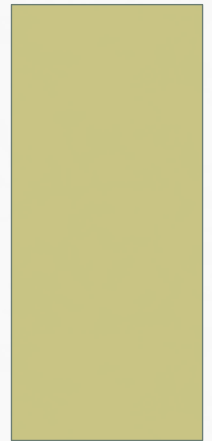


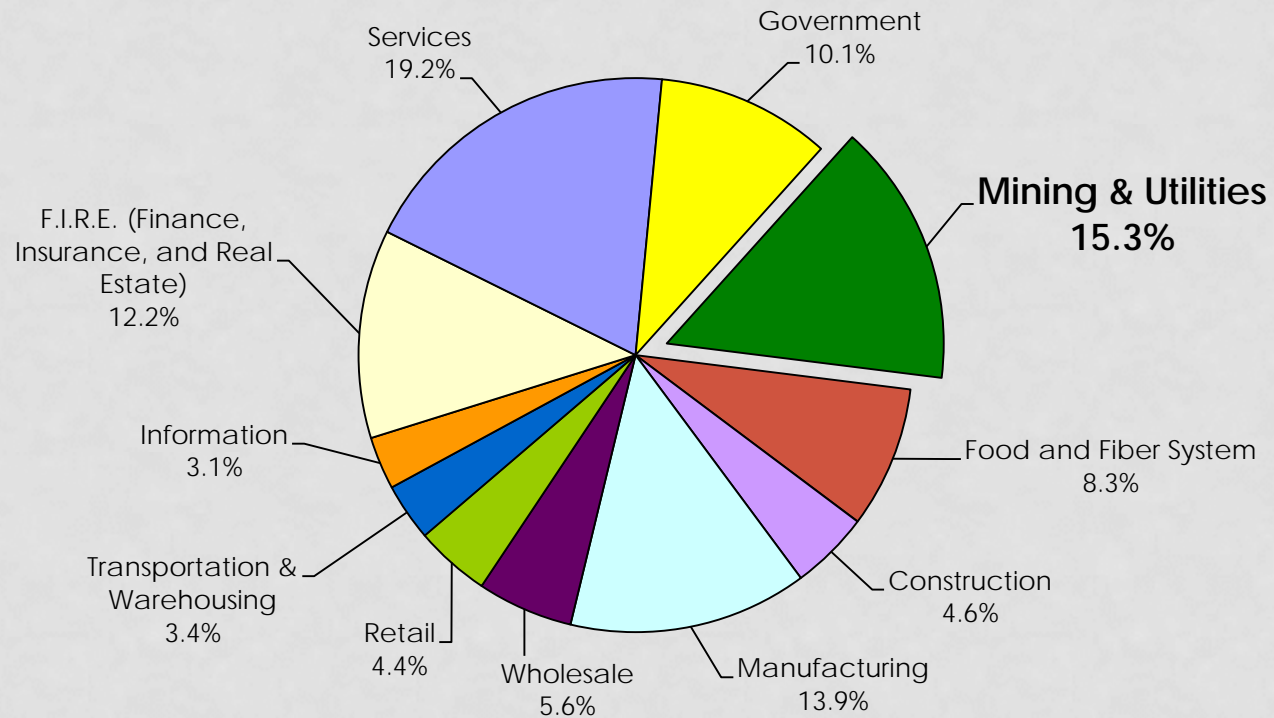
ENERGY BOOM: THE BURDEN OF RICHES

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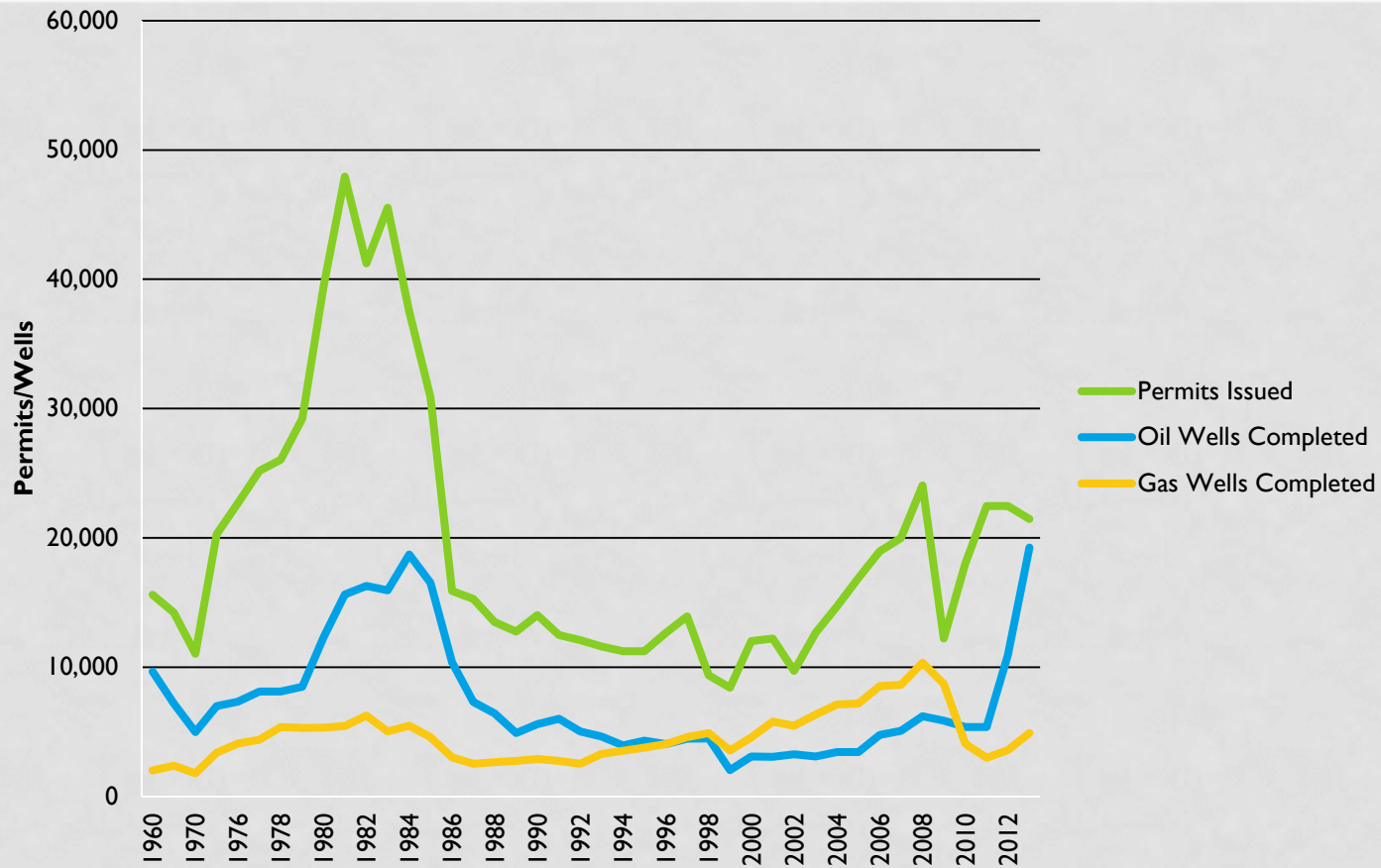


