

# DEVELOPING ALABAMA



ALABAMA  
A Better Place To Build A Better World

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## *New Law Will Help Bring New Jobs to State*

Gov. Bob Riley has signed a new law that will help the state recruit new jobs.

The bill enhances Alabama's recruitment arsenal so that industries other than manufacturing are eligible for the state's economic incentives. Current incentives are limited primarily to manufacturing jobs.

Signing the bill at the State Capitol surrounded by members of his Cabinet and economic developers from across the state, the Governor noted the state's remarkable success in recruiting manufacturing jobs and "mega-projects."

Those successes are why Alabamians – even in the recession – saw their personal incomes rise at a greater rate than most of the rest of the nation last year, Governor Riley said, pointing to federal data showing income growth in Alabama was 13th highest in the nation.

"Now we've got to take our efforts to the next level. We've got to be even more aggressive in the pursuit of new jobs because there are a lot of Alabamians who need them. We've got to expand the playing field and improve our ability to compete for higher-paying jobs in key growth sectors. That's what this bill does," said Governor Riley. "It re-tools our economic development strategy and lays the foundation to move us forward and come out of this recession stronger than before."

With the new law, economic developers will be able to use incentives to attract corporate headquarters, high-



tech research and development facilities, and jobs in the newly emerging "green" economy.

Alabama is currently competing for projects in these new sectors that have the potential to bring 7,000 new jobs to the state.

"Without this change in our incentives law we were fighting for these projects with one hand tied behind our back," Governor Riley said. "Now, with this change, we'll be competing with other states on a level playing field."

"I believe that years from now, we will look back on this moment and realize that this new law I'm signing today played a critically important role in Alabama's economic renewal," Governor Riley said. "It comes at a pivotal time in our history, when our state and every state is challenged by the global economy. The key to our recovery lies here, in being able to recruit new, high-paying jobs, in bringing new opportunity to our people."

## *Boeing To Locate Missile Headquarters in Huntsville*

Boeing will begin the shift to Huntsville with 40 to 50 workers in its Missile Defense Systems unit before year's end.

The shifts will start with management and functions including human resources and finance, Boeing said. Other moves will then be evaluated.

Greg Hyslop, general manager for the Missile Defense Systems unit, said Huntsville is "a leader in the

aerospace industry." The company already has a major presence in the Huntsville area, with 3,200 employees performing work on defense, space and commercial programs.

"Our customers have been locating more of their personnel and operations in this community, so now is the right time for us to center our missile defense business here as well," Hyslop said in a statement.

# SPOTLIGHT ON ALABAMA

Honda-Alabama

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AT&T Jobs

## Honda Marks 10th Year in Alabama

LINCOLN — Ten years ago, the property that now houses Honda Manufacturing of Alabama was overgrown farmland. Today it's home to a plant that can produce 300,000 vehicles and engines a year.

On May 6, 1999, Honda announced it would make the site in the small Alabama town of Lincoln its home, a move that would give Alabama thousands of high-paying jobs and created a housing boom. A network of smaller suppliers then began opening across the state.

Lincoln's 1,350-acre campus is part of Alabama's new auto-manufacturing economy. More than 4,000 workers produce Honda Odysseys, Pilots and Ridgelines. Honda will add the Accord V-6 Sedan to the Lincoln production line in the summer of 2009.

Automobiles were Alabama's top export in 2008. Alabama's Hyundai, Mercedes and Honda plants have a combined production capacity of 774,000 vehicles per



year. In 2008, Alabama auto manufacturers produced approximately 680,000 cars and light trucks.

This year also marks the 50th anniversary of the establishment of American Honda Motor Co., Inc., Honda's first overseas subsidiary. Honda began U.S. motorcycle production nearly 30 years ago in Ohio in 1979, and U.S. automobile production in 1982.

## AT&T Locates Regional Headquarters in Birmingham

Telecommunications giant AT&T Inc. is establishing a regional headquarters operation in Birmingham for a fast-growing division, and hiring 300 workers for a call center at the same site.

The company has begun establishing a Gulf States headquarters for its consumer and mobility division at the company's Colonnade base. The unit is responsible for wireless operations, retail stores and offerings such as the new U-verse television service.

The Birmingham operation will oversee those activities in Alabama, Mississippi, Louisiana and northwest Florida, company officials said. AT&T is staffing the unit with

personnel from Birmingham and transfers from Mobile, Louisiana and elsewhere.

"It's good that we're putting it in the state of Alabama and in Birmingham," Fred McCallum, president of AT&T Alabama, said in an interview. "We've got a great business environment in this state."

Between 2006 and the end of 2008, AT&T spent almost \$1 billion on wireless and broadband improvements in Alabama. AT&T is one of the metro area's largest employers, with 4,000 workers at a downtown office tower, a U.S. 280 operations center and a data center on U.S. 31 in Hoover, as well as the Colonnade.

