

Economic Development Consulting Services

Contract Report 2019 & 2020



CITY OF
FAYETTEVILLE
ARKANSAS

In partnership with

CHAMBER
FAYETTEVILLE

Economic Development Consulting Services

Table of Contents

Opening Statement	Page 3
Metrics	Page 4
Business Retention & Growth	Page 8
Targeted Industry Growth and Needs	Page 10
Support City's Retail Initiative	Page 14
Workforce Development	Page 15
Support Fayetteville's Quality of Life	Page 18
COVID-19 Pandemic Response	Page 21
Non-Contract Related Support Activity	Page 22
Closing Statement	Page 23

Continued Commitment and Service

Opening Statement

- Current contract deliverables remain unchanged and remain a priority
 - Business Retention and Growth
 - Targeted Industry Growth and Needs
 - Support City's Retail Initiative
 - Workforce Development
 - Support Fayetteville's Quality of Life
 - Collaborative Communication
 - Report Outcomes
- The City is our customer
 - Customer satisfaction is priority one
 - A contract can **NOT** be successful unless the customer **BELIEVES** it is successful
 - Collaborate on reporting metrics, following the City's lead
 - Instituted weekly meetings
 - Proactively Involve City on growth plans and responses

Economic Development Consulting Services

Metrics and Activities

	Target 2019	Year End 2019	% of Goal
New Business Licenses Issued	N/A	N/A	N/A
* Net New Businesses Opened with Target Sectors	160	341	213%
Number of Net New Jobs Created in Target Sectors	650	1,404	216%
New Retail and Restaurant Establishments Opened	125	128	102%
Inquiries from prospective companies received	100	120	120%
BRE Surveys Conducted	100	100	100%
Number of Businesses License for the year	3,850	3,918	102%

* 285 Jobs have been deducted given the Superior Industries Announcement

- Targeted job growth notable wins
 - Our Pharma – only manufacturer of its type in Arkansas
 - Affirma – moved from Seattle
 - Technology Service Company, name withheld due to NDA and pending announcement
- 2019 delivered many new restaurants, an underserved business
- Transition of Economic Development Officer contract support role
 - Communication and planning ensured a smooth transition from Chung Tan to City Staff
 - Aggressive work collaboration ensured a smooth transition for Zane Chenault to the Chamber

Economic Development Consulting Services

Metrics and Activities

	Target 2020	YTD Total As of June 2020	% of Goal
New Business Licenses Issued	N/A	N/A	N/A
* Net New Businesses Opened with Target Sectors	160	267	167%
** Number of Net New Jobs Created in Target Sectors	500	585	117%
New Retail and Restaurant Establishments Opened	125	88	70%
Inquiries from prospective companies received	100	54	54%
BRE Surveys Conducted	100	55	55%
Number of Businesses License for the year	3,900	3,921	101%

*** Known Jobs Lost

504

* Net will be calculated after the business license renewal period, which ends on October 31, 2020