ENERGY - A TEXAS INDUSTRY

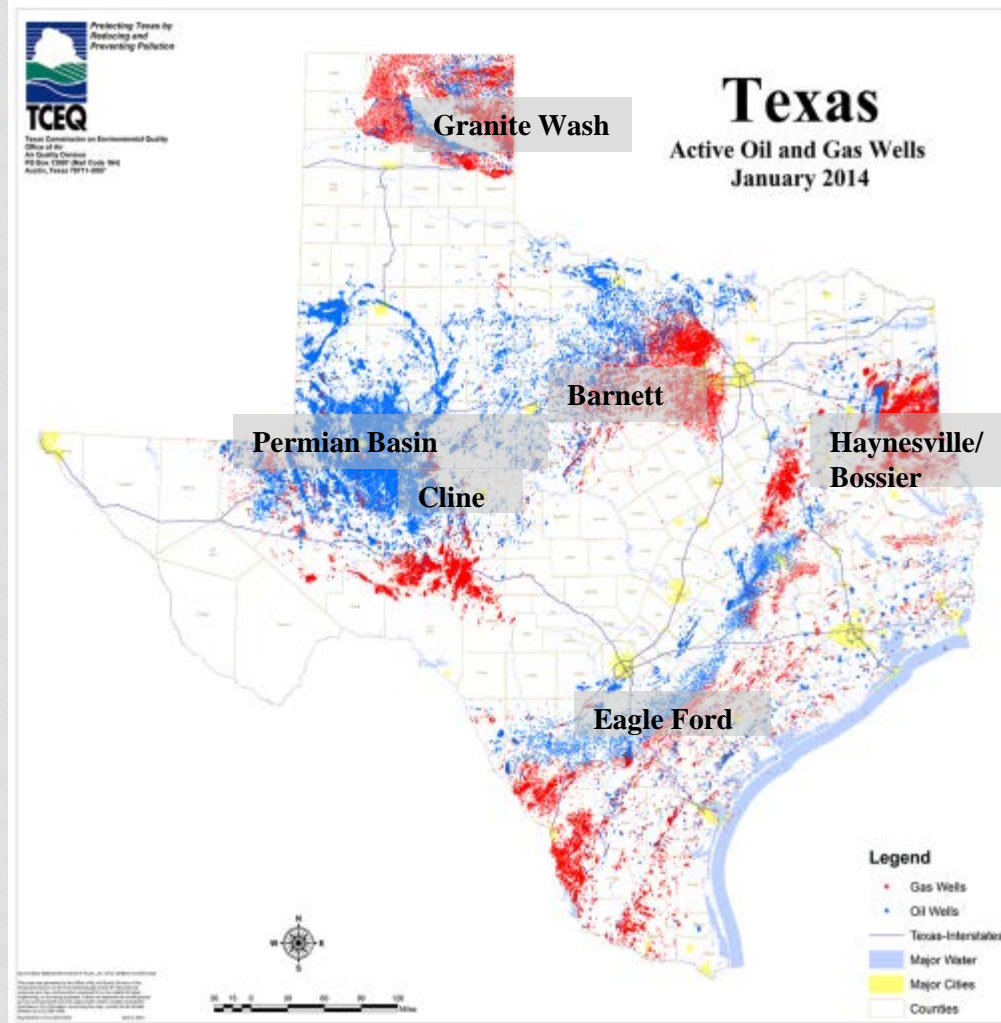
Texas' Gross Domestic Product (2012)



