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STATE OF THE CITY OF NORTH LITTLE ROCK

A REPORT TO THE CITY COUNCIL
NORTH LITTLE ROCK, ARKANSAS

BY: MAYOR TERRY C. HARTWICK

SUBMITTED PURSUANT TO A.C.A. 14-58-308

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Covid-19. Social distancing. Mask wearing. Shuttered entertainment venues. Closed businesses. Restaurant closings and failures. Cancelled sporting events.. Hospitals at capacity. Respirator and ventilator shortages. Travel restrictions. Words and phrases mostly unfamiliar to and rarely used by citizens of this community and people worldwide until 2020.

The Covid-19 Pandemic changed our lives in previously unimaginable ways. Your city government was no exception. Because of our early and aggressive response and safety precautions that were implemented and followed, the daily operations and services of this local government remained routine.

An anticipated serious budget shortfall was mostly avoided in large part because of court decisions and laws that allowed us to collect sales taxes on items purchased online. Electric Department revenues continued to flow fairly well even after allowing some residents to arrange for payment extensions.

Frontline city employees followed our safety protocols, which allowed us to maintain our workforce level and provide essential services without interruption. We all owe a debt of gratitude to this city's dedicated, effective and efficient service providers.

Some city entities did suffer losses, financial, as well as personal. The Parks and Recreation Department facilities basically were closed. The loss of golf and tournament revenues were significant. Since the department is partially reliant on restaurant sales tax collections, the severe reduction in their operations added to the revenue reduction.

One part of our incomparable parks system did experience a tremendous increase in popularity and use. The number of people frequenting our river trails was unprecedented as individuals, friends and families flocked to these beautiful outdoor pathways. Many of these users were new and will more than likely continue to take advantage of our trails.

Our Convention and Visitors Bureau experienced a double whammy. In addition to restaurant sales reductions, the lodging industry was decimated with the revenues from them slowing to a trickle. Even with these revenues reductions neither Parks nor the CVB laid off personnel.

Unfortunately, the Police Department experienced a tragic related loss. Sgt. James "Larry" "Buck" Dancy passed away from Covid-19 related complications. We mourn his loss, but celebrate his many years of service.

Economic development is not a sprint. It is a long marathon. From street and drainage projects to major announcements of larger employers coming to town. North Little Rock has a great record of landing some large employers, such as Caterpillar, Ben E Keith, L'Oreal, Union Pacific, Oakley Trucking and others, while still looking towards helping our small business community. We have seen small companies like Safe Foods and Hums Hardware grow into new state of the art facilities off of east Broadway. All of this happened due to a Mayor and City Council that understand the need to be business friendly. 2020 was a challenging year for all sectors of the

city, but the economic development engine has not stopped working. In spite of a record pandemic, 2020 was full of exciting announcements all over the city.

City Hall and the North Little Rock School District have always worked together, but never like they have in 2019 and 2020. The Mayor continues to hold his month meeting with superintendent, the chief of police, the chamber and the economic development director. The ongoing work to develop the Academies of Central Arkansas under the Ford Next Generation platform (learn more <https://www.academiesofcentralarkansas.org/>) continued on into the final stages in March of 2020. The Academies will link the economic engines of central Arkansas and the education system to create a high school environment unlike anything seen in NLR. This program has had community and business involvement with help from the North Little Rock and Little Rock Chambers of Commerce leading the way. The city is committed to strengthening its relationship with the district for years to come. Our education system is vital to economic development, we must always be producing a quality workforce to continue to attract business.

North Little Rock is lucky to have two two-year colleges in North Little Rock. Pulaski Technical College and the Historically Black College/University with Shorter College. The city has worked hard with both colleges over the years. Pulaski Tech has been a great partner with workforce training for our local businesses. They provide noncredit courses for employers. UA-PTC work with employers to develop a training program for their individual needs. This is a big component to recruiting businesses to central Arkansas. Companies outsource training more and more and having a partner like Pulaski Tech is a major advantage for North Little Rock. Recently the U.S. Economic Development Administration awarded a \$2.5 million grant to the University of Arkansas – Pulaski Technical College (UA-PTC) to launch the first phase of its Science, Technology, Engineering and Math (STEM) Park Project on the college's main campus in North Little Rock.

The summer of 2020 saw a new partnership for North Little Rock. Shorter College and the city worked together to help land the Reimagine Workforce Grant for Shorter College to create a new business hub and innovation center for underserved and undertrained workers and those trying to reenter the workforce. This is a huge win for the college and the city. This once again shows our support of education to grow our workforce. This grant is about 3 million dollars and will help get the program up and running. The city is donating space in its historic Rock Island Train Station off of East Broadway to house this program and there will be opportunity to assist the public as well. North Little Rock's own Arkansas Regional Innovation Hub is helping design programs and curriculum.

