

Fayetteville, Arkansas  
Economic Development Strategy  
*Phase I: A Framework*  
December 2008



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## CONTEXT


Located in Northwest Arkansas (NWA), the City of Fayetteville (City or Fayetteville) is a progressive community of approximately 70,000 residents. In part due to presence of The University of Arkansas at Fayetteville (UA or University), the City long has been the intellectual, economic, political and cultural center of what is now an increasingly diverse and rapidly-growing region. One definition of “region” is the two-county area—Washington and Benton Counties and the cities/towns in them. Washington and Benton Counties’ combined population is 375,055, now 12 percent of the State’s population. But growth is leading to broader regional activity—up to and including McDonald County in Missouri and counties in Oklahoma.

As a result of demographic and economic forces naturally occurring in the region, Fayetteville’s traditional revenue base, heavily dependent upon sales tax revenues, and indeed its entire economic role in the region, has been changing. Neighboring communities in the region have been growing and changing significantly, especially in the last decade.

In addition to new thinking called for by local business, population, and development dynamics within NWA, both the City and NWA as a region also must constructively address the new and broader challenges of the *Global Knowledge Economy*—bringing both new challenges and new opportunities. Most importantly, the dynamics of increasingly globalized economic activity mean that no city can plan its future merely by looking within its borders. Regional strategies are necessary in order to achieve visibility and competitiveness on a global scale. Entirely new concepts for economic development are necessary.

## OBJECTIVES

The objectives for this planning activity were to begin work toward creation of a new *Economic Development Strategy*, with the understanding that some elements might be specific actions for the City and others would be regional initiatives. The project was conceived to occur in two phases:

- 
- **Phase I: Create an Economic Development *Framework*.** Develop a comprehensive strengths, weaknesses, opportunities, and threats (SWOT) analysis and then engage stakeholder participants in defining the major areas for which strategies are needed. To the extent possible from the participant dialogue, develop the outlines of strategies for each of those areas defined—the *Framework*.
  - **Phase II: Create the Economic Development *Roadmap*.** Working from the Phase I *Framework*, undertake additional detailed discussions to develop the actual strategies, actions, priorities, roles, resource needs, and measurable targets that then would constitute the *Roadmap*.

An important objective for Phase I was the achievement of a reasonable degree of buy-in and commitment by the regional stakeholders to a common vision, to be developed and expressed in the *Framework*—without which development of the *Roadmap* (detailed action plans) would not be fruitful.

## SPONSORS AND PARTICIPANTS

The City and UA were the primary sponsors and co-funders of Phase I. Even though Phase I was an abbreviated process with only one consultant team visit (October 14-17, 2008), the City and University sought to engage as many stakeholders in the community and region as possible—from all sectors of the economy. (See Exhibit 2 for interviewees and planning workshop participants.)

## WORK PROGRAM

Formally, the tasks in the Phase I Work Program were as follows:

### Task 1—Statistical Data and Reports—Demographic, Economic, Industry, Education, Workforce

The EKA consultant team obtained and reviewed a wide variety of local data and documents and extracted demographic, economic, and other data from Census Bureau, Bureau of Labor Statistics, and Small Business Administration databases.

### Task 2—Review of Existing Plans and Strategies

The EKA consultant team reviewed a number of strategic plan documents that describe the current strategic plans of many of the stakeholders and constituents, including City; University; NW Arkansas Community College (NWACC); Fayetteville Economic Development Council (FEDC); Fayetteville Public Schools (FPS) and other public school systems; and the Arkansas Economic Development Commission (AEDC).

The material developed in Tasks 1 and 2 formed the basis of the preliminary SWOT analysis, which then was held for incorporation of interview data.

### Task 3—Consultant Team Visit (Workshops and Stakeholder Interviews)

The EKA consultant team's four-day visit to Fayetteville was structured to include:

- An opening presentation and workshop
- Interviews with stakeholder groups
- Consultant analysis / work session
- A one-day Planning Workshop with stakeholders.

The SWOT analysis was completed with inclusion of the interview data and is a work paper companion to this *Framework* document.

### Task 4—Deliverable—Economic Development Strategy—The *Framework*

This document is the *Economic Development Strategy Framework*. It was originally intended to be less detailed than it is. Yet, it is important for readers to bear in mind that this is only a "Framework." This document contains:

- Six major areas for which strategies are required—as completed work
- A vision/goal statement for each of the six major areas—as completed work
- For each of the six major areas and goals, initial statements of potential strategies, together with early indications of roles/assignments. These strategies and roles are not, however, considered to be completed work.

Following the intention of the two-phased planning process, the *potential strategies* in this document form the *Framework* that then will be reviewed, refined, developed, changed, prioritized, detailed, and adopted in *Phase 2—the Roadmap*.

## ECONOMIC TRANSFORMATION

### Need for a New Definition

During the second half of the 20<sup>th</sup> century, the art form of economic development was created and refined as a complex set of activities including both public and private sector components. As it has been practiced for many decades, economic development has been about job creation, and the primary focus (in the late Industrial Economy) has been primary manufacturing jobs. For good reasons, growth of manufacturing employment has been the most important yardstick by which regional, state, and national prosperity has been measured.

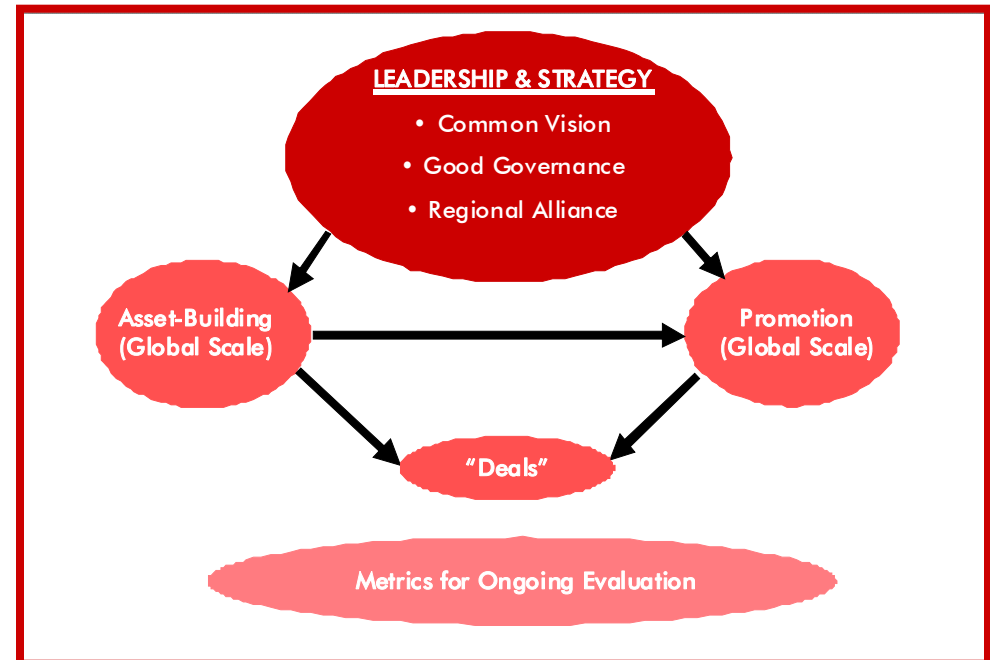
The main business of economic development was business recruitment. As economic development evolved, increasingly, emphasis was added on business retention and business formation. The initial tools centered on creating suitable industrial sites and providing utilities and transportation. Low cost and/or abundant labor supply was an important competitive factor. Over time, the use of incentives became ubiquitous.

Transformational changes, from the *Industrial Economy* to the *Global Knowledge Economy*, require a new, more complex definition of what constitutes economic development. Based on decades of its experience in this realm, the consultant team proposes that economic development in the current context is more about *quality of place* than availability of sites; and more about *availability of skilled people for jobs* than about jobs.

