

Economic Development Alliance for Jefferson County, Arkansas

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**Industry Guide  
for Accessing Incentives in  
Jefferson County, Arkansas**

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# Executive Summary

## Introduction

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In the endeavor to grow your company, the Economic Development Alliance for Jefferson County (Alliance) provides access to financial incentives and resources. The Alliance is a collection of organizations and services under one roof that encourages business growth in the county. The Alliance helps businesses new to Jefferson County, existing businesses realize expansion opportunities, and also promotes Jefferson County as a destination for new industrial investment.

## Purpose of Guide

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This guidebook has been prepared to help navigate process and obtain the resources and assistance needed to grow. It serves to:

- 1) Explain the process and requirements for accessing local incentive funds;
- 2) Provide options for private, federal, and state funding and assistance; and
- 3) Act as an agreement whereby your company and the Alliance commit to the process that can lead to your business receiving approval of local incentive funds.

## Local Incentive Fund

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The local fund is fueled by receipts from a 3/8-cent sales tax approved in 2011 by Jefferson County voters to promote economic development. It incentivizes companies looking to create jobs and make capital investments to locate or expand in the county. It is structured as a performance contract agreement with the number of full-time primary jobs created or retained, average wage, capital investment, and/or other specific performance as payback. Subject to provisions of an Arkansas constitutional amendment, the local fund can support, but is not limited to, the purchase and movement of equipment, construction, building leases and rehabilitation, infrastructure, and workforce training. A subsequent amendment now allows incentive funds also to be disbursed directly to a qualified applicant for pre-approved expenditures or infrastructure development.

## Commitment

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The Alliance supports your company's goal of being more competitive, along with the creation of new jobs and capital investment in Jefferson County. We want to be a partner in your success and our county's prosperity. To formalize our partnership, we ask for **your signature in two places**. First, please sign the **bottom of this page** to acknowledge receipt of the guidebook and confirm your intention to meet with the Alliance to walk through it. After meeting with the Alliance, please sign the **bottom of the closing letter** at the back of the guidebook. The second signature confirms that you reviewed the guidebook with the Alliance and understand the local incentive funding process. It also signals the beginning of a 60-day period for you to complete your application for local incentive funds, which requires you to collect information, provide it to the Alliance, and submit follow-up information that may be requested. Once your application is complete, then the Alliance begins due diligence, formal review, and the approval process.

\_\_\_\_\_  
Signature of Company Representative

\_\_\_\_\_  
Signature of Alliance Representative

\_\_\_\_\_  
Print Name of Company Representative

\_\_\_\_\_  
Print Name of Alliance Representative

\_\_\_\_\_  
Name of Company

Economic Development Alliance for  
Jefferson County, Arkansas

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

# Local Incentive Fund Program

## Description

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The local incentive fund is a financial assistance program provided by the Economic Development Corporation of Jefferson County, AR (EDCJC). Its purpose is to help qualified businesses in Jefferson County, or looking to locate in Jefferson County, offset the costs of capital expansion projects and/or train workers. The use of the funds is governed by Arkansas Code A.C.A. § 14-175-101.

The Economic Development Alliance for Jefferson County (Alliance) administers the program by partnering with you—the industry owner—to complete the application and seek qualification for incentives.

Quick facts:

- Local fund fueled by 3/8-cent sales tax approved in 2011 by Jefferson County voters to promote economic development.
- Local fund incentivizes companies looking to create jobs and make capital investments to locate or expand in the county.
- Structured as a performance agreement with number of full-time primary jobs created or retained, average wage, capital investment, and/or other specific performance as payback.

## Does My Company Qualify for Incentives?

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There is a set of criteria to determine whether your company qualifies to apply for the local incentive fund program.

**Question 1)** Is your company located in Jefferson County?

**Question 2)** Are you creating or retaining “primary jobs”?

A **primary job** means a job,

- For which a majority of the products or services of that enterprise are ultimately used in regional, statewide, national, or international markets infusing new dollars into the local economy; **and**
- That derives less than ten percent (10%) of its total Arkansas revenue from sales to the general public.

**Question 3)** Does the project include one (1) or more of the following?

- Acquisition or disposition of land, buildings, equipment, facilities, related infrastructure, and improvements necessary to:
  - Attract, promote, or develop new or expanded enterprises that will create or retain primary jobs in the future; or
  - Provide job training and postsecondary education required or suitable for the creation or retention of primary jobs;
- The construction or expansion of buildings, facilities, related infrastructure, and improvements necessary to attract, promote, or develop new or expanded enterprises that will create or retain primary jobs in the future or to provide job training and postsecondary education required or suitable for the creation or retention of primary jobs;
- Job training required or suitable for the creation or retention of primary jobs;
- Postsecondary education required or suitable to educate students in fields of study needed by enterprises providing primary jobs; and
- Expenditures found by the Corporation to be required or suitable for infrastructure necessary to attract, promote, or develop new or expanded enterprises, limited to:
  - Streets and roads
  - Parking
  - Rail spurs
  - Water and electric utilities
  - Gas utilities
  - Drainage and related improvements
  - Telecommunications
  - Data communications
  - Internet improvements.

