

# ALABAMA

## 2016 ECONOMIC DEVELOPMENT GUIDE

A comprehensive resource for site selection



### EUROPE TAKES OFF IN U.S. ... FROM ALABAMA

Airbus executives Tom Enders and Fabrice Brégier celebrate the first A320 in the works at the European aircraft giant's first U.S. plant, in Mobile.

**INSIDE** Development Incentives Foreign Direct Investment  
Workforce Solutions Regional Economies  
Development Agencies Technology Centers

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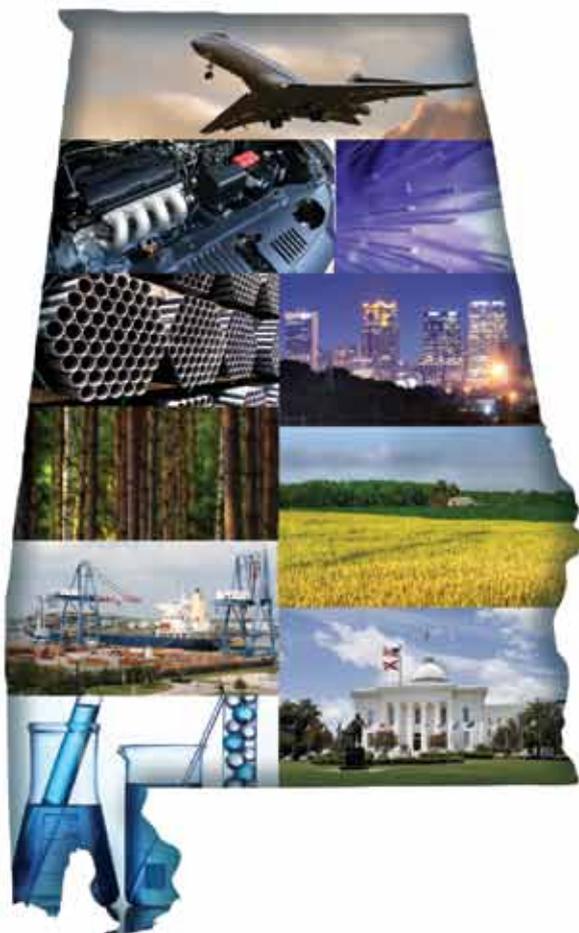
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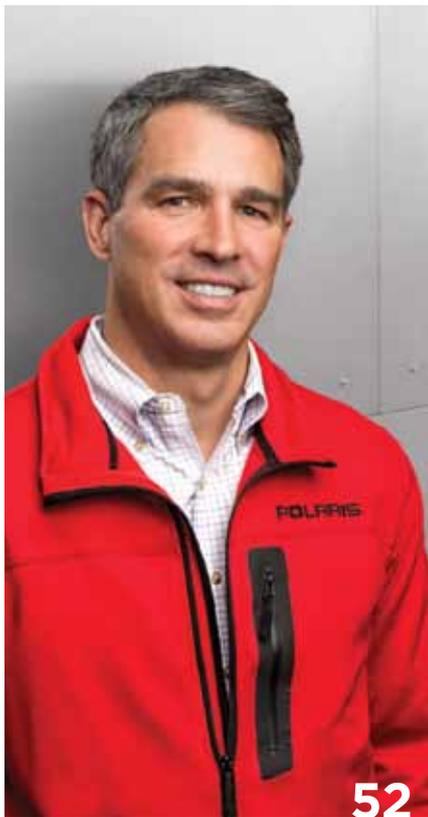
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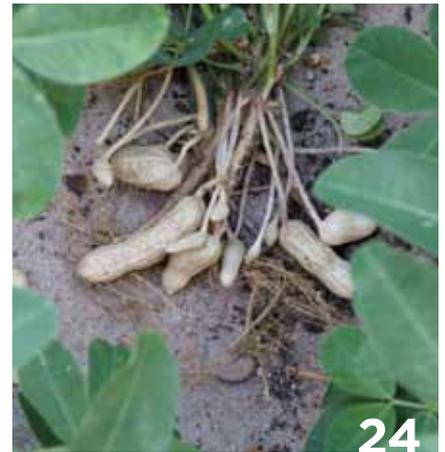
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**ON THE COVER:** Tom Enders, CEO of Airbus Group (Airbus, Airbus Defense and Space and Airbus Helicopters) and Fabrice Brégier, president and CEO of Airbus (the global commercial aircraft company) celebrate the first aircraft to begin assembly at Airbus' \$600 million facility in Mobile, on Sept. 14, 2015. The plant — Airbus' first in the U.S. — is expected to employ 1,000 workers at full production and is dedicated to the new A320 family of fuel-efficient commercial jetliners. *Photo by Dan Anderson*

**Opposite page:** Polaris Industries CEO Scott Wine

**Opposite page, center:** Hyundai Motor Manufacturing Alabama

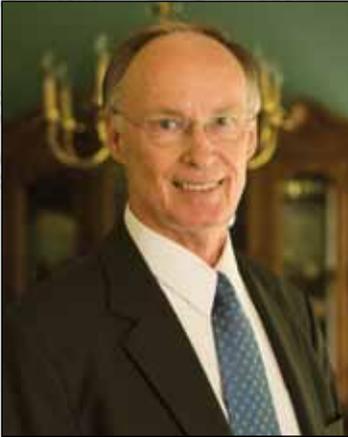
**Opposite page, right:** New Flyer plant in Anniston. *Photo by Cary Norton*

**Top:** Sikorsky's Troy facility is the System and Technology Integration Center for the MH-60R (shown here) and MH-60S Seahawk helicopters for the U.S. Navy and Black Hawks for the U.S. Army.

**Above, left:** AIDT is a partner in the Alabama Robotics Technology Park in Tanner. *Photo Courtesy of Goodwyn, Mills and Cawood Inc. Photo by Edward Badham*

**Above, right:** The Wiregrass produces more than half the peanuts grown in the U.S.

# GOVERNOR'S LETTER



## Welcome to Alabama!

Alabama continues to extend its “Made in Alabama” brand to new and expanding world-class companies. From automobile manufacturers to aircraft manufacturers, our state is the location of choice for its infrastructure, workers, and worker training. Whether you are taking your first look at our state, or Alabama is

already your home, you will be amazed at all the advantages Alabama has to offer.

Alabama has been consistently ranked by Area Development as one of the top five states for doing business. We believe our people are the key to our success. Alabamians believe in the value of work. They are loyal, dedicated, and aspire to achieve. These world-class workers have the advantage of a world-class training program called AIDT. Alabama Industrial Development Training is the envy of other states for its talent for helping companies find the right employees — and then preparing each one to excel in his or her job.

Alabama students are increasing their preparation for the world of work through targeted training. Our Alabama Workforce Council works closely with our secondary schools, community colleges and universities to tailor programs that teach skills for today's workplace.

Companies that choose Alabama quickly learn why we call our state “Sweet Home Alabama.” It is a great place to work and live. From the beaches along the Gulf Coast, to the mountains of North Alabama, to our gorgeous lakes and rivers, there are many reasons why your company will be glad to call us “Sweet Home Alabama.” If you've not yet had a first-hand look at Alabama, I hope you will visit us soon and experience all our wonderful state has to offer.

Sincerely,

A handwritten signature in black ink that reads "Robert Bentley". The signature is fluid and cursive.

Governor Robert Bentley

## ALABAMA ECONOMIC DEVELOPMENT GUIDE

### PUBLISHER

T.J. Potts

### ASSOCIATE PUBLISHER

Walker Sorrell

### EDITORIAL DIRECTOR

Chris McFadyen

### EDITOR

Nedra Bloom

### CONTRIBUTING WRITERS

Jessica Armstrong  
Kathy Hagood  
Charlie Ingram  
Nancy Mann Jackson  
Tammy Leytham  
Thomas M. Little  
Laura Stakelum

### ART DIRECTOR

Marie Katz

### AD PRODUCER

Rebecca Reeves

### TRAFFIC & ADMINISTRATION

J.D. Conley

### CIRCULATION

Anita Miller

### ACCOUNTING

Carolyn H. Jones

### ACCOUNT EXECUTIVES

Lee Mills, ext. 102

### ADVERTISING SALES OFFICE

2204 Lakeshore Drive, Suite 120  
Birmingham, AL 35209  
info@pmtpublishing.com

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Address all correspondence to Alabama Economic Development Guide, 3729 Cottage Hill Road, Suite H, Mobile, AL 36609 or 2204 Lakeshore Drive, Suite 120, Birmingham, AL 35209, (251) 473-6269 in Mobile or (205) 802-6393 in Birmingham. FAX in Birmingham is (205) 802-6393. Letters to the editor are welcome. Please query the editor before sending unsolicited articles or photographs.

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# STATEWIDE BENCHMARKS

The old economic conundrum told us that economies had to choose between guns and butter. Alabama has both. And a generous helping of cars, planes, buses, off-road vehicles and high tech superstars, too.

Remington Outdoor Co. made headlines when it opened its new factory in Huntsville, making its popular lines of guns. Since the company announced plans for Alabama in early 2014, already more than 300 people are at work making sporting rifles and semi-automatic pistols stamped “Made in Huntsville.”

Automakers continue to earn honors as the backbone of Alabama’s new economy. Mercedes-Benz U.S. International, Hyundai Motor Manufacturing Alabama, Honda Manufacturing of Alabama all make a mix of cars, vans and SUVs, while Toyota Motor Manufacturing Alabama makes engines. At the close of 2014, the state ranked fifth in the nation for car and

light truck production, turning out 1 million vehicles and 1.5 million engines. Autos and auto parts account for more than half of the state’s exports, racking up \$7.1 billion in revenue. The industry accounts for some 33,000 direct jobs in Alabama and has broadened horizons with direct investment from firms based in Germany, Korea, Japan and beyond.

In September, 2015, Mercedes announced plans for a \$1.3 billion expansion of its Alabama plant to accommodate the next generation of SUVs, with production scheduled for 2019.

In a fascinating vehicular spinoff, Polaris Industries — the world’s foremost builder of powersports vehicles such as snowmobiles and their off-road kin — announced plans for a new plant in Huntsville. Polaris’ 15th plant, the Alabama facility is expected to employ up to 2,000 workers making Polaris Rangers, a popular side-

by-side used extensively by working farmers and relaxing hunters. The plant is set to open early in 2016.

Another automotive powerhouse is New Flyer, making city buses that roll in cities across the nation. Though its forerunner, North American Bus Industries, has been in Anniston for a couple of decades, the Alabama company is thriving under new ownership by New Flyer, which invested \$20 million in refurbishing the 700-worker plant. Workers here now play a key role in the Canadian parent firm’s system of building buses from a stock of steel tubes till they’re furnished, painted and ready to roll. New Flyer Industries boasts 50 percent of the heavy-duty bus market in North America.

Alabama’s manufacturing takes off, too, with everything from Airbus airplane assembly in Mobile to NASA and Boeing rocket design and construction in Huntsville

and Decatur. The state also boasts helicopter expertise — fixing them, flying them and teaching pilots from around the world the tricks of the trade. And Huntsville’s military expertise has attracted a host of missile design and construction firms, too.

The aerospace industry attracts even more high-tech firms. In Auburn, GE Aviation is among the first to 3D print pieces for jet propulsion systems, while Carpenter Technologies, in Limestone County, is developing the alloys that make aerospace work.

Alongside manufacturing, Alabama’s economy thrives on research and design to support the space program, but also on an array of biotechnology and information technology enterprises.

