

2020 ANNUAL REPORT



ARKANSAS ECONOMIC DEVELOPMENT COMMISSION 2020 ANNUAL REPORT

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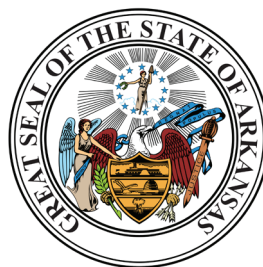
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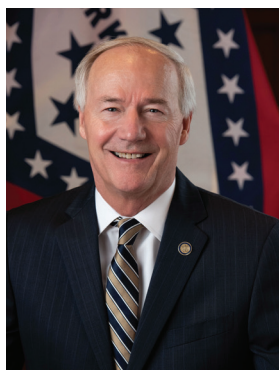
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OFFICE OF THE GOVERNOR



ASA HUTCHINSON
Governor

Dear Fellow Arkansans,

Over the past six years, I have been proud to lead our state to new heights of economic growth. Together, we have won over 525 competitive economic development projects from new and expanding companies both national and international. These companies have invested more than \$10.5 billion in new capital in the state and created more than 23,000 new jobs for Arkansans.

Since 2015, we have cut taxes by \$250 million, the largest cuts in our state's history, and we were still able to fully fund K-12 education, increase funding for higher education, and create not only a surplus, but the first Long-Term Reserve Fund in history.

Although we have navigated difficult circumstances in the last year and a half, our progress has continued forward. Arkansas's business community has experienced unprecedented challenges during the past year, like businesses in most states throughout the pandemic. But thanks to people with a "can-do" attitude and a willingness to do whatever it takes to get the job done, Arkansas is fighting through the pandemic, and I know that we will come out even stronger on the other end.

We are already on the right track. Our state's unemployment rate remained below the national average every month, and while we are not quite where we were before the pandemic, we are close and closing the gap. I am confident that we will continue to strengthen our economy this coming year while providing better opportunities for our citizens.

To address the shortage of workers in high-demand sectors, we are finding better ways to increase access to technical training and are working with industry leaders to provide the specific training companies need to succeed.

We continue to build upon the momentum created by our Computer Science Initiative. The number of students taking computer science increased last year, and students are now required to take a computer science course as a graduation credit. Our state Broadband Office awarded grants for 76 projects totaling more than \$118 million.

These projects will assist approximately 130,000 Arkansans in an estimated 55,000 households gain access to quality broadband which will further increase economic opportunities.

We continually strive to improve the quality of life for every Arkansan. To accomplish that, we actively pursue businesses that pay higher-than-average wages and offer better opportunities for personal growth for workers. Together, I know we will accomplish our goals.

Sincerely,

A handwritten signature of Asa Hutchinson in black ink.

Asa Hutchinson



Dear Arkansans,

Despite 2020 being a challenging year for all, Arkansas still has many things to celebrate. Arkansas continued its momentum from previous years, with more jobs and investment coming to the state. During the pandemic, Arkansas kept its economy open, and business leaders found innovative ways to help existing businesses weather this challenging time.

In the past year, AEDC worked with companies to help create a projected 3,405 new jobs at an average hourly wage of \$20.87. The total projected investment was almost \$1 billion with a projected payroll of more than \$133 million.

Some of the notable economic developments wins during 2020 include new facilities from companies including Amazon, Cynergy Cargo, Emerson, and Fiocchi. The state also saw expansions and new investment from existing businesses, such as Gerber, Koppers, Revolution, Roach Manufacturing, SCA Pharma, and Signode.

Seven financial incentive agreements were approved through our Equity Investment Tax Credit Incentive Program that targets new, technology-based businesses. These seven projects are projected to raise \$9.4 million in equity from investors. While we were unable to perform our usual onsite visits, our Existing Business Resource team performed more than 2,000 discovery calls to companies throughout the state thanks to virtual technology.

Arkansas businesses had to get creative in 2020 in order to keep their doors open and keep employees on payroll.

Getting creative meant allocating \$138 million in funds to establish the Quick Action Bridge Loan Program and the Ready for Business Grant Program. We are proud that 94.4 percent of businesses receiving Ready for Business grant funds had fewer than 50 employees. We were also able to distribute \$10 million to 27 rural hospitals and connected 49 companies that produce PPE in touch with state procurement groups to assist in meeting shortages.

