

**AN ECONOMIC ANALYSIS OF  
WASHINGTON COUNTY IN  
NORTHWEST ARKANSAS**



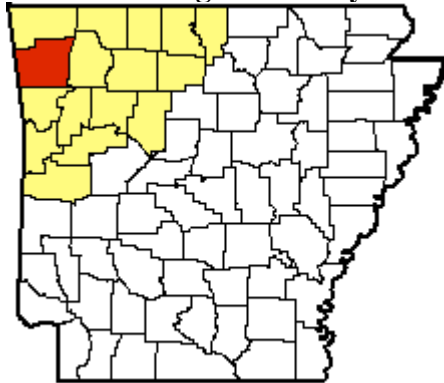
Center for Business and Economic Research  
Reynolds Center Building 217  
Sam M. Walton College of Business  
1 University of Arkansas  
Fayetteville, Arkansas 72701-1201  
(479) 575-4151  
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# An Economic Analysis of Washington County in Northwest Arkansas

## I. Geographic Description

Washington County is comprised of 950 square miles and is located along the Oklahoma-Arkansas border in the physiographic regions of the Springfield Plateau in the northern portion of the county and the Boston Mountains in the southern portion of the county. Figure 1 highlights the counties that comprise the Northwest Arkansas region, as defined by the Arkansas Department of Economic Development. Washington County is shown in red; all other counties in the region are shown in yellow.

**Figure 1 – Washington County’s Location**



A small portion of the Ozark National forest is located in extreme northern and southern Washington County. The White River flows north from Madison County through Washington County into Beaver Lake.

Sources:

United States Census Bureau. State and County QuickFacts.

<http://quickfacts.census.gov/qfd/states/05/05143.html>

Chart 2-5: Physiographic Regions. Arkansas Statistical Abstract – 2000. April 2000.

Census State Data Center, University of Arkansas at Little Rock. Page 72.

The Rand McNally Road Atlas, 2002 Edition. Page 10.

## II. Demographic Characteristics

### Population

In 1980, the population of Washington County was 100,494 persons. The county ranked second in terms of population among Arkansas’ 75 counties behind Pulaski County and first among the 16 counties in Northwest Arkansas. By 1990, the population of the county had increased 12.9 percent to 113,409 to rank second among Arkansas’ counties behind Pulaski County and first among the counties in Northwest Arkansas. From 1980 to 1990, the population of the state of Arkansas increased 2.8 percent from 2,286,435 to 2,350,725; from 1990 to 2000, the state’s population increased 13.7 percent to 2,673,400

persons. In 2000, the population of Washington County stood at 157,715, an increase of 39.1 percent from 1990. The county was the second most populous county in Arkansas behind Pulaski County and the most populous county in Northwest Arkansas in 2000. The five most populous cities in Washington County in 2000 were Fayetteville (58,047), Springdale (43,787 of the 45,798 residents of Springdale lived in Washington County), Farmington (3,605), Prairie Grove (2,540), and Johnson (2,319). Fayetteville is the county seat for Washington County.

DRI-WEFA, an economic analysis consulting firm, projects the population of Washington County will increase by 23.0 percent to 193,990 people in the year 2010. If the projections are realized, Washington County will be the second most populous county in Arkansas behind Pulaski County and the most populous county in Northwest Arkansas.

The gender makeup of Washington County is relatively more male than for the state as a whole. In the year 2000, the proportions of males and females in the county were 50.1 percent and 49.9 percent, respectively, compared to 48.8 percent and 51.2 percent, respectively, for the state.

In the year 2000, Washington County had the youngest median age (due in large part to the student population of the University of Arkansas, located in Fayetteville), the 29<sup>th</sup> lowest proportion of residents under age 18, and the second lowest proportion of residents age 65 and older among all Arkansas counties behind Faulkner County's 9.5 percent. In the year 2000, the median age of residents in Washington County was 30.8 years, compared to 36.0 years for the state. From 1990 to 2000, the proportion of the county's population that was under 18 years of age increased from 24.7 percent to 25.0 percent; for the same period, the proportion of Arkansans under 18 years of age decreased from 26.4 percent to 25.4 percent. From 1990 to 2000, the proportion of the county's population that was 65 years of age or older decreased from 11.3 percent to 9.9 percent; for the same period, the proportion of Arkansans age 65 or older decreased from 14.9 percent in 1990 to 14.0 percent in 2000.

The racial composition of Washington County is more mixed in terms of minorities than for the state as a whole. In 2000, the proportions of Washington County's population comprised of Caucasians, African Americans, American Indians and Native Alaskans, and Asians were 88.0 percent, 2.2 percent, 1.3 percent, and 1.5 percent, respectively. For the state, in 2000, the proportions of Caucasians, African Americans, American Indians and Native Alaskans, and Asians were 80.0 percent, 15.7 percent, 0.7 percent, and 0.8 percent, respectively. In 2000, the proportion of residents in Washington County who were Hispanic was 8.2 percent, compared to the state's proportion of 3.2 percent; 14.9 percent of the state's Hispanic population resided in Washington County in the year 2000.

Sources:

United States Census Bureau, Population of Counties by Decennial Census: 1900 to 1990. <http://www.census.gov/population/cencounts/ar190090.txt>

United States Census Bureau, Census 2000, Redistricting Data (Public Law 94-171) Summary File.

[http://factfinder.census.gov/servlet/BasicFactsTable?\\_lang=en&\\_vt\\_name=DEC\\_2000\\_PL\\_U\\_GCTPL\\_ST7&\\_geo\\_id=04000US05](http://factfinder.census.gov/servlet/BasicFactsTable?_lang=en&_vt_name=DEC_2000_PL_U_GCTPL_ST7&_geo_id=04000US05)

The Rand McNally Road Atlas, 2002 Edition. Page 10.

DRI-WEFA, U.S. Regional Analysis. Data supplied by the Institute for Economic Advancement, University of Arkansas-Little Rock.

United States Census Bureau, Census 2000, Table DP-1. Profile of General Demographic Characteristics: 2000. <http://censtats.census.gov/data/AR/04005.pdf>

United States Census Bureau, 1990 Census, Table DP-1. Profile of General Demographic Characteristics: 1990.

[http://factfinder.census.gov/servlet/BasicFactsTable?\\_lang=en&\\_vt\\_name=DEC\\_1990\\_STF1\\_DP1&\\_geo\\_id=04000US05](http://factfinder.census.gov/servlet/BasicFactsTable?_lang=en&_vt_name=DEC_1990_STF1_DP1&_geo_id=04000US05)

United States Census Bureau, Census 2000, Table DP-1. Profile of General Demographic Characteristics: 2000. <http://censtats.census.gov/data/AR/05005143.pdf>

United States Census Bureau, 1990 Census, Table DP-1. General Population and Housing Characteristics: 1990.

[http://factfinder.census.gov/servlet/BasicFactsTable?\\_lang=en&\\_vt\\_name=DEC\\_1990\\_STF1\\_DP1&\\_geo\\_id=05000US05143](http://factfinder.census.gov/servlet/BasicFactsTable?_lang=en&_vt_name=DEC_1990_STF1_DP1&_geo_id=05000US05143)

## **Income**

Table 1 presents median household income and median family income for the year 1999 and per capita personal income for the year 2000 for Washington County. The table also ranks Washington County in terms of these income statistics among the 75 counties in Arkansas and the 16 counties in Northwest Arkansas.

**Table 1 – Washington County Income Statistics**

Income Statistic	Washington County	Percent of State	Arkansas			Northwest Arkansas		
			Rank	Range		Rank	Range	
				Low	High		Low	High
1999 Median Household Income	\$34,691	107.8%	7	\$20,510	\$42,569	2	\$21,397	\$40,281
1999 Median Family Income	\$42,795	110.7%	7	\$25,846	\$48,717	2	\$27,580	\$45,235
2000 Per Capita Personal Income	\$21,363	97.1%	15	\$14,303	\$30,447	4	\$14,303	\$25,358

Table 2 presents poverty statistics for different resident groups in Washington County and for the State of Arkansas in 1999. The table ranks Washington County among the 75 counties in Arkansas and among the 16 counties in Northwest Arkansas in terms of the three poverty rates presented. For example, the county ranked 59<sup>th</sup> among the counties in Arkansas and 12<sup>th</sup> among the counties in Northwest Arkansas in terms of the poverty rate for individuals in 1999.<sup>1</sup>

<sup>1</sup> Note: Rankings are from highest poverty rate to lowest. Hence, a ranking of one indicates relatively high levels of poverty, and a ranking of 75 indicates relatively low levels of poverty.

**Table 2 – Washington County Poverty Rates, 1999**

Poverty Statistic	County Rate	Arkansas Rate	Arkansas			Northwest Arkansas		
			Rank	Range		Rank	Range	
				Low	High		Low	High
Individuals	14.6%	15.8%	59	7.2%	32.7%	12	10.1%	23.8%
Families with Related Children	14.2%	18.1%	67	7.8%	40.8%	13	11.2%	26.4%
Individuals 65 and Older	10.2%	13.8%	69	7.3%	27.6%	13	8.6%	26.6%

Table 3 presents average weekly earnings for covered employment in Washington County in the year 2001. The table also displays average weekly earnings as a proportion of the state's figure and ranks Washington County in terms of average weekly earnings relative to the counties in Arkansas and Northwest Arkansas for which data were available. For example, in terms of average weekly earnings in the manufacturing sector, Washington County ranked 25<sup>th</sup> among the 71 counties in Arkansas for which data were available and 3<sup>rd</sup> among the 15 counties in Northwest Arkansas for which data were available.