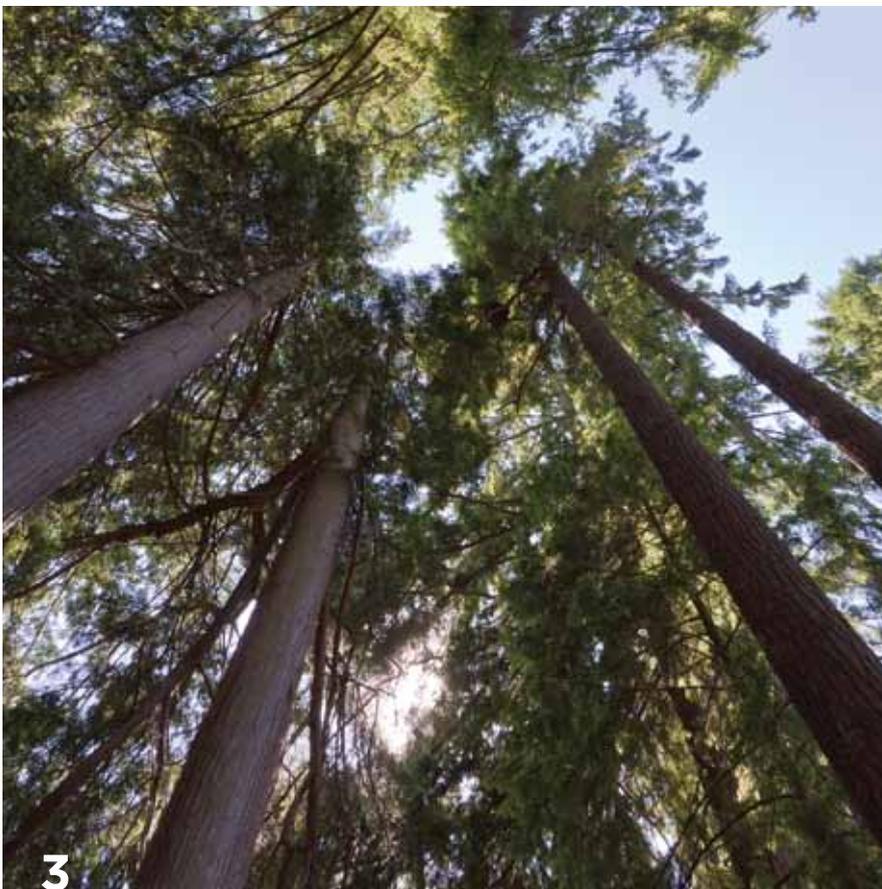
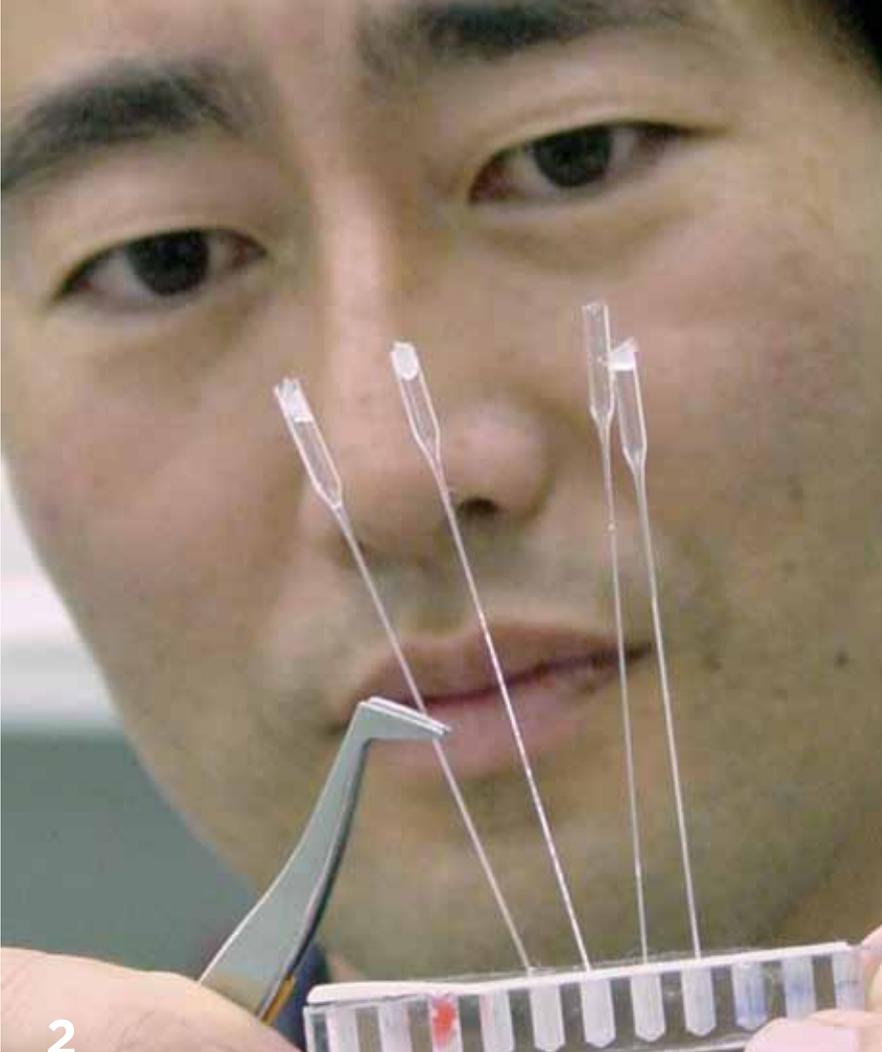
Huntsville’s Adtran, the state’s largest telecom manufacturer, makes the networking devices that help us maintain constant voice and data communications, including access to cloud storage and information sharing. Across town, software engineering giant Intergraph is a world leader in enterprise software for plants, ships and offshore facilities, as well as geospatial solutions for emergency response, utilities, transportation and other global challenges.

And Google made Alabama headlines in 2015 with the announcement that it plans to create a \$600 million data center in northeast Alabama — taking over the site of a fossil-fueled TVA generating plant, which was already slated to close.

Biotechnology is the lifeblood of the University of Alabama at Birmingham and its related Southern Research. Huntsville’s HudsonAlpha Institute for Biotechnology and Mobile’s Mitchell Cancer Institute are also major players. Teaming academic research with business sophistication, the institutions are working to bring drugs and devices to market while unlocking the secrets of human health.

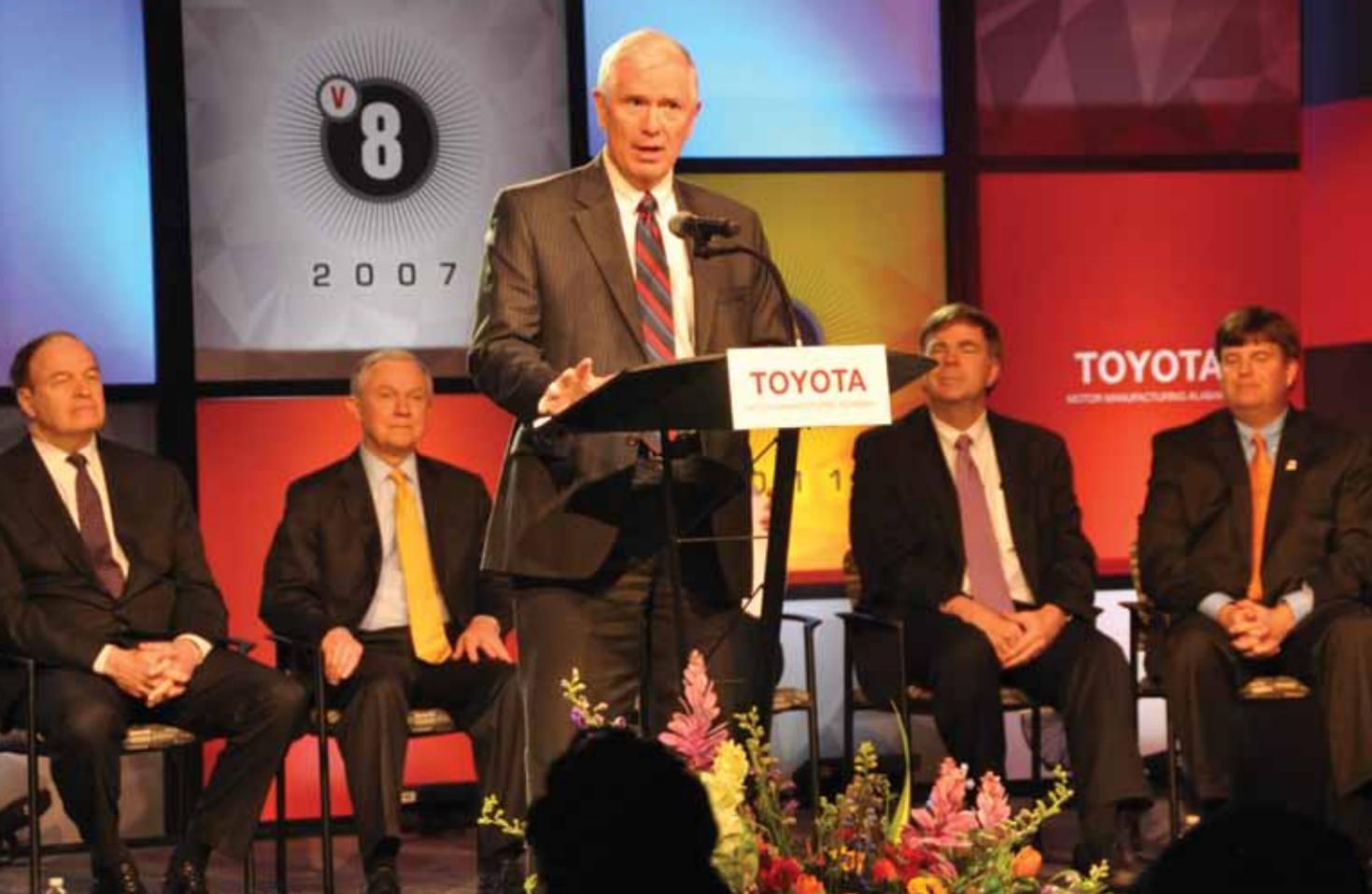
And butter? Moving forward as quietly as a contented cow in a pasture, Alabama’s old standby of agriculture continues to thrive. Peanuts are plentiful here but agriculture and forestry’s contribution is anything but peanuts — accounting for some 40 percent of the state’s total \$70.4 billion economic output, with prospects for more.

Relaxed relations with Cuba have brought the prospect of even stronger poultry exports. Already Alabama sends about 10 percent of its chicken exports to Cuba, some \$32 million worth. If the two nations continue the current trend toward closer relations, state officials says, Alabama’s chicken exports will almost undoubtedly grow.



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**1.** Mercedes-Benz U.S. International, in Tuscaloosa County, in 1993, was the first of four automotive OEMs to locate in Alabama. *Photo by Cary Norton* **2.** Joe Ng, a genetics researcher and professor at the University of Alabama in Huntsville is one of thousands of Alabamians exploring the frontiers of biotechnology. **3.** Alabama forests generate over \$21 billion in timber production & processing revenue.



# RECENT ECONOMIC DEVELOPMENT COUPS

BY JESSICA ARMSTRONG

Area Development magazine's Top States for Doing Business in 2014 ranked Alabama No. 4 nationwide, thanks to its favorable business environment, labor climate, infrastructure and global access. Such a high ranking is no surprise, considering 2014 was a banner year for economic development announcements in Alabama. The Alabama Department of Commerce recorded 18,137 new and expanding industry project announcements in 2014, with a total capital investment of \$3.4 billion.

Rather than an unusual peak, it was performance as expected.

According to Alabama Department of Commerce Secretary Greg Canfield, from 2011 to 2013, economic development efforts in Alabama resulted in more than 55,000 announced jobs and nearly \$14 billion in capital investment.

"To put that into context, the three years prior to that, 2008 to 2010, brought 47,000 announced jobs and \$8.6 billion in investment to Alabama. In 2013, companies announced nearly 17,000 jobs and \$4.4 bil-

lion in investment in Alabama, touching nearly every corner of the state."

From the world's largest aerospace company and the world's top-selling automaker to a company whose name is synonymous with firearms, businesses across sectors are setting up shop in Alabama or expanding their existing facilities.

Huntsville has attracted major industries ever since the U.S. Army chose what was then a small agrarian town for its chemical munitions facilities at the start of World War II. Toyota found the Rocket City to be such a good fit that it has expanded there not once but five times, notes Harrison Diamond, business relations officer for the city of Huntsville.

As this article goes to press in September 2015, the economic development data for the year is still being compiled, but it is already proving to be another banner year, with major announcements by Google and Polaris Industries. Here is a roundup of some of the headliners for 2014 and 2015:

**Mercedes-Benz U.S. International** in September, 2015 announced plans for a \$1.3 billion expansion of its Alabama plant to accommodate the next generation of SUVs.

"This is the home for Mercedes-Benz SUVs," said Jason Hoff, MBUSI president and CEO. "This will continue to be the home for Mercedes-Benz SUVs." He described the new SUV models, yet to be unveiled, as "the most technologically advanced cars ever built."

The 1.4 million-square-foot expansion is scheduled for completion in June 2017, with production around December 2019. The expansion will add 300 workers to the Mercedes payroll, bringing the total to 4,000 workers.

---

In its latest Huntsville expansion, Toyota Motor Manufacturing Alabama invested \$150 million to increase capacity to produce its V-6 engine. Several of Alabama's congressional leaders were on hand during the announcement, including U.S. Rep. Mo Brooks, shown speaking to the crowd.

This is the third major expansion of the Alabama plant since Mercedes' initial \$400 million investment in the mid-1990s. A \$600 million expansion in 2005 doubled the size of the plant. A \$671 million completed expansion in 2014 accommodated the production of C-Class sedans. The new expansion will bring the total investment by Mercedes in Alabama to \$5.8 billion.

**Google**, in June 2015, announced plans to build a \$600 million data center in Jackson County, creating up to 100 jobs.

Google will build the new data center on 350 acres of land owned by the Tennessee Valley Authority at Widows Creek, which is in being shut down as part of a process that began in 2012. The facility will be Google's 14th data center around the world and its first new U.S. location since 2007.

Google's project is the first recruited under Alabama's specialized data center incentives, passed in 2012, and the Alabama Jobs Act, an overhaul of the state's economic development incentives platform passed in 2015.

**Polaris Industries** in January 2015 announced plans to build a \$142 million plant on a 453-acre site in Limestone County, near Huntsville.

Minnesota-based Polaris is the world's largest manufacturer of powersports vehicles — off-road vehicles and snowmobiles — with sales of \$4.479 billion in 2014. This will be the 15th Polaris plant, and CEO Scott Wine estimates that it will account for 20 to 25 percent of future revenues, employing 1,700 to 2,000 workers. Polaris broke ground on the Huntsville facility in the first quarter of 2015, with completion slated for early 2016.

In late 2015, **Samvardhana Motherson Group** announced plans for a \$150 million automotive parts plant employing 650 people to supply Mercedes-Benz in Tuscaloosa County. And **Kamtek**, another auto supplier, announced plans for a \$530 million expansion, creating 350 additional jobs in Birmingham.

**Toyota Motor Manufacturing Alabama** in 2014 invested \$150 million to increase capacity to produce its V-6 engine, at its plant in Huntsville. The expansion is creating 125 new jobs, bringing the total full-time employment at the plant to



Boeing announced a new Research and Technology Center in Huntsville.

1,150. Construction began June 2013, with production starting January 2014. Full production is expected by July 2015. The project brings Toyota's total investment in Alabama to \$850 million. The Huntsville plant is Toyota's only facility in the world producing four-cylinder, V-6 and V-8 engines in a single facility.

**Science and Engineering Services** — a Columbia, Maryland-based leader in maintenance, repair and overhaul services for aircraft and ground combat systems — is also expanding in Huntsville. The \$70 million expansion will create 450 jobs over five years.

Construction began in July 2014, which includes new hangar bays, office space and helipad. Once the expansion is complete, SES will occupy more than 1.3 million square feet of hangar space. Production begins in 2015 and full production is estimated within 10 years.

Diamond says of SES, "Having the whole package of research, design, engineering, systems integration and manufacturing all in one community speaks volumes about the diversity of our workforce."

**Remington Outdoor Co.**, the nation's oldest firearms manufacturer, has established a new production site in Huntsville,

which it chose over 24 other potential locations. Production started in 2015.

"Remington is one of our most exciting announcements in some time," Diamond says. "They are converting a former Chrysler electronics plant into what some are calling the Google of Guns. It's going to be a marquee employer for the area."

