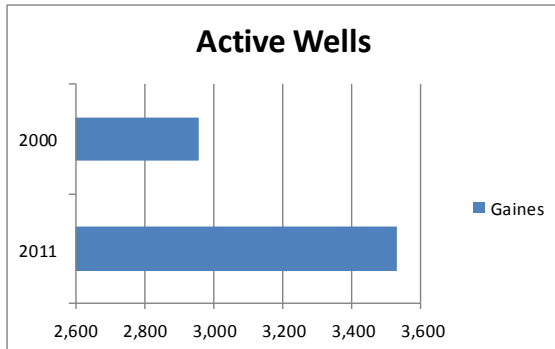
## Ad Valorem Taxes







# Gaines County

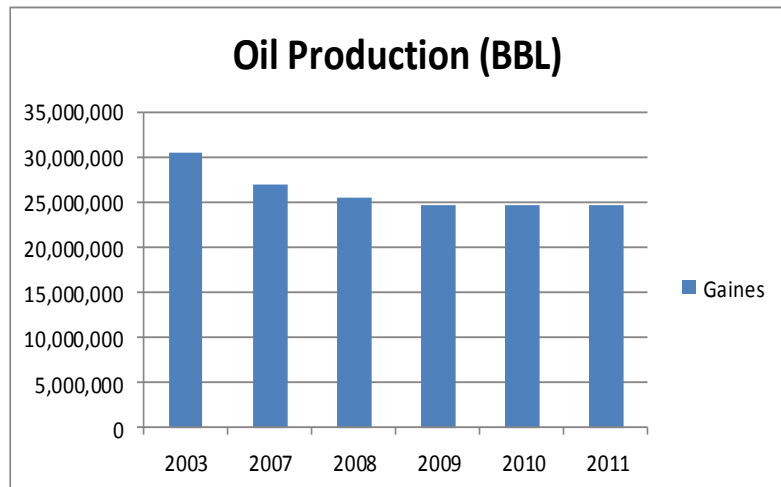


## GAINES COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 0

ANNOUNCED: 0

CANCELLED/DELAYED: 0



## GAINES CO.

### Number of Farms

2002 724

2007 825

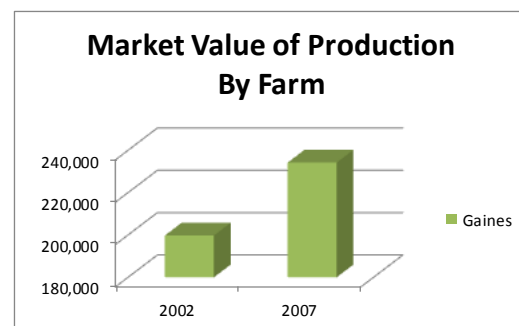
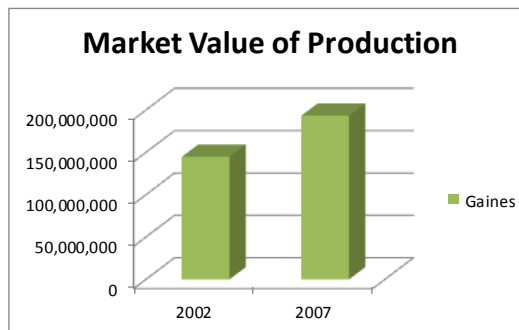
### Acres -Production/Grazing

2002 758,896

2007 947,728

### Market Value By Farm

2007 1,092,377



## GAINES CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$602**

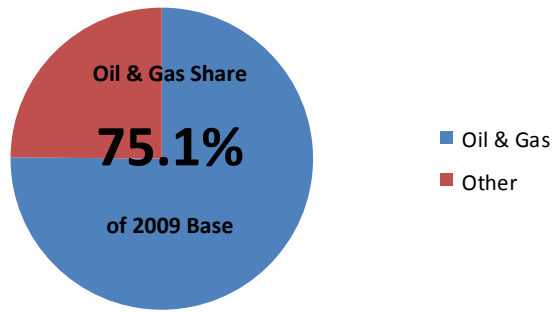
2007

**\$951**



# Glasscock County

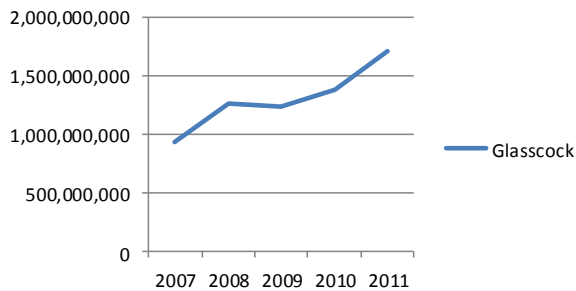
## Ad Valorem Tax Base



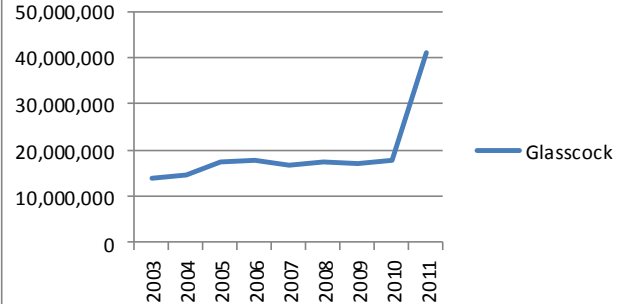
## QUICK FACTS

Population	1,226
Housing Units	580
Reg. Vehicles	2,397
2020 Pop. Estimate	1,341
2030 Pop. Estimate	1,343
2040 Pop. Estimate	1,396
	1,473
	1,291

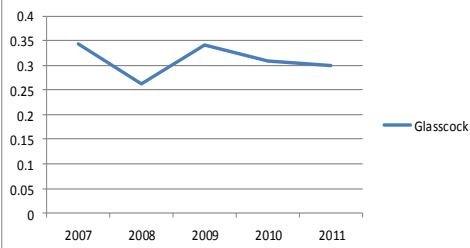
## Ad Valorem Market Value



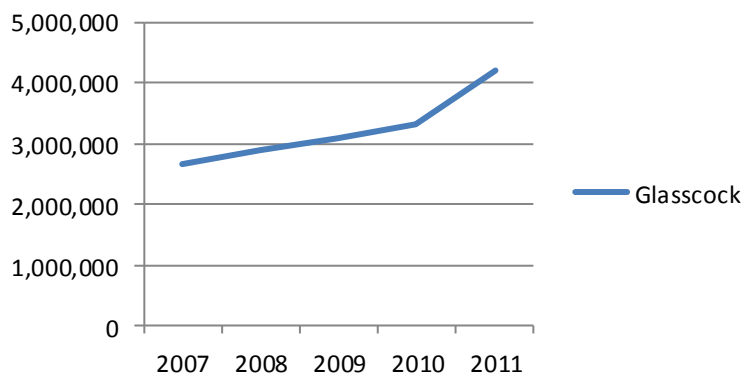
## Glasscock Gross Sales



## Tax Rate

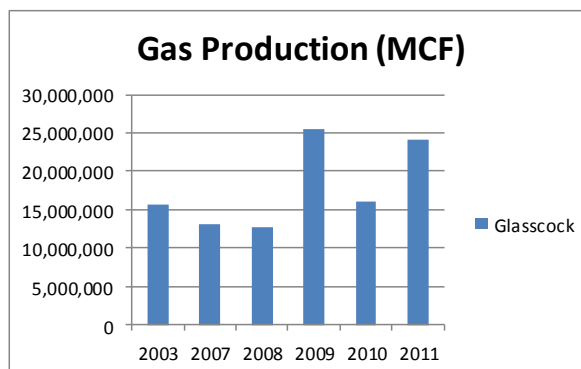
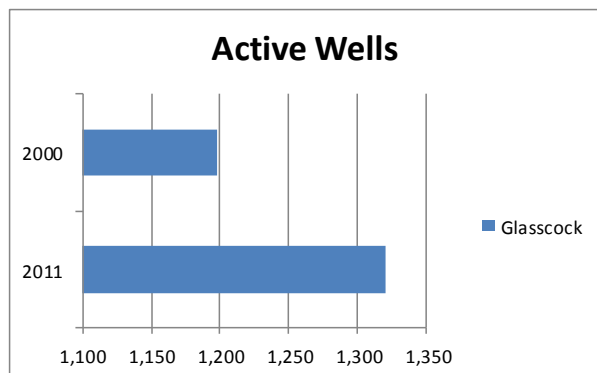


## Ad Valorem Taxes





# Glasscock County

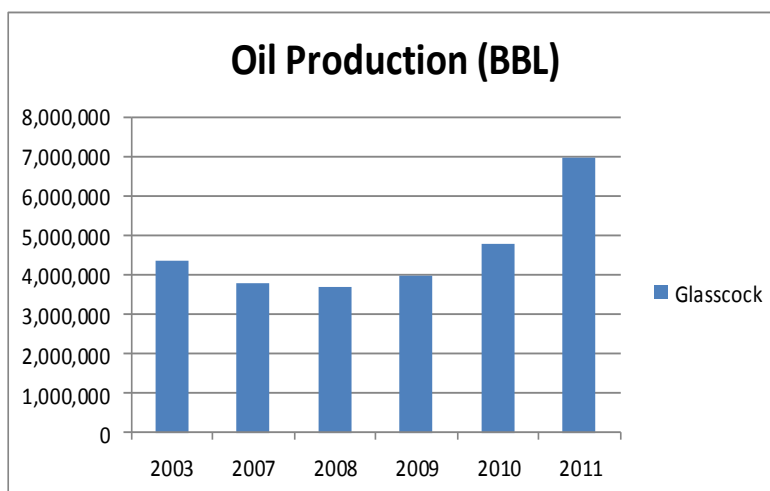


## GLASSCOCK COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 124

ANNOUNCED: 0

CANCELLED/DELAYED: 0



## GLASSCOCK CO.

### Number of Farms

2002 199

2007 185

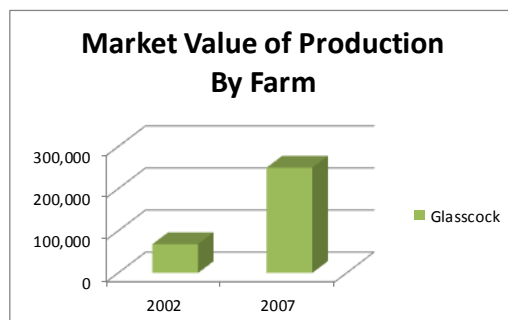
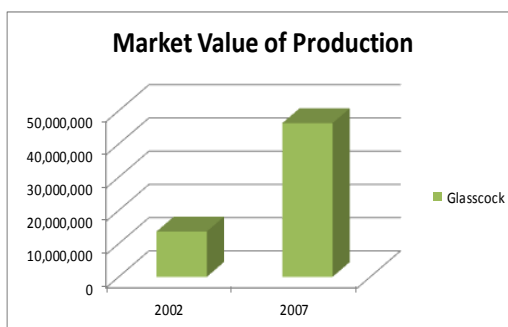
### Acres -Production/Grazing

2002 492,939

2007 479,785

### Market Value By Farm

2007 1,910,119



## GLASSCOCK CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$353**

2007

**\$737**

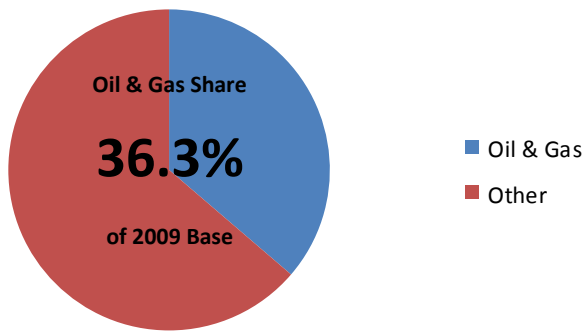


# Howard County

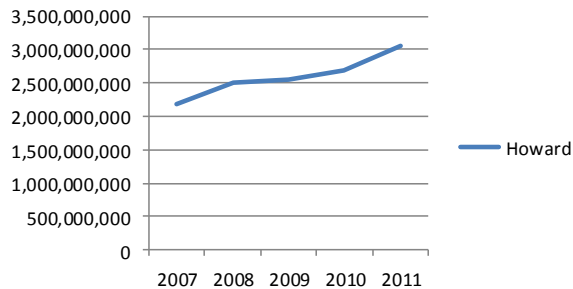
## QUICK FACTS

Population	35,012
Housing Units	13,124
Reg. Vehicles	29,301
2020 Pop. Estimate	36,919
	37,666
2030 Pop. Estimate	38,232
	39,226
2040 Pop. Estimate	38,886
	39,463