**Table 3 – Washington County Average Weekly Earnings, by Sector, Calendar Year 2001**

Sector	Average Weekly Earnings	Percent of State	Arkansas			Northwest Arkansas		
			Rank	Range		Rank	Range	
				Low	High		Low	High
Manufacturing	\$556.00	96.8%	25 / 71	\$260.75	\$894.22	3 / 15	\$312.98	\$587.60
Wholesale Trade	\$668.69	93.2%	8 / 68	\$214.77	\$995.14	3 / 14	\$214.77	\$995.14
Retail Trade	\$346.85	102.1%	6 / 73	\$215.61	\$439.32	3 / 15	\$244.32	\$358.05
Information	\$580.57	86.0%	18 / 56	\$306.77	\$869.54	5 / 12	\$348.10	\$832.62
Financial Activities	\$616.43	97.4%	3 / 73	\$282.76	\$829.55	2 / 14	\$282.76	\$622.20
Professional and Business Services	\$590.23	94.4%	10 / 68	\$218.14	\$955.05	2 / 15	\$256.91	\$955.05
Education and Health Services	\$609.77	112.5%	4 / 74	\$231.49	\$668.35	1 / 16	\$231.49	\$649.85
All Sectors	\$516.85	99.7%	10 / 75	\$316.63	\$681.93	3 / 16	\$316.63	\$631.34

Table 4 presents the share of personal income in Washington County in 2000 attributable to different sectors of the economy. The table displays how this share compares to the proportion for the state in aggregate and ranks Washington County in terms of the share of personal income attributed to the sectors relative to the counties in Arkansas and Northwest Arkansas for which data were available. For example, in terms of the share of personal income attributed to the manufacturing sector, Washington County ranked 20<sup>th</sup> among the 73 counties in Arkansas for which data were available and 4<sup>th</sup> among the 15 counties in Northwest Arkansas for which data were available.

**Table 4 – Disposition of Personal Income in Washington County, by Sector, Year 2000**

Sector	Share of Personal Income	Greater or Less than State	Arkansas			Northwest Arkansas		
			Rank	Range		Rank	Range	
				Low	High		Low	High
Farm Earnings	2.4%	-0.2%	53 / 75	0.1%	15.9%	12 / 16	0.4%	15.9%
Manufacturing	18.5%	4.2%	20 / 73	1.3%	77.9%	4 / 15	3.4%	27.1%
Transportation and Utilities	6.8%	1.1%	9 / 71	1.3%	14.5%	4 / 15	1.8%	14.5%
Wholesale Trade	5.6%	2.1%	5 / 67	0.2%	11.4%	2 / 15	0.4%	5.9%
Retail Trade	8.5%	0.7%	5 / 75	1.4%	24.4%	4 / 16	2.4%	24.4%
Finance, Insurance, and Real Estate	3.4%	0.0%	4 / 71	0.8%	8.0%	2 / 15	1.1%	3.5%
Services	17.9%	3.0%	6 / 75	3.3%	29.0%	3 / 16	4.8%	29.0%
Business Services	3.4%	0.8%	4 / 65	0.1%	10.5%	2 / 14	0.2%	5.5%
Health Services	7.5%	1.3%	9 / 72	0.5%	14.4%	3 / 16	0.5%	14.4%
Hotel and Lodging	0.4%	0.1%	12 / 55	0.04%	1.9%	4 / 14	0.05%	1.9%
Amusement and Recreation Services	0.4%	0.1%	7 / 48	0.03%	1.0%	3 / 10	0.03%	1.0%

The sale of livestock accounted for 99.0 percent of Washington County’s cash receipts from farm marketings in the year 2000. Livestock cash receipts and total cash receipts for Washington County in the year 2000 were \$377.7 million and \$381.6 million, respectively; the county ranked first both in terms of livestock cash receipts and total cash receipts among Arkansas’ counties. Cash receipts for crops and government payments for Washington County in the year 2000 totaled \$3.9 million and \$801,000, respectively; the county ranked 35<sup>th</sup> in terms of the former and 43<sup>rd</sup> in terms of the latter among Arkansas’ counties. The county ranked first among Arkansas’ counties in terms of total production expenses in the year 2000, \$309.5 million. As of January 1, 2002, Washington County had a total of 111,000 cattle and calves and 58,000 beef cows; the county ranked second in terms of the former and first in terms of the latter among the counties in Arkansas.

Sources:

United States Census Bureau, Census 2000, Table DP-3. Profile of Selected Economic Characteristics: 2000. <http://censtats.census.gov/data/AR/04005.pdf>

United States Census Bureau, Census 2000, Table DP-3. Profile of Selected Economic Characteristics: 2000. <http://censtats.census.gov/data/AR/05005143.pdf>

U.S. Commerce Department, Bureau of Economic Analysis, Regional Accounts Data, Local Area Personal Income, Table CA1-3: Personal Income Summary Estimates. <http://www.bea.gov/bea/regional/reis/>

Arkansas Employment Security Department, Covered Employment and Earnings, Annual 2001. Table 6: County Summary Employment and Earnings, by Industry, Calendar Year 2001. <http://www.accessarkansas.org/esd/01antb6.htm>

Arkansas Employment Security Department, Covered Employment and Earnings, Annual 2001. Table 1: Average Covered Employment and Average Weekly Earnings, by Industry, 2001. <http://www.accessarkansas.org/esd/01antb1.htm>

U.S. Commerce Department, Bureau of Economic Analysis. Regional Accounts Data, Local Area Personal Income. Table CA05 – Personal Income by Major Source and Earnings by Industry. <http://www.bea.gov/bea/regional/reis/>  
 Arkansas Agricultural Statistics Service, National Agricultural Statistics Service, United States Department of Agriculture, 2001 County Profiles. <http://www.nass.usda.gov/ar/washing.PDF>

## **Education**

Washington County contains the following nine school districts, with October 1, 2000 enrollment found in parentheses: Elkins (953), Farmington (1,617), Fayetteville (7,957), Greenland (886), Lincoln (1,012), Prairie Grove (1,308), Springdale (11,422), West Fork (1,055), and Winslow (318). Table 5 displays the average ACT composite score for high school seniors (which ranges from 1 to 36, with 36 being the best), the attendance rate, the dropout rate (percentage of students dropping out of school in Grades 7-12 from October of one school year to October of the next school year), the graduation rate (percentage of students enrolled in Grade 9 and completing Grade 12), and the college remediation rate (percentage of freshmen entering an *Arkansas* college or university who are required to take at least one remedial class) for the above school districts and for the state in aggregate.

Table 5 – Educational Statistics for Washington County Schools, 2000-2001 School Year

<b>School District</b>	<b>ACT Composite Score</b>	<b>Attendance Rate</b>	<b>Dropout Rate</b>	<b>Graduation Rate</b>	<b>College Remediation Rate</b>
Elkins	21.0	95.5%	1.9%	84.6%	50.0%
Farmington	19.8	92.8%	1.4%	91.2%	71.0%
Fayetteville	23.2	92.5%	1.8%	85.6%	22.0%
Greenland	21.3	94.1%	0.2%	92.7%	41.0%
Lincoln	19.6	92.2%	0.2%	93.3%	43.0%
Prairie Grove	20.6	95.0%	1.8%	84.0%	50.0%
Springdale	21.5	93.8%	3.8%	78.7%	35.0%
West Fork	20.8	94.2%	1.2%	85.8%	46.0%
Winslow	21.4	93.6%	3.4%	71.8%	0.0%
<b>State Average</b>	<b>20.1</b>	<b>93.2%</b>	<b>3.0%</b>	<b>84.3%</b>	<b>41.0%</b>

Among the 301 school districts in Arkansas for which data were available, the ACT composite scores for the school districts in Washington County ranked as follows: Elkins (tied for 50<sup>th</sup>), Farmington (tied for 131<sup>st</sup>), Fayetteville (3<sup>rd</sup>), Greenland (tied for 34<sup>th</sup>), Lincoln (tied for 147<sup>th</sup>), Prairie Grove (tied for 79<sup>th</sup>), Springdale (tied for 27<sup>th</sup>), West Fork (tied for 67<sup>th</sup>), and Winslow (tied for 29<sup>th</sup>); because of ties, the rankings ranged from 1 through 299. Among the 72 school districts in Northwest Arkansas, the ACT composite scores for the school districts in Washington County ranked as follows: Elkins (22<sup>nd</sup>), Farmington (tied for 49<sup>th</sup>), Fayetteville (2<sup>nd</sup>), Greenland (tied for 17<sup>th</sup>), Lincoln (tied for 52<sup>nd</sup>), Prairie Grove (tied for 30<sup>th</sup>), Springdale (tied for 14<sup>th</sup>), West Fork (tied for 26<sup>th</sup>), and Winslow (16<sup>th</sup>). District-wide average ACT composite scores for the 301 school districts in Arkansas for which data were available ranged from 24.0 to 14.0; for the

school districts in Northwest Arkansas, the district-wide average ACT composite scores ranged from 24.0 to 15.8.

Among the 307 school districts in Arkansas for which data were available, the dropout rates for the school districts in Washington County ranked as follows: Elkins (tied for 165<sup>th</sup>), Farmington (tied for 201<sup>st</sup>), Fayetteville (tied for 171<sup>st</sup>), Greenland (tied for 283<sup>rd</sup>), Lincoln (tied for 283<sup>rd</sup>), Prairie Grove (tied for 171<sup>st</sup>), Springdale (tied for 64<sup>th</sup>), West Fork (tied for 218<sup>th</sup>), and Winslow (tied for 74<sup>th</sup>); because of 27 districts' being tied for last place with a 0.0 percent dropout rate, the rankings ranged from 1 through 285.<sup>2</sup> Among the 72 school districts in Northwest Arkansas, the dropout rates for the school districts in Washington County ranked as follows: Elkins (tied for 32<sup>nd</sup>), Farmington (tied for 48<sup>th</sup>), Fayetteville (tied for 34<sup>th</sup>), Greenland (tied for 67<sup>th</sup>), Lincoln (tied for 67<sup>th</sup>), Prairie Grove (tied for 34<sup>th</sup>), Springdale (12<sup>th</sup>), West Fork (tied for 53<sup>rd</sup>), and Winslow (tied for 15<sup>th</sup>); because of four districts' being tied for last place with a 0.0 percent dropout rate, the rankings ranged from 1 through 69. For the state, dropout rates ranged from 15.4 percent to 0.0 percent; for the districts in Northwest Arkansas, dropout rates ranged from 12.5 percent to 0.0 percent.

