

BOARD ACTION REQUEST

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DISTRICT:	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input checked="" type="checkbox"/> City Wide
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Date Submitted: January 27, 2010 Date Action Requested: February 2, 2010	Type of Action Requested: <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Formal Action/Motion <input type="checkbox"/> Other	Subject: Annual report from Garland County Development Corporation
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RECOMMENDATION: Consider presentation of the annual report from the Garland County Development Corporation.

DISCUSSION: Mr. Dave Byerly, president of the Garland County Development Corporation, will submit an annual report on behalf of GCEDC. This report fulfills the requirement as set out in the Contract for Services between the City and GCEDC.

FISCAL IMPACT: None.

ALTERNATIVES: None.

Prepared by: <u>/s/ Lance Spicer</u> Lance Spicer, City Clerk	Approved by:  _____ Lance Hudnell, City Manager
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Annual Report of Economic Development Activities and Initiatives
Presented to the City of Hot Springs
February 2, 2010

David Byerly, President & CEO
Mike Ferguson, 2009 Chairman of the Board
Dan Messersmith, 2010 Chairman of the Board

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Garland County Economic Development Corporation: 2009 Programs & Initiatives

Organization Overview:

Garland County Economic Development Corporation (GCEDC) is a private, non-profit, 501C(6) organization committed to developing and implementing progressive economic development strategies for Garland County and the Hot Springs Metropolitan Area.

The organization continually seeks policies and practices that

- (a) improve a pro-business, business-friendly environment,
- (b) create and protects high quality job opportunities for residents,
- (c) increase the per capita earnings of residents, and
- (d) seek new investment to the region.

GCEDC is the contracted service provider of economic development services to Garland County and to the City of Hot Springs. GCEDC receives operational funding through three primary methods; annual private investor support, contract of service agreements, and investment income.

Programs and Initiatives:

GCEDC's programs can largely be categorized in three categories; existing industry retention and expansion; new business recruitment and real-property development.

1. ***Existing Industry Retention and Expansion.*** GCEDC has a long history of providing services to existing industries in identifying potential risk issues that could cost the community jobs and investment or capitalizing on opportunities to create new jobs and new investment.
 - a. ***Director of Business Retention and Recruitment.*** GCEDC's most significant commitment to existing industry practices occurred in 2009 with the creation of a new staff position focused on existing industry support. The position provides a focused and concentrated effort on the existing major industries within the regional market. The position will concentrate on the 50 largest, non-retail employers in the market and develop comprehensive relationships with those entities in order to early identify risks and opportunities.
 - b. ***Networking/Recognition.*** A major need identified by existing industries was the creation of opportunities to meet peers within the market, share best practices, identify issues affecting industry and raise community awareness. The program hosts 4 receptions annually for CEO-level executives to network and discuss issues that impact business in the market. The program also hosts 3 educational seminars annually that allow existing industry leaders to share best practice techniques and programs with one another. Finally, the program recognizes annually an outstanding industry of the year for their contribution to the betterment of the Hot Springs marketplace. The program will add roundtable discussions specific to certain industries as an additional opportunity to network and share valuable information.
 - c. ***Research/Intelligence.*** Collecting and understanding data and research about local industries micro and macro issues is key to being pro-active in recognizing opportunities for growth and challenges that might endanger local jobs. GCEDC purchased and implemented E-Synchronist software that allows the organization to gather data on local industries and employers and then compare that data to national trends within those industries. The software and training represent a major financial investment by

Garland County Economic Development Corporation: 2009 Programs & Initiatives

GCEDC as well as a significant commitment to pro-actively working with local existing industries.

2. **New Business Recruitment.** In spite of significant success in this program over the past 4 years, GCEDC's resources have been extremely limited in pro-actively seeking new business recruitment.
 - a. **Director of Business Retention and Recruitment.** GCEDC's new staff position allows the program to be more prepared in responding to requests from potential project leads.
 - b. **Marketing/Network Development.** GCEDC's marketing for new business recruitment is primarily focused on site location consultants. GCEDC has partnered with the Arkansas Economic Developers Association and Arkansas Economic Development Commission to host 3 site location consultant events across the United States during 2009. Events held in Dallas, Chicago and Atlanta allowed GCEDC to tell the Hot Springs story to the United States' major site-location specialists. These events allow personal relationships to be built with regional consultants and are much more effective marketing efforts than traditional print or trade show advertising. Additionally, the program is attending a variety of small, invitation-only site consultant conferences throughout the United States. These 2 to 3 day events accomplish similar goals by allowing relationship building between development professionals and site consultants.
 - c. **Website/Internet Marketing.** GCEDC began the process of enhancing its website in 2009 and anticipates introducing a revised site by the 2nd Quarter of 2010, allowing for more useful and relevant information to be shared with prospects. GCEDC currently relies heavily on the Metro Little Rock Alliance website to provide useful data. MLRA's partnership and commitment will continue; however, the program will place easy and relevant data on its site. New tools such as www.siteselection.com will provide a detailed inventory of available properties and allow users to customize data and demographic reports specific to a property of interest.
3. **Real-Property Development:** GCEDC continues to identify and develop sites and facilities for business expansion and recruitment. Currently, the program is concentrating on 4 key areas.
 - a. **Privately-Owned Sites.** GCEDC is actively identifying potential sites within the private-sector to develop as marketable sites. With the addition of the Mt. Pine Weyerhaeuser site to the inventory, the program will be working with the owners to obtain Site Certification through Entergy's Economic Development Program. This certification gives a site-selection priority to the site throughout the state.
 - b. **Hot Springs Office & Technology Park.** GCEDC continues to market the Technology Park to potential tenants and has committed to construct a new spec building in the Park.
 - c. **Industrial Park Assessment.** GCEDC is currently engaged in a study to determine what the community needs are for a future industrial/business park and where such a facility would be developed.
 - d. **Speculative Building.** GCEDC has been very successful in its previous effort to construct and market a speculative office building. The Arkansas Passport Center is nearing the celebration of its third anniversary at the site and will soon begin an \$800,000 expansion of the facility. GCEDC committed to the construction of a second speculative building and has been conducting research in preparation of a future construction project.

