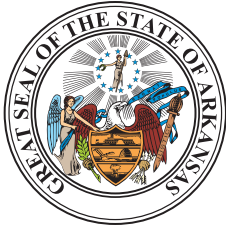


# Arkansas's Five-Year Delta Development Plan

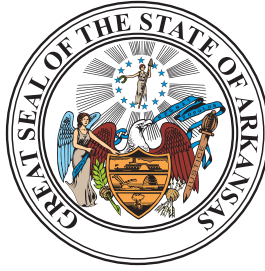
for the Delta Regional Authority



2009-2014

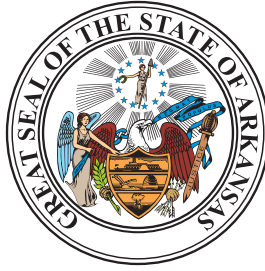


Mike Beebe, Governor  
Chris Masingill, Designee and Alternate  
February 2009  
First Edition



*Special Thanks to the Members of  
Arkansas's Five-Year Delta Development Plan  
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STATE OF ARKANSAS  
MIKE BEEBE  
GOVERNOR



February 13, 2009

Dear Economic Developer:

Rural Arkansas and the Delta, in particular, are experiencing fundamental economic changes. The region has suffered for decades from extreme poverty, population migration, and an eroding economic base. Federal programs tend to be inflexible, and local communities are often unable to meet the requirements these programs entail. We are looking at deeply rooted problems that require high-level answers. We must all put aside historical differences to ensure that a strategic plan for economic and social change will allow the Delta to become more competitive in the twenty-first-century global economy.

Therefore, it is with pleasure that I present Arkansas's Five-Year Delta Development Plan, which serves as a state-level companion to the Delta Regional Authority's Regional Development Plan. It should be thought of as a guide for local communities, economic developers, elected officials, and planning-and-development districts throughout the Arkansas Delta seeking Delta Regional Authority Grant funding.

Arkansas's Five-Year Delta Development Plan sets funding criteria that allows flexibility, and provides leverage for other dollars. Priority projects will be reviewed based on their relationship to a current economic and business development opportunity, regional impact, collaborative funding, and the critical needs of a local area.

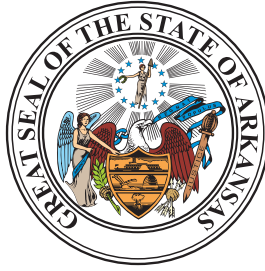
Raising prosperity levels in the Arkansas Delta has to start with partnerships at the regional level. Developed through group efforts to exchange information about the needs and priorities of stakeholders, this plan represents input from planning-and-development districts, congressional offices, the Arkansas Economic Development Commission, representatives from higher education, and my office. Special thanks go to Jean Noble and Kurt Naumann of the Arkansas Economic Development Commission, as well as to Jim Youngquist and the UALR Institute for Economic Advancement, for their extensive work on this project. I hope you will take advantage of this plan. I appreciate your continued dedication to improving the Delta for all people.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Beebe".

Mike Beebe

MB:jb



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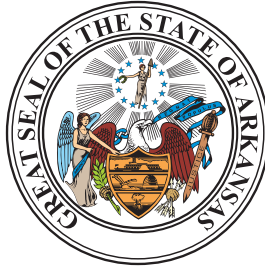
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Website: <http://www.eapdd.com>

### ➤ **Southeast Arkansas Economic Development District**

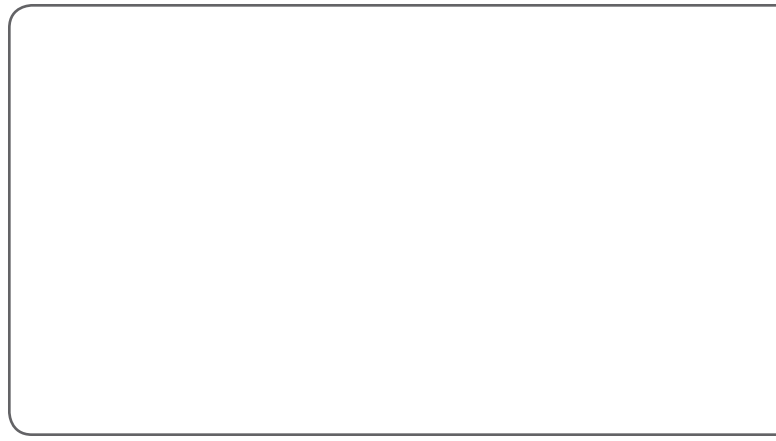
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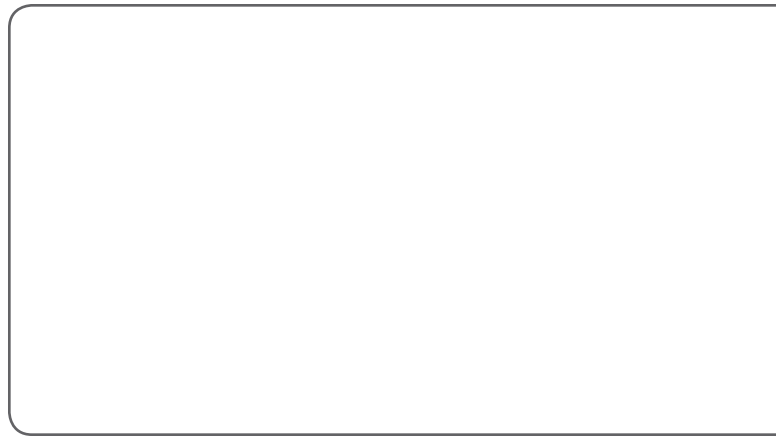
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# *Table of Contents*

|             |  |           |
|-------------|--|-----------|
| <b>I.</b>   | <b>Brief Overview of the Arkansas Delta</b>  | <b>1</b>  |
| 1.          | Geography  | 1         |
| 2.          | Economy  | 3         |
| 3.          | Infrastructure   | 4         |
| 4.          | Socio-Economic Indicators  | 4         |
| <b>II.</b>  | <b>Developing a New DRA Funding Plan for Arkansas</b>  | <b>7</b>  |
| 1.          | DRA Funding Considerations   | 7         |
| 2.          | Governor Mike Beebe’s Economic Development Goals,<br>Guiding Principles and Performance Measures | 9         |
| 3.          | Governor Mike Beebe’s Priorities for DRA Funding   | 12        |
| 4.          | DRA Federal Grant Program Funding Priorities   | 13        |
| <b>III.</b> | <b>Alignment of DRA Mission and Goals</b>  | <b>17</b> |
| 1.          | Goal 1   | 17        |
| 2.          | Goal 2   | 20        |
| 3.          | Goal 3   | 24        |
| <b>IV.</b>  | <b>Application Process</b>   | <b>29</b> |
| 1.          | Planning and Development Districts   | 29        |
| 2.          | Public Input Forum Recommendations   | 31        |
| 3.          | Communication of Plan  | 32        |
| 4.          | Application Considerations   | 33        |
| <b>V.</b>   | <b>Appendices and Project Checklist</b>  | <b>41</b> |





## *Executive Summary*

**F**or too long, fragmented community and economic development efforts have hindered growth in the Delta region. As a result, many of its counties have languished economically, resulting in stagnant growth, pervasive poverty and unacceptably high unemployment rates.

Recognizing this challenge, the Delta Regional Authority (DRA) developed a new Regional Development Plan focused on three strategic goals:

These goals align symbiotically with the economic goals of Arkansas Governor Mike Beebe, whose commitment to economic planning and development was immediate upon inauguration in 2007. Recognizing that Arkansas was not fully prepared to compete for knowledge-based jobs, Governor Mike Beebe developed a five-year strategic plan for economic development based upon five goals.

### *DRA Strategic Goals*

- Goal 1:** To advance the productivity and economic competitiveness of the Delta workforce
- Goal 2:** To strengthen the Delta's physical and digital connections to the global economy
- Goal 3:** To create critical mass within the Delta

## *Governor Mike Beebe's Five Goals for Economic Development*

1. We will increase the incomes of Arkansans at a growth pace greater than the national average.
2. We will expand entrepreneurship focusing on knowledge-based enterprises.
3. We will compete more effectively in the global marketplace for new business, jobs, and create a business retention strategy to reduce closures.
4. Our economic development policy will meet the special needs and take advantage of the extraordinary assets of various areas of the state. It will not be one size fits all.
5. We will increase the number of workers with post secondary training so they are prepared when they enter the workforce and equipped for new jobs in the future.

Each of these goals support five interdependent economic development components – workforce development, business development, economic development infrastructure, competitive business climate and collaborative partnerships – that comprise the blueprint for Arkansas’s economic development strategy. Transcending each of these components are the concepts of regionalism and collaboration.

In establishing priorities for DRA funding, Governor Mike Beebe chose flexible criteria that maximize economic impact and align with DRA and Arkansas Strategic Plan goals. To receive DRA funding consideration, applicants must demonstrate that their project falls under one of the following categories.

## *Governor Mike Beebe's Priorities for DRA Funding*

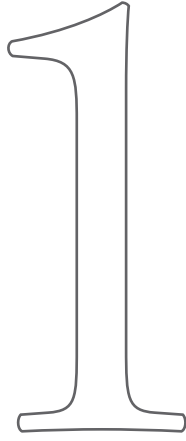
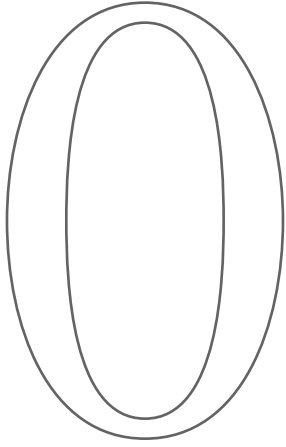
- ➔ Economic and Business Development
- ➔ Regional Impact
- ➔ Collaborative Funding
- ➔ Critical Needs Funding

Applications for DRA funding that correspond to the above-stated goals and priorities will receive the highest funding consideration. Eligible projects include but are not limited to basic public infrastructure, transportation infrastructure, business development and job training.

The success of Arkansas's DRA projects will be evaluated based upon the following performance measures: the extent that they help create or retain jobs, their regional economic impact, and the capacity of the project to leverage additional public and private investment.

The actions outlined within this plan will result in collaborative, regional projects that will better utilize scarce resources to stimulate capital and human investment. Governor Mike Beebe will continue to work closely with officials throughout the Delta region, especially planning and economic development districts and the Federal Congressional delegation, to ensure that regional projects are funded.

It is with great pleasure that Governor Mike Beebe presents Arkansas's Five Year Delta Development Plan for the Delta Regional Authority in accordance with the Delta Regional Authority Act of 2000, as amended.