Among the 307 school districts in Arkansas for which data were available, the graduation rates for the school districts in Washington County ranked as follows: Elkins (tied for 173<sup>rd</sup>), Farmington (tied for 93<sup>rd</sup>), Fayetteville (165<sup>th</sup>), Greenland (tied for 72<sup>nd</sup>), Lincoln (tied for 58<sup>th</sup>), Prairie Grove (tied for 182<sup>nd</sup>), Springdale (249<sup>th</sup>), West Fork (tied for 162<sup>nd</sup>), and Winslow (281<sup>st</sup>). Among the 72 school districts in Northwest Arkansas, the graduation rates for the school districts in Washington County ranked as follows: Elkins (tied for 48<sup>th</sup>), Farmington (25<sup>th</sup>), Fayetteville (46<sup>th</sup>), Greenland (17<sup>th</sup>), Lincoln (tied for 12<sup>th</sup>), Prairie Grove (51<sup>st</sup>), Springdale (62<sup>nd</sup>), West Fork (45<sup>th</sup>), and Winslow (67<sup>th</sup>). For the state, graduation rates ranged from 100.0 percent to 23.6 percent; for the districts in Northwest Arkansas, graduation rates ranged from 100.0 percent to 63.2 percent.

Among the 307 school districts in Arkansas for which there were data available, the college remediation rates for the school districts in Washington County ranked as follows: Elkins (tied for 124<sup>th</sup>), Farmington (tied for 36<sup>th</sup>), Fayetteville (tied for 269<sup>th</sup>), Greenland (tied for 192<sup>nd</sup>), Lincoln (tied for 179<sup>th</sup>), Prairie Grove (tied for 124<sup>th</sup>), Springdale (tied for 223<sup>rd</sup>), West Fork (tied for 151<sup>st</sup>), and Winslow (tied for 281<sup>st</sup>); because of 31 districts' being tied for last place with a 0.0 percent college remediation rate, the rankings ranged from 1 through 281.<sup>3</sup> Among the 72 school districts in Northwest Arkansas, the college remediation rate for the school districts in Washington County ranked as follows: Elkins (tied for 20<sup>th</sup>), Farmington (tied for 3<sup>rd</sup>), Fayetteville (68<sup>th</sup>), Greenland (tied for 44<sup>th</sup>), Lincoln (tied for 38<sup>th</sup>), Prairie Grove (tied for 20<sup>th</sup>), Springdale (tied for 52<sup>nd</sup>), West Fork (tied for 28<sup>th</sup>), and Winslow (tied for 70<sup>th</sup>); because of three districts' being tied for last place with a 0.0 percent college remediation rate, the rankings ranged from 1 through 70. For the state, college remediation rates ranged from

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<sup>2</sup> Note: Rankings are from highest dropout rate to lowest. Hence, a ranking of one indicates a relatively high dropout rate, and a ranking of 285 indicates a relatively low dropout rate.

<sup>3</sup> Note: Rankings are from highest remediation rate to lowest. Hence, a ranking of one indicates a relatively high dropout rate, and a ranking of 281 indicates a relatively low remediation rate.



100.0 percent to 0.0 percent; for the districts in Northwest Arkansas, college remediation rates ranged from 80.0 percent to 0.0 percent.

In the Elkins School District, all three of the district's schools are accredited by the North Central Association of Secondary Schools and Colleges (NCASSC). In the Farmington School District, all three of the district's schools are accredited by the NCASSC. In the Fayetteville School District, all 15 of the district's schools are accredited by the NCASSC. In the Greenland School District, both of the district's schools are accredited by the NCASSC. In the Lincoln School District, all three of the district's schools are accredited by the NCASSC. In the Prairie Grove School District, all four of the district's schools are accredited by the NCASSC. In the Springdale School District, all 15 of the district's schools are accredited by the NCASSC. In the West Fork School District, all three of the district's schools are accredited by the NCASSC. In the Winslow School District, neither of the district's schools is accredited by the NCASSC.

Table 6 displays the proportion of persons 25 years of age or older in Washington County with various levels of education in the year 2000. The table also presents the proportions for the state in aggregate and ranks Washington County ranks among the 75 counties in Arkansas and among the 16 counties in Northwest Arkansas in terms of the four levels of education presented. For example, Washington County ranked third among Arkansas' counties and first among the counties in Northwest Arkansas in terms of the proportion of the persons 25 years of age or older with a bachelor's degree in 2000.

**Table 6 – Educational Attainment in Washington County, 2000**

Level of Education	County	Arkansas	Arkansas			Northwest Arkansas		
			Rank	Range		Rank	Range	
				Low	High		Low	High
Bachelor's Degree	14.8%	11.0%	3	4.2%	18.0%	1	5.4%	14.8%
Graduate or Professional Degree	9.8%	5.7%	2	1.8%	10.1%	1	2.8%	9.8%
Bachelor's Degree or Higher	24.5%	16.7%	3	6.3%	28.1%	1	8.4%	24.5%
High School Diploma or Higher	79.5%	75.3%	5	56.2%	84.4%	2	65.4%	80.4%

There are seven Arkansas colleges and universities within 100 miles of Fayetteville, Arkansas. The institutions, the number and type of degree programs offered at the institutions, and their enrollment statistics are presented below.

John Brown University (JBU), located in Siloam Springs, Arkansas in Benton County, is a private, four-year Christian college (interdenominational) that offers associate degrees in six program areas, baccalaureate degrees in 50 program areas, and master's degrees in 6 program areas. Opening fall enrollment for JBU was 1,684 persons in 2001, 9.0 percent greater than fall 2000. Since 1997, fall enrollment has increased 27.1 percent.

North Arkansas College (NAC), located in Harrison, Arkansas in Boone County, is a two-year public college. The Arkansas Higher Education Coordinating Board (AHECB)

of the Arkansas Department of Higher Education has approved the dissemination of the following academic degrees and certificate programs at NAC: certificates of proficiency in 5 program areas, technical certificates in 25 program areas, an advanced certificate in electronics, and associate degrees in 26 program areas. Opening fall enrollment for NAC was 1,889 persons in 2001, 4.0 percent greater than fall 2000. Opening fall enrollment for the two-year public institutions in Arkansas stood at 43,387 in 2001, 6.3 percent greater than fall 2000. The school ranked eighth among the 23 two-year public institutions in Arkansas in terms of fall enrollment in 2001. Since 1997, fall enrollment at NAC has decreased 14.6 percent, compared to a 16.6 percent increase for two-year public institutions in Arkansas.

Northwest Arkansas Community College (NWACC), located in Bentonville, Arkansas in Benton County, is a two-year public college. The AHECB has approved the dissemination of the following academic degrees and certificate programs at the NWACC: certificates of proficiency in 4 program areas, technical certificates in 3 program areas, associate degrees in 26 program areas, and an advanced certificate in medical dosimetry. Opening fall enrollment for NWACC was 4,292 persons in 2001, 5.8 percent greater than fall 2000. The school ranked third among the 23 two-year public institutions in Arkansas in terms of fall enrollment in 2001. Since 1997, fall enrollment at NWACC has increased 32.5 percent.

The University of Arkansas (UA), located in Fayetteville, Arkansas in Washington County, is the flagship institution of the University of Arkansas system. The AHECB has approved the dissemination of the following academic degrees and certificate programs at the UA: associate degrees in 2 program areas, baccalaureate degrees in 123 program areas, post-baccalaureate certificates in 2 program areas, master's degrees in 101 program areas, specialist degrees in 8 program areas, doctoral degrees in 42 program areas, and a professional degree in law. Opening fall enrollment for the UA was 15,752 in 2001, 2.6 percent greater than fall 2000. Opening fall enrollment for the four-year public universities in Arkansas stood at 65,704 in 2001, 2.4 percent greater than fall 2000. The school ranked first among the ten four-year public institutions in Arkansas in terms of fall enrollment in 2001. Since 1997, fall enrollment at the UA has increased 7.5 percent, compared to a 4.8 percent increase for four-year public universities in Arkansas.

In January 2002, Westark College, located in Fort Smith, Arkansas in Sebastian County, joined the University of Arkansas system, changed its name to the University of Arkansas at Fort Smith (UAFS), and became a four-year institution. The AHECB has approved the dissemination of the following academic degrees and certificate programs at UAFS: certificates of proficiency in 28 program areas, technical certificates in 17 program areas, associate degrees in 34 program areas, an advanced certificate in industrial automation, and baccalaureate degrees in 8 program areas. Opening fall enrollment at UAFS was 5,673 in 2001, 8.3 percent greater than fall 2000. Since 1997, fall enrollment at UAFS has increased 0.7 percent.

The University of Arkansas Community College at Morrilton (UACCM), located in Morrilton, Arkansas in Conway County, is a two-year public college in the University of

Arkansas system; the AHECB has approved the dissemination of the following academic degrees and certificate programs at the UACCM: certificates of proficiency in 3 program areas, technical certificates in 17 program areas, and associate degrees in 17 program areas. Opening fall enrollment for UACCM was 1,290 in 2001, 10.1 percent greater than fall 2000. The school ranked 12<sup>th</sup> among the 23 two-year public colleges in Arkansas in terms of fall enrollment in 2001. Since 1997, fall enrollment at UACCM has increased 43.8 percent.

The University of the Ozarks, located in Clarksville, Arkansas in Johnson County, is a four-year private liberal arts university and offers baccalaureate degrees in 25 program areas. Opening fall enrollment for the University of the Ozarks was 654 persons in 2001, 5.1 percent greater than fall 2000. Since 1997, fall enrollment at the University of the Ozarks has increased 22.5 percent.

Sources:

Arkansas Department of Education, Arkansas School Information Site, Performance Report, 2001. <http://www.as-is.org/reportcard/rc2001/>

North Central Association Commission on Accreditation and School Improvement. <http://www.ncacasi.org/>

United States Census Bureau, Census 2000, Table DP-2. Profile of Selected Social Characteristics: 2000. <http://censtats.census.gov/data/AR/05005143.pdf>

United States Census Bureau, Census 2000, Table DP-2. Profile of Selected Social Characteristics: 2000. <http://censtats.census.gov/data/AR/04005.pdf>

Arkansas Department of Higher Education, Arkansas State Colleges and Universities. <http://www.arkansashighered.com/colleges.html>

Arkansas Department of Higher Education, Approved Academic Degree and Certificate Programs. [http://www.arkansashighered.com/pdfs/RP/degrees\\_2003.pdf](http://www.arkansashighered.com/pdfs/RP/degrees_2003.pdf)

Arkansas Department of Higher Education, Opening Fall Enrollment at Public Colleges and Universities. October 29, 2001.

