

DEVELOPING ALABAMA



ALABAMA
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June/July 2008

Alabama Delegation Calls on Aerospace Firms

Gov. Bob Riley led an Alabama delegation of 85 state, county and local officials to the Farnborough International Air Show in London this month for an economic development mission aimed at increasing the state's aerospace presence.

While in London, the delegation had the opportunity to meet with key players in the aerospace and defense industries as well as with approximately 30 supplier companies looking for opportunities related to Alabama's newest corporate partners, Airbus, EADS and Northrop Grumman.

Gov. Riley said that he held productive meetings with top officials from Northrop, EADS and Airbus at Farnborough and found the companies fully committed to winning the tanker project. If successful, the Northrop Grumman tanker will be built in Alabama - by Alabamians, Mississippians, and Floridians with 230 supplier factories in all 50 states, creating 48,000 new American jobs.

Communities within 70 miles of the Mobile plant site would stand to gain suppliers and representatives from those communities were part of the state delegation working the air show.

Representatives from throughout Alabama were also at Farnborough, hoping to grow on the huge aerospace industry in Huntsville and the potential for more pockets of growth throughout the state.

"Even communities like where I grew up, Monroeville, which has a 5,000-foot runway, have the potential to attract aerospace suppliers," Wade said. "It makes all of the sense in the world for a little town like Monroeville to say, 'Yes, we can compete for suppliers.' You really saw a lot of new players in aerospace come on the scene for this Farnborough because they do believe they're going to be able to get some of this business over a period of time and it's going to help their communities."

One of the highlights of this year's trip to Farnborough was a reception hosted by Alabama at Kensington Palace in London. "This was by far our biggest year there," said Neal Wade, director of the Alabama Development Office. "I don't know if there are any other states that can say they have all of the major aerospace companies inside



Wiley Blankenship, left, of the Coastal Gateway Regional EDA and ADO Project Manager Hollie Pegg discuss business at the Alabama reception at Kensington Palace.

their state. We have them all - Boeing, Lockheed Martin, Northrop Grumman, EADS, all of them were there."

The Alabama delegation mingled with CEOs of some of the world's largest aerospace companies, along with U.S. senators, NASA executives and former U.S. astronaut Buzz Aldrin. "Sweet Home Alabama" and "Stars Fell on Alabama" serenaded the crowd.

"People were upbeat," Wade said. "I think the reason is because the reception was about all of aerospace in Alabama. That event really honored and celebrated what has happened in aerospace and what the future holds in Alabama."

The state sponsored a booth at Farnborough with catered lunches served only for those from the delegation meeting with prospects. Establishing and maintaining ties to suppliers could prove crucial if the Northrop/EADS team moves forward with the Mobile plant when and if the Air Force contract is upheld - or maybe even before.

"There are a number of scenarios being discussed as to what might happen," Wade said. "We've been working suppliers now for over two years, so we have excellent working relationships with them. Our goal right now is to stay in touch with them and whenever something happens, when a decision is made, we can all react quickly."

FOCUS ON DEVELOPMENT

National Rail Has Successful Year

BARTON -- One year after the announcement that National Alabama would locate in the Shoals area, the railcar plant continues to impress local and state leaders who worked to ensure the plant's presence in Barton Industrial Park.

The massive 2.2-million-square-foot structure stretches nearly 4,000 feet long. Some 22,620 tons of steel have been erected and 64,102 cubic yards of concrete poured. Massive excavation work has churned out more than 2.9 million cubic yards in material. A total of 333 precast panels are in place. The company, a subsidiary of National Industries Inc, expects to roll out its first railcar by early 2009.

Gov. Bob Riley along with state and local officials recently toured the construction site. "It's fantastic to see this thing come up essentially from out of the ground to this point," Gov. Bob Riley said. "Almost a mile long. That just is incredible progress."

Forrest Wright, executive director of the Shoals Economic Development Authority, has kept close tabs on the plant's progress. "It became evident really early in the process that these folks could do anything they want to do, and they've proved it so far."

Greg Aziz, National Steel Car's chairman and chief executive officer, said the work is on schedule.

Construction began in February on the northern side of the building, said Peter Earle, communications and public affairs counsel for National Steel.

The plant, which will hire up to 1,800 workers, is taking form and the first 150 workers could come on board by September. Those numbers will increase from there and hit 850 in 2009 and anywhere from 1,400 to 1,800 by 2010. The 1,800 jobs represent a significant boost for workers seeking employment, but National Alabama's impact appears to stretch far beyond that. In addition, up to 1,200 construction jobs could be on tap at the height of the project.

Another important aspect is the psychological boost the project has given the Shoals, which raised sales taxes by a half-cent to fund economic development projects, including Project Tiger, the name given to the project.

"This is tremendous for northwest Alabama," Riley said.