## Kiplinger Magazine Ranks Huntsville First in Best Cities of 2009

Huntsville ranks number one in *Kiplinger's Personal Finance's* "10 Best Cities of 2009" announced on the magazine's Web site.

The magazine selected "boomtowns offering solid employment opportunities and the talent to create new, well-paying positions," according to *Kiplinger's*. The Best Cities list will appear in the July issue of

*Kiplinger's*, which will be on the newsstands June 9.

The top ten cities on the list include: 1. Huntsville; 2. Albuquerque, N.M.; 3. Washington, D.C.; 4. Charlottesville, Va.; 5. Athens, Ga.; 6. Olympia, Wash.; 7. Madison, Wis.; 8. Austin, Texas; 9. Flagstaff, Ariz.; and 10. Raleigh, N.C.

# BUSINESS NEWS



## *Defense Firm Opens in Tuscaloosa*

Smith Machine LLC, celebrated the opening of its second plant in Tuscaloosa last week. The company operates two modern plants in the Cottondale Industrial Park, with its newest plant devoted to making high-precision components for sophisticated gun mounts that are saving soldiers' lives in Iraq and Afghanistan.

The company has added 50 people to its workforce with the opening of the second plant. It now employs about 75 people at its two plants. The new plant will make about 100 different parts and will produce about 150,000 precision parts per year.

## *Advanced Manufacturing Targeted*

The Tennessee Valley "Dream it, Do it" initiative, officially launched this month for a 23-county area in North Alabama and southern Tennessee, is the first "Dream it, Do it" campaign in the Southeast and the first two-state effort.

"The goal is to get the word out" about challenging, well-paying manufacturing jobs available in the region. The highest-paying jobs in the industrial sector are in manufacturing.

The DIDI campaign encourages students to take more science, technology, engineering and math courses to be prepared for manufacturing jobs.

## *German Firm Opens Third Office*

MBtech, a German engineering and consulting company with offices worldwide, has opened its third U.S. office in Tuscaloosa. A sister company to Mercedes-Benz, MBtech has its roots in serving the automotive industry. But its expertise and customers go beyond the automotive manufacturers and their suppliers, said Wolfgang Kneer, MBtech vice president for manufacturing engineering and chief of the new office.

He said the consulting and engineering solutions that the company has developed can be used in other industries.

## *Hyundai Wins National Award*

Korean automaker Hyundai, which builds vehicles at a Montgomery plant, won Rising Star honors in

AutoPacific's annual Vehicle Satisfaction Awards.

Brand satisfaction among Hyundai buyers jumped 11 positions this year, more than any other manufacturer in the survey, the California-based market researcher said. Hyundai scored higher in 40 of 48 rating categories in 2009 than in 2008.

One of Hyundai's Alabama-built vehicles, the Sonata sedan, also won a Vehicle Satisfaction Award in the premium mid-size car category.

## *Rocky Creek Expands in Monroe*

Martin Cos. LLC has announced that it will spend \$5 million to expand its Rocky Creek Lumber Co. in Mexia, near Monroeville, adding up to 20 jobs to the current 80.

The expansion comes at a time when many sawmills are closing because of the nation's deeply depressed new housing market, and a resulting low demand for lumber. The Alexandria, La.,-based company said the expansion will increase efficiency and allow it to capture growth when the lumber market recovers.

## *Study Shows Dothan Affordable*

Dothan Area Chamber of Commerce president Matt Parker said the Council for Economic and Community Research's latest Cost of Living Index places Dothan as the eighth least expensive city among 309 ranked urban areas in the U.S.

"This is good news as far as being a place to relocate to," said Parker. "We are 14.9 percent below the national average." The cost of living index ranking is presented quarterly. Dothan is consistently among the least expensive areas.

The ranking looks at the after-tax cost on 60 different goods and services. The items cover various categories including housing, utilities, grocery items, transportation, health care and miscellaneous goods and services.

# FOCUS ON PARTNERSHIPS

## *Ryla To Bring 1,200 Jobs to Mobile Area*

MOBILE - Governor Bob Riley has announced that Ryla, Inc. has selected the Mobile County community of Saraland as the site for its Gulf Coast expansion plans, bringing 1,200 jobs to the area.

4 Ryla is a Kennesaw, Ga.-based company providing outsourced call centers and customer contact solutions to Fortune 500 companies, government agencies and non-profit organizations.

The privately owned company will make a capital investment of approximately \$8.5 million in establishing its new regional headquarters, a corporate data center and a regional customer contact center. This project is anticipated to create approximately 1,200 full time positions with an average base wage of \$21,754 plus bonuses and benefits. Ryla officials anticipate the first 400 jobs to be created by early summer, and the remaining 800 jobs created by the end of 2011.

“This is probably the only announcement of more than 1,000 new jobs taking place in America today and it’s happening here in Alabama,” said Governor Riley. “We are proud to welcome Ryla to our state and look forward to a long and prosperous partnership.”

