

**City of Fayetteville Staff Review Form**

**2021-0151**

**Legistar File ID**

**3/16/2021**

City Council Meeting Date - Agenda Item Only  
N/A for Non-Agenda Item

Devin Howland

2/23/2021

ECONOMIC DEVELOPMENT (050)

**Submitted By**

**Submitted Date**

**Division / Department**

**Action Recommendation:**

STAFF IS RECOMMENDING APPROVAL OF A RESOLUTION EXPRESSING THE CITY COUNCIL'S SUPPORT FOR THE STUDY AND DEVELOPMENT OF A FIVE YEAR ECONOMIC VITALITY AND RECOVERY PLAN IN 2021.

**Budget Impact:**

|  |   |
|--|---|
| Account Number                               | Fund  |
| Project Number                               | Project Title   |
| <b>Budgeted Item?</b> <u>NA</u>              | <b>Current Budget</b> \$            -   |
|  | <b>Funds Obligated</b> \$            -  |
|  | <b>Current Balance</b> <span style="border: 1px solid black; padding: 2px;">\$            -</span>  |
| <b>Does item have a cost?</b> <u>NA</u>      | <b>Item Cost</b>  |
| <b>Budget Adjustment Attached?</b> <u>NA</u> | <b>Budget Adjustment</b>  |
|  | <b>Remaining Budget</b> <span style="border: 1px solid black; padding: 2px;">\$            -</span> |

V20180321

**Purchase Order Number:** \_\_\_\_\_

**Previous Ordinance or Resolution #**    108-16

**Change Order Number:** \_\_\_\_\_

**Approval Date:** \_\_\_\_\_

**Original Contract Number:** \_\_\_\_\_

**Comments:**



**MEETING OF MARCH 16, 2021**

**TO:** Mayor and City Council  
**THRU:** Susan Norton, Chief of Staff  
**FROM:** Devin Howland, Director of Economic Vitality  
**DATE:** February 18, 2021  
**SUBJECT:** **Economic Vitality and Recovery Plan**

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**RECOMMENDATION:**

Staff requests City Council support for the study and development of a new five-year Economic Vitality and Recovery Plan in 2021.

**BACKGROUND:**

The City of Fayetteville's economic development goals and focus areas have been driven by the Fayetteville First strategic plan for the past five years. Passed in May of 2016, Resolution 108-16 formally adopted the plan, which served as the basis for efforts such as creating the Department of Economic Vitality and adding expanded entrepreneurial support services through contract services.

Much has happened in Fayetteville since the adoption of the Fayetteville First Plan. The expansion of internal economic development staff, and adoption of initiatives such as the Energy Action Plan, Welcoming Plan, 2040 Land Use Plan, and Cultural Arts Corridor Master Plan present an opportunity to reset Fayetteville's economic development efforts to ensure they are in concert with these initiatives. Most importantly, the need to set guiding principles for Fayetteville's economic development efforts has never been higher in wake of the economic consequences and changes brought by the pandemic, as well as the need to make equitable economic development efforts a priority.

In March of 2020, Fayetteville's Workforce Development Plan efforts came to a complete halt as the COVID-19 pandemic impacted our community. The initiative was rooted in a detailed labor analysis that became obsolete as the United State's unemployment rate climbed to 14.7% the following month (*Bureau of Labor Statistics*). Industry shifts and the alterations to how commerce is conducted in wake of the pandemic are factors that impact the goals, strategies, and action items proposed by the Workforce Development Plan. Adaptation of the existing plan will provide a major stepping stone to start this initiative with an immense amount of work already in place.

**DISCUSSION:**

Conversations with the Mayor, members of the City Council and Mayor Jordan's Small Business Resiliency Task Force have indicated a desire to craft a new economic development strategy. An assessment of 2019 v. 2020 sales shows the severe impacts to businesses and members of the workforce brought about by the economic crisis. The challenges go beyond business sales. The economy's adaptations to how commerce is done has brought about changes to employment that will be around long after the COVID-19 vaccine is fully distributed. In the weeks and months following Mayor Jordan's emergency declaration on March 13, 2020, the economy and local government demonstrated an immense amount of agility to respond to the challenges of the pandemic. That same level of agility and willingness to step outside of the status quo of the economic development profession will be needed for Fayetteville to respond to these new challenges as effectively as possible.

During the January 12, 2021 City Council Agenda Session staff discussed its new priorities in wake of the pandemic: small business support, equitable economic development, growth concept oriented development, and direct placemaking efforts. These points were framed within the overarching recommendation of focusing on our residents and businesses at home. However, the development of a plan with specific strategies and actions around these areas should be done in collaboration with our community and stakeholders.

The Department of Economic Vitality is proposing to work with other municipal departments, external economic and community development partners, businesses, and residents to create a new economic vitality plan that focuses on economic recovery and the economic mobility of residents who face barriers to employment at a living wage.

**BUDGET/STAFF IMPACT:**

The Department of Economic Vitality anticipates utilizing existing staff and contract services to complete this project in 2021. Staff plans on using its existing budget to complete items such as a survey administered by a third party and consulting in the areas of diversity, equity, and inclusion.

**Attachments:**

Audit of Fayetteville First Plan

Direct Sales Economic Impact of 2020 *[Will be added when December 2021 sales figures are available from the State].*

Resource Sheet for the Fayetteville First Plan

COVID-19 Economic Response Report

| 1. Strategic Priorities - Arts and Culture                                    |   |                            |
|---|---|----------------------------|
| Priorities  | Action Items  | Accomplished               |
| 1 Continue to support existing programs that enhance arts and culture locally | Pursue grant funding to support programs for the arts | Yes                        |
|   | Encourage more public art installations               | Yes                        |
| 2 Expand the arts focus in Fayetteville                                       | Support Cultural Arts District development            | Yes                        |
|   | Create additional live/work space for artists         | Ongoing                    |
|   | Develop a downtown art program                        | Ongoing                    |
| 3 Develop and support arts programs in public schools                         | Create an in-school residency program for artists     | University of Arkansas-Yes |
|   | Pursue grants to support these programs               | Ongoing                    |
| 4 Continue to support the craft beer industry                                 | Partner to support existing breweries                 | Yes                        |
|   | Assess need for educational programs                  | Yes                        |

| 2. Strategic Priorities - Business Retention and Attraction      |   |                             |
|--|---|-----------------------------|
| Priorities   | Action Items  | Accomplished Yes Ongoing No |
| 1 Create a robust business retention and expansion (BRE) program | Clearly define role of contractor related to BRE  | Yes                         |
|  | Include a BRE component focused on startup companies  | Yes                         |
|  | Include a BRE component focused on legacy manufacturers   | Yes                         |
|  | Develop a retention plan for regional headquarters  | Yes                         |
| 2 Improve the business perception                                | Understand business perception issues   | Yes                         |
|  | Set expectations for customers  | Yes                         |
|  | Improve customer service  | Yes                         |
|  | Further streamline permitting processes and document the process through communications/outreach tool | Yes                         |
|  | Address broadband challenges  | Yes                         |
| 3 Develop local incentive policy                                 | Determine targeted areas of interest  | Yes                         |
|  | Discuss incentive parameters  | Yes                         |
|  | Explore potential funding mechanisms  | Yes                         |
| 4 Meet property needs of targeted business sectors               | Determine available properties  | Yes                         |
|  | Assess site and building needs of targeted business sectors   | Yes                         |
|  | Identify and develop more property  | Yes                         |
|  | Incent real estate developers for certain targeted development  | Yes                         |
| 5 Develop a focused retail development strategy                  | Conduct a thorough inventory and analysis of Fayetteville's existing retail base and gaps             | Yes                         |
|  | Examine local and regional demographic and retail trends  | Yes                         |
|  | Identify potential commercial properties  | Yes                         |
|  | Identify potential specialty retail targets   | Yes                         |
|  | Consider attendance at the ICSC convention  | Yes                         |
|  | Explore potential "college town" development with U of A  | Yes                         |

| <b>3. Strategic Priorities - Education/Workforce</b> |   |                                    |
|--|---|------------------------------------|
| <b>Priorities</b>                                    | <b>Action Items</b>   | <b>Accomplished Yes Ongoing No</b> |
| 1 Further engage with higher education               | Create a formalized partnership with the U of A                           | Yes                                |
|  | Support UAMS Northwest in its future growth in Fayetteville               | Yes                                |
| 2 Ensure workforce and training needs can be met     | Understand existing industry and targeted business sector needs           | Yes                                |
|  | Research and conduct a survey of regional higher educational institutions | Yes                                |
|  | Convene regional educational leadership                                   | Yes                                |
|  | Initiate a career readiness program at the high school level              | Yes                                |
|  | Ensure that appropriate skilled trade programs and training are available | Yes                                |
|  | Improve public school rankings  | Yes                                |
| 3 Attract and retain the workforce of tomorrow       | Create millennial programs  | Yes                                |
|  | Focus on retention of U of A graduates                                    | Yes                                |

| <b>4. Strategic Priorities - Entrepreneurship and Innovation</b> |  |                                    |
|--|--|------------------------------------|
| <b>Priorities</b>  | <b>Action Items</b>  | <b>Accomplished Yes Ongoing No</b> |
| 1 Support a collaborative entrepreneurial/innovative             | Create an entrepreneurship support position at the city            | Yes                                |
|  | Create the Fayetteville Innovation Council                         | Yes                                |
| 2 Increase high-tech job growth through University partnerships  | Partner with the University to expand the existing technology park | Yes                                |
|  | Explore a Startup Village at ARTP                                  | Yes                                |
|  | Partner with the University to further address capital needs       | Yes                                |
| 3 Create innovative spaces and programs to support entrepreneurs | Develop and define an Innovation District                          | Yes                                |
|  | Create collaborative space   | Yes                                |
|  | Develop incentives for startup companies locating downtown         | Yes                                |
|  | Create innovation housing  | Yes                                |
|  | Support maker space and robotics training center development       | Yes                                |
|  |  |                                    |
| <b>Priorities</b>  | <b>Action Items</b>  | <b>Accomplished Yes Ongoing No</b> |
| 4 Expand entrepreneurship education programs                     | Inventory and assess entrepreneurship education programs           | Yes                                |
|  | Integrate entrepreneurship programs into public schools            | Yes                                |

| <b>5. Strategic Priorities - Lifestyle Quality</b>   |   |                                    |
|--|---|------------------------------------|
| <b>Priorities</b>                                    | <b>Action Items</b>   | <b>Accomplished Yes Ongoing No</b> |
| 1 <i>Support attainable housing development</i>      |   |                                    |
|  | Assess attainable housing availability and need                   | Yes                                |
|  | Target and grow attainable housing developers                     | Yes                                |
|  | Explore incentives for developers                                 | Yes                                |
| 2 <i>Enhance and support public transportation</i>   |   |                                    |
|  | Work to improve local/regional transit system                     | Yes                                |
|  | Support idea of rapid transit or light rail in northwest Arkansas | Yes                                |
| 3 <i>Energize and support downtown Fayetteville</i>  |   |                                    |
|  | Develop and define the downtown boundary                          | Yes                                |
|  | Organize downtown business support effort                         | Ongoing                            |
|  | Seek downtown redevelopment opportunities                         | Yes                                |
| 4 <i>Explore other redevelopment opportunities</i>   |   |                                    |
|  | Work to redevelop 71B (North College Ave to South School Ave)     | Yes                                |
|  | Identify other areas for future redevelopment                     | Yes                                |
| 5 <i>Seek development of hotel/conference center</i> |   |                                    |
|  | Initiate discussion with U of A                                   | Yes                                |
|  | Identify potential sites  | Yes                                |
|  | Gather supportive data  | Yes                                |
|  | Identify potential developers                                     | Yes                                |
|  | Explore potential funding options                                 | Yes                                |

