

**NO. 1: BEST AFFORDABLE PLACE TO LIVE, U.S. NEWS &**

**WORLD REPORT • NO. 1: MOST FAMILY FRIENDLY,**

**CHAPMAN UNIVERSITY • NO. 2: BEST MIDSIZE CITY FOR**

**JOBS, FORBES • NO. 2: BEST PLACES FOR MINORITY-OWNED**

**BUSINESS, FAST COMPANY • NO. 3: BEST PLACES TO LIVE,**

## NORTHWEST ARKANSAS RANKINGS

2015 - 2016

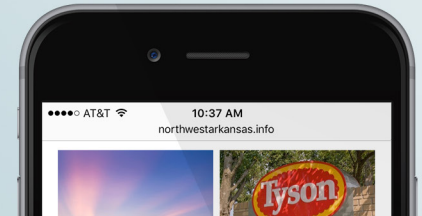
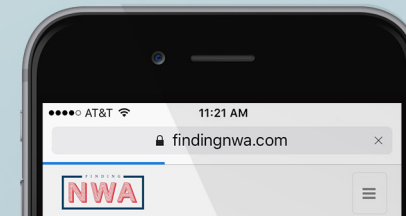
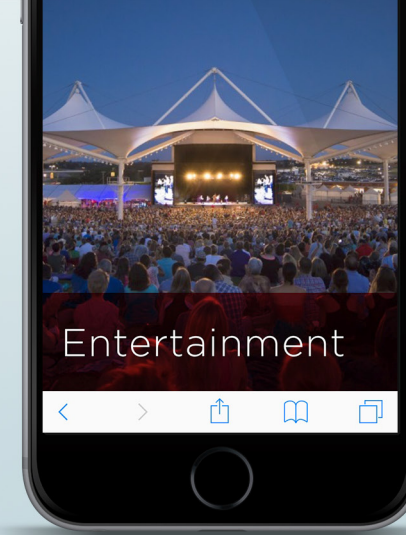
**U.S. NEWS & WORLD REPORT • NO. 7: MOST ECONOMIC**

**GROWTH IN 2016, U.S. CONFERENCE OF MAYORS • NO. 7:**

**BEST IN THE U.S., LONELY PLANET • NO. 24: BEST**

**PERFORMING CITIES, MILKEN INSTITUTE • 1 OF 25: BEST**

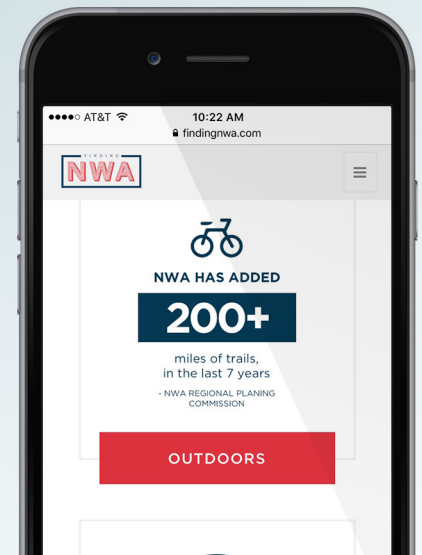
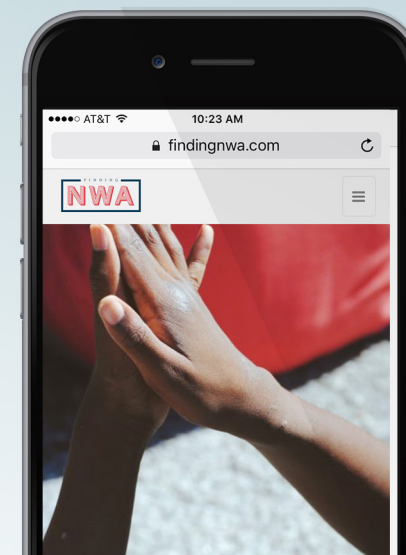
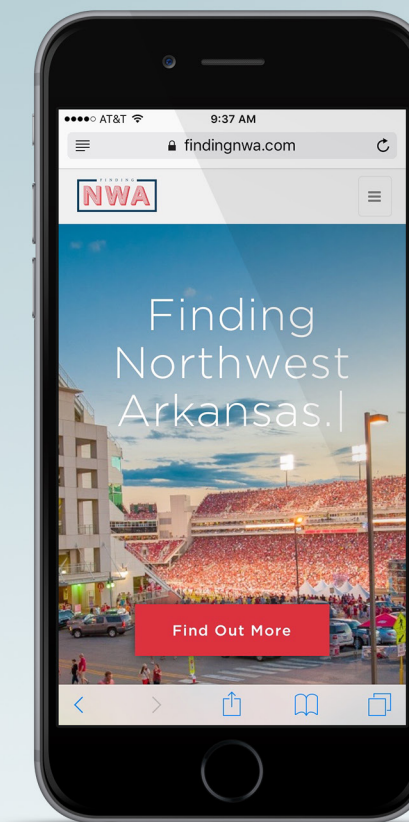
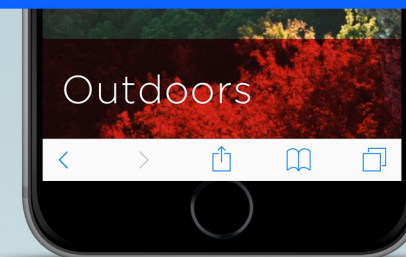
**PLACES TO RETIRE, MONEY MAGAZINE**



NORTHWEST ARKANSAS  
COUNCIL

## ANNUAL REPORT

2015 - 2016





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July 13, 2016

Members of the Northwest Arkansas Council,

Welcome to the 2015-2016 Annual Meeting of the Northwest Arkansas Council. We’ve now completed 26 years as an organization advancing the interests of Northwest Arkansas, its residents and its companies.