Canfield calls Remington's decision to open a manufacturing plant in Alabama a "game changer" and says the project will create more than 2,000 jobs within the next 10 years as production increases.

**Boeing** — the largest aerospace company in Alabama and one of the state's largest employers — has maintained operations in Huntsville for decades. At the end of 2014, Boeing announced it would create Research and Technology Centers in five cities where it is already doing business, including Huntsville.

Boeing's 7,000-square-foot research lab in Huntsville opened in 2015. It will focus on simulation and decision analytics. Boeing is investing \$5 million to \$6 million in the project, which will create 300 to 400 new jobs. These new centers are part of Boeing's plan to reorganize its research and technology division.

**Oxford Pharmaceuticals** would have



Birmingham Mayor William Bell and Gov. Bentley welcome Steris Corp. to Birmingham.

given Huntsville another significant economic development announcement in 2014 if Birmingham hadn't beat it out. Both Alabama cities, as well as nearby Nashville, were vying for the Oxford, England-based startup, which chose to invest \$29.4 million to establish its U.S. headquarters in a 120,000-square-foot manufacturing facility in Birmingham. The startup will create 60 jobs when it opens in 2016 and employ up to 200 people when fully operational.

Oxford's manufacturing facility, which will produce generic drugs, is expected to be complete by late 2016. Full production is estimated to begin by 2019. Local and state incentives total \$6.7 million and include infrastructure improvements and tax rebates.

The Birmingham incubation facility Innovation Depot is letting Oxford operate rent-free until it's on its feet as part of the Business Incubator Association's Soft Landings program, which assists international companies entering or expanding into the U.S. market.

**Engineered Plastic Components** was another win for the Birmingham region. The company announced plans for a \$7.3 million investment to open a manufacturing plant in Leeds with 110 new jobs by its third year. The Iowa firm purchased a 75,000-square-foot building where it will produce injection molded interior automotive components and assemblies.

Full production is slated for fall 2017. The state offered \$819,000 worth of pre-employment training support through AIDT. Local contributions total approxi-

mately \$157,000.

**Steris Corp.**, based in Mentor, Ohio is adding 100 new high-paying jobs to its workforce after purchasing Birmingham-based Integrated Medical Systems, a surgical instrument management and clinical consulting firm, in a 2014 deal totaling \$175 million.

IMS will be incorporated into Steris' health care division, making Birmingham headquarters for its specialty service business. Steris is a leading infection prevention, decontamination, and surgical and critical care company serving customers in more than 60 countries.

State incentives total \$2 million and include \$500,000 in discretionary incentives, \$500,000 in credits and nearly \$1 million to train workers through AIDT. Local incentives from Birmingham and Jefferson County total \$1.5 million, mostly in tax abatements from the city of Birmingham. Steris also operates a surgical equipment business in Montgomery.

**Evonik Corp.** announced plans to open its first Innovation Center for research and development of medical devices and technology at the company's Birmingham site. Alabama ranks fifth in the nation for medical technology job creation, and this expansion is expected to add 25 high-paying jobs to Evonik's 100 employees.

The German company selected Birmingham because of the company's existing presence, Birmingham's experienced employee pool and nearby educational institutions.

Montgomery **Coca-Cola Bottling Co.** announced in December 2014 that it will make a \$35 million capital investment to increase production at its Montgomery plant and add 37 new jobs to the 247 jobs existing at the location.

In November 2014, Montgomery Coca-Cola Bottling Co. began operations as a division of the Birmingham-based Coca-Cola United, which was founded in 1902 and is the third largest Coca-Cola bottling company in the United States.

**Knauf Insulation** has restarted its operations in Lanett, where it manufactures thermal and acoustical insulation. The company closed its doors in Lanett in 2011, leaving 146 people without jobs.

Valerie Gray, executive director of the Chambers County Development Authority, says the shutdown was due primarily to the recession and housing crisis. In 2014, Knauf announced it will invest \$30 million to reopen the Lanett plant and provide 100 jobs. The plant should be fully operational by December 2016.

Gray says the county never lost contact with Knauf after it left Lanett, which was critical in the recruitment process. State incentives include nearly \$15 million in ad valorem taxes and about \$1.6 million in abated state and local sales and use taxes. Local job creation incentives total \$135,000.

**KMIN USA** made for another coup in Chambers County, investing \$20 million to open its first U.S. plant, in Valley, where parts for automobile seats and ancillary parts are manufactured and assembled. The South Korea-based auto parts maker renovated an existing building and production began December 2014.

Total state incentives include \$417,000 in ad valorem taxes and \$539,000 in abated state and local sales and use taxes. Local incentives are less than \$50,000. Gray says the project brings jobs to an area devastated by textile industry loss.

**Reliance Worldwide**, a leading maker of products for the plumbing and heating industries, announced in 2014 plans to open a manufacturing plant in Cullman to produce its innovative Shark-Bite plumbing connection system.

The Atlanta-based Reliance Worldwide, operating in Cullman as Cash Acme, is investing \$50.8 million in its Alabama facility,

which also includes a research and development center, along with a training academy. The expansion will create 130 new jobs, bringing total employment to 275.

The expansion brings the company's "Cullman footprint" to more than 600,000 square feet, says Dale Greer, assistant director of the Cullman Economic Development Agency.

Reliance Worldwide received statutory ad valorem tax abatement of non-education taxes for 10 years and the one-time abatement of non-education sales tax for equipping the new facility. The state provided \$1.1 million in discretionary funds and AIDT offered training assistance, which Greer says was key to Reliance making the decision to expand in Cullman.

**Asahi Kasei Plastics North America** is investing \$30 million to open, in Limestone County, its second U.S. production plant. The company plans to employ up to 100 people at the Athens plant when at full capacity in seven to 10 years. The plant will process plastic resin into pellet product used at plastic injection molding facilities.

AIDT provided \$940,000 for workforce recruitment and training. The Alabama Department of Economic and Community Affairs provided a \$250,000 grant for railroad construction. The Alabama Industrial Access Road and Bridge Corp. provided \$575,000 to extend the access road. Local incentives include about \$1.5 million for utilities and railroad infrastructure.

"Athens really fit the bill logistically," says Tom Hill, president of the Limestone County Economic Development Association. "It's a convenient and cost-effective location."

**International Automotive Components** announced in 2014 plans for a \$22 million expansion at its McClellan site that it purchased in 2010, adding 359 more jobs and 125,000 square feet of new production space. The plant, which now makes door panels for Nissan and components for Honda minivans and Mercedes SUVs, is expected to become fully operational in 2016.

Robin Scott, executive director of the McClellan Development Authority, says the expansion was on a "fast track."

**Georgia-Pacific** — a major producer of building and paper products — is investing

\$375 million in its Brewton plant, which produces linerboard and cartonboard used in making boxes. The project involves modernizing the mill's recovery boiler system. Canfield says that while the project doesn't create new jobs, it will secure the existing 450 jobs at the mill.

The Georgia-Pacific Brewton LLC tax abatement was granted for \$347.7 million for the energy improvement project.

**FreightCar America** is investing \$10 million to expand railcar production at its Cherokee plant. The Chicago-based company says it plans to create an additional

tor Lori Huguley calls an expansion of an existing industry "the best kind of news." Being an internationally recognized company in the biologic and pharma sectors, Baxter's confidence in Opelika's ability to support such an expansion could attract other companies in these sectors.

**GE Aviation** decided to launch a 3-D printing initiative at its Auburn plant for another major expansion in Lee County. The global leader in jet engine and aircraft system production will invest \$125 million upon completion of this expansion and plans to hire 300 when the plant is fully



Asahi Kasei Plastics North America (above) breaks the news of its \$30 million investment in Limestone County, its second U.S. production plant.

production line at the Cherokee site, enabling it to meet a growing demand for its new railcars.

At full operation, it will produce 6,000 to 8,000 railcars annually with about 700 workers.

**Baxter International** is investing nearly \$300 million to expand its plant in Opelika in Lee County, where the healthcare giant produces dialyzers, an important component in the treatment of advanced kidney disease.

The 230,000-square-foot expansion will add 200 new jobs, along with several new production lines. The Opelika plant currently has 170 employees, and plans additional hiring when the expansion begins in 2016.

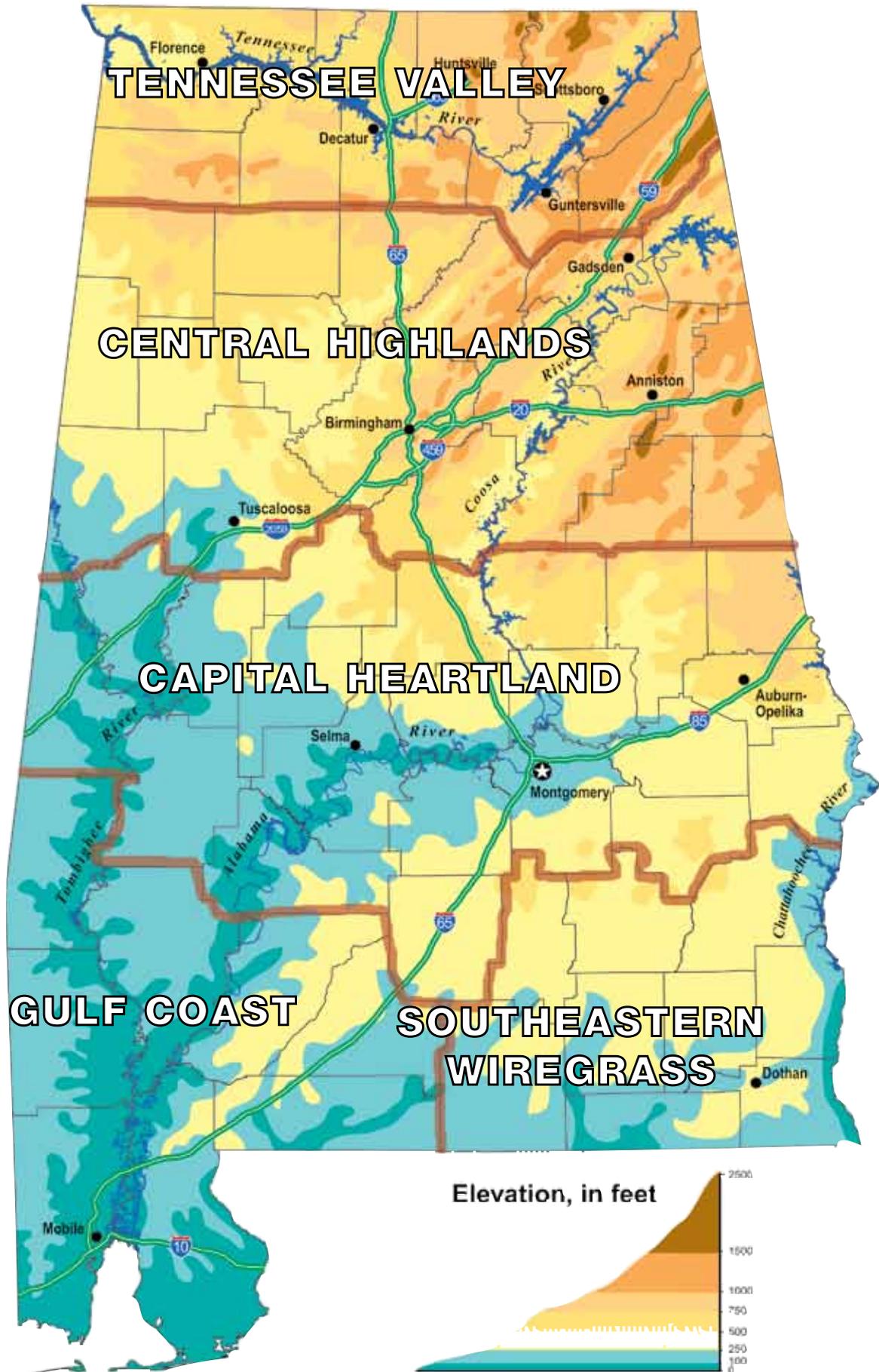
Opelika Economic Development Direc-

tor operational later this decade. Local incentives total \$445,000.

Equipment installation began in late 2014. By late 2015, the plant will have up to 10 printing machines operating with the potential to add 50 more. The Auburn site will also continue to manufacture precision, super-alloy machined parts for jet engines.

"This expansion is bringing a new technology to the existing 300,000-square-foot plant," says Auburn Economic Development Director Phillip Dunlap. "This is the first high volume additive manufacturing production facility of its kind in the jet propulsion industry."

*See the complete story in February 2015 Business Alabama.*





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# TENNESSEE VALLEY

The Tennessee Valley is home to one of the fastest growing high tech and advanced manufacturing economies in the country.

Rocket science is to Huntsville and Alabama's Tennessee Valley what wheat is to America's heartland. It's everywhere — as far as the eye can see. So pervasive is it that it's developed a halo of science and engineering companies, taking advantage of the synergy.

It started in the early 1950s, when the federal government brought a team of German engineers to the brink-of-closing Redstone Arsenal to put their rocket expertise to work and get the U.S. into the space race. Less than two decades later, the first U.S. astronaut set foot on the moon.

And Huntsville's economy continues to rocket forward. A circle of major defense contractors circles Redstone Arsenal and populates the Cummings Research Park. Dozens and dozens of smaller firms also support the military and NASA. And over in Decatur, United Launch Alliance — a joint venture between Boeing and Lockheed Martin — builds the rockets that propel cargo into space.