**Answer)** If the answer to these three questions is yes, than the project qualifies for incentives.

# Application for Local Incentives

## Applicant Information

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Date \_\_\_\_\_

Name of Company \_\_\_\_\_

Mailing Address \_\_\_\_\_

Physical Location of Project \_\_\_\_\_

Contact Person & Title \_\_\_\_\_

Phone # \_\_\_\_\_

E-mail \_\_\_\_\_

NAICS Code \_\_\_\_\_

**Please include financial statements: balance sheet, income statement, and statement of cash flows. 3-years of financials.**

## Project Plan

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New Construction

Expansion

Modernization

**Attach or insert a brief project description.**

**Attach or insert a business plan. (See page 14 for required elements)**



## Project Cost Estimate

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|  | \$ Amount | Description |
|--|-----------|-------------|
| <b>Land</b>  | _____     | _____       |
| <b>Building</b> (New/Existing)                                       | _____     | _____       |
| <b>Infrastructure</b><br>(streets, rail spurs, drainage & utilities) | _____     | _____       |
| <b>Equipment</b>   | _____     | _____       |
| <b>Other</b>   | _____     | _____       |
| <b>Total</b>   | _____     | _____       |

## Employment Information

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|   |          |
|---|----------|
| <b># of Current Employees</b>                           | _____    |
| <b>Average Hourly Wage</b>                              | \$ _____ |
| <b># of New Full-Time Employees in Jefferson County</b> | _____    |
| <b>Average Hourly Wage</b>                              | \$ _____ |
| <b>Total Annual Payroll</b>                             | _____    |
| <b>Estimated Start Date of Project</b>                  | _____    |
| <b>Estimated Completion Date</b>                        | _____    |

# Process for Reviewing Applications for Incentives

## **Economic Development Alliance Due Diligence Committee**

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This committee:

- Reviews completed incentive application from prospect and any recommendations from Alliance staff
- Uses approved job-creation incentive guidelines to create and formulate a proposed incentive package showing the amount of incentives for which the prospect would qualify
- Meets with **Special Economic Development Committee**, the EDCJC Chairman, and EDCJC's legal counsel to structure the proposed incentives package

## **Economic Development Corporation of Jefferson County**

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- EDCJC (also known as the County Sales Tax Board) receives and votes on project incentive recommendations.

# Guidelines – Calculating Incentive Amount

## Potential Average Wage & Investment per Job

| Average Wage Rate         | Incentive per Job |
|---------------------------|-------------------|
| Up to Average Wage        | \$1,000           |
| Average to 120% Average   | \$2,000           |
| 121% to 150 % Average     | \$3,000           |
| 151% to 199% Average      | \$5,000           |
| Greater than 200% Average | Negotiable        |

## Capital Investment

Every \$1 million in capital investment is multiplied by \$X,000's (incentive per million). The higher the investment, the higher the multiplier, which is not necessarily tied directly to average wage rate.

## Hypothetical Scenario

| Company Projection              | Company Commitment   | Incentive Calculation                 | Incentive Amount |
|---------------------------------|--|---------------------------------------|------------------|
| 10 jobs                         | <b>Creation of new</b> , full-time employees with average hourly wages of \$17-\$20 plus *benefits in five (5) years | \$2,000 per job x 10 jobs = \$20,000  | \$20,000         |
| 50 jobs                         | <b>Retention</b> of full-time employees with average hourly wages of \$17-\$20 plus benefits for five (5) years      | \$1,000 per job x 50 jobs = \$50,000  | \$50,000         |
| \$2,000,000                     | <b>Invest</b> \$2,000,000 in capital – not including incentives  | \$2,500 per \$1,000,000 x 2 = \$5,000 | \$5,000          |
| <b>Total Proposed Incentive</b> |  |                                       | <b>\$75,000</b>  |

\*benefits: available medical insurance and paid sick leave

## Traditional Banking

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### **Relyance Bank**

Scott Socia  
PO Box 7878  
Pine Bluff, AR 71611  
870-535-7222, ext. 1101  
[socias@relybank.com](mailto:socias@relybank.com)

### **Simmons Bank**

Duncan Bellingrath  
PO Box 7009  
Pine Bluff, AR 71611  
870-541-1198  
[duncan.bellingrath@simmonsbank.com](mailto:duncan.bellingrath@simmonsbank.com)

## U.S. Small Business Administration

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### **Arkansas Small Business and Technology Development Center (Monticello – UAM SBTDC)**

Stephanie Harton, Center Director  
1514 Scogin Dr.  
Monticello, AR 71656  
870-460-1910  
[www.uamont.edu/sbtcd](http://www.uamont.edu/sbtcd)

### **Simmons SBA Loans**

Russell Barker  
870-541-1022  
[russell.barker@simmonsbank.com](mailto:russell.barker@simmonsbank.com)