| <b>6. Strategic Priorities - Marketing and Communications</b> |   |                                    |
|---|---|------------------------------------|
| <b>Priorities</b>   | <b>Action Items</b>   | <b>Accomplished Yes Ongoing No</b> |
| 1 <i>Build the Fayetteville First brand</i>                   |   |                                    |
|   | Develop key messages that speak to the Fayetteville First positioning                             | Yes                                |
|   | Secure and utilize appropriate Fayetteville First online handles                                  | Yes                                |
|   | Rebrand all marketing materials and activities with Fayetteville First logo                       | Yes                                |
|   | Incorporate Fayetteville First messaging into speeches and talking points for leaders             | Yes                                |
| 2 <i>Develop a dynamic digital media presence</i>             |   |                                    |
|   | Develop an enhanced economic development web presence   | Yes                                |
|   | Re-focus social media messaging toward economic development priorities                            | Yes                                |
|   | Monitor and engage in online discussions related to targeted sectors                              | Yes                                |
| 3 <i>Pursue recognition in key rankings</i>                   |   |                                    |
|   | Incorporate sustainability messaging into digital media   | Yes                                |
|   | Research methodology for targeted rankings  | Yes                                |
|   | Identify and pursue recognition in rankings related to innovation, millennials and sustainability | Yes                                |
|   | Market recognition to key audiences   | Yes                                |
| 4 <i>Increase publicity about key economic development</i>    |   |                                    |
|   | Utilize local media to communicate to local and regional audiences                                | Yes                                |
|   | Place guest editorials and news articles in key business and trade publications                   | Yes                                |
|   | Seek publicity about Fayetteville's sustainability initiatives                                    | Yes                                |
|   | Seek recognition as the Startup City of the South   | Yes                                |

| <b>7. Strategic Priorities - Sustainability</b> |   |   |                                    |
|---|---|---|------------------------------------|
|   | <b>Priorities</b>   | <b>Action Items</b>                                       | <b>Accomplished Yes Ongoing No</b> |
| 1   | <i>Understand, promote and plan for the future sustainability in Fayetteville</i>                   |   |                                    |
|   |   | Update sustainable inventory annually                     | Yes                                |
|   |   | Market and promote sustainable activities                 | Yes                                |
|   |   | Develop a plan to guide future sustainable activities     | Yes                                |
| 2   | <i>Promote and encourage ongoing sustainability activities in Fayetteville Public Schools (FPS)</i> |   |                                    |
|   |   | Promote sustainability efforts in FPS                     | Yes                                |
|   |   | Work to expand sustainability programs across all schools | Yes                                |
| 3   | <i>Support the local food economy</i>   |   |                                    |
|   |   | Form a Regional Food Economy Work Group                   | Yes                                |
|   |   | Seek grants to fund programs                              | Yes                                |
|   |   | Explore creation of a Food Hub or similar program         | Yes                                |

## Fayetteville First Plan Resource Sheet

- Fayetteville First Plan Homepage:
  - <https://www.fayetteville-ar.gov/3639/Fayetteville-First-Plan>
- Fayetteville First Plan:
  - <https://www.fayetteville-ar.gov/DocumentCenter/View/8955/Economic-Development-Plan>
- Fayetteville First Plan Benchmark Research:
  - <https://www.fayetteville-ar.gov/DocumentCenter/View/9005/Fayetteville-First-Benchmark-Research-REVISED--51116?bidId=>
- Fayetteville First Plan Comparative Analysis:
  - <https://www.fayetteville-ar.gov/DocumentCenter/View/9006/Fayetteville-First-Comparative-Analysis-REVISED--51116?bidId=>
- Fayetteville First Plan Stakeholder Input:
  - <https://www.fayetteville-ar.gov/DocumentCenter/View/9263/Fayetteville-First-Stakeholder-Input-Summary?bidId=>

**City of Fayetteville Department of Economic Vitality  
COVID-19 Response Report**

## Department of Economic Vitality COVID-19 Response Report

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## Department of Economic Vitality COVID-19 Response Report

### *Preface*

On Friday, March 13, 2020, the public health and oncoming economic crisis stemming from the coronavirus pandemic reached the City of Fayetteville, with Mayor Jordan issuing an Emergency Declaration. Internal staff's work, as well as staff at Startup Junkie, the City's Entrepreneurial and Innovation contractor, became solely focused on mitigating, buffering, and responding to the largest economic downturn since 1933.

On March 18<sup>th</sup>, the Department of Economic Vitality joined Mayor Jordan, Police Chief Mike Reynolds, Fire Chief Brad Hardin, and City Attorney Kit Williams at the City's initial press conference announcing next steps in response to the pandemic. From there, the Department of Economic Vitality would work daily—through weekends, alongside Mayor Jordan, Chief of Staff Susan Norton, Communications Director Lisa Thurber, Chief Reynolds, and Chief Hardin—on an intensive response to the crisis. While the Department of Economic Vitality is still currently engaged in these efforts, and will be for the foreseeable future, this report aims to provide City Council, our business community and residents on our work thus far and where we are headed.

### *Specific Completed Action Items:*

#### **Action Item: SBA Economic Crisis Disaster Declaration Data Aggregation**

On March 13, following a call with Arkansas's SBA Director, Startup Junkie Consulting, launched a survey to begin collecting data from impacted businesses. This step was crucial in unlocking the initial \$50B in Federal economic assistance to the State of Arkansas and was launched days before impact forms were even available. Once the former economic impact surveys were launched in the coming days, the City, Chamber of Commerce, and Startup Junkie utilized their communication channels to aid in the collection of data necessary to declare the disaster.

#### **Action Item: Rechanneling of internal staff and Entrepreneurial and Innovation Contract Services**

On March 13, the Business Development Manager, Chung Tan, and the entire Startup Junkie Consulting team focused all their energy towards the economic crisis. Chung Tan, who is still providing daily assistance on this front, did not begin work on new business development until September of 2020. The Startup Junkie Consulting team continues to provide weekly support to the City of Fayetteville, and was providing daily support, including the weekends, for nearly five months following Mayor Jordan's March 13<sup>th</sup> Emergency Declaration. The Fayetteville Chamber of Commerce has also extended their support and resources towards supporting the City's economic response to the pandemic.

#### **Action Item: Creating and maintaining a robust, bright line of communication**

On March 13, during a time of enormous uncertainty for our small businesses, staff set out to bring clarity and guidance on the swath of directives, mandates, and resource programs coming from State and Federal agencies. Fayetteville's COVID-19 Business Resource module on the

## Department of Economic Vitality COVID-19 Response Report

City's website has had more than 10,200 views since March 13. For nearly four months, the site was updated daily with detailed guidance on assistance programs, unemployment information, and Arkansas Department of Health directives.

- [Fayetteville COVID-19 Business Resource Page](#) (Daily updates and detailed guidance)
- [Fayetteville Unemployment Information Page](#)
- [Fayetteville Resource Webinar Library](#)
- [Fayetteville SBA Paycheck Protection Program Page](#)
- [Fayetteville SBA Economic Injury Disaster Loan Page](#)
- [Fayetteville CARES Act Small Business Debt Relief Program Page](#)
- [Fayetteville Unemployment Information Home Page](#)
- [Fayetteville Small Business Resource Webinar Library](#)
- [Fayetteville CARES Act Payroll Tax Deferment and Credit](#)
- [Fayetteville CARES Act Retirement Plan Changes](#)
- [Fayetteville CARES Act Small Business Debt Relief Program \(504 and 7a\)](#)

The City of Fayetteville's COVID-19 communications regarding specific business resources and guidance were strengthened by tethering to Startup Junkie Consulting's detailed information created for each program. The Department of Economic Vitality and Startup Junkie Consulting coordinated daily, expanding the City's capacity to provide clear direction to applicable points in bills such as the CARES Act. Combing through thousands of pages of Federal bill text and rules, one of the most significant contributions of the group was translating the "legalese" in these bills for our constituents' days before guidance would have otherwise been posted.

- [Startup Junkie Consulting: Understanding Small Business Relief in the Paycheck Protection Program](#)
- [Startup Junkie Consulting: Applying for an SBA Economic Injury Disaster Loan Guide](#)
- [Startup Junkie Consulting: Numerous writeups on guidance from State and Federal Programs](#)

One point of communication that was generated by Startup Junkie Consulting, who recognized the need, was the creation of guidance in Spanish. This guidance became available on the City's website long before other translations were available, an important resource given the rapid depletion of the funds made available by these programs.

- [Comprendiendo la asistencia a pequeños negocios bajo la ley CARES](#)

The Fayetteville Chamber also established a resource page aimed at bringing awareness to the numerous programs stemming from State and Federal Partners. The Chamber of Commerce's mailing list was also utilized to quickly distribute information on a frequent basis. Another avenue for support which the Chamber deployed was offering its mailing and distribution channels to businesses to help bring awareness to their operations (open or closed, safety, etc.). This is still being provided for businesses who are members and non-members of the Chamber. Below, links have been provided that outline the various resource guides produced by the Chamber:

- [Fayetteville Chamber of Commerce COVID-19 Business Resources](#)

## Department of Economic Vitality COVID-19 Response Report

- [Business Open Awareness Campaign](#)
- [Fayetteville Chamber of Commerce: CARES Act Overview](#)
- [Fayetteville Chamber of Commerce: Paycheck Protection Program \(Q & A\)](#)
- [Fayetteville Chamber of Commerce: SBA EIDL Loan Guide](#)
- [Fayetteville Chamber of Commerce: Ready for Business Grant Program Update \(click first link under Business Resources\)](#)
- [Fayetteville Chamber of Commerce Quick Action Loan Guide](#)
- [Fayetteville Chamber of Commerce Business Toolkit for COVID-19](#)

The Fayetteville Chamber of Commerce also instituted, and has continued to conduct, weekly calls with businesses of any size via Zoom. These sessions continue to provide an open platform for information be distributed and questions to be answered. Outside of these sessions, the Chamber has used all its channels to continue to disseminate information to businesses regularly.

### **Action Item: Assistance and Expansion of a Fayetteville Business on the front-lines of the COVID-19 Pandemic, Fayetteville Chamber of Commerce and Namida Labs**

Through the Economic Development Consulting Contract, the Fayetteville Chamber of Commerce successfully obtained AEDC support to help Namida Labs expand into a new facility in Ward 3. The company has pivoted its operations to create anti-body tests for the COVID-19 pandemic. The expansion brought payroll to over \$1,000,000 with jobs that far exceed a living wage of \$28.00 per hour. The company also invested of \$712,423 into equipment and their new building.

