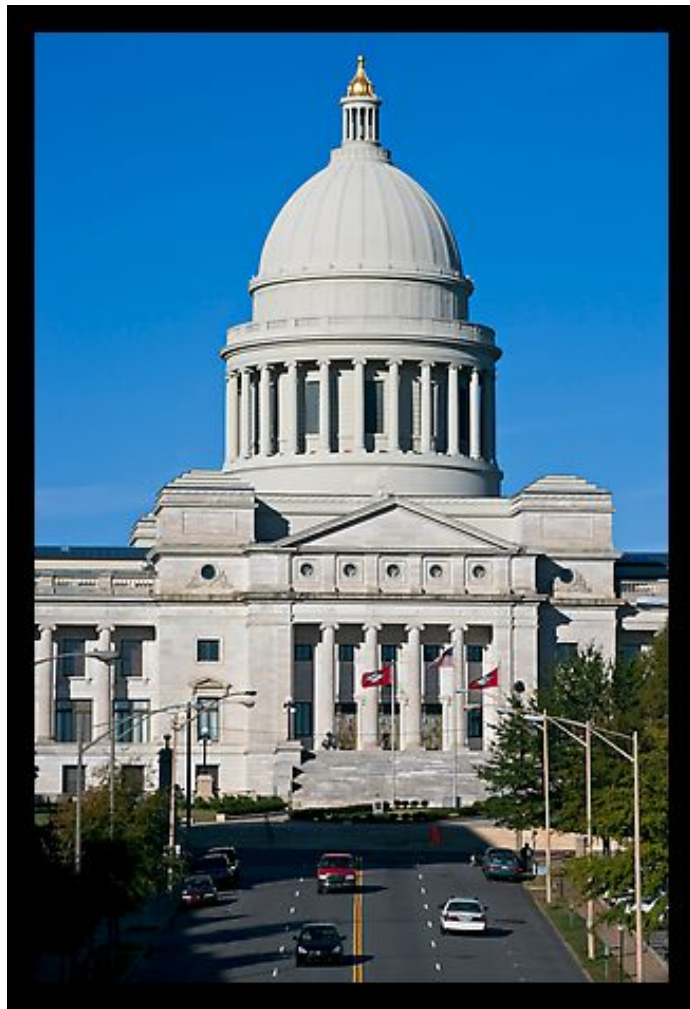


Southeast Arkansas Cornerstone Coalition Legislative Agenda 2009



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Promoting the regional economic development of
Southeast Arkansas in Ashley, Bradley, Chicot,
Desha, Drew, and Lincoln counties.

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Business Development

Energy Tax Reduction on Manufacturers

Background: In 2007 the Coalition supported the elimination of the regressive tax levied on manufacturers throughout the state of Arkansas. The measure, in part, won the support of Governor Beebe on reducing the tax by half by the year 2010. While reducing the tax by half certainly helps our economic development efforts, Arkansas is still at a disadvantage relative to surrounding states having little or no comparable tax.

Goal: A complete and permanent reduction in the sales and use tax on energy used in the process of manufacturing as defined by the NACIS cods used by the Arkansas Economic Development Commission.

Objective: To increase the number of jobs and investment throughout the Cornerstone region.

Scope: Statewide

Alternative Fuels Development

Background: Alternative fuels will be the next economic engine in the United States. Arkansas is already seeing steadily increasing investments in the Fayetteville Shale Play. Small and large bio-diesel plants are coming on-line at a steady pace across the state. To take full advantage of this emerging industry, Arkansas needs to assist counties, cities and economic development organizations make appropriate investments in infrastructure to lower the costs of doing business in our state and allow businesses to put additional capital into the latest cutting-edge technology in the plants in our state.

Goal: Develop and fund infrastructure grants for the alternative fuels industry including but not limited to tank farms at public ports, short-haul pipeline, containment pans at loading sites, and other infrastructure as needed based upon company investments and job creation.

Objective: To increase the number of jobs and investment throughout the Cornerstone region and become the lead state for the alternative fuels industry.