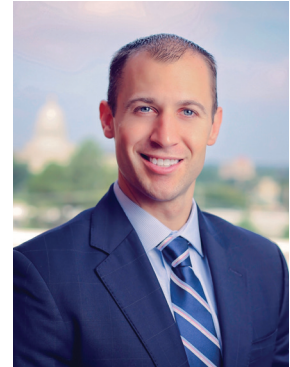
This past year, 74 Community Development Block Grants (CDBG) totaling over \$32.8 million were distributed for projects meeting national community and economic goals of providing suitable living environments, improving availability and accessibility of vital public facilities and services, and expanding economic opportunity through the creation and retention of jobs, primarily benefiting persons of low-to-moderate income. AEDC's Rural Services Division awarded 283 grants totaling more than \$2.1 million across four programs.

The Film Commission worked with the Department of Health to make "Ghosts of the Ozarks" become one of the first feature films to go back into production in the U.S. during the pandemic. The Military Affairs Division assisted in the development of a fifth-generation training airspace over northern Arkansas, bringing more than 40 aircraft and 800-plus jobs with an annual impact of about \$1 billion into the state. The Division of Science and Technology facilitated investments of more than \$15 million into Arkansas-based tech companies and approved \$1.67 million in grant funding to seven accelerator programs. Our Minority and Women-Owned Business Division provided \$1.8 million to 21 businesses. Finally, almost \$87 million in grants were distributed through our Arkansas Rural Connect program.

Arkansans have a history of preserving through adversity, and this past year proved once again how resilient we are. Thanks to our diverse economy and strong partnerships with local leaders and private partners, I have great faith in our state's future.

Sincerely,

Mike Preston



MIKE PRESTON
Secretary of Commerce
AEDC Executive Director

ARKANSAS INC

MISSION STATEMENT

The mission of the Arkansas Economic Development Commission is to create economic opportunity by attracting higher-paying jobs, expanding and diversifying our state and local economies, increasing incomes and investment, and generating positive growth throughout Arkansas. Arkansas is a pro-business environment operating leaner, faster, and more focused through a streamlined state government designed to act on corporate interests quickly and decisively.

EXECUTIVE TEAM



MIKE PRESTON
Secretary of Commerce
AEDC Executive Director



CLINT O'NEAL
Deputy Director, Global Business



JIM HUDSON
Deputy Director, Operations
and General Counsel

ARKANSAS ECONOMIC DEVELOPMENT COUNCIL

Jim F. Andrews Jr. (El Dorado)

Jay Bunyard (De Queen)

Rick Barrows (Springdale)

Wayne Callahan (Rogers)

Mike Carroll (Fort Smith)

Chris Gosnell (Magnolia)

Will Brewer (Paragould)

Steve Lux (Hot Springs Village)

Vance Lawson (Wynne)

Tracy Rancifer (Little Rock)

Gina Radke (North Little Rock)

Gary W. Sewell (El Dorado)

Jon Wickliffe (Little Rock)

Jim Smith (Fayetteville)

Lang Zimmerman (Mountain Home)