### Defining Economic Development in the 21<sup>st</sup> Century

For this Plan, economic development is not defined narrowly as business recruitment and retention. It is defined, in 21<sup>st</sup> century context, as strategies to make a place, in this case Fayetteville, competitive in the *Global Knowledge Economy* with the outcomes being not only jobs—but creation of opportunities, wealth, and prosperity.

- **Asset-Building and Promotion.** Economic development focuses on two *core functions*: building competitive assets; and then promoting those assets—both on a globally competitive level.
- **“Deals.”** As asset-building and promotion efforts succeed in bringing prospects to light or creating new companies locally, the final element of economic development is the “transaction-oriented” process of securing company location decisions or growth in place.
- **Leadership and Strategy.** None of the above can be optimized unless there is vigorous commitment to common vision on a regional level and to good governance and management practices to enact the strategies.
- **Evaluation.** Finally, it is essential to combine various metrics commonly tracked separately by local government, universities, and economic developers into a single longitudinal evaluation model/process.



## NEW ORGANIZATIONS AND ALLIANCES

### Multiple and Layered Organizations

Also ubiquitous is the presence of economic development agencies at state, county, locality, and regional levels—often in layers—and including both *general purpose economic development entities* (like Fayetteville Economic Development Council) and *special purpose economic development entities*. Some of the latter, such as the University of Arkansas Technology Development Foundation, Inc. (UATDF), have focused on technology-based economic development. Many others, such as the NW Arkansas Council (NWAC) or the NW Arkansas Regional Airport Authority, focus on vital major infrastructure. Cities variously have economic development departments or contract for economic development services to entities, or both. Chambers of Commerce, increasingly regional chambers, also engage in economic development.

Now, the challenge is how to achieve common purpose and common action among counties, municipalities, and communities that, before they had to position on a global level, were quite accustomed to competing among themselves locally. To find the balance between common regional interests and local interests is perhaps the biggest challenge in 21<sup>st</sup> century economic development.

First is the problem of defining “region.” For Fayetteville, one definition is the two-county area, including the four cities of Fayetteville, Springdale, Bentonville and Rogers. An enlarged definition would be a six-county region, including Benton, Madison, and Washington Counties in Arkansas, McDonald County in Missouri, plus two counties in Oklahoma.

### Balancing Local Interests with Regional Impact

If a *region* is defined simply as a natural economic area within which one can commute between home and work and which constitutes a single media market, then a possible framework would include:

- **Vision and Strategy.** Gaining agreement to a common vision for the region, within which various communities also can have their own more specific identities and priorities, is a first essential step. The AEDC’s new strategy provides a meaningful impetus for this larger regional thinking.
- **Asset-Building.** Working toward common objectives, such as building educational attainment and skills and improving roads, is also imperative. This always has been evident with respect to highway and airport infrastructure. The challenge now would be to extend the regional idea to other asset-building. Regional asset-building does not preclude municipalities from directing their own local improvements.
- **Promotion.** For this region, it seems equally important to find a means to scale up promotion to a regional level, in order to have global visibility and impact. This may take the form of new regional organization alliances and shared funding of certain regional promotion activities.
- **“Deals.”** Actual company formation, growth, and recruitment may need to remain on a more local level, although sharing prospects and collectively encouraging them, above all, to *pick the NWA region* benefits all. This is especially true in NWA, where commuting distance between Bentonville and Fayetteville is hardly different in time required (and, arguably, less) than typical commutes within New York City, within the metro area of any country’s capital city, along Route 128 (MA), within NC’s Research Triangle region or, for that matter, within Central Arkansas.

It is necessary to accept the fact that elected governments and tax revenues, which are tied to jurisdictions as these jurisdictions were carved out in the distant past—long before interstates, airports, and the Internet—always will be compelling bases for definitions of “interests.” It is equally necessary to accept the fact that focusing only on the very local level is a sure means to preclude optimization of global reach and visibility in a totally globalized competitive game. A fine-tuned balance is required.

## SUCCESS FACTORS

The consultant team proposed to the planning participants that the last two decades of evolving art in 21<sup>st</sup> century economic development has led to our conclusion that there are six factors that drive regional prosperity and quality of life. These success factors were somewhat customized for Fayetteville and NWA. For example, a typical or generic success factor—often styled as *Leadership and Governance*—is stated here as *City Development and Finance*. Based on the dialogue in the participant workshop, the major areas for vision and strategies are thus defined as follows:

- Niches of Competence
- Infrastructure for Innovation
- Human Capital
- Regional Promotion
- Smart Community Places
- City Development and Finance

## SIX GOALS, ONE NEW VISION

These six areas became the elements for which goals and strategies are required in an *Economic Development Strategy*. The six goals are shown below. For each, the following pages present a discussion of issues, assets, weaknesses, and potential strategies for detailed consideration in Phase 2.

<b>THE VISION: Mobilizing for the Future of Fayetteville and NW Arkansas</b>	
<b>Six Success Factors / Areas Requiring Strategy</b>	<b>Six Major Goals</b>
<i>Niches of Competence</i>	<b>Attain global competitiveness:</b> <i>Aggressively build and demonstrate NWA’s sustainability assets, resources, and competencies</i>
<i>Infrastructure for Innovation</i>	<b>Build a comprehensive innovation system:</b> <i>Induce innovation from research to business maturity</i>
<i>Human Capital</i>	<b>Sustain a high-end knowledge workforce:</b> <i>Achieve much greater numbers of high skilled &amp; entrepreneurial people, from Pre-K to Postdoctoral</i>
<i>Regional Promotion</i>	<b>Brand and promote the region as Green Valley:</b> <i>Organize to promote the region effectively and share in success across communities</i>
<i>Smart Community Places</i>	<b>Cultivate and demonstrate a smart, sustainable community:</b> <i>Be a healthy, beautiful, prosperous, and fun place</i>
<i>City Development and Finance</i>	<b>Make it happen:</b> <i>Improve City governance and acquire new resources for “good development and growth”</i>

## FOUR OBSERVATIONS ABOUT POTENTIAL STRATEGIES

Phase I was not designed to permit the level of detailed considerations that would result in finished strategies. It did, however, permit the consultant team to assess what is on-the-ground now, in terms of initiatives and organizations. From these assessments, comments are made here about four important issues that serve as preamble to the potential strategies that follow in the next section. These four topics are:

- Regional vs. Fayetteville-Only Strategies
- Jumping onto a Moving Train
- Repositioning Regionalism
- Defining “Sustainability” for this Economic Development Vision and Goals.

### 1. Regional vs. Fayetteville-Only Strategies

The client for Phase I was the City of Fayetteville (with the University of Arkansas), and, accordingly, this Phase I process focused significantly on the City’s needs and opportunities, in context. However, at the outset, the City, the University, and consultant team agreed that some elements of vision and some strategies only could be conceived correctly on a broader, regional level. Given this duality, in the above list of six Vision/Goals (and the potential strategies that follow), the first four are largely regional in nature and the last two focus more specifically, but not exclusively, on the City of Fayetteville. For the fifth, *Smart Community Places*, there easily could be counterpart strategies developed for the other cities in the region. Possibly, the same is true for the sixth, *City Development and Finance*.

### 2. Jumping onto a Moving Train

It was not the intent of the City, the University, or the consultant team to represent that this Phase I planning initiative *begins* the process of thinking about future economic development. Clearly, the many players in Fayetteville and in the NWA economy already are pursuing myriad economic development initiatives and efforts. Much asset-building (in infrastructure, schools, business capital, etc.) is in place and in continuous development.

