



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Signature Copy

Resolution: R-EN-084-2021

File Number: RES-21:083

Enactment Number: R-EN-084-2021

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS,
FOR THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT WITH THE
NORTHEAST ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION (NEAIDC) FOR
FUNDING OF ECONOMIC DEVELOPMENT SERVICES

WHEREAS, the Northeast Arkansas Industrial Development Commission (NEAIDC) was established under ORD-86:1557 to oversee the expenditure of public funds directed to industrial development and to promote economic development; and

WHEREAS, the City of Jonesboro appoints four members to the NEAIDC of the total of seven; and

WHEREAS, Resolution 20:244 adopted the City of Jonesboro's 2021 budget and included \$167,250 for Industrial Development in the General-Outside Agencies Fund, and \$227,500 for NEA Development in the Capital Improvements-Other/Annual Obligations Fund, for a combined total amount of \$394,750; and

WHEREAS, the terms and conditions of services provided by the NEAIDC are defined in the attached agreement.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
JONESBORO, ARKANSAS, THAT:

Section 1: The Mayor and City Clerk are hereby authorized to execute said agreement.

Section 2: The funding of \$394,750 is authorized to be provided to NEAIDC as appropriated in the 2021 budget.

PASSED AND APPROVED THIS 1ST DAY OF JUNE, 2021.

Agreement

THIS AGREEMENT is entered into between the City of Jonesboro, Arkansas ("City") and the Northeast Arkansas Industrial Development Commission ("NEAIDC"), and shall be in effect from January 1, 2021 to December 31, 2021. This agreement may be renewed by mutual agreement and subject to approval by the Jonesboro City Council.

WHEREAS, the NEAIDC was established under City Ordinance 86:1557 and City Code Section 2-447 to 2-458 to oversee the expenditure of public funds directed to industrial development and to promote economic development; and,

WHEREAS, A.C.A Section 14-176-103 authorizes cities to contract and provide funding for economic development services; and,

WHEREAS, the City appoints four members to the NEAIDC of the total of seven; and,

WHEREAS, economic development provides a valuable public purpose to the City of Jonesboro including the creation and retention of jobs, expansion of the tax base, and improvements to real property.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the parties agree as follows:

1. The NEAIDC and its partners will promote economic development through the following activities:
 - a. Attraction of new business and industry;
 - b. Retention and expansion of existing businesses;
 - c. Workforce development initiatives, including coordination with the educational institutions within the community to promote education and training needed for local employers;
 - d. Production of marketing materials and promotional campaigns;
 - e. Building relationships with site selection consultants, business executives, and targeted business association organizations;
 - f. Building relationships with the Arkansas Economic Development Commission and other state and federal agencies involved in economic development and related activities;
 - g. Facilitate infrastructure and industrial land planning and development;
 - h. Management of industrial properties owned by partner entities;
 - i. Promotion of Jonesboro's targeted industries; and,
 - j. Other services and programs associated with economic development activities.

2. The NEAIDC will provide a written report each quarter (no later than 60 days after the end of the previous quarter) to the City indicating progress of its activities of Section 1 and report on the economy of Jonesboro. The NEAIDC will also provide an oral report to the City Council upon request.

3. The NEAIDC will provide a written annual report to the City prior to June 30, 2022 that will include the activities of section 1, economic data for Jonesboro, and other data as requested by the City.
4. The City agrees to provide funding of \$394,750 to NEAIDC in one installment prior to June 30, 2021, which includes \$167,250 for economic services as indicated in Section 1, and \$227,500 for capital improvements related to industrial property.

IN WITNESS WHEREOF, the parties have hereunto set their hands on 6-2, 2021.

CITY OF JONESBORO, ARKANSAS

NORTHEAST ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION

BY:



Al M. Heringer III, Chairman

NORTHEAST ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION

Annual Report 2020

2020 was a year that will be remembered by all in Jonesboro. With the devastating tornado in March and the COVID-19 pandemic, many families and businesses searched to find new ways to engage and persevere. Jonesboro has always been a community of people who band together and overcome obstacles in times of need. And we did. As you will see in the annual review below, we persevered and had many good expansions and growth announcements. Thank you for your continued support. We are looking forward to a great 2021, as our city continues to evolve and grow in excellence.