One of my responsibilities as presiding co-chair of the Northwest Arkansas Council is to assess how our region has advanced in the past year and provide a vision for where the region should be in years to come. Where have we been? Where are we now? Where do we want to go?

Since our previous Annual Meeting, healthcare advancements in Northwest Arkansas have been remarkable. Big-ticket healthcare projects by Washington Regional Medical Center and Mercy Health were accompanied by the start of construction on our first pediatric-focused medical center (Arkansas Children’s Hospital) and the Ronald McDonald House.

We also worked with healthcare leaders to organize our region’s first Health Care Summit, which will help Northwest Arkansans determine which healthcare priorities we should tackle over the next several years. In addition to serving as a partner in the regional healthcare effort, the Northwest Arkansas Council has continued to focus on enhancing our region’s workforce and talent acquisition strategies.

We’re doing our part to assist educators as they aim to better address the workforce needs of our region’s companies. We’re working directly with companies’ corporate recruiters to ensure that people living elsewhere know more about Northwest Arkansas’ high quality of life and about job opportunities. This effort should boost the quality and number of job applicants who are interested in relocating to Northwest Arkansas.

The 2015-2016 Annual Report addresses these topics as well as infrastructure, quality-of-life enhancements, job creation, and venture capital and startups. As always, the Annual Report is yours to take back to your office for more information on topics that will be discussed today.

I’ve been honored to serve as Presiding Co-Chair of the Northwest Arkansas Council over this past year. I’ve enjoyed working closely with our organization’s members and staff. I am excited to see how Northwest Arkansas grows and improves in the coming years.

Thank you.

*Jim Walton*  
*Presiding Co-Chair*  
*Northwest Arkansas Council*

2015 - 2016 Executive Committee

POSITION	OFFICER
Presiding Co-Chair (2015-2016)	Jim Walton
Presiding Co-Chair (2016-2017)	Donnie Smith
Presiding Co-Chair (2017-2018)	Joseph E. Steinmetz
Presiding Co-Chair (2014-2015)	Rosalind Brewer
Presiding Co-Chair (2013-2014)	Mark Simmons
Presiding Co-Chair (2012-2013)	John Tyson
Vice Chair, Secretary, Treasurer	Scott Van Laningham
Chair Emeritus	Alice Walton
Chamber of Commerce Representative	Steve Clark
Co-Chair Appointee	Nick Hobbs
Co-Chair Appointee	Sara Lilygren
Nominating Committee Representative	Mitchell Johnson
Nominating Committee Representative	Evelyn Jorgenson
Nominating Committee Representative	Marshall Saviers

Current Members

Jay Allen	John Elrod	Randy Lawson	Anita Scism
Ramsay Ball	David Erstine	Greg Lee	Lee Scott
Dick Barclay	Danny Ferguson	Brandon LeFevre	Mindy Sherwood
Susan Barrett	Greg Fogle	Sara Lilygren	Mark Simmons
Rick Barrows	Cathy Foraker	Jim Lindsey	Todd Simmons
Neff Basore	Alan Fortenberry	Jeff Long	Cameron Smith
Fadil Bayyari	Ed Fryar	Bill Mathews	Donnie Smith
Steven Beam	Troy Galloway	David Matthews	Jim Smith
Rod Bigelow	Carl George	Wayne Mays	Steve Stafford
Rob Boaz	Charles George	Warren McDonald	Joseph Steinmetz
Bill Bradley	Darin Gray	Tim McFarland	Witt Stephens, Jr.
Rosalind Brewer	Stan Green	Jeff Milford	Philip Taldo
Mary Beth Brooks	Mary Ann Greenwood	Mike Moss	Kirk Thompson
Tim Broughton	D. Scott Hancock	Sharif Omar	Walter Turnbow
John Brown III	Gary Head	Becky Paneitz	John Tyson
Frank Broyles	Dan Hendrix	Neal Pendergraft	Scott Van Laningham
Raymond Burns	Nick Hobbs	Gene Pharr	Eddie Vega
Wayne Callahan	Tom Hopper	Buddy Philpot	Jerry Vest
Sarah Clark	Dennis Hunt	Eric Pianalto	Fred Vorsanger
Steve Clark	Walter Hussman	Chip Pollard	Matt Waller
Ed Clifford	Mitchell Johnson	Lisa Ray	Alice Walton
Justin Cole	Robert Jones III	John Roberts	Jim Walton
Sarah Collins	Evelyn Jorgenson	Adam Rutledge	Rob Walton
John Cooper III	James Keenan	Reynie Rutledge	Perry Webb
Dana Davis	Bob King	Maggie Sans	John White
Rich Davis	Jeff Koenig	Nick Santoleri	Jeremy Wilson
Tommy Deweese	Peter Kohler	Marshall Saviers	Charles Zimmerman
Marcy Doderer	Peter Lane	Archie Schaffer	Randy Zook
Lee DuChanois	Randy Laney	Charles Scharlau	





## New Venture Fund Advances Startup Efforts

People in Northwest Arkansas developed a reputation for helping entrepreneurs get their companies off the ground.

However there was a barrier of obtaining the funding needed to fuel companies' next phases of growth.

