Arkansas’ Statewide Comprehensive Economic Development Strategy

2014-2020

EDA
U.S. Economic Development Administration

Association of Arkansas Development Organizations

Association of Arkansas Counties
Planning Strategically for Arkansas and its Regions

The Institute for Economic Advancement (IEA) received a grant from the Economic Development Administration (EDA) to facilitate the establishment of a Comprehensive Economic Development Strategy (CEDS) for Arkansas and each of its eight economic regions (also known as Planning and Economic Development Districts, or PDDs/EDDs). This exciting new initiative will bring together the public and private sectors to create an economic roadmap aimed at diversifying and strengthening the state’s economic development.

Based on a thorough analysis of a region’s economy, a CEDS is a guide for establishing regional economic goals and objectives, developing and implementing a regional plan of action, and identifying investment priorities and funding sources. An effective CEDS requires an ongoing economic development planning process that draws on broad based and diverse public and private sector participation to address economic opportunities and challenges, and to determine how success is measured.

The CEDS must reflect Governor Beebe’s five economic priorities for Arkansas, as contained in the Arkansas Strategic Plan for Economic Development.

These include:

- Increasing the incomes of Arkansans at a growth rate greater than the national average.
- Expanding entrepreneurship, with a focus on knowledge-based enterprises.
- Competing more effectively in the global marketplace for new business and jobs, and creating a business retention strategy to reduce closures.
- Meeting the economic needs specific to the region while capitalizing on its economic assets.
- Increasing the number of workers with post-secondary training.

Since successful economic strategies are driven by local assets and circumstances, a diverse industry base, a commitment to equality of opportunity, and sustainable practices economic development strategies at the state and the regional level will vary. By integrating human and physical capital into economic development planning, a CEDS gives a region the flexibility to adapt to global economic conditions and use its unique advantages to attract private investment that will create jobs for the region’s residents. A CEDS also provides a useful benchmark for assessing economic opportunities and challenges, and allows cities and counties to qualify for EDA capital.

For more information, go to arkansaseconomicregions.org
IEA and the statewide CEDS

In keeping with the focus of the National Association of Development Organizations (NADO) on strengthening local governments, communities, and economies through the regional strategic partnerships, IEA helped create one comprehensive economic development strategy for Arkansas. The new statewide CEDS, featuring an interactive web-based portal developed by IEA, uses data analysis from the eight regions to set goals that will enhance regional economic competitiveness. Areas of focus will include:

- Post-secondary education
- Entrepreneurship
- Innovation clusters of interrelated businesses
- Economic trends that create marketplace demands

Strong cooperation between the public and private sectors is essential to economic progress, and public-private partnerships are the foundation of real and sustainable economic growth at the regional and state level. A comprehensive economic development strategy empowers regions and states to use public resources to leverage desirable private investment, raise public awareness, communicate a common vision, and motivate stakeholders into action.

Arkansas Economic Developers (AED) and the Arkansas Economic Development Commission (AEDC) are also assisting in the development of this CEDS.

The Arkansas Statewide CEDS seeks to become a vital tool for addressing economic development issues, challenges, and opportunities by creating broad economic development strategies. These strategies can be utilized by Arkansas’ communities and the eight EDA Development Districts (PDDS/EDDs) regions. It is the objective of the CEDS to enable Arkansans to identify the essential economic development issues, challenges, and opportunities that have arisen in the state, create a strategy for dealing with those issues, challenges, and opportunities, and where appropriate incorporate the five goals from Governor Beebe’s Strategic Plan for Economic Development into a comprehensive statewide CEDS.

Arkansas Statewide CEDS - Central Purpose

Enable the state and its regions, counties, and cities to maximize their opportunities for advancing economically and developing as communities

for more information, go to arkansaseconomicregions.org
Seven Primary Initiatives for Economic Development in Arkansas

- Foster Vibrant Communities as Good Places – in which to Live, Work, Invest, and to do Business
- Ensure Infrastructure that Supports Business Activity, Quality Communities and Development
- Produce a Workforce with the Right Education, Hard Skills, and Soft Skills for Jobs Created and Retained
- Create a Business Friendly Regional Climate
- Focus/Target Efforts to Create and Retain Jobs
- Make Possible Locally Driven Planning and Economic Development
- Enhance Collaboration and Approaches that Engage a Wide Range of Partners

For more information, go to arkansaseconomicregions.org
Foster Vibrant Communities as Good Places in which to Live, Work, Invest, and to do Green-State Business

- Create Quality Spaces and Vibrant Downtowns as Magnets for Economic Activity
- Augment Education and Amenities that Make Communities More Attractive
- Cultivate Community Development
- Promote Healthier Communities
- Encourage Construction and Restoration of Affordable Housing

