

AR Legislature Approves Steel Mill Funding

Michael Stratford, Associated Press

LITTLE ROCK, Ark. (AP) — Arkansas is set to provide a new steel company with \$125 million in financing and a package of tax breaks to build a mill in the northeast part of the state after the Legislature gave final [approval](#) [1] to the plan on Tuesday.

By an 81-9 vote, House lawmakers passed a Senate-approved budget bill to fund Gov. Mike Beebe's [proposal](#) [2] to provide Big River Steel with a loan and pay some construction costs of a \$1.1 billion steel mill the company wants to build in Osceola. In exchange, the company promises to create at least 525 permanent jobs with an average annual wage of at least \$75,000 — twice the state's average.

Big River Steel has said it wants to close the deal in the third quarter of this year. The plant will make steel for auto, oil and gas and electrical energy industries.

Some conservatives had lobbied against Beebe's proposal, arguing that the government shouldn't be subsidizing the startup costs for a private business. Nucor Steel, which operates two facilities in the region, also urged lawmakers to reject the plan and said the competition could force it to scale back its Arkansas workforce.

Arkansas voters in 2004 gave legislators authority to borrow money for economic development after narrowly missing out on a Toyota truck plant that was eventually built in San Antonio. Arkansas was also an also-ran in 2007, when Toyota opted to build a Highlander SUV plant in Tupelo, Miss.

This is the first time Arkansas has issued bonds since the amendment passed in 2004.

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