

## Economic Development Monthly Report

### June 2018 Report on May Activities

#### **One: Create a Robust Business Retention and Expansion Program**

1. a) Goals for the number of businesses to visit each year (Oct 1 – Sept 30) —58/100 a year

7Hills Homeless Center  
Advanced Physical Therapy  
Eton Marketing  
Independent Professional Seed Association  
Northwestern Mutual  
Preferred Office Technologies

- b) Development of a survey or questionnaire to be used during interviews with existing businesses with results tabulated in a regularly updated and shared reporting document.

- i. Development of a survey/questionnaire—Done  
ii. Report—provided monthly

- c) Development of a process for addressing any business needs or challenges that were identified during the visit and survey

- i. See attached Challenges/Expansion/Sales/Unemployment Rate/Regional (CESURR) report

- d) Use of a shared spreadsheet for timely tracking of visits, employer input, business challenges or needs, and other data identified as needed for tracking purposes

- i. See attached CESURR report

- e) A summary report of the accomplishments of the program that year, including the information above, as well as the number of new expansion projects, jobs created or saved, average wages (when disclosed) and investment related to the programs

- i. See attached CESURR report

- f) Demonstrate efforts to acquire and track the following:

- i. An increased number of net new businesses established in the city over time;

Net New Businesses (Year-to-date)	109 businesses
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- ii. An increase in annual sales from businesses located in the city over time;  
See attached CESURR report
- iii. An increase in the percentage of residents employed over time;  
See CESURR report
- iv. An increase in the number of net new jobs over time  
  

Net new jobs	562.5 FTEs
(Year-to-date)	
- v. A decrease in the unemployment rate of residents over time  
  

April unemployment rate went down by 0.3% from 2.8% in March to 2.5% in April.
- vi. Various business sector employee wages, and how they increase or decrease as jobs are gained/lost  
  

None of the businesses we visited in April reported reduced sales.
- vii. An increase in the number of inquiries from prospective companies over time.
  - Provided data to a consultant from Scottsdale, AZ, researching the city for a 5 acres hotel site.
  - Visited with an accompanying spouse interested to start a golf course turf care business in Fayetteville.
  - Visited with a former Walmart exec who started her consulting business and is now interested to offer her supply chain expertise to local businesses in this sector.
  - Started work on Project Prism. This is a competitive project between Fayetteville and another sister plant for a local food manufacturer. Looking at support from the city and county.
  - Supporting the city and property owner on potential development projects for the Marinoni property on Wedington Drive.
  - Continued to support a site selection consultant to talk to local contacts to evaluate the potential to bring his client to Fayetteville. The client is in the legal sector.

- Continue to support and assist HBO's True Detective filming in Fayetteville and the region.
- Followed up on a LED business from Houston interested to expand to Fayetteville.
- Continue to provide support to 2 conferences that are coming to Fayetteville—EAST Initiative and Arkansas Economic Developers and Chamber Executives (AEDCE) conferences. Support include finding speakers and visiting with local businesses or dining in local restaurants.

viii. An increase in net new retail and accommodation establishments over time.

## 2. Legacy Industry:

- a) Develop and maintain an up-to-date directory of legacy industries (including but not limited to manufacturers) within the City.

Done.

- b) Develop a BR & E program with questions and data designed to meet this business sector's needs, exploring questions related to facility retention and expansion, new equipment investments, workforce attraction and training, and physical infrastructure needs such as rail, broadband, transportation or utilities.

- i. Followed up with a legacy manufacturer on its ability to find space to relocate at the end of its lease in the current location. The manufacturer found space in south Fayetteville and would begin to move out in September. Fayetteville competed with Mississippi for this job retention project.
- ii. Citizens Bank bought and renovated the former Metropolitan Bank location on Wedington. Opened for business.
- iii. Continue to monitor the expansion of a software company
- iv. Continue to monitor the construction of a new warehousing and office for a local e-commerce distribution company.
- v. Arranged several meetings and introductions between businesses and other businesses/public organizations.
- vi. Continued meetings with local employers.
- vii. Providing B-2-B referrals
- viii. Acted as ombudsman for local businesses as they navigate their way in their development projects.