- [Resolution Authorizing Namida Lab, Inc's participation in the AEDC Tax Back Program](#) (p.145)

### **Action Item: Creation of a digital resource library for small business coaching and guidance (Startup Junkie Consulting)**

In addition to moving one-on-one consulting meetings to Zoom, Startup Junkie Consulting created a digital library of resources and guidance traditionally provided during in-person sessions. Using a local film studio, high-quality videos were produced that will serve as a resource long after the pandemic. Webinars held by Startup Junkie are also recorded and placed on the webpage. The library is home to 25 recorded videos that were published during the pandemic.

- [Startup Junkie Consulting Digital Resource Library](#)

### **Action Item: Creation of Mayor Jordan's Small Business Resiliency Task Force**

On March 21, 2020 Mayor Jordan announced the creation of a Small Business Resiliency Task Force. The group was created to not only expand the capacity of internal staff, but to also bring

## **Department of Economic Vitality COVID-19 Response Report**

diverse stakeholders and industry experts to the table. The group is charged with the following and has continued to meet weekly since its inception:

- Identifying additional measures to alleviate burdens from small businesses during the COVID-19 pandemic;
- Identifying access to capital opportunities for businesses who are not eligible for certain State or Federal resources;
- Identifying measures to assist dislocated workers impacted by business closures due to COVID-19;
- Access best practices for small business support from communities across the country, exploring how to adapt them to work within the parameters of the laws of the City of Fayetteville and State of Arkansas;
- Identifying and developing mid-term and long-term strategies for the redevelopment and activation of small businesses within the City of Fayetteville.

Staffed by the Department of Economic Vitality, the group is composed of the following members:

- Meredith Lowry, Wright Lindsey Jennings & Fayetteville Board of Health
- Molly Rawn, Fayetteville Advertising and Promotion Commission
- Jordan Garner, Tyson Family Foundation
- Martha Londagin, Startup Junkie Consulting
- Hannah Withers, Maxines Taproom and Leverett Lounge
- Morgan Scholtz, Startup Junkie Consulting
- Mary McGetrick, Long Range Planner, City of Fayetteville
- Jeff Amerine, Startup Junkie Consulting
- Brett Amerine, Startup Junkie Consulting
- Blake Pennington, City Attorney's Office
- Keaton Smith, Iberia Bank
- Caleb Talley, Startup Junkie Consulting
- Bo Counts, Pinpoint Pinball Bar
- Zane Chenault, Fayetteville Chamber of Commerce
- Devin Howland, Department of Economic Vitality

### **Action Item: Business Development Manager Phone Banking**

Following the postponement of many pending business projects, the City's Business Development Manager, Chung Tan, conducted hundreds of calls to business license holders. The purpose of these calls was to bring awareness to various tools—primarily CARES Act programming—and foster awareness of the City's COVID-19 Business Resource Page. Chung's sole focus was on industries that likely were not in tune with the resources provided by the State and Federal Government.

### **Action Item: National Collaboration and Coordination with other Cities in the United States**

## Department of Economic Vitality COVID-19 Response Report

On March 16, 2020, through an introduction from Council Member Matthew Petty, the City of Fayetteville joined a network of dozens of communities across the country, organized and hosted by Bobby Lee, the Economic Development Director for the City of Seattle. Fayetteville was the only City from Arkansas to attend these calls. While Fayetteville was undoubtedly the smallest municipality in the network, we were able to contribute to the group and took away numerous strategies to apply in our community. The group met weekly until September 7, 2020.

### **Action Item: Department of Labor Unemployment Insurance Program Letter (UIPL) Interpretation and Advocacy**

Internal staff's previous employment experience implementing Department of Labor programs such as the Workforce Innovation and Opportunity Act was utilized to monitor alterations to unemployment programs. This translated to advocacy from Mayor Jordan for the State to take full advantage of the new privileges from the Department of Labor. This work began on March 15, 2020 and focused on UIPL 10-20 specifically. UIPL 10-20 gave states the ability to use a great deal of discretion in extending unemployment benefits to those who traditionally would not be eligible. While Arkansas did not choose to utilize all the facets of this guidance, some were deployed. This UIPL enabled workers whose business closed as a result of the pandemic to be classified as a temporary lay-off, enabling them to access UI benefits. It also enabled states to alter the search-for-work requirement, allowing waiting for a business to reopen to satisfy that requirement. Staff acted on the following UIPLs throughout 2020:

- [UIPL 10-20](#)
- [UIPL 11-20](#)
- [UIPL 13-20](#)
- [UIPL 14-20](#)
- [UIPL 15-20](#)
- [UIPL 16-20](#)
- [UIPL 17-20](#)
- [UIPL 18-20](#)

### **Action Item: Development of the largest 'Entertainment District' in Arkansas, the Outdoor Refreshment Area**

On July 14, 2020 the Fayetteville City Council adopted an ordinance establishing Fayetteville's first Outdoor Refreshment Area, which included an emergency clause. While work on the ordinance began the year prior, it became clear that during a time of social distancing the tool could be used to generate sales safely. Throughout its development, staff worked closely with businesses, anchor institutions, and organizations such as the Dickson Street Merchants to ensure the process was led by businesses. Staff also presented the item to the transportation committee, which included powerful amendments that would help safeguard the continuity of many businesses in downtown.

#### *Outputs*

- Creation of the largest entertainment district in Arkansas at 150 acres.
- Creation of all promotional materials, boundary signage, cup design, and wristband design.

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- Creation of detailed guides for both the general public and participating businesses.
- Creation of an interactive map to help patrons of the district stay within the boundary and find participating businesses.
- Management of participating businesses and cup distribution.

### *Outcomes*

- Participating ORA businesses at 59, with a 95% participation rate.
  - [Participating business list](#)
- Full anchor participation, with Walton Arts Center, Theatre Squared and George's Majestic all participating.
- 103,000 compostable to-go cups provided to businesses at no cost in four months.

### *Supporting Links*

- [Fayetteville Outdoor Refreshment Area Homepage](#)
- [ORA Guide for the public](#)
- [ORA Guide for businesses](#)
- [Interactive ORA map](#)

### **Action Item: Advocacy and alterations to Arkansas Beverage Control rules to give private clubs the same opportunities to pivot as restaurants**

In July of 2020, Alcoholic Beverage Control issued a rule change enabling restaurants to temporarily expand their liquor license boundary to serve alcohol in outdoor areas, conditionally. Staff quickly realized this rule exempted private clubs. Bars specifically were barred from participating in this expansion. Where this rule is different, and why it's separate from the ORA, is that it regulates and expands where a drink can be served.

Mayor Jordan and City staff met with the Director of ABC and were successful in extending those benefits to private clubs, which the ABC did on August 11, 2020. However, private clubs still had a layer of bias against them in the new rule, being required to halt outdoor service at 10 p.m., whereas restaurants can serve much later. To resolve the issue without the State, the Outdoor Refreshment Area's Sidewalk Café provision, and rules for consumption on private sidewalk café permitted areas was changed to allow patrons of private clubs to consume in these areas during all legal operating hours of the business. While the City was legally unable to extend serving hours outdoors, revenue generation and use of outdoor space was no longer bound to the 10 a.m. to 10 p.m. hours of the open consumption district.

- [ABC Restaurant Rule Change](#)
- [ABC Non-Restaurant Rule Change](#)
- [City of Fayetteville Guidance for ABC Rule Changes](#)

### **Action Item: Streamlined ABC Outdoor Service Area Approval and Technical Assistance**

Following the issuance of the new temporary rule change from ABC, City approval was required for a business to be considered by the State. Mayor Jordan issued a letter supporting any and

## Department of Economic Vitality COVID-19 Response Report

all expansions throughout Fayetteville, enabling Development Services to expedite approval of these so businesses could proceed with their State requests. While an exhibit of the expansion was not required by the City to be approved, it was by the State. The Department of Economic Vitality crafted dozens of exhibits for various businesses as an extra service. More than twenty ABC permit expansions have been approved by the State thus far.

- [City of Fayetteville Guidance for ABC Rule Changes](#)

### **Action Item: Guaranteeing access to the Paycheck Protection Program for underserved business owners**

When the Paycheck Protection Program was opened, it would only take 13 days for \$349B to be absorbed by companies. It also became known that industry sectors that were not as significantly impacted as restaurants and performance venues received most of the funds. This generated a great deal of frustration, which was felt locally in Fayetteville. Understanding the program was preparing to receive another injection of funding from the Federal Government, staff worked with Seattle's Economic Development Department to deploy a tool they used to guarantee funding for specific industries.

Through work with Arkansas Capital Corporation, a prominent Community Development Financial Institution (CDFI) in Little Rock, City staff laid the framework to guarantee access to the Paycheck Protection Program for Fayetteville businesses, specifically those in NAICS 72 (Accommodation and Food Services).

While thankfully the program did not have to be deployed, it would have operated in the following manner:

1. Authorization of reimbursable City funds to be used for PPP funding;
2. Funds delivered to CDFI, which would begin underwriting loans for specific industries within Fayetteville, calling down the total in allotted funds to guarantee access;
3. CDFI receives funding from the U.S. Treasury Department for issuing PPP loans;
4. CDFI reimburses the City of Fayetteville original amount.

To date, the Paycheck Protection Program has not been fully depleted. Fayetteville businesses who wished to access the program have had the means to do so.

### **Action Item: Detailed monitoring of taxable sales at the four-digit NAICS code level**

Each month the Department of Economic Vitality conducts an analysis of taxable sales in Fayetteville. Unlike data estimations from companies such as ESRI, the data generated is 100% accurate, using DFA data, interpreted by an internally built spreadsheet. Since COVID began, staff has conducted detailed tracking of at-risk industry sectors. While examples have been provided below, a wide range of true sales data is available in the appendix of this report.