That all changed earlier this year when Kayne Anderson Capital Advisors, L.P. and NewRoad Capital Partners, LLC partnered to form Kayne NewRoad Ventures Fund II, L.P. The fund had \$90 million in commitments when the creation of the fund was announced in April.

The establishment of the Kayne NewRoad fund is a recent success for the region's work toward creating a better environment to scale locally.

The region also saw a company established in 2011 in Northwest Arkansas — DataRank — acquired in October by Seattle-based Simply Measured. While DataRank will become part of a larger company elsewhere, the fact that DataRank started in Northwest Arkansas and will remain present in the region even after the acquisition is a testament to the Northwest Arkansas startup culture.

Additionally, those in the entrepreneurial community were thrilled to see DataFox identify Northwest Arkansas as one of the nation's top three places to found a startup outside of New York and Silicon Valley.

The establishment of the venture fund, however, was the biggest recent event for the region's startup community. The fund will build on the success of Bentonville-based NewRoad Ventures by partnering with experienced management teams in early-stage, technology-enabled businesses within retail and other large growth opportunities. The fund will seek strategic opportunities to create demand-driven businesses to serve existing, unmet needs in the marketplace through its strategic partners and unique sourcing capabilities.

"The NewRoad Capital Partners fund finally provides a nested, local, sector-focused growth equity fund that can provide \$1 million to \$10 million in venture investment for company with significant revenues that are looking to scale," said Jeff Amerine, founder of Startup Junkie Consulting in Fayetteville. "Their focus on the existing sectors where we are strong will not only provide the capital needed for growing ventures to stay here but can also attract companies in these sectors to build talent here."

The 2015-2017 Greater Northwest Arkansas Development Strategy

included an economic development objective related to identifying venture funding for entrepreneurs and early-stage companies.

"The State of Arkansas is excited by the partnership formed between Kayne Anderson and NewRoad, two well-respected investment firms with a history of being strong partners," Arkansas Gov. Asa Hutchinson said at the time the fund was announced. "We are excited to support this new source of growth capital, which is expected to help drive economic and job growth here in Arkansas and in other capital constrained markets across the country."

The fund's investment approach is to actively source and make non-control investments in companies with recurring revenues that have proven demand for their products or services, but can benefit from accelerated growth through a direct capital investment and strategic partners who can add operational expertise.

"My NewRoad partners and I are excited about deploying this capital to back high quality management teams and to continue to leverage our combined operating expertise to help create value for our companies and investors. With Kayne Anderson as our partner, this will only accelerate this area of focus for us," said Clete Brewer, managing partner of Kayne NewRoad Ventures.

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Donnie Smith leads Council's more than 100 members in 2015-2016







A worker at JV Manufacturing welds parts together on a Cram-O-Lot baler at the company's plant in Springdale.

## Northwest Arkansas Employers Remain Confident in Region's Future

Employers participating in an annual business survey conducted by the Northwest Arkansas Chambers of Commerce and the Northwest Arkansas Council continue to express confidence in the region's future.

That confidence shows up when the 500 employers who take part in the one-hour, face-to-face conversations about their businesses, and the vast majority of those employers indicate they plan to add jobs over the next three years. That's consistently been the case since the annual survey was first conducted in 2012.

In 2015, the 508 employers taking part in the Northwest Arkansas Regional Employer Survey said they expect to hire 3,161 people over the next three years. In the 2012, 2013 and 2014 surveys, employers expected to hire 965 to 2,037 workers over the next three years. The employers taking part in the survey change from year to year.

"Company leaders don't talk about expanding if they don't have confidence about where they are operating and where they are headed," said Mike Harvey, chief operating officer of the Northwest Arkansas Council. "When you

talk with 500 of them every year, they collectively become a fantastic barometer for where our region is headed."

Eric Canada said owners and managers are generally confident about the future of the companies they operate. Canada is the CEO of Blane Canada, the provider of the Synchronist software that's used in Northwest Arkansas to manage the information that's provided by the companies.

"We're dealing with an optimistic group and they are all trying to be bigger than they are," Canada said. "The key is following up and determining whether those companies actually made the expansions they talk about."

The employer retention and expansion (ERE) survey in Northwest Arkansas is occurring in communities where it's possible to follow up and determine whether expansions are still on course. Several of the chambers of commerce in Bentonville/Bella Vista, Fayetteville, Rogers-Lowell, Siloam Springs and Springdale ensure that they have their teams interview some of the same companies year after year.

That effort was more formalized in



### Mercy Northwest Arkansas

The Mercy Northwest Arkansas expansion will add 1,000 health-care jobs. Some of those workers will be in a new patient tower on the Mercy Hospital Northwest Arkansas campus, but hundreds of others will be in new primary and specialty care clinics being established in Bentonville, Springdale, Pea Ridge and other cities.

At an April celebration and announcement of the project, Mercy Hospital Northwest Arkansas President Eric Pianalto said the expansions will advance Northwest Arkansas as a healthcare destination, which aligns with the Council's three-year strategy.



Mercy Hospital Northwest Arkansas, Patient Tower

"What we're seeing out of our healthcare systems is a strong desire to do even more for the people who live here," said Mike Malone, president and CEO of the Northwest Arkansas Council.

The Mercy Northwest Arkansas expansion plans include the 190,000-square-foot patient tower that will take Mercy Hospital Northwest Arkansas beyond 300 beds.

With that expansion will come enhancements of the hospital's areas of specialty care, including the heart and vascular center and women's and children's services.

Mercy also plans multiple new primary care and specialty clinics. Two will be in Bentonville, one will be in west Bella Vista and another will open in Pea Ridge. Three more are in Mercy's long-term plans.