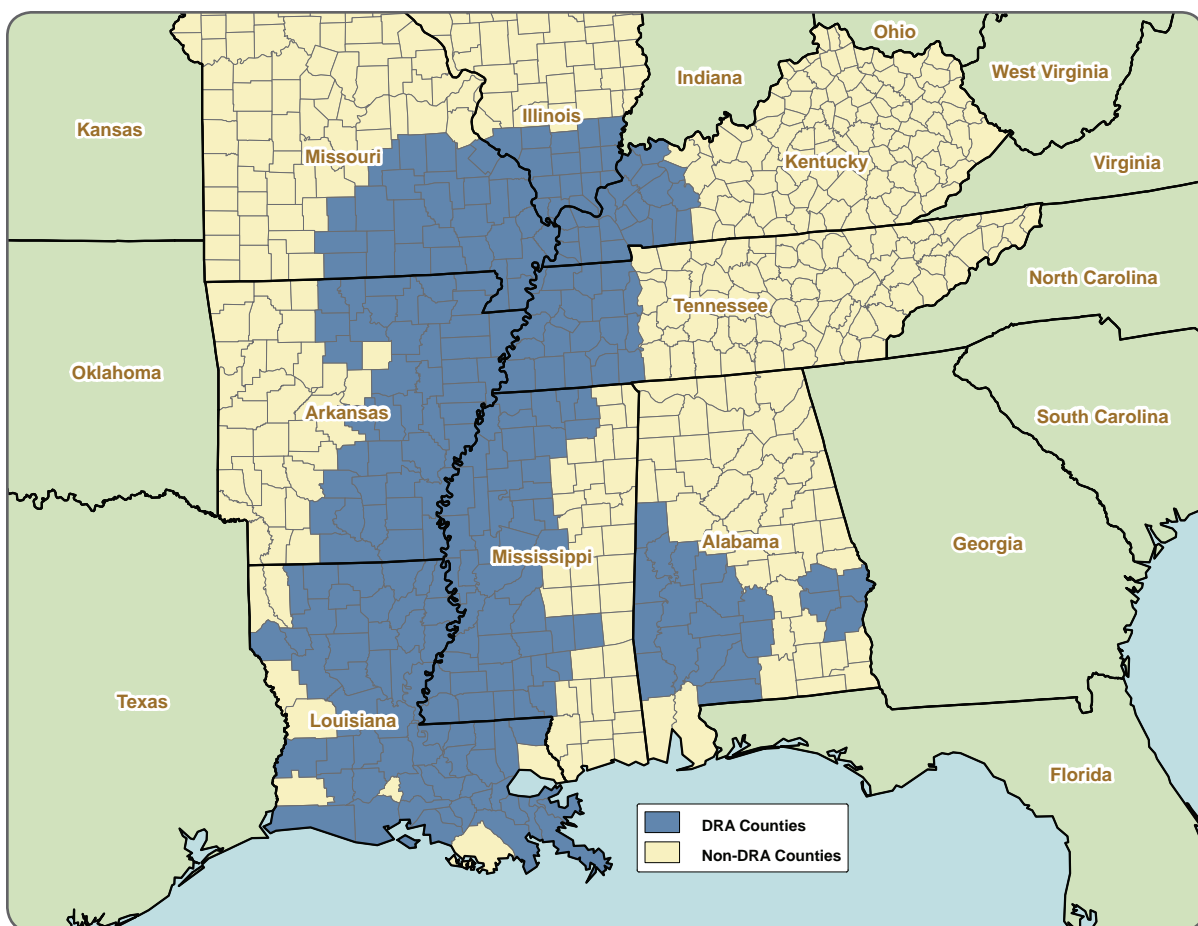
# Brief Overview of the Arkansas Delta

## 1. GEOGRAPHY

The Arkansas Delta is a vast geographic area encompassing the entire eastern half of Arkansas. The number of Arkansas

Delta Counties –42– ranks third among DRA states, behind only Louisiana’s 56 parishes and Mississippi’s 46 counties.

Figure 1: **Delta Regional Authority States<sup>1</sup>**



1 Delta Regional Authority. “Rethinking the Delta: 2008-2013 Regional Development Plan,” June 2008, 1.

More than half – 27,945 square miles – of Arkansas’s total land area lies within DRA boundaries.<sup>2</sup> Only Louisiana and Mississippi boast more.

Further, half of all Arkansans call the Delta Region home.<sup>3</sup>

Figure 2: **DRA Land Area**  
Percent of State Area Within DRA Boundaries

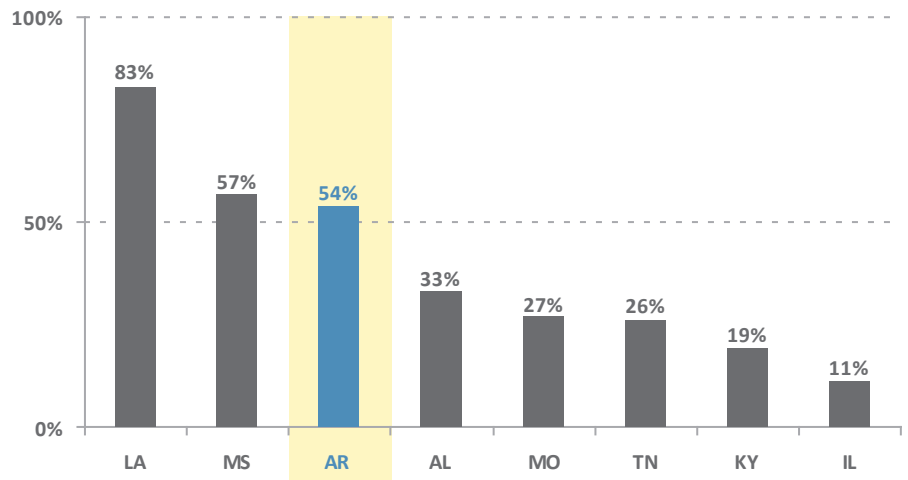
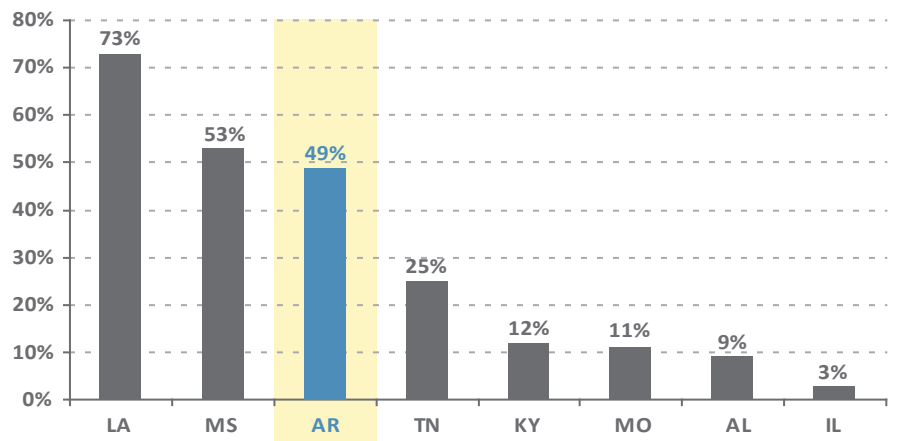


Figure 3: **DRA Population**  
Percent of State Population Within DRA Boundaries



2 Department of Commerce, Bureau of the Census, [American Fact Finder](http://factfinder.census.gov/home/saff/main.html?_lang=en), online; accessed 31 Dec. 2008; available from [http://factfinder.census.gov/home/saff/main.html?\\_lang=en](http://factfinder.census.gov/home/saff/main.html?_lang=en)

3 Department of Commerce, Bureau of the Census, [County Population Estimates](http://www.census.gov/popest/counties/CO-EST2007-01.html), online; accessed 31 Dec. 2008, available from <http://www.census.gov/popest/counties/CO-EST2007-01.html>

## 2. ECONOMY

Predominantly rural, a majority of the Arkansas Delta is comprised of sparsely populated counties influenced by “county seat” cities that serve as centers of government, manufacturing, commerce, transportation, education, and medical services. Generally, the hinterland of each county seat supports natural resource-based businesses such as farming, forestry, light manufacturing, etc.

Agriculture-based businesses, relying on crop, catfish, hardwood, and softwood timber production, dominate the economies of southern and eastern Arkansas Delta counties. Crop farming is most prevalent in eastern counties along the Mississippi River; timber production is widespread throughout all southern counties; and, catfish production is concentrated in southeastern counties. Fertile Arkansas Delta soil produces more rice than any other state and significant amounts of cotton (2nd nationally) and soybeans (10th nationally).<sup>4</sup>

Livestock production, tourism/recreation, retiree-relocation, light manufacturing and health care are the principal economic activities of northwest Arkansas Delta counties. In addition to forest product production, southwest Arkansas Delta

counties produce a variety of products including chemicals, defense products and fuels. Northeastern Arkansas’s economy is supported by agriculture, manufacturing, transportation and services. Principle manufacturing industries include metals, transportation equipment, food and kindred products, and industrial equipment.

West central Arkansas Delta counties (including Jefferson, Lonoke, Pulaski and White) are decidedly urban (50,000 or more population) and support diverse economies that influence a significant portion of central Arkansas.<sup>5</sup>

Arkansas’s Delta is also a paradise for hunters and anglers worldwide. Arkansas’s waterways and rice fields provide a natural duck habitat while immense forests nurture deer, turkey and other animals. Sport fishing on Arkansas’s rivers, lakes, streams, and ox-bow lakes draws sports enthusiasts from throughout the United States. Such recreational amenities bolster tourism as a major component of the Delta economy. Additionally, the retail and service economies of many Delta communities are bolstered by an influx of consumer spending from intermediate travelers whose ultimate destinations transcend Arkansas boundaries.

4 J. Popp, N. Kemper and W. Miller, [Impact of the Agricultural Sector on the Arkansas Economy in 2006](#), Research Report 981, Fayetteville, AR: Arkansas Experiment Station, University of Arkansas Division of Agriculture, 2008, 11.

5 For listings of major employers in these counties see: [Major Employers by County](http://www.arkansasedc.com/data-center/reports-and-publications/major-employers-by-county.aspx), <http://www.arkansasedc.com/data-center/reports-and-publications/major-employers-by-county.aspx>

### 3. INFRASTRUCTURE

Despite the Delta's sparse population and relative isolation, several of its major cities have worked diligently to improve infrastructure capacity. As a result, many of the region's major cities have main line rail service or links to Class I railroads through a comprehensive network of short line railroads. The state's premier multimodal transportation facility, Union Pacific's \$70 million, 600-acre facility near Marion in Crittenden County, provides enhanced opportunities for industrial recruitment.

The Delta also has exceptional port potential. Ports at Helena, Little Rock, Pine Bluff, West Memphis, and Yellow Bend (near McGehee) provide services that can support many types of industry.

Highway improvements continue throughout the Delta. Prospective highway projects, such as I-69, prioritized in the Arkansas Highway and Transportation Department's State Transportation Improvement Plan and the DRA's Delta Development Highway System provide hope for future development.

### 4. SOCIO-ECONOMIC INDICATORS

Despite pockets of prosperity, many Arkansas Delta counties are economically distressed. From 1997 to 2007, 22 of Arkansas's 42 Delta counties lost population.<sup>6</sup> Population loss is exceptionally devastating to economic development due to its direct relationship to:

- Local tax bases to pay for infrastructure and services
- Labor force quantity and quality for new and existing businesses
- School enrollment
- Housing stock
- Cultural contributions

Arkansas's Delta counties are also plagued by high unemployment and poverty rates; however, average per capita personal income (pcpi) is on par with Arkansas's. This can be attributed to Pulaski County's skewing of the data. As the maps in Appendix A show, most counties' economic indicators are below state averages.

6 Department of Commerce, Bureau of the Census, State Population Estimates, online; accessed 30 Dec. 2008, available from <http://www.census.gov/popest/estimates.php>



Figure 4: **Unemployment Rates**<sup>7</sup>  
2007 Annual Unemployment Rates

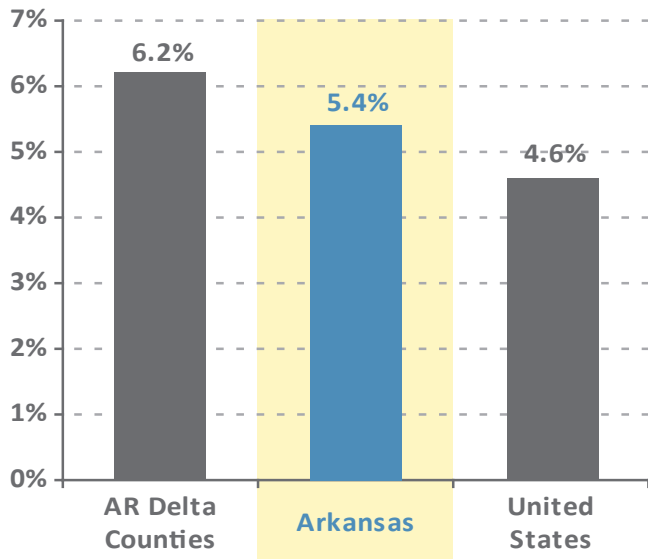


Figure 6: **Poverty Rates**<sup>9</sup>  
2007 Annual Poverty Rates

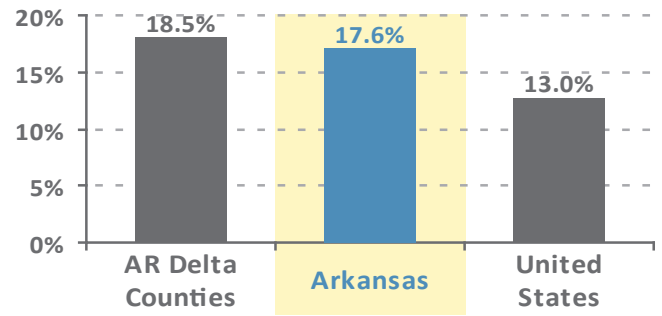
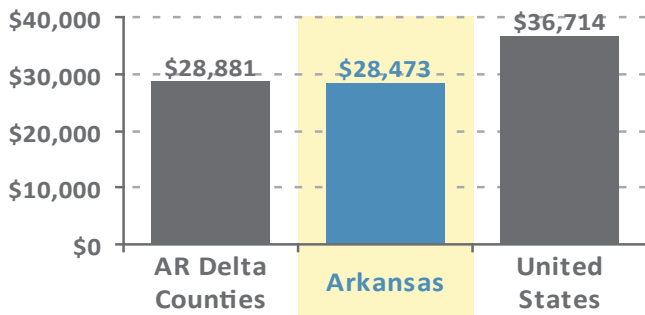


