

Resolution No. R91-21

RESOLUTION ENDORSING WES CON TO PARTICIPATE IN  
THE ARKANSAS ENTERPRISE ZONE PROGRAM

WHEREAS, the City of Conway has received approval by the Arkansas Industrial Development Commission designating Census Tract 9903, Block Group 1, as expanded, in the City as an Enterprise Zone; and

WHEREAS, Jerry Spradlin, d/b/a Wes Con<sup>Machining</sup> a local business located within the boundaries of the aforementioned Enterprise Zone, has applied to the City seeking endorsement to participate in the Enterprise Zone program; and

WHEREAS, the City has reviewed the request of the business and determined that it meets all requirements of the Arkansas Enterprise Zone Program.

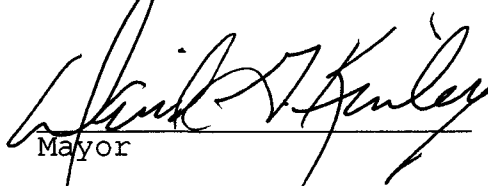
NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS, that:

- <sup>MACHINING</sup>
1. Jerry Spradlin, d/b/a Wes Con<sup>MACHINING</sup> is hereby endorsed to participate in the Arkansas Enterprise Zone Program.
  2. That this Resolution be in full force and effect from and after its passage and approval.

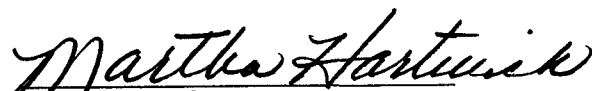
DATE:

6-11-91

APPROVED:

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

DRAFT

June 12, 1991

Mr. Windell Adams  
Special Assistant to the Director  
Arkansas Industrial Development Commission  
One Capitol Mall  
Little Rock, Arkansas 72201

Dear Mr. Adams:

Last August, the City of Conway was approached by Wes Con Machining, a local business owned by Mr. Jerry Spradlin which was planning to expand their operation and construct a new building in the new Conway Industrial Park, a site within our Enterprise Zone, Census Tract 9903, Block Group 1 (Expanded).

Evidently, there was a miscommunication between the City and Mr. Spradlin concerning Wes Con's Enterprise Zone endorsement resolution. Mr. Spradlin purchased the site from the Conway Industrial Park on July 6, 1990, in part due to the potential benefits of the Enterprise Zone program. If there had been no miscommunication, the Conway City Council would have passed the Resolution of Endorsement for Wes Con at its meeting on August 14, 1990. Upon discovery of this error, the Council passed a proper Enterprise Zone endorsement resolution on June 11, 1991.

I have enclosed a copy of this resolution, along with the Enterprise Zone application for Wes Con.

The City hopes that you and Mr. Harrington can rectify this apparent hardship to Wes Con and Mr. Spradlin, which seems to have been caused by a miscommunication, approving this Enterprise Zone application with an effective date of August 14, 1990.

If you have any questions, please call me at 327-3392. Thank you for your assistance.

Sincerely,

David Kinley  
Mayor

Enclosure



Community Development Associates, Inc.

425 West Capitol Avenue • Suite 3280

Little Rock, Arkansas 72201 • (501) 372-5337

June 6, 1991

Honorable David Kinley  
Mayor of Conway  
City Hall  
1201 Oak Street  
Conway, Arkansas 72032

Dear Mayor:

As you may recall from our telephone conversation, Mr. Jerry Spradlin of Wes Con Machining purchased a site in the "new" industrial park east of I-40 last year, and constructed a new facility for his company. He had been told by Jim Brewer and Guy Murphy about the Enterprise Zone program, and these incentives made his decision to proceed with this ambitious project more feasible.