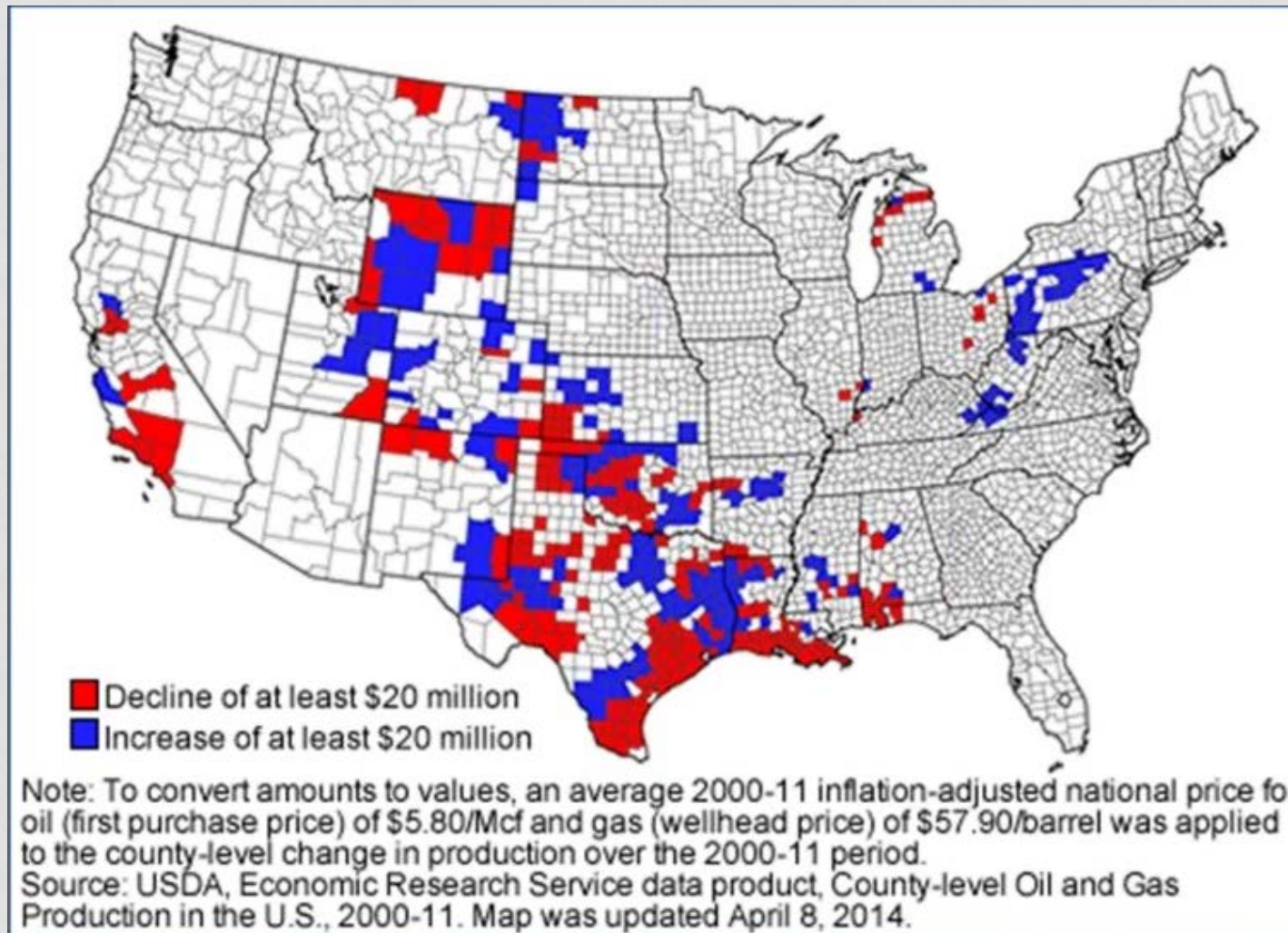
TEXAS DRILLING ACTIVITY, 1960 - 2013



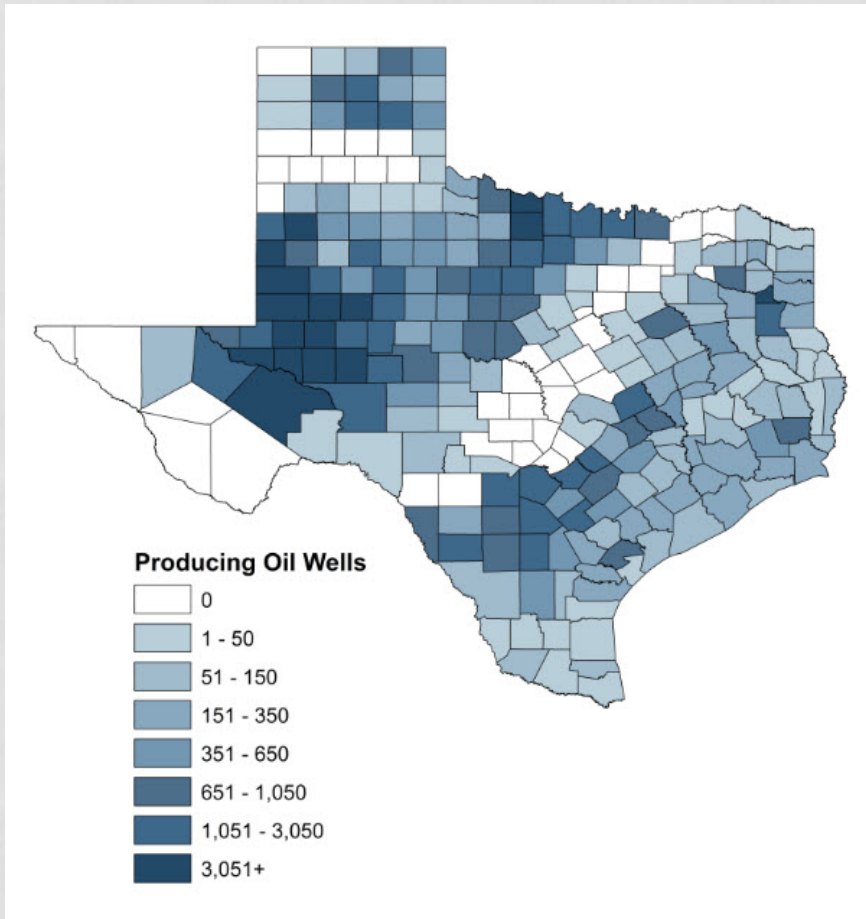
ENERGY – A TEXAS INDUSTRY



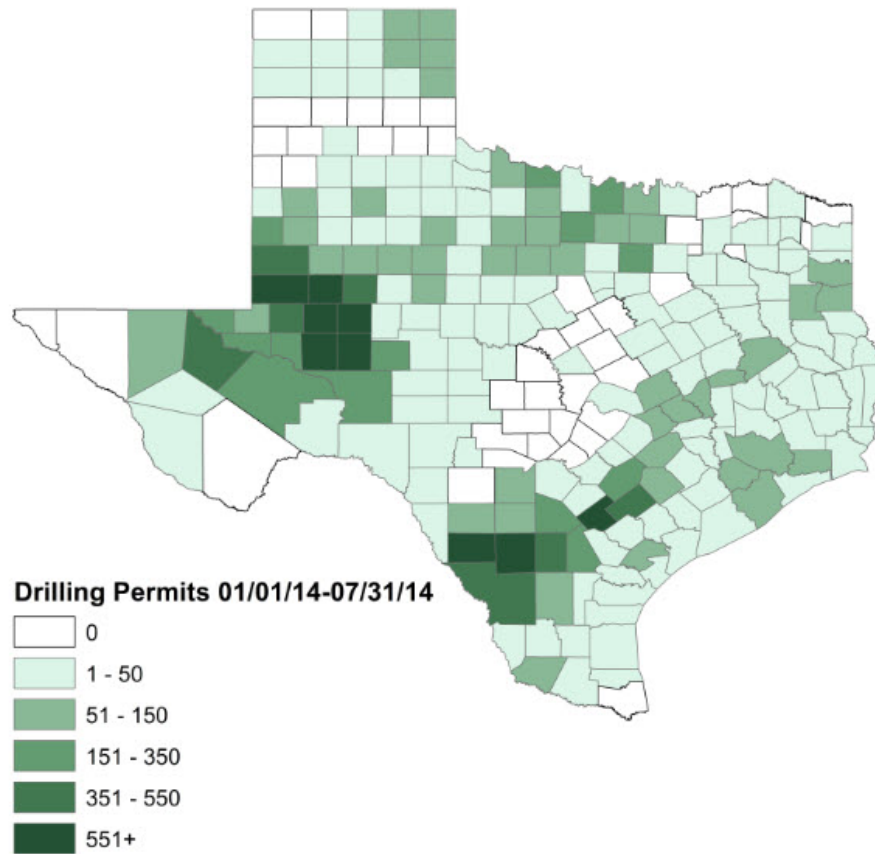
CHANGE IN THE VALUE OF ONSHORE OIL AND GAS PRODUCTION, 2000-2011