"Mercy has a deep history in this community and we are committed to meeting the needs of its people," Wayne Callahan, chairman of the Mercy Northwest Arkansas board of directors.

### Arkansas Children's Northwest

Local residents most often traveled to Arkansas Children's Hospital in Little Rock when they needed child-specific medical care that was unavailable in Northwest Arkansas, but that will change.

Arkansas Children's Hospital announced plans for a 24-bed Northwest Arkansas Children's Hospital.

The estimated cost of the project over the next five years is expected to be near \$184 million. There are plans for an emergency department and urgent care center with 21 exam rooms, 30 clinic exam rooms, five operating rooms and facilities with MRI, CT and x-ray imaging facilities.

### Washington Regional

The expansion at the Fayetteville hospital includes two major projects: a women and infants center and a four-story medical office building. They'll cost about \$85 million in all.

Work on the women and infants center started last year, adding a five-story, 133,000-square-foot patient tower that will add 100 patient beds. The project will include tripling the size of the hospital's neonatal intensive care unit. Construction should be complete by fall. The Ronald McDonald House, a 5,600-square-foot space within the hospital and the first of its kind in the region will be completed by the end of the year.

Construction on the 67,000-square-foot office building called Washington Regional Medical Plaza started earlier this year, and will be complete by early 2017. The services provided in the building will include urgent care, internal medicine, endocrinology and family practice. There will be an outpatient-imaging center with onsite radiologists.

"It has always been Washington Regional's mission to respond to the healthcare needs of our community," said Washington Regional CEO Bill Bradley. "A survey of area residents indicated that access to clinics was a top priority, so we have worked to address that by adding an urgent care clinic, implementing a mobile dental clinic and continuing to recruit physicians in needed medical specialties."



Rendering of Washington Regional Medical Center campus





An artist's rendering created this past spring shows how the front of Arkansas Children's Northwest will look at its 37-acre site in Springdale.

# Medical Expansions Lead Quality of Life Investments

Big-ticket projects are the norm these days in Northwest Arkansas, but it's the region's medical systems that are now leading the biggest projects and playing a large role in advancing the region's quality of life.

There were major hospital expansions prior to mid-2015. For example, the Veterans Health Care System of the Ozarks made major upgrades to its Fayetteville hospital. Northwest Health operates four Northwest Arkansas hospitals, and is affiliated with Siloam Springs Regional Hospital. They also made improvements to facilities.



Northwest Medical Center - Bentonville

Since mid-2015 hospital expansions have ramped up even more. A massive expansion occurring at Washington Regional Medical Center is due to be complete this fall. Construction on a new Arkansas Children's Northwest hospital has started in Springdale and Mercy Northwest Arkansas recently announced a \$247 million expansion to its Rogers hospital and other facilities in the region.

University of Arkansas for Medical Sciences - Northwest continues to grow and lead in the region. A new internal medicine residency program, announced earlier this year, will help alleviate our region's physical shortage.

Bigger, better hospitals enhance quality of life by providing access to new medical specialists and making high-quality health care available to more people. Those more advanced hospitals make it possible for residents to receive the treatment they need without leaving Northwest Arkansas.

Bo Ryall, president and CEO of the Arkansas Hospital Association, said the hospital expansions in Northwest Arkansas are reflective of a national trend. Most hospitals in the U.S. have completed health information technology upgrades, and there's now more attention being given to renovations and new construction, he said.

"These health care projects are essential to economic development and contribute significantly through jobs created in the actual construction, the additional employees at the hospitals and better access to state-of-the-art health care," Ryall said. "Hospitals are there to serve the community and these major investments show the confidence that these health care systems have in the on-going growth of Northwest Arkansas."

There's increasing interest among Northwest Arkansas healthcare providers in working together, and that's one reason the Northwest Arkansas Council worked with each of the systems to put on the region's first Health Care Summit this past spring. That summit brought together community leaders, hospital administrators and their staffs to discuss ways to advance healthcare in the region.

2015 as the Council worked with the chambers of commerce to identify 250 "bread and butter companies" that will be asked to participate in the face-to-face interviews year after year, Harvey said.

Outreach specialists at the chambers of commerce collect the information from the companies, and the Northwest Arkansas Council coordinates the survey and compiles the overall findings.

The deeper relationships developed with employers and those annual one-hour discussions have allowed the chambers of commerce to provide direct assistance to those employers. Over the years, the chambers have tackled such tasks as helping workers at a North Carolina facility that was closing relocate to one of the same company's Northwest Arkansas locations. Another chamber helped a retiring company owner sell his building to a company that wanted to expand, and a third chamber assisted a company in finding a solution to an H-1B visa issue.

"The ERE program is a valuable asset to our business community and the chamber of commerce," said Steve Cox, senior vice president of economic development at the Rogers-Lowell Area Chamber of Commerce. "Through these surveys, we are able to keep our finger on the pulse of the business community and be pro-active in addressing needs of our industries both large and small.

"It is also a great tool in educating businesses about resources. In 2015 alone, through our work with the ERE program

we were able to help three industries qualify for tax credits available through the state because they were expanding. The industries did not know that there were tax credits available and were able to move up their expansion plans because of them."

There remain significant challenges for the companies, and identifying and then hiring the talent they need to continue being successful is among them, Harvey said.

"We can see the companies are positive about Northwest Arkansas and believe they'll be able to create more jobs here, but many of the employers also acknowledge that they face some big challenges to reaching their hiring goals," Harvey said. "One of those challenges is our workforce. Just like it is in so many regions, Northwest Arkansas companies need more people with higher skills, and our region needs to take some major steps forward to help workers gain those skills."