Nothing was hit harder in 2020 than small businesses. With restrictions and shutdowns, small business owners had to decide what to do. Some were in a position where they could shift how they did business, others relied on Federal Cares Act Funding to ease the burden. The challenge with the first round of CARES Act funds, was that they were set up to last only eight weeks. At that time, no one knew the toll the Corona Virus would take. Immediately the economic development team, along with the North Little Rock Chamber of Commerce, the State Chamber

of Commerce and the Arkansas Economic Development Commission (AEDC) put together information for all the State and Federal assistance programs that were offered to local businesses and unemployed workers. Our development office was assisting NLR residents through the complicated efforts of getting answers on unemployment benefits and funding options for their businesses on a daily basis. In May, The city of North Little Rock announced the Mayor's Small Business Council and the development of the COVID 19 Small Business Economic Support Fund. The city's program was designed to reach those that have missed other funding sources. The City developed an emergency relief program, funded by the Federal CARES (Coronavirus Aid, Relief, and Economic Security) Act from the Department of Housing and Urban Development's Community Development Block Grant Program. We worked quickly to provide support that benefits the small businesses that are the backbone of our economy. The members of the council advised the mayor on several topic during the reopening process, including the details of Economic Support Fund and guidance to assist small businesses navigate the available state and federal assistance programs that may help them more.

Many businesses learned to innovate, restaurants turned to curbside pickup and outdoor dining to survive. The newly created Argenta Outdoor Dining district became a North Little Rock hot spot with restaurants working together to provide a unique experience for residents. Drive through and curbside service helped our over 200 restaurants continue to operate.

Life started to adapt to the "New Normal". Many businesses adapted to working from home. Retail stores adapted to curbside pickup and limiting the number of patrons in stores. Our city is resilient and adaptive, and that is what it has taken to keep our lives and our economy going. The City of North Little Rock followed the Governors directives and the Arkansas Department of Health as far as closures and mask ordinances the city will continue to work for our small business partners in the city by providing up to date resources on our website and through social media.

We began 2020 with First Orion moving into their new corporate headquarters located in the heart of Argenta. The four story modern office is the center piece of the Sixth Street downtown project. First Orion will house close to 300 employees in their national headquarters. First Orion helps the world's leading carriers, enterprises, and mobile apps provide mobile users with the protection they need from scams, as well as the identity verification they need to answer trusted calls. Right next to First Orion is the 600 Main building. This three story building houses the NLR Convention and Visitor's Bureau on the first floor, the Arkansas Automobile Dealers Association on the second floor and Taggart Architects on the third floor. The three businesses house around 80 jobs in their new building.

The completion of the CARTI facility in North Little Rock is another exciting project that opened in 2020. CARTI North Little Rock will offer comprehensive cancer treatment services in one convenient location, enhancing treatment, care and accessibility for patients. In addition to

having a beautiful, state-of-the-art facility, CARTI NLR patients will receive the most innovative and personalized cancer treatment available.

Features of the new facility include: A two-story, 24,000-square-foot center with fully integrated cancer care services for medical and radiation oncology, as well as diagnostic imaging, An expansive and sunlit infusion area to create a more relaxing and healing atmosphere

Baptist Health officially dedicated its new Baptist Health Medical Office Building on Monday, Jan. 13, in North Little Rock. Governor Asa Hutchinson was on hand to help Baptist Health President and CEO Troy Wells and other local dignitaries with a ribbon cutting for the four-story 160,000-square-foot building which houses the Baptist Health-University of Arkansas for Medical Sciences Medical Education Program.

The Baptist Health-UAMS Medical Education Program is a joint venture with UAMS that started with 24 residents in the specialties of family medicine and internal medicine with plans to expand and ultimately provide up to 120 or more new residency opportunities in the state.

Koppers, Inc, a global provider of treated wood products, today announced that it plans to invest more than \$40 million and increase the number of workers at its North Little Rock facility over the next two years.

The investment will be used for new construction and to purchase equipment that will allow Koppers to upgrade and modernize the company's processes and further improve its environmental footprint.

The company cited support from the state, Pulaski County, and the city of North Little Rock among the reasons for its decision to expand at the North Little Rock site. Koppers has been a part of the Central Arkansas community for more than 30 years. The North Little Rock facility, built in 1907, sits on 157 acres and currently employs approximately 80 people. The plant processes and treats more than 1.5 million wooden railroad crossties each year. The plant also produces switch ties, road crossings, and framed bridge timbers.

To better serve the logistics company's Gulf Coast region and to strategically place another service center along the long haul network, Old Dominion built the North Little Rock service center with 63 doors, with space to add 36 more doors if needed. This service center sits on 18 acres, with 49 employees, and it has the capacity for tremendous growth. It is located in the North Little Rock I-440 Industrial Park.