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|   | Jan-19                 | Feb-19                 | Mar-19                 | Apr-19                 | May-19                 | Jun-19                 | Jul-19                 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>72 - Accommodation and Food Services</b> | <b>\$24,578,063.50</b> | <b>\$25,865,680.00</b> | <b>\$30,669,010.50</b> | <b>\$30,208,109.00</b> | <b>\$33,340,003.00</b> | <b>\$30,780,947.50</b> | <b>\$27,705,371.00</b> |
| Full-Service Restaurants                    | \$12,364,848           | \$12,829,178           | \$14,881,580           | \$15,064,753           | \$15,063,780           | \$14,272,860           | \$12,885,876           |
| Limited-Service Eating Places               | \$3,050,398            | \$3,181,935            | \$3,241,704            | \$3,521,279            | \$3,371,750            | \$3,097,278            | \$3,108,193            |
| Traveler Accommodation                      | \$3,252,200            | \$3,386,996            | \$5,023,838            | \$4,560,975            | \$4,831,360            | \$6,109,221            | \$3,882,168            |
| Special Food Services                       | \$625,799              | \$792,294              | \$1,119,362            | \$994,810              | \$1,021,761            | \$889,110              | \$561,991              |
| Drinking Places (Alcoholic Beverages)       | \$492,989              | \$669,869              | \$791,556              | \$859,029              | \$901,041              | \$927,709              | \$793,041              |
| Restaurants and Other Eating Places         | \$4,791,831            | \$5,005,409            | \$5,610,971            | \$5,207,264            | \$8,150,312            | \$5,484,770            | \$6,474,104            |

|   | Aug-19                 | Sep-19                 | Oct-19                 | Nov-19                 | Dec-19                 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>72 - Accommodation and Food Services</b> | <b>\$30,642,754.00</b> | <b>\$32,505,177.00</b> | <b>\$31,114,869.00</b> | <b>\$30,458,858.50</b> | <b>\$28,405,955.00</b> |
| Full-Service Restaurants                    | \$14,082,674           | \$14,248,098           | \$14,337,616           | \$13,735,647           | \$13,546,821           |
| Limited-Service Eating Places               | \$3,456,272            | \$3,432,478            | \$3,422,731            | \$3,358,369            | \$3,292,645            |
| Traveler Accommodation                      | \$4,333,127            | \$5,398,388            | \$4,332,494            | \$3,924,060            | \$3,231,624            |
| Special Food Services                       | \$1,112,025            | \$1,988,645            | \$1,376,426            | \$1,650,417            | \$769,115              |
| Drinking Places (Alcoholic Beverages)       | \$837,963              | \$613,768              | \$732,728              | \$1,191,625            | \$547,752              |
| Restaurants and Other Eating Places         | \$6,820,695            | \$6,823,802            | \$6,912,876            | \$6,598,742            | \$7,017,999            |

|   | Jan-20                 | Feb-20                 | Mar-20                 | Apr-20                 | May-20                 | Jun-20                 | Jul-20                 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>72 - Accommodation and Food Services</b> | <b>\$26,715,519.50</b> | <b>\$25,769,392.00</b> | <b>\$22,812,239.50</b> | <b>\$18,531,481.50</b> | <b>\$21,086,435.00</b> | <b>\$21,713,597.50</b> | <b>\$23,140,272.50</b> |
| Full-Service Restaurants                    | \$12,576,108           | \$11,741,874           | \$11,154,219           | \$9,408,927            | \$11,142,183           | \$10,470,526           | \$10,947,177           |
| Limited-Service Eating Places               | \$3,098,823            | \$2,526,510            | \$2,083,179            | \$2,180,696            | \$2,398,064            | \$2,371,187            | \$2,508,248            |
| Traveler Accommodation                      | \$2,706,165            | \$4,232,410            | \$2,206,774            | \$656,327              | \$1,256,150            | \$1,891,764            | \$2,268,779            |
| Special Food Services                       | \$1,114,998            | \$1,098,888            | \$744,579              | \$237,471              | \$255,481              | \$401,806              | \$440,249              |
| Drinking Places (Alcoholic Beverages)       | \$735,616              | \$388,541              | \$697,315              | \$228,254              | \$249,724              | \$416,650              | \$481,106              |
| Restaurants and Other Eating Places         | \$6,483,811            | \$5,781,171            | \$5,926,176            | \$5,819,808            | \$5,784,834            | \$6,161,666            | \$6,494,715            |

Figure 1: Data Extraction Example from Department of Economic Vitality Sales Analysis Tool

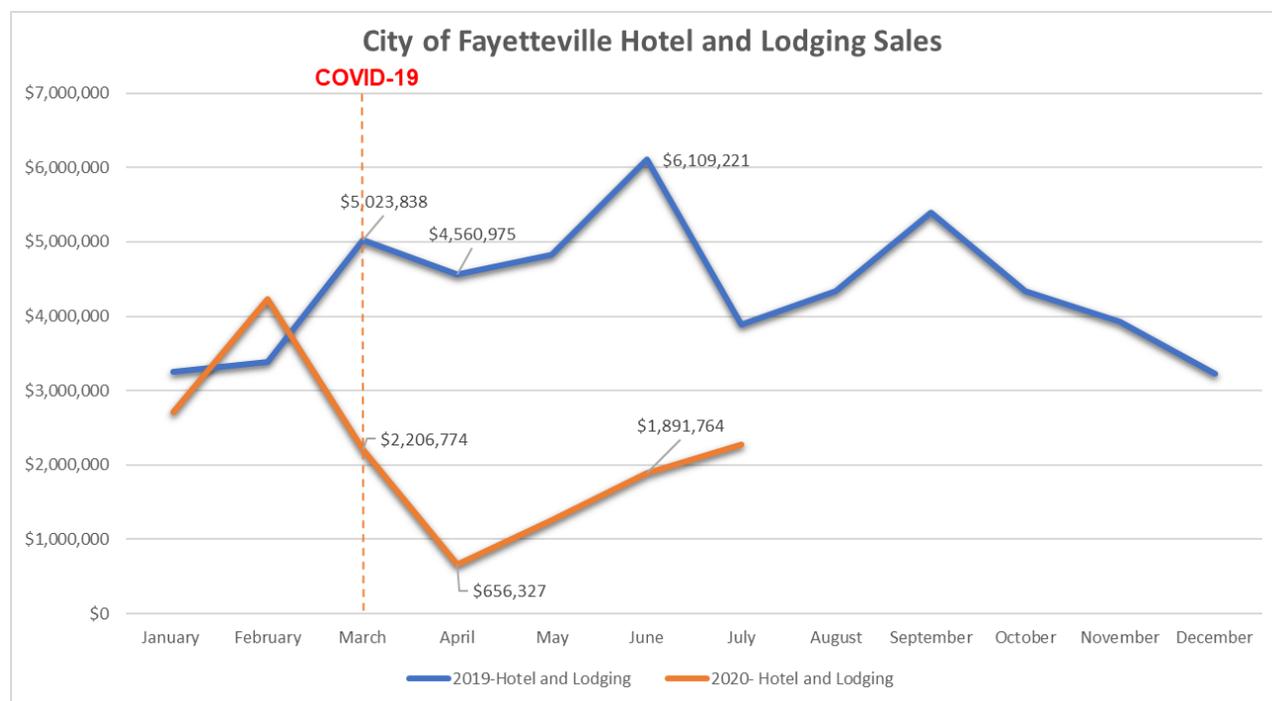


Figure 2: Detailed market segment monitoring example

### Action Item: Socially Distanced Startup Crawl

The largest event funded through Fayetteville's contract services, the Startup Crawl, was reimagined by Startup Junkie Consulting the week of September 14, 2020. The hybrid event spanned the course of a week and was a combination of pre-recorded content and dispersed gathering opportunities at various local businesses. Working with Fayetteville Public Television, content was streamed to participants' homes each night, coupled with deliveries from local

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breweries and small businesses. The week highlighted the resiliency of small businesses through the pandemic and hours of content was generated for future marketing use for the City and Startup Junkie.

Concluding at George's Majestic Lounge with a socially distanced concert, the entire Startup Junkie team worked hard to deliver a safe experience that highlighted the best of our local economy.

- [Click here to view dozens of "Startup Stories" from local businesses](#)
- [Startup Week announcement](#)
- [Startup Week: Everything you need to know](#)

*Action Items currently in progress*

### **Action Item: Lowering the cost of sustainable to-go containers for restaurants City-wide**

At the recommendation of a Fayetteville restaurant operator, the City is currently developing an RFP for a vendor to be the City's "preferred" sustainable to-go container provider. During the beginning of ORA, many downtown business owners inquired about the City's price for compostable cups, citing the higher cost as a previous deterrent. Surprised by the City's pricing with the Food Loops contract (which was approved by City Council on October 20, 2020), they asked staff if such a measure could lower their cost for to-go containers as well.

The initiative was well received by the Northwest Arkansas Restaurant Forum, hosted by the Arkansas Small Business Technology Development Center (ASBTDC). ASBTDC generated a survey for the City in order to select the most common sizes of cups, boxes, and ramekins for the RFP. Staff plans on having a recommended supplier to City Council before the end of the year.

### **Action Item: Two additional Outdoor Refreshment Areas are currently in development**

The Department of Economic Vitality is currently in the process of developing two additional Outdoor Refreshment Areas (ORAs), each on single properties with numerous tenants. Establishment of broad districts is extremely time intensive. While broad districts for Uptown and College Avenue are being planned for 2021, these two smaller, more focused ORAs will help programming and events be expanded through the winter and provide relief for numerous restaurants.

### **Action Item: Adaptation of the Fayetteville Workforce Development Plan to the COVID-19 Pandemic**

After over a year of work and having nearly completed review meetings with City Council Members, the Department of Economic Vitality was preparing to deliver Fayetteville's first Workforce Development Plan in the spring of 2020. While the economic response to the COVID-19 pandemic brought this effort to a halt, in October of 2020 staff began the process of

## Department of Economic Vitality COVID-19 Response Report

reactivating this project. The entirety of the plan is rooted in data from the U.S. Census Bureau, Bureau of Economic Analysis, and Bureau of Labor Statistics, all of which were greatly impacted by the economic consequences of the pandemic. While the pandemic is still underway, data from the spring and summer of 2020 is starting to become available, enabling the labor analysis to be redeveloped. In hindsight the plan's delay was a good thing, as it would have no longer been applicable had it been developed without taking the pandemic into consideration. Staff plans on delivering this item in early 2021.

- [Fayetteville Workforce Development Plan Homepage](#)

### **Action Item: Adaptation of Departmental and Contract Services Focus Areas to Address Mid to Long-Term Economic Recovery**

The COVID-19 pandemic has necessitated a full review and refocus of priority focus areas for not only the City of Fayetteville's internal economic vitality services, but also, its contracted services. Sectoral shifts in areas of commercial real estate (specifically with office) retail trade, and hospitality require we not only use public services to adjust to this change- but also to respond in the most impactful manner we can. At the onset of the pandemic, our outward recruitment focuses quickly shifted to ensuring the institutions that help define the fabric of Fayetteville survived. Moving into 2021, staff plans to continue to focus our efforts on taking care of home.

These challenges, and the need for adaptation, presents a great opportunity to continue to respond in an impactful, and intentional manner. As we look to the future, staff is currently conducting meetings with each member of the City Council to get their feedback and guidance on what items should be focused on and funded. The Small Business Resiliency Task Force conducted an exercise last month, crafting a macro view of priority services the City should focus on. Once feedback is collected from members of the Fayetteville City Council, staff will present its findings and the plan for moving forward aiming for the November 24<sup>th</sup> Agenda Session.

-End of Department of Economic Vitality Specific Report-

### **Action Item: Experience Fayetteville Event Funding [Development Services, Long Range Planning & Experience Fayetteville]**

An event was piloted by the City of Fayetteville's Long-Range Planner, Mary McGetrick, and Experience Fayetteville on August 27, with the goal of providing a safe opportunity to increase sales for business on slow days of the week. On October 20, 2020 the Fayetteville City Council approved a resolution funding four additional events, which would be led by Experience Fayetteville. Activation of different areas of downtown was identified by Mayor Jordan's Small Business Resiliency Task Force. The item, originally slated for the November 5, 2020 City Council meeting was escalated by Council Member Matthew Petty in order to get planning underway.

## Department of Economic Vitality COVID-19 Response Report

- [2020-0925 FAYETTEVILLE ADVERTISING AND PROMOTION COMMISSION](#)

### **Action Item: Streamlining of Parklets and Sidewalk Cafés by right**

On July 14<sup>th</sup> during an emergency City Council meeting, Ordinance 6332 was passed unanimously. The ordinance streamlined the process for development of parklets, removed review and bonding requirements for sidewalk cafes, and created a path for reservation of parking spaces for the expansion of safe commerce.

