

August 5, 2013

Senator Paul Bookout, Chair
Representative John Charles Edwards, Chair
Arkansas Legislative Council
Room 315, State Capitol
Little Rock, AR 72201

Dear Senator Bookout and Representative Edwards:

As required by Act 510 of 2007, please find attached and below an accounting of the annual report of the Economic Development Incentive Quick Action Closing Fund for the period July 1, 2012 through June 30, 2013 (FY 2013). This includes only companies that received monies from the fund during this time period. A total of \$115,727,000 has been allocated to the Quick Action Closing Fund (\$50 million during the 86th General Session, \$50 million during the 87th General Session, and \$15.727 million during the 88th General Session). An overview of expenditures, unpaid commitments, funds offered but not accepted and the fund balance is as follows:

Expenditures for FY 2013	\$11,266,744
Expenditures prior to FY 2013	\$59,141,732
Unpaid commitments	\$17,189,366
Offered to projects but not yet accepted	\$15,800,250
Uncommitted balance	\$12,174,536
Refunds/Clawbacks added back	\$ 154,371
TOTAL	\$115,726,999

Act 510 stipulates that the annual report will contain the following:

1. The names and addresses of the businesses receiving money from the fund.
2. The date, amount, and purpose of the disbursements of money from the fund. Please note that the information for points 1 and 2 are contained in the attached document.
3. An evaluation of the effectiveness of the disbursements made from the fund.

A key point to remember is that the word "quick" in the fund's title refers to the ability of the Governor to act quickly and decisively in highly competitive situations to finalize an agreement with a company to locate in Arkansas. It does not refer to the speed at which the funds will be disbursed. There can be a substantial lag from agreement to disbursement since there is usually a lag from announcement of a project until construction begins.

The Quick Action Closing Fund has made a profound difference in our ability to compete for projects. LM Wind Power, Cooper Tire, HP, Mars, Caterpillar, Welspun and many other announcements you have heard about would not have happened without the ability to use the fund to close the deal. The 39 (non-film) companies that have received monies from the fund to date have proposed to create 8,116 new and retain 7,522 existing jobs at an average hourly wage of \$19.20 and invest \$1.168 billion. The number of proposed new jobs would decrease to 6,016

and the average hourly wage would increase to \$19.91 if job information for the LM Wind Power, Nordex and Beckmann-Volmer projects were excluded.

4. Any suggestions for improving the use of the fund.

The Quick Action Closing Fund is used judiciously and leveraged with funds from Planning and Development Districts, Community Development Block Grants from the US Department of Housing and Urban Development, the Delta Regional Authority, and the US Economic Development Administration. This, in effect, allows the AEDC to extend the use of the Quick Action Closing Fund. Allowing the fund to be funded to its maximum on an annual basis, and increasing the size of the fund will allow for greater success in bringing quality companies with quality jobs that will help increase Arkansans' per capita personal income and broaden our tax base.

I am available to answer any questions the council may have.

Sincerely,



Grant Tennille
Executive Director

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Enclosure

Economic Development Incentive Quick Action Fund (Governor's Quick Action Closing Fund) Information

87th Session Account

Annual report of expenditures for fiscal period July 1, 2012 - June 30, 2013

Company Name	Location	Date	Purpose	Amount	Cumul Payments
Goodwill Industries	Little Rock	11/21/2012	Building Renovation	\$ 439,346.00	\$ 439,346.00
	Little Rock	12/28/2012	Building Renovation	\$ 60,654.00	\$ 500,000.00
Neckbone Productions	Arkansas County	9/21/2012	Film Rebate (MUD)	\$ 35,425.93	\$ 35,425.93
Inuvo	Conway	2/4/2013	Relocation & Equipment	\$ 435,154.76	\$ 435,154.76
	Conway	3/11/2013	Relocation & Equipment	\$ 696,748.93	\$ 1,131,903.69
	Conway	3/20/2013	Relocation & Equipment	\$ 325,918.43	\$ 1,457,822.12
	Conway	6/2/2013	Relocation & Equipment	\$ 166,946.93	\$ 1,624,769.05
Molex	Maumelle	2/5/2013	Equipment	\$ 287,196.00	\$ 287,196.00
City of Jonesboro (Nordex)	Jonesboro	7/17/2012	Engineering (Rail)	\$ 3,780.00	\$ 3,780.00
	Jonesboro	10/17/2012	Road	\$ 16,828.77	\$ 20,608.77
	Jonesboro	1/29/2013	Road	\$ 293,979.94	\$ 314,588.71
	Jonesboro	4/24/2013	Road	\$ 69,440.39	\$ 384,029.10
Dassault Falcon	Little Rock	4/24/2013	Road & Engineering	\$ 865,706.06	\$ 865,706.06
Dairy Stabilization Program	Statewide	7/16/2012	Dairy Stabilization Payment for June	\$ 252,284.64	\$ 252,284.64
NextLife Asset Recovery LLC	Rogers	2/25/2013	Equipment	\$ 226,338.23	\$ 226,338.23
L&R Distribution	Pine Bluff	4/23/2013	Asset Purchases	\$ 43,552.50	\$ 43,552.50
Windstream	Little Rock	6/14/2013	Capital Improvements	\$ 1,864,334.60	\$ 1,864,334.60
ADFA	Little Rock	11/27/2012	ARK Challenge	\$ 150,000.00	\$ 150,000.00
	Little Rock	2/4/2013	Agricultural Food Systems	\$ 15,000.00	\$ 165,000.00
Vivione Biosciences, LLC	Jefferson County	7/9/2012	Laboratory Support Equipment	\$ 7,500.00	\$ 7,500.00
	Jefferson County	7/12/2012	Market Research	\$ 6,525.00	\$ 14,025.00