Rather, it was the purpose of this initiative to provide greater focus and to help establish the **common vision elements** between the many ongoing initiatives in a way that will permit greater focus of time, attention, and resources than has occurred to date. Thus, strategies are of three types:

#### Scale Up

In many cases, programs in place and actions already underway are reiterated in this Phase I draft—although in several cases, the consultants suggest that what is needed is scale up with still greater resources and still greater focus. For example:

- The University has committed itself to a variety of sustainability-related research programs, curricula, and initiatives. There are significant faculty, program, and facility resources and accomplishments. This strategy calls for being very aggressive in taking these to an even higher level, to establish highly visible global prominence, with scale-up by means of reorganizing as a new college, school or major academic center dedicated to sustainability sciences.
- The City of Fayetteville has a \$1.2 million economic development fund. This strategy suggests that that fund needs to be expanded significantly.

## Reaffirmation

In other instances, the potential strategies defined in this document reaffirm initiatives that have been discussed or considered or undertaken, and that the stakeholders already know to be needed initiatives. These include:

- Scale-up of business risk capital resources
- More aggressive initiatives to find and help at-risk school students and adults in the workforce who are the working poor or in need of new skills
- Green Valley Network.

## New or Nearly New

In a few cases, there are potential strategies identified that may represent “new” ideas that either arose in the October 17 Planning Workshop group dialogues or were provided by the consultants, or both. Examples are:

- Universal pre-K education
- Change in representation structure in the Fayetteville City Council.

The potential strategies on the following pages are denoted as “**new**” (denoting “new” or “nearly new”) or “**expansion**” (representing “scale-up” or “reaffirmation”).

## 3. Repositioning Regionalism

If economic development consists of *asset-building for a variety of assets* and *promotion on a regional scale for global impact*, then regionalism must be thought of also in the realms of *asset-building* and *promotion*:

### Regionalism for Asset-Building

Many different public, private, non-profit and philanthropic entities are building the region’s assets currently. A key finding of this Phase I is the need to better coordinate and focus those efforts. The consultant team sees an opportunity to more clearly position the Northwest Arkansas Council (NWAC) as the key regional leadership organization. Because of its historical and current activities, the NWAC is the logical entity to convene and coordinate these activities for effective long-range building of the region’s assets to support a 21<sup>st</sup> Century Knowledge Economy. As such, some potential strategies that follow identify the NWAC as leader / organizer in ways that expand its role somewhat beyond its past focus on major regional infrastructure—although not necessarily far beyond its own current concepts for future strategies.

### Regionalism for Promotion

It also may be that the solution for a regional *promotion* program could be undertaken (or led) by the NWAC. However, this is not the only solution. The consultants also understand that there is a NW Arkansas Chambers of Commerce organization. Perhaps that organization could lead regional promotion activities. Still other solutions are possible. Thus, the entire matter of exactly how to create the right regional leadership organization, with respect to economic development *promotion* activities, requires more discussion of alternatives in Phase II.

#### 4. Defining “Sustainability”—for Economic Development Vision

**Sustainability** is a theme embedded in several of the six areas of goals and in several potential strategies relating to those goals. Most notably, for the fourth, **Regional Promotion**, the goal statement suggests branding and promoting the region as “*Green Valley*.” It occurs to the consultant team that some comment on what this means, in our view, may be useful here.

In the *Industrial Economy*, industrialized nations developed well-defined taxonomies for defining industrial and economic segments. In the US, these were the “Standard Industrial Classification” (SIC) codes, more recently replaced by NAICS codes. It was fairly easy to succinctly define *sectors* of manufacturing and service industries.

Today, in the early decades of the *Global Knowledge Economy*, we can see that the organization of our economic sectors is much more complicated. During the last two decades, EKA has attempted to define “industries of the future” in various ways such as the list at right. What has become obvious is that making such lists does not tell the story. Certain **core technologies** or **transformative ideas** undergird and connect all industries. Perhaps a foremost example is Information Technology. Narrowly, one can call it an “industry.” However, the fact is that no industry today functions without incorporation of Information Technology or Informatics in its processes. Similarly, DNA has become the common thread in all the life sciences. Another emerging area of core science is the nanosciences that, too, will transform virtually everything.

- Possible Industries in the Knowledge Economy:**
- Information and Telecommunications
    - Hardware
    - Software
    - Telecommunications and Internet services
    - Logistics and supply chain
  - Life Sciences
    - Genomics-human, plant, animal
    - Biomedical diagnostics, treatments, biomaterials, bioengineering
    - Food supply
  - Advanced Manufacturing
    - New Materials, e.g. nano-materials
    - New Processes, e.g., nano-manufacturing
    - Customization; identification; compatibility
  - Energy and Environment
    - Alternative/clean energy
    - Protection and remediation of water, air, earth—and SECURITY
    - Sustainability

**Austin, Texas** offers a major example of a place that seized on a “big idea.” As Information Technology was emerging as core to everything, Austin’s commitments, including SemaTech, vaulted Austin from small college town to a major league “place” in the *Knowledge Economy*.

It is in this spirit that we pose the idea of **Sustainability** as the theme that can serve as an organizing principle and brand/identity for NW Arkansas. It is important to say: This is NOT meant to be narrowly construed as the “tree-hugging” environmentalist views of a few decades ago. It is a much newer and broader concept—that **in all endeavors**, from manufacturing to fundraising; from human health to education; from energy supply to protection of water resources—the world has reached a point at which we must learn to sustain (rather than consume) our resources. **Sustainability** is not a trendy flash-in-the-pan. It is likely to be as enduring a transformative idea in all endeavors as Information Technology is a ubiquitous set of tools for all endeavors.

What has emerged in NW Arkansas is the picture of a remarkable set of existing resources and assets that, put together, can be cultivated into a demonstration model for *sustainable* industries, communities, economic growth, prosperity, and quality of life. Thus, branding “Green Valley” is not about how big are the signs; it is not about trails. It is about engaging business, government, education, community organizations, cultural organizations, tourism, health care, and everyone else in thinking about how best to acquire and use resources to optimize outcomes—while preserving the future use of those same resources. For NW Arkansas and Fayetteville, the **Sustainability** theme thus can be applied to how communities are governed; to preventive and detoxification aspects of health care; to sustainable philanthropy; to sustaining an educated work force—as well as to direct applications in alternative energy and transportation and in sustainable manufacturing, logistics, and distribution.

**Goal:** **Attain global competitiveness**  
*Aggressively build and demonstrate NWA's sustainability assets, resources, and competencies*

**Issue:**

- Fayetteville and region must cultivate one or more areas of indisputable competence at a globally competitive level

**Major Focus:**

- Sustainability is the key opportunity tapping existing assets and competencies

**Assets:**

- Walmart sustainability initiatives
- Green Valley Network
- University Centers:
  - Applied Sustainability Center
  - National Center for Reliable Power Transmission (NCREPT)
  - Radio Frequency Identification (RFID) Lab
  - Supply Chain Management Research Center
  - Nanotech Center
- NWACC Institute for Environmental Sustainability

**Target Industries:**

- Sustainability (with at least the following segments/components):
  - Logistics
  - BioFuels/Ag Biotech
  - Packaging
  - Power-related products/systems
  - Clean/advanced manufacturing—in many product areas
- Health Care (perhaps including special areas of niche competency / focus)

**Goal:** **Attain global competitiveness**  
*Aggressively build and demonstrate NWA’s sustainability assets, resources, and competencies*

#	Strategy	New / Expansion	Leader / Organizer	Key Participants
NC-1	Achieve clear consensus for regional economic development focus on sustainability	Expansion	NWAC	UA GVN ED Organizations
NC-2	Make a “transformative” investment at the University to create a globally recognized college, school or major academic program in <b>sustainability sciences</b> to rapidly scale up existing depth of expertise in priority fields, emphasizing curriculum, research, outreach, and business integration	New	UA	State of Arkansas Business Community
NC-3	Support (all organizations) the scale up of the Green Valley Network to expand significantly its affiliations and visibility	Expansion	GVN	ED Organizations
NC-4	Assist existing companies in adopting sustainable practices, perhaps emphasizing small manufacturers	New	GVN and/or Innovate Arkansas	SBTDC Business Community
NC-5	Consider incentives for businesses that improve energy efficiency or reduce environmental impact	New	Cities & Counties	State of Arkansas
NC-6	Consider property tax and other incentives for green development—for developers, homeowners	New	Cities & Counties	State of Arkansas
NC-7	Design infrastructure to target sustainability objectives	New	See next section	
NC-8	Continue to pursue integrated strategies for health care, with emphasis on health, prevention, and wellness	Expansion	Hospitals	UAMS-NW UA, NWACC
NC-9	Work to connect tourism and cultural assets and promotion in the region, with emphasis on the wealth of cultural resources and outdoor recreation—including connection to the “sustainability theme”—as “ecotourism”	New	Cultural / Arts Organizations	NWAC Chambers NW AR Reg Chamber Visitors Bureaus

These strategies are supported by and integrate with strategies for:

- Innovation for Infrastructure
- Human Capital
- Regional Promotion.