Canada said the availability of workers, those workers' skills and the lack of land that's available for business expansions are barriers to growth for most of his clients. His clients annually conduct about 10,000 interviews with company executives.

The Northwest Arkansas Council and the chambers of commerce are actively engaged with companies and educators about doing more to train workers. There's a willingness from secondary and post-secondary educators to do more to meet the workforce needs of local companies, Harvey said.



James + James Furniture, a Northwest Arkansas company, produces wooden tables that are popular with customers across the U.S. The company was founded in 2011.

## Report Details NWA Education

The 2015 Northwest Arkansas Report Card, which was published in May 2016 by the Office for Education Policy at the University of Arkansas in partnership with the Northwest Arkansas Council, shows Northwest Arkansas students outperform their peers in other Arkansas regions.

Additionally, the report showed many Northwest Arkansas school districts compare favorably to students in other areas of the U.S.

The report pulls together information from a variety of publicly available resources, making it simple for educators, school administrators, parents and state lawmakers to see how schools are performing.

"The district 'dashboard' format makes the information easy to understand," said Sarah McKenzie, executive director for the University of Arkansas Office for Education Policy. "Parents, educators and policymakers should all take a look and ask, 'Where are we doing well and where do we need to improve?'"

The Northwest Arkansas Council is a partner in the report's publication because the region's companies are filling jobs with relocating executives from across the U.S. who want information about schools. Those moving to Northwest Arkansas want high-quality jobs, a good quality of life and assurances that their children will have good educational experiences, said Mike Malone, the Council's president and CEO.

The 32-page Northwest Arkansas Report Card provides information about how students in 15 school districts and three charter schools are performing. There's information about enrollment growth, per pupil expenditures, average class sizes, high school graduation rates, students' test scores and student demographics.

A link to the report is available at [nwacouncil.org](http://nwacouncil.org).





Major progress is being made on a 4-mile stretch of the U.S. 412 Bypass project, scheduled to be complete in late 2018.

## Council Keeps Infrastructure Needs on Decision-makers' Front Burner

Northwest Arkansas leaders find themselves balancing the immediate infrastructure needs of a fast-growing population and economy without losing sight of the region's needs of the next three decades.

The Northwest Arkansas Council remains every bit as involved in pushing for better infrastructure and great planning as it did when the organization was founded in 1990. It's in constant communication with the Arkansas Highway and Transportation Department, federal and state agencies, city and county governments, the Northwest Arkansas Regional Airport, the Northwest Arkansas Regional Planning Commission, private utilities, the region's public transportation systems, and water and wastewater providers. The Council ensures that those entities consider working regionally rather than individually, and it makes sure those partners know about the needs of the region's business community.

"We'll always push for better infrastructure that advances Northwest Arkansas

in a way that's as regional as possible," said Mike Malone, president and CEO of the Northwest Arkansas Council. "With our population and economy growing so fast, our need for bigger, better and more infrastructure is constant."

The Council's primary infrastructure-related goal in the three-year strategy that kicked off in 2015 calls for investment in "physical infrastructure that will enable sustainable long-term growth and improve competitiveness."

Within that overall goal are objectives that include attracting funding for projects, expanding public transportation, supporting efforts to reduce fares charged by airlines at the regional airport, protecting water quality, and completing a 25-year regional infrastructure capacity plan.

Here's a look at how progress is being made in several of those infrastructure areas.



### Public Transportation

The Council's Infrastructure Work Group, led by Council member Steven Beam, formed a Transit Subcommittee in late 2015.

The Transit Subcommittee put forth four recommendations for goals and objectives to be worked on and completed by the end of 2017.

The objectives are:

- Create a standardized transit-oriented design protocol that could be adopted by Northwest Arkansas cities as it relates to new development and rehabilitation of transportation thoroughfares. The regional planning commission will be the agency responsible for ensuring that the TOD is created and presented to major cities for adoption.
- Commission an independent transit study. The planning commission has budgeted for a transit development plan to be worked on in the fiscal year that started July 1, 2016.
- Continue to work on route development through sponsorship. With

"The trips were idea generators about how to make facilities here world class if we're able to develop them," Cudney said. "It comes back to the funding piece. If we are going to achieve this goal, there has to be a funding piece. It will help business and industrial growth for the next several decades."

Each of the visited centers provides workforce education for at least 1,000 students. In Oklahoma City, 3,700 school-aged students and adults receive some type of career education at Tuttle.

Some centers, such as Aviation High School, are prestigious. Established in 1926, Aviation High sees students from all across New York City apply to attend, submitted the paperwork while in the seventh grade. About 2,200 students get in.

While Aviation High is an all-day program serving grades 9-12, students in other programs such as the ones visited in California and Michigan spend half of their school day on a traditional high school campus.

In Grand Rapids, Mich., the 19 Northwest Arkansas educators who visited in March were impressed by the Kent Career/Technical Center's breadth of programs and the remarkable number of students served. The 2,000 students come from 60 high schools in 20 school districts.

"It's all about working together to create economies of scale that no individual school district could do," said Ron Koehler, assistant superintendent of organizational and community initiatives for Kent Intermediate School District that operates the Kent Career/Technical Center. "The school districts have to say that together we can provide something that none of us can provide alone."

