Memo

To: David Twiggs, Chief Operating Officer
From: Linda Mayhood, Asst. General Manager
Jerry Yeric, Chairman Governmental Affairs Committee
Date: October 21, 2015
Re: Motion - Approve 2015 Economic & Fiscal Impact Study Contract Proposal

Motion

I move to approve the Memorandum of Agreement, in the amount of $20,543, between the Board of Trustees of the University of Arkansas, acting for and on behalf of the University of Arkansas, and Hot Springs Village Property Owners' Association for the development of a third economic and fiscal contribution study to be completed by February 2016.

Background

The purpose of this Economic & Fiscal Impact Study is to demonstrate Hot Springs Village’s direct and indirect fiscal economic impact as well as philanthropic contributions to surrounding community organizations and institutions. It is also used to develop an analysis for presentation to legislative representatives at the County, State and Federal levels of government.

The Governmental Affairs Committee advises and assists the POA Board in enhancing Village relationships with area, local, state and federal government agencies, elected officials, and abutting schools districts. In support of that objective, the Governmental Affairs Committee recommended and HSVPOA contracted for development of the 2005 and 2010 Economic and Fiscal Impact Studies with the University of Arkansas.

As it has been five years (2010 U.S. Census) since completion of the last Economic and Fiscal Impact Study of 2010, the Governmental Affairs Committee recommends development of an updated study for HSV.

This document will also be presented in modular format with URL/web concept for easy access and for specialized interests (e.g., Garland and Saline Counties, Schools, Executive Summary, etc.) The GAC is currently designing a web page to provide ease of access to this and other public data.

The attached proposed Memorandum of Agreement, in the amount of $20,543, between the Board of Trustees of the University of Arkansas, acting for and on behalf of the University of Arkansas, and Hot Springs Village Property Owners' Association is for the completion of a third economic and fiscal contribution study to be completed by February 2016.

This was discussed at the September 16, 2015 Board meeting.
Memorandum of Agreement

Between

Board of Trustees of the University of Arkansas, acting for and on behalf of the University of Arkansas Cooperative Extension Service and

Hot Springs Village Property Owners Association

The Board of Trustees of the University of Arkansas, acting for and on behalf of the University of Arkansas Cooperative Extension Service (UACES) and the Hot Springs Village Property Owners Association (HSVPOA) are mutually interested in research of recreation/retirement communities. In furtherance of such work, Hot Springs Village Property Owners Association agrees this fixed cost agreement of $20,543 to undertake an economic and fiscal contribution study of Hot Springs Village.

UACES agrees to:

1. Use secondary data in conjunction with the primary data provided by the HSVPOA to estimate the total economic & fiscal contribution of Hot Springs Village to the Regional (Garland & Saline counties) and Arkansas state economies.

2. Prepare a report that summarizes the findings of the economic and fiscal contribution study as described in Appendix I by February 2016.

3. Review the HSVPOA publications related to the contribution of Hot Springs Village 2015 for accuracy before publication.

4. Present the findings of the study to the HSVPOA.
HSVPOA agrees to:

1. Provide UACES with the most recent annual figures for revenue, payroll and the number of employees of the HSVPOA.

2. Provide UACES with information on household demographics from the most recent Hot Springs Village resident survey.

3. Provide UACES with information on the number of visitor days spent in Hot Springs Village.

4. Provide UACES with information on infrastructure spending, lot sales, new home construction, and commercial construction for the period 2010 to the present.

5. Prepare the overall Contribution of Hot Springs Village 2015 report, which includes the findings of the Economic & Fiscal study as one component of the report.

6. Pay the UACES $10,000 upon acceptance of this agreement, $5,000 upon receipt of a draft report, and the balance of $5,543 upon receipt and acceptance of the final report.

UACES shall submit invoices for $10,000 upon acceptance of this agreement; for $5,000, after completion of the draft report; and for $5,543 upon completion of the final report.

Signatures:

Board of Trustees of the University of Arkansas, acting for and on behalf of the University of Arkansas Cooperative Extension Service

Kyleen Prewett
Associate Director
of Finance and Admin.

Date: ____________________________

Hot Springs Village Property Owners' Association

Date: ____________________________
Appendix I – Hot Springs Village Economic and Fiscal Benefits to the Region and State

I. Private Sector Benefits
   a. Economic contribution of spending by Hot Springs Village residents, visitors and the Property Owners Association to the local (Garland & Saline counties) and the state economies.

II. Public Sector Benefits
   a. Net public sector benefits to the State of Arkansas.
      i. Tax revenue generated for the State less cost of services provided
   b. Net Benefits to County Governments (Garland & Saline)
      i. County revenue received from HSV residents and operations & state funds based on HSV residents less cost of services provided
   c. Net benefits to Schools (Jessieville and Fountain Lake)
      i. School district revenue received from HSV residents and operations less cost of services provided.