For more information, go to arkansaseconomicregions.org
Foster Vibrant Communities as Good Places In Which to Live, Work, Invest, and to do Business

» Create Quality Spaces and Vibrant Down-towns as Magnets for Economic Activity

• Downtowns reflect the health of a community—use such things as the Main Street program to create engaging and attractive downtown spaces
• Downtowns will rarely be the retail hubs they once were—work with community partners to find the right niche for each downtown and to position the downtown to make the most of that niche
• Attend to the creation of spaces (core areas and downtowns) that create a sense of place—nurture the evolution of programs and events that bring local people together and that help to draw tourists to our communities

» Cultivate Community Development

• Review and revise local codes and policies to ensure that they do not actively encourage urban sprawl and greenfield development—ensure that infill development, reuse, redevelopment, and rehabilitation of properties are equally encouraged locally
• Annexation policies should be examined
• Foster public-private partnerships that can help make redevelopment profitable
• Education of citizens on what the services and benefits are from living in a city
• Shopping mall, big box, and commercial redevelopment
• Public school curriculum needs a civic focus

» Augment Education and Amenities that Make Communities More Attractive

• Work with public and private schools and with post-secondary educational institutions to provide the best educational opportunities
• Develop trails and linear parks, river/lake front areas, and parks
• Support locally fitting cultural events and program-
ing
• Support local education of “civics” and biking (alternative transportation)

for more information, go to arkansaseconomicregions.org

» Promote Healthier Communities

• Support local public health programs that target chronic diseases
• Develop paths and trails that encourage walking

» Encourage Construction and Restoration of Affordable Housing

• Support private-public-nonprofit partnerships to offer decent and affordable housing for a wide range of income levels

Central Arkansas Planning and Development District is working to Foster Vibrant Communities as Good Places In Which to Live, Work, Invest, and to do Business by assisting in the creation of park and recreational areas like Shamrock Park in the City of Shannon Hills, Saline County

for more information, go to arkansaseconomicregions.org
Ensure Infrastructure that Supports Business Activity, Quality Communities, and Development

- Water: Protect Sources and Supplies. Make Wise Use of What is Available, and Properly Deal with Waste Water and Runoff
- Address the Multiple Modes of Transportation Used to Move Goods and People Within and Through the State
- Provide High-speed Connectivity to the Internet and Supportive Mechanisms so People and Businesses can Maximize use

For more information, go to arkansaseconomicregions.org
Ensure Infrastructure that Supports Business Activity, Quality Communities, and Development

» **WATER: Protect Sources and Supplies, Make Wise Use of What is Available, and Properly Deal with Waste Water Runoff**
  - Promote water conservation and sustainable use strategies as the cheapest ways to “expand” supplies of water
  - Engage in long range planning and construction of facilities to provide adequate water supply for multiple jurisdictions
  - Construct and operate waste water facilities that serve multiple jurisdictions
  - Manage storm water runoff
  - Educate the public about the cost of waste/potable water and the funds that must be raised to accommodate compliance with increasing regulation
  - Protection of watersheds and aquifer recharge areas
  - Examine water line and sewer expansion policies to determine whether they contribute to sprawl development

» **ADDRESS the Multiple Modes of Transportation Used to Move Goods and People Within and Through the State**
  - Support the completion of the Interstate Highway System in Arkansas
  - The Arkansas Street Aid Program, which focuses on local surface roads for vital movement of people and goods, establishes a new vision for street planning
  - Work toward the establishment of rural planning organizations (RPOs) that would perform transportation planning for non-metropolitan areas
  - Work with the Army Corps of Engineers to maintain and improve the state’s navigable waterways and inland ports
  - Increase access to railroads and promote the establishment of spur lines
  - Develop strategically located intermodal transportation hubs
  - In the metropolitan areas of the state where higher population density will support it, provide mass transit, including light rail

» **Provide High-Speed Connectivity to the Internet and Supportive Mechanisms so People and Businesses Can Maximize Use**
  - Provide broadband/high-speed Internet connection to resident and businesses throughout the state
  - Promote the use of broadband/high-speed Internet connection so that demand will justify supply
  - Support libraries and other educational institutions that embrace electronic records and information and that serve the complete age range of the population

*Throughout western Arkansas, Community Development Block Grant funds via Arkansas Natural Resources Commission have been utilized to expand local public water systems and construct new water lines in order to reach residents, specifically low-to-moderate income residents, previously unserved by a public water system.*

*for more information, go to arkansaseconomicregions.org*
Produce a Workforce with the Right Education, Hard Skills, and Soft Skills for Jobs Created and Retained