<http://www.arkansashighered.com/Research/Enrollment/Actual%20Enroll%20Fall%202001.xls>

John Brown University, "Catalog for 2001-2003."

<http://www.jbu.edu/academics/catalog/03catalog.pdf>

University of the Ozarks. <http://www.ozarks.edu/academics/programs.html>

### **III. Infrastructure**

#### **Ports**

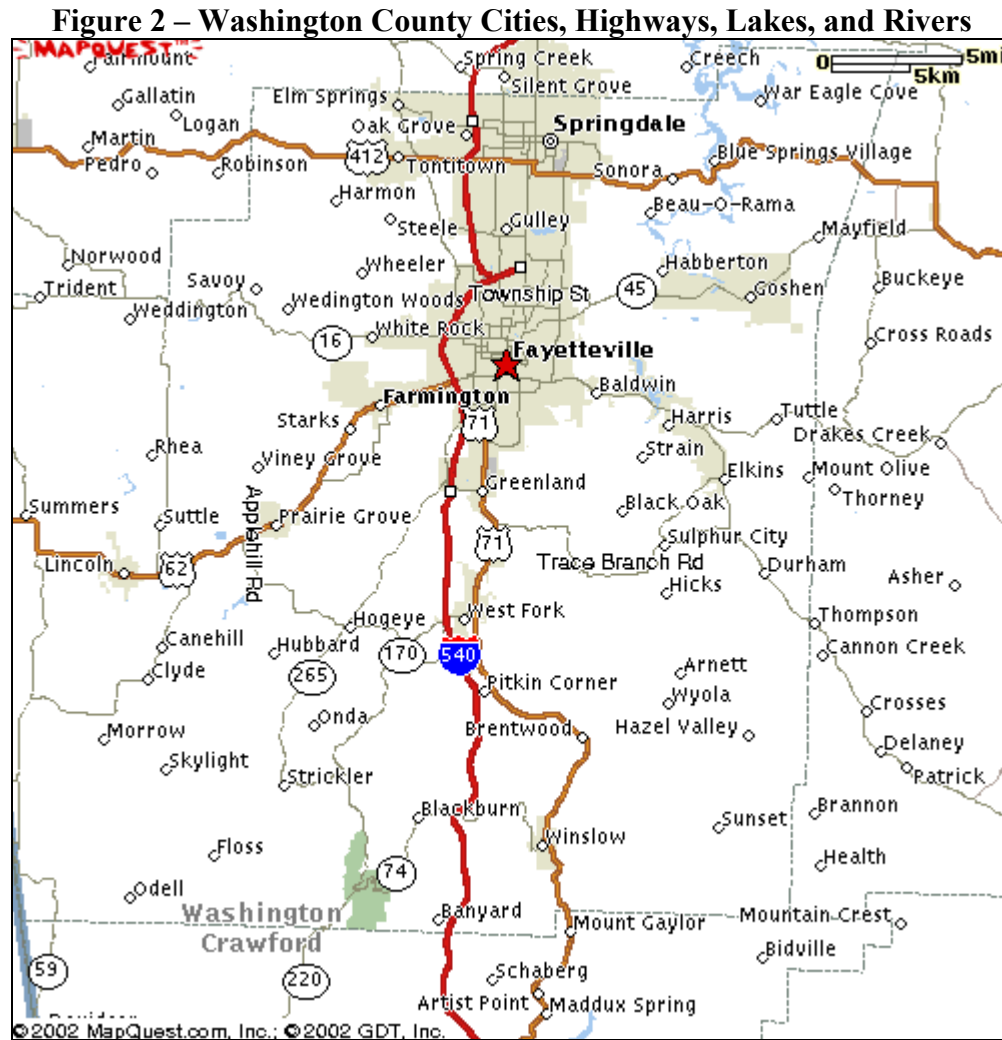
There are no navigable waterways in Washington County.

Source:

Arkansas Waterways Commission. <http://www.waterways.dina.org/waterways.html>

#### **Highways**

Figure 2 displays the major cities, highways, lakes, and rivers found in Washington County. In 2003, 4.01 miles of U.S. Highway 412 is to go under construction for major widening in Nob Hill at the Madison County line. Also scheduled for 2003 is rehabilitation of U.S. Interstate 540. Major widening of 6.1 miles of U.S. Highway 62 between Prairie Grove and Farmington is scheduled to commence in 2004.



Sources:

Arkansas State Highway and Transportation Department. Statewide Transportation Improvement Program 2003-2005 Preliminary.

<http://www.ahtd.state.ar.us/contract/progcon/stip/stip%20by%20ffy%202003%2D2005%20prelim.xls>

MapQuest.com, Inc. <http://www.mapquest.com>

## **Utilities**

Table 7 displays the surplus water capacity, the surplus wastewater capacity, the electricity provider, and the natural gas provider for the four most populous cities in Washington County.<sup>4</sup>

**Table 7 – Utilities for the Four Most Populous Cities in Washington County**

<b>City</b>	<b>Water Surplus Capacity</b>	<b>Waste Water Surplus Capacity</b>	<b>Electricity Provider</b>	<b>Natural Gas Provider</b>
Fayetteville	5 million GPD	5 million GPD	Arkansas Electric Power / Southwestern Electric Power Company (SWEPCO) and Ozarks Electric Cooperative (OEC)	Arkansas Western Gas (AWG)
Springdale	6 million GPD	3.6 million GPD	AEP / SWEPCO / OEC	AWG
Farmington	N/A	N/A	AEP / SWEPCO / OEC	AWG
Prairie Grove	0.8 million GPD	0.24 million GPD	AEP / SWEPCO / OEC	AWG

The cities of Fayetteville and Springdale are increasing their wastewater treatment capacities from 12.6 million gallons per day to 21 million gallons per day and from 15.6 million gallons per day to 23 million gallons per day, respectively. Both projects are scheduled to be completed in 2005.

Sources:

Alan Fortenberry, Beaver Water District.

City of Springdale Water Treatment.

City of Farmington, Arkansas.

Larry Allredge, Prairie Grove Water Department.

Operations Management International, Inc.

## **Railroads**

The Arkansas & Missouri Railroad has its headquarters in Springdale; passes through Fayetteville, Greenland, West Fork, and Winslow; and junctions with the Kansas City Southern Railroad in Fort Smith, with the Union Pacific Railroad in Van Buren, Arkansas, and with the Burlington Northern Santa Fe Railroad in Monette, Missouri.

Source:

Arkansas & Missouri Railroad. <http://www.arkansasmissouri-rr.com/map.html>

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<sup>4</sup> GPD = Gallons Per Day

## **Airports**

There are two airports serving Washington County, Drake Field Airport and Springdale Municipal Airport.

Drake Field Airport, located three miles south of Fayetteville, has two grooved asphalt runways, each 6,006 feet in length, which can accommodate a 90,000-pound single-wheel aircraft, a 150,000-pound double-wheel aircraft, and a 175,000-pound tandem-wheel aircraft. There is a control tower at this airport. Services offered at Drake Field Airport include: aviation fuel, aircraft parking (hangars and tiedowns), air freight, avionics service, air cargo, charter flights, flight instruction, aircraft rental, and aircraft sales.

The Springdale Municipal Airport, located one mile southeast of Springdale, has two grooved asphalt runways, each 5,302 feet in length, which can accommodate a 35,000-pound single-wheel aircraft, a 50,000-pound double-wheel aircraft, and a 90,000-pound tandem-wheel aircraft. There is a control tower at this airport. Services offered at Springdale Municipal Airport include: aviation fuel, aircraft parking (hangars and tiedowns), air freight, air ambulance, avionics service, charter flights, flight instruction, and aircraft rental.

The four major airports closest to Washington County are the Northwest Arkansas Regional Airport in Bentonville, Arkansas (roughly 30 miles north of Fayetteville), Springfield-Branson Regional Airport in Springfield, Missouri (roughly 150 miles northeast of Fayetteville), Tulsa International Airport in Tulsa, Oklahoma (roughly 120 miles west of Fayetteville), and Adams Field Airport in Little Rock, Arkansas (roughly 190 miles southeast of Fayetteville).

### Sources:

AirNav, LLC. Drake Field Airport: Fayetteville, Arkansas.

<http://www.airnav.com/airport/KFYV>

AirNav, LLC. Springdale Municipal Airport: Springdale, Arkansas.

<http://www.airnav.com/airport/KASG>

#### IV. Labor Force

A breakdown of covered employment for Washington County in 2001 is provided in Table 8 below.

**Table 8 – Covered Employment for Washington County, 2001 Annual Averages**

<b>North American Industry Classification System Industry Group</b>	<b>Average Employing Units</b>	<b>Average Covered Employment</b>
Natural Resources & Mining	42	676
Construction	435	4,095
Manufacturing	235	16,234
Trade, Transportation & Utilities	1,238	19,230
Wholesale Trade	292	3,195
Retail Trade	753	10,626
Transportation, Warehousing & Utilities	193	5,409
Information	77	1,477
Financial Activities	463	2,993
Professional & Business Services	690	7,840
Education & Health Services	460	8,259
Leisure & Hospitality	409	7,691
Other Services	333	1,756
Local & State Government	83	10,543
<b>Washington County - Total</b>	<b>4,464</b>	<b>80,795</b>

The manufacturing sector accounted for 20.1 percent of total covered employment in Washington County in 2001, compared to the state's figure of 20.5 percent. In terms of the proportion of covered employment attributed to the manufacturing sector, the county ranked 45<sup>th</sup> among the 71 counties in Arkansas for which data were available and 11<sup>th</sup> among the 15 counties in Northwest Arkansas for which data were available. For the state, the proportions ranged from 62.4 percent (Calhoun County) to 5.1 percent (Perry County); for Northwest Arkansas, the proportions ranged from Marion County's 48.2 percent to Newton County's 8.3 percent.

The wholesale trade sector accounted for 4.0 percent of total covered employment in Washington County in 2001, compared to the state's figure of 4.1 percent. In terms of the proportion of covered employment attributed to the wholesale trade sector, the county ranked 19<sup>th</sup> among the 68 counties in Arkansas for which data were available and 2<sup>nd</sup> behind Boone County among the 14 counties in Northwest Arkansas for which data were available. For the state, the proportions ranged from 23.0 percent (Woodruff County) to

0.3 percent (Marion County); for Northwest Arkansas, the proportions ranged from Boone County's 7.5 percent to Marion County's 0.3 percent.