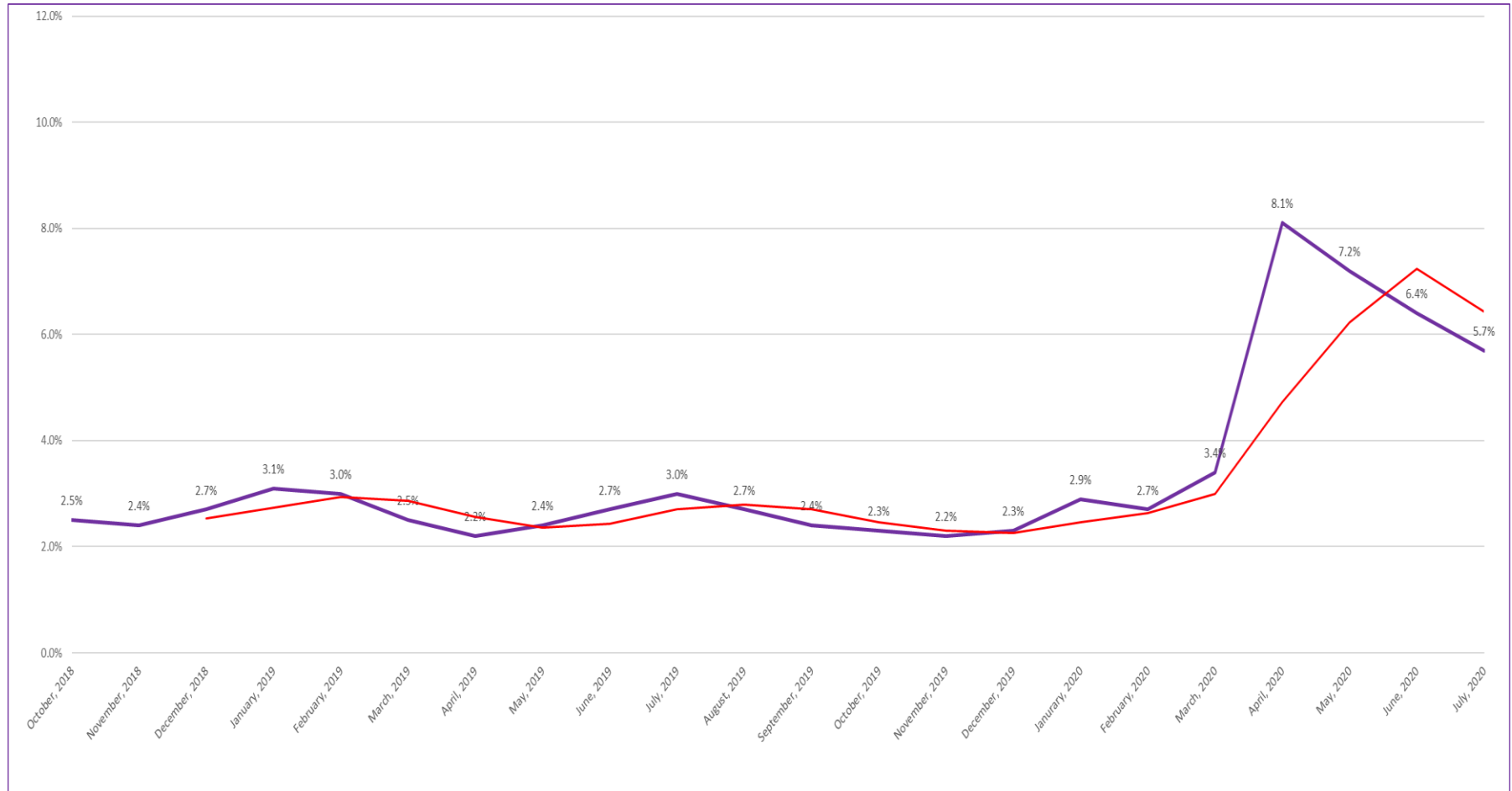
** Net new jobs will be recalculated after the business license renewal period, which ends on October 31, 2020

*** This number represents a loss of 400 jobs from Tyson on MLK, and 12 known closed restraunts

- Targeted job growth notable wins
 - Duke Technologies
 - Namida Lab, Inc.
 - Several prospect placed on hold in FEB/MAR due to COVID-19 Pandemic
- 2020 focus on Manufacturing and Technology Services growth
 - Immediate focus on Information Technology services pursuit netting large new expansion
 - Client name withheld due to NDA and pending announcement
 - Continued focus on medical manufacturing
 - Namida Labs, Inc.

