

Resolution No. 14

RESOLUTION ENDORSING AMERICAN TRANSPORTATION CORPORATION 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, in the City as an Enterprise Zone; and

WHEREAS, American Transportation Corporation, 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.

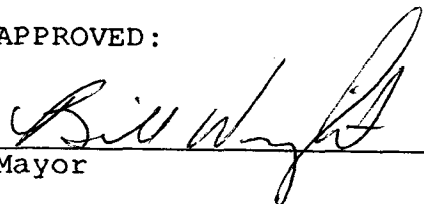
NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS, that:

1. American Transportation Corporation 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:

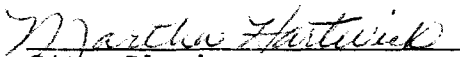
June 10th, 1986

APPROVED:



Mayor

ATTEST:



City Clerk

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: American Transportation Corporation
2. Principal mailing address: Highway 65 South - Conway, Arkansas 72032
3. Location of Business:
Highway 65 South - Conway, Arkansas
(Street Address) (City or County)
4. Enterprise Zone by Census Designation: CT 9903, BG 1
5. Principal business activity: Manufacturer of School Buses and Commercial Bus Bodies 6. SIC Code: 3713
7. Date firm began or anticipates operations in Enterprise Zone: 1933
8. Contact person: Debbie Isaacs or Chuck Stringham
or: Mark Johnson (Consultant)
Community Development Associates
P. O. Box 4228
North Little Rock, AR 72116
9. Phone: 501-327-7761
501-372-5337

SECTION B — EMPLOYMENT DATA

1. How many employees do you now have? 937 as of May 1986
(Number) (Date)

2. What was your average annual employment for 1985 (or previous fiscal year)? 858 How have you calculated your average annual employment?

By adding the monthly employment figures for each month of the fiscal year, and dividing by 12.

3. How many new employees do you anticipate hiring from now through December 31, 1986 (or your fiscal year end 10-31-86).
(Date)

150
(Number)

4. Identify the positions these employees will fill:

<u>Labor Grade 2 - General Assemblers</u>	<u></u>	<u></u>
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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) were 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 or lacking in basic skills at the time of employment with the company should have met the following criteria:

- (1) Be required to participate in a company training program;
- (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*	<u>30</u>	<u>20%</u>
Traditionally Unemployable*	<u>30</u>	<u>20%</u>
Lacking Basic Skills*	<u>100</u>	<u>67%</u>
Residents of Enterprise Zone County and/or Adjacent Arkansas County	<u>150</u>	<u>100%</u>
Out of State Employees	<u>0</u>	<u>0%</u>

* 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).

AmTran is increasing production to meet new orders for buses. Some model changes necessitate new employees to implement changes. New equipment is being added in the machine fabrication department, and a more efficient wash building is being constructed with new equipment. Additional employment began in April, and will continue as needed throughout the fiscal year to meet orders.

7. Estimated number of qualifying net new employees (exclude owners) for which you expect to take the \$2,000 income tax credit. 150
8. How many full-time permanent jobs will be created through this project?
150
9. How many temporary construction jobs will be created through this project?
estimate not available
(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 or if there are plans for expansion in the future; and construction schedule and purchase of machinery/equipment schedule.

AmTran will be connecting the two main buildings in its effort to update the facilities. New machines will be added in the machine fabrication department, including punch presses, break presses, lathes, etc. Some of these machines will have computer controls.

In addition, the plant will be adding a new bus washing building with all new equipment. Recently, the process of washing buses has created a bottleneck on the production line, necessitating an increase in efficiency in the wash system.

Most of these purchases will occur during the summer months, and will include those mentioned above, along with some equipment accessory to the increase in production, such as new storage racks, coil racks, lift trucks, more personnel facilities, etc.

2. Anticipated Costs: \$ Land
 \$ Building \$ Estimated Investment
 \$ 205,000 Equipment
 \$ Other (Specify)
 \$ 205,000 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:	<u> 75% </u>	%	<u> 100% </u>	%

Outside Arkansas:	<u> 25% </u>	%	<u> 0% </u>	%
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Explain the need for purchases outside Arkansas:

AmTran uses Arkansas suppliers whenever possible, but can only obtain certain equipment from out of state sources. A large C&C press must be purchased from the manufacturer, which is located in Pennsylvania.

AmTran will continue its policy to use Arkansas vendors, suppliers, and subcontractor whenever possible.

- 4. Projected Construction Start April 1986
(Date)
- 5. Projected Construction Completion September 1986
(Date)
- 6. Projected Commencement of Hiring April 1986
(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: \$ 8,200 at 4 %

Estimated county sales tax: \$ _____ at _____ %

Estimated city sales tax: \$ 200 at 1 %

Total Estimated Sales Tax: \$ 8,400

Estimated Use Tax: \$ n/a

SECTION D — INFORMATION FOR INCOME TAX EXEMPTION

1. Is ownership of your business:

Individual _____

Fiduciary _____

Partnership _____

Taxable Corporation x

Small Business Corporation _____

2. Owner(s) Name Percent Ownership Social Security or Corporate Tax I. D. Number

American Transportation Corporation

100%

Fed. ID # 71-0537857

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? March 15
(Date)

Is your state tax filing deadline based on the calendar year or fiscal year end?

Calendar _____

Fiscal x

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 \$78,000 19 85
(amount)

6. Estimated state income tax for current year \$78,000 19 86
(amount)

7. CERTIFICATION

BEFORE ME, the undersigned authority, personally came and

appeared Debbie J. Isaacs who being first duly sworn did
(Name of Company Official)

depose and say that s/he is Assistant Secretary of American Transportation Corporation.
(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 9th day of June, 19 86.

Francis E. Marshall
(Notary)

My commission expires 9-1-92

By Debbie J. Isaacs
Signature of Company Official