Garland County Economic Development Corporation: 2009 Project Summary

Existing Business Retention and Expansion

In 2009, GCEDC worked with 25 local industries to protect or grow jobs. GCEDC assisted many of these local companies gain access to state economic development programs and/or project financing.

For 2009, the net result of these business expansion and retention activities yielded the following:

- 680 existing jobs retained and protected
- 265 new jobs created
- \$30,280,000 in capital investment announced

A partial list of companies assisted and receiving state economic development incentives include:

- Triumph Airborne
- Magic Springs and Crystal Falls
- Hot Springs Packing
- Accent Marketing Services
- Xerox
- Rexam
- Airtech Supply
- Smith's

New Industry Recruitment

In 2009, GCEDC's marketing efforts yielded 14 projects that consisted of new companies considering job creation and/or capital investment in Hot Springs. These qualified projects represented a total of 3,625 potential jobs.

Three projects, representing 630 potential new jobs are still actively considering Hot Springs as a future location.

A brief summary of project activity yields the following information:

- 4 companies eventually eliminated Arkansas as a potential location
- 1 company chose another Arkansas community over Hot Springs
- 1 company chose a Tennessee community over Hot Springs
- 5 companies have temporarily halted their location decision
- 3 companies are still actively considering Hot Springs as a potential location

- 5 projects were either regional headquarters, back office support or call centers
- 8 projects were manufacturing (ranging from aerospace, plastics, metal fab and electronics)
- 1 project was warehousing

Garland County Economic Development Corporation: 2009 Economic Summary

Employment

Unemployment Rate

6.8%

Garland County Unemployment Rate November 2009

9.3%

U.S. Unemployment Rate November 2009

Labor Market

41,900

Number of people employed in Garland County July 2009

41,350

July 2008

41,250

July 2007

Job Creation

1,775

Net new jobs created in Garland County (2005-2009)

Earnings

Per Capita Income

\$31,770

Per Capita Income of Garland County Residents 2007

\$30,142

2006

\$28,377

2005

\$26,758

2004

\$25,186

2003

Sister Cities Comparison

\$31,586

2007 Per Capita Income Fayetteville/Springdale/Rogers

\$29,197

Fort Smith

\$26,846

Jonesboro

\$25,980

Pine Bluff

\$30,028

Texarkana

Growth Rate

5.4%

Per Capita Income Growth in Garland County 2006-2007

4.9%

Per Capita Income Growth U.S. AVERAGE 2006-2007



Airtech Supply, Inc.
3058 Hwy 290
Hot Springs, AR 71913
(501) 525-7707
(501) 262-2400 Fax

January 22, 2010

Hot Springs City Board of Directors
133 Convention Blvd.
Hot Springs, AR 71901

To whom it may concern,

The purpose of this letter is to communicate our deepest appreciation for the efforts and contributions of the Garland County Economic Development Corporation (GCEDC) to assist Airtech Supply, Inc. in developing and growing its business in the Hot Springs community.

The GCEDC organization has worked tirelessly in its efforts and has paved the way for numerous networking opportunities within Arkansas with various state agencies to define available grants for small business growth, county government involvement for facilities improvement, and new customer liaison for quoting opportunities. Through their direct efforts to introduce Airtech Supply to Aerojet in Camden, we have received our first quote opportunity worth an estimated \$9,000,000 over three years. The GCEDC has also worked diligently to utilize contacts within our congressional delegation by coordinating a facility visit from Jeff Weaver; District Director for US Congressman Mike Ross's office. Because of this ongoing collaboration of effort we believe we will begin to make contacts and build relationships with large Aerospace and Defense industries within the state and nationally.

It's our firm belief that the efforts of GCEDC are a key component to our future success and growth as an up and coming Aerospace Company in the Hot Springs community and our sincere desire is that any necessary funding of this organization will continue and even be enhanced if possible.

Sincerely,

A handwritten signature in black ink that reads "Craig McCartney". The signature is written in a cursive, flowing style.

Craig McCartney
Director of Business Operations

From: Burcham, Terry [mailto:terry.burcham@rexam.com]
Sent: Wednesday, January 27, 2010 7:05 AM
To: Dave Byerly
Cc: KAY Brockwell
Subject: Positive Impact of GCEDC

Dave,

I would like to take a moment to express my sincere thanks to you and your staff at the GCEDC for the help and support you provided the Rexam Hot Springs facility in 2009. Your team was instrumental in helping us coordinate potential training and resources to facilitate our two expansion projects. In fact, the group you assembled to represent both the local and state development authorities demonstrated beyond a doubt that Hot Springs is the best location among the competing states for our upcoming 2010 expansion project. Without the assistance and direction from your team, this growth opportunity could have easily been missed. Thank you again for your help and support. We are looking forward to working with you this year.

Sincerely,

Terry Burcham
Plant Manager
Rexam Hot Springs