Economic Development Consulting Services

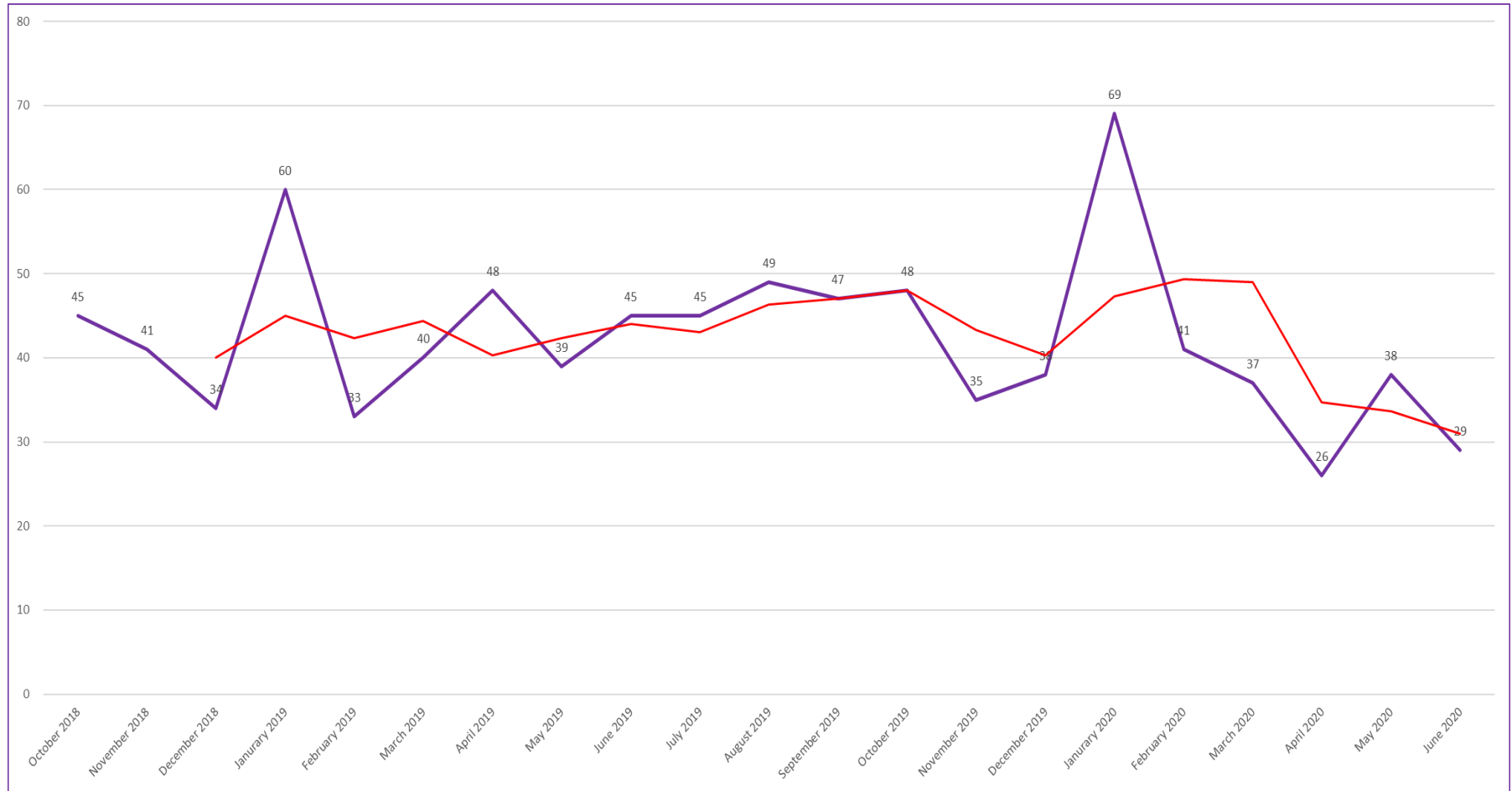
Unemployment



- COVID-19 Pandemic clearly impacted unemployment
 - Red Line: Rolling three-month average unemployment
 - Three-month Q4'18 was 2.8%, Average three-month unemployment Q4 '20 was 2.3%
 - Q1 and Q2 '20 saw a significant increase in unemployment due to the Pandemic

Economic Development Consulting Services

Business License by Open Date



- COVID-19 Pandemic clearly delayed businesses opening
 - Red Line: Rolling three-month average unemployment
 - The trend prior to the COVID-19 Pandemic was steady to slightly up
 - Expect the downward trend to level off in July/August, but remains a risk due to spikes in cases
 - Once the Pandemic is over, recovery should be steady at first then increase rapidly