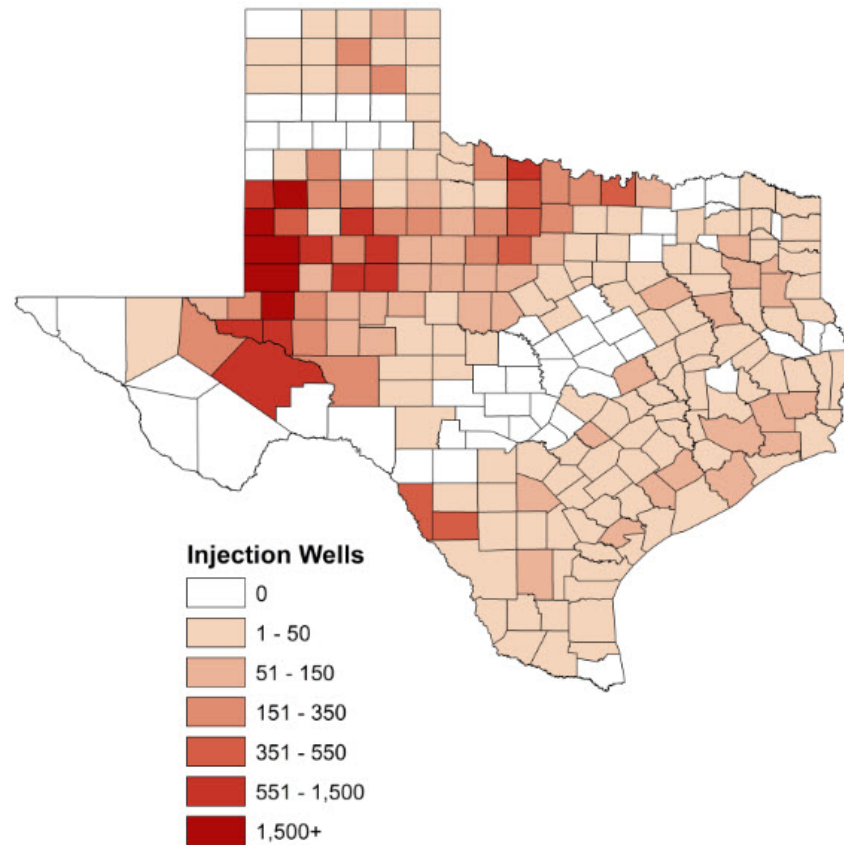
PRODUCING OIL WELLS



DRILLING PERMITS



INJECTION WELLS



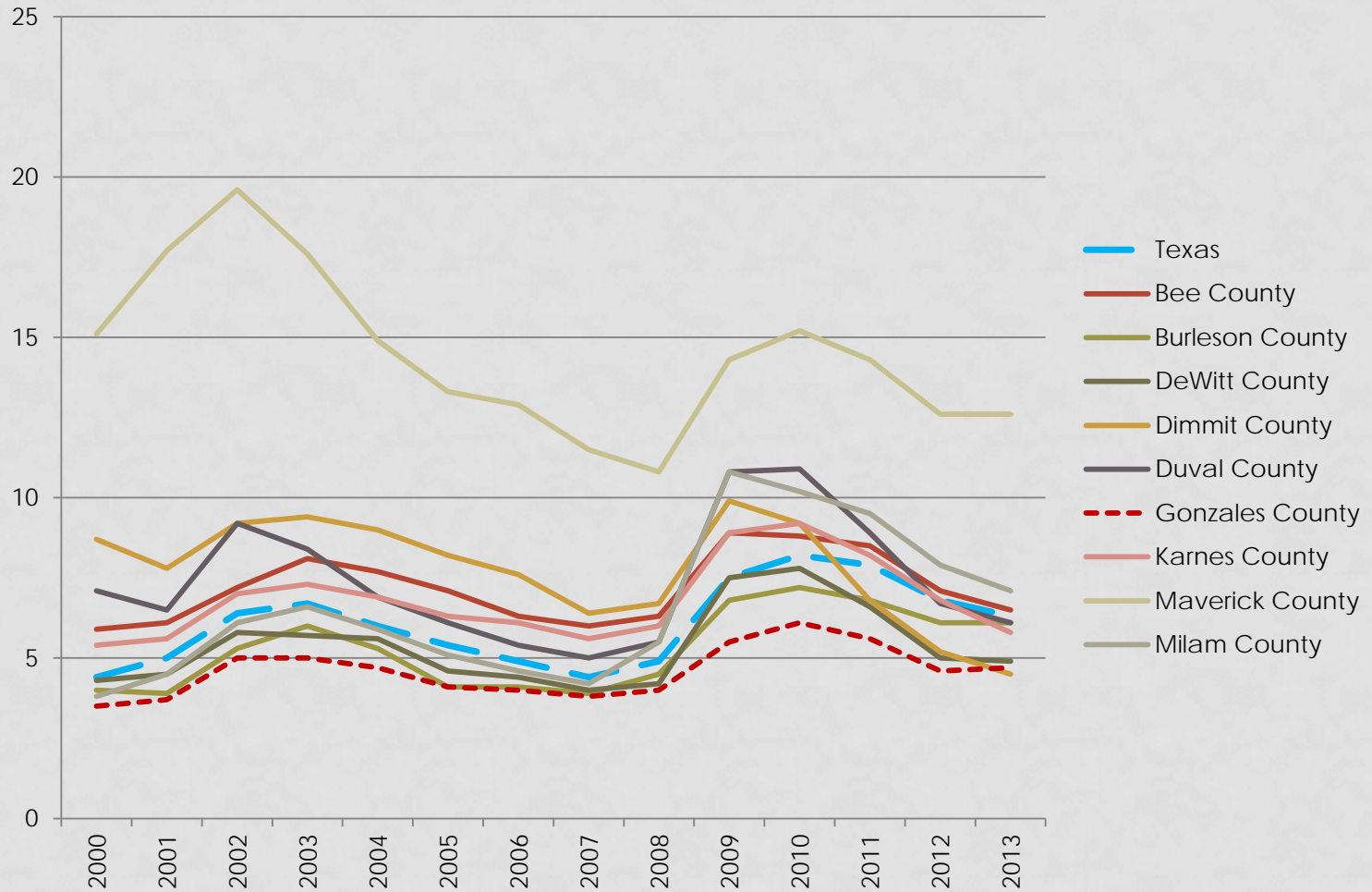
COMMUNITIES WISH THEY'D KNOWN

- Magnitude and characteristics of the population influx
- Need for hotels and housing
- Traffic congestion and safety and road wear
- Higher wages and higher prices
- Industry-switching (employees to oil industry)
- Water quality
- Law enforcement needs
- Loss of rural lifestyle and community pride