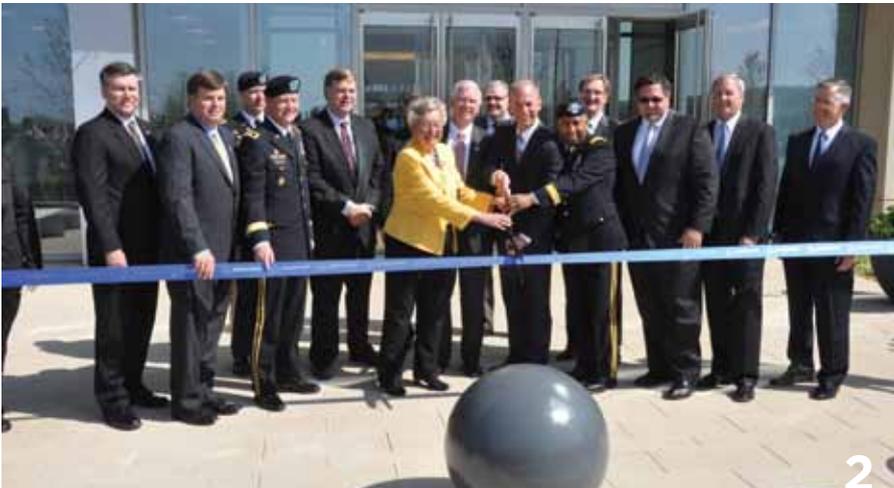
Just a few months ago, Boeing cut the ribbon — virtual, of course — on its new research and development facility at Redstone Gateway, the Center for Applied Simulation and Analytics.

Rockets and missiles are just the beginning.

Huntsville is also home to the HudsonAlpha Institute for Biotechnology, a research center that works to find answers to human ills based on information from the human genome.



Cummings Research Park in Huntsville is the second largest research and technology park in the U.S., a 3,800-acre complex that is home to 247 companies active in more than 40 separate technology fields.



plans for a \$600 million data center in Stevenson, in Jackson County. Says Google: “Every time you check your Gmail, search on Google for a nearby restaurant, or watch a YouTube video, a server whirs to life in one of our data centers. Data centers are the engines of the Internet, bringing the power of the web to millions of people around the world. And as millions more people come online, our data centers are growing, too.” The Jackson County location, on the site of the former TVA Widows Creek power plant, is Google’s first new venture in the U.S. since 2007.

Alabama’s northern tier also includes Calhoun Community College, home to the state’s specialty programs in robotics — offering instruction, research stations and even facilities for testing designs.

Over in the Shoals area, Wise Metals — maker of sheet aluminum for food and beverage cans — was purchased by Contellium, based in Amsterdam. The European firm immediately announced plans to invest \$750 million in the 1,200-employee Muscle Shoals plant.

The Tennessee Valley and Appalachian foothills are also home to entrepreneurs like fashion heroes Alabama Chanin and Billy Reid, goat cheese maker Tasia Malakasis and special effects expert Francisco Guerra.

And if you’re hankering for a little winter in Alabama, you’ll need to head for the hills of this region — Alabama’s only snow skiing is featured at Cloudmont in Jackson County.

Research also extends to plants, using genetics to create sturdier, more beneficial strains. And HudsonAlpha doesn’t stop at research; it also supports entrepreneurs working to bring breakthroughs big and small to the marketplace.

In the past few years, the Tennessee Valley economy has broadened even further. Toyota Motor Manufacturing Alabama broke ground in 2001 and today is the only Toyota plant to make every type of engine used in Toyota vehicles, from 4-cylinders to V8s.

This year a trio of new firms headed for

Huntsville.

Remington Outdoor Co. opened a plant making sporting rifles and semi-automatic pistols. Products marked “Made in Huntsville” are already rolling out of the plant.

Then Polaris picked the Rocket City. By early next year, the world’s largest powersport vehicle manufacturer expects to be turning out Rangers, a side-by-side vehicle that’s popular with farmers, hunters and others engaged in outdoor activities.

The ink was hardly dry on that deal when infotech giant Google announced



**1.** Toyota Motor Manufacturing Alabama in Huntsville is one the largest Toyota engine plants in the world, producing 744,000 engines annually. **2.** Officials in 2013 cut the ribbon on the new offices of Boeing Co., the first tenant in Redstone Gateway, a 4.2 million-square-foot business and industrial development park of 52 buildings on Arsenal property adjacent to Gate 9.



# CENTRAL HIGHLANDS

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Banking thrives here. Insurance is a mainstay. Education is unparalleled.

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Alabama automaking was born here. Commerce ranges from the coal

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and steel that first brought prosperity to the biotechnology

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and information-rich industries of the 21st century.

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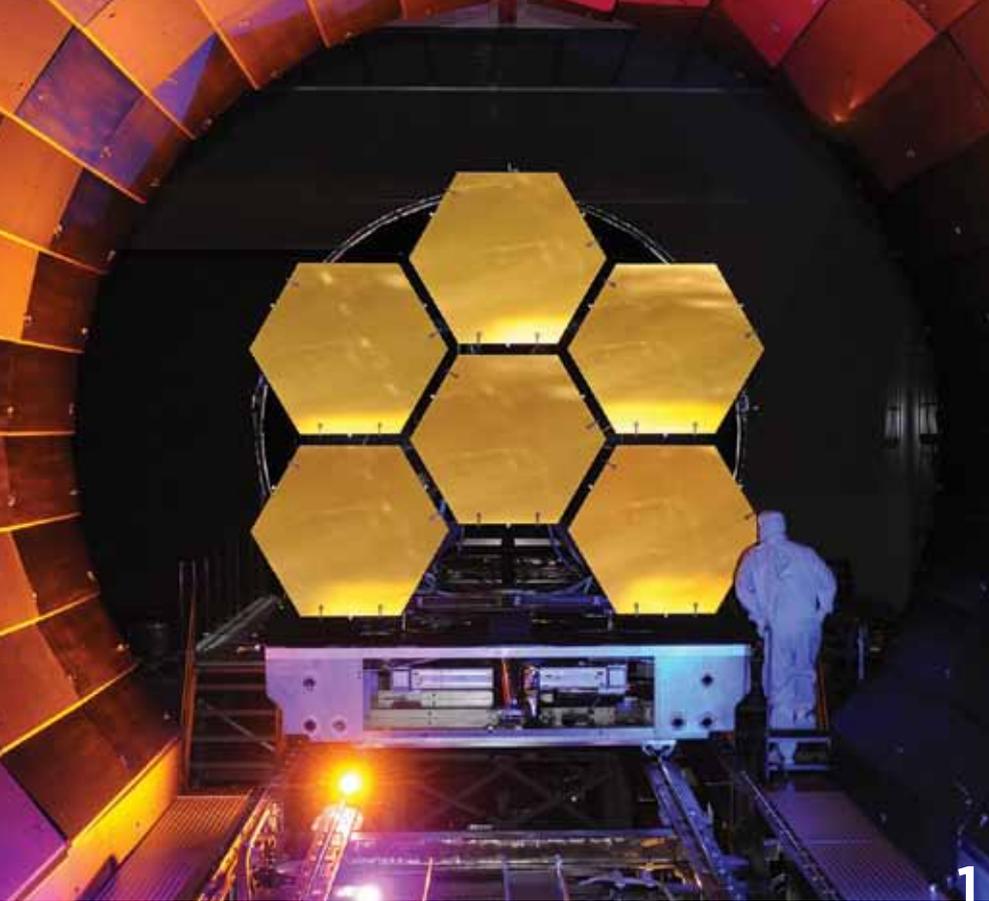
The banking, finance and insurance center of the state also sustains a traditional metals industry and is birthplace of Alabama's emerging automotive sector.

This is Alabama's Central Highlands — Birmingham and the 19 counties that surround it.

Banking dominates the skyline for Birmingham, the state's largest city. Its two tallest buildings are the Wells Fargo Tower and the Regions-Harbert Plaza — home to Alabama's only home-grown Fortune 500 company. Downtown is also home to Infinity Property & Casualty and ProAssurance, as well as the former world headquarters of



Talladega Superspeedway Photo from Getty Images



Protective Life, recently purchased as a U.S. foothold for Dai-Ichi Life of Japan.

While steel companies thrum along here, so also does biotechnology. Nurtured by the University of Alabama at Birmingham and its related Southern Research, medical care is offered for those in need today alongside teams of scientists searching for the causes and cures for ills still hard to treat today.

Arts, sports, entertainment and a tastebud tantalizing array of eateries show Birmingham for the major city it is — among the largest in the Southeast. Celebrated chefs such as Frank Stitt and Chris Hastings provide an array of fine and casual dining.

Tuscaloosa is home to the University of Alabama. A highly ranked educational institution, Bama also fields one of the most recognizable football squads in the nation, repeatedly winning national championships while attracting crowds to the university city. Moreover, the Tuscaloosa County city of Vance boasts another claim to fame as the wellspring of Alabama's auto making industry. More than 20 years ago, Mercedes-Benz U.S. International announced plans to launch a U.S. plant and Tuscaloosa beat out all rivals for the honors. MBUSI has grown and expanded repeatedly over the years, building the popular luxury SUVs and sedans.

Talladega County has a pair of auto-related success stories. Like Tuscaloosa, it's

home to one of Alabama's major auto plants. Honda builds the Odyssey minivan, the Pilot SUV and, most recently, the luxury Acura MDX in the city of Lincoln. And across the county, speed dominates the auto scene at the Talladega Superspeedway, famous for its sizzling speeds and challenging curves.

The Central Highlands are also home to the cities of Cullman, Anniston and Gadsden — all big contributors to the Alabama economy.

Gadsden, lying along the Coosa River at the foot of the Appalachians, is home to a major Goodyear Tire & Rubber plant, two large poultry processing plants, and several new automotive suppliers. As the gateway to Alabama's mountains, it's a tourist attraction with a charming riverfront and a popular park that showcases Noccalula Falls.

A pacesetter city, Anniston was the first in Alabama to be wired for electricity in 1882 and added telephones in 1884. Its major employer is the Anniston Army Depot, the maintenance center for tracked vehicles. Nearby McClellan, a planned community growing from the former Fort McClellan, is the training center for the national Department of Homeland Security's anti-terrorism activities. Like its Central Highlands neighbors, Anniston and Calhoun County are also home to automotive supplier firms that have emerged in the past 20 years.

Cullman, not too far north of Birming-

ham nor too far south of Huntsville, along Interstate 65, has kept its agricultural roots strong but taken to the highways as well. One of the nation's top 60 counties for agricultural income, the county is also home to three relatively new Tier 1 auto suppliers and a host of smaller firms. And looking to the skies, Cullman is home to Axsys Technologies, which is working on the lenses for the James Webb Space Telescope, in design to replace the Hubble.

In fact, Cullman County was tops in the state for new industry in 2014.

Not to be outdone by their bigger neighbors, three counties in the western reaches of the Central Highlands — Lamar, Marion and Fayette — teamed up to create a single economic development agency, the C3 of Northwest Alabama Economic Development Alliance, that is promoting location along new Interstate 22 and bringing new industry to the region. And when a Wrangler jeans factory was destroyed by tornadoes in 2011, C3 convinced the company not only to rebuild, but to rebuild bigger and better.

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**1.** Axsys Technologies, in Cullman, shaped the mirrors for NASA's James Webb Space Telescope. **2.** Wells Fargo offices in downtown Birmingham signify the city's role as the financial center of the state.

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# CAPITAL HEARTLAND

The region that extends from the state capital of Montgomery hosts major auto manufacturers alongside R&D enterprise and some of the richest agricultural regions in the state.

For a century and more, Alabama’s Capital Heartland hummed along to the sound of cotton farming, interspersed with the debates of lawmakers at work in the Capitol Building at Montgomery.

The Capitol still thrums along. The sounds of agriculture still fill the air, though the crops today may be catfish or bamboo, alongside the cotton. And even those crops have turned higher tech, with the algae that is a byproduct of catfish ponds now being harvested to make biodegradable plastics.

But there’s a newer sound in the air — the pulse of the slick-as-a-whistle Hyundai Motor Manufacturing Alabama plant rolling out Sonatas and Elantras as fast as 3,000 workers and a whole passel of robots can work. And every so often you can practically hear the sound of another production record being broken. The \$1.7 billion, 2 million-square-foot plant opened in 2006 and today produces 399,500 vehicles a year.

The plant has attracted 35 Tier 1 suppliers and another 43 Tier 2, bringing an added \$650 million industrial investment and employing another 7,000 workers.

Downtown Montgomery is reinventing itself with trendy nightspots and restaurants, plus major mixed-use developments, including a luxu-





rious 164-unit complex overlooking the Alabama River.

Education is big business in this region of Alabama. Near to the Georgia border is Auburn, the state's original land grant university and now home to engineering, architecture, veterinary medicine and a broad array of other programs. The state's newest medical school, a branch of the Virginia-based Edward Via College of Osteopathic Medicine, is rising near the university campus in one of the city's research parks.

The campus region is also home to a variety of high tech businesses, including GE Aviation's new factory, which plans to be the first to use 3D printing to make jet engine components. Six of the top employers are auto suppliers making components such as wheels, bumpers, springs, axles and driveshafts. Briggs and Stratton continues to make industry-standard air-cooled gasoline engines that power lawn equipment and more. Newcomer Pharmavite makes vitamins, while Gambro Products makes kidney dialyzers.

Nearby Opelika recently made headlines by wiring the entire city with fiber optic cable to provide a city-owned Internet utility.

Smaller cities in the Capital Heartland are making their own headlines.

Phenix City and its over-the-river partner Columbus, Georgia, have teamed to build a world-class whitewater course on the Chattahoochee River. In its first year, the course attracted 18,000 river runners — three times as many as planners predicted. And Phenix City has followed up by beginning major renovations along its downtown riverfront area.

On the other side of the region, Selma is seeing new companies come to work with the timber that's long been a mainstay of the region. Zilkha Biomass Energy is gearing up to produce Zilkha Black Pellets — a wood-based fuel that substitutes for coal — and is expected to fill a big demand in the European market. Entrepreneur Robert Armstrong is expanding the city's business portfolio with his G Mommas cookies, distributed via Walmart and Cracker Barrel

and others, now that he's fired up his new bakery ovens.

Like much of the rest of the state, Selma's Dallas County is home to auto suppliers, while its native son Bush Hog continues to build agricultural and lawn care implements.

And you can get a close-up look at the history of the Civil Rights Movement by following U.S. Highway 80 from Selma to Montgomery, travelling in the footsteps of the Civil Rights marchers from the Edmund Pettis Bridge to the Capitol steps.