Scope: Regional

Alternative Fuel Demand

Distribution Incentive

Background: As alternative fuel production increases Arkansans should have access to these supplies. Arkansas distributors should be encouraged to purchase and distribute Arkansas alternative fuels. Currently, an estimated 90 percent of alternative fuels being produced are shipped out of state for consumption with 90 percent of the remainder used by the producer in agriculture operations.

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Goal: To establish a distribution incentive of \$.05 per gallon paid to distributors for each gallon distributed to retail outlets.

Objective: To increase the demand for Arkansas alternative fuels thereby increasing the number of jobs in the alternative fuels industry in the Cornerstone region.

Scope: Statewide

Consumption Incentive

Background: To further increase demand for Alternative fuels produced in the State of Arkansas an incentive should be developed to reward school districts for purchasing Arkansas alternative fuels. State vehicles should be equipped and mandated to burn Arkansas alternative fuels.

Goal: To create maximum demand in the Arkansas alternative fuels Arkansas School Districts should be paid an additional \$.25 per child once the district purchases its 100,000th gallon of Arkansas Bio-diesel during a school year. All state owned and operated vehicles should use an Arkansas produced bio-fuel by the year 2012.

Objective: To increase the number of jobs and investment in the Cornerstone region.

Scope: Statewide

Establish an Alternative Fuels Federal Rebate Clearinghouse

Background: The United States Federal Government provides a \$1.00/gallon rebate to blenders of biodiesel. Producers may apply for a license to accept the rebate and pass the savings onto blenders, however, the producer must then wait an average 60-90 days for the rebate. Distributors are reluctant to allocate cash-flow to this rebate and led to the development of the license for producers to accept the blenders rebate.

Goal: Arkansas should establish a clearinghouse for all alternative fuel federal rebates. The clearinghouse should have the capacity to issue checks to producers or distributors based upon expected rebate checks from the Federal Government.

Objective: To free up cash-flow for businesses to continue to invest in capital and feedstock enhancing productivity and employment. This measure would also get the attention of the bio-fuels industry and lead to more capital investments from companies not currently located in Arkansas.

Advocate for additional funding for the Arkansas Economic Development Commission

Background: The Arkansas Economic Development Commission is the primary state agency charged with recruiting new business and industry into the state of Arkansas and working with

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existing industries and communities to secure new capital and increase the quantity and quality of jobs available in our state.

Goal: Increase the Economic Infrastructure Fund (INCLUDE EIF IN FUNDING CATEGORY "A") grant dollars available through the Arkansas Economic Development Commission to \$25 million, increase the amount of discretionary Incentives (Create Rebate) as requested by the Commission, and increase the amount of payroll dollars to allow for the hiring of 5 additional project/business retention managers at the Director's discretion.

Goal: Defeat any measure to eliminate the Create/Rebate Incentive.

Objective: To increase the number of jobs and investment in the Cornerstone region.

Scope: Statewide

Advocate for increasing the Governor's Quick Action Closing Fund

Background: Economic development projects are fast moving and fluid with decisions of hundreds of jobs and millions of investment dollars hanging in the balance with one state pitted against another to win the project. The Governor of the State of Arkansas, popularly elected by all the citizens of Arkansas should have at his discretion adequate funds to close a deal quickly and effectively. The Governor's Quick Action Closing Fund provides such a mechanism.

Goal: The Governor's Quick Action Closing Fund should be increased in dollar amount sufficient for the job.

Objective: To increase the number of jobs and investment in the Cornerstone region.

Scope: Statewide

Advocate for the lowering of Thresholds for Amendment 82

Background: The Flour-Daniels study, commissioned by the Arkansas State Legislature noted that Arkansas was best equipped to handle medium-sized economic development projects. Arkansas certainly needs the mechanism Amendment 82 provides to realistically compete with other states for "super projects." Arkansas is a rural state with greater infrastructure needs than current funds can meet. For most Arkansas cities and counties, an economic development project employing 200 people would require more infrastructure than cities, counties and the Arkansas Economic Development Commission could immediately fund. Lowering the Thresholds for Amendment 82 would remedy this shortfall.

