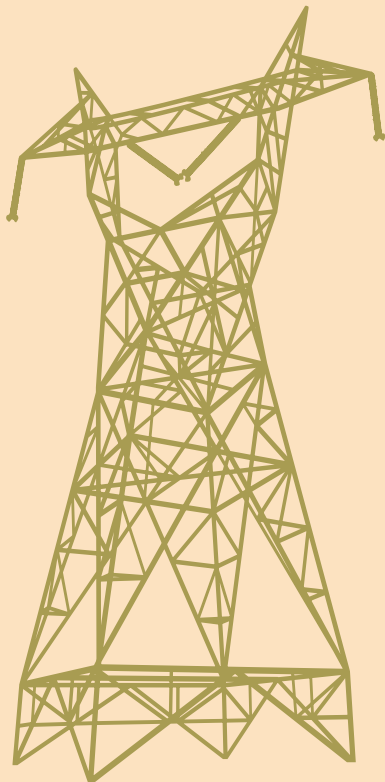


## Cost Savings for the Short Term and the Long Haul

Distribution and manufacturing operations choose West Memphis both for its exceptional location and its competitive costs. State incentives and relocation programs can trim start-up expenses, and perhaps more powerful are the West Memphis operational savings that can add up year after year.

### Utilities

West Memphis offers a number of business-ready greenfield sites with utilities in place. And facilities in West Memphis enjoy the stable electricity and water rates that come with a city-owned, non-privatized utility.



#### Electricity: West Memphis Utility Commission

Transmission Voltages: . . . . . 161,000

City Primary Voltages: . . . . . 8,000 – 13,800

Service Voltages Available: . . . . . 110 – 208 – 220 – 440

#### Water System: West Memphis Utility Commission

(figures are gallons/day)

Pumping Capacity: . . . . . 12,000,000

Peak Consumption: . . . . . 10,000,000

Daily Average: . . . . . 7,500,000

Surplus Capacity: . . . . . 4,000,000

#### Sewer System: Municipal (figures are gallons/day)

Capacity: . . . . . 6,000,000

Peak Sewer Treatment: . . . . . 4,000,000

Surplus Capacity: . . . . . 1,500,000

## Taxes

West Memphis' low taxes add additional competitiveness to a West Memphis facility. So if identical \$12-million projects were built in both North Mississippi and West Memphis, Arkansas, the West Memphis facility would likely enjoy \$114,000 a year advantage in property taxes alone.

Over the next 10 years, that single line item saves \$1.14 million dollars.

The City of West Memphis and Crittenden County collect small local property taxes to fund public schools. These taxes compare favorably to competing cities. In fact, the data source Moving Traffic ranks West Memphis in the top 2% among its peer cities for "affordability of property taxes." West Memphis has the lowest property tax rate in the tri-state ADI.



Sample Facility Location	Project Value	Projected Annual Property Taxes
<b>B: Northern MS</b>	<b>\$12 million</b>	<b>\$201,000</b>
<b>A: West Memphis, AR</b>	<b>\$12 million</b>	<b>\$87,000</b>

## Fire Rating



The ISO (Insurance Service Office, Inc.) evaluates fire departments for the purpose of assigning a fire insurance classification to be used by insurance companies in setting fire insurance premiums, and a low number can mean significant savings on insurance. West Memphis' extraordinary municipal fire department recently achieved a rating of 2 (effective August 2007), which is a score typically associated with much larger municipalities.

In addition to the asset security that comes with knowing fires can be quickly extinguished comes attractive potential insurance premium savings. Many peer cities in Arkansas, Mississippi, and Tennessee have ratings as high as 6, which can mean tens of thousands of dollars each year in additional premiums.

## Workforce Training

West Memphis leads the region in innovative workforce training programs. West Memphis' Mid South Community College (MSCC) has achieved national recognition for its industrial and workforce training programs, and that distinction impacts the bottom line of West Memphis employers.

MSCC recently began training students and area residents on equipment in use at the Hino Motors manufacturing facility. When Langston Bag Co. bought a complex manufacturing machine, MSCC developed a working manual for the machine and a training course. The college also makes customized workforce screening and testing available. MSCC's commitment to the manufacturing community grew in 2006 with the opening of the Workforce Technology Center, an automotive and technical facility that trains area students and residents on robotics, welding and programmable logic controls. It's a competitive advantage that pays.

Other bottom-line benefits include favorable unemployment insurance and workers' compensation rates and Arkansas' status as a right-to-work state.

### West Memphis Fire Protection

**Paid firefighters: 72**  
**Volunteer firefighters: 0**  
**Water pressure: 3500psi (min)**  
**Equipment: 14 units**  
**Fire Insurance rating: 2**  
**(effective August 2007)**

### MSCC Workforce Technology Center

**A 7.5 Million, 38,154 square foot facility with a \$1.5 million investment in manufacturing and robotic equipment**

Currently training students on:

- Introduction to Manufacturing
- Design for Manufacturing
- Computer Engineering
- Diesel Maintenance Technology

## Incentives



The Arkansas Economic Development Commission is aggressively recruiting businesses to the state, and has shown intense interest in developing the distribution and automotive industries in Eastern Arkansas. The state's commitment to growth is evidenced in some of the country's most competitive financing and incentive packages.

**Financing Packages**— Arkansas offers a number of attractive financing packages for industry, including industrial revenue bonds ("Act 9 Bonds"), bond guarantees from EDC and ADFA (totaling up to \$11 million per project), economic infrastructure grants, small business loans, seed capital from the Arkansas Science and Technology Authority, attractive financing for employers through the Arkansas Capital Corporation Group subsidiaries and tax increment financing for infrastructure or other public improvements.

**Investment and Job Creation Incentives**— The Arkansas Economic Development Commission focuses on a business's specific needs, conducts a cost-benefit analysis and designs a tailored incentive package. Special incentives are available as part of Advantage Arkansas, a state income tax credit for job creation based on the payroll of new, full-time, permanent employees hired in targeted sectors. Advantage Arkansas participants investing at least \$100,000 are also eligible for the Tax Back program, which provides a refund of a project's sales and use taxes for building materials and taxable machinery and equipment. InvestArk is yet another targeted sales and use tax credit program. It is available to businesses established in Arkansas for two years or longer that invest \$5 million or more in plant or equipment for new construction, expansion or modernization.

**Super Project Funding**— In November 2004, Arkansas voters overwhelmingly approved an amendment to the state constitution to help attract super projects. Amendment 82 defines a super project as one that creates at least 500 new jobs and invests more than \$500 million. Examples of the type of projects that might meet the criteria for a super project and have infrastructure needs that would require bond financing could include steel mills, paper mills, corporate headquarters, pharmaceutical companies, automobile parts and assembly plants.

**Discretionary Incentives**— Discretionary incentives are negotiated by the Arkansas Economic Development Commission in highly competitive situations. These include the "Create Rebate" that provides annual cash payments based on a company's annual payroll for new, full-time, permanent employees; "ArkPlus," a state income tax credit program that provides tax credits of 10% of the total investment in a new location or expansion project and "TBIs," which are targeted business incentives designed to help new, knowledge-based businesses in their early years.

**Specialized Incentives** — The city has a long list of specialized incentives designed to encourage a broad range of business activity, ranging from the provision of childcare to the reimbursement of employee tuition to the use of recycling equipment.