- ix. Promoted events organized by our local businesses.
- x. Continue to spend considerable time following up with AEDC business development staff to discuss expansion plans for local businesses.
- xi. Promoted local and new businesses through networking, groundbreaking, anniversaries, expansions and ribbon cutting events.
  - Bridges Family Center (new nonprofit)
  - Con Queso (change in ownership)
  - Marley Mack Boutique (new)
  - NCREPT (expansion project)
  - Salvation Army (retail store)
  - Verdant Studio

### 3. Regional Headquarters:

- a) Develop and maintain an up-to-date directory of businesses headquartered in Fayetteville, whether they maintain a home office or a regional headquarters within the City.
  - i. Assisted a local entertainment business to buy commercial insurance.
  - ii. Supported the transition in change of ownership of Con Queso.
  - iii. Met with a local automotive business to discuss its expansion plans in its existing campus.
  - iv. Promoted Job Fair organized by TEC Staffing Services.
  - v. Supported Arvest Bank with its upcoming Growth in NWA & Economic Impact event scheduled for June 5.
  - vi. Supported a new nonprofit, Bridges Family Center, with its ribbon cutting event.
  - vii. Continued to produce and promote videos about artwork by current artists exhibiting their work at the Chamber Art Gallery.
  - viii. Changed out new art work by different artists under the Celebrate Arts in Fayetteville program.
  - ix. Referred B2B for two local companies.

- b) Develop a questionnaire to explore the corporate services sector, including healthcare, to develop good working relationships with local management teams and to identify and establish relationships with parent headquarters outside of Fayetteville when deemed valuable.
    - i. Conduct primary data collection when meeting with businesses to collect this information – ongoing.
    - ii. Conduct secondary data collection to gather this information – ongoing.
4. Start-up/Entrepreneurial Businesses:
- a) Develop a BR & E program for interviewing and gathering data for start-up/entrepreneurial business sector.
    - i. Continue to support OurPharma to begin construction on its manufacturing facility in the Commerce District.
    - ii. Spent considerable time assisting a new production company with discussion on incentives and possible marketing strategies.
    - iii. Secured a meeting space for Coffee+E event for startups scheduled for June 5.
    - iv. Met with an entrepreneur and went over the information on how to start a business in Fayetteville. Provided resources.
    - v. Arranging to meet with an entrepreneur interested to start an independent theatre in Fayetteville.
    - vi. Continue to refer start-ups to Hidden Star for possible financial support for qualified owners.
    - vii. Consulted with prospective entrepreneurs interested to start a business.
  - b) Customize questions to understand how the City can best support the creation and sustaining of start-up companies created in Fayetteville, coordinating closely with other City-initiated entrepreneurial efforts.
    - i. Visited with a church pastor interested to set up space within its church facility for its congregation to pursue entrepreneurial projects.
    - ii. Organizing tours of the NWA Fab Lab to engage students and the community.

- c) Support the advertising of appropriate seminars or training for Fayetteville or NWA in coordination with other City-initiated entrepreneurial efforts.
  - i. Continued work on 2 summer workshops--Nerdies Camp and Makers Camp.

**Two: Assess and meet property, building and data needs of targeted business sectors**

Fayetteville First identifies 5 targeted business sectors: Corporate Services, Entrepreneurs and Innovators, Legacy Manufacturers, Retail and Specialized Technologies.

1. Determine available properties:

- a) Create a comprehensive inventory of all sites and buildings that are available for potential development and ensure that the AEDC sites and buildings database are kept updated accordingly.
  - i. Discussed potential New Market Tax Credit projects for Fayetteville.
  - ii. Added the Karcher's property to the AEDC website.
  - iii. Added a 80,000 SF building to the AEDC website.
  - iv. Reviewed and updated properties on the state website.
  - v. Provided technical support to local realtors.

2. Assess site and building needs of targeted business sectors:

- a) Assess the potential site, building, and data needs of each of the targeted sectors, determine the need to identify additional sites and encourage the development of appropriate property in the future. Consideration must be given to match a company's requirements to the types of service available, which shall be assessed using measurable criteria through the BR&E surveys.
  - i. Held discussions with the city on possibly changing the zoning in certain parts of the city to stimulate development of targeted sectors—retail.
  - ii. Attended the Quarterly Business Analysis Luncheon to gain knowledge of current and projected trends for real estate prices, emerging sectors, and their needs.

**Three: Develop a focused retail development strategy**

1. Conduct a thorough inventory and analysis of Fayetteville's existing retail base and gaps. Working with the NWA Council and/or others, identify and inventory the existing retail base and gaps in the city.