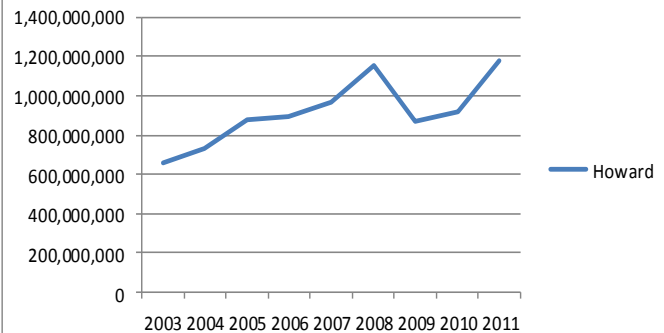
## Ad Valorem Tax Base



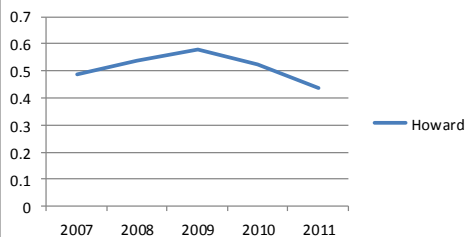
## Ad Valorem Market Value



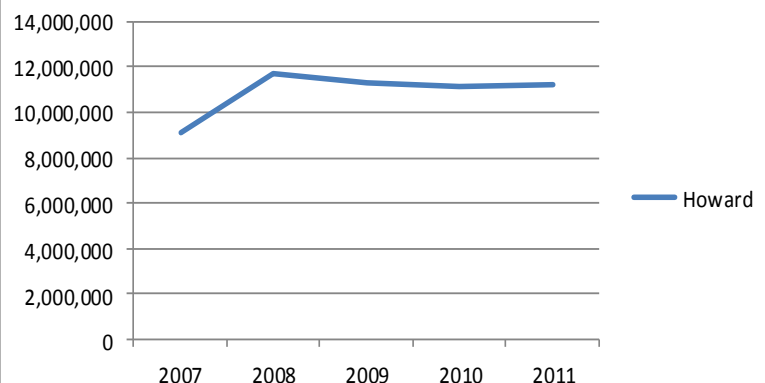
## Howard Gross Sales



## Tax Rate

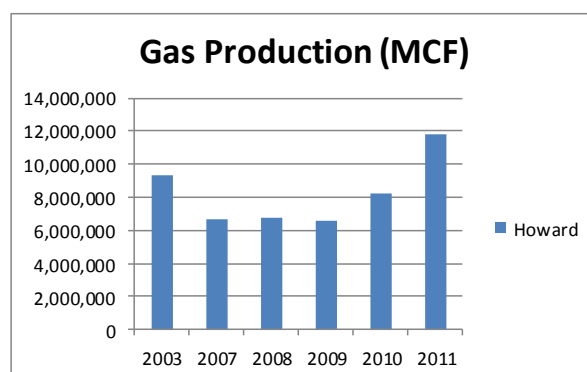
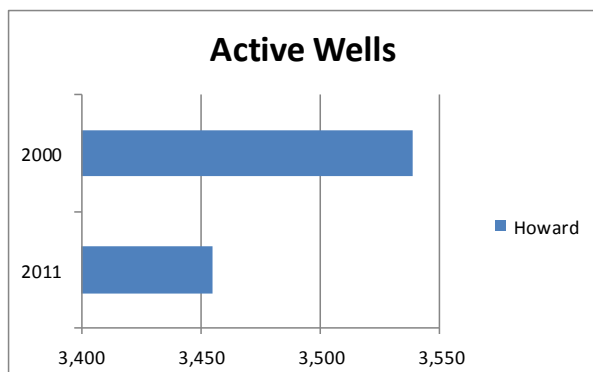


## Ad Valorem Taxes





# Howard County

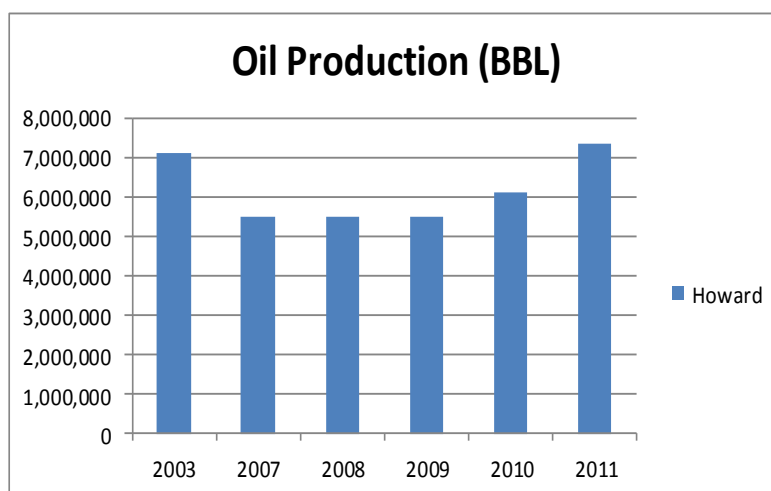


## HOWARD COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 500

ANNOUNCED: 0

CANCELLED/DELAYED: 120



## HOWARD CO.

### Number of Farms

2002 466

2007 519

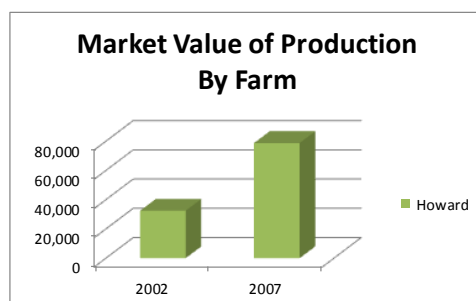
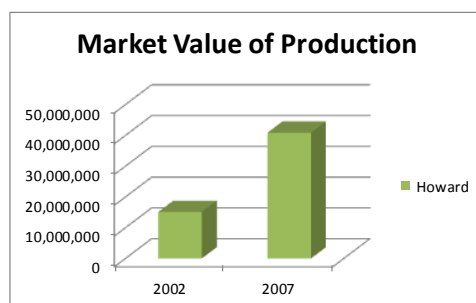
### Acres -Production/Grazing

2002 518,369

2007 522,791

### Market Value By Farm

2007 773,530



## HOWARD CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$444**

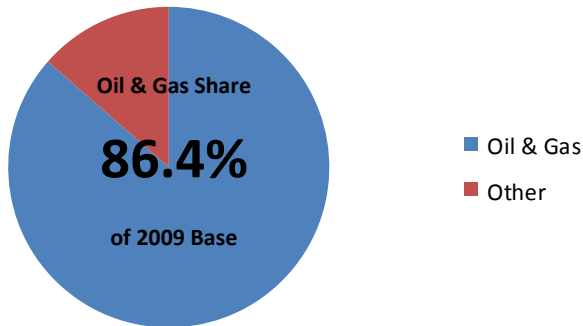
2007

**\$768**



# Loving County

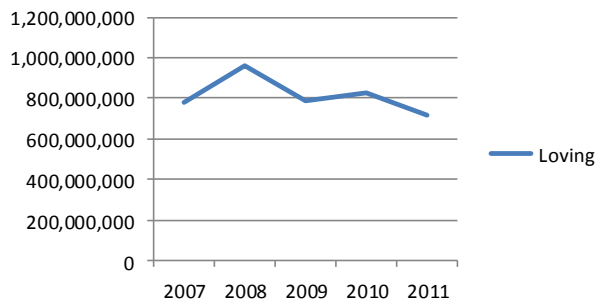
## Ad Valorem Tax Base



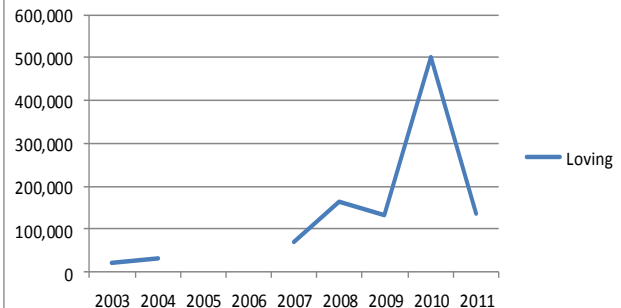
## QUICK FACTS

Population	82
Housing Units	50
Reg. Vehicles	244
2020 Pop. Estimate	83
2030 Pop. Estimate	80
2040 Pop. Estimate	78
	76
	67
	56

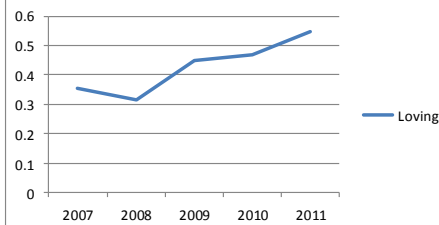
## Ad Valorem Market Value



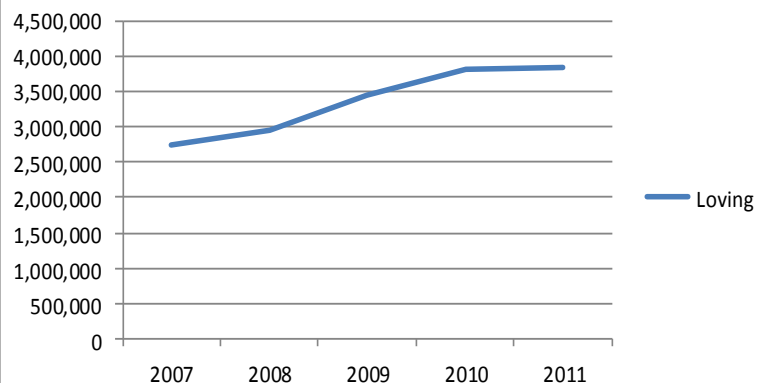
## Loving Gross Sales



## Tax Rate

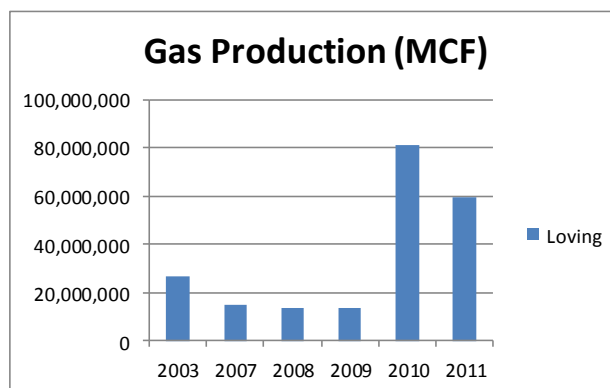
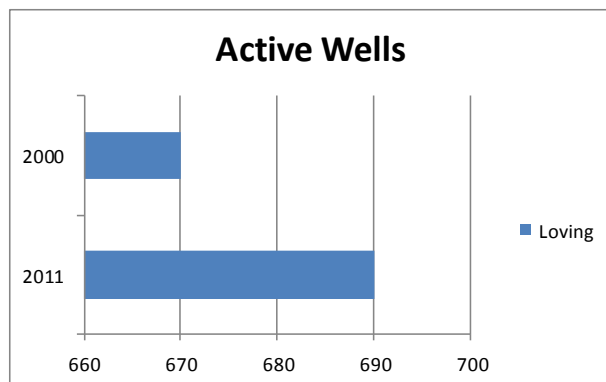


## Ad Valorem Taxes





# Loving County

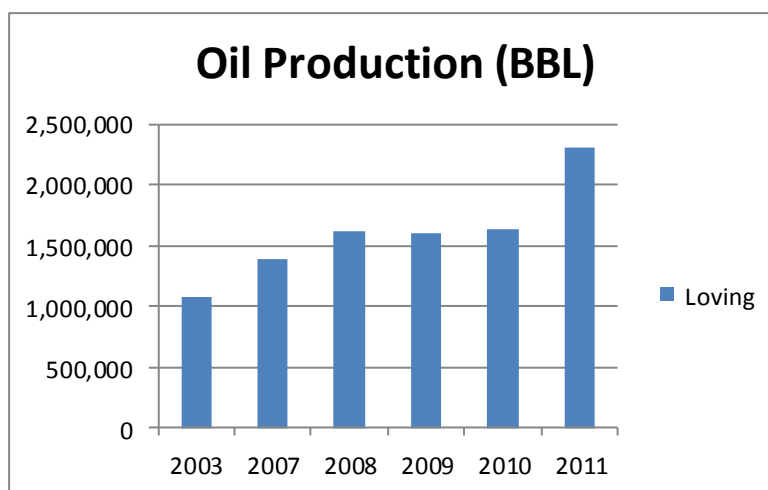


## LOVING COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 0

ANNOUNCED: 0

CANCELLED/DELAYED: 0



## LOVING CO.

### Number of Farms

2002 NA

2007 NA

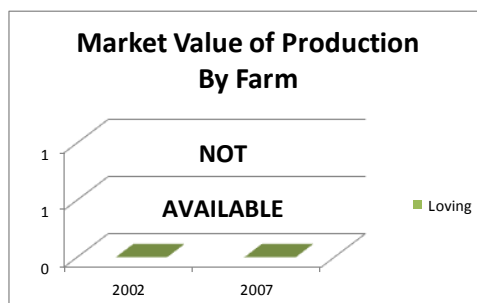
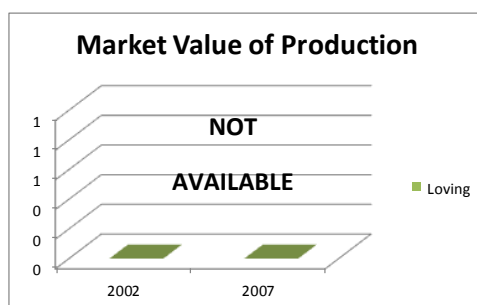
### Acres -Production/Grazing