Assist in Developing a Workforce that can Fill Local and Regional Jobs

Exploit Opportunities Created by the Workforce Investment Act

For more information, go to arkansaseconomicregions.org
Assist in Developing a Workforce that Can Fill Local and Regional Jobs

- Local governments should act as catalysts for increased business/employer-education interaction—consider joining or forming an employer advisory board to increase business’ voice in education
- Local government can target specific employers and particular needs (and serve as an advocate to their local two-year college or training institution)
- Especially in the more rural areas of the state, a regional approach may prove to be more beneficial
- Drug abuse and criminal records are major inhibitors for employment—encourage employers to determine whether a full criminal background check is necessary for all jobs; educate youth as to the long-term consequences of drug/criminal records; promote treatment approaches for substance abusers

Exploit Opportunities Created by the Workforce Investment Act

- Local governments need a Workforce Investment Act (WIA) champion in Congress
- Mayors and judges should take an active role so that they can affect vocational training through their Workforce Investment Boards (WIB)

Produce a Workforce with the Right Education, Hard Skills, and Soft Skills for Jobs Created and Retained

The screenshot above shows a portion of SWAPDD’s Local Economies GIS database. It defines an economic baseline and helps our communities create and retain jobs by strengthening economic resilience. Thriving communities with the tools in place to quickly bounce back after disasters are economically resilient and attractive to businesses.

For more information, go to arkansaseconomicregions.org
Create a Business Friendly Climate

Ensure that Local Codes, Ordinances, and Procedures Support Businesses and Job Creation

Foster Public-Private-Not for Profit Partnerships Where Diverse Efforts can be made

for more information, go to arkansaseconomicregions.org
Create a Business Friendly Climate

» Ensure that Local Codes and Procedures Support Businesses and Job Creation
  • Review and revise local codes as appropriate
  • Streamline the permit process so that it is easier for people to create new businesses, especially those without prior experience
  • Create a “one-stop shop” process for permitting of businesses
  • Remove fees or taxes that contribute little revenue and that are a burden on local businesses
  • Develop an education program for local leaders on the do’s and don’ts of business friendliness

» Foster Public-Private-Nonprofit Partnerships where Diverse Efforts can be Made to Compliment One Another
  • Local governments and chambers of commerce can be partners
  • Local governments need to be advocates for local businesses
  • Create or strengthen industrial and downtown development authorities

for more information, go to arkansaseconomicregions.org
Focus/Target Efforts
to Create and Retain Jobs

- Concentrate Local Efforts onto Business Retention
- Local Business Creation Efforts Should Center on Small Businesses and Entrepreneurs
- Target Efforts to Benefit the Entire State on Tourism
- Determine Locally Appropriate Development and Steer Local Efforts in Those Areas
- Find the Right Balance of Inducements and Incentives to Recruit Industries and Site Development

for more information, go to arkansaaseconomicregions.org
Focus/Target Efforts to Create and Retain Jobs

» Concentrate Local Efforts onto Business Retention
• The vast majority of local governments in Arkansas cannot effectively engage in their own business recruitment—support AEDC in its industrial and business recruitment efforts
• Business retention, which is as important as recruitment, can be an area where local governments can positively affect their local economies—visit existing businesses and engage in a dialogue about helping them to stay in business and to expand
• Develop business retention tools that can be employed by local governments; develop a how-to guide on the available tools and how to use them

» Local Business Creation Efforts Should Center on Small Businesses and Entrepreneurs
• Foster the creation of small businesses and entrepreneurs; sponsor training and assistance programs for small businesses (provided by ASBTDC and other entities)

» Determine Locally Appropriate Development and Steer Local Efforts in Those Areas
• Focus efforts on further development of existing industry clusters and of those businesses that serve these clusters
• Support the development of value-added businesses for locally produced crops, raw material, etc.
• Collaborate in a “local gap” analysis to identify those niches that could be filled by new businesses or expansion of existing businesses
• In rural areas, recognize that retail development may be the best target—new retailers create local jobs, help keep money circulating locally for longer periods, and generate tax revenues for local governments
• Exploit those unique factors (such as scenic areas for filming, blues/music heritage, natural resource assets, etc.) and support businesses that exploit the opportunities created

» Target Efforts to Benefit the Entire State on Tourism
• Every area of the state has the potential for increased tourism—local efforts should be linked into regional approaches which in turn fit into a statewide strategy
• Arkansas is the “Natural State” and the area’s natural resources can be further promoted and serve as a base for tourism
• Efforts on lengthening the tourist season, developing off-peak season tourism, and increasing the variety of attractions that are offered to tourists
• The film industry has shown increased interest in Arkansas—locales can be promoted to bring economic activity to communities