ARKANSAS ECONOMIC DEVELOPMENT COMMISSION

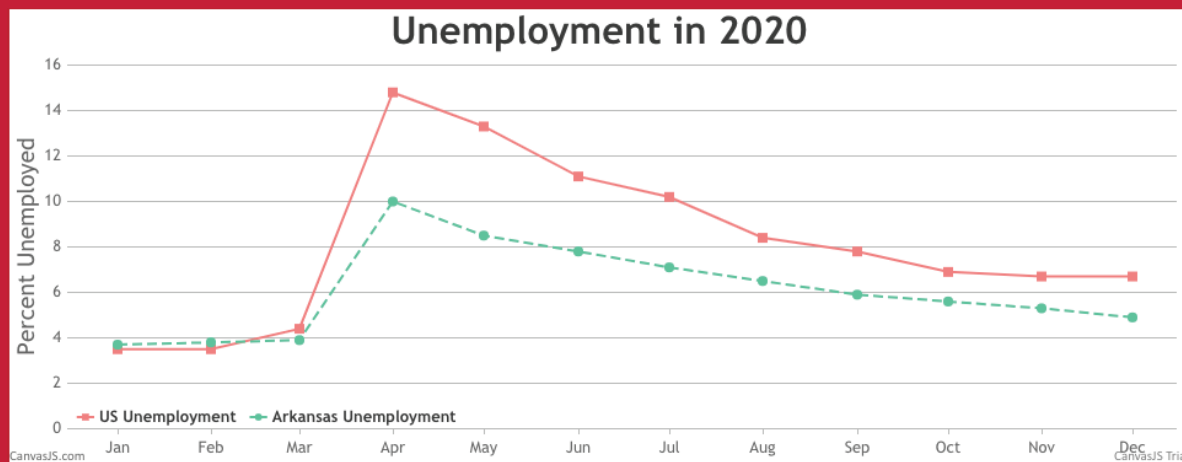
ORGANIZATIONAL CHART



THE STORY OF AEDC IN 2020



As we reflect on the past year at the Arkansas Economic Development Commission (AEDC), we see a story form of our business community boldly taking on the challenges brought about by the pandemic. Despite the challenges of 2020, Arkansas businesses showed fortitude and creativity to continue serving customers and keep employees on the payroll. At AEDC, we prioritized our partnerships with companies and communities throughout the state, big and small.



\$9 MILLION
QUICK DEDICATED TO ACTION
BRIDGE LOAN
PROGRAM

\$129 MILLION
WAS ALLOCATED TO
11,409 COMPANIES
ACROSS ALL
THROUGH THE **75** COUNTIES
READY FOR
BUSINESS GRANT PROGRAM

\$86 MILLION
TOTAL GRANT FUNDING
AWARDED THROUGH THE
ARKANSAS RURAL
CONNECT PROGRAM

For a more in-depth look at our state's economic development and recovery efforts in 2020, check out our interactive story map at arkansasedc.com/2020storymap.
For a look at 2020 business heroes, check out arkansasedc.com/covid19.

BUSINESS DEVELOPMENT

The Business Development Division generates economic opportunity through strategic partnerships, and the team serves as sales representatives for all business and industry seeking to locate and expand in the state. The division communicates and negotiates state incentive programs and assists in the site selection for new business locations and expansion of existing business. The international team within the division focuses on generating foreign direct investment.



Groundbreaking held July 6, 2020, to announce public infrastructure improvements at the Port of Little Rock.

BUSINESS DEVELOPMENT HIGHLIGHTS IN 2020



Despite a challenging year for all, Arkansas still won big in 2020.

- AEDC worked with companies to create a projected 3,405 jobs.
- The total projected investment for the year was \$962,763,859.
- The average wage for the year was \$20.87.
- The total projected payroll created for the year was \$133,835,603.

**The above projections are based on announced company expansions.*



State and local officials break ground at Koppers' North Little Rock facility on October 6, 2020.

BUSINESS FINANCE

The Business Finance Division provides assistance to qualifying applicants that makes it easier to access low-cost funding through either direct debt financing support or indirect equity financing support. Debt support programs within the division are generally limited to fixed-asset financing, while equity support programs generally provide support for working capital needs, both at a cost that is much less than is otherwise available, with each type of program making the applying entity more economically viable.

PROJECTS FINANCED IN 2020

| PROJECT LOCATION | INCIDENTED EQUITY RAISE | PROPOSED JOBS | PROPOSED WAGES |
|------------------|-------------------------|---------------|----------------|
| Fayetteville | \$1,000,000 | 7 | \$37.50 |
| Springdale | \$1,000,000 | 50 | \$46.22 |
| Rogers | \$1,400,000 | 45 | \$44.82 |
| Fayetteville | \$1,000,000 | 16 | \$56.25 |
| Little Rock | \$1,500,000 | 18 | \$36.16 |
| Little Rock | \$2,500,000 | 173 | \$39.28 |
| Hot Springs | \$1,000,000 | 12 | \$34.79 |
| | \$9,400,000 | 321 | \$41.60 |

“

Making creative use of our existing resources, AEDC's Finance, Marketing, and Business Development divisions worked closely together during the COVID-19 pandemic. We were able to capitalize on the diverse experience of our team by recognizing the strengths and talents of each individual while conceiving and launching programs that assisted Arkansas businesses in a short time frame. It was an honor to be part of a team that exhibited such an exceptional level of customer service and professionalism throughout a daunting situation.