Figure 5:

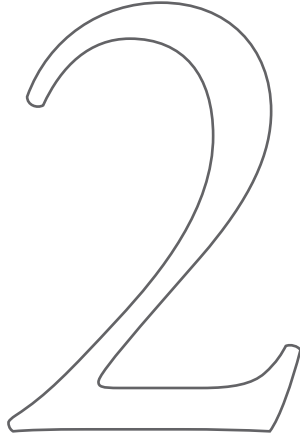
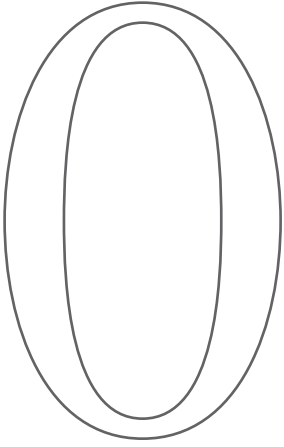
**Per Capita Personal Income**<sup>8</sup>  
2006 Annual Per Capita Personal Income



7 Arkansas Department of Workforce Services, Unemployment Rates and Labor Force Statistics, online; accessed 5 Jan. 2009, available from <http://www.discoverarkansas.net/cgi/dataanalysis/AreaSelection.asp?tableName=Labforce>

8 Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income, online; accessed 5 Jan. 2009, available from <http://www.bea.gov/regional/reis/>

9 Department of Commerce, Bureau of the Census, Poverty, online; accessed 5 Jan. 2009, available from <http://www.census.gov/hhes/www/poverty/poverty.html>



# *Developing a New DRA Funding Plan for Arkansas*

## 1. DRA FUNDING CONSIDERATIONS

*(Arkansas's DRA allocation for 2008 was \$1.162 million. These funds may be used to leverage other federal and state programs.)*

Since 2002, the DRA has provided \$9,935,030<sup>10</sup> in grants to Arkansas for the following types of eligible projects:

- Basic public infrastructure in distressed counties. Under Federal law, at least 75 percent of DRA funds must be invested in economically distressed counties and parishes.
- Transportation infrastructure for the purpose of facilitating economic development. Federal law also requires that half of DRA funds be earmarked for transportation and basic infrastructure projects.

- Business development with an emphasis on entrepreneurship.
- Job training with an emphasis on using existing public education institutions.

Traditionally, a majority of Arkansas's grants have leveraged funding for much-needed "bricks and mortar" infrastructure projects that have been the cornerstone of traditional economic development. As a result, hundreds of jobs were created and dozens of economically distressed communities have improved.

However, the Delta Regional Authority and Arkansas Governor Mike Beebe both agree that traditional models of community and economic development are fragmented and insufficient for building a knowledge-based economy. Success in the 21st century will accrue to those regions that develop

10 Data compiled from Delta Regional Authority, Federal Grant Program Profile, p. 26, online; accessed 06 Jan. 2009 at [http://www.dra.gov/pdfs/FGP\\_Profile\\_JBook\\_2007.pdf](http://www.dra.gov/pdfs/FGP_Profile_JBook_2007.pdf) and 2008 allocation at [http://www.dra.gov/state-grant-funding/fy2008/state\\_allocations.aspx](http://www.dra.gov/state-grant-funding/fy2008/state_allocations.aspx)

integrated, cohesive plans that prioritize development of a highly skilled/educated workforce.

Acknowledging the challenge to create a single vision that integrates existing programs while taking into account traditional performance measures, the DRA created a new Delta vision focused on the competitiveness of the Delta workforce:

## VISION:

*After decades of decline, the Delta Region will achieve a pattern of sustained growth. Increasing capital investment and productivity will establish the region as a magnet for talent and innovation, and will nurture a sense of place within each community.*<sup>11</sup>

This vision led to the development of three strategic goals that are the impetus behind the regional and state DRA plans.

## *DRA Strategic Goals*

- Goal 1:** To advance the productivity and economic competitiveness of the Delta workforce
- Goal 2:** To strengthen the Delta's physical and digital connections to the global economy
- Goal 3:** To create critical mass within the Delta

As section 2 below explains, Governor Mike Beebe's Strategic Plan for Economic Development provides a blueprint for building Arkansas's 21st century economy. It is fortuitous that many of recommendations contained in this plan are consistent with DRA's goals.

11 "Rethinking the Delta," 3.

## 2. GOVERNOR MIKE BEEBE'S ECONOMIC DEVELOPMENT GOALS, GUIDING PRINCIPLES AND PERFORMANCE MEASURES<sup>12</sup>

Recognizing that Arkansas was not fully prepared to compete for knowledge-based economic opportunities, Governor Mike Beebe developed a five-year strategic plan for economic development based upon five goals.

Development of the plan involved interviewing a large cross-section of

community and economic development stakeholders and reviewing historic and current planning efforts<sup>13</sup> to determine the strategic direction that Arkansas should follow. This data led to the development of five guiding principles that shaped development of five economic development components.

### *Governor Mike Beebe's Five Goals for Economic Development*

1. We will increase the incomes of Arkansans at a growth pace greater than the national average.
2. We will expand entrepreneurship focusing on knowledge-based enterprises.
3. We will compete more effectively in the global marketplace for new business, jobs, and create a business retention strategy to reduce closures.
4. Our economic development policy will meet the special needs and take advantage of the extraordinary assets of various areas of the state. It will not be one size fits all.
5. We will increase the number of workers with post secondary training so they are prepared when they enter the workforce and equipped for new jobs in the future.

12 The information contained within this section is derived from "Governor Mike Beebe's Strategic Plan for Economic Development," (2009), 12-14.

13 For example of current efforts see: Building a Knowledge-based Economy in Arkansas: Strategic Recommendations by Accelerate Arkansas; online at <http://www.acceleratearkansas.com/BuildingKnowledgebasedEconomyArkansas.pdf> and Building a 21st Century Economy in Arkansas online at [http://www.taskforce21.arkansas.gov/pdf/final\\_report2008.pdf](http://www.taskforce21.arkansas.gov/pdf/final_report2008.pdf)

## GUIDING PRINCIPLES

1. To generate wealth for Arkansans, the state requires a systematic plan causing a transition to an economy supported by knowledge-based jobs.
2. All state economic development practices and processes must be evaluated to guarantee efficiencies of operation and mission focus. Inefficient processes should be corrected immediately, while others must be evaluated over time to determine if they are properly focused.
3. Scarce and diffused economic resources mandate a coordination of efforts to transition the Arkansas economy to an economy supported by knowledge-based jobs.
4. Regions must be provided the needed tools to control their own economic development.
5. A new approach to state and regional economic development funding must be employed to ensure that resources are predictable. Such an approach will allow funds to be committed efficiently and equitably.

## PERFORMANCE MEASURES

The success of Arkansas's DRA projects will be evaluated based upon the following performance measures:

1. The extent that they help create or retain jobs.
2. The regional economic impact of the project.
3. The capacity of the project to leverage additional public and private investment.

## ECONOMIC DEVELOPMENT COMPONENTS

Economic development is a system comprised of five interdependent components: workforce development, business development, economic development infrastructure, competitive business climate and collaborative partnerships. Each component is augmented by a vast array of resources — people, capital, entities and policies — that collectively support economic growth.

These five components establish the basis for Governor Mike Beebe's priorities for DRA funding.

Figure 7: **Economic Development Components**



### 3. GOVERNOR MIKE BEEBE'S PRIORITIES FOR DRA FUNDING

Governor Mike Beebe believed that the best way to implement DRA's plan was to establish flexible funding categories that would maximize goal attainment. A prefatory meeting on November 12, 2008 with Arkansas's six planning and development district directors in the Delta

region confirmed that one of the greatest benefits of DRA funding is its flexibility. Given the long-range nature of both the DRA plan and Governor Mike Beebe's Strategic Plan for Economic Development, it would be most advantageous to prioritize projects based on broad parameters that maximize cost-effectiveness, leveraging of resources, and economic impact. As a result, Governor Beebe established the following categories as priorities for DRA funding:

#### *Governor Mike Beebe's Priorities for DRA Funding*

- ➔ Economic and Business Development
- ➔ Regional Impact
- ➔ Collaborative Funding
- ➔ Critical Needs Funding



Each applicant for DRA funds must also demonstrate that their project is consistent with the goals and objectives of both the DRA plan and Arkansas’s Strategic Plan for Economic Development, and that their project has received Congressional input and support.

Projects chosen to receive critical needs funding could include aging or failing infrastructure which pose an eminent public health or safety risk. Critical needs funding will be made available for projects in urgent circumstances.

The success of Arkansas’s DRA projects will be evaluated based upon the following performance measures: the extent that they help create or retain jobs, their regional economic impact, and the capacity of the project to leverage additional public and private investment.

*Note: In addition to meeting Governor Mike Beebe’s funding priorities and economic planning goals, all requests for DRA funding must meet federal requirements as specified by law.*

## 4. DRA FEDERAL GRANT PROGRAM FUNDING PRIORITIES

Historically, applicants for DRA funding in Arkansas have submitted projects that are consistent with the following Federal priorities.

- ➔ Basic public infrastructure in distressed counties. Under Federal law, at least 75 percent of DRA funds must be invested in economically distressed counties and parishes.
- ➔ Transportation infrastructure for the purpose of facilitating economic development. Federal law also requires that half of DRA funds be earmarked for transportation and basic infrastructure projects.
- ➔ Business development with an emphasis on entrepreneurship.
- ➔ Job training with an emphasis on using existing public education institutions.

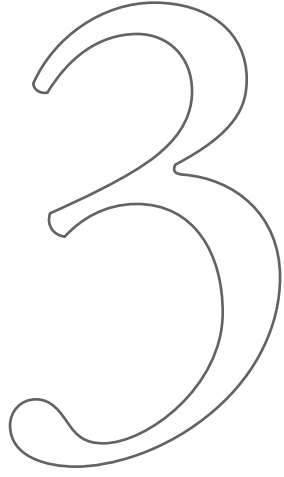
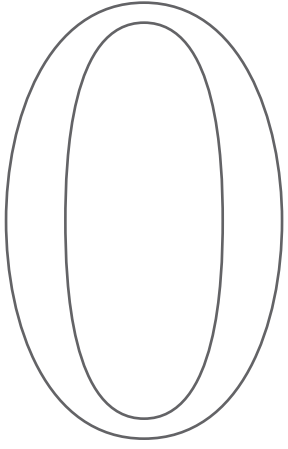
All applications for assistance must be consistent with all of the above criteria. This will result in collaborative, regional planning and development that will better utilize scarce resources to stimulate capital and human investment. Governor Mike Beebe will continue to work closely with officials throughout the Delta region,

especially development districts and the Federal delegation, to ensure that regional funding priorities are timely considered. Figure 8 on page 14 illustrates the entire funding prioritization system described in Section II of this plan. To assist applicants, a Grant Eligibility and Priority Checklist has been provided in the appendix.

Figure 8: **Arkansas DRA Funding Priorities**







# *Alignment of DRA Mission and Goals to Governor Mike Beebe's Strategic Plan for Economic Development*

## **MISSION ALIGNMENT**

The synthesis of Governor Mike Beebe's Strategic Plan for Economic Development is the enhancement of regional economic development through collaborative planning, funding and partnerships. DRA's mission statement, which stresses regional collaboration, aligns very closely with Governor Beebe's economic development vision.

### **THE DRA MISSION:**

*To serve as a regional focal point for resources, planning, and ideas. The DRA will be a catalyst for investment in the communities and in the people of the Mississippi Delta.<sup>14</sup>*

## **GOAL ALIGNMENT**

*Each of Governor Mike Beebe's five economic development goals are supported implicitly in DRA's mission and explicitly within the context of the DRA plan's three major goals. Below is a summary of how each DRA goal supports the goals and action items of Governor Mike Beebe's Strategic Plan for Economic Development. Projects that meet the objectives of each DRA goal stated below will receive priority consideration for funding.*

### ***DRA Strategic Goal***

**Goal 1:** To advance the productivity and economic competitiveness of the Delta workforce

It is no coincidence that Governor Mike Beebe's Strategic Plan for Economic Development and DRA's Regional

14 "Rethinking the Delta," 3.