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**1.** Hyundai Motor Manufacturing Alabama, in Montgomery. *Photo courtesy of The George F. Landegger Collection of Alabama Photographs in Carol M. Highsmith's America, Library of Congress, Prints and Photographs Division* **2.** Montgomery skyline meets the banks of the Alabama River. **3.** The Alley, an entertainment enclave in downtown Montgomery's riverfront district. **4.** Selma entrepreneur Robert Armstrong recently fired up a commercial bakery, G Momma's Cookies, with national supermarket contracts. *Photo by Art Meripol*



# SOUTHEASTERN WIREGRASS

The Wiregrass region offers an abundance of variety in its enterprise, from agriculture and forest products to missiles, aircraft and medical education.

Peanuts are anything but peanuts for the economy of Alabama's Wiregrass, and new industry is making as much use of the skies as peanuts are of the soil.

Southeast Alabama has long been an agricultural region, providing the state and its neighbors near and far with cotton, row crops and forest products, in addition to the mighty peanut.



More than half the peanuts grown in the U.S. are grown within 100 miles of Dothan, which celebrates the tasty legume with an annual festival. It's such an important crop that the city of Enterprise has a statue honoring the boll weevil, which forced farmers to find an alternative to cotton.

Chickens are part of the agricultural mix, too, with a poultry feed plant and several broiler processing plants among the major employers.

And one more crop defines the agriculture of the Wiregrass — trees. Forests feed the lumber mills and provide the raw materials for a major Georgia-Pacific paper plant in Brewton and an International Paper sheet plant in Dothan.

While farmers and foresters have tended to their crops, a new realm of industry has flown into the Wiregrass in the contrail of Fort Rucker. The Army base opened in 1942 to train troops but in less than a decade was reimagined as the Army's aviation training facility. It continues to fill that role today, training Army and Air Force helicopter pilots as well as those of U.S. allies around the world.

A major fleet of helicopters at Fort Rucker has attracted its own



cluster of supporters — L-3 Army Fleet Support is the largest employer in Coffee and Dale Counties, while Lockheed Martin, Sikorsky and Bell Helicopter all maintain a presence nearby.

Dothan had been nurturing a new MRO sector — companies that perform aircraft maintenance, repair and overhaul — when its major player abruptly moved out. In 2013, local officials lured Commercial Jet into the empty property and the sector is poised for renewal. That allows the region to take full advantage of the Alabama Aviation Center campus in nearby Ozark.

The Wiregrass is an important player in Alabama's higher education scene, too, as home to Troy University. Troy has built a reputation as an international campus, welcoming overseas students and offering Troy

classes abroad. Now Dothan is home to the state's newest medical school, the Alabama College of Osteopathic Medicine. The school opened two years ago, and its first students, who will complete their coursework in 2017, are now doing clinical rotations in area healthcare facilities.

Along with the staples of agriculture, aircraft, Army and medicine, the Wiregrass is home to several of Alabama's most unusual businesses, too.

Lockheed Martin maintains its Pike County facility in Troy, building missiles to protect the world.

Eufaula is home to Humminbird-Johnson Outdoors, which makes fishfinders, depth sounders, marine radios and GPS systems for anglers while a neighboring company, Strikezone Lures, makes fishing

lures.

And over in Enterprise you'll find Enterprise Electronics. Lest you expect an appliance store, be assured that this is the home of a remarkable product — the Doppler weather radar used around the world to protect us all from approaching storms.

---

**1.** Miami-based Commercial Jet chose Dothan for a major expansion in 2014, reopening a former Pemco World Air facility with 350 workers and plans to fill more space in the near future. The maintenance, repair and overhaul (MRO) operator is converting passenger planes to freighter planes.

**2.** The aircraft industry also clusters in the Wiregrass' Coffee and Dale counties, home to Fort Rucker. **3.** More than half the peanuts grown in the U.S. are grown within 100 miles of Dothan.



# GULF COAST

Home to some of the state's biggest foreign investments, the Gulf Coast economy includes the first U.S. assembly plant of European aircraft giant Airbus, a \$5 billion steel complex operated by three of the world's largest steel companies, and a thriving multi-national shipbuilding industry.



Economic developers can get pretty excited when a new industry comes to town. But in Mobile this summer thousands of people turned out for a Mardi Gras-style parade to watch the components of the city's first Airbus airplane wend their way from the Port to the Aeroplex.

Such is the excitement along the Gulf Coast over newcomer Airbus, where new employees, many trained in Airbus facilities in Europe, are now at work assembling the first aircraft in the European aerospace giant's first U.S. assembly plant. That first plane is slated to take to the skies in 2016, emblazoned with a JetBlue logo.

The new plant has attracted more than aircraft components and community celebrations. During the Paris Air Show alone, three new Airbus suppliers announced plans for facilities in Mobile. Hutchinson Corp., a French firm that does maintenance & repair and insulation installation for Airbus, announced plans to open in Mobile. The first phase of Hutchinson's facility, slated to open in 2016, is valued at \$2 million. The painting contractor for Airbus, Irish firm MAAS, has announced plans for an additional twin-bay paint facility, a \$39 million invest-



2

ment. French firm Messier-Bugatti-Dowty is adding a landing and braking system plant in Mobile, slated to open in 2015. This company is related to Safran, another supplier that opened in Mobile the day ground was broken for the Airbus plant. Yet another French firm, REEL Group, announced plans for its first U.S. facility — 4,500 square feet of office, warehouse and workshop space. It was awarded the Airbus jigs and tools maintenance service contract.

While Mobile has long been a transportation hub, until this decade its expertise centered on shipping and shipbuilding. And that expertise is equally evident today.

On Mobile's waterfront, Austal USA — a subsidiary of Australia-based Austal Inc. — builds a new generation of ships for the U.S. Navy. Nearby, UK-based BAE Systems performs construction, repair and overhaul on bluewater ships. All along the bayous of south Mobile County, shipyards rear above back-country roads crafting tugs boats, offshore platform tenders, shrimp boats and more.

And the Alabama State Port Authority operates Alabama's gateway to the world, where ships laden with coal, steel, cars, chickens, chemicals and wood products head for ports around the world.

Steel and chemicals and timber are also big business along the Gulf Coast. Just a few years ago, German-based Thyssen-Krupp built a massive, \$5 billion steel mill at the Mobile-Washington County line. When the steel market nosedived and ThyssenKrupp backed away, the prospects looked bleak. But almost before you could say "fire up the furnace," world stainless leader Outokumpu Oyj, a Finnish company, had purchased the stainless mill, and a partnership between the world's largest and second largest steel producers — ArcelorMittal and Sumitomo Metals — had the cold rolled steel mill up and running.

Chemical plants line the riverbanks, winding inland from the Bay — making products from herbicides to sugar substitutes. In fact, a Tate & Lyle plant in McIntosh is the only producer of Splenda sweetener.

But the glory of the Gulf Coast is the beach. Baldwin County thrives on an aviation cluster, established agriculture, suburban living and great schools. When Alabamians think of the sprawling county, however, they're more likely to think of the beach — white sand, clear water, exciting entertainment, sports venues, condos with a view and fabulous seafood. It's Alabama's playground.



3

1. The first of Airbus's A320 commercial jets to begin assembly in Mobile in 2015 was one of a batch sold to JetBlue. *Photo by Dan Anderson.* 2. A 45-foot channel and an expanded turning basin have helped the Port of Mobile prepare for Post-Panamax ships. 3. Austal USA launches its third Joint High Speed Vessel, the USNS Millinocket, at its shipyard in Mobile.

# The Third Coast is where the action is.

It's an economic phenomenon. Between the freight moving on the Mississippi, the oil production in the Gulf, and companies "reshoring" their manufacturing back from abroad, the Third Coast is big and getting bigger. With the largest port in the U.S., 28% of the nation's oil and gas employment, and 14% population growth in the last ten years, business opportunities are everywhere. And as a law firm long embedded in the business culture of the area, we're the ones who can help you seize those opportunities.

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# AUTOMOTIVE

When Mercedes-Benz picked Tuscaloosa County for its first U.S. plant, way back in 1993, the state's economy turned a corner. And it has never looked back.

What started as a \$400 million plant to make a line of sport-utility vehicles is now the vibrant hub of a \$4.4 billion presence in Alabama, making SUVs and now coupes, and winning the top ranking among Alabama exporters.

What started with a single company and a single plant is now a powerful industry

1. At its new plant in Montgomery, Hyundai Motor Manufacturing Alabama rolls out the company's popular Sonata and Elantra sedans.
2. At Mercedes-Benz U.S. International in Tuscaloosa County, workers show off their latest model. The plant makes luxury GLE sport utility vehicles, GL-Class luxury SUVs, C-Class sedans and coupes and the GLE coupe.





sector with OEM plants not only for Mercedes but also for Hyundai and Honda, plus a major Toyota engine plant.

Together, the firms represent the largest export sector in the state's array and make Alabama second in the nation for vehicle exports. The firms produced more than 994,000 vehicles in 2014 and shipped \$6.6 billion worth to 99 countries.

Each individual OEM has a remarkable effect on the state's economy. Hyundai Motor Manufacturing Alabama, for example, is credited with a \$5 billion impact on Alabama's economy. The Montgomery plant employs more than 3,700 workers with an annual payroll of \$260 million and its supplier firms employ another 8,900 Alabamians.

Hyundai has produced more than 3 million autos in its 10 years in Alabama.

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**1.** The \$1.7 billion Hyundai Motor Manufacturing Alabama plant in Montgomery — Hyundai's first assembly and manufacturing plant in the United States — is one of the most advanced assembly plants in North America.

**2.** Honda Manufacturing of Alabama's \$2 billion plant in Lincoln employs more than 4,000 workers in the annual production of the Honda Odyssey, Pilot, Acura MDX and V-6 engines.



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**HONDA**

Honda Manufacturing of Alabama

## INDUSTRY PROFILE



Honda Manufacturing of Alabama is the company's largest light truck facility. It makes Odyssey minivans, Pilots and Acura MDX, as well as V6 engines. The \$2 billion plant employs more than 4,000 workers and has the capacity to produce 340,000 vehicles and V6 engines annually.

Toyota has the capacity to produce 750,000 engines annually in its 1,200-worker plant in Huntsville. It's the only U.S. Toyota plant with the capability to make 4-cylinder engines for Camry, Highlander, RAV4 and Venza models; V6 for Highlander, Tacoma and Tundra, and V8 for Sequoia and Tundra.

The strong automotive sector continues to attract new suppliers to the state.

Newest of the breed is Samvardhana Motherson Group, which announced plans in fall 2015 for a \$150 million, 650-employee plant in Tuscaloosa County. SMP Automotive Systems Alabama Inc. will make interior and exterior components for Mercedes.

The SMP announcement came about a week after Kamtek announced plans for a \$530 million expansion in Alabama, to open an aluminum casting facility for automotive parts. Kamtek expects to add 350 more workers to the current 900. Kamtek's parent company is Magna International, based in Canada.

In August, Business Facilities magazine — which helps businesses select sites for new enterprise — ranked Alabama second in the nation for “auto manufacturing strength,” and cited the state's prize-winning workforce training program, AIDT, as a key factor in its rankings.

After 20 years, automakers continue to break records — in 2014 the state's plants produced nearly 1 million vehicles.



**1.** The Toyota Motor Manufacturing Alabama plant in Huntsville builds engines for multiple Toyota models, many of which are exported overseas, including engines for Toyota's top-selling Camry, RAV4 and Highlander.

**2.** Alabama Gov. Robert Bentley tours the axle line at the Tuscaloosa plant of Mercedes supplier ZF Lemforder Corp., a key supplier for Mercedes. ZF Lemforder, like Mercedes, recently completed a major expansion in Alabama.



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New Manufacturing Facility, Huntsville
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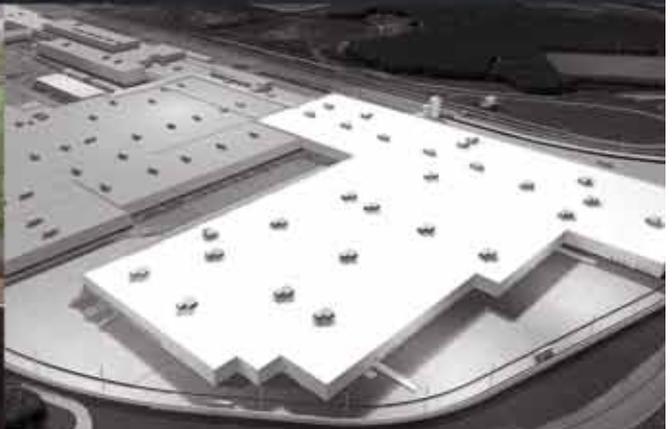
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exceptionally high. In 2015, production began on the new GLE Coupé, another vehicle in a line of successes made possible by our 3,500 team members. With an additional \$1.3 billion investment being made at the Vance plant, creating 300 new jobs, we will continue to make Alabama proud.

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# BREATHTAKING AUTOMOTIVE TURNAROUND

BY THOMAS LITTLE

When the economic downturn struck Alabama, the state's prominent automotive manufacturers faced industry-wide challenges as demand declined. Now that the economy shows signs of recovery, Alabama's Big Four auto companies are firing on all cylinders, increasing production shifts to meet growing demands.

At the peak of the recession, Honda Manufacturing of Alabama saw a temporary drop in light truck sales. In response, HMA added the Accord V6 Sedan to its assembly line, as well as the Ridgeline pickup, transferred from Honda's Canadian plant. "Honda's flexible manufacturing system allows adjustment of product

mix based on market demand," says HMA Vice President Mike Oatridge.

Throughout the recession, HMA maintained its 4,000-member team. For the three years ending in 2014, HMA announced more than \$508 million in investments and hired more than 400 associates in production and professional positions. In late 2014, the plant also began production of a highly automated engine assembly facility.

As demand for light trucks returned, Honda adjusted shifts to meet production needs. In January 2013, the plant began a four-day, 10-hour workweek with two production shifts. By June 2014, the plant

returned to a five-day, 8-hour week with two shifts.

