



**MEETING OF APRIL 4, 2023**

**TO:** Mayor Jordan and City Council  
**THRU:** Susan Norton, Chief of Staff  
**FROM:** Devin Howland, Director of Economic Vitality  
**DATE:**  
**SUBJECT: A RESOLUTION AUTHORIZING THE DEPARTMENT OF ECONOMIC VITALITY TO HIRE ONE ADDITIONAL FULL-TIME EMPLOYEE AND TO APPROVE A BUDGET ADJUSTMENT.**

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**RECOMMENDATION:**

Staff is recommending approval of a resolution authorizing one additional full-time employee within the Department of Economic Vitality and approval of a budget adjustment.

**BACKGROUND:**

For many years, the City's economic development efforts were conducted exclusively through contracts with external entities. In 2016, following the adoption of the Fayetteville First Economic Development Plan, this trend changed when the Department of Economic Vitality was created to implement the plan and manage the City's two economic development contracts.

An early goal of the Department was to bring a proactive approach to the practice of economic development in Fayetteville. Sales tax generating businesses, such as retail trade and restaurants and food services make up 70% of the total sales tax revenue the City receives. For some time, the City missed out on numerous restaurants and retailers that entered the region, not having a targeted approach to securing these types of investments. In 2019, the Department increased its headcount to two, bringing in a Business Development Manager to focus exclusively on securing revenue-generating businesses. The results of this focus can be seen throughout Fayetteville through investments like Walk On's, Long Horn Steak House, Cheuy's, and redevelopment projects such as The Claude apartments south of the Northwest Arkansas Mall are examples of successful projects tied to the work of this position. Additionally, programs such as parklets and the City's numerous Outdoor Refreshment Areas have expanded taxable sales.

**DISCUSSION:**

To meet a series of complex economic needs currently facing Fayetteville, the Department of Economic Vitality has been restructuring the City's economic development efforts in order to increase operational efficiencies and make the tax payer dollars which fund its work go further. The intent of these efforts is to provide a significant expansion of services without a budget increase. This can be accomplished with an additional full-time employee using half of the dollars that were dedicated to the Business Retention and Expansion Economic Development consulting contract.

The duties formerly executed under the Business Retention and Expansion Economic Development Consulting

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Contract are being managed internally by Chung Tan, who was recently promoted to Director of Industry and Employer relations. Further, in the succeeding years since the Department of Economic Vitality was created, the City went from zero to over thirty years of internal economic development capacity, with its staff members holding the highest professional designations in the industry:

- Certified Economic Developer (CEcD)
- Economic Development Finance Professional (EDFP)

Absorbing these duties internally provides the opportunity to add an additional position that will focus exclusively on equitable and inclusive economic development efforts that are critically important to our residents; childcare facilities, inclusive workforce development for populations who face barriers, and attainable housing.

Staff is proposing to hire an Economic Equity and Mobility Project Manager that will provide a full-time focus on the following areas:

- Adding childcare facilities throughout Fayetteville;
- Targeted recruitment of essential business services to areas with the greatest need;
- Expansion of job skill training programs for residents who face barriers to employment, such as Department of Labor Apprenticeship Programs;
- Providing technical assistance and support to the Director with workforce and attainable housing efforts.

Lastly, a large portion of these funds have been placed in professional services for implementation of the City's next Economic Vitality Master Plan.

**BUDGET/STAFF IMPACT:**

Budget adjustment attached.

**ATTACHMENTS:** 2023-533 SRF Econ Dev FTE, 2023-533 BA Econ Dev FTE, Distribution of duties

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