”

- Jennifer Emerson,
Director of Business Finance

These homegrown Arkansas companies were approved for the Equity Investment Tax Credit



EXISTING BUSINESS RESOURCES/ MANUFACTURING SOLUTIONS

The Existing Business Resources Division (EBRD) works with new and existing businesses to help them identify opportunities for improvement and growth, as well as identifying and resolving issues that prevent optimal operations. Some of EBRD's highlights include:

- Over 2,000 discovery calls made by Business Managers from March 15, 2020, to the end of the year.
- The Manufacturing Solutions team put 49 companies who produce PPE in touch with state procurement groups to assist in meeting shortages and other PPE needs.
- During July, Manufacturing Solutions applied for and received a \$430,000 Cooperative Agreement through the NIST MEP Emergency Assistance Program.



Eleven Future Fit program students graduated from SAU-Tech's campus. Of these 11 graduates, each received a full-time job offer.

“

The EBR Division of AEDC was able to shift from face-to-face activity during the COVID-19 pandemic of 2020 to a virtual platform. We contacted over 1,500 companies by phone, to check on their wellness, employment situations, production, supply chain issues and COVID-19 assistance needed. Specific and customized assistance was offered to several companies during the height of the pandemic which allowed these companies to get assistance during a very critical time.

”

- Steve Sparks,
Director of Existing Business Resources

COMMUNITY DEVELOPMENT

Our Community Development Division works with strategic partners to assist communities in developing and obtaining the necessary resources to identify and solve local development challenges. A team of regional managers provides Arkansas communities with tools to help them with strategic planning, product development, marketing, business retention and expansion, and business development.

“AEDC’s Community Development Division’s focus has always been to do everything we can to try and help strengthen the communities throughout the state of Arkansas. Due to the COVID pandemic, we were not able to be out in communities, so we had to shift our focus and methods to try and meet the needs of the state. With help from funding from state and federal sources, the Community Development Division joined other members of the AEDC team to administer the Quick Action Closing Bridge Loan program and the Ready for Business grant – providing \$138 million in assistance to over 11,000 businesses.”

- Matt Twyford,
Director of Community Development



GRANTS MANAGEMENT & RURAL SERVICES

The Grants Management Division is responsible for the management of the Community Development Block Grant (CDBG) program for the State of Arkansas, which is funded through the U.S. Department of Housing and Urban Development (HUD) State and Small Cities Program.

The CDBG program funds a variety of public infrastructure and public facility projects, as well as economic development projects that result in job creation and retention, awarded directly to non-entitlement cities and counties throughout the state.

The Division of Rural Services (DRS), is charged with assisting rural communities with a population of 20,000 and under. DRS strives to assist citizens of rural Arkansas through in-house grant programs, funding opportunity research, information-sharing and educational opportunities through regional forums and the annual Arkansas Rural Development Conference. Grant programs include the Rural Community Grant Program (RCGP), the Rural Services Block Grant Program (RSBGP), and the Arkansas Game and Fish Grant Program (Wildlife).

2020 posed many challenges but many achievements were accomplished, including:

**74 CDBG GRANTS
TOTALING OVER
\$32.8 MILLION
WERE EXECUTED**

**IN RESPONSE TO COVID-19
THE GRANTS DIVISION DEPLOYED
\$10 MILLION
IN CDBG FUNDS TO 27 RURAL
HOSPITALS
EMPLOYING 7,899 ARKANSANS
ALONG WITH
\$10 MILLION**

**IN CDBG-CV AND STATE CARES ACT
FUNDS FOR STATEWIDE RENTAL ASSISTANCE**

**THE RURAL SERVICES DIVISION
AWARDED
283 GRANTS
ACROSS FOUR GRANT PROGRAMS
FOR A TOTAL OF
\$2,100,989.83**



Our facility is extremely grateful that we received the AEDC Community Development Block Grant Funds for Rural Hospitals. These funds allowed us to purchase several capital equipment items to help us prepare for and care for COVID-19 patients. We were able to purchase a new glidescope and unified telemetry system that have allowed us to increase our efficiency and create a safer clinical environment for patients. These purchases would not have been possible without the AEDC grant funds and our clinical care has benefit greatly from these investments.