Somewhere along the way, there was a miscommunication, and Mr. Spradlin failed to request the appropriate endorsement resolution from the City. I have spoken to Windell Adams, Special Assistant to Dave Harrington, the AIDC director, who stated that to give Wes Con a retroactive eligibility date, an "official" explanation from the City would be necessary, establishing the date that the resolution would have been passed if none of these problems had taken place. Based on my understanding, the application should have been sent to you by August 1, 1990, which would have allowed the City Council to have considered a resolution on its meeting of August 14, 1991.

I have enclosed an endorsement resolution for consideration at next week's Council meeting, as well as a draft letter for your signature which explains this matter to Mr. Adams. Please feel free to change or edit this letter as you see fit. Mr. Spradlin will be bringing you the application for Wes Con, which should be forwarded by the City to AIDC with the resolution and your letter.

Thank you for your assistance on this matter of mutual concern. If you need further information, please call me at 372-5337 or call Mr. Spradlin at 327-5236.

Best personal regards.

Sincerely,

Mark Johnson  
President

MJ/mac  
Enclosure

Application # \_\_\_\_\_

## ARKANSAS ENTERPRISE ZONE PROGRAM

### Application for Tax Credit

Request for:            Sales and Use Tax   
                                  Income Tax                   

### SECTION A — COMPANY INFORMATION

1. Name of firm: Wes Con
  
2. Principal mailing address: 1325 Thomas G. Wilson Drive - Conway, AR 72032
  
3. Location of Business:  
1325 Thomas G. Wilson Drive - Conway, Faulkner County, Arkansas  
(Street Address) (City or County)
  
4. Enterprise Zone by Census Designation: CT 9903, BG 1; ED \_\_\_\_\_
  
5. Principal business activity: Manufacturer of Close Tolerance Machined Parts      6. SIC Code: 3541
  
7. Date firm began or anticipates operations in Enterprise Zone: January 1991
  
8. Contact person: Jerry Spradlin, Owner      9. Phone: 327-5236

or: Mark Johnson (Consultant)  
Community Development Associates, Inc.  
425 West Capitol Avenue - Suite 3280  
Little Rock, Arkansas 72201  
(501) 372-5337

**SECTION B — EMPLOYMENT DATA**

1. How many employees do you now have? 9 as of August 1990  
(Number) (Date)

2. What was your average annual employment for the previous fiscal year)? 6.5 How have you calculated your average annual employment?

Average of Monthly Employment Figures  
as reported to Arkansas ESD.

3. How many new employees do you anticipate hiring from now through December 31, 1991 (or your fiscal year end \_\_\_\_\_).  
(Date)

3  
(Number)

4. Identify the positions these employees will fill:

<u>Machinists</u>	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

In order to receive Enterprise Zone tax credits, AIDC strongly encourages hiring through the local Arkansas Employment Security Division. The business must certify (and verify after hiring) that at least 35% of its net new employees meet the criteria set forth in Section 4.02.02 and 4.04.03 of the Arkansas Enterprise Zone Program Regulations.

In proceeding with employment, remember that 35% of all new employees must be (a) residents of the same county as the location of the business or counties adjacent thereto; and (b) have been receiving some form of public assistance immediately prior to employment; or are considered unemployable by traditional standards or lacking in basic skills at the time of employment.

Public assistance means any contribution, monetary or otherwise, made by federal, state, county, and/or local governments to individuals who qualify therefor by reason of indigence and/or unemployment, as determined by the applicable rules, regulations, or guidelines, of each public assistance program (e.g., unemployment insurance compensation, Section 8 housing payments, Social Security, etc.)

Employees considered unemployable by traditional standards should have met items 2, 3, and 4 of those listed below. A person would qualify as lacking in basic skills should meet criteria 1, 3, and 4 of the following items:

- (1) Be required to participate in a company training program; or
- (2) Been unemployed for at least 13 weeks prior to employment with the company;
- (3) Should not have quit last employer without good cause to gain employment with the company; and
- (4) Have registered with either the Arkansas Employment Security Division or a private employment agency and not have turned down any job offers.