"When they start hiring, especially with the wages they're talking about, I think the economic impact on northwest Alabama is going to be huge."

The starting salary at the new plant will be about \$14 an hour, and the benefits package will be competitive with those of the top employers in the Shoals.

The tour also gave company, state and local officials the opportunity for a one-year anniversary celebration of the Shoals' landing of the facility, which announced its intentions to build in Barton on July 18, 2007.

One year later, railcar officials say they are more sure than ever that they selected the right location from a field of contenders that literally started out with the entire continental United States.

"This is absolutely the best choice," said Peter Earle, communications and public affairs counsel for National Steel. "The people here have been outstanding, up and down the dial, from the private sector and public sector. They are a great community.

"Whenever the area leadership came together to talk about it, they kept asking what can they do to facilitate us and make business decisions to compel us to locate here."

That continues to this day. "Since we've started building, the relationship has only grown and improved," Earle said. "Hopefully, this is the beginning of National Alabama becoming an integral part of the Shoals."

The company's annual payroll is expected to be more than \$163 million including direct and indirect jobs. The company also is investing \$350 million for the 640-acre project. Earle said the project could bring as many as 7,000 jobs to Alabama, when adding indirect employment caused by such factors as spin-off industries and hiring in the community to meet the demands of the industry and its employees.

BUSINESS NEWS



Enterprise Opens Incubator

ENTERPRISE - Enterprise, Enterprise Coffee Geneva Economic Development Corporation, and the Wiregrass Rehabilitation Corporation hosted a ribbon cutting in July on the 5,000 square-foot expansion of the Enterprise Business Incubator.

The building, now approximately 15,000 square foot, currently houses the Enterprise Coffee Geneva Economic Development Corporation and the Enterprise branch of the Wiregrass Rehabilitation Corporation. With the new addition of nearly 5,000 square feet, the building will now offer more office space to appeal to potential economic development prospects looking to start up their business in the Enterprise area.

Alabama "Emerging Biotech Region"

An industry magazine has named Alabama as one of nine "emerging biotech regions" in the world.

Genome Technology magazine singled out the University of Alabama at Birmingham and Southern Research Institute as leading examples of the state's increasing prominence in biotech. The magazine also pointed to the HudsonAlpha Institute for Biotechnology in Huntsville luring Rick Myers from Stanford University School of Medicine and the Stanford Human Genome Center to become its director.

Genome Technology said more than 90 biotech or bio-science companies have facilities in the state and that the National Institute of Health gave more than \$233 million in grants to Alabama scientists last year. The \$450 million in research funding at UAB was also noted.

Opp Targets Small Industries

OPP- The City of Opp is in the beginning phases of construction of a second industrial park along the bypass of U.S. Highway 331. The park is being designed for industries looking to locate in buildings smaller than traditional speculative buildings.

Don Childre, director of planning for the City of Opp, said the mini industrial park would be the first of its kind for Covington County and most surrounding counties. "There are a lot of businesses

that only hire 10-15 people to start," he said. "Not everyone's business is going to need a large building to house 150 employees and equipment. What we are looking to build will be something no one else has available. The new park will be constructed on 35 acres of land. It will include buildings ranging from 10-12,000 square feet with expansion capability.

Huntsville Tops High Tech List

Huntsville has the third-highest concentration of private-sector technology industry workers nationally, according to a new survey based on 2006 data.

Of every 1,000 private-sector workers in the city two years ago, 188 worked for high-tech companies. San Jose/Silicon Valley in Northern California topped the report with 286 high-tech workers per 1,000. Boulder, Colo., was second with 230 per 1,000.

Auto Plant Locates in Auburn

AUBURN -- SMI Auto USA, Inc. has announced the location of its first U.S. manufacturing operation in Auburn. "Auburn is an ideal location for our business due to its proximity to Interstate 85 and the quality of life the community has to offer," said Young Dae Kwon, president of SMI. "This is an ideal region for our stamping and related engineering and service businesses. The existing facility gives us immediate ramp-up and access to the market."

SMI Auto, established in Korea, is a supplier of small stamping automobile parts used by KIA Motors. The company specializes in all work in stamping facilities. Services include machine maintenance, installation, commissioning, and total engineering. The company will initially invest an estimated \$5.3 million into Auburn's economy and create approximately 50 new jobs.

For more information on SMI Auto USA, Inc., please contact Hoo Lee, general manager, at (678) 770-6373 or contact the City of Auburn's Economic Development Department at 334-501-7270.

FOCUS ON BIOTECH

HudsonAlpha Vision Continues To Grow

HUNTSVILLE -- The HudsonAlpha Institute for Biotechnology, which officially opened this spring, is already growing with construction of a conference center and plans for a “mile-long campus.”