2002 NA

2007 NA

### Market Value By Farm

2007 6,220,443



## LOVING CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$80**

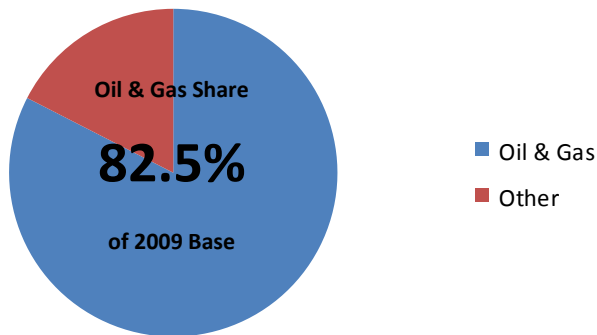
2007

**\$131**



# Martin County

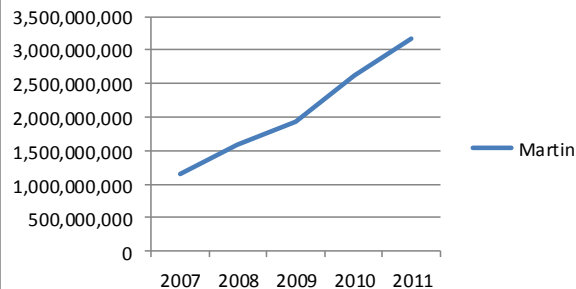
## Ad Valorem Tax Base



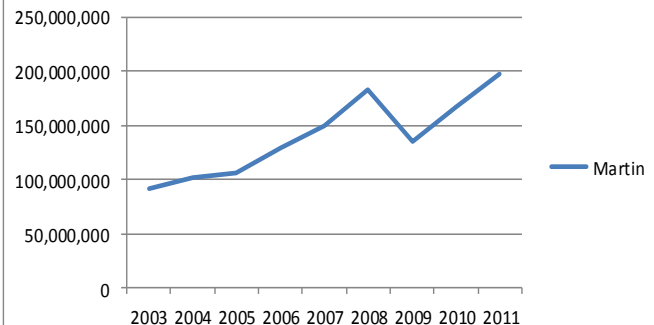
## QUICK FACTS

Population	4,799
Housing Units	1,852
Reg. Vehicles	6,585
2020 Pop. Estimate	5,447
2030 Pop. Estimate	5,556
2040 Pop. Estimate	6,058
	6,274
	6,532
	6,750

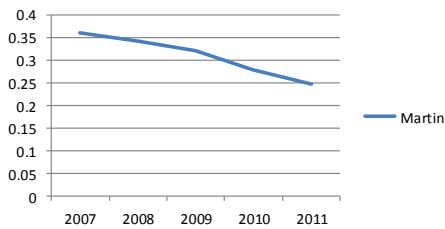
## Ad Valorem Market Value



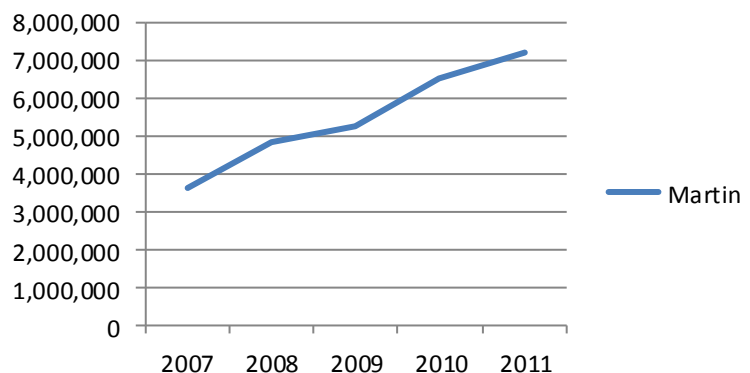
## Martin Gross Sales



## Tax Rate



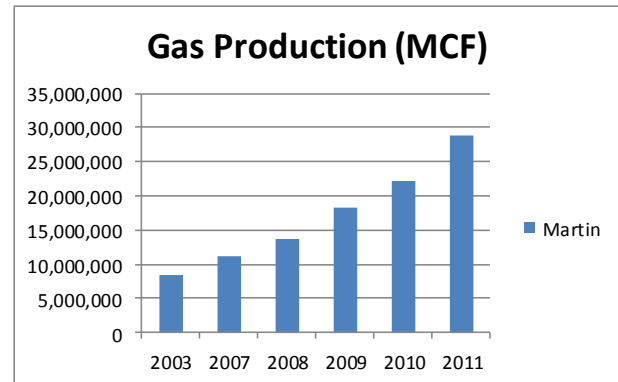
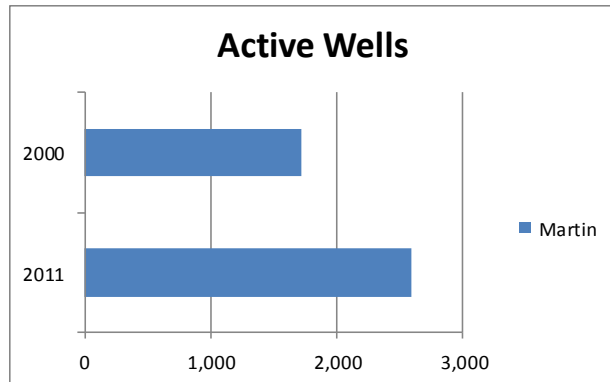
## Ad Valorem Taxes







# Martin County

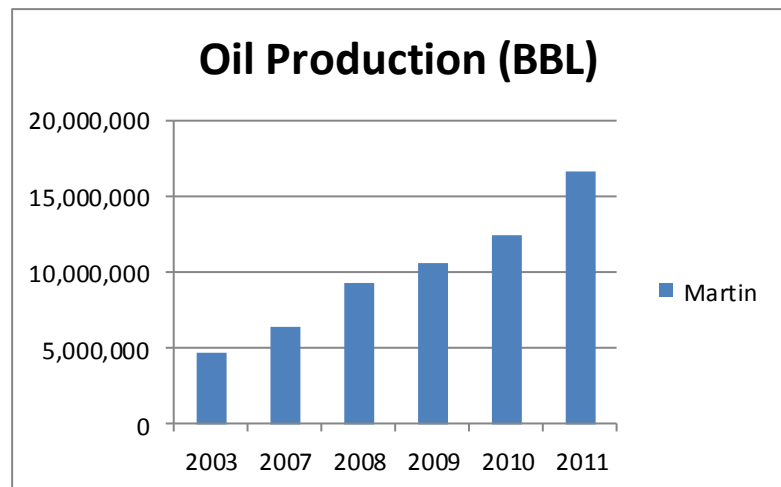


## MARTIN COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 120

ANNOUNCED: 0

CANCELLED/DELAYED: 251



## MARTIN CO.

### Number of Farms

2002 379

2007 464

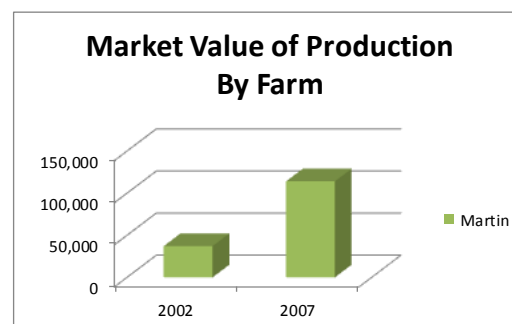
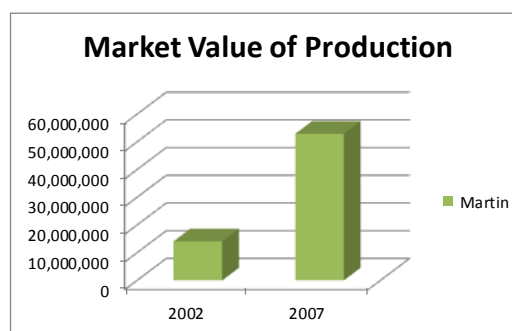
### Acres -Production/Grazing

2002 526,007

2007 457,990

### Market Value By Farm

2007 637,030



## MARTIN CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$434**

2007

**\$645**

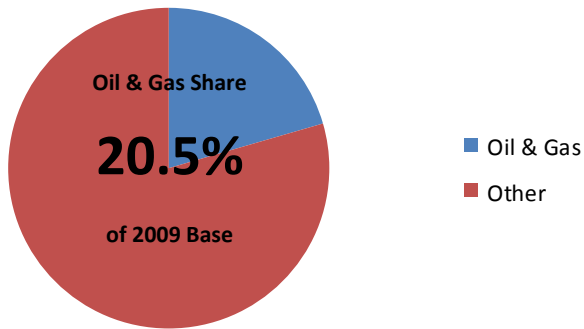


# Midland County

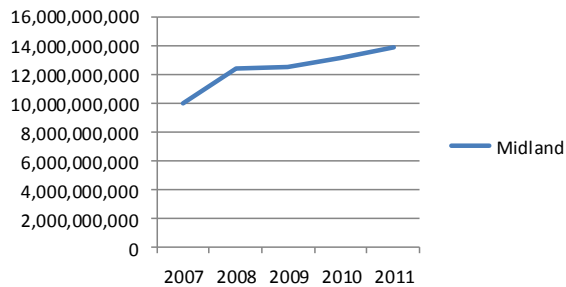
## QUICK FACTS

Population	136,872
Housing Units	54,351
Reg. Vehicles	161,048
2020 Pop. Estimate	149,020
	159,774
2030 Pop. Estimate	159,257
	186,377
2040 Pop. Estimate	167,505
	214,349

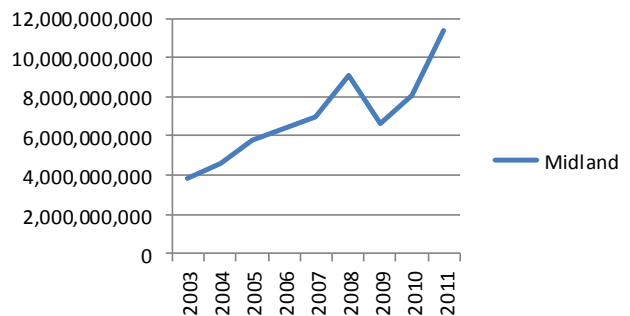
## Ad Valorem Tax Base



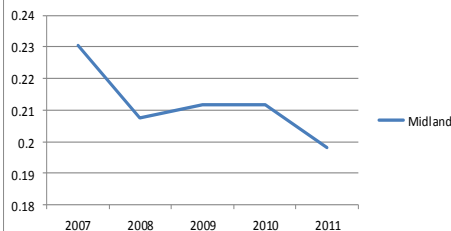
## Ad Valorem Market Value



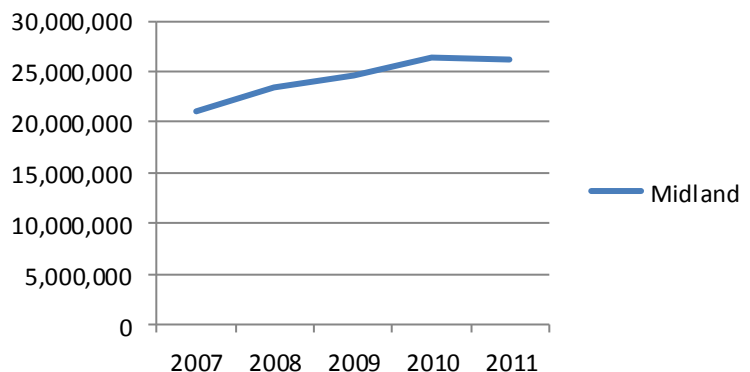
## Midland Gross Sales



## Tax Rate

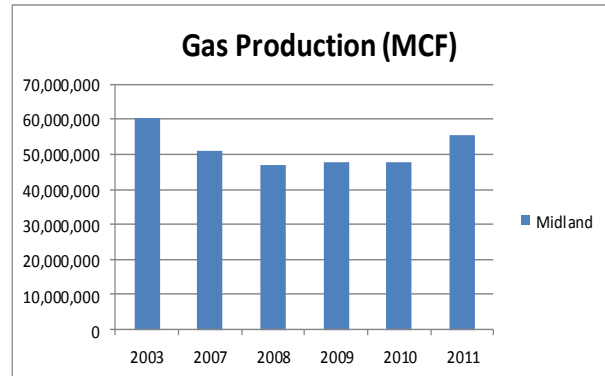
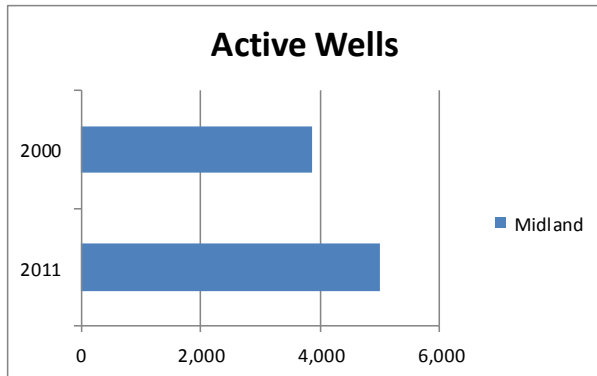