Mark Wilson, who co-founded Ryla with his wife, Shelly Wilson in 2001, serves as the company’s president and chief executive officer. Wilson said significant growth



created the need to increase operations outside of the Georgia area.

“We are proud to be expanding into the Mobile area by hiring and creating more than 1,000 new jobs over the next few years,” said Wilson. “Ryla applauds the Governor, as well as state and local leadership for approving incentives that fuel economic development and create employment opportunities domestically.”

“In the current national economy, to be adding a thousand new jobs is a real coup,” said Mobile County Commission President Mike Dean. “We’re thrilled to have a growing innovative company like Ryla in Mobile County.”

## *Shoals Area Gets Advantage Site Designation for Park*

A 160-acre parcel of the Florence-Lauderdale Industrial Park has been designated as an AdvantageSite.

The AdvantageSite program verifies whether a development is suitable for industrial production, meaning businesses will already know the sites that have been vetted when looking for potential homes. Businesses now have shorter windows to determine where to move, and with AdvantageSite, prospects will know the 160-acre site is ready for business.

The Shoals has two of the eight state locations with such a designation.

Economic development organizations must provide documents showcasing acceptable ownership, utilities and environmental precautions. The site must have a minimum of 25 developable acres in a prepared industrial park or 50 acres outside one. It also must be accessible by a two-lane, paved road and have local government support for industrial use of the property.

AdvantageSite is sponsored by the Alabama Development Office and Economic Development Partnership of Alabama, among others, as a way to boost the competitiveness of the state in landing new ventures.

# Marketing Alabama in the 21st Century

*By Neal Wade- Director*

## *Alabama Development Office*

When Governor Riley came into office six years ago, the primary objective of the Alabama Development Office (ADO) was recruiting manufacturing industries to the state.

5 Since that time, changes in the economy, the needs of business, and the importance of Alabama's existing companies have forced a much-needed, dramatic shift in gears for ADO. Although we will still give our best efforts to winning projects, we have been working to redefine economic development with a renewed focus on growth from within our state, where eighty percent of new job creation occurs.

As a result, ADO is going to great lengths to meet with companies located here as well as the parent companies to determine how both local and state governments can help them sustain current jobs and be positioned to expand when the economy rebounds. We are also working with communities to help them determine what needs to be done to make the area more competitive for new job creation as well as encouraging regional partnerships that make sense for a more effective, powerful, and well-funded approach to economic development.

Gone are the days where we can win mega industrial projects just by wining and dining consultants or playing a few rounds of golf with them. Successfully marketing our state today requires a total package: a good educational system; a qualified and trainable work force; prepared communities; and a good quality of life. Our focus now should be on growth from within and knowledge-based growth, bringing the types of jobs that add wealth to the communities rather than just create jobs.

In the past, Alabama's statutory economic incentives



have been focused almost entirely on manufacturing industries. In May, the Alabama Legislature approved new statutory economic development incentives to include corporate headquarters, research and development facilities, financial institutions and "green" employers. In addition to continued focus on manufacturing, this new emphasis on knowledge-based jobs will be a strong combination for the 21st century and potentially impact the entire state.

In addition to the strong automotive and aerospace sectors, Alabama has the institutional and research structure in place to be a growing force in the life sciences field. The opening of the Hudson-Alpha Institute for Biotechnology in Alabama and the 1,600 jobs it has already created has positioned Alabama to become a worldwide leader in biotechnology and genome research and one of the premier places in the nation for quality jobs that won't be exported.

In Birmingham, UAB is a strong life sciences engine that has been the city's economic foundation for years. The city is well-respected in the national biotechnology research community with thousands of jobs, more than \$450 million in research at UAB, and the biotechnology incubator Innovation Depot. Hudson Alpha and UAB are working together as partners in ways that make Alabama a major player in the life sciences field.

In addition to record manufacturing growth in Mobile, the University of South Alabama and the new USA Mitchell Cancer Institute were recently ranked among the top 15 patent-revenue-generating universities in the nation.

These facilities, from Huntsville to Birmingham to Mobile, compliment each other rather than compete, giving Alabama a true synergy that should attract many new life sciences companies to the state. Many refer to our state as the "Four-hundred Mile Life Sciences Corridor".

The objectives set forth by Governor Riley six years ago are truly taking shape—a diverse economy that positively impacts the whole state and positions Alabama as one of the leading growth states in the nation.

## Mercedes Unveils New Alabama-built Hybrid

Mercedes-Benz unveiled a hybrid version of its Alabama-built M-Class sport utility during the New York International Auto Show last month. The ML450 hybrid is powered by a battery and a V6 engine, and it can operate entirely on electric power or gas, as well as a combination of both. The vehicle achieves highway gas

mileage of 24 miles per gallon and city gas mileage of 21 miles per gallon, Mercedes said. Also at the auto show, Mercedes debuted a facelifted version of the GL-Class full-sized sport utility, which is also built at the German automaker's Vance plant.