4 The campus on the drawing board would be filled by companies and educational institutions recruited to build on the HudsonAlpha site. The institute is housed in a 270,000-square-foot building in Cummings Research Park that provides space to 12 biotech companies and a nonprofit research center.

The building was designed to encourage informal collaboration between researchers who work there. Institute co-founder and President Jim Hudson believes that kind of atmosphere is critical to scientific discovery, with the chance encounter in the hall leading to a surprising breakthrough or connecting otherwise unrelated ideas.

His proposed campus would feature that same approach, but on a much larger scale. “The concept is a mile-long campus, and the center of the campus is a grove of trees, and the grove is fairly narrow,” Hudson said last week. “The purpose of the site plan is to figure out how to build on the campus the same sort of environment we have in the building.” The grove design would allow buildings to be constructed along a pedestrian path, while parking would be set up to the east and west, away from the center.

The campus would stretch for nearly a mile, and Hudson hopes to see it filled within 15 years. The space would extend north to Explorer Boulevard, which the city plans to connect in the next year. The Huntsville City Council recently agreed to swap 52 acres across Moquin Drive, which HudsonAlpha had an option to buy, in exchange for selling HudsonAlpha 83 acres north of the institute. HudsonAlpha now owns 148 acres.

HudsonAlpha’s director, Dr. Rick Myers, has finished his work as head of Stanford’s Genomics Lab and is now in Huntsville full-time. The institute has about 75 people working on the nonprofit research side, but Hudson expects that number to reach 100 by September.

A \$7 million conference center is set to open early next year and will primarily be a site for scientific conferences and meetings of about 200 or more. It’s being built on institute



Gov. Bob Riley, left, and HudsonAlpha Executive Vice President O’Neal Smitherman receive a briefing from Anselmo Lopes, chief executive of SantelisaVale, during an Alabama delegation visit to South America this summer. SantelisaVale is the country’s biggest ethanol exporter and Lopes explained how Brazil has used sugar cane as a base for ethanol.

property by Hudson’s family. “My dream for a long time - my daughter worked for me on this for a while, and my son is also a minor investor - was that we would build a facility similar to Cold Spring Harbor off Long Island Sound east of New York City, Hudson said.

“I’ve nicknamed (our project) ‘Warm Spring Harbor.’ Cold Spring Harbor is really the center for genomic-type conferences in the U.S.”

The problem, Hudson said, is that Cold Spring is booked year-round. “Ultimately, this is an opportunity for a second center to concentrate strictly on genomics,” he said. “We want to be that place where people come all over the world to attend important scientific meetings in the field of genomics. “The next step (after the conference center) is to build an auditorium.”

A one-story, 22,500-square-foot building will include 8,000 square feet of meeting space that can be divided into two smaller video-conference rooms. Those will have “telepresence” capabilities allowing meeting participants from other locations to have a life-size hologram seated in the next chair.

Regional Cooperation Essential, Wade Says

GUNTERSVILLE — Alabama Development Office Director Neal Wade told Marshall County officials this month that regional cooperation is the key to the future of the area's economic development plans.

Wade spoke before a capacity crowd Tuesday during the Vision Marshall kickoff event. Vision Marshall is a strategic planning initiative organized by the Marshall County Economic Development Council aimed at creating a more economically viable community by tapping into the county's growth potential.



Wade advised the Vision Marshall audience that finding a way to have a multi-county cooperative effort, particularly with Madison County, is essential to economic development in the region. Cooperation, though, is also important within the county's borders, especially among its four distinct communities. "When we bring prospects in, one of the first things they notice is how leadership works together," Wade said.

Noting the famous Vince Lombardi quote, "Winning

isn't everything, it's the only thing," Wade said that's not true in economic development. "Playing is everything," he said.

Wade said Alabama's ability to nearly land a Volkswagen assembly plant in Huntsville this month is important because it shows the state can be a player for major projects. Wade said surviving the rigorous process of elimination and reaching the final round for a project like the VW plant is extremely difficult. "It's a tough game," he said.

Wade said counties need to honestly evaluate their strengths and weaknesses. "We often find a lot of companies and site consultants have done their homework better than we have," he said.

Wade said consultants have a term — "community charm factor" — they use to describe the livability of a city. The question "Would I want to raise my family here?" is still important to prospects.

The next wave of economic development is through the creation of jobs at the local level, Wade said. That makes the efforts of initiatives like Vision Marshall and agencies like the Economic Development Council even more significant.

Auburn University Launches Program To Train Engineers

Auburn University has launched a program to train engineers for Alabama's automotive industry, the latest effort by state educators to prepare students for critical, high-value jobs in vehicle assembly plants.

The school is implementing an automotive manufacturing engineering minor, a course of study that teaches skills needed for upper- and mid-level management posts in factories such as those that Mercedes-Benz, Honda and Hyundai have built in the state.