2. Examine local and regional demographic and retail trends. Demonstrate a clear understanding of the demographics of the city and region (to include Fort Smith as well as Northwest Arkansas), evaluating typical factors considered by the retail sector in its location decisions, which often include population, population growth, educational attainment and income. A retail infographic deliverable, coordinated with the City's Communications and Marketing team, shall reflect the results of this analysis and be used to market Fayetteville and the region to potential retailers and retail developers, with the goal of filling identified gaps.
  - i. Visited with an out-of-town consultant to provide information for a possible hotel project.
3. Identify potential commercial properties. Identify potential commercial properties, large to small, to be mapped and marketed to potential retailers and retail developers, where appropriate as identified through the retail analysis. Potential redevelopment sites that may be appropriate for retail shall also be identified and catalogued, particularly in targeted redevelopment areas identified by the City.
  - i. Provided space through the Chamber Art Gallery to local artists to display their works for retail sale.
  - ii. Started to review the 2 newly approved Opportunity Zones to identify possible sites for commercial use.
4. Identify potential retail targets. Based on the outcome of the retail base and gap analysis, as well as the commercial property inventory, identify potential specialty retailers to focus marketing efforts.
  - i. Secured meeting space for the Airport Board to plan a hot air balloon event in 2019 to help bring tourism dollars to Fayetteville. The event will also create awareness for Drakefield and hopefully expand the number of tenants in the airport.
  - ii. Arranging to meet with a regional hotel developer that is planning to build 2 new hotels on Wedington.
5. Attend the designated International Council of Shopping Centers (ICSC) national and/or Regional conventions and participate with the City of Fayetteville representatives and regional economic development efforts at the National and Regional ICSC Show.
  - i. Working with the City's Director of Economic Vitality on the retail sector.
  - ii. Successfully participated in the ICSC ReCon trade show from May 20-23, 2018. Promoted Fayetteville, held meetings with retail property owners, retail brokers, and allied providers.

**Four: Ensure Workforce and Training needs can be met**

1. Understand existing industry and targeted business sector needs.

Review and participate in workforce analysis studies conducted for the region to gain an understanding of the workforce availability related to the occupations required of the targeted business sectors, potentially partnering with the NWA Council on this initiative.

- i. Working on producing a workforce textbook for high schoolers in Fayetteville first, then expanding to high schoolers in the Boston Mountain Education Co-op areas.
- ii. Visited with the City's Fire Chief on skills requirements for firemen, etc. Discussed possible solutions to align workforce interest to the uniform groups.
- iii. Hosted school children from Vandergriff Elementary School to talk about the Fab Lab, STEAM, arts, and jobs in Fayetteville.
- iv. Met with the Fayetteville Public Schools District's leadership and Career Technical Education to discuss bringing workforce training into the schools.
- v. City and the Chamber to begin developing a Workforce Development Strategic Plan this summer.
- vi. 5 groups of U of A students completed 5 internship projects locally.
- vii. Completed follow up work associated with the Fayetteville Job Expo completed in April.
- viii. Working with various individuals on leadership opportunities in Fayetteville and NWA
- ix. Continued to support the NWA Fab Lab with its programming and outreach to students and communities in the region.
- x. Consulted with job seekers and made referrals to employers.

2. Research and conduct a survey of regional higher educational institutions. Develop an understanding of enrollment, degrees offered and graduates of regional institutions of higher education that may serve Fayetteville.

- i. U of A is offering a "Explore Skill Trade Camp" for area high schoolers this summer.
- ii. NWA Fab Lab is offering a Maker's Camp this summer.
- iii. Fayetteville is offering a Nerdies Camp this summer.



- iv. Fayetteville volunteers successfully implemented the NWA TechFest annual event.

3. Convene regional educational leadership.

- a) Coordinate with the NWA Council to participate in discussions with local institutions of higher education, public school career and technical education program leaders, as well as local industry and targeted sectors, and determine whether the workforce and training needs of the identified target markets can be met.
  - i. Met with local and state workforce leaders to help forecast jobs in NWA for next year in terms of number and types of job vacancies. This goes on to determine funding for identified skills training programs.
  - ii. Partnering with NWA Council and other healthcare leaders in the region through a Healthcare Board with the goals to expand the UAMS NW campus to a full medical school and to produce the skilled workforce in healthcare to support the school and the healthcare sector that is growing.
  - iii. Held meeting with the Arkansas Economic Developers and Chambers Executives organization to work on economic development programs.
- b) Work with these institutions to expand skilled trade programs and training, and determine possible new program development in the future to meet the needs of the targeted business sectors and existing business and industry. Once established, create and measure performance standards to fill gaps in the workforce and training needed.
  - i. Chamber sent a staff to attend the weeklong Mid-South Basic Economic Development course.
  - ii. Continue to work with the U of A to match its students to volunteer projects with local employers.
  - iii. Continue to have conversations on publishing a workforce textbook for use in area high schools to share career pathway information for specific employers located in Fayetteville.
  - iv. Met with folks from University of Texas at Austin who visited Fayetteville to carry out a research project for the region. The project is funded by the Walton Family Foundation.
  - v. Met with the new AEDC community development staff who is based in northwest Arkansas.
  - vi. Met the Executive Director of 7hills Homeless Center to understand the scope of this challenge in Fayetteville and the region.