The retail trade sector accounted for 13.2 percent of total covered employment in Washington County in 2001, compared to the state's figures of 11.9 percent. In terms of the proportion of covered employment attributed to the retail trade sector, the county ranked 25<sup>th</sup> among the 74 counties in Arkansas for which data were available and 7<sup>th</sup> among the 15 counties in Northwest Arkansas for which data were available. For the state, the proportions ranged from 18.9 percent (Saline County) to 2.7 percent (Calhoun County); for Northwest Arkansas, the proportions ranged from Baxter County's 14.5 percent to Benton County's 8.6 percent.

The transportation, warehousing, and utilities sectors accounted for 6.7 percent of total covered employment in Washington County in 2001, compared to the state's figure of 5.5 percent. In terms of the proportion of covered employment attributed to the transportation, warehousing, and utilities sectors, the county ranked 12<sup>th</sup> among the 69 counties in Arkansas for which data were available and 6<sup>th</sup> among the 14 counties in Northwest Arkansas for which data were available. For the state, the proportions ranged from 18.4 percent (Little River County) to 0.8 percent (Marion County); for Northwest Arkansas, the proportions ranged from Crawford County's 17.7 percent to Marion County's 0.8 percent.

The information sector accounted for 1.8 percent of total covered employment in Washington County in 2001, compared to the state's figure of 1.9 percent. In terms of the proportion of covered employment attributed to the information sector, the county ranked 8<sup>th</sup> among the 56 counties in Arkansas for which data were available and 4<sup>th</sup> among the 12 counties in Northwest Arkansas for which data were available. For the state, the proportions ranged from 3.6 percent (Pulaski County) to 0.3 percent (Little River County); for Northwest Arkansas, the proportions ranged from Boone County's 3.2 percent to Johnson County's 0.4 percent.

The financial activities sector accounted for 3.7 percent of total covered employment in Washington County in 2001, compared to the state's figure of 4.3 percent. In terms of the proportion of covered employment attributed to the financial activities sector, the county ranked 32<sup>nd</sup> among the 73 counties in Arkansas for which data were available and 7<sup>th</sup> among the 14 counties in Northwest Arkansas for which data were available. For the state, the proportions ranged from 7.5 percent (Pike County) to 1.9 percent (Nevada County); for Northwest Arkansas, the proportions ranged from Marion County's 5.0 percent to Scott County's 2.3 percent.

The professional and business services sector accounted for 9.7 percent of total covered employment in Washington County in 2001, compared to the state's figure of 9.2 percent. In terms of the proportion of covered employment attributed to the professional and business services sector, the county ranked 5<sup>th</sup> among the 68 counties in Arkansas for which data were available and 3<sup>rd</sup> behind Benton County and Sebastian County among the 15 counties in Northwest Arkansas for which data were available. For the state, the



proportions ranged from 23.3 percent (Benton County) to 0.5 percent (Woodruff County); for Northwest Arkansas, the proportions ranged from Benton County's 23.3 percent to Scott County's 0.6 percent.

The education and health services sector accounted for 10.2 percent of total covered employment in Washington County in 2001, compared to the state's figure of 11.3 percent. In terms of the proportion of covered employment attributed to the education and health services sector, the county ranked 42<sup>nd</sup> among the 74 counties in Arkansas for which data were available and 8<sup>th</sup> among the 16 counties in Northwest Arkansas. For the state, the proportions ranged from 19.9 percent (Baxter County) to 2.2 percent (Little River County); for Northwest Arkansas, the proportions ranged from Baxter County's 19.9 percent to Crawford County's 6.6 percent.

The leisure and hospitality sector accounted for 9.5 percent of total covered employment in Washington County in 2001, compared to the state's figure of 7.8 percent. In terms of the proportion of covered employment attributed to the leisure and hospitality sector, the county ranked 15<sup>th</sup> among the 73 counties in Arkansas for which data were available and 3<sup>rd</sup> behind Carroll County and Baxter County among the 16 counties in Northwest Arkansas. For the state, the proportions ranged from 16.7 percent (Carroll County) to 1.9 percent (Woodruff County); for Northwest Arkansas, the proportions ranged from Carroll County's 16.7 percent to Madison County's 4.3 percent.

A summary of Washington County's largest employers is presented in Table 9 below.

*Table 9 – Washington County's Largest Employers*

<b>Company Name</b>	<b>City</b>	<b>Product</b>	<b>Employees</b>
Tyson Foods	Springdale	Poultry	G
University of Arkansas	Fayetteville	University	G
Wal-Mart	Fayetteville/Springdale	Retail/Distribution	F
George's Processing	Springdale	Poultry	F
Washington Regional Medical Center	Fayetteville	Hospital	E
PAM Transport	Tontitown	Transportation	E
Cargill, Inc.	Springdale	Poultry	E
Superior Industries International	Fayetteville	Automobile Parts	E
Northwest Health Systems	Springdale	Hospital	E
Kawneer Company	Springdale	Aluminum Fabricators	D
Easco Hand Tools	Springdale	Tools	D
Cannon Express	Springdale	Transportation	D
Pinnacle Foods	Fayetteville	Frozen Foods	D

Employee Codes – D: 501-1,000; E: 1,001-1,500; F: 1,501-2,500; G: 2,501-5,000

Figure 3 displays the annual unemployment rates for Washington County, the State of Arkansas, and the United States for the period 1995 through 2001. For the period, Washington County experienced unemployment rates below the state average and national average; the annual unemployment rate in Washington County was between 2.0 percent below and 2.8 percent below the annual unemployment rate for the state and between 1.1 percent below and 3.1 percent below the annual unemployment rate for the

U.S. for the period. In 2001, the unemployment rate in Washington County was 2.3 percent, compared to the state and national figures of 5.1 percent and 4.8 percent, respectively. Washington County had the 2<sup>nd</sup> lowest unemployment rate behind Benton County among Arkansas' 75 counties in 2001 and the 16 counties in Northwest Arkansas. Unemployment rates in Arkansas ranged from 2.2 percent in Benton County to 13.9 percent in Mississippi County; unemployment rates in Northwest Arkansas ranged from Benton County's 2.2 percent to Newton County's 6.7 percent.

Figure 3 – Historical Unemployment Rate Comparisons: 1995-2001

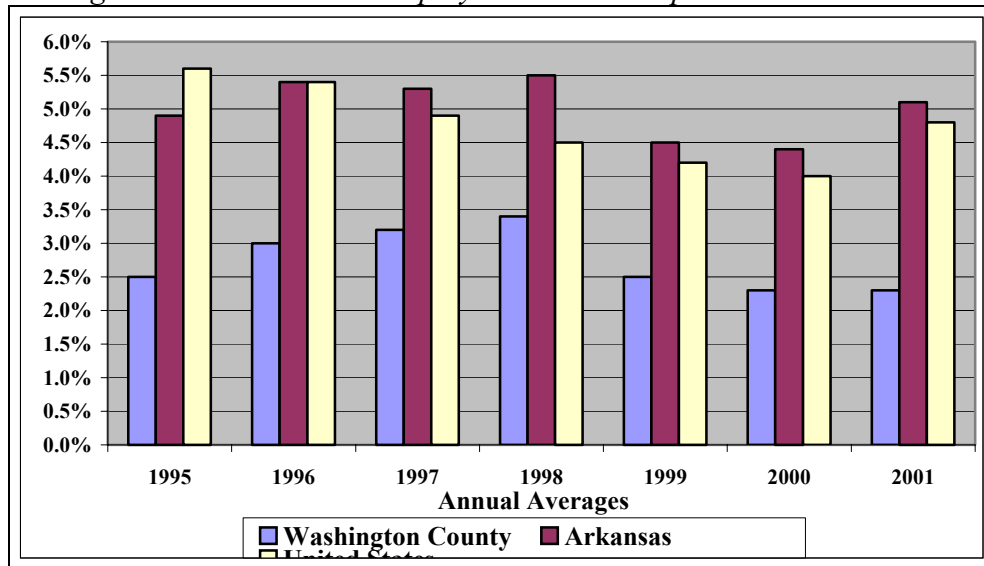
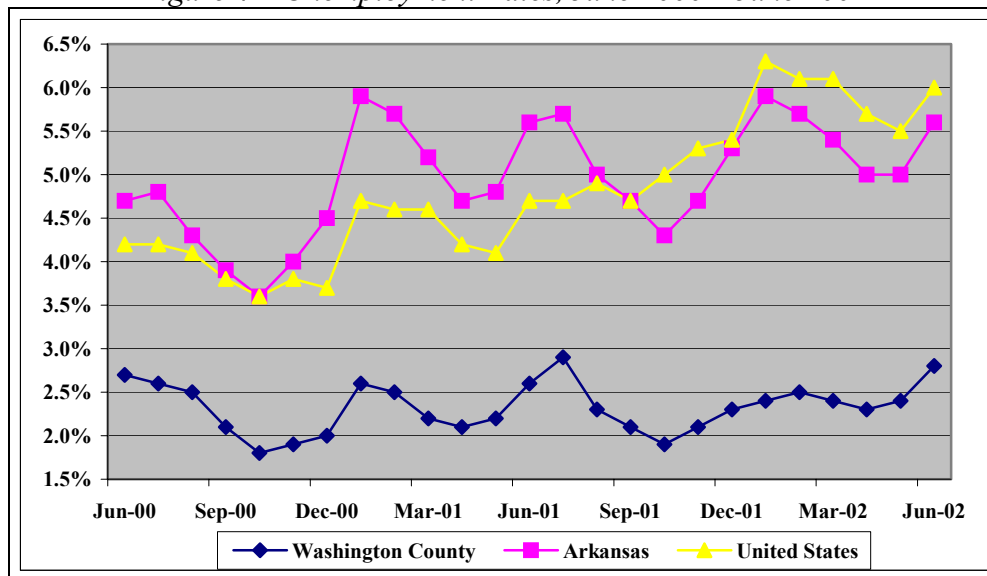


Figure 4 displays the monthly unemployment rates for Washington County, the State of Arkansas, and the United States from June 2000 to June 2002.<sup>5</sup>

Figure 4 – Unemployment Rates, June 2000 – June 2002



<sup>5</sup> Note: Data are not seasonally adjusted.