» Find the Right Balance of Inducements and Incentives to Recruit Industry and Site Development
• Arkansas’s incentives for business recruitment are at a competitive disadvantage to surrounding states—support the continued use of the Governor’s Discretionary Fund and other financial incentives
• Local governments can contribute utility infrastructure as inducements to complement and sweeten recruitment efforts
• Support the formation of tax increment financing (TIF) and other capital improvement districts so that businesses can “self-fund” improvements to an area
• Help local businesses access Brownfields funding

for more information, go to arkansaseconomicregions.org
Invest in Efforts to Produce Knowledgeable Leaders who Can Steer Locally Driven Efforts

Find the Next Generation of Leaders and Nurture Their Development

for more information, go to arkansaseconomicregions.org
Make Possible Locally Driven Planning and Economic Development

» **Invest in Efforts to Produce Knowledgeable Leaders who Can Steer Locally Driven Efforts**
  - Educate local public leaders as to how their local governments are the owners of their Planning and Development Districts (example: Act 118 of 1968) and are ultimately accountable for the performance of those PDDs
  - Evolve and expand the Arkansas Municipal League’s and Association of Arkansas Counties’ local official training from voluntary to mandatory and to include economic development components

» **Find the Next Generation of Leaders and Nurture Their Development**
  - Establish or support local or regional leadership programs that target those under 50 years of age
  - Use the graduates of the leadership programs—appoint the graduates to board positions, draw them into leadership position in civic organizations, etc.
  - Participate in 4-H and other youth programs to promote civic responsibility, volunteerism, and leadership
  - Look for private sector allies that are also interested in developing the next generation of leaders—banks and other larger employers may be struggling to find the next generation of first-line managers and tomorrow’s leaders, they could partner with public efforts to develop leaders
  - Create internship opportunities and foster the development of mentors

CAPDD proud to be the host location for the Lonoke County Leadership Training Program class which recently toured the Arkansas State Capitol to learn facts about the building.

For more information, go to arkansaseconomicregions.org
Make it Easier to Fund Regional Multi-Jurisdictional Efforts

Insist that Public-Private Partnerships be the Sole Means for Regional Collaboration

Enable Local Governments to Enter into Agreements for Shared Provision of Services

Assist Cities and Counties in Discovering Win-Win Solutions

for more information, go to arkansaseconomicregions.org


» **Insist that Public-Private Partnerships be the Sole Means of Regional Collaboration**

- Regional partnerships too often only include private sector leaders and PDDs too often mainly involve public sector leaders—public and private leaders must come together and work jointly for the betterment of their regions
- Develop a marketing strategy for regionalism—sell the benefits and reduce the bad stigma
- Advocate that the state and its agencies embrace public-private partnerships as the vehicle for regional development
- Replace local competitiveness with collaboration wherein a central city supports the development and well-being of its hinterlands and outlying areas see that the economic success of the central city benefits the region

» **Make It Easier to Fund Regional and Multi-Jurisdictional Efforts**

- Generate a guide to Act 9 Bonds—industrial revenue bonds (IRBs) provide manufacturers with competitive financing to purchase land, buildings, and equipment to expand their operations. Cities and counties are authorized to issue IRBs to benefit private companies and are not obligated to make payment (except from project income). The bonds must be underwritten on the financial strength of the company or guaranteed by the Arkansas Economic Development Commission or the Arkansas Development Finance Authority.
- PDDs could play a role in issuing revenue bonds to finance local government construction of “community facilities”—in 2007 the Legislature enacted a law that authorized PDDs to issue revenue bonds when a local government pledges to pay off the bonds with the revenue from a local tax

» **Enable Local Governments to Enter into Agreements for Shared Provision of Services**

- One way to deal with continued population loss is some areas of the state would be for local governments to enter into contractual arrangements to jointly provide services to their citizens—this could be city-county, city-city, or county-county collaboration
- The ways to address the EPA’s requirements regarding storm water runoff are too expensive for many local governments individually—entering into partnerships may raise the affordability of these actions
- Make it easier for local governments to share the costs and revenue streams from such things as multimodal transportation facilities, waste water treatment plants, etc.

» **Assist Cities and Counties in Discovering Win-Win Solutions**

- Work toward the recognition that cities and residents in those cities are also part of their counties
- Foster the mindset that counties and cities must both succeed if they are to prosper

for more information, go to arkansaseconomicregions.org
What Comes Next?

» This statewide CEDS does not include an action plan by design

» Implementation of this developmental strategy can only occur through the planning, work, and investments of local governments, regional planning and development organizations, the state and its agencies, and private parties

» The statewide CEDS is intended to provide an umbrella under which the regional CEDS can be posited and through which local efforts can achieve some success

for more information, go to arkansaseconomicregions.org