"Northwest Arkansas is probably on the cutting edge of the rebirth of interest in CTE nationwide." Supported by property taxes and grants, Kent brings in juniors and



Todd Olson leads Northwest Arkansas educators on a tour of the Kent Career/Technical Center's Aviation Maintenance Technology and Avionics - Aircraft Electronics Building at the Gerald R. Ford International Airport in Grand Rapids, Mich. There's high interest among students in learning how to repair small airplanes and helicopters.

seniors from high schools across the Grand Rapids region. Some travel 30 minutes by bus one way from their home to reach Kent's main campus.

Kent students participate in 22 programs focused on such career tracks as criminal justice, engineering and architectural design, precision machining technology, health careers, hospitality and culinary, graphic communications, aviation electronics and maintenance, aviation maintenance, automotive technology, information technology, entrepreneurship and marketing, and sustainable agri-science.

Kent Principal John Kraus and other Grand Rapids educators and students in the various programs interacted with the Northwest Arkansas group throughout the two days.

Many students told the Northwest Arkansas educators they didn't expect to pursue a career immediately upon completing the Kent program, and Kraus estimates 70 to 80 percent of the 2,000 students will attend a college or seek training beyond what Kent provides. Some students told the Northwest Arkansas educators they are using Kent to determine whether a particular career track is right for them before heading off to college. "Many high school students are bored because they don't understand why

they are taking something and how they'll use it in the future," Koehler said. "Embedding real-world experiences into that, which is what happens here in spades, is what drives the students. They have aspirations for the job market."

## Member Dues Yield High Return

Northwest Arkansas receives about \$265 in value for every \$1 paid in annual membership dues, an annual calculation shows.

The unique, return-on-investment calculation by the Northwest Arkansas Council staff is a way to look at the relationship between the fees paid over 26 years by the organization's members and the combined federal, state and private grants received for Northwest Arkansas projects.

Huge grants in past years dramatically drove up the calculated value of every \$1 paid in membership dues. Those grants, which the Council played a role in pursuing, helped pay for such projects as the Northwest Arkansas Regional Airport, the Benton-Washington Regional Public Water Authority and major highway improvements.



region’s needs for additional, high-skilled workers. That’s why the large, regional career training centers would be helpful, said Mike Harvey, the Northwest Arkansas Council’s chief operating officer.

“If successful, what’s being worked on by our local school districts would go a long way toward addressing North-west Arkansas’ need for skilled workers,” Harvey said. “Their willingness to step up and work toward doing more to train skilled workers demonstrates how our educators recognize that schools need to adjust constantly to meet community needs.”

The Northwest Arkansas Council, meanwhile, has stayed active in this effort. Harvey is communicating constantly with local and state educators. Additionally, the Northwest Arkansas Council recently worked with the Council for Adult and Experiential Learning (CAEL) on a Northwest Arkansas Talent Strategy, a document that provides information about such things as the region’s educational assets, its projected talent shortages and its career education.

The Council has led the creation of a Northwest Arkansas Regional Workforce Council, a group that has more than 20 members. That group will meet quarterly, and they’ll work to provide educators with information about workforce needs in the trades, education, business, information technology and health care. They’ll assist the educators as they go about building curriculum and purchasing equipment needed to teach new courses.

The Workforce Council and the CAEL research should assist educators as they go about determining which types of Career and Technical Education (CTE) courses are most appropriate in the region.

Additionally, if regional CTE centers remain one of the goals, the educators will have to identify funding, pick locations and use the CAEL research and their own lessons learned from career centers elsewhere to determine which programs best serve their students.



Three students from the Kent Career/Technical Center’s certified nurse assistants program were among dozens of students who spoke with Northwest Arkansas educators when they visited in March.

If that’s accomplished, there’s a possibility that one career center would go in Benton County and potentially serve Bentonville, Gravette, Gentry and Decatur.

The other center would create a partnership between up to a half dozen districts in Washington County. Representatives of West Fork, Greenland, Elkins, Farmington, Prairie Grove, Lincoln, Fayetteville and Springdale are interested in that partnership although it’s not clear that all of those school districts will stay involved.

If created, the two centers would be based on the CAEL research in Northwest Arkansas and the excellence that’s being discovered elsewhere through research and a series of on-site visits. The leadership team at the Farmington-based Northwest Arkansas Education Service Cooperative has coordinated teams of educators who’ve visited the sites across the U.S.

“Career and tech education is not what people have in their minds,” said Charles Cudney, the Northwest Arkansas cooperative’s director. “In this setting, the kids are hands on and involved and learning academics

for the result. It’s real work you could be doing in industry. There’s a direct relationship between the learning and the result. I see that as the magic.”

Northwest Arkansas research teams that included Cudney and his staff as well as teachers, principals and superintendents from across Benton and Washington counties traveled to the Center for Advanced Research and Technology in California, the Kent Career/Technical Center in Michigan and Aviation High School in New York.

Northwest Arkansas educators checked out other programs, too, traveling to Oklahoma City in December to see the Francis Tuttle Technology Center and then the Kansas City suburb of Overland Park to see the Blue Valley School District’s Center for Advanced Professional Studies.

Those CTE programs include courses that may well have been part of traditional vocational-technical schools such as diesel technology, automotive maintenance and carpentry, but they also provide training that historically wasn’t associated with vo-tech. Health-care programs, graphic design, engineering and architecture are among the offerings elsewhere.

the Council making some of the initial connections, ORT reached out to companies to ensure that its fixed routes connect areas where people live with where they work. Particular focus is on Springdale, but the effort could expand to other cities.

- Investigate a rebranding or marketing initiative. ORT is the primary agency designated for this goal. ORT is considering a survey or study to learn how the public feels about the ORT brand.