**Goal:** **Build a comprehensive innovation system**  
*Induce innovation from research to mature businesses*

**Issue:**

- To capitalize on the region’s knowledge assets, a comprehensive and world-class “Innovation System” of resources and services must be in place

**Major Focus:**

- Growth of university and industry research and development and successful applications of innovation in existing and new companies

**Assets:**

- Incubators (Genesis and Innovation Centers); future ARTP development capacity
- Innovate Arkansas and Arkansas Research Alliance
- Via ARTP, access to UA faculty, students, equipment, etc.
- State tax incentives (R&D tax credit; investor tax credit)

**Weaknesses:**

- Lack of business risk capital
- Lack of depth in some areas of R&D capacity at the University
- Limits on UA multidisciplinary research
- Funding constraints limiting UA researchers’ ability to access grant funding
- Lack of business expansion space and “shovel-ready” sites

**Goal:** **Build a comprehensive innovation system**  
*Induce innovation from research to mature businesses*

#	Strategy	New / Expansion	Leader / Organizer	Key Participants
	Establish a comprehensive and coordinated array of business capital tools:	New	NWAC/GVN	
II-1	→ Create a \$100 million venture capital fund/angel fund with State-level investment incentives	New	NWAC/GVN	Business Community Cities & Counties State of Arkansas
II-2	→ Create funding for proof of concept for research innovations	New	UATDF	ASTA Business Community
II-3	→ Provide matching funds for faculty research grants in sustainability and other priority fields and (all organizations) promote and support growth of UA resources for research in all ways possible	Expansion	UA	AR Research Alliance
II-4	→ Establish a pooled shared-risk loan fund	New	Area Banks	NWAC
II-5	→ Promote aggressive use of State incentives (ASTA R&D tax credit and investor tax credit)	Expansion	NWAC	UATDF ED Organizations
II-6	→ Create much larger City economic development fund to provide infrastructure and other incentives for new and expanding businesses	New	City	
II-7	Determine how to scale up and strengthen existing technical assistance and mentoring programs for both entrepreneurs and investors	Expansion	Innovate Arkansas	UATDF SBTDC GVN
II-8	Develop highly visible youth entrepreneurship competitions	New	Chambers	UA NWACC School Districts
II-9	Build a base of serial entrepreneurial talent by recruiting experienced entrepreneurs with UA ties	New	???	UA Alumni Office

**Goal:** **Sustain a high-end knowledge workforce**  
*Achieve much greater numbers of high skilled & entrepreneurial people, from Pre-K to Postdoctoral*

**Issue:**

- Fayetteville and the region must ensure that the workforce has the skills for the *Knowledge Economy* and must nurture innovators and entrepreneurs

**Major Focus:**

- Building from existing strengths, a fully comprehensive pre-K through graduate education “system” that provides the programs and resources to equip students and the adult technical and professional workforce to meet the requirements of the region’s knowledge-based future

**Assets:**

- Education/learning is valued
- Good public schools and innovative youth programs
- NWACC – varied programs, strong business links, and growing enrollment
- Growing enrollments in UA undergraduate and graduate programs
- UA has potential for far more significant role in K-14 education

**Weaknesses:**

- Loss of UA graduates who leave for employment elsewhere
- Significant population of at-risk K-12 students who need additional services
- Outdated school facilities, especially high school and technical education
- Inconsistent quality of regional school systems that educate the workforce necessary for the region’s future global economy
- Not enough attention paid to technical education for essential occupations
- Employer concerns about skills level and work ethic of low-skilled and skilled, technical work force
- Limited coordinated regional workforce development vision or strategy (although efforts are ongoing)

**Goal:** **Sustain a high-end knowledge workforce**  
*Achieve much greater numbers of high skilled & entrepreneurial people, from Pre-K to Postdoctoral*

#	Strategy	New / Expansion	Leader / Organizer	Key Participants
HC-1	Make interventions with at-risk students an urgent program and funding priority	Expansion	School Districts	Community Agencies
HC-2	Build entrepreneurship programs and internships for career exploration and experience throughout the spectrum from early grades through graduate school, including in programs other than Engineering and Business at UA	Expansion	UA NWACC School Districts	Business Community
HC-3	Expand English for Speakers of Other Languages (ESOL) pre-K/12, emphasizing early grades to optimize academic performance	Expansion	School Districts	
HC-4	Formalize and expand UA's role in classroom enrichment, leadership, and incumbent teacher development for pre-K/14	Expansion	UA	School Districts NWACC
HC-5	Solve the Fayetteville High School facilities problem; locate sites for needed technical education	Expansion	Fayetteville Public Schools	City
HC-6	Capitalize on arrival of UAMS-NW to start/expand a variety of strong technical programs in health care fields	Expansion	NWACC	UAMS-NW LWIB
HC-7	Adopt universal pre-K	New	School Districts	Cities & Counties
HC-8	Initiate early/middle college programs that combine resources of high schools, UA and NWACC	New	UA/NWACC	School Districts
HC-9	Develop the methodology, implement, and sustain a regional workforce assessment program, focusing on priority economic development clusters, and use the information to retool programs to respond quickly	New	NWAC	NWACC UA School Districts LWIB
HC-10	Design and implement new pathways and expanded access to postsecondary academic and technical education for under-skilled, under-employed and low-income adult workers	New	NWAC	NWACC UA NTI LWIB

Note: When metrics are developed for these Human Capital strategies, it would be reasonable to establish very aggressive growth targets for levels of educational attainment—beyond the current averages for Arkansas and the US.

**Goal:** Brand and promote the region as “Green Valley”  
*Organize to promote the region effectively and share in success across communities*

**Issue:**

- Attaining global visibility demands a regional approach

**Major Focus:**

- Create and promote a brand for the “new” NW Arkansas—Green Valley

**Assets:**

- Walmart, Tysons and other major companies with strong focus on sustainability
- World-class cadre of marketing professionals (among local companies)
- National and international business visitors
- Green Valley and sustainability “themes”
- NW Arkansas Council
- University of Arkansas alumni network
- National rankings as good place to live, do business, retire
- A good story to tell

**Weaknesses:**

- Outdated image impacted by the State’s stereotype and actual low rankings in Knowledge Economy metrics
- Regional collaboration has been effective for large-scale regional infrastructure, but has not attained its potential yet in the realm of economic development promotion

**Goal:** Brand and promote the region as “Green Valley”  
*Organize to promote the region effectively and share in success across communities*

