

RESOLUTION NO. R-88- 47

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CONWAY CERTIFYING LOCAL GOVERNMENT ENDORSEMENT OF BUSINESS TO PARTICIPATE IN THE ARKANSAS ENTERPRISE ZONE PROGRAM

WHEREAS, the City of Conway has an approved Zone designation for Census Tract 9903, Block Group 1 within the corporate limits of the City of Conway; and

WHEREAS, the local government must endorse a business or enterprise to participate in the Arkansas Enterprise Zone Program and benefit from the refunds/exemptions as provided in Part IV of the Arkansas Enterprise Zone Program Regulations of 1983; and

WHEREAS, said endorsement must be made on specific form available from AIDC; and

WHEREAS, Kirkwood Industries, Inc. located at 670 Equity Avenue, Conway, AR has sought to participate in the program and has been found by the management of the enterprise zone program to be eligible for the benefits thereof, and more specifically has requested benefits accruing from the expansion of Kirkwood Industries; and

WHEREAS, Kirkwood Industries, Inc. has agreed to furnish the management of the enterprise zone all necessary information for compliance.

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

1. Kirkwood Industries, Inc. be endorsed by the City of Conway for benefit from the refunds/exemptions as provided in Part IV of the Arkansas Enterprise Zone Program Regulations of 1983, through June 30, 1989.
2. This resolution shall take effect immediately.

PASSED this 13th day of December, 1988.

APPROVED:

David J. Finley

Mayor

ATTEST:

Marta Hartwick

City Clerk

Application # _____

ARKANSAS ENTERPRISE ZONE PROGRAM

SECTION A -- COMPANY INFORMATION

1. Name of firm: Kirkwood Industries, Inc.

2. Principal mailing address: 670 Equity Ave. - Conway, AR 72032

3. Location of Business:

670 Equity Ave. Conway, AR 72032
(Street Address) (City or County)

4. Enterprise Zone by Census Designation: CT 9903, BG 1; ED _____

5. Principal business activity: manufacture
electric components 6. SIC Code 3699

7. Date firm began or anticipates operations in Enterprise
Zone: 1976

8. Contact person: Travis Fulfer 9. Phone 327-5691

SECTION B - EMPLOYMENT DATA

1. How many employees do you now have? $\frac{166}{\text{(Number)}}$ as of $\frac{7/31/88}{\text{(Date)}}$
2. What was your average annual employment for the previous fiscal year? $\frac{146}{\text{(Number)}}$ How have you calculated your average annual employment? added number of employees each month and divided by 12.
3. How many new employees do you anticipate hiring from now through December 31, 1988 (or your fiscal year end $\frac{1989}{\text{(Date)}}$)
 $\frac{55}{\text{(Number)}}$

4. Identify the positions these employees will fill:

<u>General Production</u>	_____
<u>Material Handling</u>	_____
<u>Scissor Press Operators</u>	_____
<u>Molders</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 or 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 therefore 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 that 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.

5. Provide an estimate of the following:

<u>Projected Net New Employees</u>	<u>Number</u>	<u>Percent</u>
On Public Assistance	_____	_____
Traditionally Unemployable	_____	_____
Lacking Basic Skills	47	86%
Residents of E-Zone County and or Adjacent Arkansas County	55	100%
Out of State Employees	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).

We are adding a partial third shift and increasing second shift to full capacity.

The new addition should be completed by 5/89, and will require another 9-12 employees.

The following is the number of employees we expect to have each month, for this fiscal year:

Aug.	179
Sept.	180
Oct.	193
Nov.	201
Dec.	203
Jan.	218
Feb.	221
Mar.	221
Apr.	224
May	227
June	230
July	233

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

44

8. How many full-time permanent jobs will be created through this project? 55

9. How many temporary construction jobs will be created through this project? 0

(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.

We are expanding existing building 22,500 sq. ft. for production area and adding 1,500 sq. ft. for Shipping/Receiving and Quality Control.

Construction is now underway, with completion expected by 5/89. No other additions are planned at present.

A new boiler to accomodate additional machinery is to be purchased and installed in Nov. or Dec..

- 8/88 Scale
- Hoist
- Lift Tables
- 9/88 Install Scissor Presses
- 2/89 Replace Furnace Tins
- Replace 1/2" Furnace Divider
- Scissor Press Platen
- 5/89 Flow Meter & Control
- Scissor Press Platen

2. Name of Company Kirkwood Industries, Inc.

2. Anticipated Costs: \$ _____ Land
 \$ 394,881.00 Building
 \$ 43,842.00 Equipment
 \$ _____ Other (describe on
 separate sheet)
 \$ 438,723.00 Total

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:	83	<u> </u> %	100	<u> </u> %

Outside
 Arkansas: 17 % 0 %

5. Explain the need for purchases outside of Arkansas:

Cleaver Brooks Boiler Co. doesn't have a distributor in Arkansas, our closest distributor is in Memphis, TN.

4. Projected Construction Start 9-15-88
(Date)
5. Projected Construction Completion 4-30-89
(Date)
6. Projected Commencement of Hiring 8-1-88
(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: \$ 6,318 at 4 %

Estimated county sales tax: \$ at %

Estimated city sales tax: \$ 1,579 at 1 %

Total Estimated Sales Tax: \$ 7,897

Estimated Use Tax: \$

SECTION D - INFORMATION FOR INCOME TAX EXEMPTION

1. Is ownership of your business:

Individual _____ Fiduciary _____
Partnership _____
Taxable Corporation x Small Business Corp. _____

<u>Owner(s) Name</u>	<u>Percent Ownership</u>	<u>Social Security or Corporate Tax I.D. Number</u>
Kirkwood Ind., Inc.	100%	Fed. I.D. #34-1040858

3. A business must file its Arkansas income tax statement no later than 4 1/2 months after the end of the calendar or fiscal year. When will this company file its state income tax return forms? Dec. 15
(Date)

What is your tax year? 8/1 to 7/31
(Date) (Date)

4. Agriculture/Forestry/Fishing _____
Mining _____ Construction _____
Manufacturing X
Transportation/Communications/Utilities _____
Wholesale Trade _____ Retail Trade _____
Finance/Insurance/Real Estate _____
Services _____ Other (specify) _____

5. State income tax liability for previous year 0 1988
(amount)

6. Estimated state income tax for current year \$4,100 1989
(amount)

7. CERTIFICATION

BEFORE ME, the undersigned authority, personally came and appeared

Paul E Langley
(Name of Company Official) who being first duly sworn did depose and

say, that s/he is Plant Mgr. of Kirkwood Ind.
(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 13 day of December, 1988.

Genev Langley
(Notary)

My commission expires 6-10-90

By Paul E Langley 12/13/88
(Signature of Company Official)