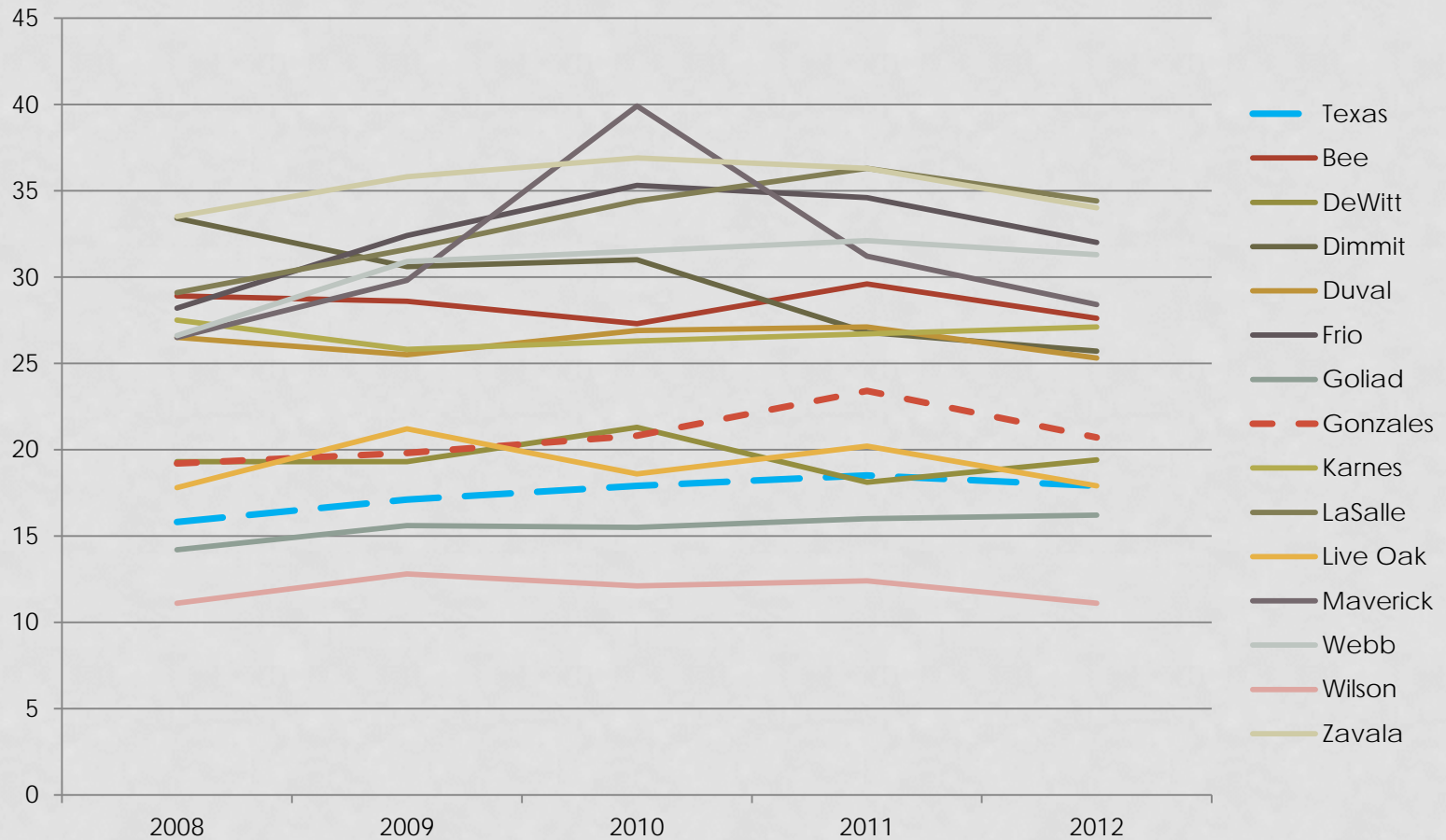
AGENTS WISH THEY'D KNOWN

- Oil & gas leases
- Easement and right-of-way laws and issues
- Groundwater concerns
- Socio-economic impacts across economy
 - Estimating rangeland damages
 - Fewer hunting leases
 - What the energy sectors bring to the economy
- Needs of families
 - Wealth management
 - Insecurity of poor families
- All the resources that are available