- Josh Conlee,
President, Lawrence Healthcare



MARKETING

The AEDC Marketing Division promotes Arkansas as a business destination for expansion and relocation projects that create jobs and investment. The team leverages digital and traditional marketing channels that include content creation and curation, targeted paid media, events, branded promotional items, web, video, podcasts, blog posts and social media. The division supports the mission of AEDC by putting Arkansas on the radar screen among executives and site selection consultants across the nation and around the world.

The COVID-19 pandemic caused events, conferences and most in-person meetings from happening in 2020. As a result, AEDC's website and social media platforms became a critical communications tool to share updates from the Governor's office, Secretary Preston, and information on business assistance programs.

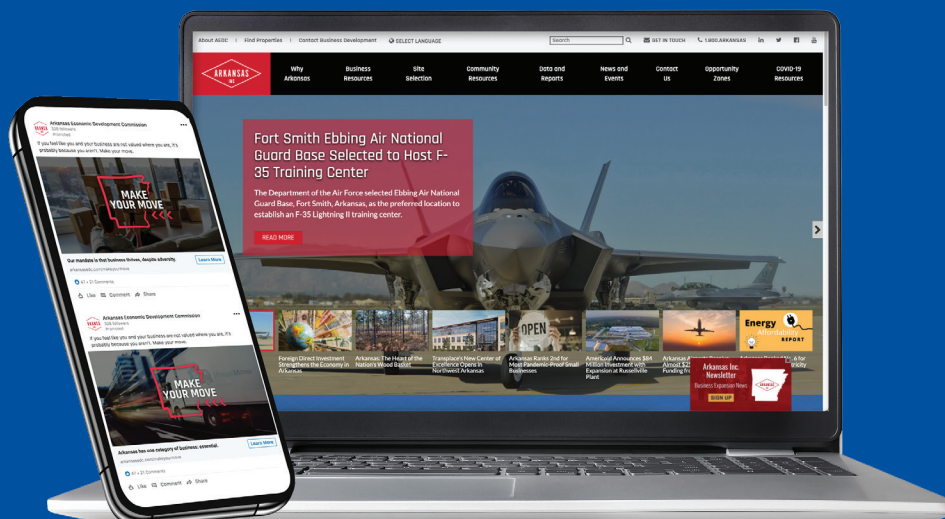
Content Produced:

- Arkansas Economic Development Guide
- "Why Arkansas?" promotional video
- Six video updates from Secretary of Commerce Mike Preston on the COVID-19 pandemic
- 29 email newsletters sent to more than 5,800 people
- Six podcasts
- 47 blog posts
- Two case studies
- Four prospect landing pages
- COVID-19 online resource guide



Results:

- Website traffic grew by more than 130%
- AEDC social media followers grew by more than 28% to 19,220
- 3.6 million impressions were driven from the "Make Your Move" campaign
- Highlighted inspiring Arkansas businesses
- Launched Home Base Arkansas website (homebasearkansas.com)



SCIENCE AND TECHNOLOGY

The goal of the Division of Science and Technology is to develop the academic and industrial ecosystem needed to support the creation and survival of a knowledge-based economy in Arkansas. A knowledge-based economy is critical to increasing Arkansas' per capita income and standard of living.

In 2020 the Division of Science and Technology was awarded a new 5-year project with \$20 million from the National Science Foundation and \$4 million from the State of Arkansas to support cutting edge research in data analytics and build a data science educational ecosystem. This project involves more than 13 Arkansas colleges and universities and more than 100 faculty researchers and students across the state. Learn more about the project, Data Analytics that are Robust and Trusted (DART), on our blog at info.arkansasedc.com/DART.

**FACILITATED INVESTMENTS OF
\$15,286,004.95
INTO ARKANSAS
TECH-BASED
COMPANIES**

**APPROVED \$1,675,000
IN GRANT FUNDING TO ASSIST
DEVELOPMENT OF 7
ACCELERATOR
PROGRAMS**

**CENTER FOR ADVANCED SURFACE ENGINEERING
(CASE) PRODUCED
250 PUBLICATIONS
& 17 PATENTS
\$33.2 MILLION
IN ADDITION GRANT FUNDING**



Arkansas Summer Research Institute overcomes pandemic challenges by going virtual.