#	Strategy	New / Expansion	Leader / Organizer	Key Participants
RP-1	Reinforce/expand Northwest Arkansas Council’s position as the regional leadership organization to coordinate building the region’s assets (e.g., workforce development, regional infrastructure, business sites, cultural resources)	New	NWAC	UA Cities & Counties Chambers ED Organizations Business Community
RP-2	Pool regional economic development promotion resources and responsibilities under a single regional <i>entity</i> (NWAC or new <i>promotion</i> entity—this complex issue needs to be discussed further, in Phase 2)	New	NWAC/New Entity	Cities & Counties ED Organizations AR WTC Business Community
RP-3	Create a regional brand and promotion program on sustainability theme, centered around world-class website and promotional materials	New	NWAC/New Entity	GVN
	Escalate efforts to win the State’s support for increasing NWA investments:			
RP-4	→ Make a more compelling case to the State as to how innovation investments in NWA and UA Fayetteville benefit the State as a whole	Expansion	UA NWAC	Cities & Counties ED Organizations
RP-5	→ Clearly demonstrate to the State that this region’s new plan fully aligns with and supports the State’s plan for the 21 <sup>st</sup> Century	New	NWAC	Cities & Counties ED Organizations
RP-6	→ Partner with Central Arkansas to promote Arkansas’ innovation capacities to technology businesses elsewhere	New	Innovate Arkansas UA	NWAC/New Entity
RP-7	Market Northwest Arkansas through the Walmart vendor network	New	NWAC/New Entity	Walmart ED Organizations
RP-8	Conduct a <i>Come Home to Arkansas</i> campaign through UA alumni network	New	UA	NWAC/New Entity ED Organizations
RP-9	Inventory and evaluate regional supply of industrial facilities and sites; recommend priority investments to create shovel-ready sites	New	NWAC	ED Organizations
RP-10	Compile and maintain an on-line directory of NWA technological expertise and R&D on promotional website	New	NWAC or GVN	UA

**Goal:** *Cultivate and demonstrate a smart, sustainable community  
Be a healthy, beautiful, prosperous, and fun place*

**Issue:**

- To attract, retain, and grow knowledge-based businesses, we must be a place that is attractive to highly-mobile smart people

**Major Focus:**

- Cultivation, preservation, and expansion of the variety and quality of assets and amenities that make a vibrant community

**Assets:**

- Natural environment, outdoor recreation, trails, sports
- Walton Arts Center, historic downtowns, Dickson Street, Crystal Bridges, library, botanical garden and other regional cultural resources
- UA educational opportunities, sports and cultural programming
- Health care—new hospitals in the region, VA, and branch of UA Medical School
- Low cost of living
- Local independent businesses
- International, multicultural population
- Small town atmosphere
- Commitment to community aesthetics

**Weaknesses**

- Funding capacity to support new and existing amenities is at risk
- Regional sprawl development, if not contained, will have negative impact on quality of life, natural environment, and traffic congestion

**Goal:** *Cultivate and demonstrate a smart, sustainable community  
Be a healthy, beautiful, prosperous, and fun place*

#	Strategy	New / Expansion	Leader / Organizer	Key Participants
	Encourage a fully occupied and active Downtown & Dickson Street			
SCP-1	→ Create clear incentives for high-quality, sustainable development, e.g., infill, adaptive re-use, energy efficiency, low-impact design	New	City	Developers
SCP-2	→ Offer “smart grants” and expedited development approvals for “smart” development consistent with community goals; impose impact fees on less desirable development and uses	New	City	Developers
SCP-3	→ Strengthen (and fund) the downtown management entity, as having such an entity is the only way to truly focus on downtown growth	New	City	Fayetteville A & PC Property Owners Business Community
SCP-4	Keep Fayetteville “funky”: Cultivate localism and support entrepreneurship with a local revolving loan fund	New	Chamber	City Business Community
SCP-5	Design “smart”: commit to aesthetic development through design standards and access to affordable design assistance	Expansion	City	Developers
	Emphasize transportation connectivity throughout the region			
SCP-6	→ Develop walking trails, bike lanes, upgraded regional bus, future light rail	Expansion	NWA RPC Cities & Counties	State of Arkansas NWAC
SCP-7	→ Encourage pedestrian activity – good experience for walkers with attention to trails, sidewalks, lighting, traffic control	Expansion	City	Cities & Counties
SCP-8	Create City “Department of Cultural Affairs” to nurture and support the Arts	New	City	Arts Community
SCP-9	→ Initiate 1% for the Arts in all new development projects	New	City	
SCP-10	→ Coordinate, increase event programming for Downtown/Dickson St.	Expansion	BID	Visitors Bureau
SCP-11	→ Coordinate and cross-market regional arts activities	Expansion	Arts Community	Visitors Bureau
SCP-12	→ Pursue current priorities to sustain Walton Arts Center and build new Science Museum	Expansion	City	UA Business Community
SCP-13	Promote tourism, emphasizing ecotourism brand	Expansion	Visitors Bureau(s)	NATA, Chambers

**Goal:** *Make it happen*

*Improve City governance and acquire new resources for “good development and growth”*

**Issue:**

- The City’s equivocal stance on growth is undermining its ability to sustain and design its future

**Major Focus:**

- Predictability, clarity, reliability, timely decisions, and alignment of policies and procedures with City goals, which include “good managed growth”

**Assets:**

- Willing citizen participation
- Strong plans and development standards that support sustainability
- Capable and dedicated staff

**Weaknesses:**

- Inconsistent, politicized, ad hoc development decision-making—rather than adherence to agreed-upon plans
- Excessive deference to individual Ward interests over the interests of the City as a whole
- Lack of predictability in development approvals and significant delays are causing loss of interest among quality developers
- Legislative actions that are strongly perceived as anti-business
- A place at war with itself: pro-growth and anti-growth factions are paralyzing decision making
- Not recognizing shifts in regional competition and the world economy
- Dependence on sales tax revenues
- Tax base cannot support the activities and aspirations for desired quality of place

**Goal:** *Make it happen*  
*Improve City governance and acquire new resources for “good development and growth”*

#	Strategy	New / Expansion	Leader / Organizer	Key Participants
	Increase consistency, predictability, and timeliness in development processes			
CDF-1	→ Adopt differentiated impact fees that reward development consistent with plans and goals of sustainability while discouraging “negatives”	New	City	Chamber
CDF-2	→ Let planning, zoning and development decisions be made at the Planning Commission without referral to the City Council	New	City	Chamber
CDF-3	→ Increase administrative approvals - empower professional staff to make more development decisions within guidelines set by Council	New	City	Chamber
CDF-4	→ Zone, prioritize and prepare development sites citywide	Expansion	City	Chamber
CDF-5	Consider change in City Council structure to make representation citywide or to have a combination of ward and at-large representative seats	New	City	Chamber
	Expand and diversify City revenue sources			
CDF-6	→ Secure additional and diversified revenue sources for community needs, e.g., special purpose districts, government grants, non-profit funding, community foundation, fees for services, tax credits	Expansion	City	Chamber
CDF-7	→ Advocate for change in State tax structure to better balance and enhance City revenue sources	New	Cities and Counties	Chambers ED Organizations NWAC
CDF-8	→ Consider dedicated millages for:			
CDF-9	• Economic development incentives (e.g. project infrastructure)	New	City	
CDF-10	• Quality of place improvements	New	City	
CDF-11	Consider millage for pre-K education	New	Fayetteville Public Schools	
CDF-12	Develop a strategy for broadening the base of philanthropic donors to meet community needs (sustainable philanthropy)	New	Community Foundations	Business Community Other Foundations

## POINT IN THE PROCESS

### Conclusion of Phase I—The Framework

On December 15, 2008, the consultant team presented a final draft of this *Economic Development Strategy—Framework* (the work of Phase I) to stakeholders in Fayetteville and NWA. Following those sessions, the team prepared this final version of the Phase 1 deliverable, incorporating comments of the stakeholders in the December 15 meetings as possible and appropriate.

With this deliverable, stakeholders may consider that the vision part of planning, comprised of six major areas for strategy and six goal statements, is completed and that the vision and goals may be adopted. However, the potential strategies herein constitute only a starting point for Phase II.