## Ad Valorem Taxes





# Midland County

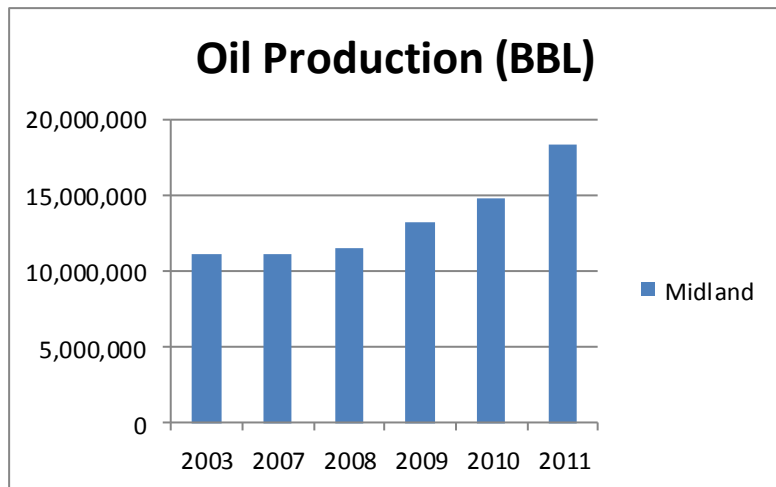


## MIDLAND COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 0

ANNOUNCED: 0

CANCELLED/DELAYED: 0



## MIDLAND CO.

### Number of Farms

2002 477

2007 601

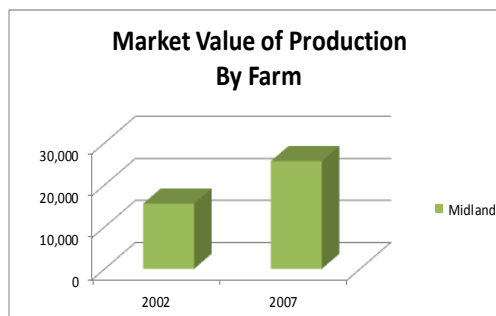
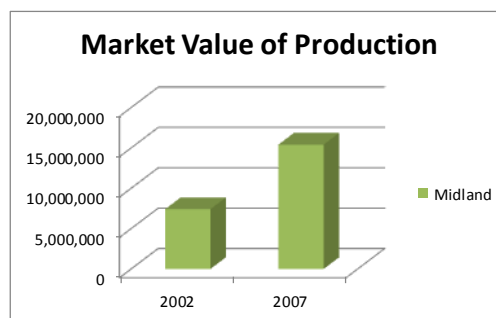
### Acres -Production/Grazing

2002 361,558

2007 456,633

### Market Value By Farm

2007 660,020



## MIDLAND CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$384**

2007

**\$869**

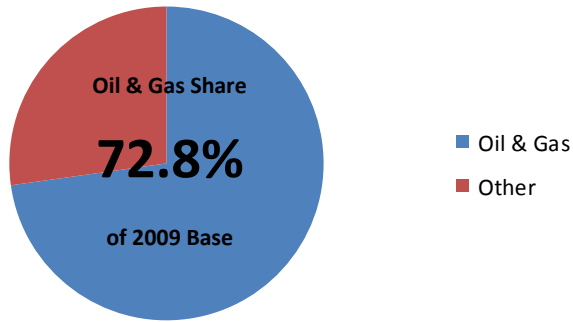


# Pecos County

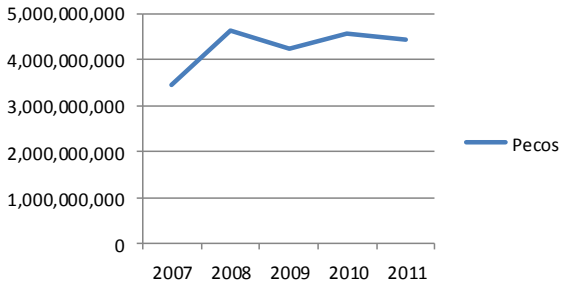
## QUICK FACTS

Population	15,507
Housing Units	5,585
Reg. Vehicles	17,856
2020 Pop. Estimate	17,059
	16,791
2030 Pop. Estimate	18,524
	17,607
2040 Pop. Estimate	20,035
	17,885

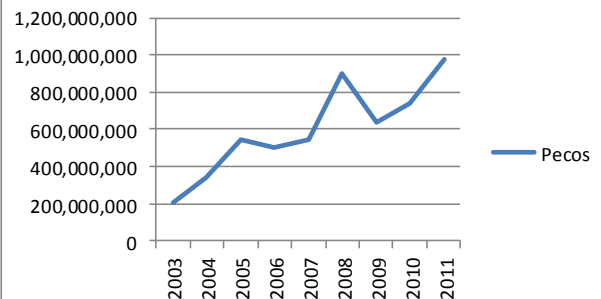
## Ad Valorem Tax Base



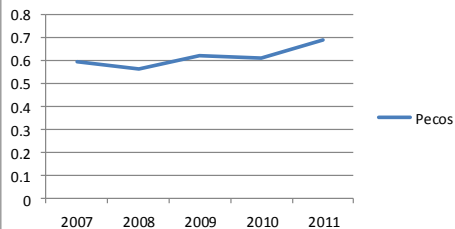
## Ad Valorem Market Value



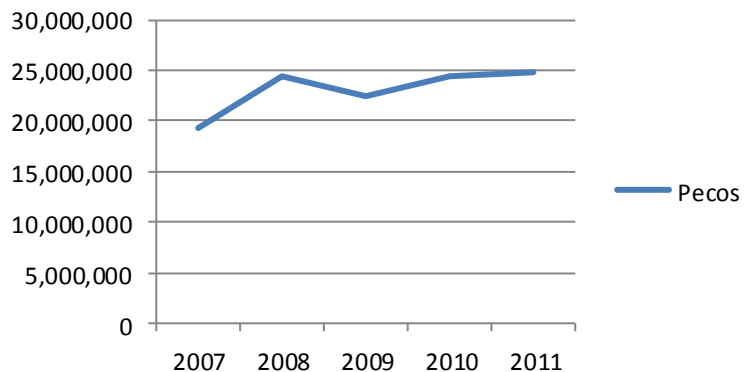
## Pecos Gross Sales



## Tax Rate

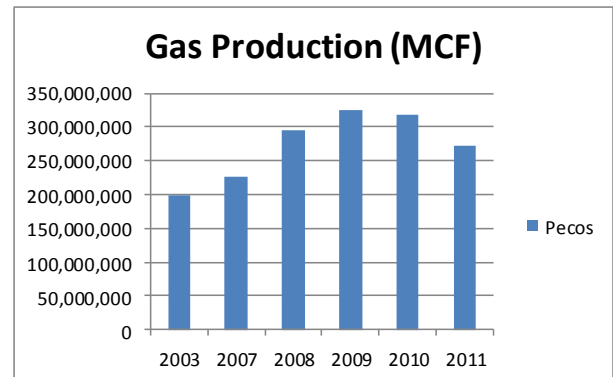
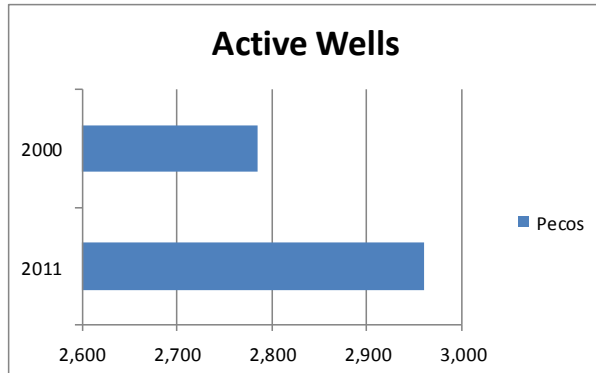


## Ad Valorem Taxes





# Pecos County

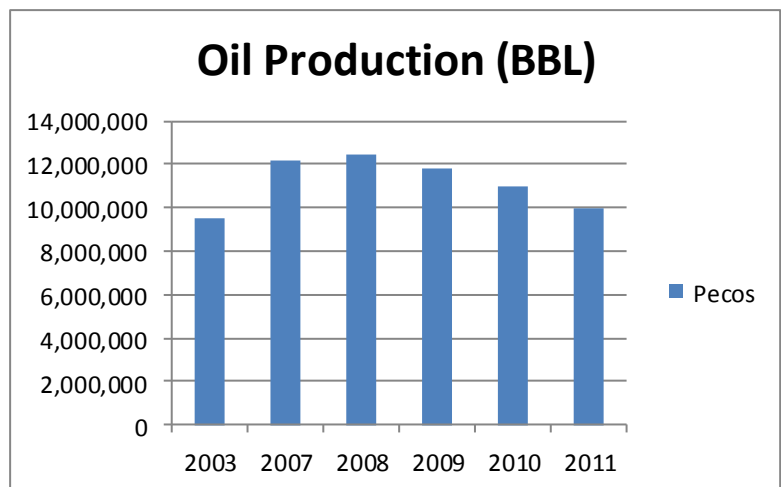


## PECOS COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 826

ANNOUNCED: 0

CANCELLED/DELAYED: 60



## PECOS CO.

### Number of Farms

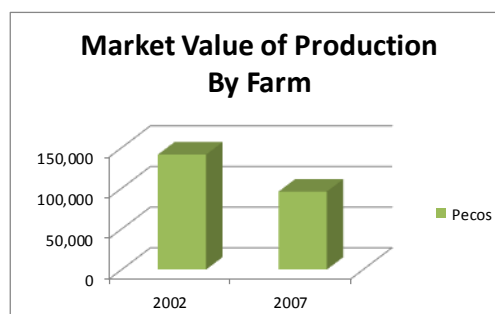
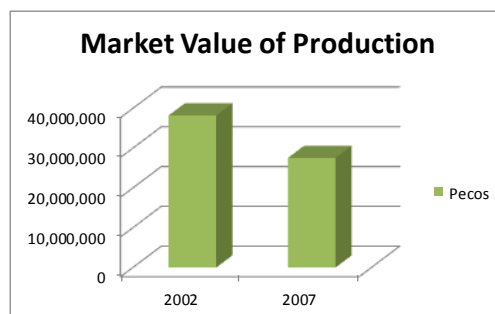
2002	270
2007	287

### Acres -Production/Grazing

2002	2,916,070
2007	2,907,965

### Market Value By Farm

2007	2,747,518
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## PECOS CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$139**

2007

**\$271**

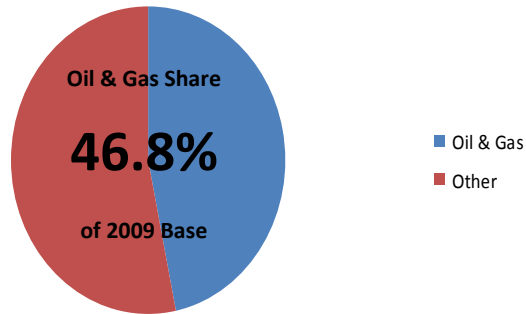


# Reeves County

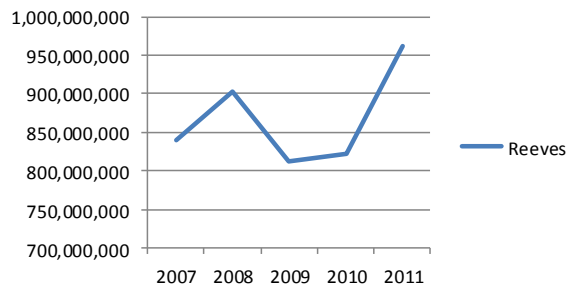
## QUICK FACTS

Population	13,783
Housing Units	4,640
Reg. Vehicles	10,385
2020 Pop. Estimate	14,896
	15,170
2030 Pop. Estimate	15,801
	16,186
2040 Pop. Estimate	16,580
	16,532

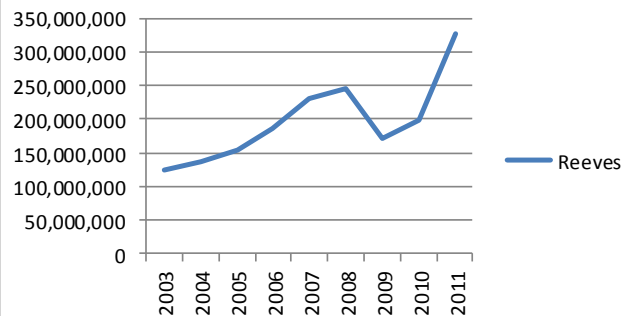
## Ad Valorem Tax Base



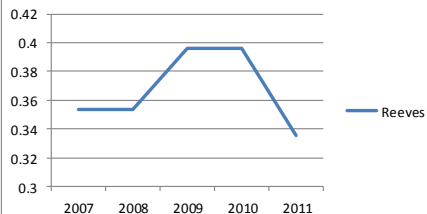
## Ad Valorem Market Value



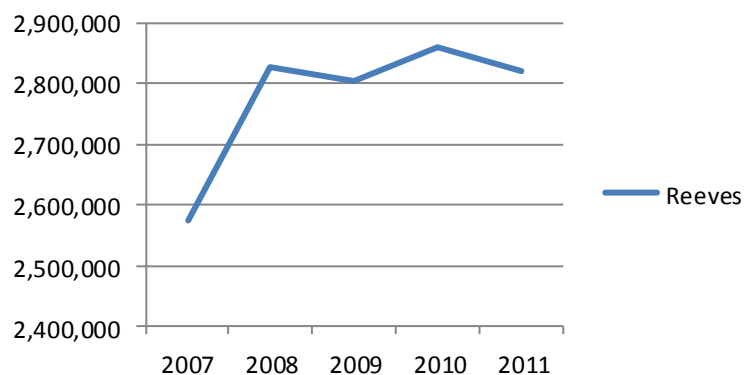
## Reeves Gross Sales



## Tax Rate

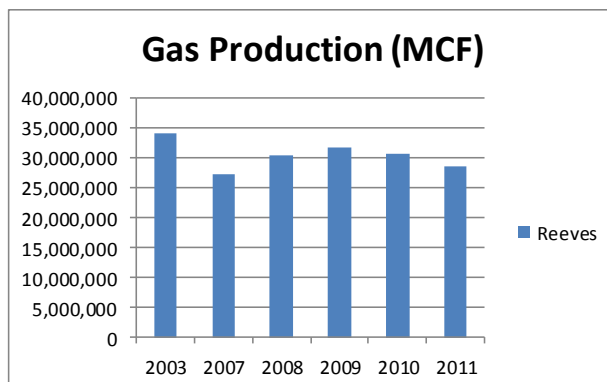
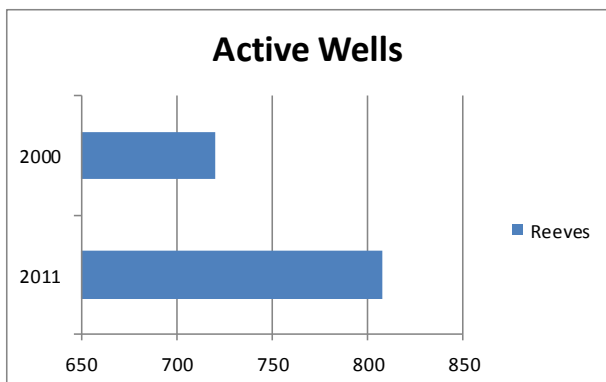