- [Ordinance 6332](#)
- [Parklet Guide](#)

### **Action Item: Early code alterations and measures from Development Services**

At the onset of the pandemic, Development Services issued a wide range of measures to help businesses adapt and innovate in wake of the pandemic. Crafting item's through both Mayor's Extraordinary powers and the City Council, the array of items can be reviewed at the following page:

- [City policies, ordinances, and resolutions related to COVID-19](#)

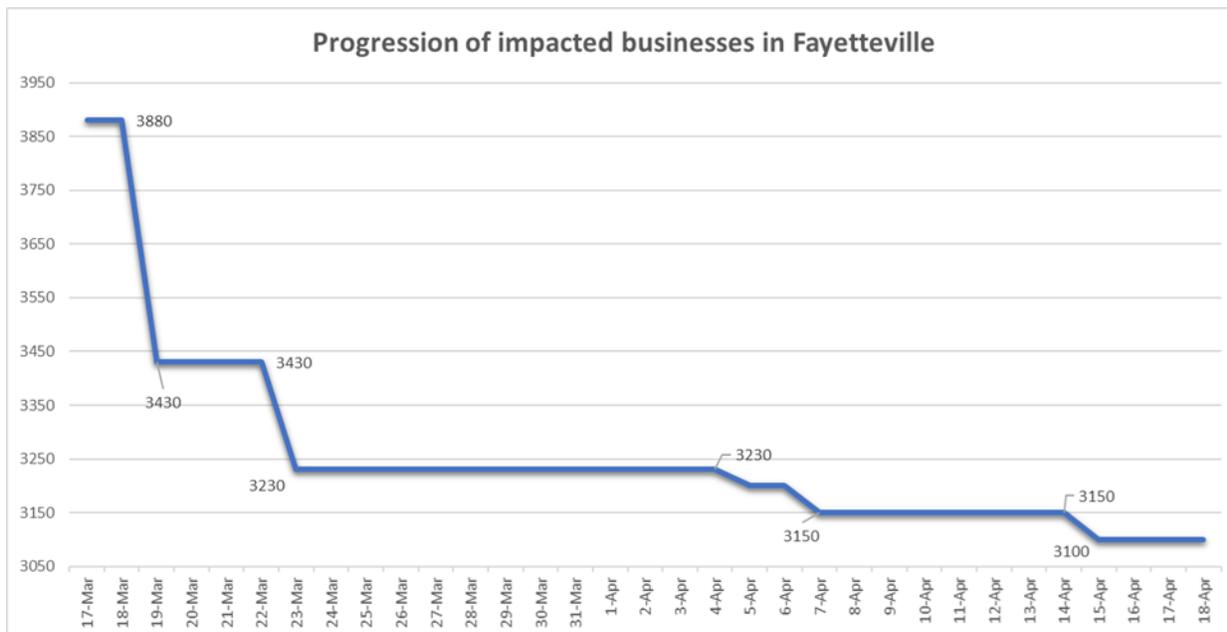
### **Action Item: Parking Space Reservation for to-go and curbside pickup**

The City of Fayetteville's Parking Division responded quickly to the need for dedicated spaces for expanded curbside pickup for businesses. Deploying dozens of reservation signs, many of which are still in use today. The Parking Division has also managed the payment and reservation of parking spaces for parklets.

# Department of Economic Vitality COVID-19 Response Report

## Appendix

### Progression of businesses impacted by health directives:



*Figures do not count small retailers who have closed due to lack of traffic.*

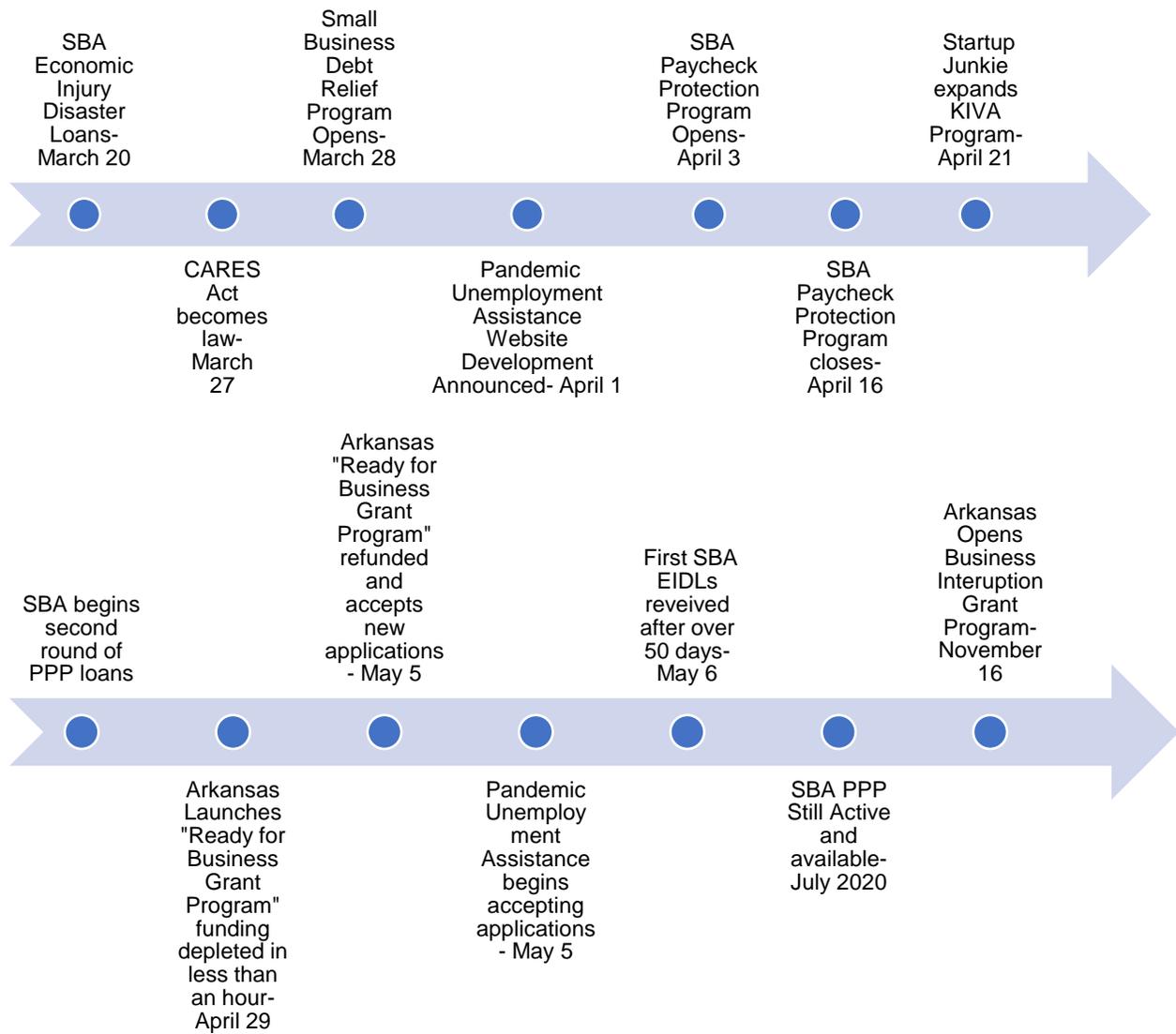


While the necessary closure of various industry sectors was swift, the development and availability of various State and Federal recovery programs were several weeks behind. And in some cases, the time for support to come on line was much longer. Pandemic Unemployment Assistance, a component of the CARES Act that enabled residents who traditionally do not qualify for unemployment benefits to participate in benefits (such as small business owners and 1099 contractors) took 40 days to begin accepting applications. The following timelines provide a high-level overview of selected major State and Federal Programs that were developed in response to the pandemic.

## Department of Economic Vitality COVID-19 Response Report

### Timeline of State and Federal programs and resources:

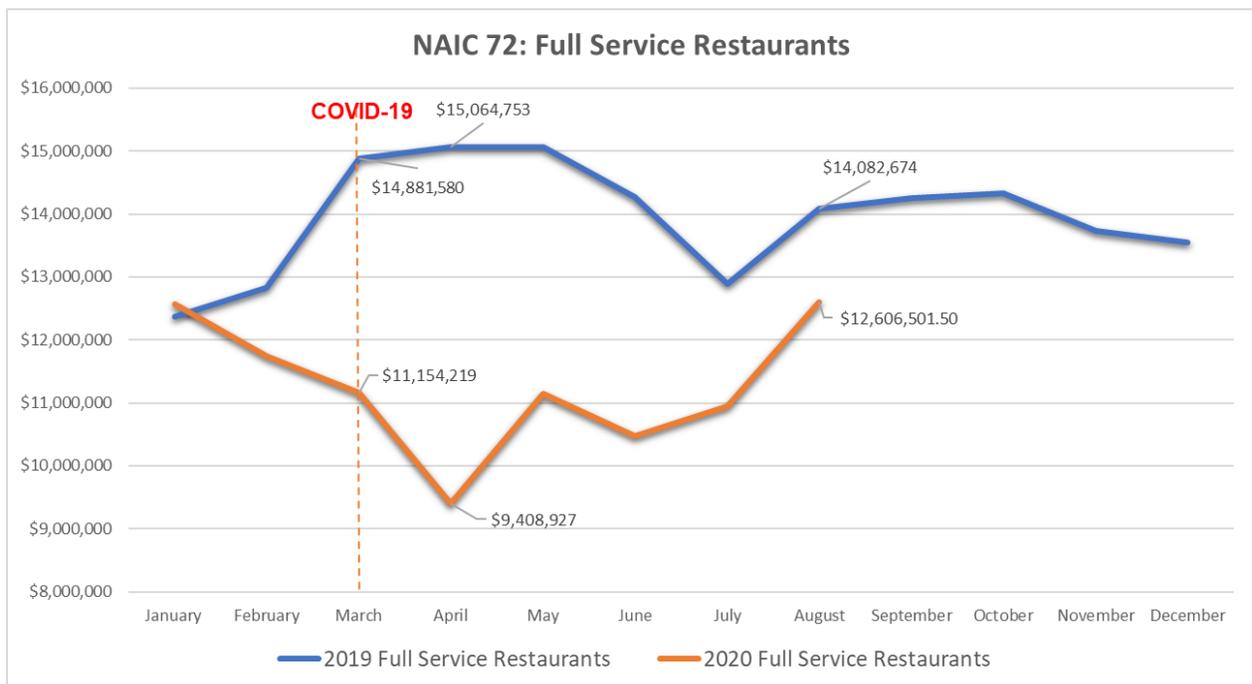
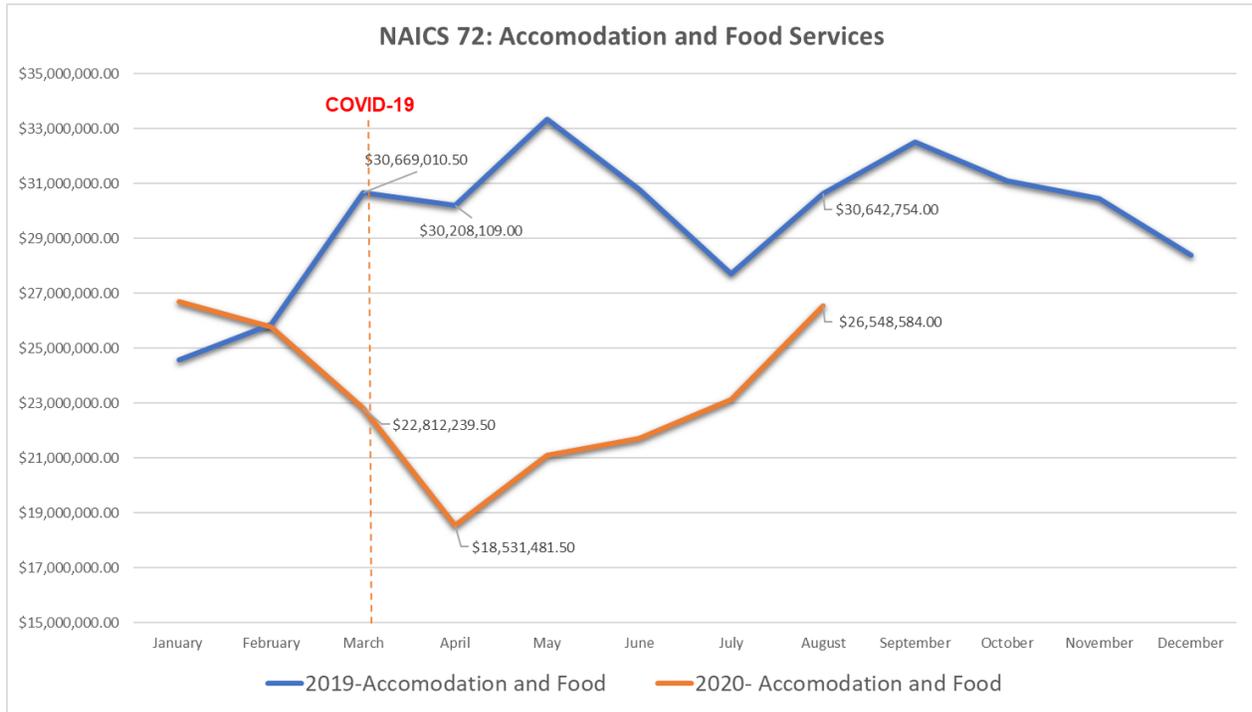
The timeline below provides a rough overview of the primary State and Federal programs which were deployed as business relief measures due to the pandemic. Many programs, such as the Pandemic Unemployment Assistance program managed by the State took over a month to activate following Federal authorization.