Business Retention & Growth

Contract Section One

- Thirteen Business Expansion projects in progress
 - Nine Manufacturing, four Services
 - One on indefinite hold and two on long term hold due to COVID-19 Pandemic
 - Two completed despite COVID-19 Pandemic
 - Namida Lab, Inc. & *Pending Announcement* (under NDA)
 - Estimated 73 net new jobs averaging \$30.85 per hour for a total of \$4.7M in net new payroll
 - One in early stages of discovery
 - Estimated net new HC: 259, Average wages: \$27.00+/-, net new payroll: \$14.5M
- Business Statistics *(January through June 2020)*
 - New businesses in targeted sectors: 267 (Net will be calculated after the business license renewal period, which ends on October 31, 2020)
 - New jobs in targeted sectors: 585 (Net new jobs will be recalculated after the business license renewal period, which ends on October 31, 2020)
 - New retail and restaurant: 88
 - Number of active business licenses: 3,921 (Note: Base will be calculated after renewal period)
- July Unemployment rate 5.7%*
 - Down for 4TH consecutive month, but still significantly above 2019 average of 2.5%
 - Continued risk of fluctuation due to COVID-19 Pandemic

Business Retention & Growth

Contract Section One

- Expansion projects completed or near completion
 - Affirma Consulting – Completed
 - Affirma – Completed
 - Assisted Northwest Health with their new freestanding emergency center located on MLK/I49
 - Facilitating the sale of privately-owned land in the Commerce Park to a local employer
 - First National Bank of NWA broke ground on their uptown facility on September 12th
 - Duke energy – Work progressing
 - Namida Lab, Inc. – Completed
 - Rockhill Studio's and NYLA Media Group film "American Cherry" for Netflix in Fayetteville
- Request For Information (Site Selection projects covered under NDA)
 - Project Atlantic
 - Project HMS
 - Project Topaz
 - Project Venti
 - Project AE19

Targeted Industry Growth and Needs

Contract Section Two

Business Start-up, Relocation, and Expansion Projects						
	HC	Avg Hourly	vg Annual Salary	Tot Annual Payroll	Status	
Project 1	50 - 100	\$31.25	\$65,000.00	\$4,000,000 +	Completed	
Project 2	1 - 25	\$26.11	\$54,302.86	\$750,000 +	Working timeline TBD	
Project 3	1 - 25	\$21.63	\$45,000.00	\$450,000 +	Working timeline TBD	
Project 4	26 - 50	\$23.82	\$49,544.64	\$2,000,000 +	Indefinite Hold: COVID-19	
Project 5	1 - 25	\$15.00	\$31,200.00	\$450,000 +	Hold: COVID-19	
Project 6	1 - 25	\$12.50	\$26,000.00	\$400,000 +	Hold: COVID-19	
Project 7	1 - 25	\$15.00	\$31,200.00	\$75,000 +	Long-term project 12+ months	
Project 8	1 - 25	\$45.00	\$93,600.00	\$1,500,000 +	Long-term project 12+ months	
Project 9	1 - 25	\$28.00	\$58,240.00	\$500,000 +	Completed	
Project 10	26 - 50	\$32.00	\$66,560.00	\$2,000,000	Working timeline TBD	
Project 11	1 - 25	\$15.00	\$31,200.00	\$150,000 +	Working timeline TBD	
Project 12	1 - 25	\$25.00	\$52,000.00	\$500,000 +	Working timeline TBD	
Project 13	1 - 25	\$22.00	\$45,760.00	\$750,000 +	Working timeline TBD	
		250+	\$26.96	\$56,066.92	\$14,000,000 +	

*Five of the thirteen listed are competitive with other cities and/or states
Two of the five are highly competitive, with risk of losing current business*

Primary focus is service and manufacturing; these businesses do not contract as much as retail and pay well above local living wage