Development Plan each list workforce development as a primary goal/ component of economic development. The DRA plan clearly states, “a competitive workforce...provides specific direction for all of DRA’s programs.”<sup>15</sup>

Governor Beebe emphatically acknowledges the importance of workforce by stating “the success of the strategic plan is predicated on advancing a streamlined workforce development system that focuses resources on increasing educational attainment at all levels and enhancing the technical skills required by knowledge-based employers.”<sup>16</sup> This system must involve all post-secondary educational institutions, and encompass all existing and future educational processes, workforce training curriculum and labor force development programs.

Although the emphasis of Governor Mike Beebe’s Strategic Plan for Economic Development is on attainment of workforce knowledge and skills, it is believed that healthier Arkansans can increase the state’s workforce participation rate which is currently 62.5 percent –3.5 percent below the national

average.<sup>17</sup> Healthier Arkansans can also enhance business productivity through reduced absenteeism and lower health care costs to employers.

*Successful implementation of the strategies identified under DRA Goal 1 will help Arkansas achieve each of Governor Mike Beebe’s goals. Projects that meet the objectives of each goal stated below will receive priority consideration for funding.*

**Goal 1: We will increase the incomes of Arkansans at a growth pace greater than the national average.**

Healthier Arkansans can significantly enhance workforce productivity and reduce health care costs thus raising the personal income of Arkansans and earnings of businesses. Continued support of the Healthy Delta Initiative, a program that provides free health screenings, resource assessments and outreach services – particularly its emphasis on diabetes prevention and treatment – is a commendable and viable economic development goal.

15 “Rethinking the Delta,” 5.

16 “Governor Mike Beebe’s Strategic Plan for Economic Development,” 25.

17 Data calculated as a ratio of Arkansas labor force to working age population from Arkansas Department of Workforce and Bureau of Census data.

**Goal 2: We will expand entrepreneurship focusing on knowledge-based enterprises.**

Prospective knowledge-based workers demand comprehensive health care services – “critical mass” variables that are prerequisites to building viable local regions. Continued funding of the Delta Doctors program to increase the number of doctors serving Delta residents, will secure additional health care services and make the Delta a more viable place to live.

**Goal 3: We will compete more effectively in the global marketplace for new business, jobs, and create a business retention strategy to reduce closures.**

Successful business recruitment and retention programs mandate comprehensive health care services for prospective workers.

**Goal 4: Our economic development policy will meet the special needs and take advantage of the extraordinary assets of various areas of the state. It will not be one size fits all.**

Health care shortages continue to plague a significant portion of the Delta. Continued recruitment of

these doctors can help alleviate physician shortages throughout the Arkansas Delta. Regional strategic plans can identify these specific needs and design solutions encompassing DRA programs that will increase the region’s quality of place. Use of mobile sources of technology to bring healthcare services to Delta residents must be maximized. Mobile health and dental services can bring diagnostic, treatment and rehabilitation services to isolated areas of the Delta where facilities do not exist or where transportation resources are unavailable to residents.

**Goal 5: We will increase the number of workers with post secondary training so they are prepared when they enter the workforce and equipped for new jobs in the future.**

DRA objective 1.5 specifically proposes strengthening workforce education and professional skills programs at post secondary institutes. The feasibility of establishing a Delta Institute will be determined in the fourth year of DRA’s five-year plan. Governor Mike Beebe will encourage economic developers at the state and regional level to participate in this feasibility study.

## *DRA Strategic Goal*

**Goal 2:** To strengthen the Delta's physical and digital connections to the global economy

As the scope of economic development has broadened, so has the definition of infrastructure. Economic developers have traditionally viewed infrastructure as those physical structures and services such as roads, utilities and buildings that are necessary for residential and commercial development. As information technology has proliferated, telecommunication assets have been integrated into the definition. Today, economic developers consider workforce, intellectual property and other non-structural resources as “soft” infrastructure components. Defined most broadly, infrastructure can refer to almost any resource that contributes to economic development. Several planning studies have identified specific infrastructure needs in Arkansas or have noted the specific benefits that investments can generate.

*Successful implementation of the infrastructure strategies identified below will receive priority consideration for funding.*

## **BROADBAND**

As information technology progresses, broadband connectivity has become a required infrastructure component. Many Delta counties lack adequate access to a robust telecommunications infrastructure. This has exacerbated the region's geographical isolation and served as a barrier to economic, educational, medical and other benefits that areas outside the region have enjoyed for years. The problem is particularly acute in the region's most distressed counties. These are lower-income areas where poverty and unemployment rates are substantially higher than state and national averages (see Appendix A). Broadband services can improve health care, open educational opportunities, stimulate economic development, forge community and social bonds, improve access to communications systems for people with disabilities, and enhance public safety.<sup>18</sup> Citing a report by the CSE Freedom Foundation, the Arkansas Capital Corporation (ACC) maintains that bringing broadband Internet to the entire state could create 8,200 new jobs and add \$2.6 billion annually to the Gross State Product.<sup>19</sup>

In 2005, the DRA board recommended enhancing information technology as a top policy priority. In furtherance of

18 Peter Backof. Broadband Initiatives: Enhancing Lives and Transforming Communities, Alliance for Public Technology, Nov. 2007, 5.

19 Andrew Jensen, “Connect Arkansas Aims to Expand Broadband,” Arkansas Business Today, 1 Jan. 2009.



this policy, a plan – “**iDelta: Information Technology in the Delta,**” – was commissioned and released in May 2007. Goals of the plan are to improve education, enhance entrepreneurship and improve health care with information technology. The plan provides data on the capacity and utilization of information technology in the region and recommendations for expanding the availability, usage and awareness of information technology.

## **HIGHWAYS**

Traditional transportation infrastructure continues to influence corporate location decisions. Such projects should prioritize regional accessibility. The Delta Development Highway System (DDHS) was developed in collaboration with each state’s highway and transportation department. The DDHS plan proposes numerous highway improvement projects designed to improve 704 miles of roads in Arkansas. Improvements consist of widening and upgrading portions of Highways 49, 67, 65/82, 167, 412, 425, 530 and I-69. A detailed table<sup>20</sup> of

project descriptions, priority status and estimated costs for each DDHS corridor in Arkansas is available online.

## **AIRPORTS**

Air and water ports, too, are important resources for economic growth. The Arkansas State Airport System Plan,<sup>21</sup> commissioned by the Arkansas Department of Aeronautics, evaluated future aviation demand for each airport based upon economic impact and projected activity. The plan recommends \$353.5 million in improvements statewide over the 20-year planning period to meet benchmarks and facility/service objectives.

## **WATER PORTS**

Both the Arkansas State Public Riverport Study and Needs Assessment<sup>22</sup> and the Arkansas Statewide Long-Range Intermodal Plan<sup>23</sup> provide an overview of river port needs in Arkansas. The ports in the DRA region that were evaluated include the Ports of Camden, Crossett, Helena Harbor, Little Rock, Osceola, Pine Bluff, West Memphis and Yellow Bend.

20 Delta Regional Authority, “Delta Development Highway System Plan,” online; accessed 2 Jan. 2009, available from <http://www.dra.gov/pdfs/transportation/5.%20Arkansas.pdf>, 29.

21 Arkansas Department of Aeronautics, “Arkansas State Airport System Plan,” 2006.

22 Arkansas State Highway and Transportation Department, Planning and Research Division, “Arkansas State Public Riverport Study and Needs Assessment,” March 2005.

23 Arkansas Highway and Transportation Department, “Arkansas Statewide Long-Range Intermodal Plan,” online; accessed 7 Jan 2009, available from <http://www.arkansashighways.com/Publications.htm>

Undoubtedly, traditional infrastructure needs will forever exceed available revenues. As state and federal revenues continue to decrease, it will be incumbent upon regions to thoroughly assess, prioritize, communicate and fund infrastructure projects to ensure maximum return on investment.

An increase in local and regional funding through Regional Mobility partnerships leveraged with state and federal sources such as DRA are needed to fund prioritized projects.

Finally, infrastructure, in the form of distribution and transportation systems, is critical to development of Arkansas's natural resources such as bio-fuels and natural gas. Bio-based fuels and products (e.g., ethanol and biodiesel) are becoming increasingly important to Arkansas's economy. Many Arkansas corporations are in various phases of production. Forest biomass and rice hulls, too, are potential feedstock for cellulosic bio-fuel production. Because approximately 60 percent of Arkansas is forest covered, forest biomass may help Arkansas sustain bio-fuel production, in the form of cellulosic ethanol, indefinitely.

Production of natural gas from the Fayetteville Shale is significantly benefitting the economies of many

counties in Western, Central and East-Central Arkansas through land and mineral rights leasing, drilling, production, transportation, gas services and "induced" service sector jobs. Preliminary estimates project a short-term (2008-2012) economic impact of \$17.9 billion in expenditures, creation of nearly 11,000 jobs, and \$1.9 billion in state and local tax revenue.<sup>24</sup> As long as natural gas prices remain high, drilling and production is expected to increase significantly in the next few years and could remain viable for 15-25 years. Currently four counties in the Delta – Independence, Jackson, Van Buren and White – have production wells in the Fayetteville Shale Area.

*Successful implementation of the strategies identified under DRA Goal 2 will help Arkansas achieve each of Governor Mike Beebe's goals. Projects that meet the objectives of each goal stated below will receive priority consideration for funding.*

**Goal 1: We will increase the incomes of Arkansans at a growth pace greater than the national average.**

Advanced computer technology/ infrastructure and training will help businesses utilize e-commerce applications to improve efficiency and

24 Kathy Deck, Projecting the Economic Impact of the Fayetteville Shale Play for 2008-2012, (Fayetteville, AR: University of Arkansas, Center for Business and Economic Research, 2008), iii-iv.

productivity. As Delta residents obtain technology training, their ability to pursue knowledge-based employment will increase. Educational instruction, supplemented by distance learning, will bring new learning opportunities throughout the Delta and increase the capacity of the workforce to qualify for skilled jobs. Such technology will enhance the earnings potential of thousands of Delta residents, thus increasing the incomes of Arkansans. Finally, retention and recruitment of high-paying industries is dependent upon comprehensive infrastructure assets. Economic growth attributable to infrastructure improvements will grow the personal income of regions.

**Goal 2: We will expand entrepreneurship focusing on knowledge-based enterprises.**

Increased access to broadband internet will expand the ability of entrepreneurs to start and grow businesses in the Delta. New business opportunities in emerging technologies such as bio-energy resource development and production will expand entrepreneurial opportunities.

**Goal 3: We will compete more effectively in the global marketplace for new business, jobs, and create a business retention strategy to reduce closures.**

Existing and new businesses require broadband connectivity and vast intermodal transportation networks to conduct business in a global economy. Efficient, coordinated networks linking the entire Delta region will allow for the dissemination of information and transportation of goods and services throughout the region via internet, highways, bridges, railroads, airports, and water ports. The comprehensive statewide infrastructure plans discussed above identify specific projects in the Delta that can benefit from DRA funding. Finally, enhanced internet capabilities of communities will increase their ability to transact business, attract residents and recruit business prospects.

**Goal 4: Our economic development policy will meet the special needs and take advantage of the extraordinary assets of various areas of the state. It will not be one size fits all.**

Although Delta counties are blessed with resources, particularly natural resources, regionalization efforts are hampered by communication and transportation infrastructure deficiencies. Often the costs for ameliorating these deficiencies are beyond the scope of any agency alone. Strategic plans must identify these needs regionally and

identify collaborative sources of local, state and federal funding to design and fund improvements.

**Goal 5: We will increase the number of workers with post secondary training so they are prepared when they enter the workforce and equipped for new jobs in the future.**

Distance education and computer literacy training will help residents, especially secondary students, better prepare for post secondary training and knowledge-based employment upon graduation.

### ***DRA Strategic Goal***

**Goal 3:** To create critical mass within the Delta

Today’s global businesses base location decisions on criteria such as population/labor mass, stratified housing stock, diverse cultural and social amenities, extensive educational opportunities and comprehensive infrastructure that can only be provided regionally. Because most Delta communities lack fiscal resources and are losing population, it is virtually impossible for them to independently develop the

“critical mass” needed to stimulate regional economic growth.

Further, a majority of the Delta’s historical growth centers that have contributed so significantly to building critical mass are in various stages of decay. Many of these once influential cities are suffering from population, workforce, housing and business decline. To build critical mass, it is important that those cities that were once influential growth centers be engaged to reverse economic, social and political decline. Regional strategic plans must carefully study ways to reinvigorate these cities and utilize existing resources to leverage new growth and future development. Therefore, regional strategic plans addressing how every community can contribute to building regional “critical mass” must be developed.