UNEMPLOYMENT RATES



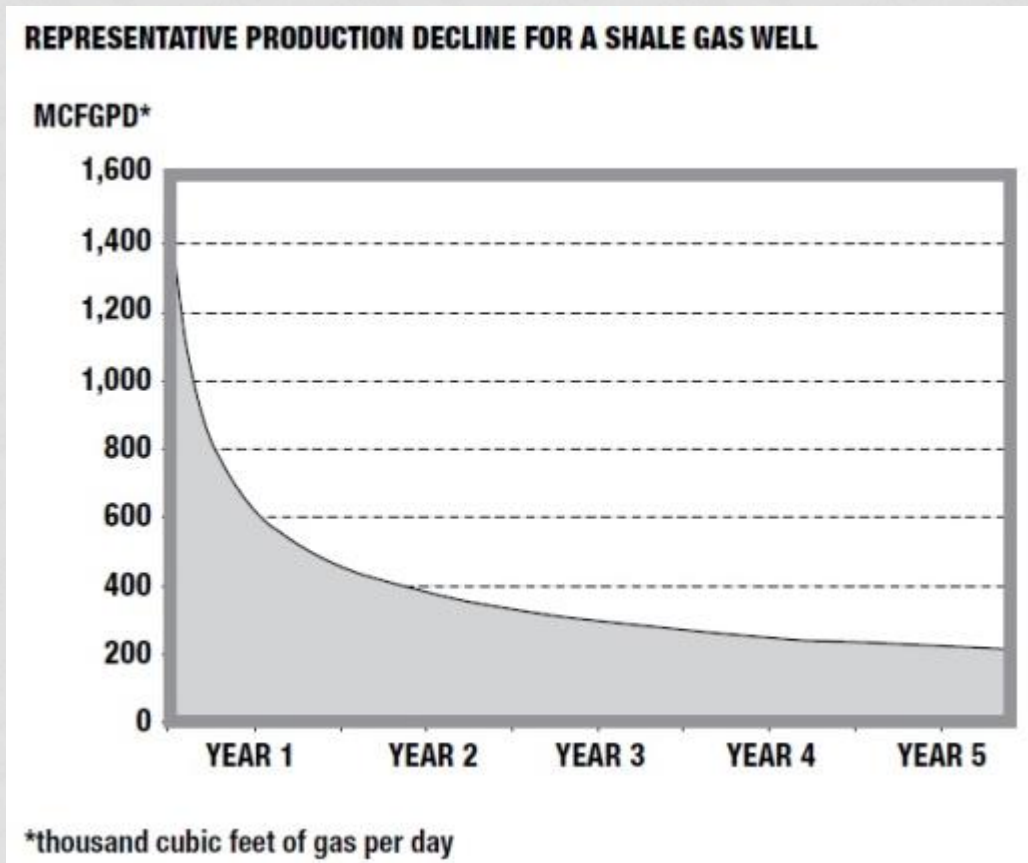
POVERTY RATE - ALL AGES



POVERTY IN THE PRESENCE OF WEALTH

- Poverty rates have not dropped substantially
- Median incomes have increased
- Rents and other prices have increased
- Thus, the poor may be at a greater disadvantage, compounded by
 - Disability
 - Age (elderly and youth)
 - Skill deficiencies
 - Drug use
 - Criminal records

WEALTH PLANNING

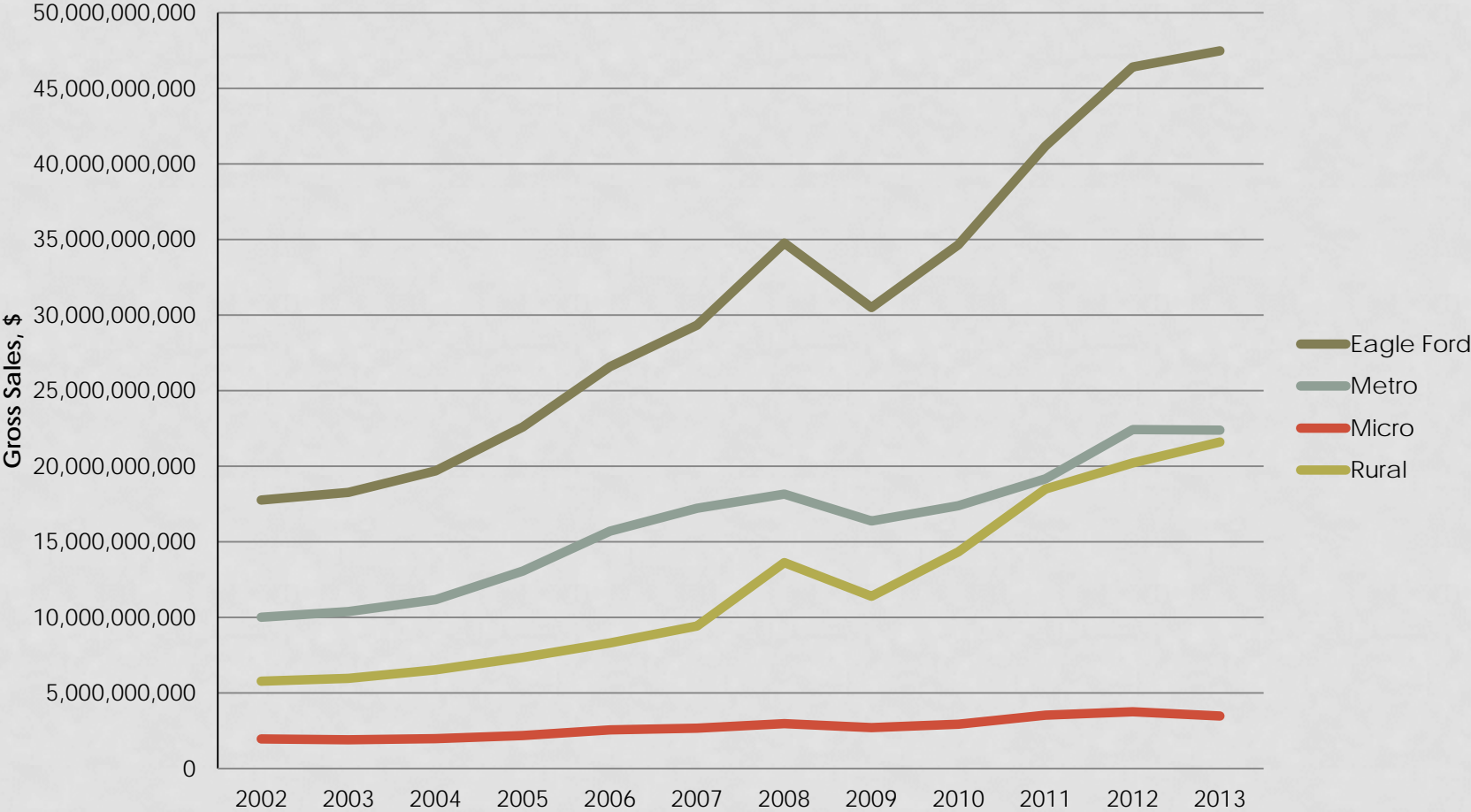


Source: Natural Gas Exploration: A Landowners Guide to Financial Management. Penn State.

