

Industrial Development Authority:

A Critical Tool to Level the Playing Field and Prepare Northwest Arkansas for the Future

A Track Record of Growth — With Gaps Emerging

Northwest Arkansas has experienced sustained growth for decades, attracting talent and investment across multiple sectors. Employment in the region grew by 78% from 2000 to 2024, underscoring how quickly the region has expanded. The Milken Institute's ranking of the region as the nation's top-performing metro reflects that progress and the strength of regional collaboration that made it possible.

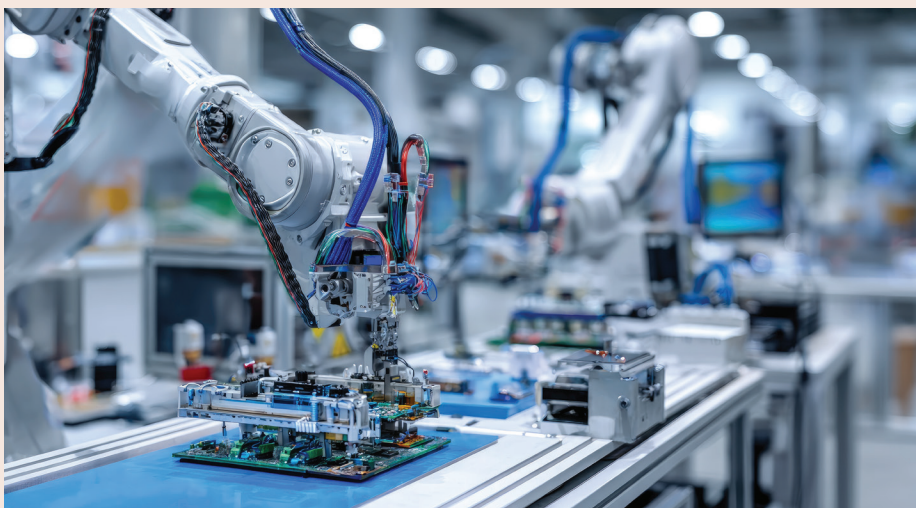
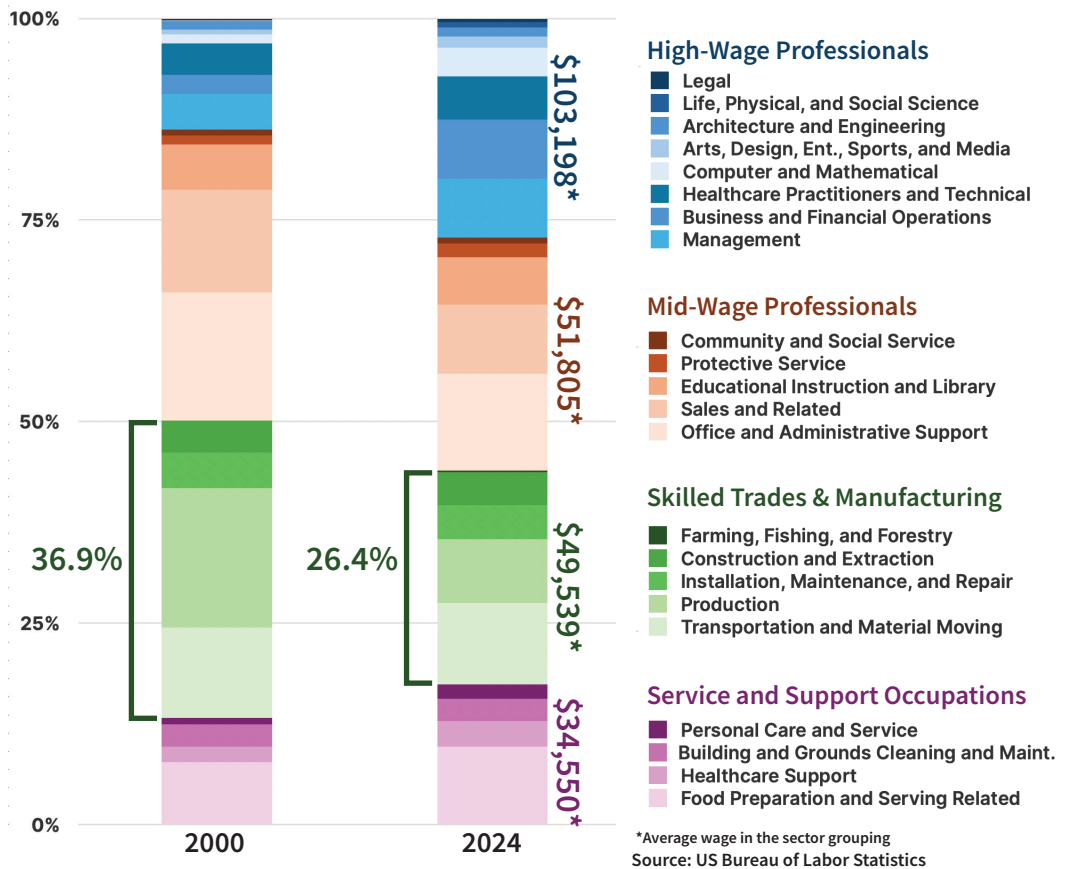
However, much of that growth has been concentrated in professional and white-collar jobs, while opportunities for middle-skill workers have narrowed.

