



To: Sondra Smith, City Clerk  
City of Fayetteville

CC: Mayor Lioneld Jordan, Don Marr, Chief of Staff

From: Steve Clark, President & CEO

Date: June 11<sup>th</sup>, 2015

Subject: Press Release--Economic Development and Sister City Mission to Panama City, Panama,  
July 8-11, 2015

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The City of Fayetteville and the Fayetteville Chamber of Commerce in its capacity as the City's economic developer will be leading an Economic Development and Sister City Mission to Panama from July 8 – 11, 2015.

Fayetteville's economic development strategic efforts focus on 4 main pillars:

- 1) Business Attraction for businesses from the region, national, and international
- 2) Existing Business Retention, and Expansion
- 3) Local Entrepreneur Development
- 4) Infrastructure refers to activities/programs/advocacy and so on in order to ensure the first 3 pillars are successful.

This mission meets 3 of the 4 pillars—Business attraction/recruitment, helping existing business retention and expansion, and managing infrastructure.

This Economic Development Mission meets our international trade and investment program where we hope to attract trade and foreign investments between Fayetteville and Latin America, starting with Panama. Panama is identified as the first Latin American country to work with because its close proximity to the US and Fayetteville thereby making travel time easy and convenient; it shares similar values in family, friends, and faith; same time zone with Fayetteville, and it uses the US currency. This mission could potentially lead to direct foreign investments (DFI) from Panama to Fayetteville thereby generating new businesses, new jobs, new skill sets, and expanding our city's economy.

We are now recruiting local companies to join us in the mission. Should the local companies become successful in finding the right partners to be their distributors, this could mean more sales to the companies resulting in an increase in production and hiring of more employees, and contribution of



more taxes through property tax, income tax and sales tax. Altogether, they expand our taxpayer base. Attached is an article published in the NWA Democrat & Gazette touting global market for state goods. Our mission is an example of actionable items we are pursuing to help Fayetteville businesses exports their products and services overseas.

Further, we wish to evaluate the potential of establishing a Sister City relationship between Cities of Panama City and Fayetteville. There are hundreds of sister city relationships between US municipalities and foreign cities. According to Sister Cities International, there are approximately 600 member US cities which have almost 2,000 sister cities across 136 countries in 2012. The benefits recorded was as simple as a cultural exchange to as complicated as getting a contract to design a \$1 billion theme park in China. A Sister City program can be a tool in the economic development tool box to generate economic activities between the sister cities.

The Fayetteville Sister City program hopes to focus on cultural exchange, education, and trade. On the cultural exchange, we plan to invite Panamanian travel writers to come to Fayetteville and write about Fayetteville and northwest Arkansas. This could potentially result in us having more Panamanian tourists to Fayetteville thereby putting more heads on the beds and more patrons to our restaurants. We look forward to a cultural exchange between the two cities thereby adding diversity, fun, and enhancing our quality of life in Fayetteville. This, in turn, could lead us to being more successful in skill talent attraction and help solve the emerging workforce shortage in our region.

On education, University of Arkansas Fayetteville already has a great connection with Panama. Since U of A is located in Fayetteville, the City and the Chamber should help U of A to carry on its momentum and maintain the positive ties between Fayetteville and Panama City. As foreign students from Panama study at the university, they give a positive economic impact to the city and the state with their inflow of foreign funds. According to a report by the Association of International Educators, the economic impact of international students at the University of Arkansas was an estimated \$25.4 million to the Fayetteville economy in 2009-2010.

Representatives from the Fayetteville Public School District and University of Arkansas sit on the Sister City Ad Hoc Committee. We foresee exchanges of students and teachers/professors between the two cities, whether it is for study abroad, volunteer work, internships, language education and so on.

Panama is the entreport of Latin America because of its physical conditions. Trade exchanges where different cargo ships load, unload, and refigure, happen in Panama. There is talk among US ports that with the Panama Canal expansion is completed this year, container cargo could be diverted to New



Orleans where it would be off-loaded on barges for shipment up the McClellan-Kerr Arkansas River Navigation System. When this comes to pass, Fayetteville, Ft. Smith and northwest Arkansas could experience expanded growth. It could benefit Fayetteville economically from the relationship we build with Panama.

As Panama progresses economically, they are beginning to step up their efforts in planning its growth and managing their resources and environment better, as in their solid wastes management or road infrastructure systems. The City of Fayetteville, Fayetteville companies and professionals in global logistics, solid wastes management, sustainability, and road infrastructure could have opportunities for their services to be exported to Panama.

All these activities can become possible but first, it starts with us establishing relationship with Panama through this mission. While we are proactively leading in making an initial investment with the visit, the return on investments in the form of more revenues for our local companies, professionals, the U of Arkansas, and tax revenues in the form of sales and property taxes, plus the creation of new jobs or maintenance of existing ones make this mission a worthwhile economic development program for the City of Fayetteville.

Councilman Mark Kinion will be leading the mission and representing Fayetteville as Vice Mayor and Councilwoman Adella Gray is the second council representative to the mission.

For more general information:

- 1) <http://www.governing.com/news/state/US-Cities-Find-Benefits-in-Sister-Relationships.html>
- 2) <http://news.uark.edu/articles/15302/international-students-boost-state-and-local-economies>
- 3) <http://tulsaport.com/category/news/page/5/>