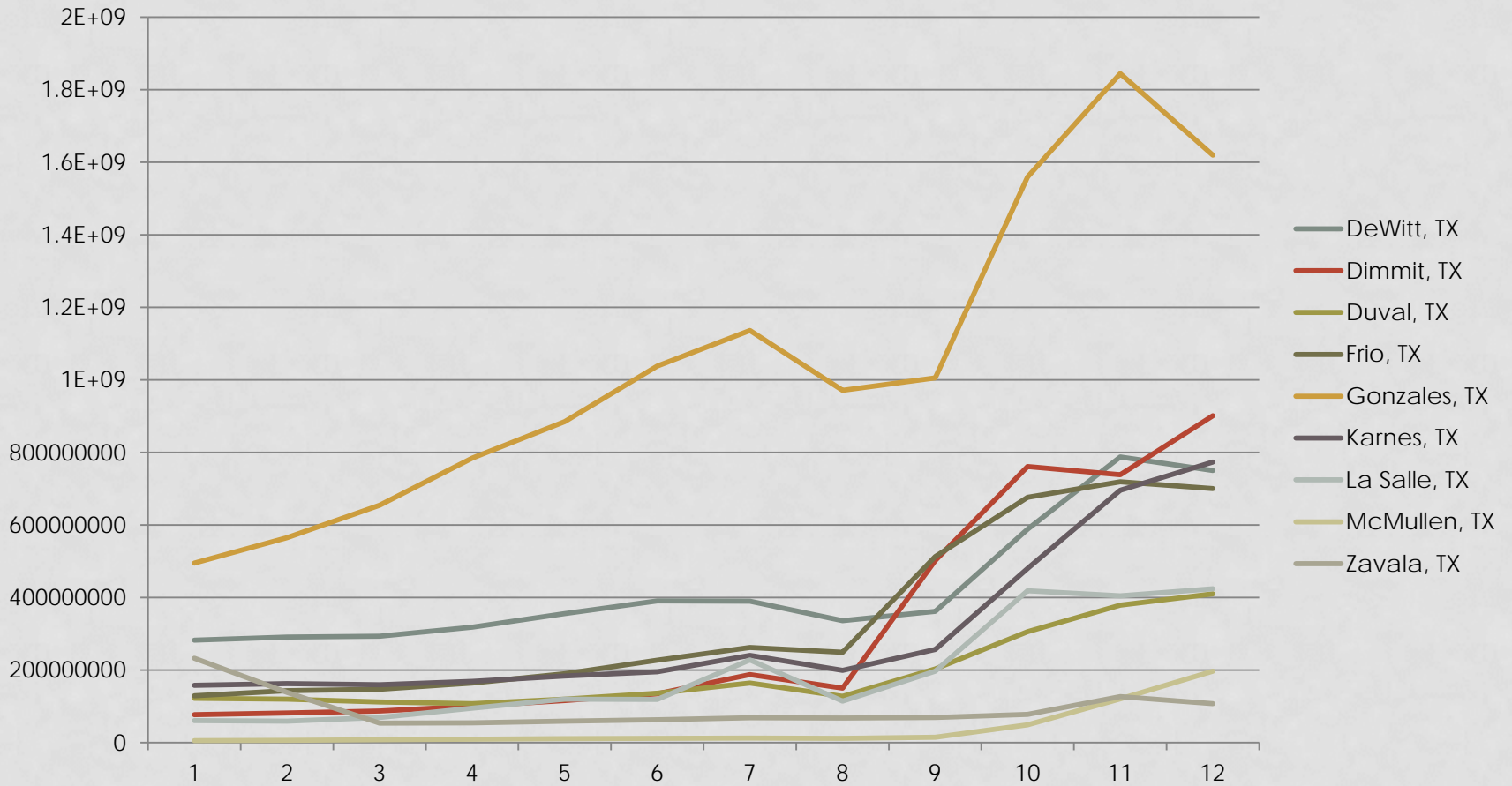
HOW DRILLING AFFECTS TX INDUSTRIES

- Drilling oil and gas wells
- Food services and drinking places
- Architectural, engineering, and related services
- Wholesale trade businesses
- Securities, commodity contracts, investments, and related activities
- Real estate establishments
- Legal services
- Transport by truck
- Employment services
- Offices of physicians, dentists, and other health practitioners