For more information, follow the Science and Technology Division on:

 **YouTube**
youtube.com/arepscor

 **facebook**
facebook.com/arepscor

 **twitter**
twitter.com/arepscor

MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE

The mission of the Minority and Women-Owned Business Enterprise Division (MWOBE) is to facilitate the growth, development and expansion of minority and women-owned businesses by helping them gain access to valuable information, new market opportunities and financial resources. The main goal of this division is to help minority and women-owned business enterprises contribute to the economic growth of Arkansas.



Esperanza Massana-Crane named director of MWOBE in March 2021.

Some of the highlights of 2020 include:

- Businesses in the directory for the year: 853
- Provided funds to 21 businesses totaling \$1.8 million between FY2018-2020
- Maintained a total of 320 certified businesses
- 2020 Matchmaker event:
 - Event was held on September 17th, 2020
 - 135 people registered with 22 Buyers and 85 Suppliers
 - A total of 57 meetings took place
 - Keynote speaker: Mr. James F. Thrower, a former NFL player and President and Chief Executive Officer of Jamjomar, Inc.

FILM COMMISSION

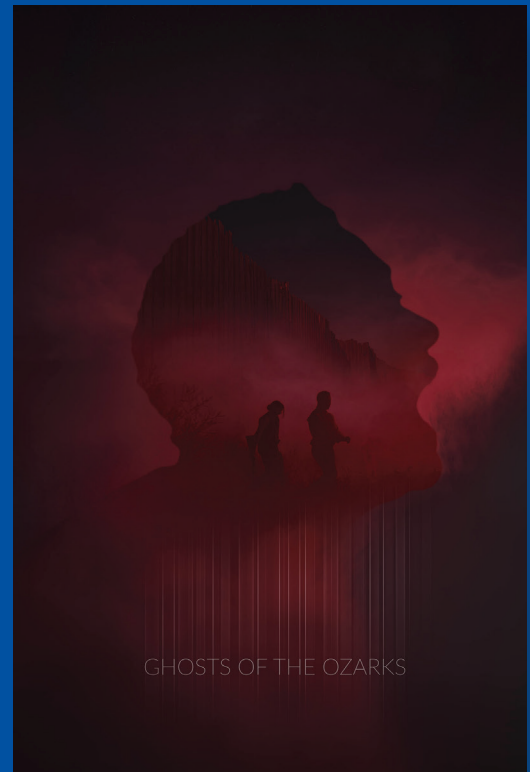
Created in 1979, the Arkansas Film Commission promotes Arkansas to film, video, television, and commercial production companies and provides liaison services for filmmakers working within the state. Filmmakers with specific location needs are provided with a series of materials designed to show what Arkansas has to offer. Photographs of possible locations, contact names, and crew information supply valuable information to filmmakers.

The office handles liaison services with other federal, state, and local government entities such as the National Parks Service, Arkansas Highway & Transportation Department, and county and city officials. In addition, film office staff members accompany filmmakers on scouting trips within the state and introduce them to community leaders, officials, landowners, and others who can assist the production company.

arfilm
Arkansas Film Commission

With the help and guidance of the Arkansas Department of Health, one of the first feature films to go back into production in the U.S. during the pandemic was *Ghosts of the Ozarks*, shot in Trumann, Arkansas.

Production began June 15, 2020.