Sources:

Arkansas Employment Security Department, Covered Employment and Earnings, Annual 2001. Table 6: County Summary Employment and Earnings, by Industry, Calendar Year 2001. <http://www.accessarkansas.org/esd/01antb6.htm>

Arkansas Employment Security Department, Covered Employment and Earnings, Annual 2001. Table 1: Average Covered Employment and Weekly Earnings, by Industry, 2001. <http://www.accessarkansas.org/esd/01antb1.htm>

Largest Employers by County data from Arkansas Department of Economic Development.

Arkansas Economic Security Department, Arkansas Revised Labor Force Statistics, Annual Average, 2001. <http://www.accessarkansas.org/esd/lmiaa01.htm>

Arkansas Employment Security Department, Arkansas Labor Force Statistics. <http://www.accessarkansas.org/esd/lmilaborforcestats.htm>

## **V. Available Industrial Sites and Buildings**

There are currently five available industrial sites in Washington County. The first property is located inside the city limits of Fayetteville. There are 290 acres of land available within the property priced at \$100,000 per acre. Five percent of the site is cleared, and a portion of the site is in a flood plain. The Landers Auto Plaza is in the immediate area. The site is directly serviced by Interstate 540. The Arkansas Missouri Railroad has a line west of the property. Commercial air service is available at Northwest Arkansas Regional Airport 33 miles northwest of the site. There are also port facilities with a barge-rail terminal on the Arkansas River at the Port of Fort Smith 70 miles south of the site by way of Interstates 540 and 40. The City of Fayetteville provides water service to the site through a 36-inch main with a normal line pressure of 150 pounds per square inch (psi). The City of Fayetteville also provides sewer service to the site through an eight-inch main. The Arkansas Western Gas Company (AWG) provides natural gas service to the site through a 1-inch main with a normal line pressure of 150 psi. The Ozark Electric Cooperative (OEC) provides electricity to the site with a voltage of 12.7 kilovolts.

The second property is an industrial park located inside the city limits of Fayetteville and is owned by the City of Fayetteville. There are 280 acres of land available within the property priced at \$30,000 per acre, price negotiable. The property is cleared and has a slope of between two and three percent. American Air Filter, Armstrong Tool, Warren Tool, Marshalltown Tool, and Superior Industries have plant facilities within the park. The park is directly serviced by Arkansas Highway 16 with access to U.S. Highway 71 less than one mile away. The Arkansas Missouri Railroad has a line three miles west of the property. Commercial air service is available at Northwest Arkansas Regional Airport 40 miles northwest of the site. There are also port facilities with a barge-rail terminal on the Arkansas River at the Port of Fort Smith 63 miles south of the site by way of Interstates 540 and 40. The City of Fayetteville provides water service to the site through a 12-inch main. The City of Fayetteville also provides sewer service to the site through an 18-inch main and a 24-inch main. AWG provides natural gas service to the

site through a six-inch, high pressure main. The Southwest Electric Power Company (SWEPCO) provides electricity to the site with a voltage of 12.5 kilovolts.

The third property is an industrial park located inside the city limits of Springdale and is owned by the Springdale Industrial Commission. There are 145 acres of land available within the property priced at \$40,000 per acre. The property is cleared and has a slope of between 1 and 2 percent. Cintas, Kawneer, Rockline, and Northwest Paper have facilities in the area. Interstate 40 is 40 miles south of the site by way of Interstate 540. The Arkansas Missouri Railroad has a spur in the park. Commercial air service is available at Northwest Arkansas Regional Airport five miles west of the site. There are also port facilities with a barge-rail terminal on the Arkansas River at the Port of Fort Smith 80 miles south of the site by way of Interstates 540 and 40. The City of Springdale provides water service to the site through a 12-inch main with a normal line pressure of 60 psi. The City of Springdale also provides sewer service to the site through a 12-inch main. AWG provides natural gas service to the site through a 3-inch main with a normal line pressure of 30 psi. SWEPCO and OEC provide electricity to the site with a voltage of 12 kilovolts.

The fourth property is located inside the city limits of Lincoln and is owned by the City of Lincoln. There are 18 acres of land available within the property priced at \$8,400 per acre. The property is partially cleared and has a slope of less than 5 percent. Cal-Maine Hatchery and Talbot Industries have facilities in the area. U.S. Highway 62 is 0.6 miles northeast of the site, and Interstate 40 is 43 miles south of the site by way of Interstate 540. Commercial air service is available at Northwest Arkansas Regional Airport, located 18 miles east of the site. There are also port facilities with a barge-rail terminal on the Arkansas River at the Port of Van Buren 45 miles south of the site. The City of Lincoln provides water service to the site through a 10-inch main with a normal line pressure of 80 psi. The City of Lincoln also provides sewer service to the site through an eight-inch main. AWG provides natural gas service to the site through a 2-inch main with a normal line pressure of 35 psi. OEC provides electricity to the site with a voltage of 7.2 kilovolts.

The fifth property is located inside the city limits of Prairie Grove and is owned by the Prairie Grove Industrial Development Corporation. There are 10 acres of land available within the property priced at \$5,000 per acre. The property is cleared and has a slope of less than two percent. Greg Enterprises and Arkansas Galvanizing have facilities in the area. U.S. Highway 62 is 0.25 miles south of the site, and Interstate 40 is 50 miles south of the site by way of Interstate 540. Commercial air service is available at Northwest Arkansas Regional Airport, located 12 miles east of the site. There are also port facilities with a barge-rail terminal, loading docks, and warehouse facilities at the Port of Fort Smith on the Arkansas River 50 miles south of the site. The Prairie Grove Water and Sewer Department provides water service to the site through an 8-inch main with a normal line pressure of 100 psi. The Prairie Grove Water and Sewer Department has a 12-inch main 2,000 feet north of the site; an extension will be required. AWG provides natural gas service to the site through a 3-inch main with a normal line pressure of 40 psi. SWEPCO and OEC provide electricity to the site with a voltage of 69 kilovolts.

There are four available industrial buildings in Washington County. The first building, constructed in 1975, is located at 1101 South Beechwood in Fayetteville and was previously occupied by Baldwin Piano. The metal facility has 88,000 square-feet of space (86,800 square-feet of manufacturing space and 1,200 square-feet of office space) on 6-inch concrete floors and is accompanied by 4 acres of land, with an additional 10 acres available. Clearance under the beams ranges from 18 feet, 3 inches to 30 feet, 0 inches; the span between the beams ranges from 20 feet, 4 inches to 31 feet, 0 inches. The Burlington Northern Santa Fe Railroad has a line 0.3 miles from the facility. The facility has 2 dock-high doors, 8 truck wells, and 100 paved parking spaces. The City of Fayetteville provides water service to the facility through an eight-inch main. The City of Fayetteville also provides sewer services through a 12-inch sewer main. AWG provides the facility with natural gas service through a four-inch main. SWEPCO provides the facility with electricity. The facility is for lease at a price of \$2.35 per square-foot per year.

The second building, constructed in 1960, is located at 1800 Stirman in Fayetteville and was previously occupied by Levi Strauss & Company. The exterior walls are constructed of masonry. The facility has 59,000 square-feet of space (55,000 square-feet of manufacturing space and 4,000 square-feet of office space) on 4-inch concrete floors and is accompanied by 10 acres of land. Clearance under the beams and the span between the beams is ten feet, six inches. The Arkansas and Missouri Railroad has a line 0.5 miles from the facility. The facility has 3 floor-level doors, 3 dock-high doors, 1 truck well, and 350 paved parking spaces. The City of Fayetteville provides water service to the facility through a 10-inch main with a normal line pressure of 75 psi. The City of Fayetteville also provides sewer services through a six-inch sewer main. AWG provides the facility with natural gas service. SWEPCO provides the facility with electricity. The facility is for lease at a price of \$10,000 per month or \$2.00 per square-foot per year.

The third building, constructed in 1980, is located at 820 Industrial Park Drive in Lincoln and was previously occupied by Liggett & Platt. The metal facility has 45,470 square-feet of space (44,115 square-feet of manufacturing space and 1,365 square-feet of office space) on 4-inch concrete floors and is accompanied by 5.63 acres of land. Clearance under the beams ranges from 14 feet, 1 inch to 18 feet, 11 inches; the span between the beams ranges from 15 feet, 10 inches to 20 feet, 2 inches. The Kansas City Southern Railroad has a line 12 miles from the facility. The facility has 2 floor-level doors, 4 dock-high doors, 20 paved parking spaces, and 50 gravel parking spaces. The City of Lincoln provides water service to the facility through a 6-inch main with a normal line pressure of 75 psi. The City of Lincoln also provides sewer services through a 20-inch sewer main. AWG provides the facility with natural gas service through a four-inch main with a normal line pressure of five psi. OEC provides the facility with electricity. The facility is for sale at a price of \$595,000.

The fourth building, constructed in 1982, is located at 2002 Ford Avenue in Springdale and was previously occupied by Artran, manufacturer of machine tools and electronics. The metal facility has 29,000 square-feet of space (20,000 square-feet of manufacturing

space and 9,000 square-feet of office space) on 4- to 8-inch thick concrete floors and is accompanied by 2.3 acres of land. Clearance under the beams ranges from 10 feet, 1 inch to 15 feet, 0 inches; the span between the beams ranges from 14 feet, 0 inches to 17 feet, one inch. The Kansas City Southern Railroad has a line three miles from the facility. The facility has 2 floor-level doors, 1 truck well, and 60 gravel parking spaces. The City of Springdale provides water service to the facility through an 8-inch main with a normal line pressure of 65 psi. The City of Springdale also provides sewer services through an eight-inch sewer main. AWG provides the facility with natural gas service through a two-inch main with a normal line pressure of five psi. SWEPCO provides the facility with electricity. The facility is for sale at a price of \$1.3 million.