SALES GROWTH A RURAL WIN

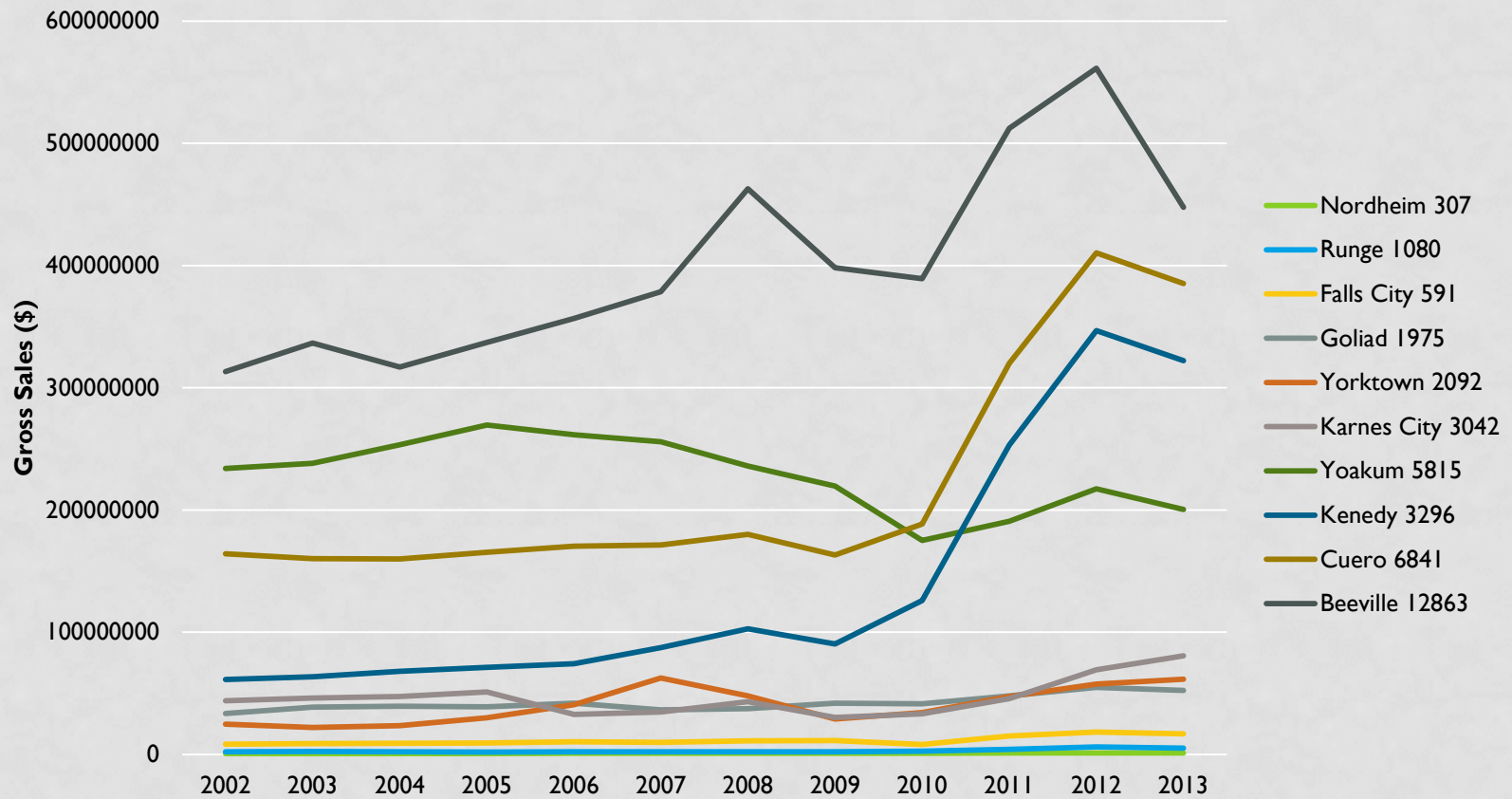


VARIABILITY IN SALES GROWTH



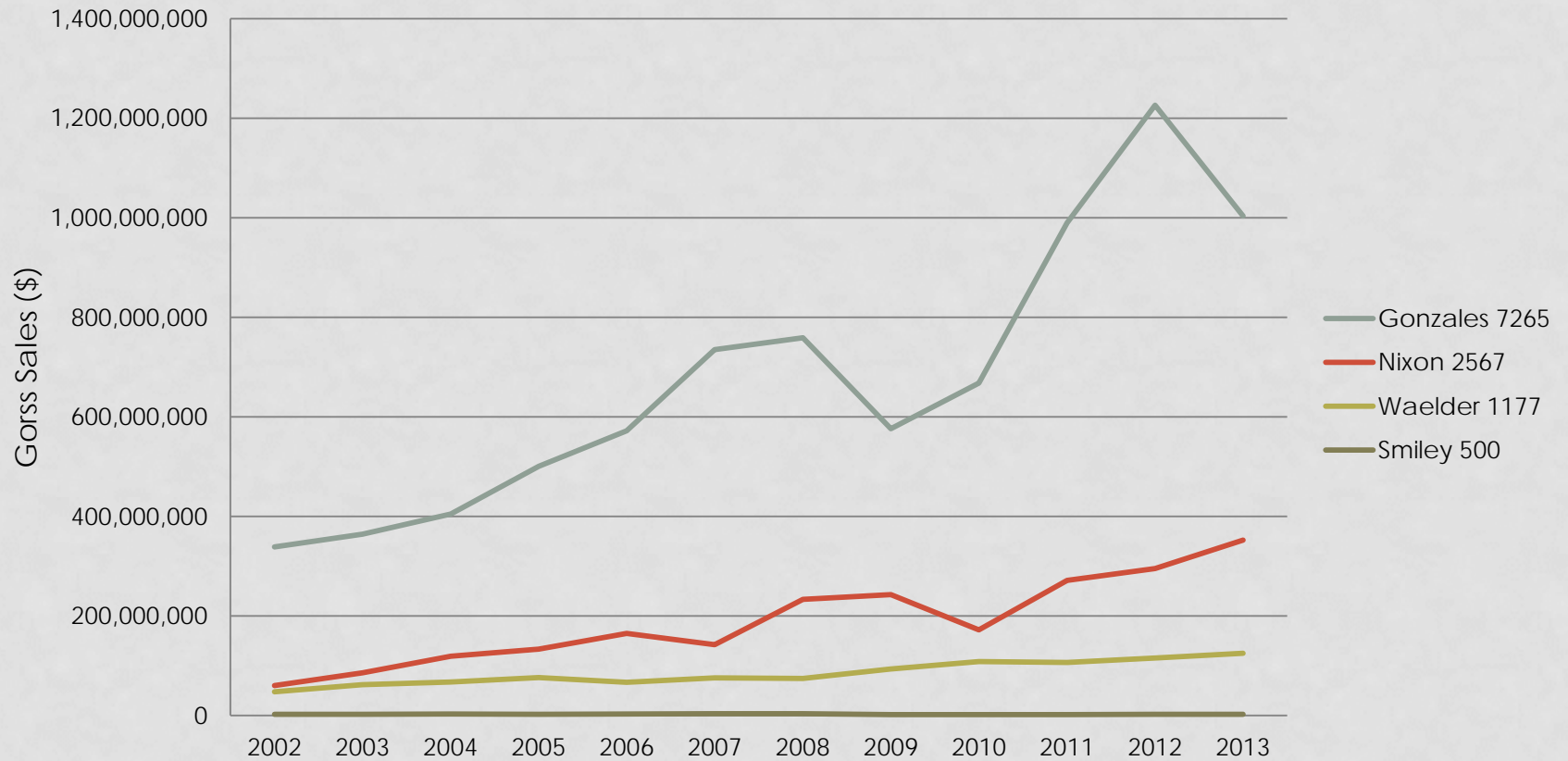
VARIABILITY IN SALES GROWTH

Gross Sales by City in Four Eagle Ford Counties



VARIABILITY IN SALES GROWTH

Gross Sales by City in Gonzales County



LOCAL TAXES AND EXPENDITURES

- Sales taxes change according to taxable sales levels
- Property taxes
 - Property values increase
 - Addition of mineral property *in production* to tax roles
 - Tax rates have generally declined
 - Total levies across the districts have generally increased
- Local expenditures have also increased
 - Roadways - \$426,052.54 to mill and resurface a two-lane rural road with 5' paved shoulders (Florida DOT)
 - Other infrastructure needs – water, sewer, etc.
 - Law enforcement
 - Wage pressure from higher energy wages

TIPS FOR LOCAL GOVERNMENT

- ▶ Know the industry and the pitfalls and best practices from other regions.
- ▶ Identify stakeholders, including potential winners and losers.
 - ▶ industry, environmental, emergency management and other governmental contacts
 - ▶ Landowners and mineral owners
 - ▶ Schools and educational and workforce agencies
 - ▶ Chambers, EDCs, businesses
 - ▶ Citizens with limited potential benefits
- ▶ Evaluate your ability to assess and act on local conditions.
 - ▶ Road posting and bonding
 - ▶ Land use
 - ▶ Workforce training and business development
 - ▶ Immediate and long-range projections
- ▶ Establish open communication and transparent systems to prioritize and monitor issues.

WHAT AGENTS ARE DOING

- Leasing and easement seminars
- Water screening programs
- Financial/estate planning for instant wealth
 - Lessors
 - Oilfield employees
- Site reseeding programs
- Programs on the facts of fracking and disposal
- Community beautification and pride programs
- Recruited 4-Hers
- Got the oil companies to sponsor county programs
- Alliances with Chambers and Main Street programs

RESOURCES

- Community and Economic Development
<http://communities.tamu.edu/>
- Texas Rural Leadership Program
<http://trlp.tamu.edu/>
- FCS Money Management
<http://fcs.tamu.edu/money/index.php>



THANK YOU

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