

August 22, 2011

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, which was passed during the 2007 legislative session, 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, 2007 through June 30, 2011 (FY 2008 through FY 2011). This includes only companies that received monies from the fund during this time period. A total of \$100 million has been allocated to the Quick Action Closing Fund (\$50 million during the 86th General Session and \$50 million during the 87th General Session). An overview of expenditures, unpaid commitments, funds offered but not accepted and the fund balance is as follows:

Expenditures for FY 2008-2011	\$ 48,276,051
Unpaid commitments	\$ 19,143,583
Offered to projects but not yet accepted	\$ 8,885,000
<u>TOTAL</u>	<u>\$ 76,304,634</u>
BALANCE	\$ 23,695,366

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

1. The name and address 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 our state. 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, and many other announcements you have heard would not have happened without the ability to use the fund to close the deal.

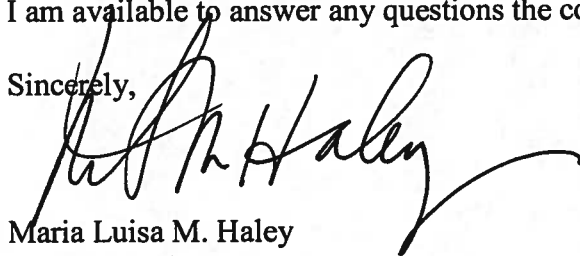
The 26 companies that received monies from the fund during this period will have a collective projected average wage of \$20.33 an hour, create nearly 6,407 jobs, invest more than \$766.6 million, and have a cost/benefit ratio of 2.90 – meaning for every dollar invested by the state we will receive \$2.90 in return. Historically our cost/benefit ratios have proven to be very conservative.

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 federal Department of Housing and Urban Development, the Delta Regional Authority, and the federal Economic Development Administration. This, in effect, allows us to extend the use of the Quick Action 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 move Arkansas forward and faster in increasing our citizens' per capita income and broadening our tax base.

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

Sincerely,



Maria Luisa M. Haley
Executive Director

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, 2007 - June 30, 2008

Company Name	Location	Date	Purpose	Amount	Cum Payments
LM Glasfiber	Little Rock	10/22/2007	Site Prep	\$ 73,119.94	\$ 73,119.94
		10/22/2007	Site Prep	\$ 149,209.00	\$ 222,328.94
		11/21/2007	Site Prep and Construction Services	\$ 206,175.30	\$ 428,504.24
		11/14/2007	Site Prep and Design	\$ 80,715.71	\$ 509,219.95
		11/21/2007	Construction Services	\$ 61,183.50	\$ 570,403.45
		12/7/2007	Site Prep and Construction Services	\$ 2,207,711.77	\$ 2,778,115.22
		12/4/2007	Site Prep	\$ 35,637.92	\$ 2,813,753.14
		1/10/2008	Construction Services	\$ 2,266,246.86	\$ 5,080,000.00
		12/21/2007	Rail	\$ 439,291.00	\$ 5,519,291.00
		1/23/2008	Rail and Roads/Streets	\$ 185,432.84	\$ 5,704,723.84
		2/29/2008	Rail and Roads/Streets	\$ 95,632.89	\$ 5,800,356.73
		3/21/2008	Rail and Roads/Streets	\$ 154,890.15	\$ 5,955,246.88
		4/30/2008	Rail and Roads/Streets	\$ 75,075.44	\$ 6,030,322.32
Daisy Outdoor Products	Rogers	10/22/2007	Relocation Expenses	\$ 150,000.00	\$ 150,000.00
Smuckers	West Memp	6/25/2008	Infrastructure	\$ 185,003.00	\$ 185,003.00
Total paid from fund as of 6/30/08					\$ 6,365,325.32