Targeted Industry Growth and Needs

Contract Section Two

- Collaborate with Economic Development Organizations (EDO) for the City
 - Northwest Arkansas Economic Development District
 - Arkansas Economic Development Commission
 - Northwest Arkansas Council
 - State Chamber of Commerce
 - U. S. Chamber of Commerce
 - Small Business Administration
 - Center for Business and Economic Research, University of Arkansas
 - Private foundations
 - Private Site Selector companies
- Attend regular monthly, quarterly, and annual meetings
 - Chamber communication and informational meetings are open to the public
- Assess individual businesses to determine what incentives are available
- Assist local businesses with Federal and State incentive programs

Note: A business does not have to be a Chamber Member to receive assistance

Targeted Industry Growth and Needs

Contract Section Two

WORKFORCE	
City Population	86,751
Population within a 30 mile drive radius	524,996
Local Unemployment Rate	3%
% of Workforce Engaged in Manufacturing	6%
% of Workforce Unionized	0%
% of the Population that is Bi-Lingual	9%
Median Wages by Job(\$)	
All Manufacturing (Production)	\$ 32,460.00
Industrial Machinery Mechanics (SOC 49-9041)	\$ 45,370.00
Maintenance Workers, Machines (49-9043)	\$ 36,500.00
Industrial Machinery Mechanics (SOC 49-9041)	\$ 45,370.00
Front Line Supervisor of Production Workers (SOC 51-1011)	\$ 53,600.00
QUALITY OF LIFE	
Average wage of the City (Private Sector)	\$ 41,158.00
Average wage of the State (Private Sector)	\$ 41,540.00
Cost of Living Index (Average US = 100)	94.00
Number of days in 2018 that schools were closed due to weather or natural disaster	1
Number of days in 2018 that airports were closed to traffic due to weather	-
Number of vocational/technical schools within a 15 minute drive	1
Average temperature in January	37 F
Average temperature in July	78 F
Average per-capita income	\$ 27,826.00
Average household income	\$ 41,890.00
ACCESSIBILITY	
Average Commute Time to Work (minutes)	19.50
Distance to the closest port facility (miles)	46.80
Closest Intermodal Rail Facility (miles)	5.00
Nearest commercial airport (Northwest Arkansas National - XNA)	27.40
Distance from the above commercial airport to the City Center (miles)	22.90
Number of Destinations Served by the Airport	18.00
Number of Direct Flights Daily	40.00
Number of Independent Airline Carriers Servicing the Airport	5.00

Targeted Industry Growth and Needs

Contract Section Three

- On-going – Federal funding for road extension in Commerce District
 - Coordinated with NWA Economic Development District to apply for the EDA grant
 - Obtained a preliminary award for the largest EDA grant in NW Arkansas worth \$2.1M
 - This represents a 300% return on the City's first use of Q6 Bond Funds
- Summits Attended
 - AEDCE 2019 and 2020 Annual Conference
 - 2019 ICSC ReCon, 2020 ICSC ReCon cancelled due to COVID-19 Pandemic
 - BetterVet Summit
 - UA Spring Internship program – completed
 - Early Childcare Summit
 - 2019 Chicago Site Selectors Summit, one on one meetings with 18 Site Selectors
 - 2020 Atlanta Site Selectors summit, one on one meetings with 19 Site Selectors
 - 2019 Walmart Manufacturers Summit
- Shift focus to higher paying technology, medical, and manufacturing
 - Increase disposable income, these jobs pay an average of \$25 per hour
 - Supports increased retail consumption

Supporting City's Retail Initiative

Contract Section Four

- Actively working with local land-owners on promoting Opportunity Zones
- Supported Fayetteville's Outdoor Refreshment Area (ORA)
- Reviewed and support efforts for Steamboat Drive extension
- Support 71B Corridor Plan
 - Public endorsement
 - Member communication
- Works with Center for Regional Economic Competitiveness on COLI
- Coordinates with Office of Economic Development on opportunities
 - All new opportunities are immediately turned over to new Retail Support within the City
 - Coordinate communication and business attraction
- Host meetings for local businesses on retail related news and events
 - I-49 improvements
 - Trails, and public transportation
 - Opportunity Zones
 - Highway funding ½ cent sales tax promotion