Oatridge believes that the staff's teamwork and commitment enabled the plant to maintain productivity through the recession. "The enthusiasm, flexibility and dedication of our team of more than 4,000 Alabama associates has been vital to our continued success throughout both the economic downturn and the subsequent recovery," he says.

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Mercedes-Benz U.S. International used the downturn to reimagine products and was quickly back up to speed and beyond.  
*Photo by Cary Norton*



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Hyundai Motor Manufacturing Alabama maintained its 3,000-member team during the recession, and was able to increase production to two 10-hour shifts with some Saturdays over a two-and-a-half-year period. “HMMA had to increase output to meet the high demand for the Sonata and Elantra sedans,” says Senior Manager of Public Relations Robert Burns. “Both are the top sellers for Hyundai in the U.S. market.”

To meet this rising demand, HMMA transitioned to an all-sedan production plan, boosting the production speed. In 2010, Hyundai introduced the fluidic sculpture design, a sleek redesign of its lineup. Burns believes that the curvy new look and public appeal aided heavily in the plant’s rebound. “Hyundai’s turnaround after the recession can be attributed to a

Top: The decision to build the C-Class luxury sedan in Tuscaloosa has paid off for Mercedes-Benz U.S. International Inc.

Above: A Hyundai technician in Montgomery checks under-the-hood details on a new Elantra.



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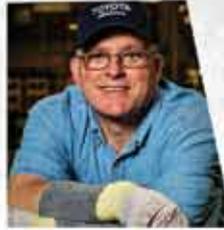
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**TOYOTA**  
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combination of a solid marketing plan and the introduction of the fluidic sculpture design philosophy," he says.

When the auto industry's momentum slowed, Mercedes-Benz U.S. International Inc. went back to the drawing board. "We had to make long-term decisions and plan ahead," says MBUSI President Jason Hoff. "When the interest in luxury cars picked up, we were able to roll out new products invented during the financial crisis." The C-Class, SUVs and other luxury vehicles are products of the company's recession planning.

As production for the new models began, shifts increased dramatically. Team members who worked less than 40 hours per week during the recession now clock overtime and weekends to meet production goals. "We've been pleasantly surprised by the industry rebound," says Hoff. "Our team's flexibility and strong international ties have contributed to the plant's success."

Toyota Motor Manufacturing Alabama

Toyota Motor Manufacturing of Alabama completed an \$80 million expansion to add a V6 assembly line.



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used the industry downtime to retrain staff and improve facilities. “We wanted to invest in human development,” says Plant President Jim Bolte. “Our team members are the experts of kaizen, continuous improvement.”

The plant’s engineering groups aided in installations and upgrades to the facility, which was expanded in 2011 to 1.2 million square feet. In 2014, Toyota Alabama completed an \$80 million V6 engine assembly

expansion, adding 125 new jobs at the plant. Support from the community, state, and Washington representatives kept momentum strong as the economy began to recover. “We are in a great environment for continuous improvement,” says Bolte. “Demand is high and frequently brings us into overtime and weekends.”

Also in 2014, Toyota launched the Advanced Manufacturing Technician Program, a two-year, expenses-paid program at

Calhoun Community College that prepares students to fill skilled manufacturing positions throughout the auto industry.

*See the full story in February 2015 Business Alabama.*

The Acura MDX is one of the models Honda makes at its Alabama plant, as well as the Odyssey minivan, and 2016 production will include the redesigned Pilot SUV and the Ridgeline truck.



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# KEYS TO KEEPING THE AUTOMOTIVE LEAD

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Southern auto manufacturers resolve not to lose their lead to emerging rivals such as Mexico. Keys to winning: workforce development, R&D and improvements in education.

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BY KATHY HAGOOD

Automotive manufacturing is alive and well in Alabama and surrounding Southeastern states, but the phenomenal growth the region has seen in the past few decades may slow unless we continue to take steps to attract new plants, agree government and business leaders, many of whom

gather annually to discuss such issues at the Southern Automotive Conference.

In October of 2014 the SAC gathering was held at the Birmingham-Jefferson Convention Complex. Themed “Geared for Growth: Accelerating the Global Automotive Industry,” the conference recog-

nized the emergence of Mexico as a major rival to the Southern automotive corridor.

The conference and a Center for Automotive Research (CAR) study noting

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Above: AAMA Executive Director Lew Drummond



High-paying jobs can only exist where there's a supply of well trained workers, says BCA President William Canary.

region's desirability to both automotive manufacturers and suppliers.

Alabama, like many other Southeastern states, has much at stake on the success of those efforts. The state and region benefit greatly from hosting the fastest growing automotive industry in North America, partly driven by right-to-work laws and government incentives.

"Automotive manufacturing has significantly boosted our economy and we don't want to take it for granted and lose our edge," says Lew Drummond, executive director of the Alabama Automotive Manufacturers Association (AAMA), which hosted the conference.

The AAMA went all out to garner widespread attendance at the SAC, including hiring a company to plan the event. The investment paid off, says AAMA board member William Canary, who serves as president and chief executive officer of the Business Council of Alabama. "The 2014

Mexico's competitive strength have driven the formation of a number of Southeastern automotive industry work groups in recent

months. Various needs from workforce development to automotive research centers are under scrutiny, all to help increase the

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Southern Automotive Conference was a homerun, from the speakers and exhibitors to the record number of attendees,” he says. “It truly underscored the significance of the Southeast automotive industry.”

Alabama, which manufactured about 1 million vehicles and 1.5 million engines in 2014, is fifth in the nation in car and light truck production, according to the AAMA conference report. The state generated \$7.1 billion in vehicle exports in 2013. Automotive manufacturing accounts for about 33,000 direct jobs in Alabama. Using a conservative multiplier of 5, that means those direct manufacturing jobs account for 165,000 total jobs, AAMA President Ron Davis pointed out during his conference report.

Moving forward and looking ahead in Alabama, seven new manufacturing sites and 21 expansions were announced in 2014 and five new sites and 61 expansions in 2013. During 2013, \$1.3 billion in planned investments were announced. “It’s no wonder Business Facilities Magazine named Alabama No. 1 in Automotive Manufacturing Strength,” Davis says.

Automotive manufacturing associations from other states — including Tennessee, Mississippi, Georgia and South Carolina — also shared the impressive economic impact the industry makes in their states. Tennessee’s representative, for example, boasted 100,000 employed at more than 900 facilities. With strong planned investment, production and job figures, “the South is doing well today; however, Mexico is where the new automotive plants are being built and that’s where suppliers will want to go,” says Jay Baron, Ph.D., president and chief executive officer of CAR, who presented at the conference.

Alabama Gov. Robert Bentley told conference attendees what the state is doing to become more attractive to manufacturers and better compete for new plants. He noted the Accelerate Alabama program is bringing together primary and secondary education with two-year colleges for workforce training in the areas of advanced manufacturing and technology. “Automotive manufacturers and suppliers are having a tough time filling jobs in a number of key areas,” Drummond says. “We’ve got to get the word out to our young people that the automotive industry offers great career opportunities.”

Canary points to the need for fully im-

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Jay Baron warns that Southern states need to stay competitive or watch the industry drift south to Mexico.

plementing Alabama's Plan 2020, applying the recommendations from the Business and Education Alliance of Alabama's report. Goals should be to achieve a 90 percent graduation rate by 2020, fully fund first-class pre-K, offer dual enrollment for high school students and provide educational choice for parents, he says. "With a growing automotive industry, it has become a responsibility of Alabama's business community to engage in preparing our students for bright futures," Canary says. "We have to ask ourselves where will the employees come from to fill the demanding and highly skilled jobs that the automotive industry provides?"

Drummond, who worked in the aerospace industry in Alabama, including during the Apollo program, reflects that in the early days aerospace companies often had to recruit from outside the state to fill positions. "We don't want that to happen these days if we can avoid it," he says.

CAR's Baron compares the automotive industry vying for young talent to that of universities trying to recruit the most

promising football candidates. "You recruit the players, yes, but it's also important to recruit the families," he says. "You want to show the families you are going to take care of their children and offer them a bright future." Another key theme at SAC 2014 was the need to bolster the South's automotive research capabilities. The CAR study, as well as comments by manufacturers and suppliers at SAC, point to the need for more research and development to take place near to automotive plants versus in far-off headquarters locations. The research needs of automotive suppliers have increased as they must strive to continuously improve their processes and products. "Automotive manufacturing has become about as high tech as aerospace," Baron says.

Gregg Bennett, center director for the Alabama Technology Network, introduced the South's new Manufacturing Technology Acceleration Center (M-TAC) pilot project at the conference. Funded by the National Institute of Standards and Technology, the M-TAC program seeks to improve the competitiveness of the country's manufacturing supply chain by increasing the rates at which small manufacturers adopt helpful technologies.

Hollings Manufacturing Extension Partnership (MEP) centers are coordinating the M-TAC pilot programs across the nation. The Southeast Automotive M-TAC project is headed by Georgia MEP. Regional MEP Center partners include the Alabama Technology Network, Innovate MEP Mississippi, South Carolina MEP and Tennessee MEP. "We are trying to discover tech needs of companies throughout the automotive supply chain and connect those companies to other companies, federal labs, universities and other technical assistance providers throughout the Southeast," Bennett says.

AAMA, other Southern automotive manufacturers associations and automotive plant operators — including Nissan, Volkswagen, Toyota, Honda, Mercedes-Benz, Hyundai, Kia and BMW — are being called upon to determine and foster the technology needs of the automotive supply chain. "Smaller companies don't tend to have as much access to technological innovation as they need," Drummond says. "We want to help them any way we can."

Read the full story in February 2015 Business Alabama.

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# THE NEXT PRODUCTION LINE — R&D

Much of the future of Alabama's auto industry will depend on emergence of R&D centers. A collaboration between Auburn University and the University of Alabama foreshadows such development.

BY KATHY HAGOOD



Bharat Balasubramanian, of the University of Alabama, and John Evans, of Auburn University, are part of a new plan to jump start automotive research in the state.

If the South is to continue developing as an automotive corridor, it must create strong collaborative research centers that will spur continuing innovation at regional automotive plants and beyond, to help keep manufacturers competitive and demand for new vehicles high. That was a key theme of a recent Southern Automotive Research Alliance (SARA) summit held in Washington, D.C.

"Automotive plants have technical challenges, and they need nearby research centers to help them overcome them," says Ron Davis, president of the Alabama Automotive Manufacturers Association (AAMA).

Universities are able to host research centers, drawing upon the brain power of professors, instructors, students and industry experts in the greater automotive community. "But we need universities to work together so their efforts aren't duplicated and various areas of expertise can be called upon when needed," Davis says.

He points to a budding collaborative re-

lationship between the often competitive University of Alabama and Auburn University as indicative of what needs to happen more in the South in general. Davis also applauds what the two universities are doing individually to develop automotive research in the state.

John Evans is a long-time automotive manufacturing research leader at Auburn and Bharat Balasubramanian, relatively new on the automotive engineering design scene at the University of Alabama. Both men are AAMA board members. They have begun brainstorming about what they can do to support each other's efforts and create more synergy for automotive research in Alabama. "We've got four big (automotive manufacturing) companies here and we need to get the major universities aligned on their research needs," Balasubramanian says.

"Dr. B," as Balasubramanian's students call him, joined UA after retiring in 2012 from his position as vice president of group research and advanced engineering respon-

sible for product innovations and process technologies for Mercedes-Benz in Stuttgart, Germany. Balasubramanian's 40-year career as a research and development engineer has included his helping lead a series of major advances in automotive technology, including semi-autonomous driving, as well as creating several renowned automotive research centers.

At UA he has been working to help develop interested engineering students into automotive researchers. "To stay at the forefront of the automotive industry here in Alabama, we must position ourselves higher on the food chain, as research and development leaders," says Balasubramanian, who currently serves both as a UA engineering professor and the executive director of the cross-discipline Center for Advanced Vehicle Technologies.

Evans joined Auburn's faculty in 2001 after 17 years at DaimlerChrysler Corp. in Huntsville. Currently he serves as director of the National Science Foundation's Southern Alliance for Advanced Vehicle Manufacturing, associate director of NSF's Center for Advanced Vehicle Electronics and interim director of the Thomas Walter Center for Technology Management.

He agrees with Balasubramanian that Alabama universities need to take a greater leadership position in automotive R&D to foster the industry. "Auburn has done much in the area of automotive research and has formed collaborative partnerships, but can do more," says Evans, who has directed more than \$6 million in research at Auburn related to vehicle electronics and manufacturing.

*Read the full story in February 2015 Business Alabama.*



# WHERE ALABAMA EXCELS

BY CHARLIE INGRAM

## AUTOMOTIVE

By any account, Alabama's auto industry is in high gear. In fact, Business Facilities magazine says Alabama is the strongest automotive manufacturing state in the U.S., based on "accelerated job growth, production gains and the potential for expansion."

Alabama's auto manufacturers — Mercedes-Benz U.S. International (Tuscaloosa County), Hyundai (Montgomery) and Honda (Lincoln) — produced more vehicles than ever in 2014. Total production was 997,270 vehicles, up by 80,000 from 2013. Toyota, meanwhile, has made more than 3 million engines at its Huntsville facility, including 540,000 in 2013.

Alabamians must be pretty good at making cars and engines because all of those companies have expanded their original facilities here, significantly increasing their work forces and creating an industry that didn't exist a generation ago.

Less noticed in the big picture perhaps, but still hugely important have been automotive industry suppliers who also have located — and in some cases expanded — plants in Alabama. Rehau's plant in Cullman County, for example, is growing to include a product design and research center — the European company's first such facility in North America.

Oh, by the way, Alabama exported \$6.5 billion in vehicles to 99 countries last year, making it the fourth-largest automotive exporter in the United States. Automotive exports led all others in the state.

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A Hyundai Motor Manufacturing Alabama employee works on a door assembly. The company maintained its 3,000-member team during the recession.

## MEDICAL RESEARCH

It would be hard to say when the world really took notice of the University of Alabama at Birmingham as a medical care and research institution. But it might have been in 1966 when Dr. John Kirklin, a Harvard-educated heart surgeon, left the Mayo Clinic for UAB and put it on the map as a leader in cardiovascular surgery and care.