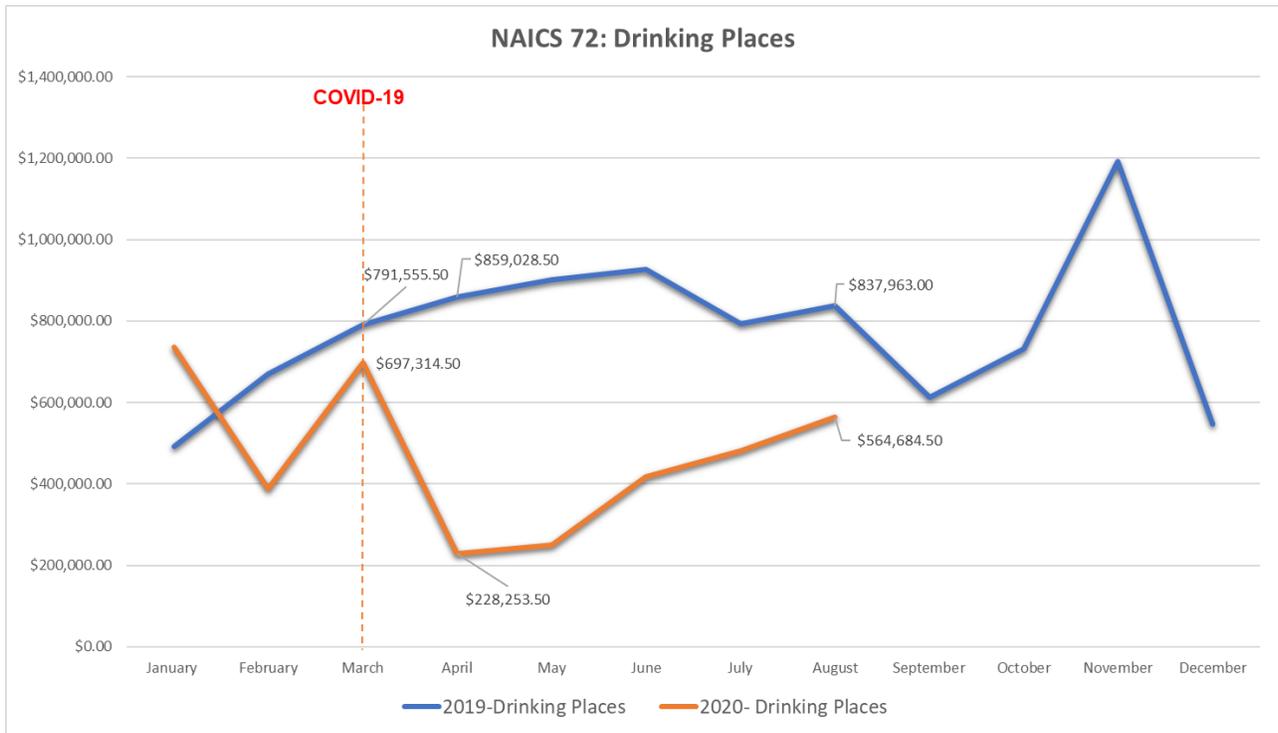
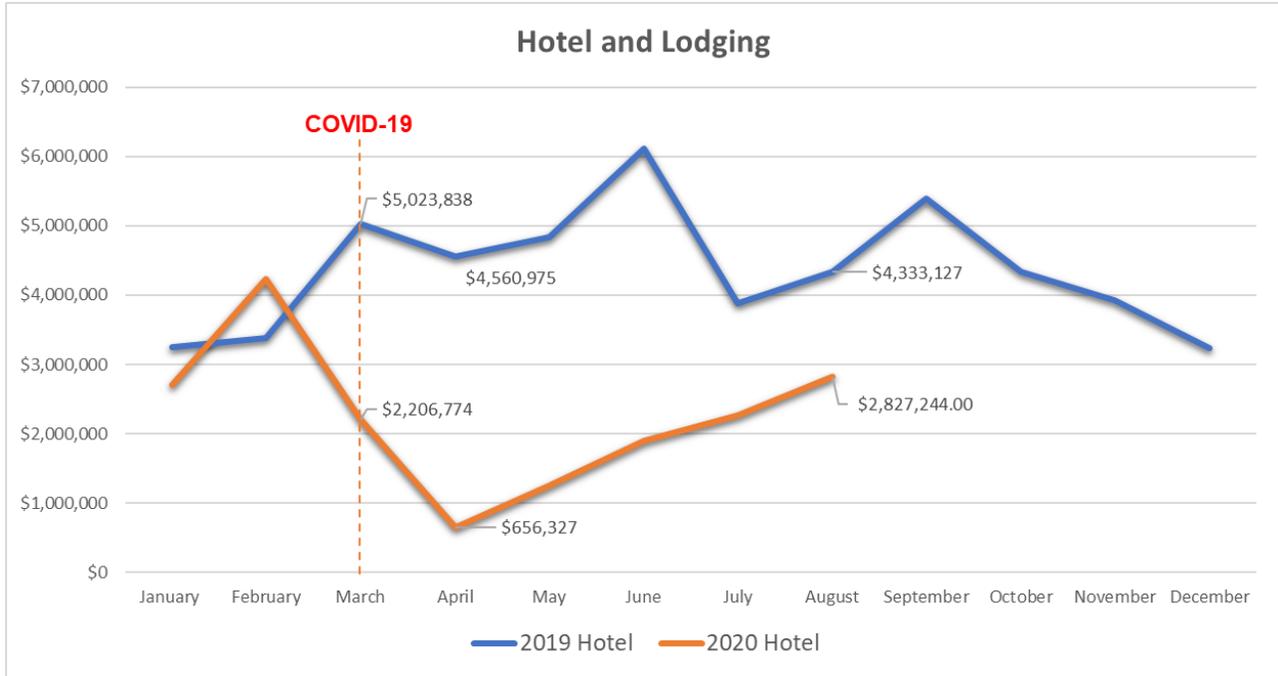
# Department of Economic Vitality COVID-19 Response Report