Workforce Development

Contract Section Five

- Northwest Arkansas Regional Robotics Training Center
 - Certificates Issued 2019: 78
 - Certificates Issues 2020: 51 (Pandemic forced closure for 4 months, classes at ½ capacity going forward)
- NWA Fab Lab
 - Averages 1,200 working visits a year (*NOTE: Closed since March '20 due to Pandemic*)
 - Averages 96 tours a year (*NOTE: Closed since March '20 due to Pandemic*)
- Distributed 10,000 copies of “A Calling” workforce textbooks
 - All students and parents of Fayetteville Public High School
 - Included regional school districts, Fayetteville leads the County in supporting rural areas
- Works directly with CTE within Fayetteville Public Schools
 - Continued focus on early childhood education, this remains a priority
 - Attend working session
- Hosts annual Career Fair
 - 2019 Completed
 - 2020 Cancelled due to COVID-19 Pandemic

Workforce Development

Contract Section Five

NW Arkansas Regional Robotics Training Center

- Dedicated to developing the next generation of skilled workforce
 - The second most significant milestone in the history of this state
 - The Chamber has invested \$700K in startup and invests \$125K in annual maintenance
- Graduates are getting an intensive and exciting hands-on education
 - Record time - 35 hours, one week - and for the lowest tuition you'll find anywhere
 - The program is open to anyone who is ready to step up, work hard
 - Graduates aren't just prepared for the future they help build the future
- Course Objectives: Successful completion includes the ability to:
 - Power up and jog the robot
 - Teach Frames
 - Recover from common program and robot faults
 - Execute production operations
 - Create, modify and execute a material handling program
 - Create and execute MACROs
 - Monitor, force and simulate input and output signals
 - Backup and restore individual programs and files

Workforce Development

Contract Section Five

WORKFORCE	
MSA Population July 2018	537,000
Higher Education population (U of A, John Brown, NWA Community College)	40,000
Employment Sector	
Retail Trade	31,300
Government	30,800
Healthcare and Socila Assistance	29,200
Manufacturing	27,900
Accomodation and Food Services	28,300
Managemen of Companies & Enterprises	24,000
Transportation & Warehouseing	20,300
Construction	19,400
Professional, Science, & Technical	18,800
Other Services (ex. Public Administration)	15,500
Local Unemployment Rate	2.2%
% of Workforce Engaged in Manufacturing	5.9%
% of Workforce Unionized	0.0%
% of the Population that is Bi-Lingual	9.3%
Median Wages by Job(\$)	
All Manufacturing (Production)	\$ 32,460.00
Industrial Machinery Mechanics (SOC 49-9041)	\$ 45,370.00
Maintenance Workers, Machines (49-9043)	\$ 36,500.00
Industrial Machinery Mechanics (SOC 49-9041)	\$ 45,370.00
Front Line Supervisor of Production Workers (SOC 51-1011)	\$ 53,600.00

For Illustrative Purposes

Support Fayetteville's Quality of Life

Contract Section Six

- Hosted groundbreakings
 - Pinnacle Foods Refrigerated Warehouse
 - NW Medical ER Center
 - First National Bank of NWA
 - Habitat for Humanity Women Built
 - NWA Homebuilders Association Homes for Heroes
- Host “Fayetteville Professionals Night” and “Good Morning Fayetteville”
 - Business promotion and networking events attended by 75 – 100 attendees per event
 - Non-members and public welcome and encouraged to attend
- Host annual “Fayetteville Teachers Expo”
 - 2019 Expo very successful
 - 2020 Expo held virtually
- Host annual “Washington County Teachers Expo”
 - While not strictly within contract, does support the surrounding area and many Fayetteville employees live in the surrounding Municipalities and County
- Supported and advocated for passage of the 2019 Bond issue