## Ad Valorem Taxes





# Reeves County

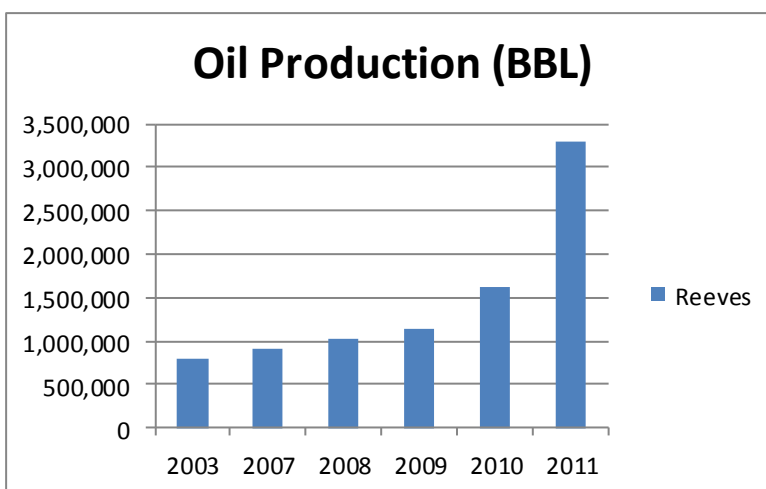


## REEVES COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 0

ANNOUNCED: 0

CANCELLED/DELAYED: 0



## REEVES CO.

### Number of Farms

2002 166

2007 221

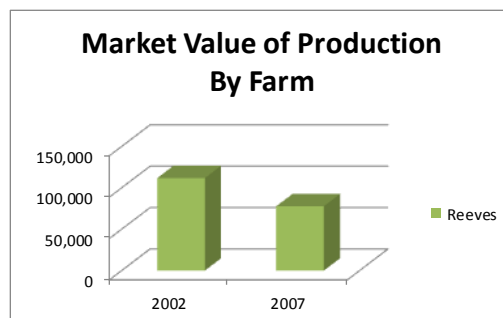
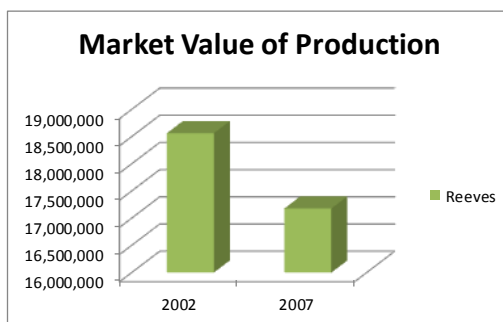
### Acres -Production/Grazing

2002 1,009,877

2007 1,040,344

### Market Value By Farm

2007 1,482,120



## REEVES CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$139**

2007

**\$315**

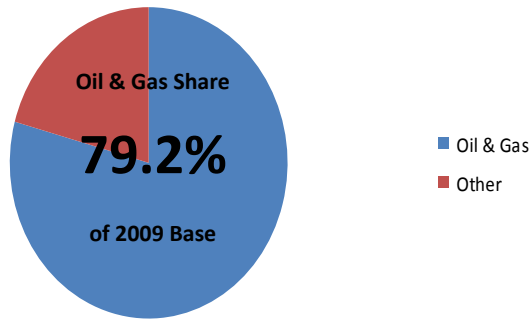


# Terrell County

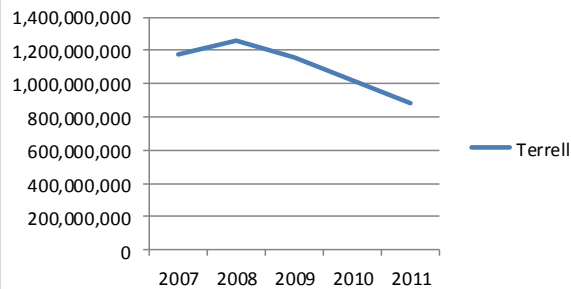
## QUICK FACTS

Population	984
Housing Units	700
Reg. Vehicles	1,456
2020 Pop. Estimate	1,042
	1,040
2030 Pop. Estimate	1,074
	1,047
2040 Pop. Estimate	1,083
	996

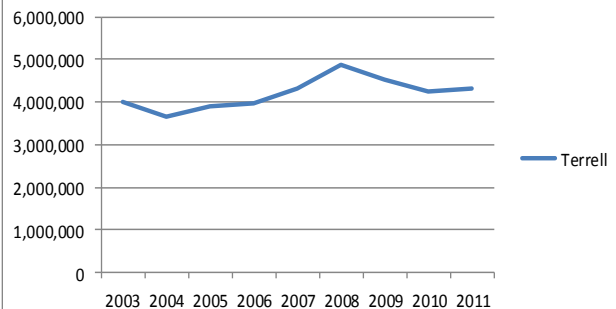
## Ad Valorem Tax Base



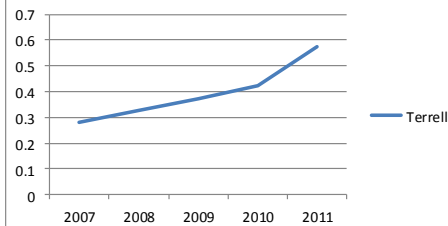
## Ad Valorem Market Value



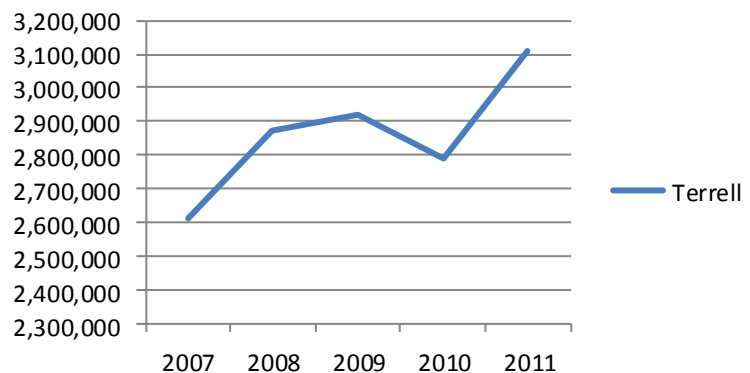
## Terrell Gross Sales



## Tax Rate



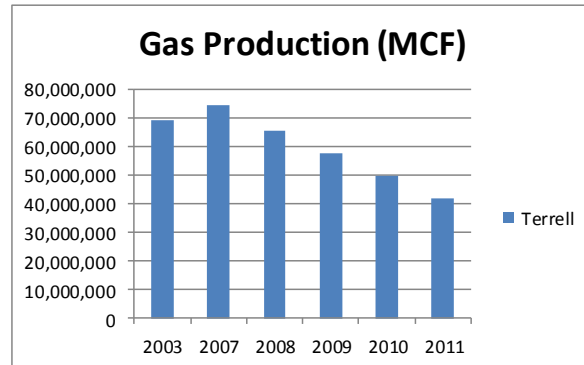
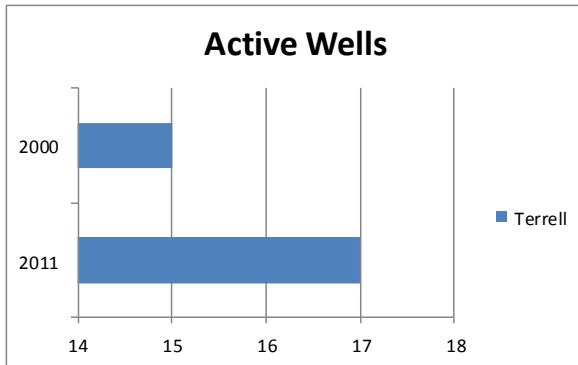
## Ad Valorem Taxes







# Terrell County

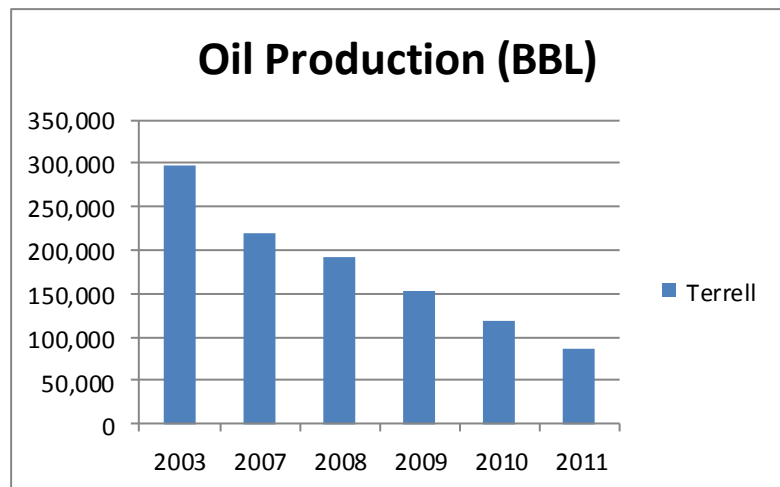


## TERRELL COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 0

ANNOUNCED: 0

CANCELLED/DELAYED: 0



## TERRELL CO.

### Number of Farms

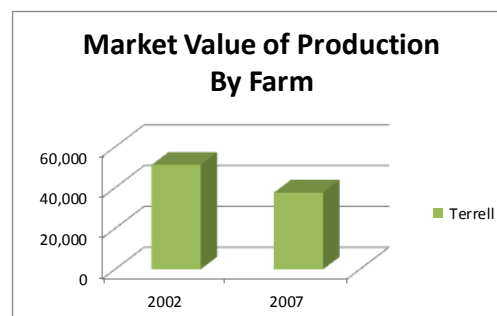
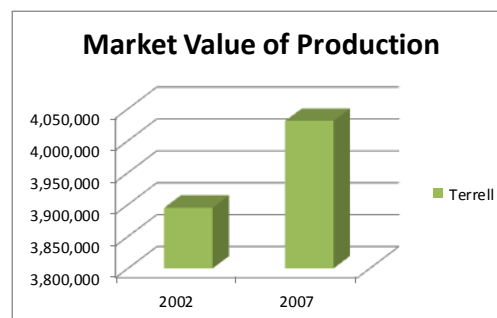
2002	76
2007	107

### Acres -Production/Grazing

2002	18,593
2007	12,170

### Market Value By Farm

2007	2,734,256
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## TERRELL CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$107**

2007

**\$225**

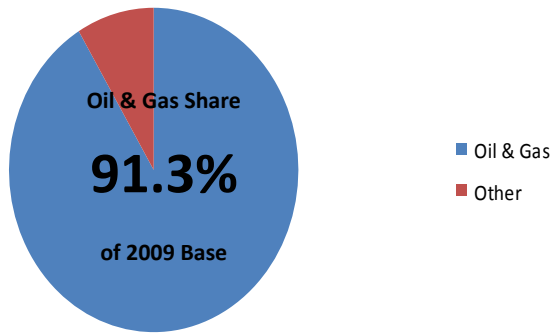


# Upton County

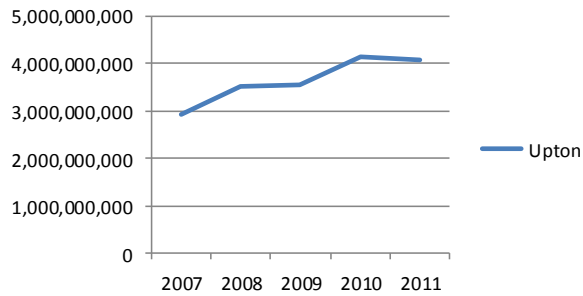
## QUICK FACTS

Population	3,355
Housing Units	1,548
Reg. Vehicles	4,435
2020 Pop. Estimate	3,676
	3,854
2030 Pop. Estimate	3,981
	4,339
2040 Pop. Estimate	4,165
	4,672