## Year to Date sales analysis:

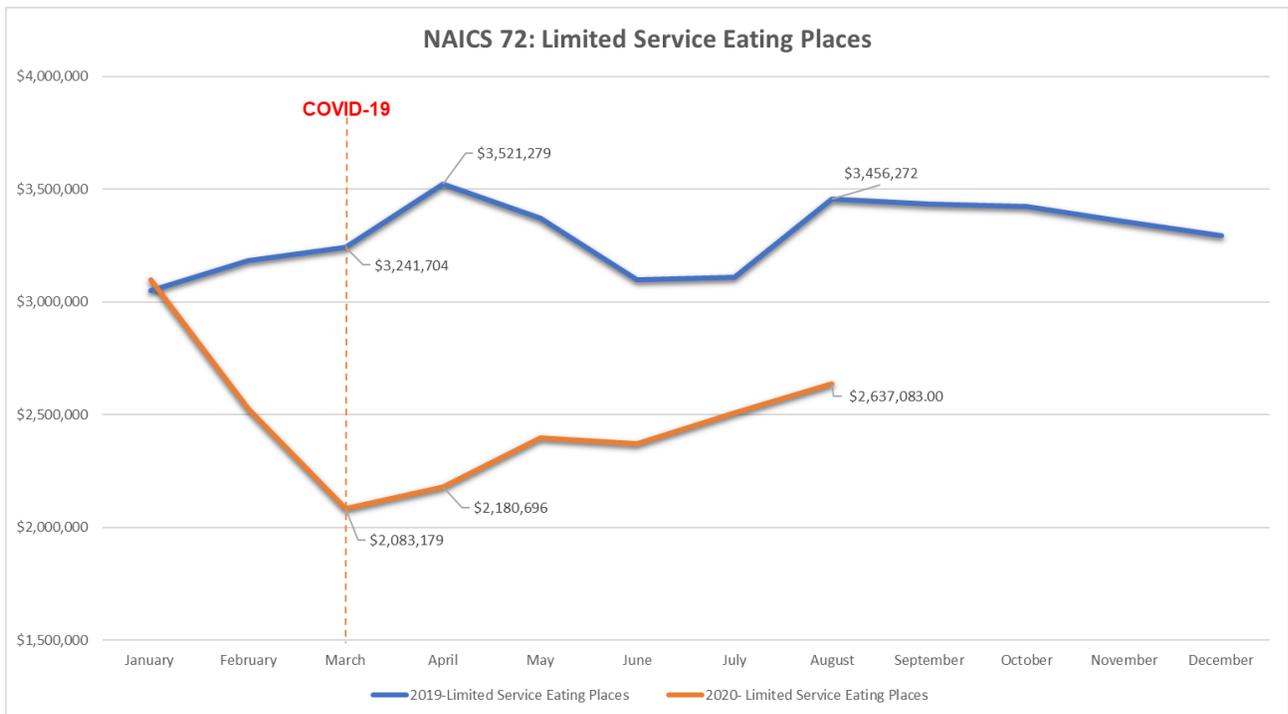
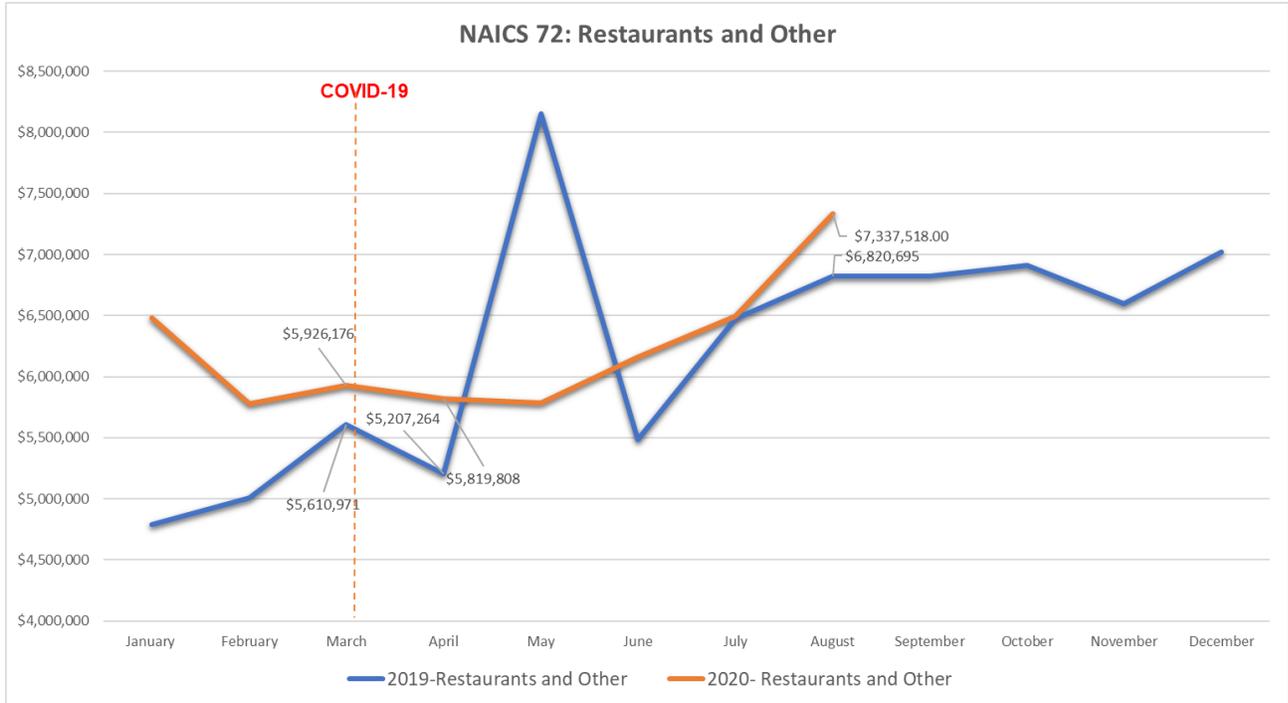
The following tables outline true taxable sales in the City of Fayetteville through the pandemic thus far. The data is calculated by the Department of Economic Vitality using Arkansas Department of Finance and Administration Local NAICS tax reporting. The first set of figures provide a detailed look at the most significantly impacted industry sector, NAICS 72, Accommodation and Food Services.



# Department of Economic Vitality COVID-19 Response Report

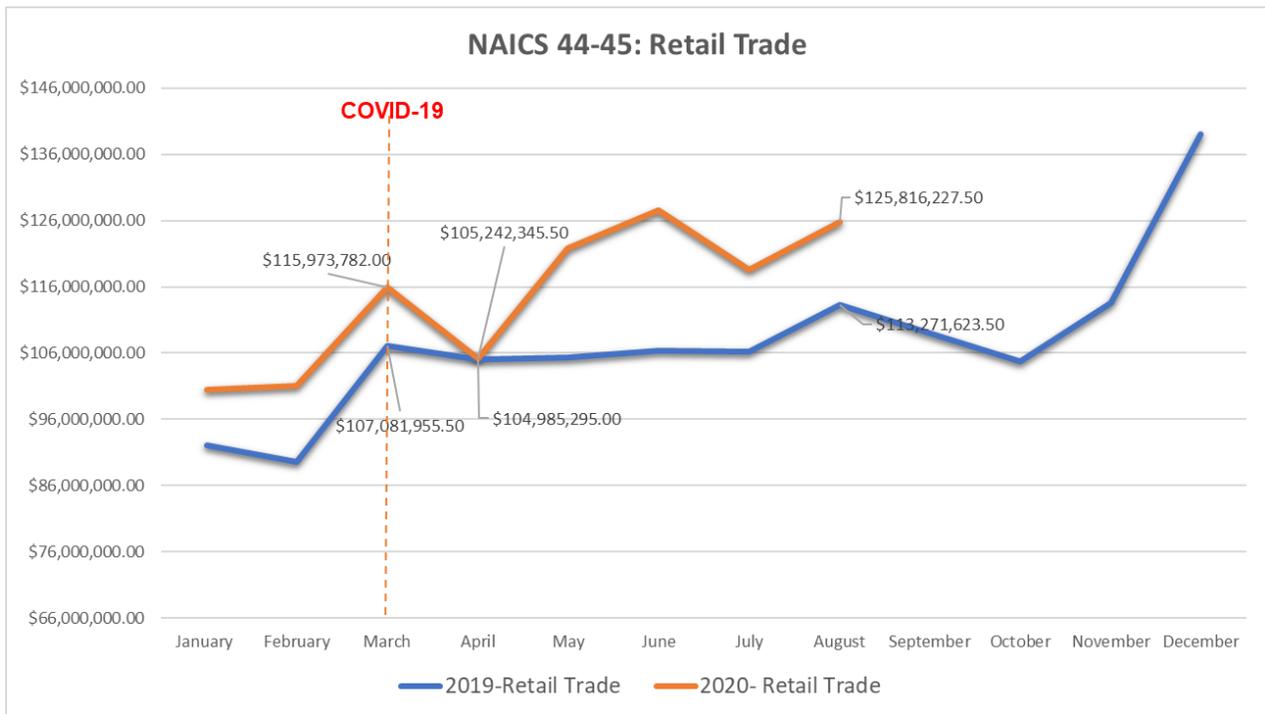
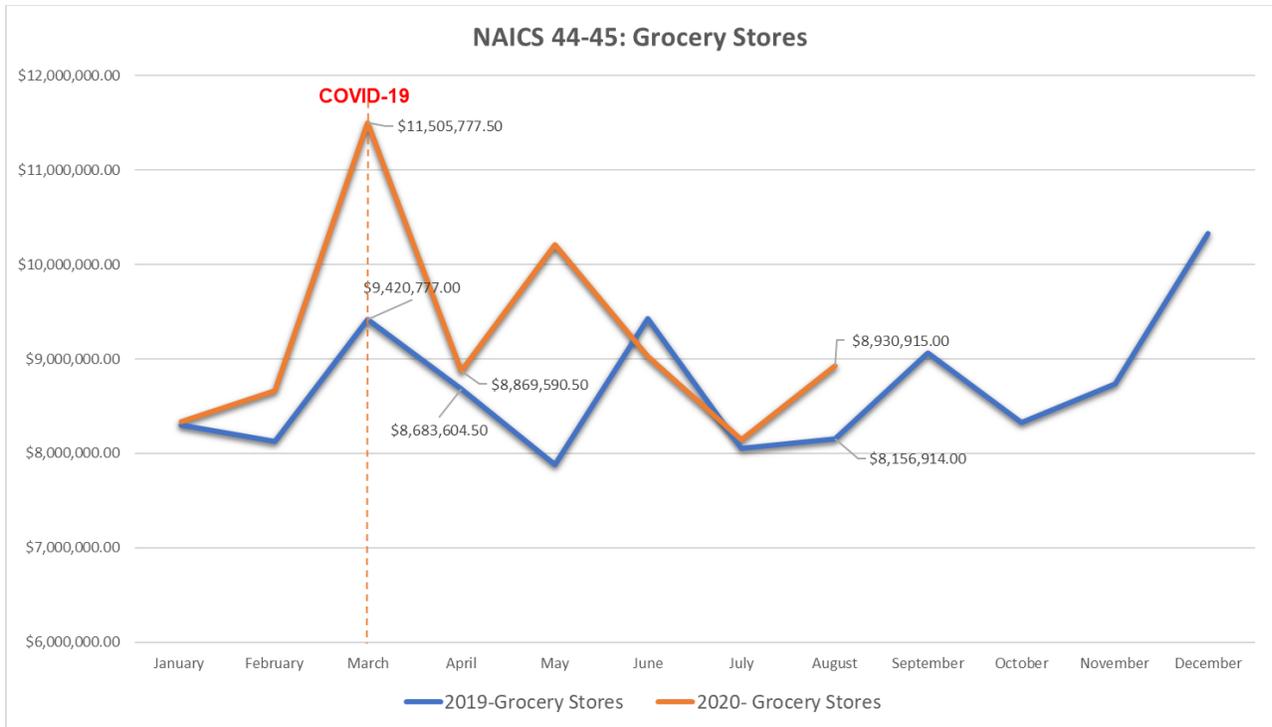


