



City of Fayetteville, Arkansas

113 West Mountain Street

Fayetteville, AR 72701

479-575-8323 TDD -

479-521-1316

Text File

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A RESOLUTION TO APPROVE AND CERTIFY THE PARTICIPATION OF PACIFIC VET GROUP - USA, INC. IN THE ARKANSAS TAX BACK PROGRAM AND TO AGREE TO AUTHORIZE DF&A TO REFUND CITY SALES TAX BACK TO PACIFIC VET GROUP - USA, INC.

WHEREAS, Pacific Vet Group - USA, Inc. recently purchased a 24-acre parcel of property in the Fayetteville Commerce District for \$360,000.00 for the purpose of expanding its operations in Fayetteville as a research, development and manufacturing facility with a total planned investment of \$1.7 million in land purchase and preparation, \$4 million in construction and almost \$1 million in equipment purchases within the first phase of development; and

WHEREAS, Pacific Vet Group - USA, Inc. currently has 14 employees and is committed to creating 47 new jobs paying an average hourly wage of \$31.70 for a total annual payroll of \$3,000,000.00; and

WHEREAS, in order to certify Pacific Vet Group - USA, Inc. to participate in the sales and use tax refund program, either Washington County or the City of Fayetteville, or both, must "(s)pecify that the Department of Finance and Administration is authorized to refund local sales taxes to the qualified business." {A.C.A.

§15-4-2706 (d)(B)(ii)}; and

WHEREAS, the City of Fayetteville or Washington County must also endorse Pacific Vet Group - USA, Inc.'s participation in this state and local sales and use tax refund program; and

WHEREAS, bond indentures prevent diversion of sales tax proceeds from the city's bonded penny sales and use tax.

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

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby endorses Pacific Vet Group - USA, Inc.'s participation in the sales and use tax refund program authorized by A.C.A. §15-4-2706(d) in relation to its construction, equipping and hiring at its new facility in Fayetteville, Arkansas.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby specifies that the Department of Finance and Administration is authorized to refund the non-bonded penny city sales tax to Pacific Vet Group - USA, Inc. for qualified construction and manufacturing equipment purchased for

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its facility in Fayetteville, Arkansas.

City of Fayetteville Staff Review Form

2014-0454

Legistar File ID

11/6/2014

City Council Meeting Date - Agenda Item Only
 N/A for Non-Agenda Item

Jeremy Pate

10/16/2014

Development Services/
 Development Services Department

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Approval by the City of Fayetteville certifying local government endorsement of Pacific Vet Group-USA, Inc. to participate in State of Arkansas Tax Back Program (as authorized by Section 15-4-2706(d) of the Consolidated Incentive Act of 2003) and authorizing the Department of Finance and Administration to refund local sales and use taxes to Pacific Vet Group-USA, Inc.

Budget Impact:

Account Number		Fund	
Project Number		Project Title	
Budgeted Item?	NA	Current Budget	\$ -
		Funds Obligated	\$ -
		Current Balance	\$ -
Does item have a cost?	No	Item Cost	
Budget Adjustment Attached?	No	Budget Adjustment	
		Remaining Budget	\$ -

V20140710

Previous Ordinance or Resolution # _____

Original Contract Number: _____

Approval Date: _____

Comments:



CITY COUNCIL AGENDA MEMO

MEETING OF NOVEMBER 06, 2014

TO: Mayor, Fayetteville City Council

THRU: Don Marr, Chief of Staff

FROM: Jeremy Pate, Development Services Director 

DATE: October 16, 2014

SUBJECT: Pacific Vet Group – USA, Inc. Tax Back Program

RECOMMENDATION:

The City Staff recommends on behalf of the Mayor's office that the City Council pass a resolution in support of Pacific Vet Group – USA, Inc. (PVG) to participate in the State of Arkansas Tax Back Program. The Arkansas Economic Development Commission seeks local support for the Tax Back Program, and the City Council's action to support this application will assist in that effort.

BACKGROUND:

The City of Fayetteville recently completed the sale of a 24-acre parcel of property in the Commerce District, adjacent to the City Water and Sewer Operations Center. This property was sold to PVG to allow for their expansion in the City of Fayetteville as a research, development and manufacturing facility. Plans are underway to submit for development review in the first part of 2015.

The City was recently contacted by Steve Clark, President and CEO of the Fayetteville Chamber of Commerce, seeking the City's endorsement of PVG to participate in the State of Arkansas Tax Back Program of the Consolidated Incentive Act of 2003. PVG is a local company started by University of Arkansas students. Its primary functions are the research and development, manufacturing and marketing of products for the poultry industry. PVG chose Fayetteville to make its home, after consideration of several sites in Northwest Arkansas. Approximately \$1.7 million in land purchase and preparation, \$4 million in construction and almost \$1 million in equipment purchases are planned for the Fayetteville location on Industrial Drive, within the first phase of development. PVG currently has 14 employees, and is committed to creating 47 new jobs paying an average hourly wage of \$31.70, for a total new payroll of \$3 million. As described during the Council's consideration to sell this property to PVG, master plans have been developed to continue to grow the company in this location in the future.

Support of this resolution will allow PVG to carry out its development plan and generate additional economic activity for the City of Fayetteville, in addition to the 47 new jobs in our Commerce District.

DISCUSSION:

BUDGET/STAFF IMPACT:

We believe the budget impact will be neutral. The job growth will spur new sales tax growth from new employees but most importantly may lead to further expansion in this area. One of the City's economic development goals is to retain our current employers in our area, and passing this resolution allows for one such employer to do so.

Attachments:

PVG Application for Sales Tax Back Program
Chamber of Commerce Letter of Support
Site Development Master Plan



September 29, 2014

Mayor Lioneld Jordan
City of Fayetteville
113 W Mountain
Fayetteville, AR 72701

Dear Mayor Jordan:

Once again, thanks to your leadership and that of the City Council, Pacific Vet Group – USA (PVG) was able to make the decision to move from a rental property in Johnson (Fayetteville address) to purchasing a 24-acre piece of land in the Fayetteville Commerce District to establish its new home. With this growth plan, PVG is applying for statutory incentives offered by the State of Arkansas. One of which is the State of Arkansas Tax Back Program. I write to express my strong support for this application.

PVG is a local company started by University of Arkansas students using licensed technology from the U of A. It has investors from out of state and foreign countries. The company develops, manufactures, and markets products for the poultry/bird industry.

PVG had looked at many sites and after careful consideration, it chose to purchase land in Fayetteville. In addition to spending \$1.7 million in making the land purchase and preparation, PVG will further invest \$4 million on construction and \$900,000 in equipment. This is only its first phase of developing their campus. It anticipates progressive development in the future. Currently, PVG has 14 employees. As a result of this project, PVG is committed to creating 47 new jobs paying an average hourly wage of \$31.70 for a total new annual payroll of \$3 million.

An approval to pass the resolution by the Fayetteville City Council to refund sales and use taxes to PVG for its purchases related to the project will allow PVG to retain jobs in the area, implement its expansion program, and create jobs thereby spurring economic growth in Washington County. PVG meets the City of Fayetteville's goal of attracting clean and good paying jobs as well. The company is progressive and is already on its way to becoming a strong global player in its field. Let's join them for the ride.

Yours truly,

A handwritten signature in black ink, appearing to read 'Steve Clark', is written over a white background.

Steve Clark
President & CEO





PACIFIC VET GROUP MASTERPLAN
FAYETTEVILLE, AR 3.20.2014



MASTERPLAN WITH PHASING
SCALE: 1" = 150'-0"