Sincerely,

Al M. Heringer III, Chairman

BUSINESS ATTRACTION, RETENTION & EXPANSION

Jonesboro experienced **58 inquiries** during 2020, the highest number in the last 15 years. Inquiries came in the form of searches for existing buildings, site location consultants searching sites for their clients, or companies conducting a self-search for an expansion or relocation. The inquiries led to **4 site visits**, one of which was virtual.

There were **52 business retention and expansion activities** in 2020. Our existing industries, many of which are considered essential services, persevered through the challenges and, as you will see in this report, expanded and created new jobs.

Many times, our existing industries compete within their corporation for expansion projects in a process similar to locating a new industry. We are pleased that Jonesboro was selected by several corporate headquarters to expand and grow their Jonesboro facilities in 2020.



Camfil APC announced in October they will build a new manufacturing facility in the Craighead Technology Park, to replace their facility that was destroyed by the tornado in March. Plans are to construct a 300,000 square foot facility and to be in production by early 2022. Camfil manufactures air filtration equipment and currently employs 245 in Jonesboro.

Colson plans to make a \$20 million investment in Jonesboro to construct a 147,000 square foot facility on 25 acres in the Craighead Technology Park. Colson manufactures casters in Jonesboro and employs 90 people.





In December, Nestlé unveiled that they will invest more than \$100 million to expand their Jonesboro facility to include a new line to produce Hot Pockets® brand sandwiches. At least 100 new employees will be hired over a two-year period for this expansion. Construction will involve renovating space and the addition of 90,000 square feet.

In November, Nice-Pak announced plans to expand manufacturing capacity at their Jonesboro facility and increasing employment by 300 by the end of 2021. The expansion will more than double their capacity to produce disinfecting wipes and increase capacity for other product groups.



Ritter Communications opened their new \$8 million multi-user data and cloud storage facility in Northeast Arkansas in November. This facility is the first service provider-grade data center to serve our regional businesses and is the only one of its kind within a 100-mile radius. The 8,544 square foot facility provides business customers with a highly secure, offsite location to store data and IT infrastructure. It is a great economic development asset for our region.

City Water and Light announced plans to build a 13.25 megawatt solar farm on 98-acres in the Craighead Technology Park, as part of a process to replace coal as an energy source. It is planned that this project will produce emissions-free sustainable energy over the expected 30-year life and longer. Manufacturers are embracing renewable energy and having the solar farm in the Craighead Technology Park is a definite asset.



Delta Peanut, who constructed a peanut shelling facility in Jonesboro in 2019, finished up their first full peanut harvest in 2020. The shelling facility has a capacity upwards of 180,000 tons, which is about twice the anticipated capacity of the state's current peanut crop.

Annual Inventory of Growth

Jonesboro Unlimited recently completed their Annual Inventory of New and Expanded Industries for 2020. The survey is sent to five targeted industry sectors – Agriculture, Healthcare, Logistics, Manufacturing, and Professional Services. In the midst of a most challenging year, Jonesboro's strength and economic diversity was highlighted, with results of the survey showing the creation of:

842 Net New Jobs and \$87.3 Million in Capital Investments made in 2020

Many of our manufacturers are considered essential companies and have continued to work during the COVID pandemic. Two **Plant Managers' Roundtable** discussions were held in 2020, to provide them a forum to share information and talk about items of interest to them.

The **NYIT College of Osteopathic Medicine at Arkansas State University** graduated their first class in 2020. The economic impact of having NYIT in Jonesboro is immense and elevates the healthcare sector of our economy for years to come.

MARKETING & PROMOTION

Showcasing Jonesboro to prospective companies took on a new look in 2020, with technology coming to the forefront. As travel was curtailed by the pandemic, virtual site visits by consultants and companies were held. Potential sites were shown using drone footage as we quickly adapted to marketing Jonesboro electronically. As travel restrictions change and clients can visit in-person again, we feel a combination of the two methods will be utilized in the future.

The "**Jonesboro – Here and Invested Series,**" was created to highlight professionals living and working in Jonesboro. Our city is a great location in which to build your career and is second to none in quality of place. Click on each picture below to watch the videos or go to YouTube – Jonesboro: Here and Invested.