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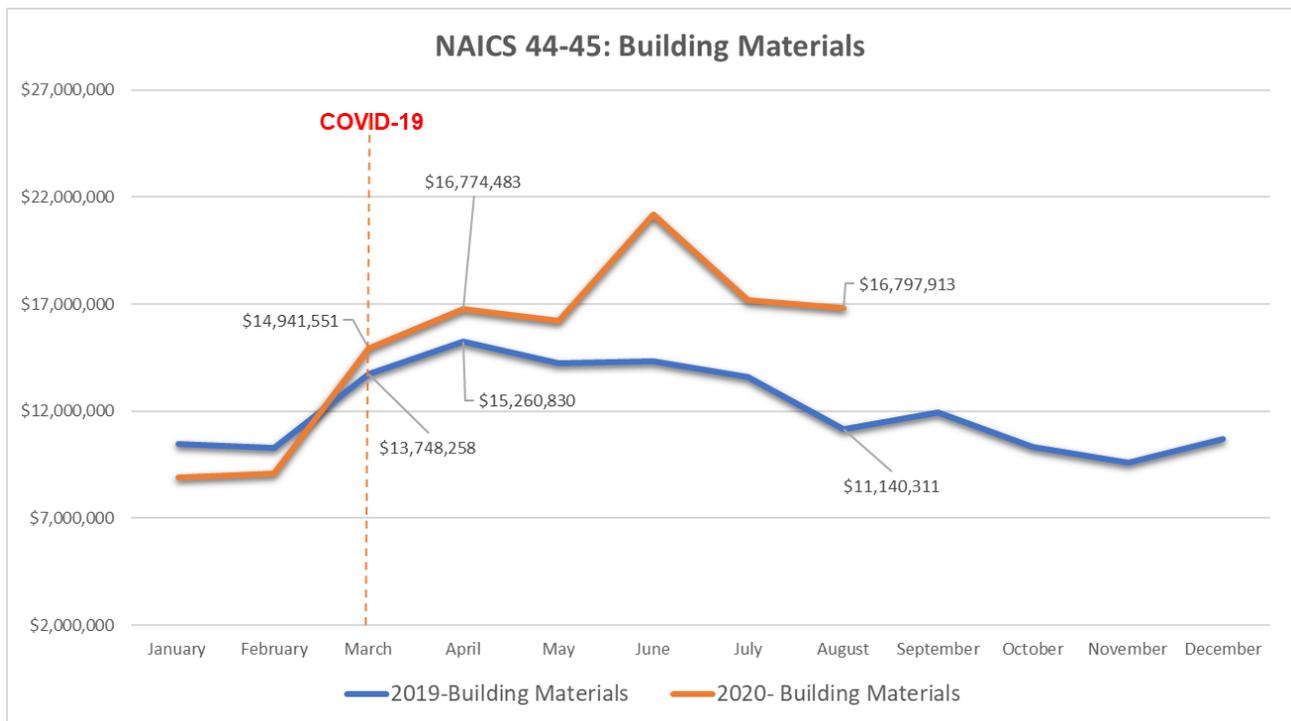
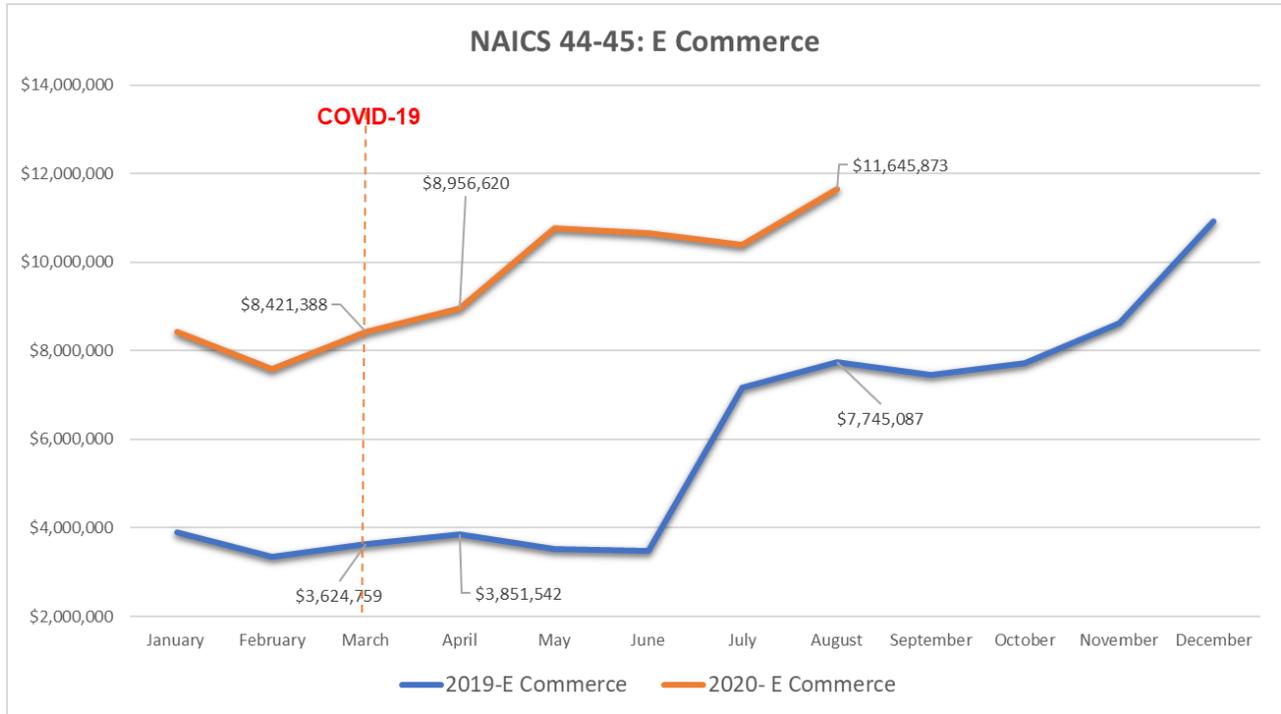
## Department of Economic Vitality COVID-19 Response Report

Retail Trade (NAICS 44-45), the City's largest sales category, experienced major shifts in spending patterns as well. Spending patterns shifted significantly in March of 2020 and the extent of panic buying can be seen in March of 2020 in the table below which shows grocery sales:



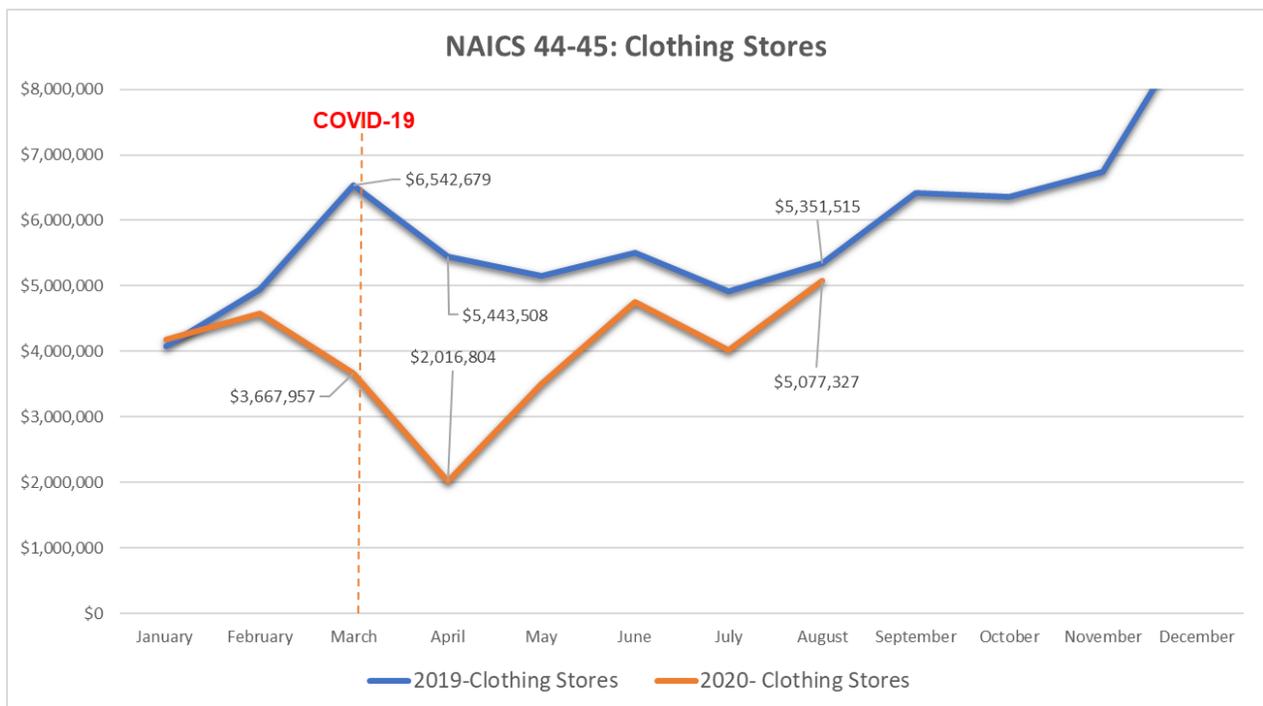
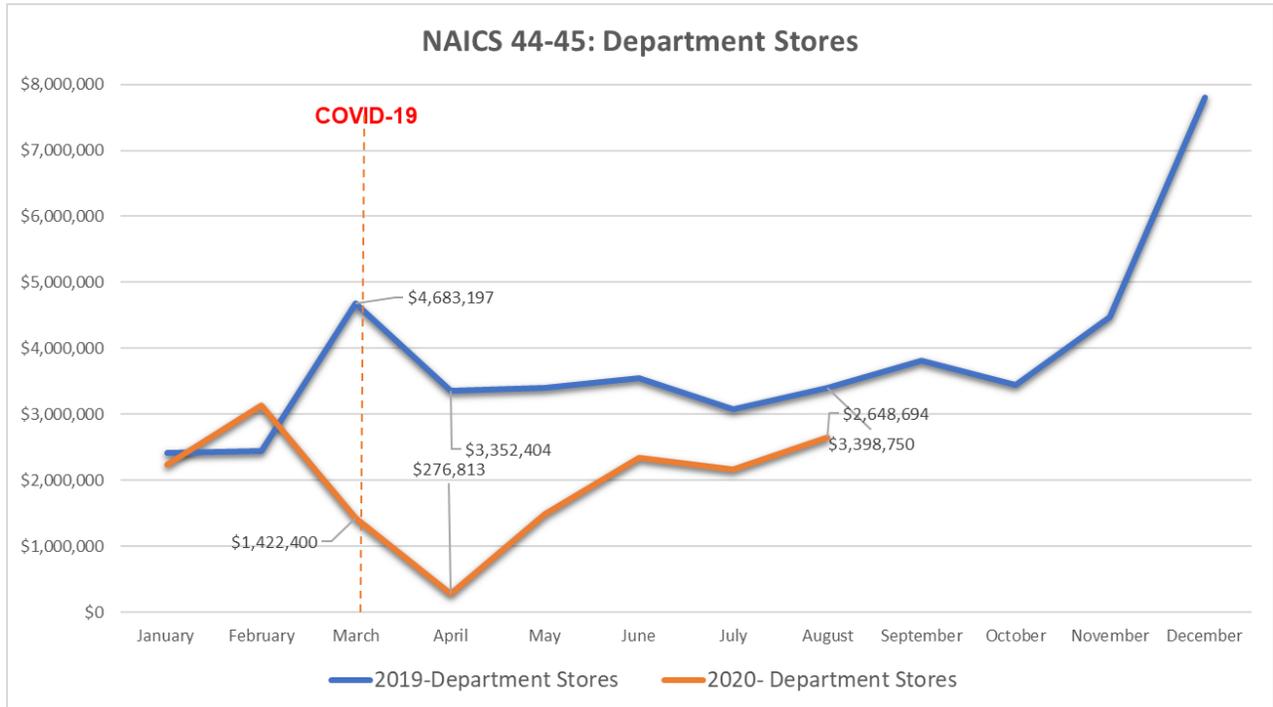
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The rise within retail trade can be attributed to a few sectors within where spending increased as a result of the pandemic. While grocery stores are one of these categories, spending also increased with sectors such as building materials and internet sales:



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While Fayetteville does not depend on non-essential retail sales (such as Department Stores or non-basic goods), these sectors reflected residents spending shifts as the pandemic began in March of this year:



## **Department of Economic Vitality COVID-19 Response Report**

All sales tables were calculated by the Department of Economic Vitality using sales by NAICS code data from the Arkansas Department of Finance and Administration. Additional sectors can be provided by contacting the Department of Economic Vitality.