

MINUTES

SENATE INTERIM COMMITTEE ON TRANSPORTATION, TECHNOLOGY & LEGISLATIVE AFFAIRS HOUSE INTERIM COMMITTEE ON PUBLIC TRANSPORTATION JOINT PERFORMANCE REVIEW COMMITTEE MEETING JOINTLY

Thursday, March 18, 2010

9:30 a.m.

Graphic Packaging International
10300 Roberts Boulevard
Fort Smith, Arkansas

The Senate Interim Committee on Transportation, Technology and Legislative Affairs; House Interim Committee on Public Transportation, and Joint Performance Review Committee met jointly Tuesday, March 18, 2010, at 9:30 a.m., at Graphic Packaging International in Fort Smith, Arkansas.

Committee members in attendance: Senators Denny Altes, JPR Co-Chair, Cecile Bledsoe, Bill Pritchard; Representatives John Burris, Jane English, Stephanie Malone, James McLean and Tracy Pennartz

Also attending: Representatives Duncan Baird, Frank Glidewell, and Terry Rice

Senator Altes called the meeting to order. Representative Stephanie Malone presided over the meeting.

Introductions and welcome

Representative Stephanie Malone acknowledged the presence of Arkansas Highway and Transportation personnel, Mr. Frank Vozel, Deputy Director, Mr. Scott Bennett, Assistant Chief Engineer, Mr. Joe Shipman, District Engineer, and Mr. Dick Trammell, Highway Commissioner. Representative Pennartz encouraged the Highway Commission to hold a meeting in the area. Commissioner Trammel replied that the Commission has agreed to meet around the State.

Report on education and its importance to the Fort Smith regional area (PowerPoint Presentation #1)

Dr. Paul Beran, Chancellor, University of Arkansas-Fort Smith, gave a presentation highlighting how UA Fort Smith has tried to become an "economic engine" for the area. He explained that UA Fort Smith is the value added in bringing industry to the region. The University is responding to the needs of the community by having a two-year certificate program that allows individuals to graduate, get into the workforce, and become productive, tax paying citizens. The University is also very interested in leveraging partnerships. The economic opportunity is based on teaching and research for students. As part of the University system, Western Arkansas Technical Center has 500 high school students from 22 school districts taking classes in technical and vocational areas. These are credit classes where a transcript is created in conjunction with public school transcripts. UA Fort Smith has also developed relationships with international institutions, communities, and industrial leaders. Dr. Beran concluded his presentation by addressing the University's excitement in how they do business and the way they interact with the business community in making sure people have a place to go to work when they graduate from UA Fort Smith.

Overview of I-49 and its importance to area manufacturers (PowerPoint Presentation #2)

Mr. Ivy Owen, Executive Director, Chaffee Crossing, gave a presentation outlining the importance of completing I-49 as it relates to the economic development of Fort Smith and especially Chaffee Crossing.

He stated a partnership was formed between Chaffee Crossing, UA Fort Smith, the Chamber of Commerce and Sebastian County. On a systematic basis, they meet and share information. The Land Reuse Plan for Chaffee Crossing reflects a mix-use community. Although creating jobs is the number one goal, they also build houses, promote commercial and retail development, build schools, churches, non-profit organizations, etc. The Fort Chaffee Redevelopment Authority is the organizational unit the state created in 1998 or 1999 to oversee the redevelopment of the property. Transportation is important to the development of Chaffee Crossing, not only in terms of business and industry, but also residential, commercial, retail and institutional. Plans are underway to build a new Fort Smith High School at Chaffee Crossing. In addition, the Fort Smith Library Board has selected a site for a new branch library. Currently, there are over 500 residential lots available in Chaffee Crossing with 100 homes already built and sold. Chaffee Crossing has a number of small businesses in this area who employ only two or three people. On any given day, over 1,000 people are employed at Chaffee Crossing. Another goal is retaining small businesses and helping them expand. Mr. Ivy also noted they have the opportunity to zone land use of residential, commercial, recreational, and institutional property. Developments in all those classifications are underway.

Mr. Owen discussed I-49 (Pines to the Palms Interstate), noting it will stretch from Canada to New Orleans and into Mexico. The portion from Canada south to Arkansas is virtually complete, but in Arkansas there is a gap from Bella Vista to Texarkana. There are completed segments from Texarkana going toward New Orleans. Mr. Owen added that I-49 is very critical to the development of industry in Chaffee Crossing. He invited members back to tour all of Chaffee Crossing and see how the area is growing.

Patrick Combs, Plant Manager, Graphic Packaging International, explained why completion of I-49 is so important to his company. Graphic Packaging International has two facilities, one at Chaffee Crossing with 420 individuals with an average wage of \$18/hour and a companion company across town with 40 individuals. There are approximately 18 to 20 truck loads of raw material delivered daily and 25 truckloads of finished product shipped daily. In response to a question from Representative Glidewell, Mr. Combs noted the economic impact of Graphic Packaging was between \$20 million and \$30 million annually.

Mitchell Milton, Maintenance Manager, Mars Petcare, noted the Mars family, owners of Mars Petcare, decided to locate their factory at Chaffee Crossing because of the infrastructure and planned infrastructure in the area, i.e. I-49. The Mars family has invested \$82 million in the new plant. Currently, Mars Petcare employs 50 individuals and plans to increase its work force to more than 200. Mars is big on family and is another reason the company chose Chaffee Crossing. The Mars family liked the diversity of living areas, schools, a public library and easy access to recreational areas. Completing I-49 is very important to the company. He also addressed the desire for a truck/rail intermodal facility developed on 50 acres of currently undeveloped land in the Chaffee Crossing industrial area where his company, as well as other manufacturers, could load product onto rail cars.

With no further business, the meeting adjourned at 11:31 a.m.