## Arkansas Department of Commerce

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### **Arkansas Economic Development Commission (AEDC)**

One Commerce Way, Suite 601  
Little Rock, AR 72202  
[www.arkansasedc.com](http://www.arkansasedc.com)

### **AEDC- Incentives**

Jennifer Emerson  
Director - Business Finance  
501-682-1117  
[jemerson@arkansasedc.com](mailto:jemerson@arkansasedc.com)

### **AEDC- Small and Minority Business**

Patricia Brown  
501-682-6105  
[pbrown@arkansasedc.com](mailto:pbrown@arkansasedc.com)

### **Arkansas Development Finance Authority (ADFA)**

Bryan Scoggins  
President  
501-682-5995  
[bryan.scoggins@arkansas.gov](mailto:bryan.scoggins@arkansas.gov)

## Resources

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### **Arkansas Manufacturing Solutions**

Dan Curtis  
Senior Manager  
One Commerce Way, Suite 601  
Little Rock, AR 72202  
501-683-4411  
[dcurtis@arkansasedc.com](mailto:dcurtis@arkansasedc.com)  
[www.mfgsolutions.org](http://www.mfgsolutions.org)

Their industry experts help manufacturers increase sales and cut costs by improving production processes. Staff specialists in your line of business visit your company to assess your needs, identify the pain points, and provide solutions. There is a free initial assessment, then a fee for additional services.

### **Arkansas Capital Corp.**

Bert King, SVP Lending  
200 River Market Avenue, Suite 400  
Little Rock, AR 72201  
800-216-7237  
[bking@arcapital.com](mailto:bking@arcapital.com)  
[www.arcapital.com](http://www.arcapital.com)

Group of affiliate companies that empower entrepreneurs by providing capital to businesses.

### **Jefferson County Training Support Program for New Manufacturing**

Allison J.H. Thompson  
President & CEO, Alliance  
870-535-0110  
[allison@jeffersoncountyalliance.com](mailto:allison@jeffersoncountyalliance.com)

Provides awards ranging from \$10,000 to \$20,000 for technical training of full-time workers at Southeast Arkansas College (SEARK).

### **Jefferson County Manufacturing Council (JCMC)**

Nancy Lee McNew  
Vice President of Economic Development  
The Alliance  
870-535-0110  
[nancy@jeffersoncountyalliance.com](mailto:nancy@jeffersoncountyalliance.com)

Membership group of approximately 30 industrial companies' senior management in Jefferson County who meet regularly to foster communication and learn from one another.

# Business Plan

## Essential Elements

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A business plan provides direction and is usually a requirement seeking financing. It is a systematic assessment of all the factors critical to your business purpose and goals.

### **What to include in your business plan:**

**Title Page** – This describes what the plan is for and includes general information on your business.

**Business/Executive Summary** – A one-page overview written after your business plan is finalized.

**Company Description** – This is typically called the management plan or operations plan. Describe the company's ownership/background, structure, staff (how many full-time and part-time workers), and product information. Formulate your goals and objectives for this new business or expansion.

**Market Strategy** – Outline your market analysis of the industry you are entering or expanding, your customers and your competitors.

**Finances and Financial Projections** – The financial plan includes how you will finance your business or business expansion, costs, and financial projections. What are the funds going to be used for (building, equipment, infrastructure, etc.)?

**Succession Plan** – What leadership and management structure is in place should something happen to the principal(s) of the company? Are they adequately trained? Do they inspire confidence?

**What is your funding request?** How much funding are you putting in, how much is coming from investors, banks, etc.?

**Supporting Documentation** – List all of your attachments under this heading in your plan for referral. For example: maps of location, resumes, equipment, investors, etc.

# Checklist

Use this to see if your application is complete

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- Signed commitment letter on Page 5 of this guide
- Signed closing letter on Page 16 of this guide
- Met with the Alliance
- Completed application for incentives
- Included brief project description
- Provided business plan
- Provided financial statements
- Included information about site, building, property, or equipment
- Disclosed investors' information
- Included information from Arkansas Economic Development Commission (AEDC), if appropriate
- Other

# Closing Letter

## Signature Requested

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You have finished reviewing the guidebook. We hope it thoroughly and clearly outlined the Jefferson County local incentive funding program and process.

**Please sign the bottom of this closing letter.** It confirms that you met with the Alliance to review the guidebook and understand the local incentive funding process. It also signals the beginning of a 60-day period for you to complete your application for local incentive funds, which requires you to collect information, provide it to the Alliance, and submit follow-up information that may be requested. Once your application is complete, then the Alliance begins due diligence, formal review and approval process.

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Signature of Company Representative

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Signature of Alliance Representative

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Print Name of Company Representative

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Print Name of Alliance Representative

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Name of Company

Economic Development Alliance for  
Jefferson County, Arkansas

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Date

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Date



# Alliance Contact Information

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President & CEO

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Vice President of Economic Development

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