Support Fayetteville's Quality of Life

Contract Section Six

- Partner with the City's "I Count Committee"
 - Participating as an active member, generating messaging, holding public meetings and forums
- Member of Fayetteville Small Business Resiliency Task Force
 - Coordinated communication of recovery efforts
 - Fully supportive of City efforts in internal and external communication
- Support of City's Plastic Bag Ban Initiative
 - Collect input from Chamber members
 - Messaging to Chamber members in support
- Greenway Program Partnership
 - Meet with City department heads
 - City representatives address ongoing class NOTE: March classes in person, future classes will be remote
- Mayor Jordan's Grow Fayetteville initiative
 - Internal messaging
- Mail approximately 360 relocation packets a yearly
 - month to prospective employers, entrepreneurs and potential residents

Support Fayetteville's Quality of Life

Contract Section Six

- Support City's initiative on Cultural Arts Corridor
 - Public endorsement of location
 - Messaging on importance of finalizing parking deck
- Promoted Fayetteville School Bond initiative
 - Public endorsement in support of passage
 - Internal messaging
- Hosted Forums for School Bond
 - 50+ in person attendees
 - 500+ on-line views
- Diversity, Equity, and Inclusion on-line training program
 - Working in partnership with the Tulsa Regional Chamber of Commerce and Mosaic
 - Target go-live Q1 2021
- Publish quarterly #2B Fayetteville
 - Promotes local business
 - Promotes Fayetteville's quality of life
 - Delivered to over 300 Economic Development leaders out of state

Economic Development Consulting Services

COVID-19 Health Contract Response

- Continued partner with the City on the economic response
 - Public resource for individuals regarding relief from impacts of pandemic
 - Member of the Mayor's Small Business Resiliency Task Force
 - Instituted weekly business leaders' updates
 - Small to large business in Fayetteville, as small as single person consulting groups to 300+ employees
 - Expanded to include a top down approach to messaging from local healthcare providers
 - Business Open Awareness Campaign mass communication
 - Support businesses open and operating within the confines of Health Crises mandates at no cost
 - Work with Namida Lab, Inc. to inform public on testing availability and assist with expansion
- Webpage: [Fayetteville Chamber COVID-19 Business Resource](#)
 - Business Resource Guidance webpage
 - Paycheck Protection Program, SBA EIDL, CARES Act information, AEDC Quick Action Loan Program
 - Continued promotion partner resources and links as well as distribute information
 - City of Fayetteville, Startup Junkie, U of A – SBTDC, AR State Chamber, US Chamber, and AEDC
 - Continued awareness of individual resource and links
 - Unemployment Assistance information and links
- Attended regular calls with AEDC and SBA to provide information to public
 - Chamber communication and informational meetings are open to the public

Fayetteville Chamber of Commerce

Non-Contract Related Support Activity

- Purchased and renovated a 100-year-old building on the square
 - Became home of the Farmers Market
 - Created an art gallery that has hosted over 30 local artists for free public viewing
 - Added two murals on it's walls with a third due by year end
- Diversity Equity and Inclusion
 - Participated in and pushed the NWA Council DEI pledge
 - Active role in Walton College DEI program
 - Openly supported Pride Week
 - Openly supported Black History Month
 - Hosts annual Hispanic Heritage Festival
- Hosts the Fayetteville Adult and Teen Leadership Program
 - 30 Adults and 60 Teens participate every year
- Hosts the Washington County Teen Leadership Program
 - 40 Teens participate every year
 - Many people who work and shop in Fayetteville live in smaller communities in the County

Economic Development Consulting Services

Closing Statement

The value of our partnership is that our interests are the same and each partner works to advance Fayetteville's citizenry. This partnership has operated successfully for eleven years. Together we have navigated through ice storms, a recession, two bond issues and a population increase of nearly 30,000 individuals. Today we are working together to ensure the residents and businesses of Fayetteville make it through this Global Pandemic that has claimed the lives of over 200,000 Americans and has severely impacted our retail business and its employees.

This partnership has worked to have Fayetteville become the best place to live, work and play. The Chamber looks forward to the years to come, partnering with the City of Fayetteville.



CITY OF
FAYETTEVILLE
ARKANSAS

CHAMBER
FAYETTEVILLE