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, 2008 - June 30, 2009

Company Name	Location	Date	Purpose	Amount	Cum Payments
LM Glasfiber	Little Rock	7/23/2008	Rail & Power; Roads/Streets	\$ 84,284.46	\$ 84,284.46
		9/2/2008	Roads/Streets	\$ 143,631.40	\$ 227,915.86
		9/26/2008	Roads/Streets	\$ 35,064.00	\$ 262,979.86
		10/27/2008	Roads/Streets	\$ 94,388.25	\$ 357,368.11
		12/8/2008	Roads/Streets	\$ 120,998.62	\$ 478,366.73
		3/4/2009	Rail & Power; Roads/Streets	\$ 99,412.22	\$ 577,778.95
		6/26/2009	Beautification	\$ 18,321.47	\$ 596,100.42
Mars	Ft. Smith	7/17/2008	Site Development	\$ 1,470,890.00	\$ 1,470,890.00
		10/1/2008	Site Development	\$ 729,110.00	\$ 2,200,000.00
Nice-Pak	Jonesboro	3/4/2009	Construction & Equipment Prep.	\$ 1,064,005.69	\$ 1,064,005.69
		3/16/2009	Construction & Equip. Relocation	\$ 910,901.65	\$ 1,974,907.34
		3/31/2009	Construction & Equip. Relocation	\$ 545,092.66	\$ 2,520,000.00
Schulze and Burch	Searcy	4/28/2009	Facility Renovation	\$ 1,000,000.00	\$ 1,000,000.00
Dassault/Falcon	Little Rock	4/17/2009	Street Improvements	\$ 120,068.13	\$ 120,068.13
		5/26/2009	Street Improvements	\$ 55,406.87	\$ 175,475.00
Molex	Maumelle	6/17/2009	Equipment Purchase	\$ 75,500.00	\$ 75,500.00
American Eagle Airlines	Highfill	3/6/2009	Relocation Expenses	\$ 250,000.00	\$ 250,000.00
Smuckers	West Memphis	7/17/2008	Infrastructure	\$ 314,997.00	\$ 314,997.00
Total Paid					\$ 7,132,072.42

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, 2009 - June 30, 2010

Company Name	Location	Date	Purpose	Amount	Cum Payments
LM Glasfiber	Little Rock	8/10/2009	Beautification	\$ 52,907.82	\$ 52,907.82
		10/1/2009	Beautification	\$ 28,644.41	\$ 81,552.23
		10/23/2009	Beautification	\$ 23,860.57	\$ 105,412.80
		2/17/2010	Beautification	\$ 100,052.34	\$ 205,465.14
Hewlett Packard	Conway	8/10/2009	Building & Construction	\$ 1,655,970.00	\$ 1,655,970.00
		9/25/2009	Construction	\$ 3,470,800.00	\$ 5,126,770.00
		11/23/2009	Construction	\$ 906,080.00	\$ 6,032,850.00
		12/3/2009	Construction	\$ 917,860.00	\$ 6,950,710.00
		12/23/2009	Construction	\$ 807,480.00	\$ 7,758,190.00
		2/11/2010	Construction	\$ 494,717.00	\$ 8,252,907.00
		3/8/2010	Construction	\$ 241,384.00	\$ 8,494,291.00
		4/8/2010	Construction	\$ 142,524.00	\$ 8,636,815.00
		5/18/2010	Construction	\$ 963,185.00	\$ 9,600,000.00
Cooper Tire	Texarkana	8/21/2009	Equipment Relocation & Installation	\$ 2,000,000.00	\$ 2,000,000.00
Hood Packaging	Monticello	2/22/2010	Equipment Purchase	\$ 200,000.00	\$ 200,000.00
Molex	Maumelle	8/17/2009	Equipment Purchase	\$ 149,000.00	\$ 149,000.00
		10/20/2009	Equipment Purchase	\$ 45,300.00	\$ 194,300.00
		10/29/2009	Equipment Purchase	\$ 30,200.00	\$ 224,500.00
Total Paid					\$ 12,229,965.14