Why Manufacturing and Production Jobs Matter

Production and manufacturing jobs have long provided pathways to the middle class for workers with technical training and two-year degrees. These roles offer strong wages, career stability and opportunities for advancement without requiring a four-year degree, making them an essential part of a balanced regional economy.

At the same time, advanced manufacturing and aerospace investment is accelerating across the United States as companies reshore operations and strengthen domestic supply chains. Regions prepared for these projects will capture the jobs and investment that come with them.

Employment by Occupational Sector, Northwest AR MSA 2000-2024



A Narrow Window to Compete for National Investment

Northwest Arkansas has the workforce and industry interest to compete for these opportunities. What the region lacks today are the large, shovel-ready industrial sites required to secure them.

Companies in these sectors move quickly and expect sites that are fully prepared for immediate development. Without those sites, even strong regions are eliminated early in the selection process, often before local leaders are contacted.



Missed Opportunities Are Already Happening

Over the past year, Northwest Arkansas lost multiple opportunities for high-wage manufacturing jobs because those sites were not available when decisions were made.

For example:

- A 350,000-square-foot electronics facility requiring a site within 60 days would have created hundreds of technical jobs paying up to six figures. The project ultimately located elsewhere.
- A 250,000-square-foot aerospace project representing roughly \$50 million in investment and high-skill jobs paying more than \$100,000 annually also chose another region due to site readiness.

These are the kinds of opportunities that shape regional economies for decades. Without action, projects like these will continue to bypass Northwest Arkansas.

A Practical Tool to Attract Major Employers

Act 576 authorizes cities and counties to create industrial development authorities, providing a tool to prepare sites and compete for major manufacturing projects.

Industrial development authorities are widely used in surrounding states to assemble land, invest in infrastructure and prepare sites for major employers. The authority enabled under Act 576 is not a taxing entity. Projects are financed through revenue bonds repaid by the company locating on the site, not by taxpayers.

What Is at Stake

Third-party economic modeling commissioned by the Northwest Arkansas Council illustrates what is at stake. Over a 20-year period, projects of the type a regional industrial development authority is designed to attract could generate nearly 20,000 new jobs across the region, with average annual earnings exceeding \$100,000. Total earnings to workers and families could surpass \$40 billion, with broader economic activity projected to exceed \$300 billion over two decades.

A Regional Approach to Sustaining Long-Term Growth

Northwest Arkansas is growing, but how the region grows next will determine whether that progress continues to benefit workers, families and communities across the region. Individual cities and counties face constraints that are increasingly difficult to solve alone, including rising land and infrastructure costs and the shortage of large, prepared industrial sites.

A regional industrial development authority provides a practical way for Northwest Arkansas to prepare sites responsibly, attract higher-wage jobs and expand economic opportunity without placing the burden on taxpayers. It builds on the collaborative approach that has helped the region tackle complex challenges and create one of the strongest regional economies in the country.

Preparing sites for major employers is the next step in that model of regional cooperation — ensuring Northwest Arkansas can compete for transformative projects and expand access to high-wage jobs in the years ahead.