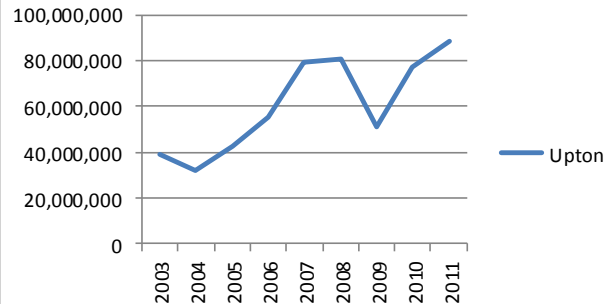
## Ad Valorem Tax Base



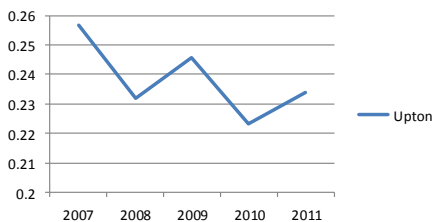
## Ad Valorem Market Value



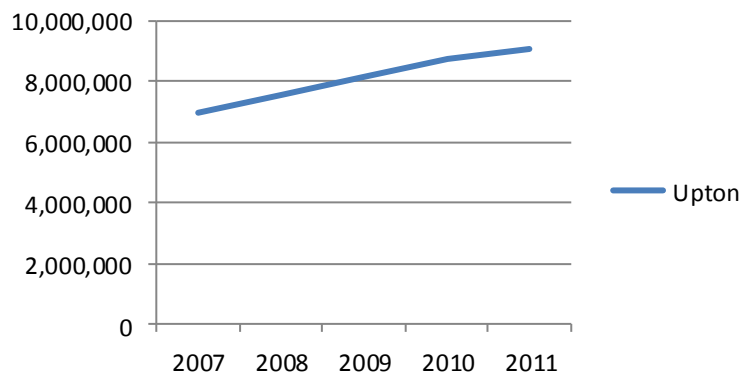
## Upton Gross Sales



## Tax Rate

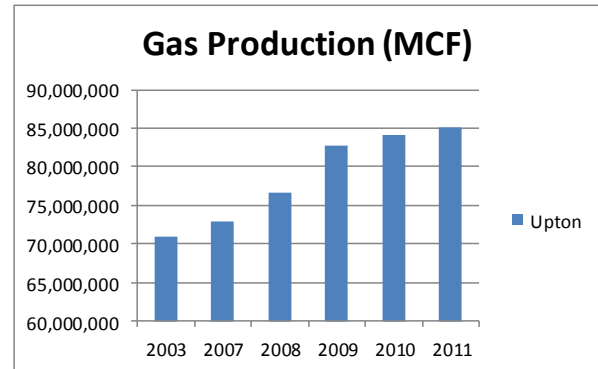
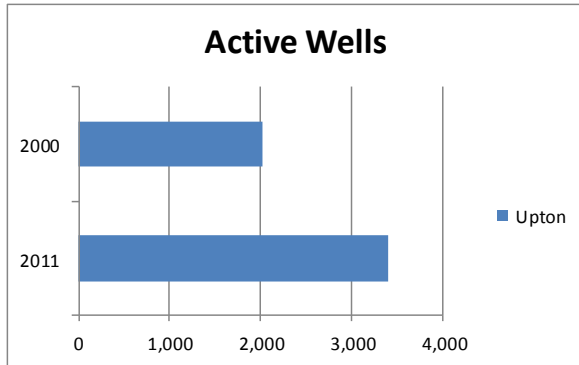


## Ad Valorem Taxes





# Upton County

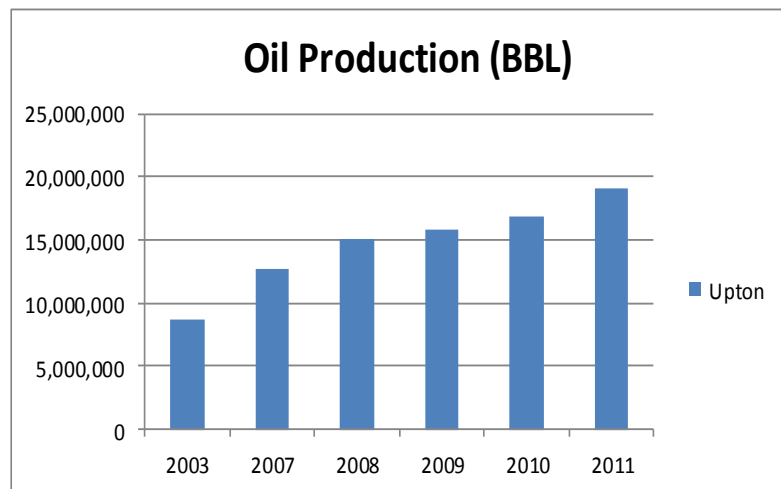


## UPTON COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 353

ANNOUNCED: 0

CANCELLED/DELAYED: 0



## UPTON CO.

### Number of Farms

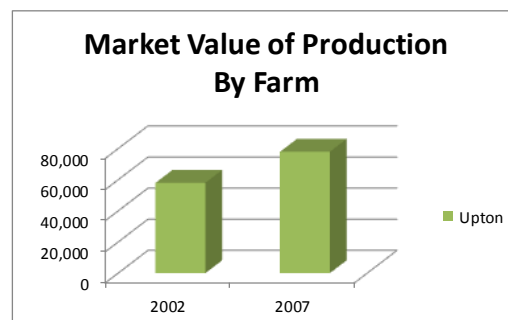
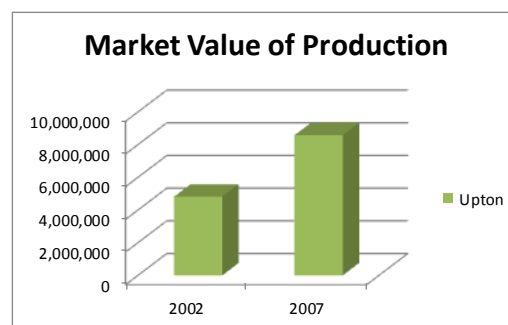
2002	83
2007	110

### Acres -Production/Grazing

2002	723,446
2007	634,516

### Market Value By Farm

2007	2,956,855
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## UPTON CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$137**

2007

**\$513**

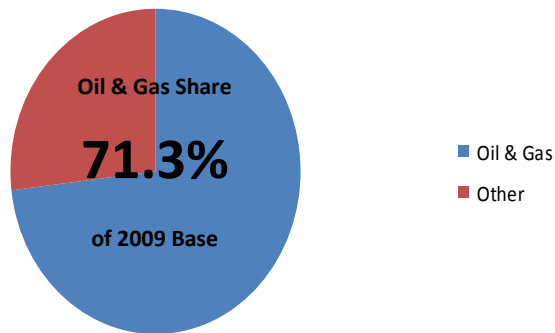


# Ward County

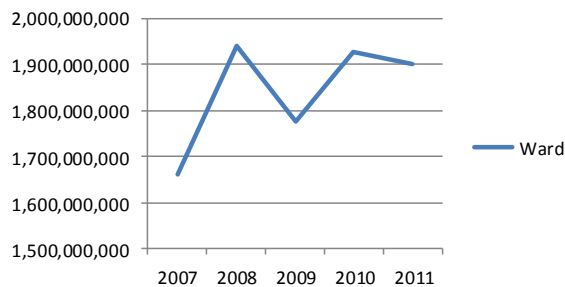
## QUICK FACTS

Population	10,658
Housing Units	4,694
Reg. Vehicles	13,702
2020 Pop. Estimate	11,600
2030 Pop. Estimate	11,204
2040 Pop. Estimate	11,439
	11,315
	11,344

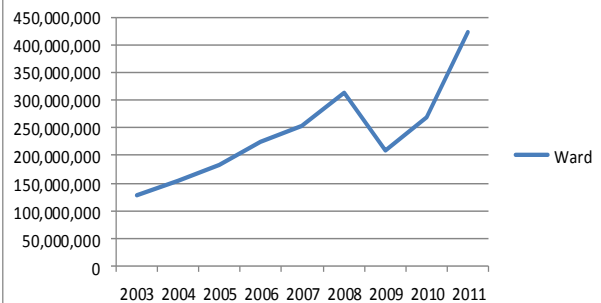
## Ad Valorem Tax Base



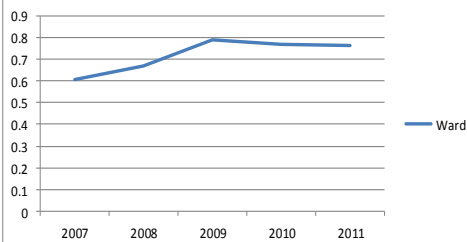
## Ad Valorem Market Value



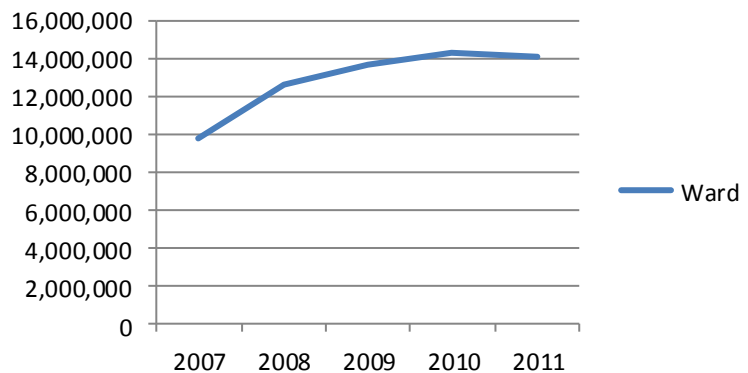
## Ward Gross Sales



## Tax Rate

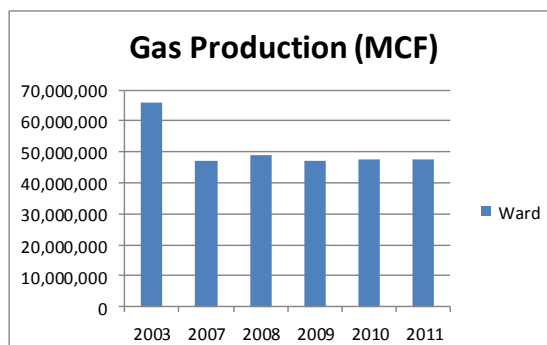
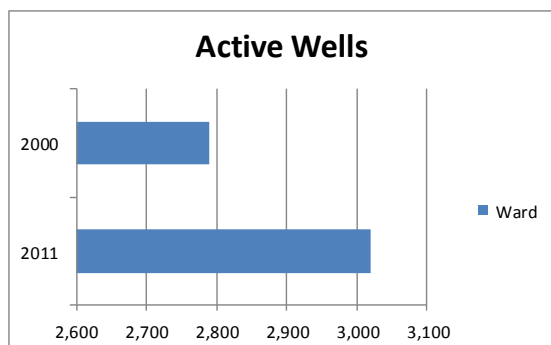


## Ad Valorem Taxes





# Ward County

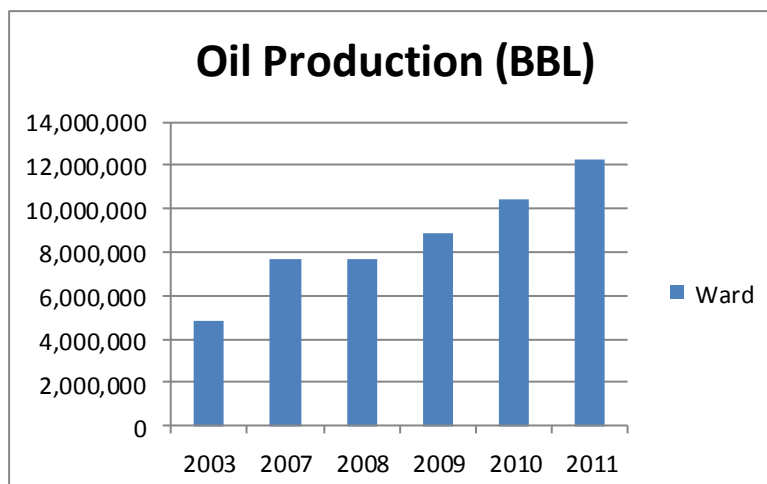


## WARD COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 0

ANNOUNCED: 515

CANCELLED/DELAYED: 0



## WARD CO.

### Number of Farms

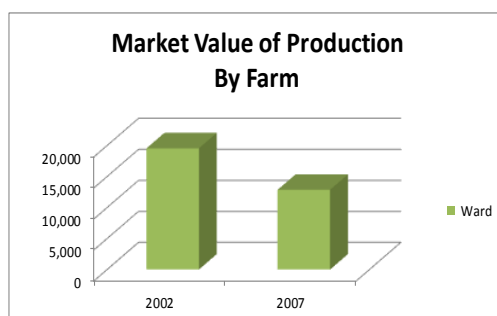
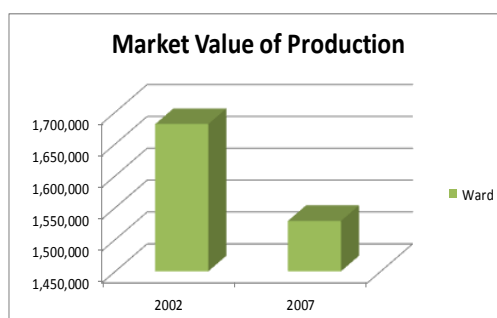
2002	86
2007	119

### Acres -Production/Grazing

2002	465,639
2007	439,920

### Market Value By Farm

2007	1,347,150
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## WARD CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$138**

2007

**\$370**

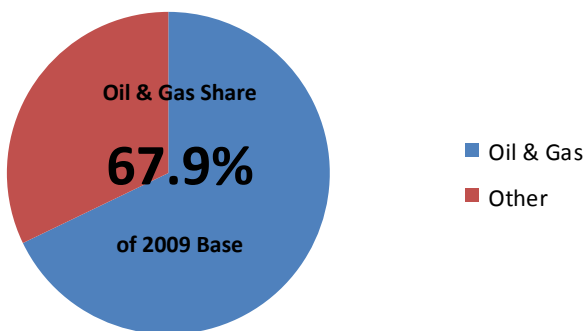


# Winkler County

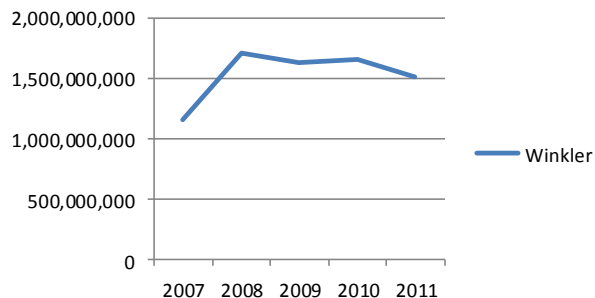
## QUICK FACTS

Population	7,110
Housing Units	3,027
Reg. Vehicles	8,116
2020 Pop. Estimate	7,973
	8,276
2030 Pop. Estimate	8,712
	9,261
2040 Pop. Estimate	9,324
	9,992