### Intentions for Phase II—The Roadmap

In reality, the EKA team did not expect or intend to achieve the degree of details about potential strategies that has been captured in this Phase I *Framework* document. Phase I concludes with more than typical detail primarily because of the tremendous effectiveness of the small group and general session dialogue in the Planning Workshop conducted on October 17, 2008. (Notes of that day-long session are provided as Exhibit 3.) For this rich body of material, we have the participants in that Workshop to thank, as well as the many interviewees who contributed enormous numbers of perspectives and ideas.

Nonetheless, to become an *Economic Development Strategy*, this is still a preliminary and unfinished work. It captures the vision, as was intended, but it is not yet developed to the level of precision that would make it actionable. That, therefore, will be the work of Phase II.

## SUGGESTED PHASE II TASKS

This consultant team recommends that Phase II would be designed to include the following tasks/steps/work elements:

1. **Broader Review of Economic Development Strategy—Framework.** Additional meetings with various constituencies to review the goals and potential strategies (as developed in this Phase 1 deliverable)
2. **Strategy Development Work Groups.** Appoint six work groups, one for each of the main areas/goals, with the mandate to develop the “final” strategies and implementation elements. This would include:
  - Refine the strategies—eliminate, replace, define more precisely, evaluate for potential impact, etc.
  - Develop roles and responsibilities—lead entity and others that must participate (may include one person who is “team lead”)
  - Estimate resource requirements and financing sources and determine feasibility
  - Develop key metrics for evaluation of progress toward the goal
  - Develop an approximate schedule or target dates (multi-year period)
3. **Plenary Dialogue and Plan Adoption.** As the Work Groups prepare more detailed work on each of the six goals/areas, convene a broad-based planning group to review, comment, and “adopt.” (Note: It is clearly the case that some strategies require only one agency’s adoption, e.g. the University or the City, whereas others need to be adopted by multiple entities, governments, and agencies.)

## EXHIBIT 1—GLOSSARY OF PARTICIPANT ORGANIZATION ABBREVIATIONS

AEDC	Arkansas Economic Development Commission
AR Research Alliance	Arkansas Research Alliance
AR WTC	Arkansas World Trade Center
ARTP	Arkansas Research & Technology Park
ASTA	Arkansas Science & Technology Authority
Chamber	Fayetteville Chamber of Commerce
Chambers	Chambers of Commerce of Fayetteville, Bentonville/Bella Vista, Rogers-Lowell Area, Springdale, and Siloam Springs
Cities & Counties	Cities of Bentonville, Fayetteville, Rogers, and Springdale Counties of Benton and Washington
City	City of Fayetteville
Community Foundations	Fayetteville Community Foundation Northwest Arkansas Community Foundation
ED Organizations	Economic Development Organizations
Fayetteville A&PC	Fayetteville Advertising and Promotion Commission
FEDC	Fayetteville Economic Development Council
GVN	Green Valley Network
LWIB	Northwest Arkansas Local Workforce Investment Board
NTI	Northwest Technical Institute
NATA	Northwest Arkansas Tourism Association
NWAC	Northwest Arkansas Council
NWACC	NorthWest Arkansas Community College
NW RPC	Northwest Arkansas Regional Planning Commission
NW AR Reg Chamber	NW Arkansas Regional Chamber of Commerce
SBTDC	Arkansas Small Business & Technology Development Corporation
UA	University of Arkansas at Fayetteville
UAMS-NW	University of Arkansas for Medical Sciences--Northwest
UATDF	University of Arkansas Technology Development Foundation
Visitors Bureau / Bureaus	Fayetteville Visitors Bureau or Visitors Bureaus of all the communities in the region

## EXHIBIT 2—PLANNING PARTICIPANTS

Note: Exhibit 2 is intended to provide a sense of local participation in interviews on October 14 and 15 and the October 17, 2008 planning session, even if not 100% accurate. The review meetings held on December 15 also are listed. EKA apologizes for any errors in the following lists. We made best efforts to keep track of those who attended, but we may have included here some who were invited but did not attend and, conversely, we may have omitted some who did attend.

### Interviewees—Group Interviews on October 14 and 15

#### City of Fayetteville

##### *Elected Officials*

Mayor Dan Coody

Lionel Jordan, Alderman, Ward 4 and Mayor-Elect

Nancy Allen, Alderman, Ward 2

Kyle Cook, Alderman, Ward 2

Bobby Ferrell, Alderman, Ward 3

Adella Gray, Alderman, Ward 1

Shirley Lucas, Alderman, Ward 4

Robert Rhoads, Alderman, Ward 3

Brenda Thiel, Alderman, Ward 1

##### *City Department Heads*

Paul Becker, Finance Director

John Coleman, Sustainability Coordinator

Tony Johnson, Fire Chief

David Jurgens, Director, Water & Waste Water

Karen Minkel, Interim Director of Long Range Planning

Leif Olson, City Engineer

Jeremy Pate, Director of Current Planning

Tracey Risley, Deputy Chief of Police

Louise Schaper, Library Executive Director

##### *Fayetteville Chamber & FEDC*

J. W. "Bill" Ramsey, President & CEO, Fayetteville Chamber

Tommy DeWeese, Past Chairman, Fayetteville Chamber

Bob Davis, President, Eason Insurance

Dennis R. Hunt, Sr. Vice President, Stephens Inc.

Bruce Johnson, President, White River Hardwoods

Bob Nickle, Partner, Nickle, Hill, Rodman & Trumbo

##### *Fayetteville Independent Business Alliance*

Lisa Sharp, Nightbird Books & FIBA  
Elizabeth Slape, FIBA

##### *Neighborhoods / CDC*

Bob Caulk

##### *Economic Development Professionals*

Ray M. Boudreaux, Director, Director, Aviation & Economic Development

Steven K. Rust, President & CEO, FEDC / Green Valley Network

##### **The Region: Other Communities / Local Governments**

##### *Mayors*

Mayor Bob McCaslin, Bentonville

Mayor Jerre M. Van Hoose, Springdale

##### *Quorum Court*

Ann Harbison, Justice of the Peace

(Jessie Bryant attended prior evening event)

**The Region: Media**

Ray Minor, City Editor, Arkansas Democrat-Gazette

Mike Vaughn Vice President/General Manager, KNWA

Greg Harton, Executive Editor, NW Arkansas Times

**The Region: Economic Development Organizations***Chambers of Commerce*

Ed Clifford, President & CEO, Bentonville/Bella Vista Chamber

*NW Arkansas Council (participants in various groups)*

Ed Clifford, President & CEO, Bentonville/Bella Vista Chamber

Tommy DeWeese, Past Chairman, Fayetteville Chamber

Alan Fortenberry, CEO, Beaver Water District

Dennis R. Hunt, Stephens, Inc. Investment Bankers

Greg Lee, Tysons Foods (retired)

Dr. Becky Paneitz, President, NWACC

J. W. ("Bill") Ramsey, President & CEO, Fayetteville Chamber

Scott Van Laningham, Executive Director, NW Arkansas Regional Airport

Mike Malone, Executive Director

*Green Valley Network*

Dan Sanker, President/CEO, CaseStack

**Businesses***Small / Tech Companies*

Chuck Chalfant, CEO, Space Photonics Inc.

Ron Foster, COO, Asept

Calvin Goforth, President, Virtual Incubation Co., LLC

David Lewis, President, Team Lewis

Alex Lostetter, President & CEO, APEI Inc.

Alan Mantooth, Professor, University of Arkansas and Chief Scientist, Lynguent Inc.

Sharmila Mounce, Business Operations Manager, APEI Inc.

*Bankers and Developers*

Richard Alexander, Managing Member, AMA Real Estate Group

Tracey Hoskins, President & CEO, Paradigm Companies Inc.

Dennis R. Hunt, Stephens, Inc. Investment Bankers

Donny Story, President, Arvest Bank

Tommy L. Van Zandt, Managing Partner, Sage Partners

*Big Business/Utilities*

Nick Coburn, Plant Manager, Pinnacle Foods

Dr. Christine J. Daugherty, Senior Counsel, Tyson Foods, Inc.