At Auburn, the new minor is part of a broader automotive industry focus, which could eventually include more engineering training on the graduate level, as well as additional research programs.

Auburn already is involved in supporting the automotive industry. Its Center for Advanced Vehicle Electronics, or CAVE, provides research for a number of automotive companies, among others.

Industrial engineering students, both graduate and un-

dergraduate, also work at assembly and supplier plants, helping coordinate lean manufacturing, quality control, safety and ergonomics programs that help the facilities run efficiently.

The new 15-hour minor, approved last year, is geared toward students who are majoring in either mechanical or industrial engineering. It includes courses in vehicle technology, as well as factory floor control, lean manufacturing and other processes that improve efficiency. The training should make Auburn students more marketable to automotive plants and spark a circle of prosperity that could make its way back to the university.

Across the state, schools are supporting the automotive industry, from a specialized curriculum that trains technicians at two-year colleges to additional training and research programs at universities. For example, at the University of Alabama at Birmingham, a program trains primarily graduate students in the use of lightweight materials and related processes that reduce vehicle weight, helping improve performance parameters such as fuel economy.

FOCUS

ON AUTOMOTIVE

New Auto Suppliers Still Landing in State

A new Kia supplier is opening its doors and hiring hundreds. The Kia and Hyundai supplier, **Seohan**, has been up and running since the first of April. Right now the South Korean company employs 50 workers, but that number will soon get bigger.

Chelsea Mulvenon with Seohan Human Resources said, "Within the year we plan on hiring about thirty more. By the end of 2009 we plan on having about 200 at full capacity." With Kia and Hyundai suppliers popping up all over the area, even more jobs will be available for residents." The \$20 million facility will manufacture front and rear axles for Hyundais and Kias.

In the Randolph County town of Wedowee, **Silla America Inc.**, a Korean business, announced that it will locate in the former Hub Trucking building. The company is a Tier II supplier and will fabricate metal auto pallets in support of the new Kia plant in West Point, Ga., as well as other businesses having a need for steel auto pallets. The plant will employ 10 to 20 people the first year. Silla America also has a plant in Brantley, supporting the Hyundai facility in Montgomery.

The company has begun work on the Hub Trucking building. Renovations should take about three months to complete.

Across the state, more than 100 people attended the June grand opening and official ribbon cutting ceremony of the new **WKW Erbsloeh North American Inc.** plant in Pell City's Industrial Park.

State and local officials were on hand for the WKW Erbsloeh's first North American plant opening. WKW Erbsloeh is a worldwide automotive supplier of steel, aluminum and plastic automobile parts.

Monika Kocks, marketing director for WKW Erbsloeh, said the first North American plant in Pell City will initially produce aluminum parts for the Mercedes plant in Vance and the Volkswagen plant in Mexico, but in 2009, the new plant in Pell City will also start producing parts for BMW. She said the new plant will begin production in July and will actually start delivering products from the Pell City plant by October.

Mayor Adam Stocks said the \$30 million investment by WKW Erbsloeh, which will eventually provide 300 new jobs in Pell City, couldn't have been possible without the complete support of local and state officials. He said WKW Erbsloeh is a reputable company with 4,000 employees worldwide.

Linda Swann, assistant director of the Alabama Development Office, who attended the grand opening on behalf of Gov. Bob Riley, welcomed WKW Erbsloeh officials. "We welcome you to Alabama," Swann said. "You were important to us when we started recruiting you, and now you're even more important to us since you have become an Alabama partner." The 130,000 square foot facility will initially employ about 100 workers and eventually will employ about 300.



In Opelika, Gov. Bob Riley was on hand this month to congratulate the city on a major economic expansion. Auto parts manufacturer **Mando America Corporation** announced it will grow its Opelika operation by another 200 jobs, invest another \$25 million and build a 400,000 square foot facility directly across from its existing 325,000 square foot building in the Northeast Opelika Industrial Park. With this latest expansion, Mando's employment level in Opelika will reach more than 600.

"Mando's remarkable growth in a short amount of time is a testament to the company's leadership, their workforce and the community they call home," said Gov. Riley. "I congratulate the company and Opelika on yet another great economic success story."

In April 2003, Governor Riley announced Mando was locating its first North American manufacturing operation in Opelika. The project represented an investment of \$30 million and the creation of 150 new jobs. Construction of the 150,000 square foot facility was completed in June 2004. Just a month later, in July 2004, Mando announced it was relocating its North American headquarters from Detroit to Opelika, adding 175 new jobs and expanding its operation by an additional 175,000 square feet. In September 2007, the company announced it was adding 77 new jobs to its Opelika operation.

ADO Director Neal Wade congratulated Mando on the announcement. "Alabama is open for business and it is so important that our existing businesses are able to grow and be successful. It is a testament to the work ethic and abilities of the Alabama worker when these companies choose to locate in Alabama and then experience this type success."