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Goal: Lower the qualifying threshold for Amendment 82 to 200 new jobs and \$200 million in capital investment; remove the 5% cap but require each project to have positive cost/benefit ratio.

Objective: To increase the number of jobs and investment in the Cornerstone region.

Scope: Statewide

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Infrastructure

Interstate 69

Background: Interstate development is a key to economic development. The counties within the State of Arkansas showing population increases, income growth, and general prosperity, by and large are located on Interstates. By most measures of economic well-being, counties located south of Interstate 30 and 40 are falling well behind the counties located north of Interstate 30 and 40.

Goal: To support the development and funding of the selected corridor for Interstate 69.

Objective: To increase economic development opportunities of the Cornerstone region by gaining access to the Interstate Highway System.

Scope: Regional *Target:* Federal Delegation

Interstate 69 Connector

Background: An interstate highway connection between Little Rock, Arkansas and Monroe, Louisiana is necessary to fully take advantage of Interstate 69. A feasibility study completed in the fall of 2008 demonstrated a positive 2.6:1 cost benefit ratio of building the connection between Wilmar, Arkansas and Monroe, Louisiana.

Goal: To continue to support and fund efforts to build the Interstate 69 Connector.

Objective: To increase the economic development opportunities of the Cornerstone region by gaining access to the Interstate Highway System.

Scope: Regional *Target:* Federal Delegation

Great River Bridge

Background: The Great River Bridge is critical to bringing Interstate 69 into Arkansas from Mississippi. The Great River Bridge will cost in excess of \$700 Million, and must have a well establish business plan to pay for its construction. The Cornerstone Coalition supports the development of such a plan and the funding and construction of the Great River Bridge as soon as possible at its current alignment.

Goal: To see the construction and completion of the Great River Bridge at Arkansas City.

Objective: To bring Interstate 69 into Arkansas near Arkansas City, Arkansas via the Great River Bridge.

Scope: Regional *Target:* Federal Delegation

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Highway Trust Fund

Background: It is critical that the United States Highway Trust Fund remain solvent. The Highway Trust Fund must remain financially sound for the United States to remain competitive in today's global economy.

Goal: To encourage our Federal Legislators to take measures to ensure the Highway Trust Fund remains solvent.

Objective: Without a sound Highway Trust Fund, Interstate 69, the Great River Bridge and the Interstate 69 Connector are not likely to be built.

Scope: Regional *Target:* Federal Delegation

U. S. Highway 65

Background: The widening of U. S. Highway 65 has been part of the Arkansas Department Highways and Transportation's Statewide Improvement Program since 1991. A region must have adequate highs for industries to grow.

Goal: To complete the widening of U. S. Highway 65 from Pine Bluff to the new bridge at Lake Village, Arkansas.

Goal: To make the U. S. Highway System an active part of the Arkansas Department of Highway and Transportation's Statewide Improvement Program.

Objective: To improve the competitiveness of the Cornerstone Region by improving the quality the U. S. Highway System.

Target: Arkansas Highway Commission

Rail Service to Yellow Bend Port

Background: The Port at Yellow Bend is the first Arkansas Port on the Mississippi River going north from New Orleans. Yellow Bend could become a "Port of Significance" to many companies importing goods into the United States through the Port of New Orleans if were equipped with a rail connection to a Class I rail line. Significant investment and employment would result from the increase in transportation options a rail connection would provide.

Goal: To connect the Yellow Bend Port with rail service to a class I rail line.

Objective: To bring additional transportation options into Southeast Arkansas thereby increasing investments and job opportunities in the region.