Alan Fortenberry, CEO, Beaver Water District

Keith Kaderly, Manager of Marketing, Ozarks ECC

Steffan Sarkin, Vice President, Corporate Development, Pace Industries

**Arts and Cultural**

Tim Vogt, VP, Finance and Planning, Walton Arts Center

Jodi Beznoska, Communications Director, Walton Arts Center

Brent Robinson, Advisor to Science Springs

**Education and Higher Education***School Systems/Superintendents*

Dr. Bobby New, Interim Superintendent, Fayetteville

Dr. Janie Darr, Superintendent, Rogers

Dr. Gary Compton, Superintendent, Bentonville

Dr. Allen Williams, Assistant Superintendent, Springdale

Dr. Lisa Morstad, Finance Officer, Fayetteville

Dr. Susan Norton, Information Officer, Fayetteville

**NorthWest Arkansas Community College**

Dr. Becky Paneitz, President

Dr. Steve Gates, VP for Advancement

Dr. Susan Holmes, Executive Dean, Strategic Initiatives

**University of Arkansas**

Dr. Lalit Verma, Interim Dean, AFLS

Peggy Gabriel, Director of Development

Dr. Adam K. Motherwell, Assistant Dean, Fulbright College of Arts and Sciences

Dr. Linda Beene Ballard, Dean, Global Campus

Dr. Collis R. Geren, Vice Provost for Research / Dean, Graduate School

Dr. Carolyn Allen, Dean, University Libraries

Dr. Shannon Davis, Assistant Dean, Research, College of Engineering

Dr. Suzanne McCray, Interim Dean, Honors College

Dr. Cyndi Nance, Dean, Law

Dr. Dan Worrell, Dean, Walton College of Business

Phillip Stafford, UATDF

David Whitmire, UATDF

**Planning Workshop Round Table Participants (October 17)****Round Table: Niches of Competence**

Ray M. Boudreaux, Director, Aviation/Economic Development, Fayetteville

Peggy Gabriel, Director of Development, Engineering, UA

Dr. Lisa Z. Morstad, Chief Financial Officer, Fayetteville Public Schools

Brent Robinson, Business Designer, Spring-Line Consulting Group (and Science Center)

Dustin Tracy, Reporter, Northwest Arkansas Times

**Round Table: Infrastructure for Innovation**

Lisa C. Childs, Associate Vice Provost, Research and Patent Attorney, Division of Agriculture, UA

Shannon Davis, Assistant Dean for Research, College of Engineering, UA

Gary Dumas, Director of Operations, City of Fayetteville

David Jurgens, Director, Water/Wastewater, Fayetteville

Phillip Stafford, President, UATDF

**Round Table: Human Capital**

Dr. Collis R. Geren, Vice Provost, Research/Dean, Graduate School, UA

Dr. Susan Holmes, Executive Dean, Strategic Initiatives and Board Relations, NWACC

Shirley Lucas, Fayetteville City Council

Shelly Walters, Marketing Manager, Fayetteville Visitors Bureau

**Round Table: Regional Promotion**

Skip Descant, Morning News

Marilyn Heifner, Fayetteville A & P Commission

Bruce Johnson, President, White River Hardwoods

Mike Johnson, Facilities Management, UA

Otto J. Loewer, UA Economic Development Institute

Terri Trotter, Walton Arts Center

**Round Table: Smart Community Places**

Allyson Twiggs Dyer, Fayetteville Visitors Bureau

Stephen Luoni, Community Design Center, UA

Dede Peters, DDDP Gallery, Fayetteville Arts Council

Bill Ramsey, CEO, Fayetteville Chamber

Elizabeth Slape, Keep Fayetteville Funky/FIBA

### Round Table: City Development and Finance

Dan Coody, Mayor, Fayetteville

Paul A. Becker, Director of Finance, Fayetteville

Bob Davis, Eason Insurance Agency

Bobby Ferrell, City Council

Adella Gray, Alderwoman, Fayetteville

Susan Heil, SBC Global

Tony Johnson, Fire Chief, Fayetteville

Karen Minkel, Long Range Planning, Fayetteville

Scott Van Laningham, Executive Director/CEO, NWA Regional Airport

### Review Meetings—December 15, 2008

Dr. G. David Gearhart, Chancellor, University of Arkansas at Fayetteville

Mayor Dan Coody\*

Mayor-Elect Lioneld Jordan\*

Don Marr, Chair, Mayoral Transition Team (& Mayor's Chief of Staff)

Fayetteville City Council

Fayetteville Chamber of Commerce and Fayetteville Economic Development Commission

\*Mayor Jordan was Mayor-Elect as of the date of this meeting, December 15, 2008.

### Project Management

#### City of Fayetteville

Dr. Susan Thomas

Gary Dumas

#### University of Arkansas (UATDF)

Phillip Stafford

David Whitmire

Casey Mileham

#### Consultants

##### Eva Klein & Associates (EKA)

Eva Klein, EKA

Dr. Kathryn Baker Smith, EKA

Anita B. Morrison, EKA/Partners for Economic Solutions

Diane Lupke, EKA/Lupke & Associates

## EXHIBIT 3—SUMMARY OF PLANNING DIALOGUE ON OCTOBER 17, 2008

### SWOT Analysis Presentation and Discussion

Many local and regional stakeholders were invited to an all day planning workshop on October 17, 2008.

The first part of the day was a presentation of the SWOT analysis by the consultants, followed by participant discussion and comments. Comments ranged from additional strengths, weaknesses, opportunities, or threats that were missing from the consultant team's presentation to comments on nuances of meaning in various points raised. Following is an unedited and unverified summary of the comments from the SWOT portion of the Planning Session. (Note: The main SWOT analysis is contained in the *SWOT Analysis* companion document to this Plan *Framework*.)

#### Additional Strengths

- Lakes, tourism
- Very large retirement community/population (e.g. comment that it is "largest retirement community in the world")
- Health care
- UA Business School program in Retail Management
- The Arts
- Supply Chain Management
- Retiree networks

#### Additional Weaknesses

- There are many people not participating in economic growth. We need to find ways to include them in process and share in growth

#### Additional Opportunities

- A regional effort will yield more opportunities

#### Additional Threats

- We are competing against Rogers and Springdale when we should be cooperating to compete against other regions.
- Retirees sometimes oppose school levies.
- School districts survive on local taxes. Unless the local tax base improves, the schools will suffer. Bedrooms don't build classrooms.

## SWOT Comments

- Fayetteville feels good because of regional prosperity, but it's based on our neighbors' growth
- We've changed a lot over 20 years. Maybe we've changed too fast—generating resistance to change
- Target UA research growth to \$300 Million?
- No-growth is just as risky as growth; “No-growth” comes back to bite you
- There is a difference between no-growth and proactive growth
- Rogers has large number of poor people. We haven't talked much about them. We need to engage them with UA, Walton Arts Center – we need to find ways to integrate the poor people of the region into a prosperous economy
- The population has doubled in 20 years. Are we complacent or proactive for preservation? Do we need to be THE place in NW Arkansas?
- Nobody planned University growth, diet change in America, transportation, Walmart, but all these things have changed us.
- Fayetteville is at a crossroads. Rogers and Bentonville have forged ahead to take advantage of the Walmart investments. We can either be a victim of those investments or actively pursue those investments for Fayetteville.
- Fayetteville has the opportunity to reassert leadership in the region.
- Fayetteville has an identity crisis...we want to benefit from the growth of our neighbors but keep ourselves unchanged.
- The school district survives on property and sales tax revenues. Our local tax base must grow or tax rates will need to go up. Bedrooms don't build schools.
- A regional effort will mean more opportunities to attract a company. We need to be sure we have assets to bring them to Fayetteville.
- Other regional councils have the ability to allocate resources and representation of all constituents.
- Rogers enjoys its growth at Fayetteville's expense. Bentonville doesn't; it promotes arts for the region.
- Fayetteville has quality of life; Rogers has economic growth. These strengths could be complementary – we are siblings, but Teens!
- “Co-opetition” or cooperative competition—attempting to compete for retail when we should be working to bring in knowledge-based businesses
- We spend too much energy on rivalry with “north” and other towns within the region; we need teamwork to reach scale
- Rogers, Springdale, and Bentonville don't seem to have a plan behind their growth. Fayetteville has an opportunity to avoid fast-growth mistakes.
- Fayetteville has had as much luck in development as planning their development over the last 50 years – now we must create a sense of urgency in the region and use all of the area's assets toward growth that we collectively decide we want for the region.
- We need to “own” Walmart, Crystal Bridges, and other developments in the sense that they contribute to Fayetteville and the region. We must also give...they (other communities) must feel they have a stake in us and our development in Fayetteville.
- National recognition “woke us up”; it raised awareness of the role Fayetteville already plays on the national, state, and regional levels.
- Powerful individuals joined to develop the airport. We need governments and individuals working together toward the best development decisions.