In 2020 Bruce Oakley, Inc opened new 22,000 sq ft Headquarters in North Little Rock on Gribble St off East Broadway. Also, recently purchased the city's Buckeye St facility and are currently remodeling the facility to expand their rail capacity for their operations. Oakley ships products worldwide proving that you can do worldwide business from North Little Rock.

Amazon's North Little Rock non-sortable fulfillment center will be over 1 million square feet and employ more than 1,000 full-time associates. In this center, associates pick, pack, and ship bulky or larger-sized customer items such as patio furniture, outdoor equipment, or rugs. The North Little Rock Facility is set to open Aug 1, 2021. The construction is taking place off of the Galloway exit on highway 70. The city worked closely with the company's development team to meet Amazon's aggressive construction timeline. Human resource events will begin in April with informational meetings and actual hiring events in mid-May and last throughout the summer. This project is one of the largest developments in the state of Arkansas.

The City of North Little Rock applies annually for the Community Development Block Grant (CDBG) through the Department of Housing and Urban Development (HUD). The CDBG Program provides federal grants on a formula basis to states, cities, and counties to develop viable urban communities, principally for the benefit of low- and moderate-income persons.

Safe and accessible infrastructure is essential to supporting community stability. The City of North Little Rock has utilized its CDBG funds to invest in street, drainage, and sidewalk improvements in lower income neighborhoods. These projects alleviate flooding and pooling of stormwater in yards, driveways, and streets during heavy rains to improve conditions for residents, drivers, and pedestrians. Whenever possible, City staff and Council Members coordinate efforts by jointly funding projects using CDBG funds and Sales Tax Capital Improvement funds.

In 2020, The City allocated a total of \$1,140,826 in CDBG funding to the following activities:

- Ward I - Marion Street from 15th to 18th Street: Improvements on two blocks were completed in 2019 and construction on the final block is ongoing.
- Ward II - 9th Street from G to I Street: Work on this two-block project in the Dixie area is currently underway.
- Ward III - 50th Street from Camp Robinson to Allen Street: Construction on this extensive four-block project began mid-year and is nearing completion.

CDBG funds have also been used to provide vital public services to assist low- to moderate-income residents. This year, the City allocated over \$65,000 towards North Little Rock Boys and Girls Club programs for youth, the CareLink Meals on Wheels program for homebound senior citizens, and River City Ministry's medical clinic services for the homeless.

Annual applications are also submitted for HUD's HOME Investment Partnerships (HOME) program, which is a federal block grant designed to create affordable housing. Through collaboration with the City, an affiliate of Habitat for Humanity of Central Arkansas acquires and

develops properties and then provides zero-interest, thirty-year mortgages to qualified low-income buyers who might not otherwise be able to realize their dream of homeownership. Utilizing over \$285,000 in HOME funds, one new energy-efficient home was constructed and sold to a first time homebuyer in June. Work began on another home soon after. Yet another example of what can be accomplished through strong community partnerships and pooled resources is Habitat for Humanity of Central Arkansas' recently completed pocket neighborhood. Habitat acquired the vacant North Heights Elementary School from the City, and worked with the Arkansas Development Finance Authority (ADFA) to obtain a combination of HUD Neighborhood Stabilization Program (NSP) and HOME funding to demolish the school building, install the needed City infrastructure and new cul-de-sac and construct nine new affordable homes for low-income homebuyers. The federal grant funding for the overall project topped \$1 million with over \$250,000 invested in the new City Street.

The new Justice Building is coming in "on time and under budget." Our citizens approved a temporary one-half cent sales tax increase to finance the 85,000 square foot building located on property where the Arkansas National Guard Armory and North Little Rock School District administrative offices were previous located. The projected to cost about \$30 million it is now estimated to come in at less than \$26 million with move in this September.

A 6,500 square foot annex will house a classroom, a special operations room, an evidence storage room, and seven indoor parking slots for police specialty vehicles. In addition to housing all police operations, which are presently scattered at different locations, the main building will also house our information technology department, as well as all of the municipal courts operations.

Plans for the new terminal at the North Little Rock Airport were completed. It has been a work in progress and an ambitious goal for six years. The 5,000 square foot building will include airport department offices and a conference room, as well as up-to-date accommodations for pilots and passengers. A new 15,000 square foot hanger will house up to four jets. Financing included \$3 million dollars of Commission and city funds with \$1.1 million coming from the sale of a city owned industrial site. In addition, the Airport Commission was awarded a \$600 thousand grant from the Arkansas Department of Aeronautics for the project.

Construction will begin in April of 2021 with completion anticipated by the end of the year. We look forward to these important improvements that will only enhance the significant transportation advantages North Little Rock enjoys.

The past year was more than different and difficult for everyone in the entire world community. In our community, your city government strived to provide municipal services and meet our responsibilities in the manner that emphasized safety for our employees, citizens and visitors alike. Additionally we continued to pursuing opportunities and projects that are destined to make this special community an even better place to live, work, play, learn and gather.