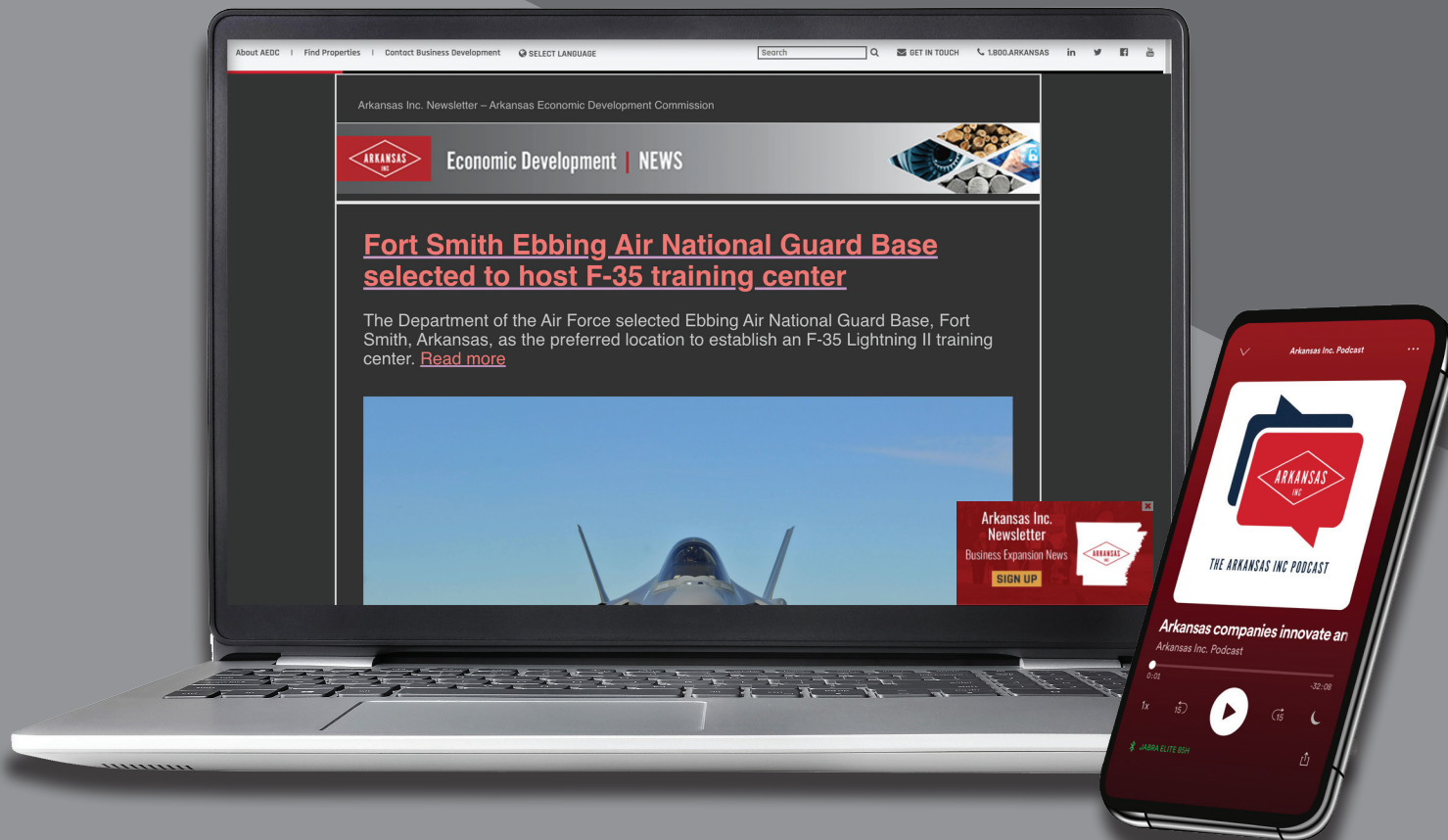
MILITARY AFFAIRS

The Military Affairs Division is responsible for making the State of Arkansas the most military friendly in the nation. The division is the outgrowth of the 2015 Governor's Military Affairs Initiative and is tasked to preserve, protect and grow the missions of the five installations in the state with its associated \$4.5 billion economic impact and 67,000 direct and indirect jobs.



- Worked with military officials, community leaders in Fort Smith and other stakeholders to bring a new F-35 Lightning II training center to Arkansas. This addition will add up to 36 aircrafts and bring more than 600 personal, along with families, to the Fort Smith region. The mission is estimated to have a \$1 billion annual economic impact on the state. It will also be the new home for the Republic of Singapore's F-16 Fighting Falcon training unit, which will be moving from Arizona.
- Accepted the award of "Great American Defense Community" from the Association of Defense Communities for Central Arkansas. Central to the designation was a MAGP grant to Jacksonville High School to start a cyber curriculum.
- Completed 2 Compatible Use Studies for Little Rock Air Force Base and Pine Bluff Arsenal areas.
- Built and launched a new military engagement website, HomeBaseArkansas.com

FURTHER INFORMATION



Stay up to date with economic development news in Arkansas by subscribing to the Arkansas Inc. newsletter at arkansasedc.com/newsletter and the Arkansas Inc. podcast at arkansasedc.com/podcast.

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1 Commerce Way, Suite 601
Little Rock, AR 72201
www.ArkansasEDC.com
501-682-1121





SCAN TO VIEW 2020



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1 Commerce Way, Suite 601, Little Rock, AR 72202