- How do we make our processes support our goals? Nuts and bolts.
- How do we grow sustainably? Choosing how to grow without destroying what we have?
- We want the amenities, but we don't want the population that makes them possible.
- We have the strategy, we have the plan, but we don't stick with it when it gets uncomfortable.
- Fayetteville feels good because the region is great, but Fayetteville does not fully share in growth/prosperity of the region.
- Rapid change yields resistance to needed change, but Fayetteville is not what it was.
- What do we aspire to? We aspire to be more/better than what we are.
- Lucky breaks and happenstance drove change.
- It's like sibling rivalries –but the "North" we compete against is just 10 minutes away.
- Emphasize individual regional strengths to work together. We must stop local/internal competition.
- Build on our foundation, but we have to plan for unified change.
- Last 20 years were as much about luck as about planning; however, the next 20 years will require planning.
- We must retain strength of individual communities, but work as a region.
- Regional representation = an authority
- Fayetteville is planning driven; Rogers is developer driven.
- Bentonville is using Crystal Bridges as a unifying element of forward planning.
- We are a young region (sometimes just kids)
- Fayetteville identity crisis: We don't want to adopt isolationist ideas of some among us, but instead some want to work together
- The pie is not finite. We don't need to keep dividing a finite pie (with other communities). We can grow a bigger pie.

### Six Goals and Potential Strategies—Reports of Break-Out Sessions

The balance of the October 17 session was devoted to organizing six break-out groups to begin to define potential strategies / actions in each of the six areas of major goals that comprise the vision. Each break-out group then presented (from flip-charts) to the entire group and there was discussion from the entire group on each of the six presentations.

Following are the notes as they appeared on the six flip-charts, with only minor clean-up editing for clarity purposes:

### Niches of Competence Strategies

1. Transformative" investment in UA expertise in sustainability with focus on outreach and business integration, marketing (à la RFID)
2. Seed/venture capital funds for sustainability and retail start-ups; tap state and local funding sources to create \$100 million venture capital fund/angel fund
3. Leveraging existing expertise (food production, supply chain, retirement/aging population management, nanotech, biotech)—expert v. home-grown model
4. Develop program to assist existing companies in adopting sustainable practices
5. Provide incentives for green development (developers, homeowners), including transportation
6. Sustainable philanthropy: Expand to more funders. (The same individuals/funds are always asked.) Consider many more small/individuals for funds. Broader based funding, with the idea that everyone gives—either time or money.

### Infrastructure for Innovation

1. Regional economic development pool
  - Professionally managed regional organization
  - Sioux Land Initiative is a model
2. Training and support for entrepreneurship
  - UA teaching tech commercialization
  - Seed fund managed by students
  - Entrepreneurship curricula in all colleges
  - Orphan technologies as potential start-ups
  - Incorporate SBDC as appropriate
3. Building the base of serial entrepreneurial talent
  - Come home to Fayetteville
4. Build meaningful connections to new state programs
  - Innovate Arkansas
  - Arkansas Research Alliance
5. Assembly, manufacturers and production facilities
  - Inventory of immediately available space and/or design-developed space

6. Support programs for job creating research
  - ASTA applied research
  - Basic research
7. Promotional strategy for state incentives
  - Enhanced by local incentives with strategy and funding to go with them
  - ASTA R&D tax credit
  - ASTA investor tax credit
8. Evaluate effectiveness of area physical infrastructure (see #5)
  - Utilities
  - Roads
  - Fiber – we have tons
  - Continue advocacy for annual fees

### Human Capital

1. “Eat Your Vegetables” approach to sustainable workforce
2. Invest in Human Capital from Pre-K – 20, to meet the present and future needs of workforce
3. Identify stakeholders
4. Universal Pre-K—clarify funding system
5. Remediation – this is not only a gap to college but a gap to workforce
6. Address 21<sup>st</sup> century learning skills (i.e., communication) as a collaborative community effort
  - Community read of Global Achievement Gap
  - P-20 professional educator training
  - STEM approach in elementary grades  
(We lose energy without specialty training for teachers)
  - Project-based learning incorporates new material in teacher training
  - Alternative teacher certification for 2nd career and retirees
7. Develop and implement Fayetteville Partners in Education and progress to Regional Partners in Education
  - Engage K-12, postsecondary, business/industry reps

8. Recognize and address poverty issues
  - ESOL education at all levels
  - Only 2 Fayetteville schools are not eligible for free/reduced lunch program – highest school percentage is 86%
  - Community Harvest Program—partnership with Farmers Market and NWACC culinary
9. Continuously improve process of career exploration and development
  - Internet 2
  - Expand co-ops, internships, and apprenticeships
10. Develop business training for entrepreneurs—provided by successful business people

### Smart Places

1. District planning
2. Identity
3. Signage/way-finding
4. Encourage pedestrian activity—make a good experience for walkers
  - Trails, sidewalks, lighting, car traffic control issues
5. Mixed-use development
6. Offices on street level on square should be up above; need more residences for downtown, too
7. Connectivity
8. Commitment to aesthetics
9. Sign ordinance should be more flexible so people could tell from the street what is going on
10. Transportation
  - Walking trails
  - Bike Lanes
  - Light rail (in the future)
11. Cultivate Localism and Entrepreneurship –
  - Support local talent (best tuba player in the world, world-class writers, etc.)
  - Incorporate new Science Museum with cultural planning/activities
  - Look to alternative sources of funding – see sustainable philanthropy (Niches of Competence)

12. Create a downtown management group
  - Funding – BID? Governmental?
  - Include other areas of retail, culture, arts
13. Create “Department of Cultural Affairs”
  - A department of City government to nurture and support the Arts
  - Arts development group—an advocacy group, keep others informed
  - Nurture and support the Arts. Crystal Bridges coming, will bring 300,000 people

### Regional Promotion

1. Create regional leadership organization: Suggestion: Green Valley Network. Roles would include:
  - Economic development
  - Community development
  - Educational Development
  - Leadership Development
2. Create a regional brand
  - Tie cities and counties into state and regional brands
3. Reestablish UA as a resource for the entire State
  - NWA as an incubator by which to deploy Green Valley outcomes across the State, nation, and world
  - *Come to Home to Arkansas* campaign—regional promotion (We could be a “light on a hill.”)
4. Create a concept of “sustaining the entire spectrum of life’s cycle” from conception to burial
5. Develop local/county/regional/state (?) consensus and ownership on overarching strategy for major long-range outcomes (25-50 years) to benefit the State as a whole

### Good Governance: Making it Happen

1. Incentivize good types of development (Fayetteville Junction)
2. Pursue availability of grant funds for identified projects
3. Increase certainty and predictability of the approval process (take the politics out)
  - Consider change in City Council structure to make representation city-wide
  - Increase administrative approvals
4. Local economic development incentive funding (and educate constituents)



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