Ryan Miller, Welding Supervisor
TrinityRail



Dr. Brook Laurent, Clinical Medicine
NYIT College of Osteopathic Medicine



Ben Moyer, Director of Engineering
Hytrol Conveyor



Throughout the early days of the pandemic a series called **Compass, the Direction you Need Now**, was created to provide essential information to businesses about PPP loans, unemployment, and services available.

Throughout the early days of the pandemic a series called **Compass, the Direction you**

○



Our economic development partners, the City of Jonesboro and Jonesboro Unlimited developed a marketing campaign called "Mask-Up Jonesboro" to educate and encourage everyone to mask-up, social distance, and wash hands frequently. Individuals, industries, businesses, and A-State participated in the video, which can be viewed at:

<https://www.youtube.com/watch?v=EvMIwsJGI04>

RELATIONSHIPS

Arkansas State University is a key component of Jonesboro's economic development success. Working with the College of Engineering and Computer Science, a stakeholders meeting was held with manufacturers in the region to discuss engineering needs among our industries.

Regional Coalition – The **Northeast Arkansas Economic Development Coalition (NEAEDC)** continued to meet in 2020 and worked to develop a new strategic plan for the promotion and development of the region. The NEAEDC is made up of Clay, Craighead, Greene, Lawrence, Poinsett, and Randolph Counties. Mike Philpot, former Vice President of Economic Development, was President of the organization.

Statewide Representation – Jonesboro's economic development partners serve on many regional and statewide organizations that create policy and lead the state in promoting economic prosperity. Mark Young, President of Jonesboro Unlimited and the Jonesboro Regional Chamber of Commerce, continued to serve on the **Governor's Economic Recovery Task Force**, making recommendations on how to safely re-open Arkansas' economy throughout the COVID-19 pandemic. He also serves on the **Arkansas Economic Development Foundation**, and the **Arkansas Association of Asian Businesses**.

National and International Presence – Economic development consultants bring a majority of projects to communities and building relationships with those consultants is an important step in marketing our city on a national and global level. Jonesboro hosted a community visit with a nationally known food processing consultant in 2020, and participated in several virtual consultant connect events.

INFRASTRUCTURE

Providing first class infrastructure for our manufacturers to get their raw products in and finished goods out is vital to their success in Jonesboro. Many infrastructure improvement projects were started in 2020 that will provide superior service to facilities in our industrial parks.

A **rail storage yard** will be constructed near the Craighead Technology Park to add rail car storage capability for our industries. The site will hold up to 120 additional cars. The Jonesboro Economic Development Corporation (JEDC), in collaboration with the City of Jonesboro, purchased a 9 +- acre site for the project near the Craighead Technology Park. Construction will start this year on the project.

In addition, the **rail spur terminus** in the Craighead Technology Park has been extended 1,200 feet, taking it to the southern border of the Delta Peanut site. This extension serves Delta Peanut and will be available to serve companies locating south of their site.

The East Arkansas Good Roads Association continues to work on highway projects that impact the economic development of our region. The **Future I-57 project** is a long-term project of the organization. The route will start in North Little Rock at I-30 and end in Chicago. Our state and federal agencies and legislators are moving forward with this project in partnership with Missouri officials.

The **Jonesboro Municipal Airport** was demolished in the March tornado. While the airport was fully operational after only a few days, the Airport Commission spent most of 2020 rebuilding hangars and facilities. The runway strengthening project is still a high priority and will hopefully be fully funded soon.

Voters in the State of Arkansas passed Highway Issue 1 in 2020, permanently putting in place the one-half cent sales tax for highways. This provides permanent funding for the Arkansas Department of Transportation.

THE NUMBERS

The Milken Institute ranks communities annually on economic performance. The Index includes jobs, wages, and high-tech growth, while also measuring housing affordability and broadband access. The 2021



MILKEN INSTITUTE

rankings list **Jonesboro as the 14th Best Performing Small City!** This includes a ranking of 7th among peer communities in 12-month job growth. A total of 201 small cities were included in the rankings.

Jonesboro's low cost of living allows your dollar to go farther here! See the comparison below, with the national average being 100.0. *Source: C2ER Cost of Living index; 2020 Annual Average Data.*