UAB has performed more than 30,000 open-heart surgeries since then and currently does 1,500 a year. It is also one of the three largest kidney transplant centers in the nation, having performed more than 5,000 kidney transplants since 1968, and more living donor transplants than any other program in the United States.

UAB researchers were the first to perform clinical trials with an early protease inhibitor mixed in the "triple drug cocktail" used to fight HIV. More recently, UAB research discovered the protein that led to the development of Viagra.

UAB has formed partnerships with Huntsville-based HudsonAlpha Institute for Biotechnology and Birmingham-based Southern Research, both of which are "world-class research institutions whose discoveries are having a tremendous impact on human health," according to UAB President Ray Watts.

"Collaborations between UAB and these institutions are proving to be extremely valuable, from leveraging our combined strengths to garner private and public research funding to contributing to the ability of all three institutions to attract and retain top scientists to Alabama," Watts says.

Adding to the state's medical research retinue is Mobile's Mitchell Cancer Institute, which opened in 2008 — the largest research endeavor ever for the University of South Alabama, with a total investment of more than \$135 million. Among MCI's priorities are tests for early detection of pancreatic and ovarian cancer.

## SPORTS VENUES

In Alabama, sports venues comprise an All-Star lineup of their own.

1. Barber Motorsports Park: 830 acres in the rolling countryside near Leeds that includes multi-purpose racing and great viewing areas that rate a 12 out of 10; the facility's vintage motorsport museum is over-the-top cool.

2. Lakeshore Foundation, Homewood: Provides an array of sports activities, therapy and motivational atmosphere for people with disabilities, from infants to elite athletes; designated by the U.S. Olympic Committee in 2003 as an official Olympic and Paralympic Training Site — a feather in Alabama's cap.

3, 4. (tie) Jordan-Hare Stadium, Bryant-Denny Stadium: Both become cities on game day and one is a better fan experience than the other, depending on who's doing the talking.

5. Robert Trent Jones Golf Trail: 468 championship holes on 26 golf courses at 11 sites throughout Alabama. Says The New York Times: "The Robert Trent Jones Golf Trail is some of the best public golf on Earth."

6. Talladega Superspeedway: A revered track and out-of-body experience for racing fans.



7. Birmingham CrossPlex: Had to be a factor in Birmingham's selection as the site for the 2021 World Games. Cutting-edge everything. Track and field venue holds 4,000; Olympic size swimming pool venue holds 1,400; nine volleyball courts; a 5,000-seat basketball arena and a flexible platform to develop other sports.

8. Regions Park: Home of the Southern League Birmingham Barons with impressive views of the city's urban landscape. The Montgomery Biscuits' Riverwalk Park is another grand-slam venue.

9. Alabama's abundance of lakes, rivers and coastal waters: a treasure trove of

Regions Field, in the Southside community of Birmingham, is home to the Birmingham Barons baseball team.

fresh and saltwater fishing locations that catch anglers hook, line and sinker; and, oh, should we mention the water skiing, canoeing and kayaking?

10. Alabama Sports Hall of Fame, Birmingham: 5,000 sports artifacts laid out in an awesome smorgasbord of displays, featuring every famous sports figure in Alabama from the fast-running Jesse Owens to the fast-pitching Satchel Paige.

## IRON AND STEEL

There was a time when Jefferson County dominated Alabama's iron and steel industries. Blessed with the natural resources — iron ore, coal and limestone — needed to make steel, Jefferson County became the South's center for heavy manufacturing following the Civil War. The population in the county seat of Birmingham, which wasn't even incorporated until 1871, skyrocketed to 180,000 in 1920.

U.S. Steel emerged as the largest manufacturer and employer in Birmingham, at one time employing as many as 40,000 people. But major changes began in the 1970s with the decline of the American steel industry, as foreign competitors decimated U.S. Steel and other domestic producers. New players appeared in Alabama, though, and the state now has more than 1,100 metal manufacturers that employ more than 50,000 people, according to the Alabama Department of Commerce.

The largest steel manufacturer and steel

recycler in North America, North Carolina-based Nucor, is now the leading steel producer in Alabama. Nucor has three steel-manufacturing mills in Alabama — in Tuscaloosa, Trinity and Birmingham — and owns two other steel-based businesses in the state.

Relative newcomers include the two largest steel companies in the world, ArcelorMittal and Nippon Steel and Sumitomo Metal, who jointly own a plant near Mobile that's recognized as one of the world's most advanced steel finishing facilities. The plant, AM/NS Calvert, has the capacity to process 5.3 million tons of flat-rolled carbon steel annually. Also in Calvert, a plant owned by Finnish producer Outokumpu is designed to produce a million tons of stainless steel a year. In nearby Axis, SSAB's steel plant brings another 1.25 million tons of steel-production capacity to the table.

In the mix of international giants are Alabama household names — Birmingham-based O'Neal Industries, for example,

is the largest family-owned group of metals service centers in the United States.

Stainless steel makes its way through the melt shop at Outokumpu Stainless USA in north Mobile County.



## SPACE AND ROCKETS

For Huntsville, yes, it is rocket science.

Take, for example, the U.S. Navy's SM-3 missile that Raytheon makes there. The SM-3 can be launched on land or sea and is designed to find and collide with hostile targets in space, "a capability that has been likened to hitting a bullet with a bullet," Raytheon says on its website. "The massive collision of the kill vehicle hitting its target obliterates the threat completely. Explosives are not necessary. It hits the target with the power of a 10-ton truck traveling at 600 mph."

Raytheon is only one of many high-tech companies and government agencies that trace their presence in Huntsville to Redstone Arsenal. Built during World War II as a munitions depot, the facility was about to be closed when it was chosen as the center for the U.S. Army's rocket and guided missile program in the late 1940s. The 1950 arrival of Wernher von Braun and other scientists who had worked on Germany's V-2 rockets ignited the thrust that carried Huntsville — and America — into the Space Age.

With a major NASA facility and the Redstone defense work, rockets and space are easily Huntsville's largest industry and a hotbed for engineering and scientific talent. Names such as Boeing, Lockheed Martin and Aerojet Rocketdyne join Raytheon as major employers alongside a bevy of smaller firms.

A few miles from Huntsville, in Decatur, 864 employees at United Launch Alliance (ULA) manufacture virtually all rockets leaving the United States for space. A 50/50 joint venture of Lockheed Martin and Boeing, ULA makes Atlas and Delta rockets that carry space payloads for weather, telecommunications and national security to deep space and interplanetary explorations missions.



AIDT's Maritime Training Center in Mobile educates a new generation of skilled workers in industrial, maritime and emerging technologies. *Photo courtesy of Goodwyn, Mills and Cawood by Edward Badham*

## WORKFORCE TRAINING

Alabama is right proud of its workforce training and pleased as punch to get the nod from outside experts, too. Area Development magazine, which has been published since 1964, ranks the state of Alabama 4th in the nation in workforce development training programs.

The state's primary source for workforce training, AIDT — which originated as Alabama Industrial Development Training — has trained more than 650,000 people. It has played a key role in preparing workers needed in various industries, including automotive, shipbuilding and steel.

According to Michelle Bowden with Austal USA in Mobile, "AIDT is one of the most powerful economic development tools available to any business in the state of Alabama."

## SPORTS MEDICINE

In the world of sports medicine, Birmingham orthopedic surgeon James Andrews is a superstar. The LSU graduate and SEC pole vault champion is renowned for perfecting the so-called "Tommy John" elbow surgeries on baseball pitchers, and he is also the go-to guy for numerous pro and collegiate athletes who sustain knee and shoulder injuries. He has saved or prolonged careers of a Who's Who list of famous athletes — the likes of Atlanta Braves pitcher John Smoltz, New Orleans Saints quarterback Drew Brees and professional golfer Jack Nicklaus.

Asked on an HBO segment if Andrews is the best "or if it's just a lot of good marketing," former Auburn and NBA basketball star Charles Barkley replied: "I don't know if he's the best, but the best (athletes) come to him. I couldn't have played in the NBA for 16 years without him."

Andrews and former partner Dr. Larry Lemak each lead major sports medicine clinics in Alabama today — working to correct problems and to prevent injuries.

## BROILERS

Alabama is a place where the bird is the word.

Alabama produced 1.05 billion broilers in 2013 — \$3.6 billion worth — ranking it second behind Georgia, according to the U.S. Poultry and Egg Association.

There are roughly 3,500 broiler farms in Alabama today, mostly in Cullman, DeKalb, Marshall and Coffee counties. About 80,000 Alabamians are employed directly in the poultry industry or industries that support it. Major companies in Alabama's broiler industry include Koch Foods, Tyson Foods, Perdue Farms and Pilgrim's Pride. Alabama exports some \$424 million worth of poultry annually, primarily to Eastern Europe, the Middle East and Asia.

## CONSTRUCTION

Let's build a case for Alabama's construction industry.

Take, as one of many examples, that Birmingham-based Brasfield & Gorrie built the concrete structure for the 70,000-seat Georgia Dome and is now part of the team at work on SunTrust Park, the new home of the Atlanta Braves.

There's more. Birmingham's BL Harbert International's work includes many projects like its construction of the \$562 million U.S. Embassy Compound in Islamabad, Pakistan. Robins & Morton, also of Birmingham, is building the \$223 million General Medical Center way up there in Augusta, Maine.

The projects mentioned here barely scratch the surface of work done by Alabama construction companies. A study by the Alabama Associated General Contractors says Alabama's commercial construction industry has a \$9.6 billion economic impact in the state.



Brasfield & Gorrie and A.G. Gaston served as construction managers for the new 1 million-square-foot Grandview Medical Center, which opened in late 2015 on U.S. Highway 280 in Shelby County.



## SHIPS

Mobile's waterfront is as busy with shipbuilding as in the days when the tall Southern pines were prized as masts. Shipbuilding today is distinguished by the presence of Austal USA, which builds ships for the U.S. Navy, described by an Austal USA operations executive as "a combination of Apple and Harley-Davidson. We build a state-of-the-art product that goes super-fast and looks wicked cool. We make the most advanced aluminum war ships in the entire world."

Also in Mobile, BAE Systems Ship Repair is an established name in blue-water ship construction, repairs and conversions for commercial fleets, cruise ships and the U.S. Defense Department.

Today, all along the coast, shipbuilders large and small turn out craft for everything from shrimping to luxury yachting.

Austal USA launches the Littoral Combat Ship Independence on Mobile River in April 2008.

## FORESTRY

It's not going out on limb to say that Alabama forestry is a key industry.

According to the Alabama Forestry Commission, Alabama has the third most timberland in the lower 48 states — 23 million acres — behind Oregon and Georgia, yielding about \$11.3 billion worth of products in 2010.

The loblolly and shortleaf pine forest type represents 38 percent of the total timberland area, followed by the oak/hickory forest type at 31 percent. Pine plantations represent 30 percent of the timberland. And foresters are planting more trees than they're harvesting.

The Alabama Cooperative Extension Service counts 122,000 jobs in timber production and processing.

## GREENHOUSE & NURSERY PRODUCTS

Greenhouse, nursery and floriculture production is more than a budding industry in Alabama. Together, products in those categories rank third among the state's agricultural commodities, behind poultry/eggs and cattle. They generate \$237 million in invoiced sales, more than cotton, soybeans, grains or catfish production, according to a 2013 Alabama Cooperative Extension Service report.

Another study cited by the Alabama Nursery and Landscape Association says the ornamental horticulture industry, including landscaping, contributes \$2.9 billion and 44,000 jobs to the state's economy.

South Alabama has long been known as the "azalea capital" of the United States, and most of the state's nursery production is in Mobile and Baldwin counties.

*Read the full story in March 2015 Business Alabama.*



# JEWEL OF A BUS MAKER

BY CHARLIE INGRAM // PHOTO BY CARY NORTON

The New Flyer Industries plant in Anniston is one of the larger manufacturers in Alabama that most people in the state probably have never heard of. It has almost 700 employees, customers throughout the United States and is part of a company that boasts a 50 percent share of the heavy-duty bus market in North America.

The plant opened in 1992 under Hungarian ownership and was known as North American Bus Industries (NABI) when it was sold to a New York private equity firm in 2006. New Flyer Industries, based in Winnipeg, Canada, bought NABI in 2013 for \$80 million. New Flyer is a publicly traded company (NFI) on the Toronto Stock Exchange. On July 2, the stock was trading at a price of \$15.42, having steadily increased over five years by 170 percent.

New Flyer was three times larger than NABI at the time of the acquisition, so it was natural to wonder if workers in Anniston would be — as the saying goes — thrown under the bus. But instead of layoffs, budget cuts and other hard realities associated with many acquisitions, New Flyer made a \$20 million commitment to

completely refurbish the Anniston facility and make it part of the company's future.

Older models were phased out in favor of the New Flyer Xcelior low-floor bus, older methods with more efficient ones, and QA gained added attention.

"All of those things, they brought to us and said, 'Here it is,'" says Mary Litke, plant manager of the Anniston facility, who has worked there 14 years: "Literally, the only thing we had to bring was the people, and the work force was the best thing about NABI. It was a marriage of two great things."

Employment at the plant is essentially where it was at the time of the acquisition. The refurbishing is nearly complete and should ensure production at the plant for the next 15 to 20 years. The plan is to be making 12 buses a week there by the end of the 2015, roughly 600 annually.

"If you were to interview management and employees here, they would all tell you that the acquisition has turned out to be exactly what was needed," says Brian Dewsnup, vice president and general manager at New Flyer in Anniston.

"We (NABI) were a small player, with

an old product and really trying hard to compete. We were good, but there is better. Now we're the No. 1 player with the newest product, and I don't worry about the order book as much as I used to. Now, our outlook on life is much brighter."

The Anniston facility consists of 285,000 square feet of production space on 13 acres. New Flyer, which has more than 3,000 employees, has another plant in Winnipeg and two in Minnesota.

Nationwide more than 32,000 NABI and New Flyer buses are in operation.