### Highways

Construction companies hired by the Arkansas Highway and Transportation Department have made major highway construction progress in the past year.

A mild winter allowed builders to keep working on the U.S. 412 Bypass of Springdale. They’re on course to have the project complete in 2018. It’s one of the most expensive highway projects in state history at \$101 million, creating a new four-lane divided highway that’s about 4.3 miles long. There remains the need and high interest in building an airport access road to connect to the airport’s south entrance.

Additional sections of the Interstate 49 widening project will be complete late this year, including the zone from U.S. 71B in northern Fayetteville to Wagon Wheel Road in Springdale. Widening that 9-mile area cost \$50 million.

Two more I-49 widening projects begin this year. One is a 5-mile area in Lowell and Rogers costing \$38.7 million; the other is 3.4 miles in Bentonville for \$27.7 million.

Arkansas continues to build the Bella Vista Bypass as it waits for Missouri to determine how it can pay for the 5-mile area that’s in the Show-Me State.

In Arkansas, builders are nearly done with a 6-mile section of the bypass. Two other portions of the overall project are fully funded, including a massive interchange that will eventually be built near the Lowe’s Home Improvement Center in Bentonville.

### Airport

The Council ramped up its work with the Northwest Arkansas Regional Airport staff in a bid to recruit daily low-cost air service to XNA.

Council staff and Council members now regularly communicate with XNA administrators, airlines and local companies about providing new service to the airport. If a low-cost carrier started service at XNA and created competition for the airport’s carriers, fares are likely to decrease.

An XNA consultant determined the average round-trip fares from XNA to primary destinations last year were remarkably high, including Newark (\$658), San Francisco (\$652) and Chicago O’Hare (\$636). The average fare paid by people headed to the top 30 destinations was \$538.

“Our business community pays millions of extra dollars every year because fares are high at XNA,” said Rob Smith, the Council’s communications and policy director. “There’s a strong belief that daily service provided by a low-cost carrier would not only drive down overall fares, but it would increase the number of passengers who are able to afford flying from XNA.”

That airline recruitment effort comes as the airport continues to expand in a bid to keep up with demand. A parking deck just to the southwest of the terminal building’s main entrance is being planned, and construction on that project should start in 2017.

### Long-Range Planning

The recommendation that the Council work with the Northwest Arkansas Regional Planning Commission to finish a 25-year infrastructure capacity plan has evolved, and the Council and commission are now taking the first step toward the larger capacity plan.

That first step is an infrastructure inventory and assessment. Burns & McDonnell was hired to complete that work.

The firm is contacting representatives

of local cities, counties, solid waste districts, airports, energy companies and communications companies to take the inventory. Burns & McDonnell will look ahead somewhat, accounting for projects that are currently planned and funding by local governments and companies.

All that work on behalf of the Council is scheduled to be complete later this year.

### Water and Wastewater

The Beaver Water District earlier this year agreed to provide sustainable funding to the Beaver Watershed Alliance. Both the BWA and the Illinois River Watershed Partnership are interested in sustainable funding to achieve long-term goals, and the Council earlier this year engaged those organizations and two others in discussions about obtaining additional funding.

There was no clear path to fund all of the organizations, but there remains interest in assisting the IRWP, the Northwest Arkansas Land Trust and the Northwest Arkansas Regional Planning Commission as it determines how it pay for aspects of the open spaces plan.

The Council continues to be engaged with the U.S. Environmental Protection Agency, state, Northwest Arkansas cities, counties and companies regarding water quality matters.

One is the three-year study of the Illinois River and other rivers, scheduled to end in late 2016. That study, which is being completed by a Baylor University researcher with oversight being provided by a six-person team of Arkansas and Oklahoma officials, is determining what’s scientifically necessary to protect the rivers. The focus is on phosphorus.

The other water-related matter is the U.S. Environmental Protection Agency’s Total Maximum Daily Load that’s being developed for the Illinois River watershed. The Council and other Northwest Arkansas stakeholders are providing consistent feedback as the EPA continues to modify TMDL models that are being developed for the watershed and Lake Tenkiller in Oklahoma.



# Council Steps Up Work with Recruiters

Corporate recruiters face unique challenges when convincing job seekers in larger metropolitan areas that Northwest Arkansas can be their future home.

Perhaps some of this is due to a lack of knowledge about Northwest Arkansas.

That's one reason why the Northwest Arkansas Council released a strategic action agenda specifically addressing talent acquisition and retention. The agenda included goals of developing a pipeline of available workers that aligns with the demands of regional employers, attracting talent that meets employer needs for more immediate, specialized, or tenured positions, and retaining new or incumbent workers to reduce employer onboarding costs.

The Council developed a starting point strategy based on research and feedback from human resources and talent recruiting teams across Northwest Arkansas. A website - Finding NWA - is one way the Council is helping educate people about Northwest Arkansas.

"The creation of the website is the beginning of what should be a larger and larger portion of the Council's work," said Anna Clark, a Northwest Arkansas Council employee who oversaw the website's development and

who continues to work with the recruiters. "We want to do more and more to help job recruiters attract talent."

"What we're finding is no surprise: The world knows Walmart, Tyson Foods and that Northwest Arkansas is a remarkable business community. But, we're also finding that job candidates don't know enough about this region to embrace it as a place they could enjoy living. We want job candidates who live in bigger metropolitan areas to know they'll still be able to find great schools for their children, they'll still have access to the arts, and they'll still be able to find great places for weekend outings."

