

Arkansas Legislative Black Caucus Meeting

March 8, 2021- 11:00am



Mike Preston

Secretary of Commerce

Department of Commerce Divisions

- Arkansas Banking Department
- Arkansas Economic Development Commission
- Arkansas Department of Aeronautics
- Arkansas Development Finance Authority
- Arkansas Division of Workforce Services
- Arkansas Insurance Department
- Arkansas Securities Department
- Arkansas Waterways Commission
- Arkansas Wine Producers Council
- Office Of Skills Development



Department of Commerce Divisions

AEDC Covid-19 Relief Programs

Rural Hospital Covid-19 Relief

\$10M in Community Development Block Grant Funds to 27 rural hospitals
7,899 jobs benefitted

Quick Action Bridge Loan Program

\$9,000,000 dedicated to the Quick Action Bridge Loan Program
Designed for small business with between 2-50 employees
483 Companies benefitted; 6,610 jobs benefitted

Ready for Business Grant Program

\$129M allocated to the program to assist companies with expenses related to reopening or resuming operations during the pandemic
11,409 companies benefitted (25.2% minority owned; 33% women owned; 94.4% had less than 50 employees)
225,000 jobs benefitted



Department of Commerce Divisions

AEDC Covid-19 Relief Programs

Loans to Development Disabilities Providers

Available to large providers of services to the developmentally disabled (such as Goodwill and Easter Seals)

3,921 jobs benefited

Fresh Start Rental Assistance Program

10M (\$5.76M from CDBG; \$4.24 CARES Act) awarded in rental assistance to households whose income is less than 80% of area median income

Military Affairs Grant

\$200,000 grant to support the Arkansas National Guard Morale, Welfare and Recreation (MWR) in continuing essential services during the pandemic.

The MWR facilities are not supported by state general revenue and the funds were necessary to continue to support Soldiers and Airmen on State Active Duty at Fort Chaffee and Camp Robinson.



Department of Commerce Divisions

Arkansas Broadband Office

Arkansas Rural Connect Broadband Grant Program (ARC)

The ARC program will distribute grants to partnerships between localities and internet service providers. The goal of the grant is to assist in providing 25/3 Mbps broadband to areas that lack a reliable, high-speed connection. This critical infrastructure will expand the broadband footprint in rural Arkansas communities and enhance economic development, telemedicine, and education. AEDC received \$114M from CARES Act funds, and \$4.7M from other state funds

Program budget is \$119M

75 awards totaling \$118, 468, 122



Department of Commerce Divisions

Division of Minority and Women-Owned Business

AEDC sponsors and supports business education programs and workshops for entrepreneurs

Technical assistance for minority and women business owners and entrepreneurs

Minority and Women-Owned Business Enterprise Certification Program

Minority and Women-Owned Business Enterprise Directory

Administer the Minority Business Loan Mobilization Program

Between FY 2018-FY 2020 provide funds to 21 businesses totaling \$1.8M



Department of Commerce Divisions

Grants Management Division

AEDC has administered the State CDBG program since 1983 when Housing and Urban Development (HUD) moved the administration of the funds to the states. The Community Development Block Grant (CDBG) program benefits low- and moderate-income persons, preventing and eliminating conditions of slum or blight, and addressing other urgent community development needs.

- Types of projects CDBG funds can be used for are water/wastewater projects, public facilities and infrastructure, emergency and urgent needs.
- AEDC sets aside a portion of CDBG fund to assist rural areas through grants administered by AEDC's Division of Rural Services.



Department of Commerce Divisions

Grants Management Division

The following entitlement cities receive a direct grant from HUD and are excluded from receiving grants from the state: Conway, Fayetteville, Fort Smith, Hot Springs, Jacksonville, Jonesboro, Little Rock, North Little Rock, Pine Bluff, Rogers, Springdale, Texarkana, and West Memphis.

- Between FY 2018 – FY 2020 awarded 117 CDBG grants totaling \$33.7M
- AEDC has received Community Development – CV funds (Federal CARES Act) to provide grant to prevent, prepare, and respond to the COVID-19 pandemic
 - \$7.4 M to General Assistance Programs (Deadlines to apply 3/31 and 10/29)
 - \$4.68M for Food Assistance to the Arkansas Hunger Alliance
 - \$12.2M for Competitive non-entitlement grants (Deadline to apply 3/31)



Department of Commerce Divisions

Business Development Division

Calendar Year 2020

Worked with companies to create a projected 3,405 jobs

Total projected investment for the year was \$962.8M

Average hourly wage for these projects was \$20.87

Total projected payroll of CY 2020 project is \$133.8M

Announcements in 2021

- Anchor Packaging in Paragould announced a \$21.5M expansion creating 45 new jobs
- Loanpal will locate a new operating center in northwest Arkansas creating 100 fintech jobs
- Dansons will open the nation's largest bbq wood pellet mill/ distribution center in Hope
- SGL Carbon in Arkadelphia announced a \$4.5M expansion creating 35 new jobs
- Butterball will invest \$4.7M at two facilities creating 360 new jobs
- Hytrol will expand operations to Fort Smith with a \$20M facility and create 250 new jobs





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