**Five: Support initiatives and programs that continue to improve the outstanding lifestyle quality in Fayetteville**

1. Explore other redevelopment opportunities. During the stakeholder engagement process, many mentioned that they would like to see redevelopment along 71B (College Avenue and South School Avenue). In line with the City Plan 2030 goals to prioritize infill over sprawl, to accommodate growth, and to bring more people to live, shop and play along Fayetteville's original Main Street, redevelopment of 71B is important for the city and should include improvement in walkability, new retail, residential and business development.
  - i. Started discussion with StartUp Junkie on the StartUp Crawl event scheduled for September 14.
  - ii. Fayetteville MSA was ranked #3 in the Top 10 Best MSAs for Creatives; #2 for Best Cities for Jobs among Midsize Metros.
  - iii. Worked with C2ER to release the Cost of Living Index for Q1 2018. Fayetteville MSA is below the average index of 100 at 87.4.
  - iv. Having discussions on best use of upcoming bond funds that will go to the voters soon.
  - v. Monitor public transit developments in the city and region.
2. Attract and retain the workforce of today and tomorrow. With the presence of the U of A and the lifestyle quality the city offers, Fayetteville should be a prime location for the millennial population, as well as the future Generation Z, and attracting and retaining that population must be a focus related to talent. Maintaining and enhancing an authentic culture for its residents and student population to remain in the city requires coordination in many of the identified areas. Walkable neighborhoods with commercial areas, including urban mixed-use developments, diversity, transportation alternatives and amenities like arts, culture and restaurant choices appear in numerous studies identifying where millennials want to be. Care for the environment and the desire to live in communities that practice sustainable development are also prevalent.
  - i. Visited with a U of A computer science professor on his project to help make Fayetteville a smart city. Discussed collaboration and partnership.
  - ii. Continue to assist workforce to look for work.

3. Promote, foster, and seek development opportunities that help create an environment and amenities that attract the new millennial worker and/or business owners. Work with the development community and City to explore initiatives meeting these stated goals.
  - i. Met with a local company interested to bring pre-fabricated housing to Fayetteville and northwest Arkansas. Goal is to find solutions to provide affordable workforce housing in Fayetteville.
  - ii. Salvation Army opened its “retail” store for its clients. The store enables families with children on reduced or free lunch to come by and “shop” for groceries for free.
  - iii. Successfully recruited 80 folks from Minnesota to visit Fayetteville in October.
  - iv. Continued to gather information and research on the local housing market from the standpoint of affordable and attainable housing for the working class.
  - v. Successfully implemented the Rural Friendship Day on May 2 to promote awareness for agriculture and farm to table foods to 200 school children from Fayetteville’s elementary schools.
  - vi. Visited with various individuals who were relocating or thinking to relocate to Fayetteville. Provided resources for information.

**Six: Collaborate with the City for Communication with the Public**

1. The City’s Economic Development web site will be used to communicate the implementation of the Fayetteville First plan, using the City’s branding and marketing. All communication and engagement with the business community via surveys and questionnaires will be done from a link within the City’s Economic Development web site pages and will be promoted on the City’s social media channels via coordination with the City’s Communications and Marketing Team. All performance measures and reports will be updated on a regular basis via the City’s web site.
  - a) The Chamber of Commerce will work with the City’s Communications and Marketing Team to ensure that the deliverables from this contract remain up to date on the City’s Economic Development web site. Responses to requests for information and updates shall be timely and within reason.
    - i. Spent considerable time to promote *Fayetteville, AR Connect* mobile app with a tagline of *One Fayetteville, One app*.
    - ii. Started work on the second quarterly business magazine for Fayetteville called #2B Fayetteville. Responded to inquiries about the magazine.
    - iii. Circulating 2018 Livability Fayetteville magazine.

- iv. Updated the economic development web pages.
  - v. Responded to inquiries from media, out-of-town consultants and research companies.
2. Communications from the Chamber of Commerce related to economic development initiatives within the scope of this contract, major decisions and/or development matters, and public-facing activities should be coordinated with the Mayor's office or his assigned staff. This includes statements at City Council meetings, Agenda Sessions, public presentations, press conferences, etc.

**Seven: Reports and Presentations**

1. Reporting results and milestones will be done as deliverables are met in the implementation of the Fayetteville First Economic Development Strategic Plan and will be formatted to fit within the City's Economic Development branding on the City web site. The City's internal Economic Development team will meet regularly with the Chamber of Commerce (at a minimum on a monthly basis) to discuss the status of deliverables. The Mayor and/or City Council may request periodic updates and public engagement for citizens to be kept informed of the city's economic development goals.
- i. Met with StartUp Junkie and City to exchange information as relating to the city contracts
  - ii. Met with the City's Director for Economic Vitality.
  - iii. Attended the Fayetteville Innovation Council meeting on May 16 to discuss broadband.
2. The Chamber of Commerce shall provide written reports and prepare a brief presentation to the Mayor and City Council on at least a bi-annual basis. Reports and presentations should outline the tasks accomplished, outcomes achieved and include statistics for each performance measure outlined herein.
3. A schedule for completion of outlined performance measures and a monthly status report shall be submitted for each month of the contract, delivered during regular monthly meetings with the City's internal team.