Sources:

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

[http://www.1800arkansas.com/Buildings\\_Sites/Site.asp?SiteNumber=FA Y003](http://www.1800arkansas.com/Buildings_Sites/Site.asp?SiteNumber=FA Y003)

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

[http://www.1800arkansas.com/Buildings\\_Sites/Site.asp?SiteNumber=FA Y001](http://www.1800arkansas.com/Buildings_Sites/Site.asp?SiteNumber=FA Y001)

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

[http://www.1800arkansas.com/Buildings\\_Sites/Site.asp?SiteNumber=SPRI001](http://www.1800arkansas.com/Buildings_Sites/Site.asp?SiteNumber=SPRI001)

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

[http://www.1800arkansas.com/Buildings\\_Sites/Site.asp?SiteNumber=LIN001](http://www.1800arkansas.com/Buildings_Sites/Site.asp?SiteNumber=LIN001)

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

[http://www.1800arkansas.com/Buildings\\_Sites/Site.asp?SiteNumber=PRAG001](http://www.1800arkansas.com/Buildings_Sites/Site.asp?SiteNumber=PRAG001)

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

[http://www.1800arkansas.com/Buildings\\_Sites/Building.asp?BldNumber=555](http://www.1800arkansas.com/Buildings_Sites/Building.asp?BldNumber=555)

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

[http://www.1800arkansas.com/Buildings\\_Sites/Building.asp?BldNumber=718](http://www.1800arkansas.com/Buildings_Sites/Building.asp?BldNumber=718)

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

[http://www.1800arkansas.com/Buildings\\_Sites/Building.asp?BldNumber=263](http://www.1800arkansas.com/Buildings_Sites/Building.asp?BldNumber=263)

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

[http://www.1800arkansas.com/Buildings\\_Sites/Building.asp?BldNumber=871](http://www.1800arkansas.com/Buildings_Sites/Building.asp?BldNumber=871)

## **VI. Economic Goals**

Much of Washington County's economic activity centers on the University of Arkansas, but other industries also support the growth in the county. The University functions as a major employer in Fayetteville and as a host to more than 15,000 students annually. Much of the service and retail employment in Washington County supports the needs of

the faculty, staff, and students. The University drives employment in another way by providing a highly qualified work force that attracts companies to Washington County. Additionally, the University is striving to leverage faculty research into home-grown companies.

Springdale is home to the corporate headquarters of Tyson, Inc. Much of the Washington County economy that does not center on the University is directly tied to agribusiness and poultry in particular. The close proximity of the headquarters of Wal-Mart in Benton County also provides Washington County with offices for Fortune 500 companies that do business with the retailing giant.

All of these factors have lead to high per capita income, low poverty, and high retailing and education average weekly wages. The citizens of Washington County are, on average, better educated than other Arkansans. This fact reinforces a virtuous cycle where companies are attracted to the area because of the quality of the workforce, and the workforce improves because of the existence of good firms in the region.

In order to maintain the high growth rates that Washington County has enjoyed and to maintain the standard of living, constant investment in infrastructure is necessary. Economic developers must look into the future to project what the needs of the population and industry will be and plan ahead for growth. Additionally, support for the University's mission to be a strong research institution is critical to keep talent within the state.

## **VII. Opportunities for Future Business Development**

### **Poultry**

The domestic market for the U.S. agribusiness industry is relatively mature, with consistent but modest growth likely in the future. Demand for protein-rich foods is growing more rapidly in developing countries than in the United States, because of their higher population growth, rapid industrialization, and rising disposable income. Furthermore, agricultural output in such countries is growing less rapidly than consumption. Consequently, the U.S. agribusiness industry is strongly positioned to take advantage of future increases in worldwide food demand.

With the world's gross domestic product expected to rise to nearly \$10.1 trillion in 2009 (a 34 percent increase over the preceding 10 years), there is ample reason to expect ever-growing demands on the world's agriculture. Whenever incomes begin to rise, one of the first things people do is to upgrade their diets. With increasing prosperity, people consume more food grains, meat, sweeteners, and vegetable oils. Since 1990, worldwide consumption of beef, pork, and poultry has surged approximately 29 percent.

Another trend in the U.S agribusiness industry is the number of market participants, ranging from farmers to processors, has steadily declined, as agriculture has moved toward vertical integration and consolidation. According to the Center for Rural Affairs, a



private nonprofit group focused on rural development and agricultural policy, as of 2000, an estimated 80 percent of the U.S. beef market was controlled by 4 firms: Tyson Foods, ConAgra, Excel Corp., and Farmland National Beef Inc. These same firms, plus Smithfield Foods, controlled approximately 58 percent of the U.S. pork market. In 1999-2000, 24 percent of pork producers went out of business. Today, 35 producers account for 95 percent of the pork slaughter capacity, although they operate only about 5 percent of the estimated 800 pork slaughterhouses in the United States. According to the National Chicken Council, during 2000, the top 8 chicken producers raised 64 percent of the broilers sold in the United States. Further consolidation in the poultry industry is expected to cut the number of broiler suppliers almost in half by 2010.

For the past three decades, much of the consolidation among meat processors occurred at the slaughter capacity level. Today, however, more and more companies are focusing on acquisitions that will expand their final offerings to include higher-margin processed and prepackaged meat that is ready for the consumer to heat and eat. These can include freshly cooked and frozen meats that have been marinated or seasoned. Advocates of consolidation believe that the process will lead agricultural producers toward more efficiency, less dependence on government assistance, and greater global competitiveness. Furthermore, as larger and more specialized producers realize lower production costs through economies of scale, these savings can be passed through to consumers in the form of lower commodity and processed food prices.

In the mean time, agribusiness is being transformed by modern technology. Technological developments have changed the way things are done on the farm, in assembly, in processing, and in distribution. An increasing number of farmers and ranchers are doing business over the Internet. According to the U.S. Department of Agriculture, 55 percent of all farms were using computers in 2001, up from 38 percent in 1997. In 2000, 24 percent of farms used the Internet as a management tool in their farming operations, including \$665 million in online buying and selling. Use of this technology allows farmers to receive and manage timely information in rural locations. In addition, nearly all farms that used the Internet in 2000 to purchase inputs indicated that they are likely to maintain or increase purchases in the future. Thus, with decreasing costs of computers and Internet access, growth in Internet use is likely to continue.

In April 2000, the world's leading meat and poultry processors took the next step toward realizing "seamless" trade — the transacting of wholesale business without intermediaries, and the streamlining of the purchase and sales process to facilitate higher volumes. Tyson Foods Inc., Cargill, Smithfield Foods, Gold Kist Inc., and Farmland Industries Inc. launched an online marketplace, or portal, for meat and poultry products called Provision X; the venture is headquartered in Chicago. Provision X agreed to be acquired by iTradeNetwork (ITN) in February 2002. ITN provides online e-business solutions for 38 percent of the U.S. retail grocery and food service industries, including seven of the top fifteen food retailers in the nation.

## **Retail**

Retailing is a mature business, and growth opportunities are limited, given the large number of retail outlets spread across the country. Demographic trends primarily affect retail sales. As demographic trends influence consumers' preferences and shopping patterns, they are important to retailers' understanding of target markets. For example, the Baby Boom Generation, comprising individuals born between 1946 and 1964, constitutes some 78 million Americans - about 30 percent of the U.S. population. As the Baby Boomers entered adulthood and formed households, they fueled much of the boom in retail sales in the 1970s and 1980s. Today, having swollen the ranks of Americans in their 40s and 50s, their priorities have shifted from youthful spending to tuition payments for children and to saving for retirement.

Shopping trends also affect all aspects of retailing, from store layout to merchandise assortment. Current shopping trends in the U.S retail market can be summarized as Price + Quality = Value, "cross shopping," "precision shopping," and "going casual."

Although the American retail landscape is saturated with stores, sales can be increased by developing new markets overseas. Discount stores, like Wal-Mart, are expanding overseas more rapidly than other types of retailers, such as department stores. This is because discount stores offer low prices to attract customers; merchandising and cultural differences have made it unattractive for department stores, whose mainstay is apparel, to allocate the capital for overseas expansion.

## **Hospitals**

One of the persistent trends in the hospital industry is the steady decline in the number of hospitals in the United States. According to data published by the American Hospital Association (AHA), the number of U.S. hospitals declined 1.4 percent to 5,810, and the number of licensed beds declined 1.0 percent to 984,000 in 2000. Although the number of hospitals fell, admissions are rising. According to the same AHA survey, admissions rose 2.1 percent to 34.9 million in 2000. These statistics indicate that as the total number of hospitals has declined, capacity utilization — the percentage of occupied beds to total beds — has risen.

While inpatient admissions moderated, the number of patients treated in outpatient settings, whether hospital-based or freestanding outpatient clinics, surgery centers, or physicians' offices, has grown dramatically due to the cost advantages of outpatient treatment. According to the most recent data available from the AHA, industry-wide outpatient visits reached 593 million in 2000, up more than 3.0 percent from 1999.

The growing role of information technology has become part of the marketing strategy utilized by hospitals. In general, hospitals are viewed as being in the early stages of general Internet use, with most of the sites currently providing basic information about a hospital and its services. It is less common for hospitals to utilize the Internet to provide information about disease management or doctor referrals, communicate with patients, or publish an online newsletter. Hospitals have also been increasing their use of information technology for administration and the storage of patient records, including images, such as those from x-rays, ultrasound, computed tomography (CAT), and positron emission

tomography (PET). An area of increasing importance is the use of computer systems to make hospitals safer, particularly regarding medication errors.

With the restrictive pricing environment imposed by the realities of managed care organizations, hospitals' cost-cutting measures are expected to focus on reducing staffing levels and re-engineering to improve worker efficiency. The equipment categories that are likely to suffer the most include automated laboratory testing, cardiac catheterization, computed tomography, critical care, magnetic resonance imaging, nuclear medicine, radiation therapy, ultrasound, and x-rays. There are, however, some areas in which hospitals are expected to invest growing amounts in coming years. These include data processing equipment, telecommunications, energy-saving equipment (such as ventilation systems), and construction of new medical office buildings.

