

THE UNITED STATES CONFERENCE OF MAYORS
80TH ANNUAL MEETING

June 13-16, 2012 in Orlando, FL



Laredo's Response to Eagle Ford Shale and other Opportunities: Training our People to Compete

Hon. Raul G Salinas

Mayor

Laredo, Texas



LAREDO – SEEKING TO STAY IN THE CENTER OF THE ACTION



EAGLE FORD

- May be the largest oil and natural gas formations outside of Alaska in U.S. history.
- The first well drilled in 2008, and over the next four years, production has consistently exceeded year-over-year expectations.
 - From 2010 to 2011, natural gas production more than doubled (272 billion cubic feet), and
 - Oil production increased by more than six times (28 million barrels).
- Such growth translates to significant economic impact to the communities, such as Laredo, directly involved in production, as well as those in surrounding counties.



UNEMPLOYMENT STATISTICS

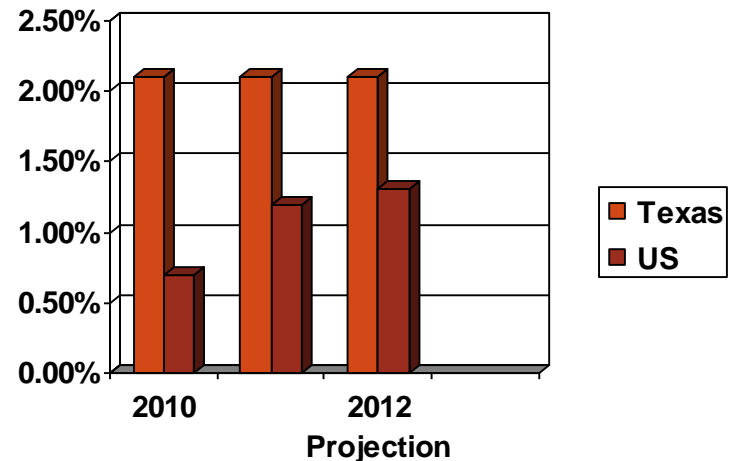
Unemployment Rate			
Date	Laredo	Texas	U.S
Dec. 2011	6.9%	7.2%	8.3%
Dec. 2010	8.1%	8.0%	9.1%
Dec. 2009	8.6%	8.0%	9.7%
Dec. 2008	6.0%	5.7%	7.1%

Source: Texas Workforce Commission, TLMR January 2012



JOB GROWTH

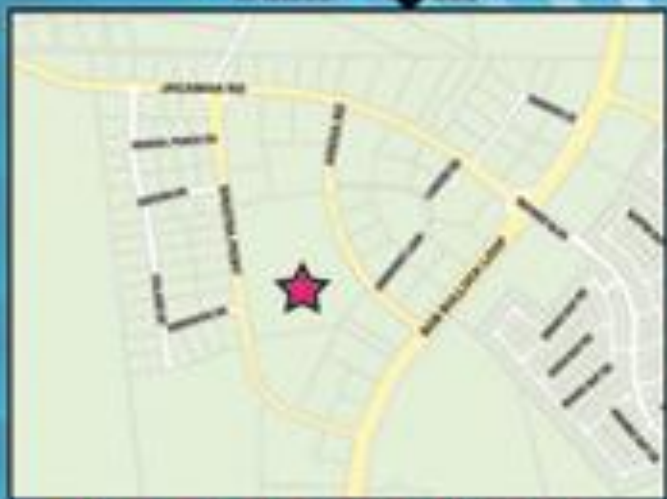
- Texas job growth is expected to continue outpacing the national rate.
- The U.S. rate was 0.7 percent in 2010 and 1.2 percent in 2011, and predicted U.S. job growth will rise slightly to 1.3 percent in 2012.
- The surprise in 2011 was the loss of local and state government jobs
 - Fifteen percent of Texas jobs are tied to local and state governments. Budget cuts last year dropped the number of those jobs by 4.4 percent
 - We hope we have seen a stabilization of those jobs.



EAGLE FORD SHALE JOB & VENDOR FAIR

January 13, 2012

9am - 4pm



**Laredo Energy Arena
6700 Arena Blvd**



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EAGLE FORD JOB & VENDOR FAIR



EAGLE FORD JOB & VENDOR FAIR



OPPORTUNITY/CHALLENGE

- Eagle Ford Shale represents thousands of good jobs
- How do we ensure our community captures these new jobs?



LAREDO COMMUNITY COLLEGE



Laredo Community College – Oil and Gas Specialization

- **Objective:** Prepare students for entry level positions as operators, roustabouts and other production related positions.
- **Current courses:** Oil and Gas Processing, Oil and Gas Production, Petroleum Computer Applications, Intro to the Petroleum Industry, Industrial Safety, Petroleum Instrumentation, and a Co-Op Petroleum class with students spending 140 hours OJT training at worksites
- **Offering 2 certifications**

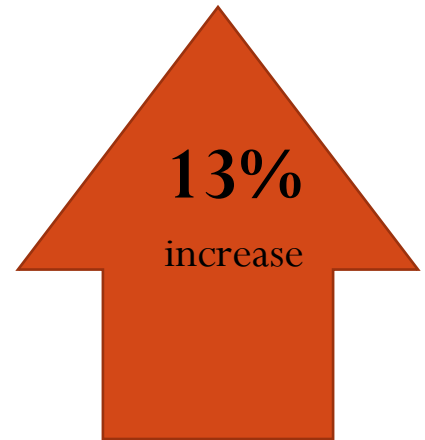


REVENUE TRENDS

➤ Strong gains in Sales Tax Revenue

FY 2010- \$23,471,293 vs.

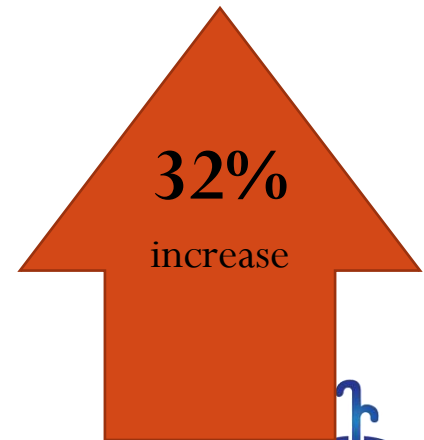
FY 2011- \$26,935,220



➤ More Hotel Occupancy Tax Revenue

FY 2010- \$3,057,180 vs.

FY 2011- \$4,027,300



Source: City of Laredo Finance Dept.



There Are Challenges to Growth

Real Estate:

- 96.2% apartment occupancy rate in 2010 while great, results in higher rental rates.

Municipal Services:

- Increased growth results in increased demands on municipal services
 - 623 new water utilities accounts growth 2010 vs. 2011
- We are now selling “brown water” to be used in the FRAC practice – we are seeing funds and have reduced need for new treatment plant.

Competition for Employees

- Loss of employees to private sector



Looking Forward 10-Year Forecast

- Laredo is projected to be #1 in the nation in percentage of job gains over the next 10 years
- Workforce is projected to swell to 145,860 total by 2022.
- 2.51% annual gain

- *Source: Woods & Poole Economics, Inc./SA Express News Jan. 11, 2012*



QUESTIONS



THANK YOU

(956) 791-7389

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