5. Provide an estimate of the following:

<u>Projected Net New Employees</u>	<u>Number</u>	<u>Percent</u>
On Public Assistance	1	33%
Traditionally Unemployable	---	---
Lacking Basic Skills	2	67%
Residents of Enterprise Zone County and/or Adjacent Arkansas County	3	100%
Out of State Employees	0	0%

\* Do not double-count employees in the first three categories.

6. Describe your plan for increasing employment (e.g., new business; adding a 3rd shift; hiring new employees to operate new machinery/equipment). Also identify the schedule or timing of the hiring process (e.g., 10 new employees per month for six months; 5 employees to be hired in November).

Wes Con is expanding by constructing a new building in the Conway Industrial Park, east of Interstate 40, and adding equipment for this building. Three employees will be added in 1991, with the possibility of additional new employees in subsequent years.

7. Estimated number of qualifying net new employees (exclude owners) for which you expect to take the \$2,000 income tax credit. 3

8. How many full-time permanent jobs will be created through this project?  
3

9. How many temporary construction jobs will be created through this project?

30                      Three Months  
(Number)                      (Length of time)

**SECTION C — INFORMATION FOR SALES/USE TAX**

1. Describe the project and the items for which sales/use tax credit is requested. Include whether expansion or new construction of building space; identify whether project is phased development if there are plans for expansion in the future; and construction schedule and purchase of machinery/equipment schedule.

Wes Con is constructing a new steel building and purchasing the following equipment:

Enco Mill  
Tractor  
Compressor  
Shelving  
Chairs  
Fork Lift  
Colchester Lathe  
Lagon Mills (2)

2. Name of Company Wes Con



2.	Anticipated Costs: \$	<u>26,250</u>	Land	
	\$	<u>95,000</u>	Building	\$ _____ Estimated
			Est. Investment	Investment
	\$	<u>34,000</u>	Equipment	
	\$	_____	Other	
	\$	<u>155,250</u>	Total	

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3. The business and its contractors must give preference and priority to Arkansas manufacturers, suppliers, contractors and labor, except where it is not reasonably possible to do so without added expense, substantial inconvenience or sacrifice in operation efficiency. Provide an estimate of the percent of expenditures in the following categories:

	<u>Building, Machinery Equipment</u>		<u>Labor</u>	
Arkansas:	<u>100</u>	%	<u>100</u>	%

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Outside Arkansas:	<u>0</u>	%	<u>0</u>	%
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5. Explain the need for purchases outside Arkansas:

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- 4. Projected Construction Start October 1990  
(Date)
- 5. Projected Construction Completion December 1990  
(Date)
- 6. Projected Commencement of Hiring January 1991  
(Date)

7. Give estimates of sales tax and use tax to be paid, even though the amounts paid may be credited. Also give the rate at which you have calculated the estimated tax.

Estimated state sales tax: \$ 2,000 at 4 %

Estimated county sales tax: \$ \_\_\_\_\_ at \_\_\_\_\_ %

Estimated city sales tax: \$ 250 at 1 %

Total Estimated Sales Tax: \$ 2,250

Estimated Use Tax: \$ 0



7. **CERTIFICATION**

BEFORE ME, the undersigned authority, personally came and

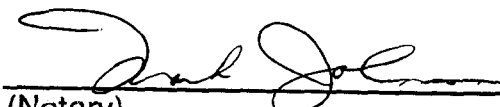
appeared Jerry Spradlin who being first duly sworn did  
(Name of Company Official)

depose and say that s/he is Owner of Wes Con.  
(Title) (Company)

This affidavit is made for the specific purpose of verifying that s/he

has examined the information contained in these nine pages. Sworn to and

subscribed before me the 6th day of June, 19 91.

  
\_\_\_\_\_  
(Notary)

My commission expires February 11, 1995

By   
\_\_\_\_\_  
Signature of Company Official