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Scope: Regional

Target: Federal Delegation

Southeast Arkansas Regional Intermodal Authority

Background: The Southeast Arkansas Regional Intermodal Authority will be a unique operation in Southeast Arkansas and will enhance and add value to the Yellow Bend Port when rail service is established at the port. The intermodal facility is being developed at the convergence of Interstate 69, Interstate 69 Connector, the Arkansas Midland Rail Road, Gas Transmission Lines and other infrastructure valued by industry.

Goal: To continue support and funding for the Southeast Arkansas Regional Intermodal Authority.

Objective: To build a unique facility for large industrial/warehousing companies to invest in new facilities providing jobs in the Cornerstone region.

Scope: Regional

Target: Federal Delegation

General Port Infrastructure

Background: In 2001 the Arkansas State Legislature passed the Port Priority Improvement Act of 2001 to provide for grant funds for infrastructure improvements at Arkansas Ports. The Arkansas Economic Development Commission promotes Arkansas as a place where no city is more than a few miles from a navigable waterway.

Goal: To fund Act 1546 of 2001, "The Port Priority Improvement Act," with \$5 million, to provide grant funds for Arkansas ports for infrastructure.

Objective: To make available grant funds for Infrastructure for Arkansas Ports and help spur economic development by equipping Arkansas ports making them competitive as industrial sites.

Scope: Statewide

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Quality of Life

Affordable & Available Housing

Background: The “Home” program established by Congress was intended to allow end user communities to establish programs based upon the needs of the community. Arkansas as a state is establishing the rules for use of this program which apply equally to high growth areas of the state and areas of the state experiencing low growth and high rates of poverty.

Goal: Enact legislation to allow communities to establish rules within the Home program guidelines which will have the highest impact on communities and intended beneficiaries of the program and to end the practice of establishing rules applied across the state regardless of community needs.

Objective: To increase access to affordable housing, retain college graduates and lower the rate of out-migration.

Scope: Statewide

Healthcare

Background: Arkansas has experienced an increasing rate of rural hospital closures limiting access to quality medical care and placing rural communities at a disadvantage economically as their healthcare industry shrinks and industry leave the area for lack of access to quality emergency healthcare.

Goal: Raise the percentage of Medicare reimbursement to rural hospitals.

Objective: To increase the attractiveness of the area by having strong, viable healthcare industry; to provide access to needed emergency medical facilities for industrial retention and recruitment purposes.

Scope: Regional

Target: Federal Delegation

Water Quality

Background: Issues and Other Information: A reconnaissance report was submitted to the Mississippi River Commission on February 26, 1991 and determined no feasibility study would be undertaken due to the policy of not funding agricultural water supply studies and projects. Flooding between November 1982 and January 1983 caused damages in excess of \$47 million to approximately 1,170,000 acres of primarily agricultural lands in the Boeuf-Tensas Basin. Extensive multipurpose water use had induced ground-water declines and salt water intrusion in the area. Significant ecosystem restoration opportunities have been identified since completion of the reconnaissance report. These features are in the Federal Interest and give added weight to the case for continuation of this important effort. The Fiscal Year 1998,1999,2001,2002, and 2006 Energy and Water Development Appropriations Acts and

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Fiscal Year 2003-2005 and FY 2008 Omnibus Bills directed initiation and continuation of the feasibility phase to southeast Arkansas, Arkansas. Hydrologic modeling to determine existing conditions of area streams is complete. The U.S. Geological Survey has recalibrated the alluvial aquifer model and run preliminary water use scenarios to check the validity of the results. The Boeuf-Tensas Regional Irrigation Water Distribution District and the Arkansas Natural Resources Commission are now the non-Federal sponsors and are receiving the majority of their cost-sharing funds from the Arkansas Legislature or revenue bonds.

Goal: Receive funds of \$400,000 to continue cost-shared feasibility studies, for the Boeuf-Tensas Basin including the development of a feasibility report and a watershed management plan, develop project alternatives to environmental degradation.

Objective: To continue feasibility studies, including the development of baseline engineering and design for project alternatives and the resulting cost estimates.