	Jefferson County	7/12/2012	Laboratory Support Equipment	\$	20,000.00	\$	34,025.00
	Jefferson County	7/26/2012	Laboratory Support Equipment	\$	17,326.16	\$	51,351.16
	Jefferson County	8/9/2012	Laboratory Support Equipment	\$	2,402.10	\$	53,753.26
	Jefferson County	8/14/2012	Laboratory Support Equipment	\$	7,745.11	\$	61,498.37
	Jefferson County	9/10/2012	Laboratory Support Equipment	\$	6,369.02	\$	67,867.39
	Jefferson County	10/4/2012	Laboratory Support Equipment	\$	2,748.81	\$	70,616.20
	Jefferson County	2/11/2013	Laboratory Support Equipment	\$	27,489.55	\$	98,105.75
	Jefferson County	3/11/2013	Laboratory Support Equipment	\$	3,336.45	\$	101,442.20
NanoMech, Inc	Fayetteville	9/12/2012	Equipment	\$	828,660.11	\$	828,660.11
	Fayetteville	10/29/2012	Equipment	\$	276,889.43	\$	1,105,549.54
	Fayetteville	3/11/2013	Equipment	\$	518,761.21	\$	1,624,310.75
DeltaCB, LLC	Tillar	11/6/2012	Wastewater Infrastructure	\$	500,000.00	\$	500,000.00
	Tillar	12/10/2012	Wastewater Infrastructure	\$	145,000.00	\$	645,000.00
JM Associates	Pulaski County	8/9/2012	Film Rebate - (Mighty Mississippi)	\$	30,282.50	\$	30,282.50
GGNSC (Golden Living)	Ft. Smith	11/7/2012	Equipment & Renovation	\$	249,423.55	\$	249,423.55
	Ft. Smith	12/10/2012	Equipment & Renovation	\$	313,583.80	\$	563,007.35
First Orion	Conway	7/9/12	Office Renovation	\$	30,430.84	\$	30,430.84
	Conway	7/20/12	Renovation & Equipment	\$	94,680.65	\$	125,111.49
	Conway	5/14/12	Office & IT Equipment	\$	26,532.28	\$	151,643.77
	Conway	10/19/12	Office & IT Equipment	\$	24,289.42	\$	175,933.19
	Conway	11/16/12	Office & IT Equipment	\$	23,472.42	\$	199,405.61
	Conway	5/23/13	Office & IT Equipment	\$	4,176.31	\$	203,581.92
Awesome Products (AOI)	West Memphis	9/12/12	Parking Lot/Truck Staging	\$	240,000.00	\$	240,000.00
Custom Aircraft Cabinets	Sherwood	9/17/12	Building Renovation	\$	96,000.00	\$	96,000.00
	Sherwood	9/20/12	Building Renovation & Equipment	\$	365,457.00	\$	461,457.00
	Sherwood	10/30/12	Building Renovation	\$	173,006.00	\$	634,463.00
Firestone	Prescott	6/27/13	Site Improvements	\$	1,130,391.53	\$	1,130,391.53

Refunds to account:

Pinnacle Foods	Fayetteville	10/12/12 Grant Reimbursement Triggered (Clawback)	\$	(22,569.36)	\$	(22,569.36)
Nice-Pak	Jonesboro	1/23/13 Grant Reimbursement (monthly) (Clawback)	\$	(11,967.00)	\$	(34,536.36)
Allied Wireless	Little Rock	2/14/13 Grant Reimbursement (Clawback)	\$	(60,000.00)	\$	(94,536.36)
Nice-Pak	Jonesboro	4/24/13 Grant Reimbursement (Clawback)	\$	(23,934.00)	\$	(118,470.36)
Nice-Pak	Jonesboro	5/9/13 Grant Reimbursement (Clawback)	\$	(11,967.00)	\$	(130,437.36)
Nice-Pak	Jonesboro	6/10/13 Grant Reimbursement (Clawback)	\$	(11,967.00)	\$	(142,404.36)
Nice-Pak	Jonesboro	6/24/13 Grant Reimbursement (Clawback)	\$	(11,967.00)	\$	(154,371.36)
Total Paid						\$ 11,266,744.00