

August 21, 2012

Senator Mary Anne Salmon, Chair
Representative Tommy Lee Baker, Chair
Arkansas Legislative Council
Room 315, State Capitol
Little Rock, AR 72201

Dear Senator Salmon and Representative Baker:

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, 2011 through June 30, 2012 (FY 2012). This includes only companies that received monies from the fund during this time period. A total of \$115,250,000 has been allocated to the Quick Action Closing Fund (\$50 million during the 86th General Session, \$50 million during the 87th General Session, and \$15.25 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 2012	\$10,865,681
Expenditures for FY 2008-2011	\$48,276,051
Unpaid commitments	\$14,468,132
<u>Offered to projects but not yet accepted</u>	<u>\$12,250,000</u>
<u>TOTAL</u>	<u>\$85,859,864</u>
BALANCE	\$29,390,136

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 reason 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, Nordex, and many other announcements you have heard about would not have happened without the ability to use the fund to close the deal. The 31 (non-film) companies that have received monies from the fund to date have proposed to create 7,011 new and retain 6,472 existing jobs at an average hourly wage of \$19.82 and invest \$1.082 billion.

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					
86th Session Account					
Annual report of expenditures for fiscal period July 1, 2011 - June 30, 2012					
Company Name	Location	Date	Purpose	Amount	Cum Payments
Hewlett Packard	Conway	7/6/2011	Facility Improvement	\$ 80,746.00	\$ 80,746.00
Nordex	Jonesboro	8/8/2011	Site Development	\$ 71,690.04	\$ 71,690.04
City of Jonesboro (Nordex)	Jonesboro	9/22/2011	Road & Engineering	\$ 184,981.70	\$ 184,981.70
		10/25/2011	Road, Rail & Engineering	\$ 159,995.90	\$ 344,977.60
Higbee Company (Dillards)	Maumelle	10/3/2011	Facility Improvement	\$ 678,485.70	\$ 678,485.70
Dassault/Falcon	Little Rock	10/10/2011	Road	\$ 351,776.70	\$ 351,776.70
GGNSC (Golden Living)	Ft. Smith	11/8/2011	Equipment	\$ 117,644.32	\$ 117,644.32
		11/8/2011	Equipment	\$ 78,627.95	\$ 196,272.27
Total Paid					\$ 1,723,948.31

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, 2011 - June 30, 2012

Company Name	Location	Date	Purpose	Amount	Cum Payments
MC Ensemble LLC	Pulaski County	8/1/2011	Film Rebate - Spotlight ON	\$ 12,776.50	\$ 12,776.50
Neckbone Productions	Arkansas County	1/11/2012	Film Rebate - MUD	\$ 770,000.00	\$ 770,000.00
		5/2/2012	Film Rebate - MUD	\$ 172,330.04	\$ 942,330.04
		5/21/2012	Film Rebate - MUD	\$ 531,431.23	\$ 1,473,761.27
		5/21/2012	Film Rebate - MUD	\$ 736,019.03	\$ 2,209,780.30
Dempsey Film Group	Washington Co	8/11/2011	Film Rebate - Braum's	\$ 12,520.62	\$ 12,520.62
	Pulaski County	8/11/2012	Film Rebate - Via Chirsti	\$ 13,175.84	\$ 25,696.46
	Pulaski County	4/6/2012	Film Rebate - J G Wentworth	\$ 38,074.03	\$ 63,770.49
	Pulaski County	4/6/2012	Film Rebate - Consumer Cellular	\$ 18,876.22	\$ 82,646.71
	Pulaski County	5/2/2012	Film Rebate - U S Radio Surgery	\$ 1,328.33	\$ 83,975.04
	Pulaski County	5/2/2012	Film Rebate - 180 Medical	\$ 5,352.58	\$ 89,327.62
	Pulaski County	5/2/2012	Film Rebate - Watershed Exhibit	\$ 15,358.50	\$ 104,686.12
City of Jonesboro (Nordex)	Jonesboro	12/2/2011	Road, Rail & Engineering	\$ 505,983.78	\$ 505,983.78
		1/11/2012	Road Sub-grade	\$ 19,430.86	\$ 525,414.64
		2/17/2012	Road, Rail & Engineering	\$ 144,916.93	\$ 670,331.57
		4/13/2012	Rail	\$ 5,236.56	\$ 675,568.13
Higbee (Dillards)	Maumelle	11/8/2011	Facility Improvement	\$ 989,333.10	\$ 989,333.10
		12/5/2011	Facility Improvement	\$ 332,181.20	\$ 1,321,514.30
Dairy Stabilization Program	Statewide	1/20/2012	Dairy Stabilization Payment for December	\$ 343,096.74	\$ 343,096.74
		2/21/2012	Dairy Stabilization Payment for January	\$ 364,393.26	\$ 707,490.00
		3/16/2012	Dairy Stabilization Payment for February	\$ 264,434.18	\$ 971,924.18
		4/18/2012	Dairy Stabilization Payment for March	\$ 365,194.83	\$ 1,337,119.01
		5/16/2012	Dairy Stabilization Payment for April	\$ 266,848.28	\$ 1,603,967.29
		5/24/2012	Dairy Stabilization Payment to Patsy McC.	\$ 204.48	\$ 1,604,171.77
		6/18/2012	Dairy Stabilization Payment for May	\$ 243,543.20	\$ 1,847,714.97
Windstream	Little Rock	5/23/2012	Capital Improvents	\$ 1,459,477.12	\$ 1,459,477.12

Broke Down South LLC	White County	2/28/2012 Film Rebate	\$ 11,725.07	\$ 11,725.07
Vivione Biosciences, LLC	Jefferson County	3/20/2012 Laboratory Equipment	\$ 7,500.00	\$ 7,500.00
		3/20/2012 UCC filing fee	\$ 16.00	\$ 7,516.00
		4/25/2012 Laboratory Equipment	\$ 14,089.00	\$ 21,605.00
		4/25/2012 Laboratory Equipment	\$ 24,899.71	\$ 46,504.71
		4/25/2012 Laboratory Equipment	\$ 132,927.50	\$ 179,432.21
		4/25/2012 Laboratory Equipment	\$ 5,875.90	\$ 185,308.11
		5/31/2012 Laboratory Equipment	\$ 5,249.69	\$ 190,557.80
NanoMech, Inc	Fayetteville	12/2/2011 UCC filing fee	\$ 100.00	\$ 100.00
		4/4/2012 Equipment	\$ 480,986.96	\$ 481,086.96
JM Associates	Pulaski County	2/28/2012 Film Rebate	\$ 2,837.75	\$ 2,837.75
Gerber Foods	Ft. Smith	12/2/2011 Equipment	\$ 500,000.00	\$ 500,000.00
GGNSC (Golden Living)	Ft. Smith	11/8/2011 Equipment	\$ 10,304.21	\$ 10,304.21
		2/27/2012 Equipment	\$ 287,942.35	\$ 298,246.56
Rock Productions	Saline County	5/22/2012 Film Rebate	\$ 5,342.71	\$ 5,342.71
First Orion	Conway	6/21/12 Facility Improvements	\$ 9,799.14	\$ 9,799.14
		6/22/12 Facility Improvements	\$ 10,618.94	\$ 20,418.08
Total Paid			\$ 9,141,732.37	