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Legislative

Elimination of Term Limits

Background: The State of Arkansas is a complex and diverse state and needs experienced legislators to carry on the business of representing the people of Arkansas. Legislators face re-election and any Legislator not carrying out the duties of the office for which they were elected can and should be voted out of office.

Goal: To repeal the legislation limiting the terms of elected Legislators and allowing the people of the various legislative districts of Arkansas to elect whom they choose to represent them.

Objective: To send experienced Legislators to represent the people of the Cornerstone Region.

Scope: Statewide

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Education and Human Capital Development

Background: The Arkansas Legislature has done much to improve the quality of K-12 and Higher Education, however, Arkansas students still rank behind the national average in post curriculum testing, and college entrance exams. Further, East Arkansas counties commonly referred to as Arkansas' Delta, ranks behind most other counties in educational attainment, graduation rates, and other key measures used to gauge the suitability of an area to meet their human resource needs of business.

Goal: To have the state of Arkansas fully fund the University of Arkansas at Monticello's budget request.

Goal: To provide additional funding for the construction of the annex for the Forest Resources Building at UAM. This funding will expand the research capacity for the center and allow the University to expand efforts in the area of product development and bio-fuel research.

Goal: To increase funding for Arkansas' Early College High School Program.

Goal: To increase funding for students entering high demand trade programs such as welding, or advanced manufacturing programs.

Goal: To establish a grant fund of at least \$5 Million administered by industry professionals (Human Resource personnel from companies paying 150% of states average hourly wage rate) for high schools doing exceptional work turning out students ready to work in advanced manufacturing jobs.

Goal: To establish a grant fund of at least \$10 Million administered by industry professionals (Human Resource personnel from companies paying 150% of states average hourly wage rate) for College Technical Schools doing exceptional work turning out students ready to work in advanced manufacturing jobs.

Goal: To defeat the Bill in Committee proposing to structure the Adult Education Funding Formula based on a per capita basis.

Objective: To increase the readiness and the value of Arkansas' workforce to companies paying above average hourly wages and providing jobs of the future for Arkansas' citizens and to raise the skills of Arkansas' workforce thereby raising the per capita income of the state of Arkansas, and to reward schools for doing exceptional work thereby raising the standards for all schools through a system of rewards rather than through punitive, regressive measures which ultimately hurt the students.

Scope: Statewide

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EXPECTED LEGISLATIVE MILESTONES FOR THE SOUTHEAST ARKANSAS CONERSTONE COALITION'S 2009 LEGISLATIVE AGENDA

Presentation of Agenda made at the September Cornerstone Coalition Barge Trip in September 2008.

Advocates assigned for each issue by October 1, 2008.

Legislative Goals converted to bills by November 30, 2008.

Bill Sponsors and Co-sponsors (all Cornerstone Coalition Legislators will Sponsor and Co-sponsor each bill) will be signed on by December 30, 2009.

Completed Bills with Sponsors and Co-sponsors will be returned to the Cornerstone Coalition Political Affairs Committee by November 5, 2009.

Senator Jeffries will report to Political Affairs Committee on when each bill will come up in Committee and/or for final vote.

Senator Jeffries will report on the progress of each Bill at Legislative Breakfast in February.

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A wrap-up of Legislative outcomes will be mailed out and presented where possible at the end of the session.

The Southeast Arkansas Political Affairs Committee worked extremely hard to develop an agenda addressing Federal, Statewide, and Regional issues. Our Legislative delegation proved invaluable in contributing thoughts, ideas and suggesting advocates for each issue.

Page 10 represents a set of ambitious milestones to assist the Political Affairs Committee, the Cornerstone Coalition's Board, and the Legislative Delegation organized and accountable to each other for carrying out the Legislative Agenda. The Agenda is a well thought out plan designed to yield results. Like any plan it will only yield those results if the people and committees charged with goals put the effort into reaching those goals.

These milestones will not only help with organizing our efforts, but will also provide a template to show the value to our Stakeholders and make it easier to secure funding for the Cornerstone Coalition in the future.

The Planning is done, now the real work begins!