Before launching the website, the Council's first step to addressing talent attraction started with identifying who or what is currently fulfilling a recruitment need. Although job recruiters are at the top of the list, those experts aren't the only ones impacting candidates' decision to move to Northwest Arkansas. There is a much larger audience that includes real-estate agents, city governments, co-workers, and even Internet search engines such as Google and Yahoo!.

An assessment of current regional recruitment processes and a competitive analysis suggested there was an opportunity to take control of a digital conversation that happens after the

initial point of contact is made by the recruiter.

The Council's role is to react to the expertise of those who already do a wonderful job recruiting talented individuals. Based on the reactions heard by Council staff in focus groups, the Northwest Arkansas Council committed time and money to first address the need for a synthesized, curated, stylized "one-stop-shop."

Since November, the Council has built the Finding NWA website. It's fully responsive, and it includes videos, photography and regularly updated content.

The website's content is separated into several categories. There are sections focused on business, education, entertainment, the outdoors, communities and cities, and there's a blog that addresses a variety of Northwest Arkansas topics.

Based on focus groups and data-gathering sessions, the information is tailored to address frequently asked questions. For example, there's information about trailing spouse opportunities, specialty food markets and weekend/nightlife activities.

The Council is presenting Finding NWA to any regional team interested in learning more. Aside from presenting, the Council is dedicated to improvements and updates.



Northwest Arkansas educators look on as a student demonstrates some of what he's learned while attending the Kent Career/Technical Center in Grand Rapids, Mich. The center, which is attended by 2,000 students from dozens of high schools in the Grand Rapids region, was one of several career training schools visited by teams from Northwest Arkansas between December 2015 and April 2016.

# Northwest Arkansas Schools Respond to Needs of Region's Companies

Northwest Arkansas educators are determined to help their students and the region's companies by creating new schools and training facilities to produce high-skilled graduates.

That's why educators over the past eight months have visited and studied the nation's top workforce training centers, hoping they can duplicate in Northwest Arkansas what's being accomplished in places such as California, Michigan and New York.

While Northwest Arkansas school districts such as Siloam Springs, Pea Ridge, Springdale and Rogers have unique schools and programs

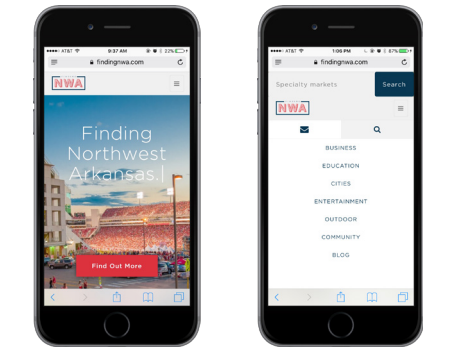
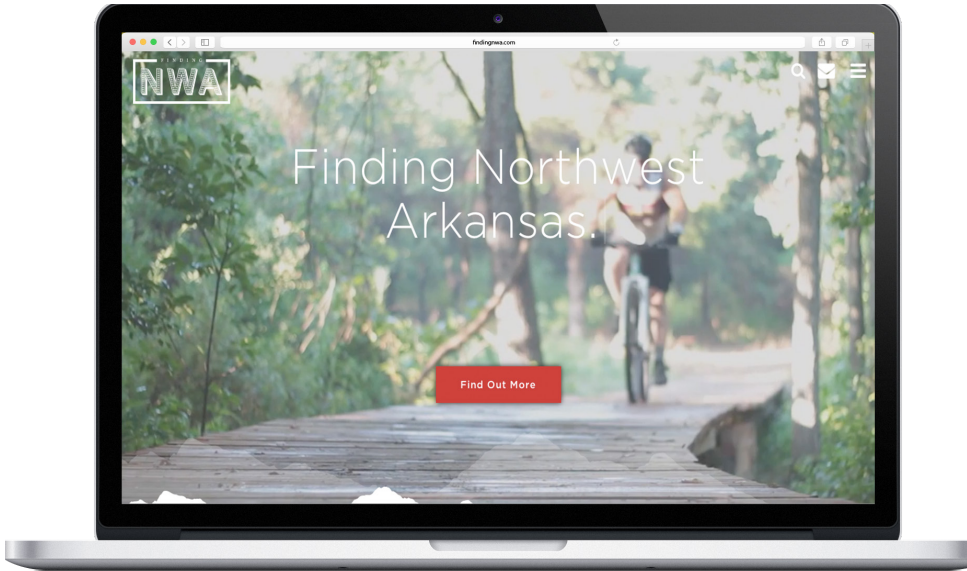
to address workforce needs, regional educators envision something far bigger: multi-district workforce training centers with many programs to serve several hundred if not thousands of Northwest Arkansas students.

Developing those centers and enhancing career-training programs that already exist in the region would go a long way toward addressing one goal in the Greater Northwest Arkansas Regional Development Strategy. The region's three-year strategy, developed by the Northwest Arkansas Council and regional stakeholders, was unveiled last year. The goal called for the Council to "lead the transition to a

best-of-class, demand-driven workforce model to increase the supply of appropriately skilled workers."

But even before the strategy was written, companies in Northwest Arkansas were indicating they need a higher number of skilled workers. They expressed those needs to chamber of commerce representatives who conducted employer retention and expansion (ERE) visits between 2012-2015. A study by the Arkansas State Chamber of Commerce in 2014 confirmed that need in Northwest Arkansas and statewide.

While the programs created by area school districts and Northwest Technical Institute in Springdale do provide career training, those projects do not create enough talent to fulfill all the



# NWA Employers Reporting Trouble Filling Open Positions