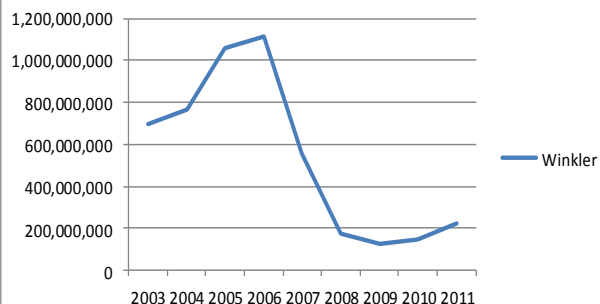
## Ad Valorem Tax Base



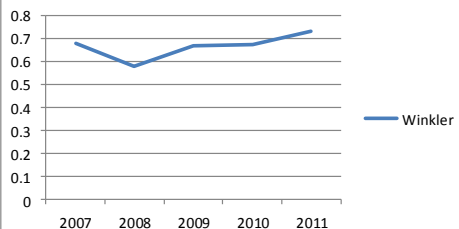
## Ad Valorem Market Value



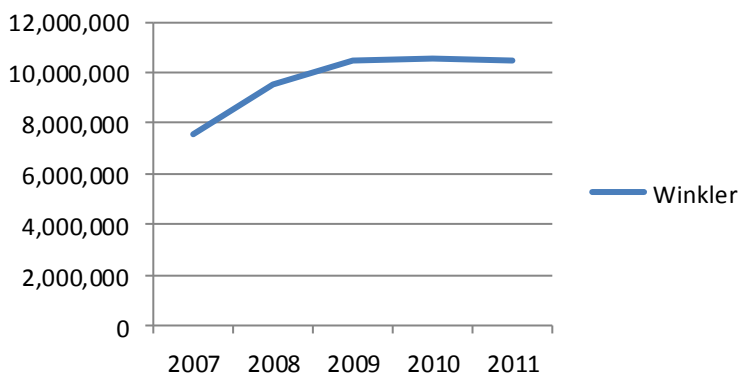
## Winkler Gross Sales



## Tax Rate

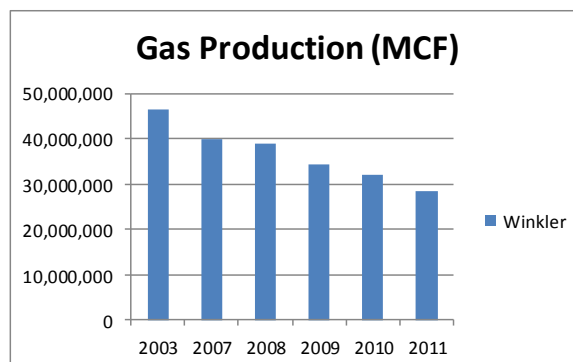
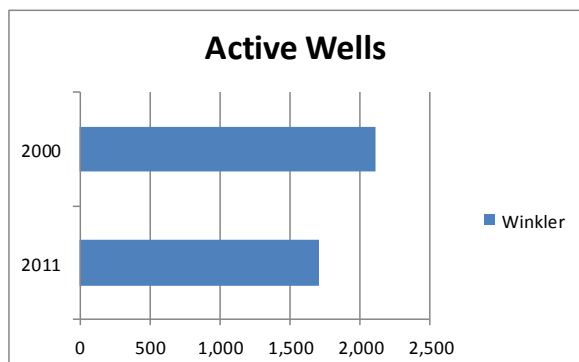


## Ad Valorem Taxes





# Winkler County

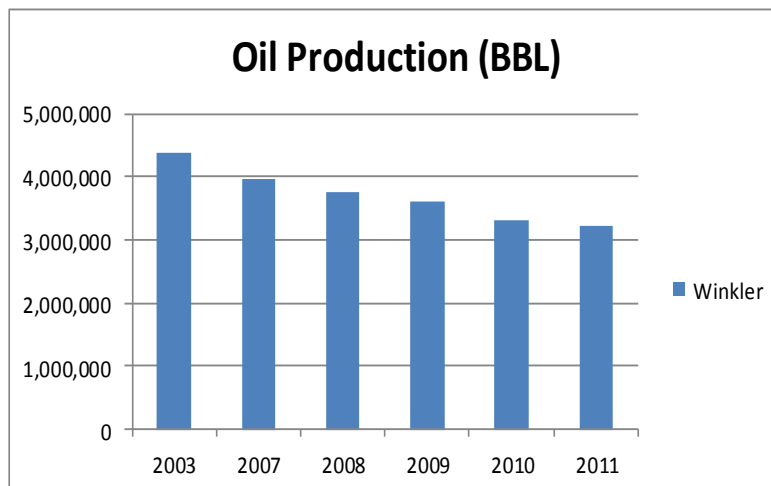


## WINKLER COUNTY WIND ENERGY CAPACITY (MW)

CURRENT: 0

ANNOUNCED: 0

CANCELLED/DELAYED: 0



## WINKLER CO.

### Number of Farms

2002 44

2007 53

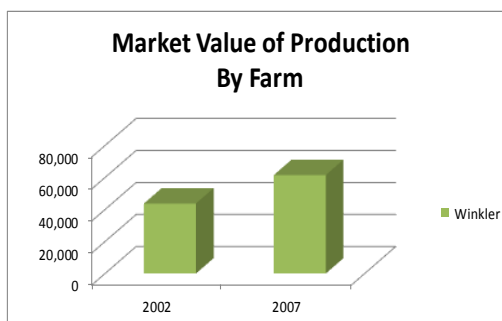
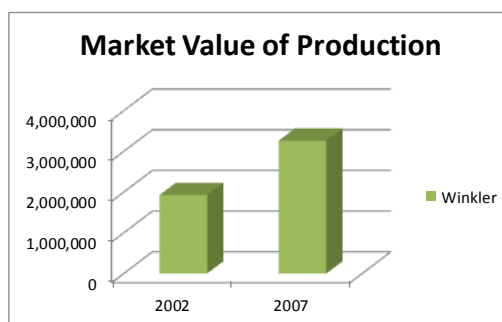
### Acres -Production/Grazing

2002 491,718

2007 532,883

### Market Value By Farm

2007 2,637,615



## WINKLER CO. MARKET VALUE OF FARMS PER ACRE

2002

**\$102**

2007

**\$262**



# Section 2:

# ANALYSIS



# INFRASTRUCTURE INVESTMENTS

Despite tremendous gains in tax base and tax collections (both ad valorem and sales taxes) during the last five years, many of the sampled entities made little in the way of “infrastructure” investments in their jurisdictions, to offset usage of existing facilities by those industries that were largely responsible for those gains.

In addition, in cases where marginal investments were made in infrastructure, too often those investments (like road and bridge funds) were spread between the administration of multiple precinct crews or providing equipment for each precinct, and so little, if any of those funds actually “trickled down” to making road and bridge improvements in a particular area.

Some counties did use the opportunity to invest in new jails or courthouse renovations, and while these improvements may be necessary they do little to build the infrastructure necessary to sustain long term development or additional economic growth. That being said, these investments can be worthwhile if they improve the quality of life for residents or protect the integrity of future budgeting by decreasing long term maintenance and operations costs.

This is particularly important, as several counties, have seen depletion in production and subsequently, their ad valorem base. While increases in energy prices have helped offset those losses, jurisdictions throughout the Permian Basin area are largely dependent on this ad valorem base and a reduction in current energy prices could produce significant hardships in future budgeting.

The development of infrastructure is most commonly seen in the larger counties, such as Ector and Midland. Ector County committed to specific partnerships to develop a roadway in their industrial park, one in a new residential/retail development, and one associated with the Summit Energy project. Midland County has been active in projects to facilitate Loop 250 and SH 349 expansion, and Andrews County recently partnered with the City of Andrews to build a truck bypass around the city to help facilitate movement of large trucks and oilfield equipment. However, the project also provides additional land-use and development opportunities that will likely provide long term returns via increased ad valorem property values and diversification of the overall tax base.

These investments, particularly in relation to housing and roads, are vitally important. During last year’s report, we found direct correlations between new housing starts and higher wage ranges due to the highly mobile workforce in the Permian Basin.

In addition, this year, we see a high degree of correlation between the number of registered vehicles in an area compared to overall population and their transportation needs, as evidenced by crash rates.

# **ECONOMIC DIVERSIFICATION VERSUS AD VALOREM DIVERSIFICATION**



During the down turns of the energy industry in the 80's and 90's, an emphasis was placed on diversification of the economy in the Permian Basin, and while some of those efforts were successful, growth of the energy industry segment over the last decade, due to enhanced recovery methods, has created such a tremendous shift in the baseline that looking at ad valorem property values, it might occur to outsiders that no efforts were made at diversification.

As previously noted, the decrease in production and in ad valorem values, largely masked by increased prices, creates a looming problem as entities move forward.

As important as economic diversification is for economic development, diversification of the property tax base is just as, if not more important, for taxing entities.

Even for areas with increased production, questions persist regarding the length of those reserves with current technologies, and due to the variations in extraction costs, the ability to produce could be more dramatically affected by even marginal reductions in energy prices.



## AGRICULTURE PRODUCTION

From 2002 to 2007, the number of farming operations in the Permian Basin increased by nearly 500. More noteworthy, however, is the fact that the market value of production increased by over \$200 million and the value of production by farm grew by more than 50%. In addition, the ad valorem value, per acre, of these operations also doubled.

While farming and ranching, much like the energy industry can be significantly impacted by natural and market factors, when these operations are viewed as agribusiness operations, with a per operation investment/value in excess of \$2 million dollars each (as of 2007), they become a significant economic factor.

In addition, with the recent construction of the Village Farms greenhouse in Monahans, due largely to favorable daylight length, ideal temperature conditions, availability of affordable energy (natural gas/electric) and carbon dioxide, if water needs can be met, there are tremendous long term opportunities for the area in hydroponic greenhouse agricultural production.

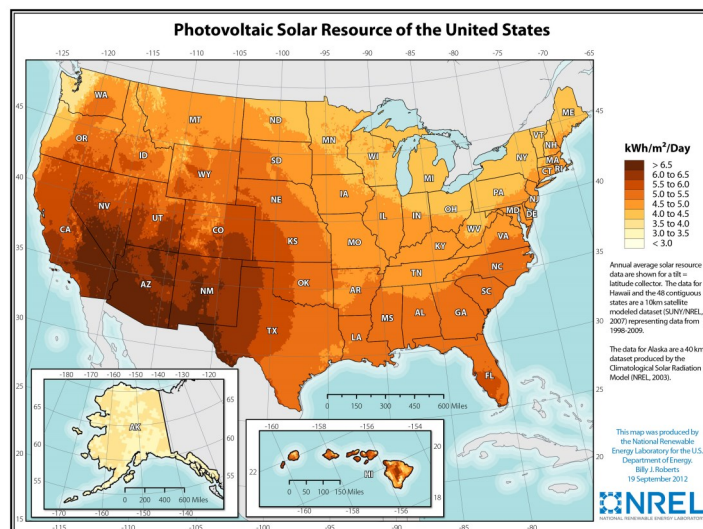
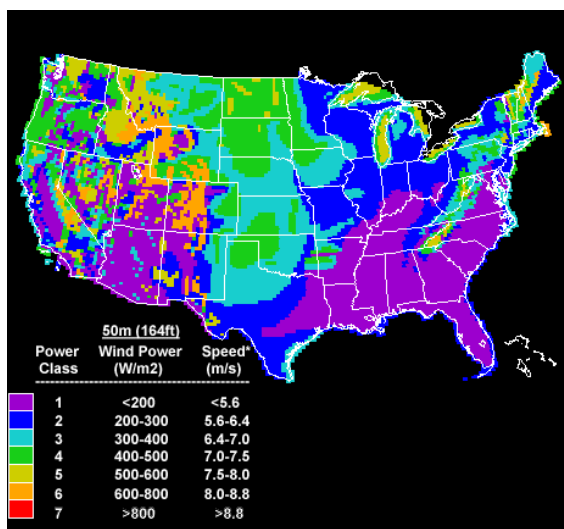
**From 2002 to 2007 the Market Values of Farm Properties DOUBLED  
and their Production Values INCREASED OVER 50%**

## ALTERNATIVE ENERGY

The Permian Basin has truly been an “epicenter” for energy production and alternative energies are no exception. Currently, the Permian Basin accounts for 23% or 2340 megawatts of the state’s 10,380 megawatt wind energy capacity. Wind energy generation capacity in the Permian Basin is slated to increase 1,444 megawatts by 2014. However, due to uncertainty regarding the extension of tax credits, transmission capacity, and available capital for these projects, there is currently in excess of 800 megawatts of additional capacity projects in the Permian Basin Regional Planning Commission region that have been cancelled or delayed. Extension of tax credits and improvements to the existing grid could greatly expand wind energy opportunities in the Permian Basin and allow for additional diversity and baseline stabilization of ad valorem values in the region.

Solar energy is also a future possibility to bring value and stability to ad valorem values. While several projects have been considered and plans for a long term 500 megawatt farm exist, the current cost of development and associated rates of return have not yet made these types of projects highly viable. However, potential changes in federal policy and incentives for “green” energy may make these opportunities cost effective sooner than current market based economics.