***Critical Mass is defined as the underlying resources needed to stimulate sustainable growth and investments. Critical mass communities are those communities in which the necessary elements exist in sufficient quantity to create and sustain a vital economy.***

Table 1: **Critical Mass Community Growth Characteristics**

| <b>RANK</b> | <b>CHARACTERISTICS</b>             | <b>EXAMPLES</b>                                     |
|-------------|------------------------------------|---|
| 1           | Healthy People                     | Improving life expectancy                           |
| 2           | Expanding Population               | People moving into a community                      |
| 3           | Skilled Workforce                  | Jobs for skilled labor and professional occupations |
| 4           | Multi-Cultural                     | Foreign-born people moving into a community         |
| 5           | New Companies                      | Jobs in companies started in the last five years    |
| 6           | Entrepreneurial Culture            | Percentage of self-employed people in the workforce |
| 7           | Community-Wide Culture of Learning | Public school growth enrollment                     |

Despite their best intentions, most local community development programs have fallen short of building the “critical mass” required for 21st century growth. Governor Mike Beebe’s Strategic Plan for Economic Development acknowledges the contributions that each of these programs have made but recognizes that no one program can be comprehensive enough to meet the needs of all communities. To reiterate one of Governor Mike Beebe’s economic goals, “Our economic development policy will meet the special needs and take advantage of the extraordinary assets of various areas of the state. It will not be one size fits all.”

### **REGIONAL PLANNING**

The key to building critical mass is not to promote one particular model as the “gold standard” but to design a comprehensive process, couched in regionalism, that allows communities to build critical mass through collaborative regional partnerships. Governor Mike Beebe’s Strategic Plan for Economic Development emphatically states that the key to building strong communities lies in developing regional consortiums and local/state/federal partnerships focused on economic development.

Fortunately, the region’s six planning and development districts have fostered

these partnerships by engaging communities in a wide variety of community and economic development activities, including regional planning and grant administration. It is anticipated that the role of planning and development districts as regional planners will enhance as a result of Governor Mike Beebe's Strategic Plan for Economic Development.

Regional growth depends on community development efforts that are holistic and collaborative. Existing state and federal programs can help build critical mass if they are coordinated to promote and reward regional economic development initiatives. Ideally, regional and statewide plans should be symbiotic. Fortunately, many recently-developed regional plans are consistent with the goals of DRA and Governor Mike Beebe. Projects consistent with such goals should receive priority consideration for DRA funding.

*Successful implementation of the strategies identified under DRA Goal 3 will help Arkansas achieve each of Governor Mike Beebe's goals. Projects that meet the objectives of each goal stated below will receive priority consideration for funding.*

**Goal 1: We will increase the incomes of Arkansans at a growth pace greater than the national average.**

Studies conducted for DRA have empirically determined which variables correlate to critical mass. Each strategy identified by DRA will support Governor Mike Beebe's goal to raise per capita personal income by increasing technology-based jobs stimulated through innovation and entrepreneurship. Additionally, regional economic development plans will determine which critical mass components need prioritization to ensure economic growth.

**Goal 2: We will expand entrepreneurship focusing on knowledge-based enterprises.**

Any entrepreneurial initiatives funded in-part by the DRA will help leverage existing and proposed entrepreneurial actions identified in Arkansas. Such efforts will spur innovation and help diversify regional economies.

**Goal 3: We will compete more effectively in the global marketplace for new business, jobs, and create a business retention strategy to reduce closures.**

Because quality of place is paramount to business retention and growth, focusing on building critical mass will help Arkansas compete more effectively in the global marketplace for new businesses and jobs. All DRA efforts to build infrastructure – both physical and human – will support this goal.

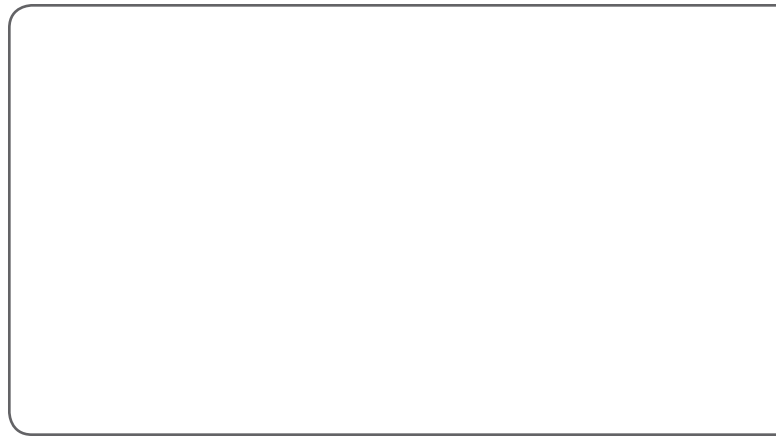
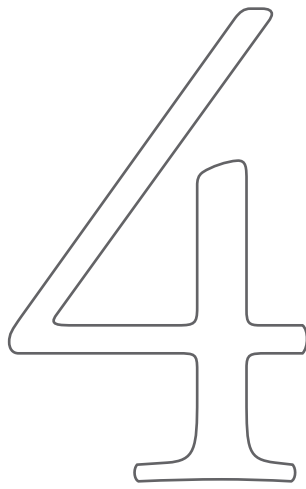
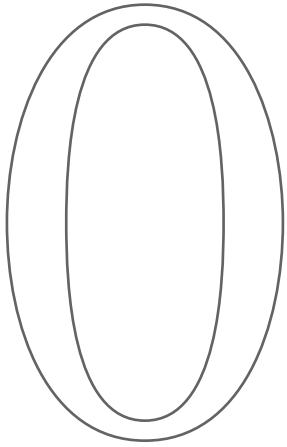
future workforce. The State of Arkansas concurs in DRA’s policy that a highly-trained knowledge-based workforce will produce citizens with skills needed for today’s jobs. DRA funding proposals will be evaluated to ensure that they are consistent with creation of 21st century jobs.

**Goal 4: Our economic development policy will meet the special needs and take advantage of the extraordinary assets of various areas of the state. It will not be one size fits all.**

Regional focus on existing resources and alleviation of impediments to development will help communities create an economic development vision that builds upon their strengths. Such vision will ensure that a successful “local” strategy is developed.

**Goal 5: We will increase the number of workers with post secondary training so they are prepared when they enter the workforce and equipped for new jobs in the future.**

Entrepreneurial and leadership training will help prepare Arkansas’s





# Application Process

## 1. PLANNING AND DEVELOPMENT DISTRICTS

Assisting the DRA are 44 Local Development Districts (LDDs), known as Planning and Development Districts (PDDs) or Economic Development Districts in Arkansas, from its eight-state region. These regional entities have a proven record of helping small cities and counties improve basic infrastructure and

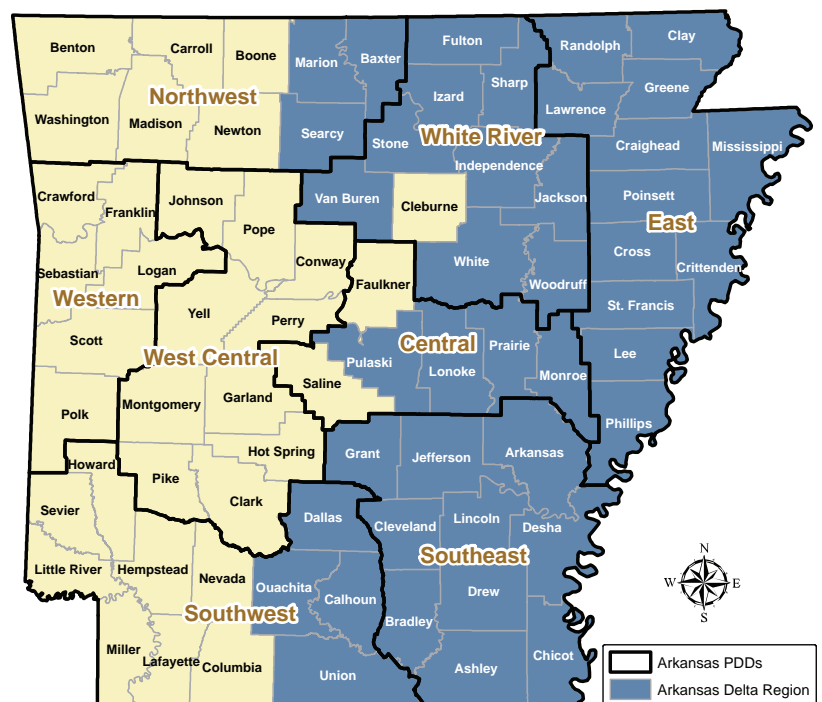
stimulate growth. Arkansas’s six PDDs located in the Delta (see Figure 9) will be the “front-line” facilitators within their districts, to publicize, educate and provide technical assistance for the DRA Federal Grant Program’s application process.

These districts serve as a liaison between the DRA and local governments, non-profit organizations, the business community, and citizens interested in working

Figure 9: **Arkansas Planning and Development Districts**

**Arkansas Delta Region Counties by Arkansas Planning and Development Districts**

Source: University of Arkansas at Little Rock  
GIS Applications Laboratory  
Institute for Economic Advancement  
<http://largis.ualr.edu>  
(501) 569-8530



with DRA. In addition, they identify, develop, and implement programs and activities that educate local stakeholders about the DRA and its economic and community development programs through public hearings or input forums.

Statewide planning and development districts in Arkansas engage in multifaceted tasks directly related to regional planning. Chief among these activities are community and economic planning/GIS, business development financing, grant writing and administration, waste management, data collection and dissemination, workforce development, and transportation planning.

The planning and development districts are a ready source of professional and technical information and network extensively with state and federal resource agencies. All are proficient in understanding the requirements of all state and most federal funding sources including the Delta Regional Authority, Department of Housing and Urban Development, Small Business Administration, United States Department of Agriculture, Economic Development Administration, Federal Emergency Management Administration, Environmental Protection Agency, Department of Justice, etc.

The University of Arkansas at Little Rock (UALR) Institute for Economic Advancement, one of two EDA University Centers in Arkansas, works closely with communities and planning and development districts to provide data collection, analysis and dissemination; research; and training. The other EDA university center is the Delta Center at Arkansas State University.

Most importantly, the PDDs are responsible for ensuring the suitability, completeness, eligibility, and quality of grant applications, as well as ensuring they are representative of the priorities set forth by the Governor and the DRA.

Additional services set out for the districts may include:

- ➔ Identifying and recommending to the Governor a list of priority projects for DRA consideration
- ➔ Providing a semiannual report of its activities to the DRA's Federal Program Coordinator
- ➔ Assisting the approved grantees by conducting the actual grant closing process including document explanation, execution, and dissemination

## 2. PUBLIC INPUT FORUMS RECOMMENDATIONS

*Arkansas is committed to following the public input forum guidelines formulated by DRA and incorporates them by reference into this section of Arkansas's Five Year Delta Development Plan for the Delta Regional Authority.*

As stated by the DRA, public forums are committed to increasing public engagement and assuring grassroots input into its programs and processes by bringing more citizens into the process of building economic capacity in the Delta region. Forums are generally held annually by each of the local development districts within the DRA territory to explain the DRA grant process and garner public input into serious economic and community development challenges affecting the Delta region. The DRA has established specific recommendations regarding private sector engagement and performance measures that warrant specific detail.

### PRIVATE SECTOR ENGAGEMENT

The Delta region public forums should strive to incorporate greater participation and input from all sectors, especially the business sector. This will help increase awareness of public and private concerns and improve the environment

for private sector investment. Private sector engagement is already occurring through the work of regional partnerships (See Appendix B) who work to promote community and economic development.

Strategies for increasing participation and engagement include:

- ➔ Each public forum should include a presentation on local and regional business conditions and trends at an annual economic forecast. Business leaders and managers are not likely to have a significant interest in participating in a discussion exclusively about federal infrastructure grants to non-profit organizations. The key to generating greater interest within the business community is to provide useful information that will help them make decisions about markets, investments, and hiring.
- ➔ Planning and Development districts should consider partnering with local chambers of commerce and economic development organizations in organizing and publicizing the forum.
- ➔ Committing resources to marketing and publicizing events will serve to broaden participation from within the district.

