

## Take Two

**The Alabama Development Office claims its second Competitiveness Award.**

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Even as the Alabama Development Office (ADO) was battling its counterpart in Louisiana for the giant ThyssenKrupp steel plant project this spring, the agency paused in April to savor its second winning of the *Site Selection* Competitiveness Award. This award, which ADO also won in 2005 for industrial investment announced in 2004, recognizes the state-level economic development group scoring the most points in a 10-category index of new plant activity as tracked by *Site Selection's* proprietary New Plant Database. To qualify in a given category, a state must finish in top 20, at which point it is assigned points according to where in the top 20 it fell.

Among the 10 criteria used in the indexing system are four per-capita measures so that states have the same shot at competing for the award. The criteria used are:

- Total new and expanded facilities per 1 million population in 2006;
- Total capital investment in new and expanded facilities per 1 million population in 2006;
- Total new jobs created at new and expanded facilities per 1 million population in 2006;
- Total actual number of new and expanded facilities in 2006;
- Percentage growth in new and expanded facilities from 2005 to 2006;
- Three-year growth change (from 2003 to 2006) in new and expanded facilities;
- Ranking in *Site Selection's* annual business climate survey;
  - Number of top 100 metros in the annual ranking of top metros;
  - Number of top 100 small towns in the annual ranking of small towns; and
  - Number of 100-plus-job projects per one million population in 2006.

One could even say ADO is more competitive than it was the last time it won, when it logged 123 points out of a possible 200. This time, it snagged points. As for the US\$2.9-billion ThyssenKrupp decision, a location announcement was expected sometime in May. (For more on the ThyssenKrupp project and other significant announcements, see the Alabam

## Top Ten Competitive States

Rank	State	Points
1	Alabama	144
2	North Carolina	125
3	Indiana	114
4	Georgia	111
5	Ohio	108
6	Kentucky	104
7	Tennessee	102
8	Virginia	98
9	Iowa	81
10	Oklahoma	80

Spotlight.)

"The ThyssenKrupp deal is hinging on a number of factors, and logistics is obviously one," says Neal Wade, director of the Alabama Development Office. "We have a bit of a disadvantage in that we have to offload the slabs in Mobile and then take them by barge up to the site, but it's a closer site to the mouth of the port than the Louisiana site is. But there, the Panamax ships can go straight up the Mississippi River and offload there.

"But I feel our quality of life, the available work force we have been able to demonstrate and the site itself, as well as the cooperation of the coastal states of Mississippi, Florida and Alabama, tilt the decision in our favor," Wade adds. "This is probably the largest non-government project in the United States, so the company is going through a very rigorous due-diligence effort right now to see which proposal will help them achieve what they want. They have to make the business decision in the end. We will continue to work with them until the final decision is made."

Gov. Bob Riley is involved in the process "up to his eyeballs," says Wade. "This is something he had really gotten in the middle of, and that has made a big difference. He decided on the final incentives package and remains very much involved.

Wade says the incentives package will not be the biggest criterion in the decision, but it will be an important one. "If they don't have the 2,700-strong work force and 29,000 construction workers, then they cannot be successful."

But that's a 2007 project, not 2006. So, to what does Wade attribute ADO's performance last year?

"We are continuing to build on a decade of growth in the state, especially in the automotive industry," says Wade. "But what stands out the most to us is that we have become more diverse in our economic growth. I don't just mean in terms of industries or sectors, but the locations of projects in the state. One of the goals we had coming in a little over four years ago was that we expand growth into areas of the state that had not seen growth – mainly the rural areas. We have been able to accomplish that especially in 2006 when we saw a lot of smaller-to medium-size companies locate in areas off the Interstates, off of I-65 for instance."

Just a few years ago, certain rural Alabama counties had double-digit unemployment. In most cases, that figure now is around 7.5 percent, says Wade, with the state unemployment rate at a record low of 3.3 percent. "We have seen a marked improvement in the state's economy, and it has reached all points of the state – that has been the most important thing from an economic development standpoint."

Gov. Bob Riley helped persuade Verizon to locate a 1,300-job call center in Huntsville.



## In It To Win It

One project where ADO went head to head with other states in 2006 was the 1,300-job **Verizon** call center that went to the Huntsville area. "I was told by a company executive that if we were going to win that project, we were going to have to be

aggressive and convince them that this is the place they need to be." The governor called that executive from Montgomery that very afternoon.

"It was a complicated process we went through, because they wanted every 'i' dotted and every 't' crossed, which is the way it ought to be done," says Wade. "But I think in the end, it was a combination of Huntsville being their preferred site and the fact that over the next several years we will see 5,000 to 10,000 new people coming into that area, due to BRAC [base realignment and closure] changes, and a lot of them will be coming with spouses. Add that to the colleges already in the area and I think Verizon saw they could be in an area that fit their criteria along with a stream of workers coming in. That project is very important to northern Alabama. Thirteen hundred jobs is a major coup for us in that area."

Regardless of where the ThyssenKrupp project ends up, Alabama now has a better shot at landing another automotive plant. In early April, the Limestone County Economic Development Association announced Alabama's first certified megasite – a 2,010-acre (814-hectare) industrial site on I-65 near Athens in northern Alabama.

McCallum-Sweeney Consulting, Greenville, S.C., independently certifies sites as being suitable for major automotive manufacturing. The certification helps companies that locate on such a site become operational much faster than they would on a non-certified site.

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