**Currently, over 800 MW of additional wind power planned for the Permian Basin is  
DELAYED/CANCELED**



## WIND and SUNLIGHT

**Provide Numerous Opportunities for the Permian Basin**

## GOING FORWARD

Whether capitalizing on existing opportunities or future developments, infrastructure investments throughout the Permian Basin are a vital necessity. Improvements to roads, water resources, or preliminary property developments that facilitate industrial or residential development should be priorities for communities. Many of these types of improvements can be made in partnership with other entities either through direct capital investment, tax credits, or long term loans.

Due to the mobile nature of the Permian Basin and its workforce, infrastructure developments that provide development areas for new businesses or homes can also help areas with depleting production capitalize on opportunities for service companies and new workers seeking to locate in the basin.

Despite the ups and downs of the energy economy and its subsequent effects on ad valorem values and tax collections, the areas that have made significant investment in infrastructure projects geared at expanding their area's industrial, retail, or residential development have seen the most profound growth, including increase in tax base, sales tax collections, and personal income.

# **Section 3:**

# **APPENDIX**

## AD VALOREM COLLECTIONS

COUNTY	2011	2010	2009	2008	2007	2003
Andrews	19,022,063	17,590,783	16,312,606	15,089,747	13,908,932	10,326,861
Borden	1,862,822	1,732,336	1,602,685	1,703,863	1,619,009	1,319,045
Crane	6,610,662	6,615,629	6,646,236	7,257,024	7,620,906	5,307,821
Dawson	6,028,015	6,048,666	6,030,612	6,113,584	5,690,221	4,800,646
Ector	38,697,212	36,341,200	34,108,383	34,267,631	31,367,966	23,578,788
Gaines	20,970,596	20,226,514	18,996,326	20,421,737	15,730,879	8,625,347
Glasscock	4,207,989	3,307,254	3,095,737	2,872,291	2,657,312	2,196,702
Howard	11,185,948	11,165,030	11,288,557	11,663,292	9,132,548	6,118,770
Loving	3,835,144	3,805,135	3,443,240	2,948,303	2,730,689	1,296,986
Martin	7,180,285	20,518,344	5,252,444	4,809,283	3,628,379	2,262,436
Midland	26,186,344	26,301,805	24,620,026	23,489,746	21,162,986	15,901,890
Pecos	24,852,556	24,449,528	22,452,175	24,391,414	19,390,788	13,139,501
Reeves	2,819,833	2,858,283	2,803,187	2,828,154	2,575,347	1,833,114
Terrell	3,106,409	2,791,173	2,918,973	2,874,713	2,615,488	1,579,367
Upton	9,059,994	8,750,370	8,131,545	7,559,385	6,927,166	6,310,655
Ward	14,027,285	14,316,154	13,618,287	12,609,334	9,750,364	6,400,473
Winkler	10,456,730	10,522,546	10,494,279	9,550,114	7,553,110	4,552,543

## SALES TAX COLLECTIONS

COUNTY	2003	2007	2008	2009	2010	2011
Andrews	232,132,401	442,072,160	557,487,903	477,642,118	525,014,443	712,788,380
Borden	612,991	687,009	1,142,467	610,450	742,109	1,848,711
Crane	66,199,607	155,396,548	171,737,800	98,151,830	112,302,616	153,194,525
Dawson	186,359,876	288,805,168	310,075,906	274,097,249	326,391,446	351,361,480
Ector	3,811,705,427	7,358,729,881	8,330,406,755	5,826,462,844	6,971,734,861	9,978,379,914
Gaines	248,155,177	378,759,710	466,745,003	355,020,764	410,147,586	552,923,146
Glasscock	13,976,171	16,740,307	17,507,237	17,000,549	17,811,746	40,942,901
Howard	659,960,596	965,215,695	1,156,848,309	870,822,673	914,812,712	1,175,340,030
Loving	19,568	68,601	165,020	132,388	500,079	136,716
Martin	91,121,885	148,778,289	182,250,828	134,616,109	167,172,127	197,351,345
Midland	3,831,649,037	6,956,956,501	9,112,010,382	6,608,727,062	8,039,731,797	11,402,690,595
Pecos	205,421,790	540,516,091	904,279,870	641,778,796	736,590,508	976,015,832
Reeves	123,724,160	230,099,773	245,034,637	171,927,983	198,200,436	326,963,096
Terrell	4,014,114	4,309,653	4,874,377	4,515,780	4,258,147	4,311,919
Upton	39,306,649	79,239,345	80,871,513	51,242,529	77,405,763	88,539,272
Ward	126,905,333	253,231,049	313,404,992	209,319,961	269,612,604	423,539,084
Winkler	697,720,513	554,731,141	177,888,413	124,307,289	148,369,523	225,586,339

## AD VALOREM MARKET VALUE

COUNTY	2011	2010	2009	2008	2007	2003
Andrews	4,757,144,258	4,200,328,284	3,599,181,992	4,456,539,682	3,717,785,047	1,955,011,170
Borden	1,076,412,010	1,124,080,440	1,135,419,485	1,025,069,628	900,970,986	357,457,190
Crane	2,282,525,450	2,366,195,070	2,164,635,510	2,356,323,580	1,973,338,520	889,990,350
Dawson	1,287,24,450	1,274,108,660	1,186,239,750	1,335,864,420	1,058,482,460	769,324,533
Ector	11,943,735,770	11,328,158,412	10,985,085,322	11,204,335,102	9,045,220,709	5,241,914,723
Gaines	6,244,181,854	5,726,641,678	4,997,645,786	6,051,556,833	4,691,251,598	2,418,019,719
Glasscock	1,701,544,089	1,382,744,030	1,232,898,750	1,257,822,580	926,171,620	4,567,205,009
Howard	3,056,379,159	2,680,167,213	2,553,383,089	2,496,447,163	2,190,729,689	1,322,659,570
Loving	713,525,120	827,739,320	788,759,820	956,993,560	781,436,740	185,385,939
Martin	3,180,120,520	2,609,987,950	1,927,452,396	1,593,230,876	1,150,792,296	570,276,760
Midland	13,824,190,640	13,096,758,323	12,502,940,680	12,382,796,012	9,931,182,193	5,695,325,334
Pecos	4,433,941,190	4,564,671,410	4,245,902,450	4,642,456,430	3,457,252,843	1,893,759,755
Reeves	961,435,800	822,131,480	812,606,830	903,569,240	839,804,403	490,067,410
Terrell	879,870,489	1,023,853,710	1,154,309,658	1,257,766,802	1,176,146,202	427,179,273
Upton	4,052,623,192	4,128,353,750	3,541,300,727	3,500,687,619	2,935,088,583	1,110,579,381
Ward	1,901,768,410	1,925,339,760	1,776,968,448	1,940,786,188	1,660,091,848	968,016,228
Winkler	1,514,450,001	1,651,749,284	1,626,069,327	1,712,502,237	1,149,493,578	675,327,451
PBRPC	62,523,847,952	60,733,008,774	56,230,800,020	59,074,747,952	47,585,239,315	29,537,499,795

## AD VALOREM TAX RATES

	2003	2011
Andrews County	0.555400	0.4324
Borden County	0.444600	0.289
Crane County	0.616220	0.29453
Dawson County	0.731780	0.553937
Ector County	0.490000	0.356372
Gaines County	0.384660	0.352352
Glasscock County	0.592520	0.3
Howard County	0.550000	0.43672
Loving County	0.735000	0.5481
Martin County	0.548000	0.24659
Midland County	0.293798	0.198207
Pecos County	0.758000	0.69
Reeves County	0.426360	0.33516
Terrell County	0.488500	0.5727
Upton County	0.748700	0.234
Ward County	0.694200	0.76
Winkler County	0.708000	0.7313

## AGRICULTURE VALUES

COUNTY	Number of Farms		Number of Acres		Market Value of Production		Per Farm Value		Market Value Acre		Market Value by Farm	
	2002	2007	2002	2007	2002	2007	2002	2007	2002	2007	2002	2007
Andrews	169	175	803,998	808,474	8,671,000	15,919,000	51,310	90,965	164	340	1,572,018	
Borden	132	116	480,015	435,166	7,837,000	13,233,000	59,370	114,081	347	579	2,171,362	
Crane	44	37	375,177	375,177	1,303,000	1,674,000	29,605	45,237	112	382	3,877,193	
Dawson	581	555	572,422	568,036	55,388,000	112,342,000	95,332	202,418	720	851	871,403	
Ector	287	301	503,781	423,919	1,873,000	3,559,000	6,525	11,824	141	398	560,521	
Gaines	724	825	758,896	947,728	144,614,000	193,195,000	199,744	234,175	602	951	1,092,377	
Glasscock	199	185	492,939	479,785	13,637,000	46,258,000	68,526	250,041	353	737	1,910,119	
Howard	466	519	518,369	522,791	15,106,000	40,853,000	32,416	78,714	444	768	773,530	
Loving									80	131	6,220,443	
Martin	379	464	526,007	457,990	14,074,000	52,900,000	37,134	114,009	434	645	637,030	
Midland	477	601	361,558	456,633	7,401,000	15,398,000	15,516	25,621	384	869	660,020	
Pecos	270	287	2,916,070	2,907,965	38,218,000	27,545,000	141,547	95,974	139	271	2,747,518	
Reeves	166	221	1,009,877	1,040,344	18,563,000	17,179,000	111,824	77,733	139	315	1,482,120	
Terrell	76	107	18,593	12,170	3,895,000	4,031,000	51,256	37,669	107	225	2,734,256	
Upton	83	110	723,446	634,516	4,814,000	8,573,000	57,998	77,940	137	513	2,956,855	
Ward	86	119	465,639	439,920	1,681,000	1,529,000	19,545	12,852	138	370	1,347,150	
Winkler	44	53	491,718	532,883	1,926,000	3,262,000	43,774	61,545	102	262	2,637,615	
<b>TOTALS</b>	<b>4183</b>	<b>4,675</b>	<b>11,018,505</b>	<b>11,043,497</b>	<b>339,001,000</b>	<b>557,450,000</b>	<b>1,021,422</b>	<b>1,530,798</b>	<b>4,543</b>	<b>8,607</b>	<b>34,251,530</b>	



## NATURAL GAS PRODUCTION (MCF)

	2011	2010	2009	2008	2007	2003
Andrews	38,910,962	35,318,339	30,496,990	28,965,397	29,312,208	30,427,295
Borden	3,781,082	3,448,279	3,620,881	3,609,462	3,527,673	2,709,740
Crane	52,866,989	57,013,549	60,098,155	65,726,508	65,877,170	62,729,897
Dawson	2,076,629	2,217,234	2,333,430	2,456,860	2,474,628	6,056,755
Ector	53,519,252	49,278,191	44,535,639	42,498,386	39,366,512	49,608,403
Gaines	29,929,921	32,344,913	34,167,432	35,433,826	36,250,108	59,182,225
Glasscock	24,198,980	16,075,282	25,507,565	12,804,142	13,117,309	15,672,416
Howard	11,786,004	8,222,480	6,568,891	6,752,526	6,625,586	9,293,557
Loving	59,312,022	81,125,419	13,575,106	13,729,933	15,140,200	26,385,291
Martin	28,748,167	22,067,666	18,322,426	13,641,935	11,175,331	8,379,862
Midland	55,362,387	47,808,967	47,818,615	46,735,544	50,886,164	60,172,069
Pecos	273,336,274	317,251,706	325,034,020	295,577,305	226,587,139	199,248,050
Reeves	28,612,186	30,454,247	31,530,694	30,333,137	27,138,029	33,968,860
Terrell	41,772,525	49,602,595	57,494,271	65,305,243	74,388,908	69,047,430
Upton	85,026,068	84,038,307	82,644,857	76,628,331	72,909,329	70,916,359
Ward	47,430,296	47,423,010	46,996,631	48,709,648	47,034,428	65,730,856
Winkler	28,248,254	31,945,187	34,312,566	38,964,124	39,854,488	46,432,705

## OIL PRODUCTION (BBL)

	2011	2010	2009	2008	2007	2003
Andrews	28,110,461	25,548,644	23,613,175	24,369,923	24,178,822	24,275,461
Borden	3,517,155	3,382,810	3,526,950	3,662,527	3,676,903	4,557,779
Crane	8,805,244	8,899,979	9,425,930	9,574,261	9,446,496	10,055,276
Dawson	3,681,250	3,750,581	3,924,038	4,218,354	4,439,442	5,262,442
Ector	23,522,928	22,147,145	20,292,107	19,926,427	17,905,766	20,412,877
Gaines	24,665,984	24,619,538	24,639,011	25,503,987	26,924,276	30,482,519
Glasscock	6,945,122	4,779,871	3,956,867	3,677,479	3,771,143	4,343,098
Howard	7,338,923	6,089,670	5,490,379	5,490,289	5,507,884	7,097,081
Loving	2,305,939	1,634,800	1,593,395	1,614,391	1,392,887	1,080,529
Martin	16,624,803	12,448,122	10,525,792	9,199,450	6,437,824	4,658,322
Midland	18,261,622	14,731,125	13,128,775	11,426,509	11,113,341	11,109,569
Pecos	9,978,251	10,988,807	11,776,072	12,484,681	12,127,535	9,549,437
Reeves	3,295,713	1,620,803	1,142,821	1,019,042	897,689	794,800
Terrell	86,364	118,575	151,992	191,054	218,403	298,168
Upton	19,113,352	16,917,140	15,833,728	15,112,008	12,662,964	8,757,400
Ward	12,267,713	10,420,641	8,831,671	7,685,204	7,685,204	4,812,795
Winkler	3,213,647	3,297,318	3,603,116	3,757,302	3,967,219	4,381,973