- ➔ Inviting state community and economic development officials to attend forums will increase interest from both the media and the public. Participation at forums will increase state official's awareness of the conditions and needs in the host community.
- ➔ Rather than concentrating exclusively on local parochial interests, the public forum moderator should steer the public discussion toward issues of regional importance, both within individual states and within the Delta region as a whole.
- ➔ As access to technology permits, planning and development districts should look for ways to utilize information technology and the Web to gather and process input. Allowing participants to fill out pre-and post-forum questionnaires on the Web is a first step. Additional Web-based public discourse tools include online deliberation, virtual forums, message boards, blogs, and online polls.

In order to measure the effectiveness of the public input forms, each planning and development district should prepare a post-forum report outlining

the activities and results. The report should be forwarded to the DRA as part of the required semiannual and annual activity reports.

The report should include such measures as:

- ➔ Was the forum conducted?
- ➔ Was there a presentation on business community conditions/issues?
- ➔ Was a pre-and post-forum survey distributed?

### 3. COMMUNICATION OF PLAN

The DRA plan will be disseminated utilizing a variety of methods including:

- a. Direct mail to mayors, county judges, state and federal legislators, community and economic developers, planning and economic development district directors, post secondary institutions, regional economic development partnerships, administering agencies, and other stakeholders.
- b. Posting of the plan on the websites of partnering agencies, districts and the DRA.
- c. Distribution at public input forums.
- d. Governor's Office press release.

## 4. APPLICATION CONSIDERATIONS

### DRA UNIFORM PRE-APPLICATION PROCESS

As a key part of its effort to improve the lives of Delta residents, the DRA operates a grant program in the eight states it serves.

The DRA works closely with local development districts, which provide technical assistance to grant applicants.

The DRA's "Uniform Pre-application Package" will include the:

- Cover Letter
- Simplified Process and Timeline
- DRA Uniform Grant Pre-Application Form
- Application for Federal Assistance – Standard Form 424 and, 424a & 424b for non-construction projects, or 424c & 424d for construction projects
- "Attachment A.1 – Distressed Counties" -- Determined by the Delta Regional Authority on June 26, 2008

In addition, if the project assists a private entity to locate and create jobs or an existing entity is involved in the retention of jobs, then a completed Participation Agreement is required. The Participation Agreement is posted as a document on the DRA website [www.dra.gov](http://www.dra.gov)

under "State Grant Funding." Failure to provide the Participation Agreement will result in an incomplete pre-application and disqualification.

*Please note: as DRA will periodically update its site with new information, clarification, etc., it is important to frequently refer to [www.dra.gov](http://www.dra.gov) "state grant funding" to learn of these updates.*

The following is an outline of the Simplified Process and Timeline provided each funding year by DRA.

### LOCAL DEVELOPMENT DISTRICTS – PUBLICIZE, EDUCATE AND ASSIST

The LDDs, or Planning & Economic Development District(s) in Arkansas, are the "front-line" facilitators, within their Delta area, to publicize, educate and provide technical assistance for the DRA Federal Grant Program's pre-application process. Specifically, commencing as soon as the funding timeline is released, each District will begin publicizing the grant program through their hosting of public-information forums plus all other means appropriate to their respective client bases.

Each District will be the principal contact for the provision of technical and pre-application assistance to the pre-applicants in its area throughout this

sixty-day period, from announcement to pre-application deadline.

On a separate but important note, most DRA Federal Grant Program projects will be administered by agencies other than the DRA. These agencies are referred to as “Administering Agencies”. If either USDA Rural Development or the Economic Development Administration is a participant in the project, then DRA will have a supplement grant and the applicable aforementioned Agency will administer the DRA supplement grant. Otherwise, the District will administer the DRA portion of the project.

### **PRE-APPLICATIONS DUE AT LOCAL DEVELOPMENT DISTRICT**

All pre-application packages must be received by the District on the established deadline. The Districts will screen the pre-applications for completeness. Pre-applications will only be accepted through your District, which must be listed on the LDD Transmittal Cover Letter.

A Technical Assistance Coordinator at the statewide level in Arkansas is also in place to provide an extra level of review. The District shall forward a copy of all pre-applications to the Technical Assistance Coordinator as early as possible before forwarding to DRA.

All submitted pre-application packages MUST include:

- ➔ “Uniform Pre-Application Form”
- ➔ Appropriate Federal Standard Form 424 and, 424a & 424b for non-construction projects, or 424c & 424d for construction projects
- ➔ Congressional Delegation Input-letters of support

### **LOCAL DEVELOPMENT DISTRICTS FORWARD PRE-APPLICATIONS**

The Districts will package complete Pre-applications and send the original plus one copy to DRA. Districts will also send a copy to the Technical Assistance Coordinator, if there have been any changes since the original submission.

*Please note: Failure to submit complete pre-application packages and/or the requisite number of copies may render the submission ineligible.*

### **PROJECT ELIGIBILITY SHALL BE DETERMINED**

Project eligibility for the DRA Federal Grant Program will be determined by the Federal Co-Chairman, based on:

- ➔ The eligibility guidelines as prescribed by the U.S. Congress in the “Delta Regional Authority Act of 2000”, as amended

- ➔ Delta Regional Authority policy promulgations
- ➔ The “Clarification Notes” described both on the “Uniform Pre-Application Form” and which may subsequently be described online and in this plan (please check for any updated “Clarifications”)

Upon completion of his eligibility determinations, the Federal Co-Chairman will forward that list to each participating state member, and will notify the pre-applicants and the Administering Agencies.

### **PARTICIPATING STATE MEMBERS SELECT APPROVED PROJECTS AND NOTIFY THE FEDERAL CO-CHAIRMAN**

Each state’s Governor will select his projects for DRA Federal Grant funding from the Federal Co-Chairman’s list of eligible pre-applications.

With the singular independence as prescribed by the “Delta Regional Authority Act of 2000”, as amended, each Governor will select his projects for funding, and will do so within the context of his own Authority-approved state plan and priorities.

When the Governors have selected their projects, these selections basically become “pre-certified” for DRA funding, needing now an application (“business plan”) sufficient to satisfy the Authority

and the (if needed) Administering Agency that the project will work as described and be able to comply with all appropriate federal regulations. As Governors make their selections, they will forward their lists to the Federal Co-Chairman, who will in turn invite these full applications for these “pre-certified” projects.

As stated above, in the main, projects funded through the DRA Federal Grant Program may be administered by other agencies. Specifically, each Federal Administering Agency’s involvement will be:

1. Federal Administering Agencies will receive the Federal Co-Chairman’s list of the eligible projects, which the Federal Administering Agency may be requested to administer, when he forwards this list to the participating state members.
2. The Federal Administering Agency will certify that it will administer such projects according to their identified programs.

*Please note: When projects have been:*

- 1. Deemed eligible by the Federal Co-Chairman,*
- 2. Pre-certified by the Governors and*
- 3. Accepted by Administering Agencies, the applicants basically become “pre-grantees”.*

*Accordingly, the DRA staff will proceed to work collaboratively and collegially with these “pre-grantees” to best insure their applications are sound, all contingencies are satisfied, before the State Certification and Board vote takes place -- all to best insure each project will be successful.*

### **FEDERAL CO-CHAIRMAN ISSUES “INVITATIONS TO APPLY” TO GOVERNORS’ SELECTIONS**

Using the DRA Federal Grant “Uniform Grant Application Form”, which will include DRA’s required checklists and format, the Federal Co-Chairman will invite a full application from each participating state’s lists of eligible and pre-certified projects.

### **APPLICATIONS MUST BE PREPARED AND RECEIVED BY DRA**

Applicants will have 28 days to prepare and submit to DRA application packages consisting of:

1. One set of originals for DRA review,
2. One set of copies, which DRA will send to the participating state member and
3. One set of copies, which DRA will send to the (prospective) Federal Administering Agency

Applicants shall send their packages to:

DRA Federal Grant Program – Review Team  
Delta Regional Authority  
236 Sharkey Avenue – Suite 400  
Clarksdale, MS 38614

Beginning during approximately the seventh month of the funding cycle, all applications shall be received to the DRA Central Office, and the DRA staff will conduct a final review of the details, while working collaboratively and collegially with each applicant.

### **DRA STAFF REVIEW OF APPLICATIONS COMPLETED AND REVIEWS FORWARDED TO GOVERNORS**

By the end of the eighth month, DRA staff will have forwarded all the completed application reviews to each Governor for the state’s “evaluation and certification” as prescribed by the “Delta Regional Authority Act of 2000”, as amended.

### **GOVERNORS WILL EVALUATE AND CERTIFY PROJECTS**

Upon receiving each application for their state, each participating Governor shall evaluate and certify each application through his appropriate review process. Governors will then forward their lists of evaluated and certified applications to the Federal Co-Chairman.



## THE DELTA REGIONAL AUTHORITY VOTES ON FUNDING YEAR'S PROJECTS

The Delta Regional Authority then votes on funding that year's projects. Each application will be voted on and approved by the participating state members and the Federal Co-Chairman, together, the Delta Regional Authority. Once projects are approved, the administration of each project will proceed in accordance with the "Memorandum of Agreement" between DRA and the appropriate Administering Agencies.

## THE REGION'S MEMBERS OF CONGRESS AND GOVERNORS ARE NOTIFIED

### *Applicants Will Be Notified As To Their Application Status*

Applicants will be notified of their board approval and that grant documents will be prepared for applicant execution. Upon receipt of properly executed documents plus any additional information requested with the documents, authorization to proceed with the project will be given to grantees.

## DRA FEDERAL ELIGIBILITY CLARIFICATION NOTES (2009)

1. Applicants must demonstrate through a sound, comprehensive business plan based on hard data, proven methodology and reasonable forecasts acceptable to the DRA that

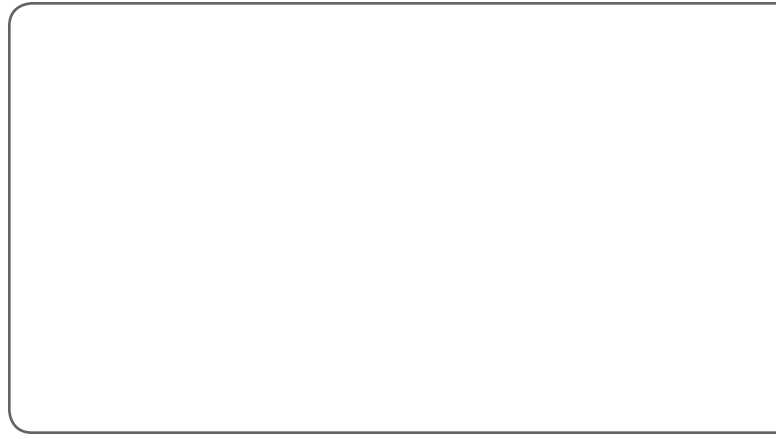
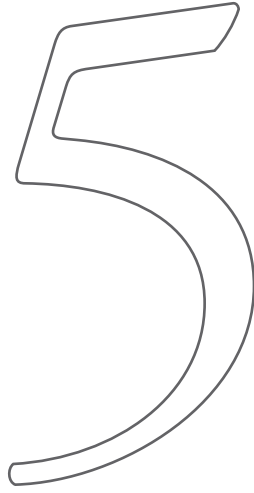
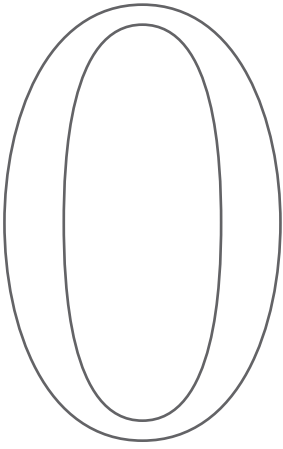
the applicant is capable of maintaining the project after DRA funding to assure the sustainability of the project and achievement of the level of service outlined in the project description.

A project will NOT be deemed sustainable if it is dependent on future grants to meet its normal operating expenses. Sustainability, by definition, includes all costs associated with management, operation and maintenance necessary to maintain an acceptable level of service.

2. Eligible entities may NOT be conduits for private-sector entities. The DRA federal grant program is ONLY available to participating member states, public and non-profit entities.
3. Basic Public and Transportation Infrastructure: to be deemed eligible, projects shall demonstrate job-creation or job-retention impact.
4. Workforce and Business Development: to be deemed eligible, projects shall demonstrate job-creation or job-retention.
5. "Workforce Development" means: job training or employment-related education for a specific employer to fill immediate job openings or retain current jobs, which are documented as such by that specific employer.