### **Transportation**

The evolution of electronic commerce has changed the way companies sell and ship their goods. The e-commerce segment that is radically altering the transportation industry is business-to-consumer. Traditionally, goods travel in a chain, from raw materials producer to manufacturer, distributor, retailer, and finally to consumer. But the Internet has shortened this process, essentially eliminating the middleman. This changing pattern will hurt full truckload carriers as shipments between manufacturers, distributors, and retailers are eliminated and as smaller lots prevail. On the other hand, package delivery, airfreight express, and less-than-truckload carriers will become beneficiaries of e-commerce. Currently, the first choice of Internet carriers is United Parcel Service (UPS) with a 55 percent share of all e-commerce transactions, according to Zona Research, a consulting firm based in Redwood City, California.

A shortage of qualified drivers has plagued the trucking industry's long-haul truckload segment since the early 1990s. As recently as 2001, an estimated 80,000 driver slots remained unfilled. Among many factors contributing to the shortage include low pay, long absences of truck drivers from their families, and disrespectful treatment by shippers and carriers. The high turnover rates and driver shortages in the truckload industry can push up carriers' costs. With industry turnover rates of about 100 percent, recruitment and training expenditures can cost some \$3 billion annually. Further, the hiring of inexperienced drivers leads to an increase in accident rates, insurance costs, and claims paid out for damaged cargo, as the less experienced drivers tend to have more accidents than drivers with more tenure.

Trucking companies are coping with the driver shortage by avoiding long-haul freight or by routing such freight through intermodal rail service. Additionally, by harnessing sophisticated computer software, carriers can match drivers with loads moving in the direction of their domiciles. Many companies have installed on-board computers that link drivers to dispatchers and their families via satellite. Such devices steer drivers around congested roads, help them obtain faster road service, and let them communicate with their families and dispatchers without leaving the highway. These devices may become

mandatory equipment for all vehicles if the Department of Transportation implements its proposed hours of service regulations.

Intermodal traffic is the movement of general freight, such as consumer goods and light industrial products, in trailers or containers by means of two or more transport modes. Though intermodal rail service fell out of favor with shippers in 2000 and likely in 2001, Standard and Poor's believes this is temporary and that it will eventually become the preferred transport mode in certain markets. Some 35 percent of the intermodal market goes to truckload carriers, such as J.B. Hunt Transport and Schneider National (which together claim about 10 percent of the market), and to intermodal marketing companies, which are third-party intermediaries.

The future of the intermodal segment — the railroad industry's fastest-growing business — is tied directly to the level of world economic activity, not to heavy industry or mining. Between 1980 and 1999, intermodal railroad traffic soared 196 percent — a compound annual rate of 5.9 percent. In April 2000, the Association of American Railroads, a Washington, D.C.-based trade organization, projected that 3.08 million trailers and 7.80 million containers would be moved by intermodal rail in 2004. This total of 10.88 million units would be up 33.8 percent from the 8.13 million units moved in 1994 (4.38 million containers and 3.75 million trailers). In the longer term, intermodal's prospects are bright, as import/export business between the United States and the rest of the world grows and fuel prices and driver shortages push up truckload rates and force business onto the rails. Standard and Poor's projects that once intermodal's operations are smoothed out, with frequent departures and high on-time reliability, a large portion of e-commerce will be sent via intermodal transportation, since surveys demonstrate online purchasers' willingness to sacrifice time for low costs.

### **Automotive Parts Manufacturing**

The aging of the U.S. automobile population, along with its growing size, should benefit firms producing replacement auto parts. The median age of U.S. passenger cars increased to 8.1 years as of June 30, 2001, up from 6.5 years as of June, 30, 1990, according to R.L. Polk & Co., a research firm based in Southfield, Michigan. All vehicles need maintenance. As they get older and out of warranty, they need general repairs. Typically, during the first three to five years of a vehicle's life, brake pads and batteries need to be replaced. At around seven years, spending rises as belts, hoses, alternators, and starters begin to need replacement. The value of repair spending peaks at around 11 years of age, as parts wear out, but even at that age a fixed-up vehicle could last long enough to make repairs financially worthwhile, versus buying a new vehicle. Given such favorable automobile demographics, demand for repairs and replacement parts is expected to continue to trend upward, which will benefit manufactures of auto accessories and components.

## **Aluminum Fabrication**

The aluminum industry is particularly dependent on the fortunes of the automobile and construction industries, which, combined, accounted for 45.6 percent of shipments in 2000. Containers (mostly beverage cans) and packaging are a critical market for aluminum, accounting for 20.4 percent of shipments in 2000.

The imperative to reduce vehicle weight and thereby improve gas mileage gives automakers a powerful incentive to substitute aluminum for steel. According to an informal agreement between the Clinton administration and the Big Three automakers (General Motors Corp., Ford Motor Co., and DaimlerChrysler AG), called the Partnership for a New Generation of Vehicles, automakers committed to producing a passenger vehicle capable of traveling 80 miles per gallon. By 2004, each company is expected to produce a prototype vehicle. It is estimated that a 50 percent weight reduction will be needed to produce a vehicle with that gas mileage capability. To obtain such a weight reduction while meeting recycling goals, it will be necessary to substitute aluminum for steel.

In the near term, it is unlikely that aluminum will further displace steel usage in the auto industry. This is partly because more steel than aluminum is used in several strong-selling models. Since the early 1990s, sales of light trucks, vans, and sport-utility vehicles have grown much more quickly than sales of passenger cars. For all vehicles, the amount of steel per vehicle increased to 1,781 pounds in 2001 from 1,717 pounds in 1990. As long as these vehicles remain popular, steel usage in the auto industry will remain high.

## **Capital Goods Manufacturing**

The capital goods industry has a number of trends and themes: consolidation; customers' ever-growing demands for improved value and service; e-commerce initiatives; and the cyclical nature of the overall capital goods industry.

Consolidation remains a long-term trend in many capital goods sectors. Service companies, such as those in engineering and construction, can expand their geographic range or acquire specialty firms that extend their capabilities. Acquisitions are considered by these companies as a mean to add to a business' portfolio. Through acquisition, the operating subsidiaries may optimize the use of the parent company's capital and to provide the most favorable returns to investors.

To meet customers' demand, capital goods makers have applied sophisticated electronics to mechanical systems in order to enhance productivity, increase precision, facilitate maintenance, and provide operators with more complete information on the equipment's operating status. Reducing the complexity of the capital equipment is another tactic used by manufactures to improve the equipment's quality and reliability, while cutting the cost to buy and operate it.

The Internet is revolutionizing the way many capital goods manufacturers conduct

business. The Internet will affect capital goods manufacturers positively or negatively, and to different degrees, based largely on whether a manufacturer produces price-sensitive, commodity-like products, or proprietary, hard-to-duplicate products. Makers of commodity products, such as nuts and bolts for the auto- and aircraft-manufacturing industries, are probably most vulnerable to the profit-squeezing potential of the Internet. While companies that make sophisticated, hard-to-duplicate industrial goods probably will not be affected much by the Internet.

The cyclical pattern for industrial machinery and equipment demand generally follows the strength of the economy. Growth in industrial equipment sales cooled dramatically over the past few years. Based on U.S. Census statistics, non-military, nonaircraft industrial equipment sales grew at only a 0.25 percent annual rate from 1999 through 2001. The slowing global economy, as well as global industrial overcapacity, forced many manufacturing businesses to reduce production rates dramatically.

### **Food Production**

Demographic changes in the U.S. are reshaping the American food industry. To achieve success in the highly competitive U.S. food industry, companies need a keen understanding of these trends.

The Baby Boom generation- now between the ages of 37 and 55 and accounts for 30 percent of the current U.S. population- creates significant new consumer needs. This generation is at a stage of life in which people usually focus more on nutrition and weight maintenance. Yet in many instances, Baby Boomers' increased work and family responsibilities reduce their time available for exercise. New products seeking to satisfy these needs are "better-for-you" foods that are low-fat, low-sodium, and convenient to prepare. Studies show that average caloric needs for people aged 50 and older decline by about 10 percent every 10 years. At the same time, older adults tend to have a reduced ability to digest food and absorb nutrients. This factor has led to an expanded market for nutrient-enriched drinks in recent years.

In the over-65 group, nutrition and digestibility remain key dietary concerns. Packaging is also important for this group. Studies show that older consumers prefer packaged food products that are easy to open and have legible labels. Older consumers' demands for nutritionally enriched items may create a new era in processed food industry. Today's food makers say their next step may be to compete with the pharmaceutical industry by offering "nutraceuticals" — processed food products that would replace vitamin supplements and other dietary aids, and eventually release products that will help prevent or even reverse some diseases. Currently under investigation is the role that soy proteins play in inhibiting cancer and heart disease. Also of interest is the potential link between antioxidant compounds — vitamin C, vitamin E, and beta-carotene — and the prevention of cancer, cardiovascular disease, and cataracts.

The population of American children aged five to 17 is projected to total approximately 52.4 million by 2005, according to Census Bureau estimates. This group has significant

clout in influencing their parents' purchases. Food manufacturers view these youngsters as important, and they hope to gain lifelong brand-loyal customers.

The increasing diversity of the minority segments of the U.S. population has and will continue to allow U.S. food companies to introduce ethnic cuisines more aggressively. Companies are now trying to make these products "more ethnic" by stressing traditional or "old country" recipes. Beside the established "big three" ethnic cuisines including Mexican, Italian, and Chinese, increasingly popular ethnic food groups will include Indian cuisine and various East Asian cuisines, such as Japanese, Thai, and Vietnamese.

Consumer lifestyles also impact the food industry. Modern consumers face considerable time constraints, raising the demand for foods that are easy to prepare and serve. Food marketers estimate that the average American is willing to spend no more than 15 minutes preparing an ordinary meal. In addition, today's shoppers increasingly want to purchase whole meals. Traditional categories such as frozen dinners have been expanded to include frozen breakfasts and lunches. Products specifically designed for microwave cooking have also proliferated.

As consumers' expenditures on eating out have increased year to year (45.2 percent of total consumer spending on food products in 2001, compared with 44.9 percent in 2000, 42.2 percent in 1990 and 36.5 percent in 1980), food companies have taken advantage of this trend by establishing food service divisions that cater to what were once nontraditional markets — restaurants, schools, airports, corporate cafeterias, and so on. As food companies more frequently distribute their packaged food products through the service outlets, the business lines between food companies and food service outlets are becoming less distinct.

Source: Standard and Poor's NetAdvantage.

<http://0-www.netadvantage.standardpoor.com.library.uark.edu/>