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, 2010 - June 30, 2011

Company Name	Location	Date	Purpose	Amount	Cum Payments
Verizon	Little Rock	7/19/2010	Building Renovations	\$ 1,000,000.00	\$ 1,000,000.00
Windstream	Little Rock	7/19/2010	Building Renovations & Equipment	\$ 1,000,000.00	\$ 1,000,000.00
		6/16/2011	Building Renovations & Equipment	\$ 1,000,000.00	\$ 2,000,000.00
Pinnacle Foods	Fayetteville	8/3/2010	Building Remodel & Improvements	\$ 127,616.00	\$ 127,616.00
		8/20/2010	Building Remodel & Improvements	\$ 278,283.00	\$ 405,899.00
		4/21/2011	Building Remodel & Improvements	\$ 78,668.90	\$ 484,567.90
Nordex	Jonesboro	9/8/2010	Training	\$ 19,349.36	\$ 19,349.36
		9/28/2010	Site Development	\$ 590,635.84	\$ 609,985.20
		3/4/2011	Training	\$ 603,326.14	\$ 1,213,311.34
		3/22/2011	Site Development	\$ 1,228,832.90	\$ 2,442,144.24
Rexam Plastic Pkng	Hot Springs	9/28/2010	Equipment Moving & Installation	\$ 449,464.00	\$ 449,464.00
		11/15/2010	Equipment Moving & Installation	\$ 345,875.00	\$ 795,339.00
		11/17/2010	Equipment Moving & Installation	\$ 704,661.00	\$ 1,500,000.00
UATDF/NN Labs/ARTP	Fayetteville	10/21/2010	Tenant Finish/Construction	\$ 187,455.60	\$ 187,455.60
		11/15/2010	Tenant Finish/Construction	\$ 144,890.10	\$ 332,345.70
		12/12/2010	Tenant Finish/Construction	\$ 52,289.30	\$ 384,635.00
UATDF/APEI	Fayetteville	10/21/2010	Tenant Finish/Construction	\$ 190,897.20	\$ 190,897.20
		11/15/2010	Tenant Finish/Construction	\$ 264,995.10	\$ 455,892.30
		12/12/2010	Tenant Finish/Construction	\$ 59,107.70	\$ 515,000.00
Welspun	Little Rock	10/27/2010	Rail & Storage Yard Development	\$ 2,000,000.00	\$ 2,000,000.00
Allied Wireless (ATNI)	Little Rock	9/10/2010	Facility Improvements & IT Equipment	\$ 2,355,251.70	\$ 2,355,251.70
		12/14/2010	Facility Improvements & IT Equipment	\$ 833,809.52	\$ 3,189,061.22
		5/24/2011	Facility Improvements & IT Equipment	\$ 1,810,938.78	\$ 5,000,000.00

Fishing Holdings	Flippin	1/4/2011 Transfer, Moving & Integration Costs	\$ 520,119.00	\$ 520,119.00
		1/4/2011 Transfer, Moving & Integration Costs	\$ 517,848.00	\$ 1,037,967.00
		3/9/2011 Transfer, Moving & Integration Costs	\$ 120,636.56	\$ 1,158,603.56
		3/21/2011 Transfer, Moving & Integration Costs	\$ 198,593.90	\$ 1,357,197.46
		6/16/2011 Transfer, Moving & Integration Costs	\$ 142,802.54	\$ 1,500,000.00
Hewlett Packard	Conway	1/21/2011 Facility Improvements	\$ 170,268.00	\$ 170,268.00
		3/15/2011 Facility Improvements	\$ 148,986.00	\$ 319,254.00
Caterpillar	North Little Rock	1/27/2011 Site Improvements	\$ 2,975,400.00	\$ 2,975,400.00
Golden Living	Ft. Smith	5/11/2011 Equipment Purchase	\$ 296,192.70	\$ 296,192.70
		5/31/2011 Equipment Purchase	\$ 131,494.97	\$ 427,687.67
APEX (Danaher Tool Grp)	Springdale	5/11/2011 Building & Site Improvements	\$ 500,000.00	\$ 500,000.00
Beckmann/Volmer *	Osceola	5/27/2011 Capital Expenditures	\$ 1,500,000.00	\$ 1,500,000.00
Total Paid				\$ 22,548,688.81

Actual Payment made to AEDC for deposit to bank account for Wire Transfer to HV Action Charities GA, Inc.