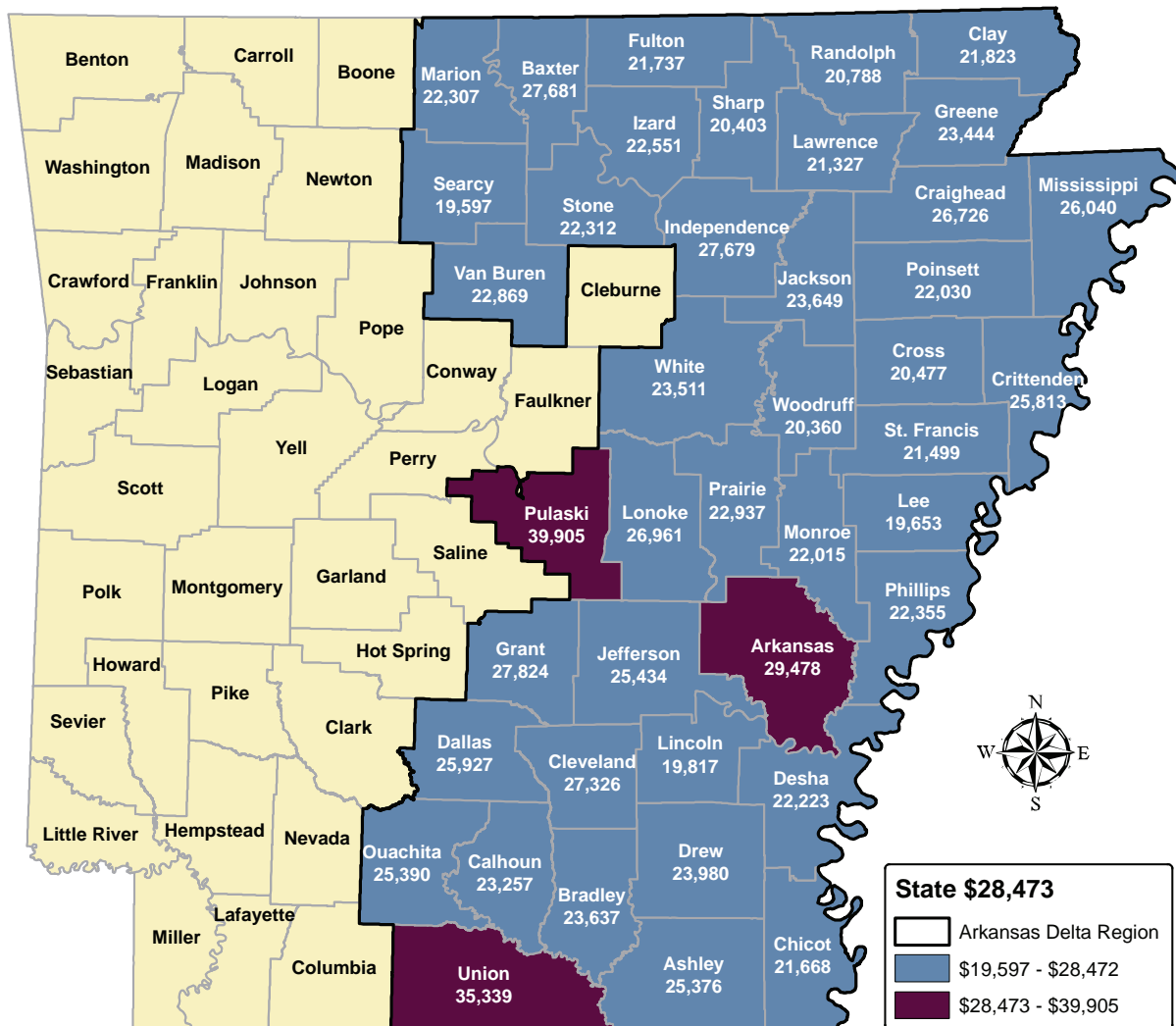
6. Delivery of such training shall be through the use of existing public educational facilities (EPEFs) located in the Region. However, if, the pre-applicant demonstrates (1) sufficient documentation demonstrating an EPEF's inability (as examples, insufficient capacity, curriculum, and/or accessibility) to satisfy the defined need, and the pre-applicant (2) demonstrates a compelling need to use a non-EPEF for such training, then the Federal Co-Chairman can waive this requirement and deem a project eligible.
7. Business Development – For eligibility purposes, this category refers to those areas of business development which include entrepreneurship, the creation of new businesses or the retention or expansion of existing businesses in the local communities.
8. Local, state and/or federal road, highway and/or bridge maintenance projects will NOT be eligible for DRA funding. However, projects involving development of access roads for industrial parks or economic development project sites (as examples) would be deemed eligible, if such are considered to be “basic public infrastructure”.
9. Other than for “Workforce Training” projects as described above, normal operating costs (including but not limited to salaries, vehicles, equipment and maintenance) will NOT be deemed eligible.
10. Government-facility construction and/or improvements (including but not limited to, local/state government offices, libraries, fire stations, multi-purpose buildings and public education buildings/schools) will NOT be eligible.
11. “Indirect Cost Allocations” are eligible but will be carefully assessed for reasonableness.
12. “Isolated Areas of Distress” means: Areas of distress identifiable by census track (distressed county criteria) within a non-distressed county.
13. DRA federal grant funds will NOT be used for projects deemed to be “Speculative”, “Maintenance” or “Deferred Maintenance”.
14. Typically, “On-going Operating Costs,” will NOT be deemed eligible. However, for such costs to be considered, the project MUST be documented as a “Workforce Development” project.
15. NO financial assistance will be authorized to assist any relocation from one area (of the region) to another, except as authorized, to attract businesses from outside the DRA region to the DRA region.

16. DRA federal grant funds CANNOT be used to “supplant” existing funding streams.
  17. DRA funds can be used as the “first-dollar in” to attract additional funds, if needed. However, if this project will require other funds to work, please document or describe the source(s) of those additional funds.
  18. DRA funds can be used to expand existing business incubators and industrial parks; however start-up funding will be provided only for committed economic development projects or to committed business incubators tenants.
  19. All programs and activities will be carried out in compliance with Title VI of the Civil Rights Act of 1964, and other federal laws prohibiting discrimination, and in such a manner that no person shall, on the grounds of race, color, national origin, religion, sex, age or disability be excluded from participation in, be denied the benefits of, or be subject to discrimination with respect to any such programs or activities.
  20. Delta Regional Authority reserves the right to withdraw grants for projects not under contract within 18 months of approval.
  21. “Business incubation is a business support process that accelerates the successful development of start-up and fledgling companies by providing entrepreneurs with any array of targeted resources and services”. A business incubator’s main goal is to produce successful firms that will leave the program financially viable and freestanding. These incubator graduates have the potential to create jobs, revitalize neighborhoods, commercialize new technologies, and strengthen local and national economies. (Incubators typically graduate companies within three years) – National Business Incubator Association – [www.niba.org](http://www.niba.org)
  22. Geographic Information System (GIS) and Broadband projects (not to include speculative or feasibility-type studies – rather, complete and sustainable projects) will be considered technological infrastructure, a subpart of “basic public infrastructure,” and will be deemed eligible for State, County/ Parish, or Municipal government entities, if they do not directly subsidize for-profit entities.
  23. Feasibility/marketing type studies will be considered non-sustainable and speculative, therefore, they will not be considered eligible.
- Please refer to [www.DRA.gov](http://www.DRA.gov) for a complete listing of current clarification notes.*



# Appendices

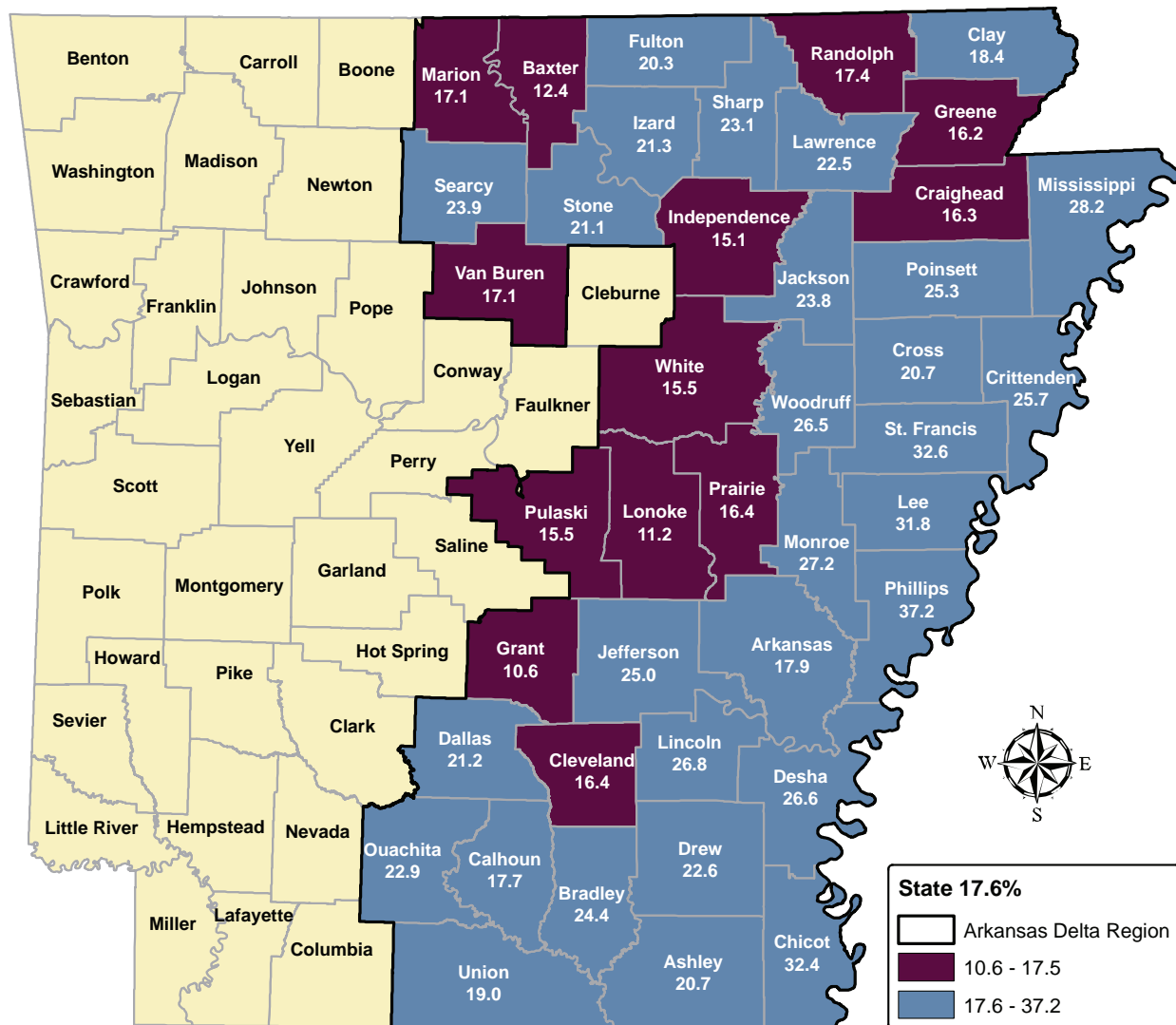
## Appendix A (1) 2006 Per Capita Personal Income Arkansas Delta Region



Source: University of Arkansas at Little Rock, GIS Applications Laboratory, Institute for Economic Advancement, <http://argis.ualr.edu>. (501) 569-8530

# Appendix A (2)

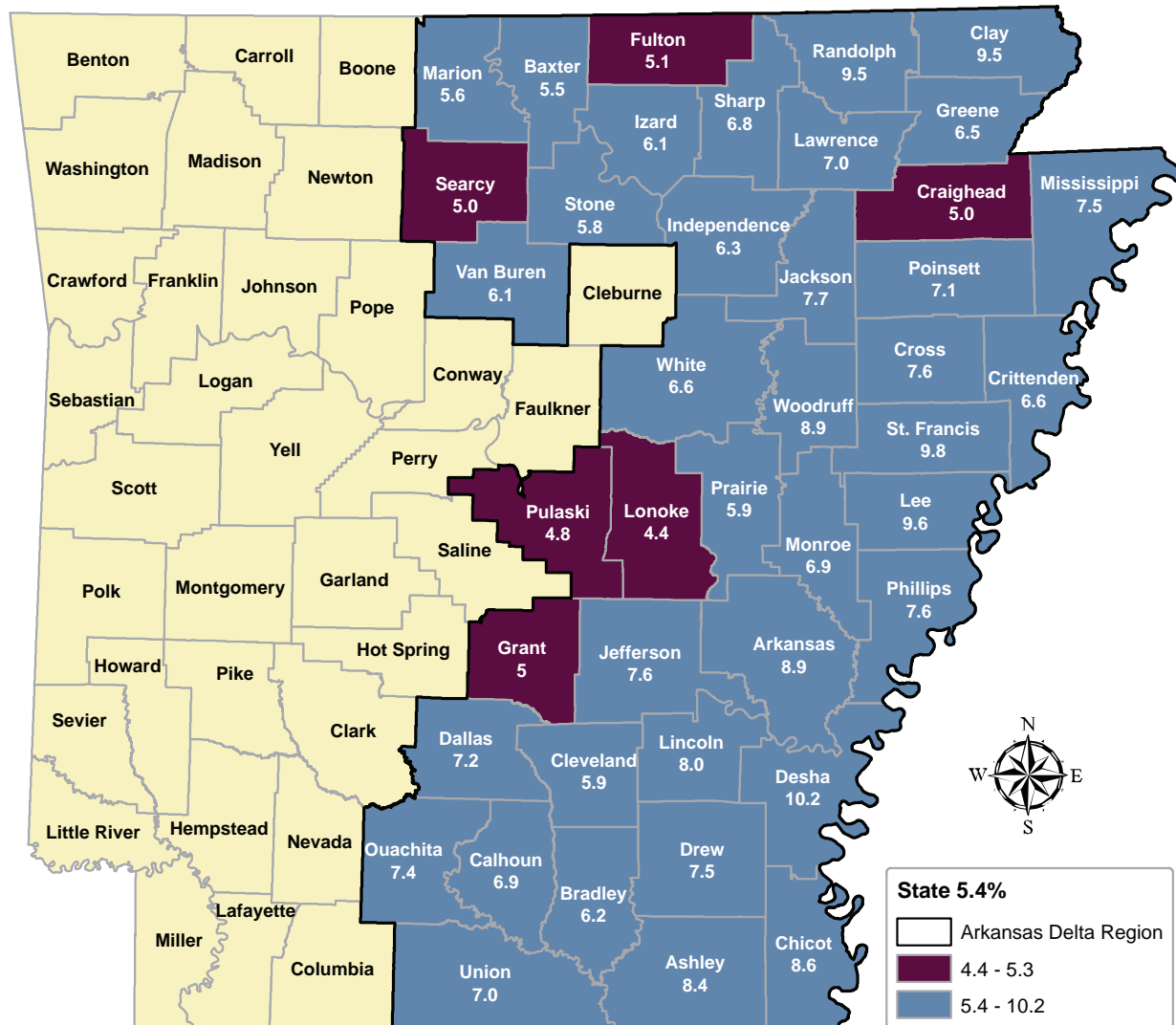
## 2007 Percent Population Below Poverty Arkansas Delta Region



Source: University of Arkansas at Little Rock, GIS Applications Laboratory, Institute for Economic Advancement, <http://argis.ualr.edu>. (501) 569-8530

# Appendix A (3)

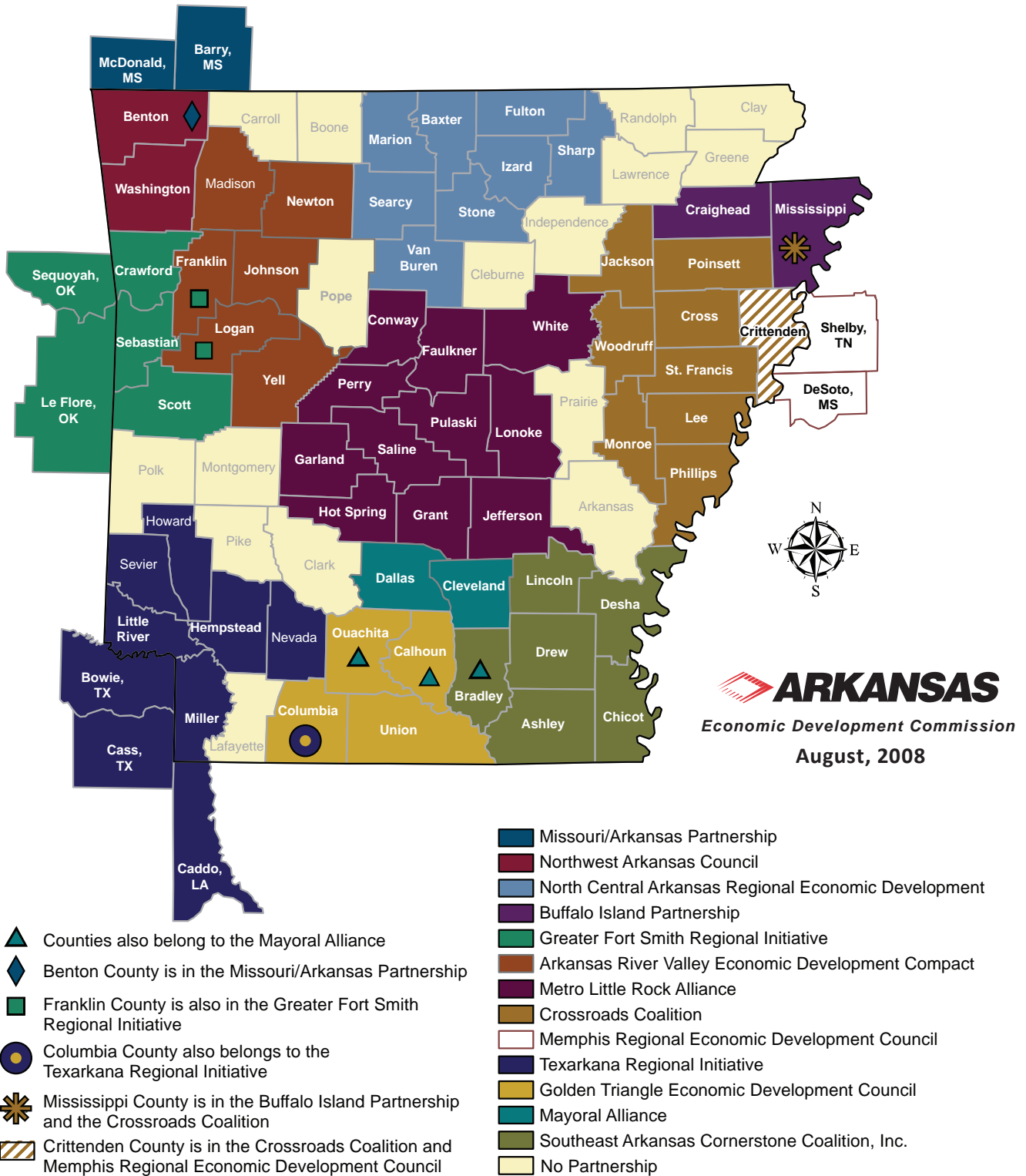
## 2007 Unemployment Rate Arkansas Delta Region



Source: University of Arkansas at Little Rock, GIS Applications Laboratory, Institute for Economic Advancement, <http://argis.ualr.edu>. (501) 569-8530

# Appendix B

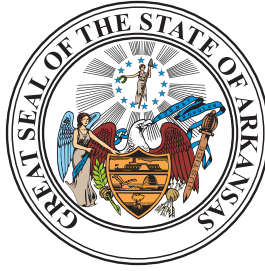
## Arkansas Regional Partnerships



**ARKANSAS**  
 Economic Development Commission  
 August, 2008

Source: University of Arkansas at Little Rock, GIS Applications Laboratory, Institute for Economic Advancement, <http://argis.ualr.edu>. (501) 569-8530





## Grant Eligibility & Priority Checklist

This list is provided as a guide to assist you in developing your project, and preparing your pre-application. For all of the following components, check all that apply. Complying with the checklist may not guarantee that your project is or is not fundable. List is not exhaustive.

### DRA Eligible Projects:

- Basic Public Infrastructure or Transportation Infrastructure
  - Job Creation or Retention
- Business Development
  - Job Creation or Retention
  - Creation of new business, or retention or expansion of existing business
  - Entrepreneurship Emphasis
- Workforce Development and Job Training
  - Job Creation or Retention
  - Does the training utilize existing public educational institutions in the region?

### Governor Beebe's DRA Funding Priorities

- Economic & Business Development
- Regional Impact—does your project benefit a larger region than your own city or county; did it grow from a regional partnership, and/or was it included in a regional strategic plan?
- Collaborative Funding—does your project involve multiple funding sources?
- Critical needs—does the problem involve aging and/or failing infrastructure, and/or is the problem an eminent public health or safety threat, or involve an urgent circumstance? Water/wastewater projects must be tied to an economic development project.

### Other Considerations:

- Sustainability—applicants must demonstrate capability of maintaining project
- Congressional Delegation Input—letters of support are included
- Readiness to Proceed—projects should be under contract within 18 months of approval

### Ineligible Activities (include but are not limited to; see clarification notes for details and exceptions):

- Local, state and/or federal road, highway and/or bridge maintenance projects
- Normal or on-going operating costs
- Government facility construction and/or improvements
- "Speculative," "Maintenance," or "Deferred Maintenance" projects
- Feasibility/marketing type studies

### For technical assistance, contact your local Planning or Economic Development District, or:

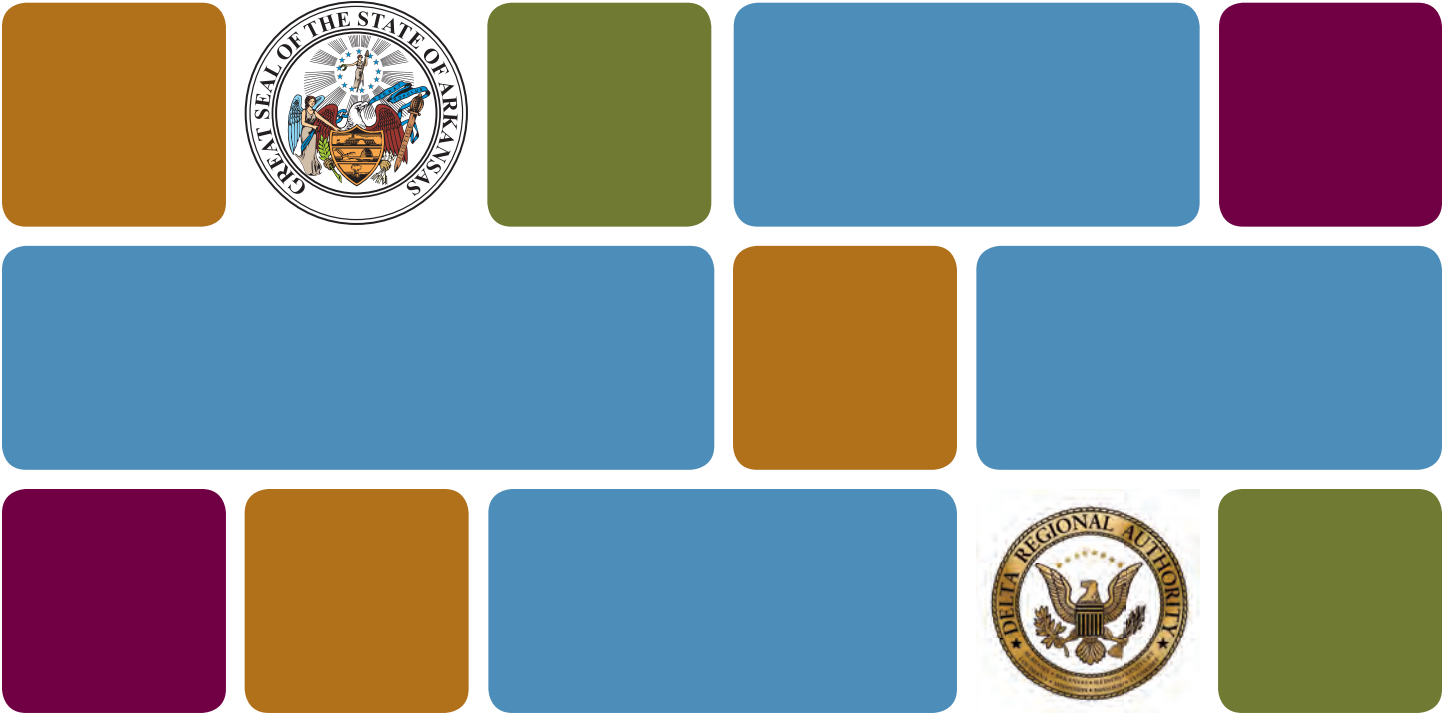
Delta Regional Authority  
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(501) 682-1121  
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