Each bus made in Anniston begins as a frame made from square steel tubes. The various components — the chassis, wheels, floors, seats, windows, camera systems and body — are added in clockwork fashion. A 40-foot bus, on average, weighs between 32,000 and 34,000 pounds when completed and sells in a range from \$450,000 to \$550,000. The standard structural war-

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New Flyer's \$20 million retooling of its Alabama plant prepared it for production of the Xcelior — the newest model by the Canadian company, which accounts for 50 percent of the North American heavy-duty bus market.

ranty runs for 12 years.

The New Flyer plant is divided into roughly 20 cells, or workstations, each of which assembles a different part of a bus according to a strict schedule. Parts are delivered on a just-in-time basis, organization in the plant is meticulous, and communication is open and ongoing.

Anything that interrupts the production schedule is addressed immediately, and the only person who can sign off on problem situations is the person who reported it to start with.

On a recent tour of the plant, Litke and Dewsnup pointed out improvements: work platforms that have replaced ladders and scaffolding, allowing workers safer access to the bus, from top to bottom; a wheel well made from one piece of fiberglass instead of multiple parts that are screwed together, which used to leave room for error and debates with inspectors; a fuel tank now made from one piece of lighter thick plastic instead of two pieces of heavier metal, which helps make the final product lighter, and a robotic painting system — installed before the acquisition — that can paint a bus in 17 minutes

with about half the amount of paint previously required.

The big challenge for New Flyer is to continue making lighter, yet stronger, buses that also carry certain requests and expectations from customers — more fire suppression, better fuel performance, camera systems and other features. “(Customers) want more features, but they want the bus to weigh less,” Dewsnup says. “Those are engineering challenges that we like.”

Dewsnup is optimistic about the future of the Anniston facility and mass transportation in America. “We all know that we can’t just put larger and larger interstate systems in our cities,” he says. “That just won’t work, for a lot of reasons. We need something more efficient, more cost efficient. We are ready to play our role in public transportation needs of the U.S. and Canada. You look at the projected increase in fuel prices over the next 20 years, greenhouse emission issue, and you look at a 12-lane interstate system in Atlanta and what are you going to do? Make it 24 lanes? There’s simply not room to do that sort of stuff, and we will be forced to move to more public transportation to get

people to where they need to go.”

Dewsnup says that transit bus systems also provide advantages compared with light rail options. “It’s easier to supply buses than to build light rail systems,” he says. “It’s easier to change routes if you have to, and the cost to get a bus route up and running is about 10 to 15 percent of what a light rail system would cost.”

The New Flyer acquisition really did take things from good to better, company officials say.

“New Flyer chose to invest a significant amount of money in the people of Alabama, and I think that speaks to the work force we have here and what (New Flyer) saw in the first year of ownership,” Dewsnup says. “In the past decade, we’ve gone from being half a bus company owned by the Hungarians to a full bus company owned by a private equity company to a full bus company that has all the latest tools and technology owned by the industry leader. There’s really no looking back.”

*See the full story and more photos in August 2015 Business Alabama.*

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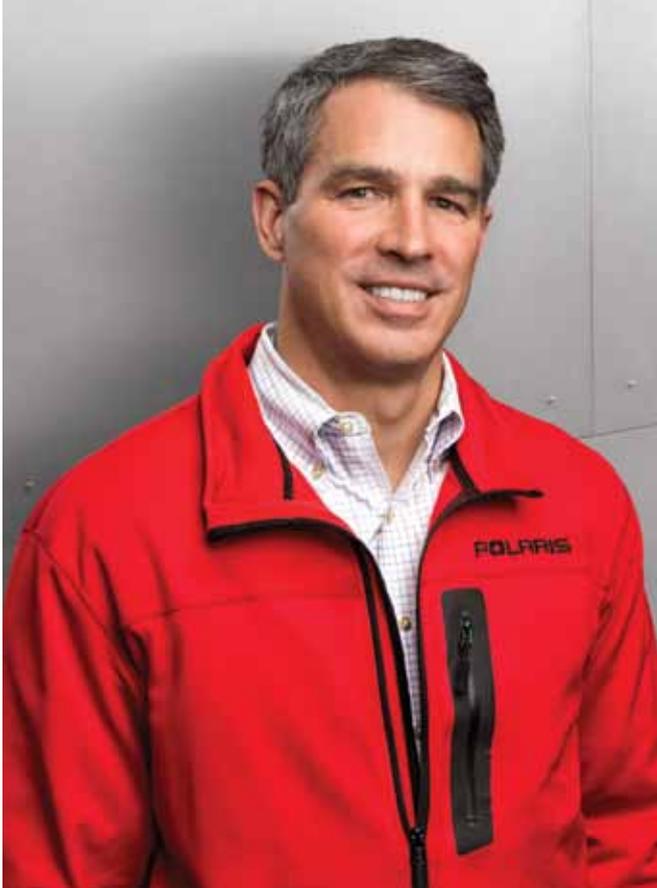
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## POLARIS — ALABAMA'S LATEST BIG RIDE

BY CHRIS MCFADYEN

Scott Wine, 48, is CEO and chairman of Polaris Industries, the world's leading manufacturer of powersports vehicles — off-road vehicles and snowmobiles — with sales of \$4.479 billion in 2014.

Headquartered in Minnesota, where it started making snowmobiles, Polaris would be totally foreign to Alabama except for all the Alabama hunters and farmers who own off-road vehicles, and the fact that Polaris announced in January it will build its 15th plant in Huntsville — expected to account for 20 to 25 percent of future revenues, employing 1,700 to 2,000 workers.

Polaris is a publicly traded company (NYSE: PII) with a market capitalization of \$9.5 billion and a projected income this year of \$500 million.

**“We have been growing our market share and unit volume quite significantly over the last five years.** In 2011, we opened a plant in Monterey, Mexico, and we expanded a facility last year in Iowa, but, as we looked at our capacity and the demand for our side-by-side products, specifically our Ranger platform, demand outstripped our capacity. So we looked all over the country for the best place for us to put our next facility. We spend a lot of money on logistics, so where we put our plants in relation to our customers is important. And as we evaluated numerous states,

Polaris CEO Scott Wine says the company spends \$150 million a year on R&D and could eventually add engineering services to the Huntsville plant.

northern Alabama and the Huntsville area just came out clearly on top.

**“Huntsville is going to be a very large plant for us — 1,800 to 2,000 employees — and it will be the primary source of Polaris Rangers, which is our number one-selling vehicle in the world.** The Ranger business itself is over \$1 billion (revenue), and it's part of our off-road vehicle business, which is over \$3 billion, and total sales this year are expected to be right at \$5 billion.

**“We are the leaders in off-road vehicles, and off-road vehicles include ATVs, which is our Sportsman product and our Ace product, which you ride on with handlebars.** The other part of our off-road vehicle business, including the Ranger, is what the industry calls side-by-sides. Anywhere between two and six passengers can fit in them. This is a work utility vehicle. It is designed for farmers, ranchers, hunters and homeowners who just need to get work done, and they are extremely versatile in where they can go. The tag line is “Hardest Working, Smoothest Riding,” and, really, that's what our Rangers deliver.

**“Polaris doubled its revenue and tripled its profits in the last five years, and the largest portion of that growth has come from our Ranger business, which is very indicative of why we're building a plant in Huntsville.** Because of the workforce and the technology and the location we believe the Huntsville location could become extremely competitive on cost and quality, better than any other plant that we have in the network.

**“The Huntsville location is almost perfect in terms of the proximity to our customers.** We have gained more market share in the Southeast over the last five years than in other regions. In the southern United States, there are a lot of people who have their little hobby farms, and they like to hunt.

**“We are moving dirt right now. We're targeting March '16, which is a little less than a year from now.** The specific site location, around 500 acres, is right on the freeway, it's seven miles from the airport, and there's a rail line coming right into it, which provides almost optimal logistics for us. We have room for a test track, as well. It's going to be a state-of-the-art manufacturing facility, and we're going to add engineering capability there over time, because there's just such a strong engineering work force there.

**“We've got a growing military business, and it's possible that over time we would move some of our military work there (Huntsville) as well.** It's mostly sales to the special operations forces, the Seals and Rangers. They use our ATVs and our Rangers and Razors on the battlefield.

**“We have a very aggressive growth plan to become more of a global company.** Within the next couple of months we'll be launching a vehicle in India, with a joint-venture partner, Eicher Motors. They own the Royal Enfield business. (British, the world's oldest motorcycle company.) We've got a small but growing business in Brazil, a good business in Mexico, Australia and China. And

we've got about a \$600 million business in Europe.

**“We've got two motorcycle brands: Victory, which we started ourselves about 17 years ago, and Indian, which we acquired in 2011, which is about a half-billion-dollar business now.** And we have a three-wheel vehicle called the Slingshot, which is classified as a motorcycle. So, we have very aggressive growth plans for that business. All of our motorcycles are made in Spirit Lake, Iowa.

**“Research and development is the lifeblood of our business.** We spend about \$150 million a year on research and development. We've got a state-of-the-art R&D facility, some of the best testing and research, not to mention test tracks, you'd ever want to find. The absolute, most important aspect of our business is to continue to maintain an innovation and R&D lead.

**“We bought the Global Electric Motorcars business from Chrysler.** We bought an electric motor company called Brammo that makes engines with a world-class lithium-ion technology, and we think that'll be important for our products over time. We're willing to make bold bets sometimes. In a way, this plant in Alabama is a bold bet. It's a \$150 million investment, and we've got to make sure it pays off. The main risk is the economy turning south, but even if the economy turns south, we need this facility.

**“I started (as CEO at Polaris) September 1, 2008, and Lehman failed on the 15th or 16th, so I got trial by fire for sure.** But it speaks to the passion of our customers that our sales were only down 20 percent in 2009, and earnings were only down 13 percent.

**“During the recession, we were able to gain market share, and we did that significantly [from 11 percent in 2008 to 24 percent in 2014].** The Japanese — Honda, Yamaha, Kawasaki, who are a major part of our competitors — they took the recession as an opportunity to invest in other parts of the world selling motorcycles. We said we're going to stay focused on our customers and dealers in powersports. You can see it in the charts. That's really what drove our market share gain.”

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# AEROSPACE

Alabama is building planes in the south, rockets in the north and aiming for Mars by 2025. And it completes its aerospace package with a host of aerospace firms that search for solutions to complex problems, develop materials to make flight safer, analyze their way to more accurate guidance systems for missiles, train the world's helicopter pilots and keep the nation's aircraft shipshape.

Alabama's links to the heavens started more than 60 years ago with the post-World War II rocketry of Redstone Arsenal. As the space race developed, along came NASA and its Marshall Space Flight Center. And its Huntsville home began attracting the immense variety of science and engineering firms that support the na-

tion's defense and space programs. Virtually all the biggest names are represented in Huntsville, including all of 2015's top five defense contractors — Boeing, Lockheed Martin, General Dynamics, Raytheon and Northrop Grumman.

NASA's mighty Saturn V rocket looms over Huntsville at the U.S. Space & Rocket Center, celebrating the heritage.

In nearby Decatur, the Atlas and Delta rockets developed by Boeing and Lockheed Martin are still under construction, built now by United Launch Alliance, which is a joint venture of the two companies. Most of the payloads going to space today are powered by ULA rockets, and each launch gets a video showcase on the ULA website.

Alabama experts do more than build

rockets, though. They continue to solve the problems for the next generations of the space program. Boeing recently opened a new research and development facility in the Redstone Gateway center. And it's hard at work on the massive engines that will carry the U.S. space program farther into space — with its sights set on Mars by 2025.

Closer to earth, Airbus began building commercial jets in Mobile in 2015. Since 2012, when it announced plans for its first U.S. assembly line, the firm has built a mas-

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Aircraft components that were paraded Mardi Gras-style from Mobile's port to its Aeroplex begin the transformation into Airbus A320 aircraft, ready to take to the skies in 2016. *Photo courtesy of Airbus*



## HOW A GROUNDBREAKING IDEA BECOMES A GROUNDBREAKING CEREMONY

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sive plant, hired more than 300 workers (of an eventual 1,000) many of whom have trained in Europe alongside the experienced Airbus teams, selected subcontractors, and begun assembling aircraft.

Meanwhile, half a dozen Airbus suppliers have either started work in Alabama or announced their intention to do so. Three announced plans during the 2015 Paris Air Show. Firms, many of them from Europe, are in the early stages of plants to perform repairs, add insulation, paint aircraft, build landing and braking systems, and care for jigs and tools. As at the original announcement and the groundbreaking a year later, thousands of Mobilians turned out to celebrate again this year when the first shipment of components were transported from the State Docks to the Mobile Aeroplex at Brookley in a Mardi Gras-style parade.

The first plane is slated to take off from the Mobile plant next year, emblazoned with a JetBlue logo on its tail.

NASA's Marshall Space Flight Center is superintending the new space launch project and also working on the Chandra X-ray Observatory, solar system exploration, International Space Station and more.

Lockheed Martin also builds missiles in Pike County. In 2014 the company broke ground for an annex to house its new Long Range Strike Systems cruise missile production, alongside its current facility producing Joint Air-to-Surface Standoff Missiles.

Newer aerospace-focused companies include Carpenter Technology, which opened in 2014 near Athens to create premium steel alloys — nearly half of which go into aerospace and defense projects. The Pennsylvania-based company traces its heritage to the early days of flight and space flight, noting that its products were part of the Wright Brothers planes, Charles Lindbergh's Spirit of St. Louis and the rockets that took Neil Armstrong to the moon.

General Electric Aviation is also new to the Alabama mix, opening a \$75 million plant in Auburn last year. The plant was announced as a site for producing precision, super-alloy engine parts. Now the company has invested an additional \$50 million to begin 3D printing of jet fuel nozzles.

The state's MRO cluster — performing maintenance, repair and overhaul for many kinds of planes and helicopters — continues to thrive. VT Mobile Aerospace Engineering, which sparked the South Alabama aerospace cluster, celebrated a quarter century in Mobile in 2015. UTC specializes in nacelles and other systems in Baldwin County, Star Aviation adds specialty systems like Wi-Fi and advanced avionics at its site in Mobile, and Commercial Jet just moved to Dothan, where it specializes in modifications.

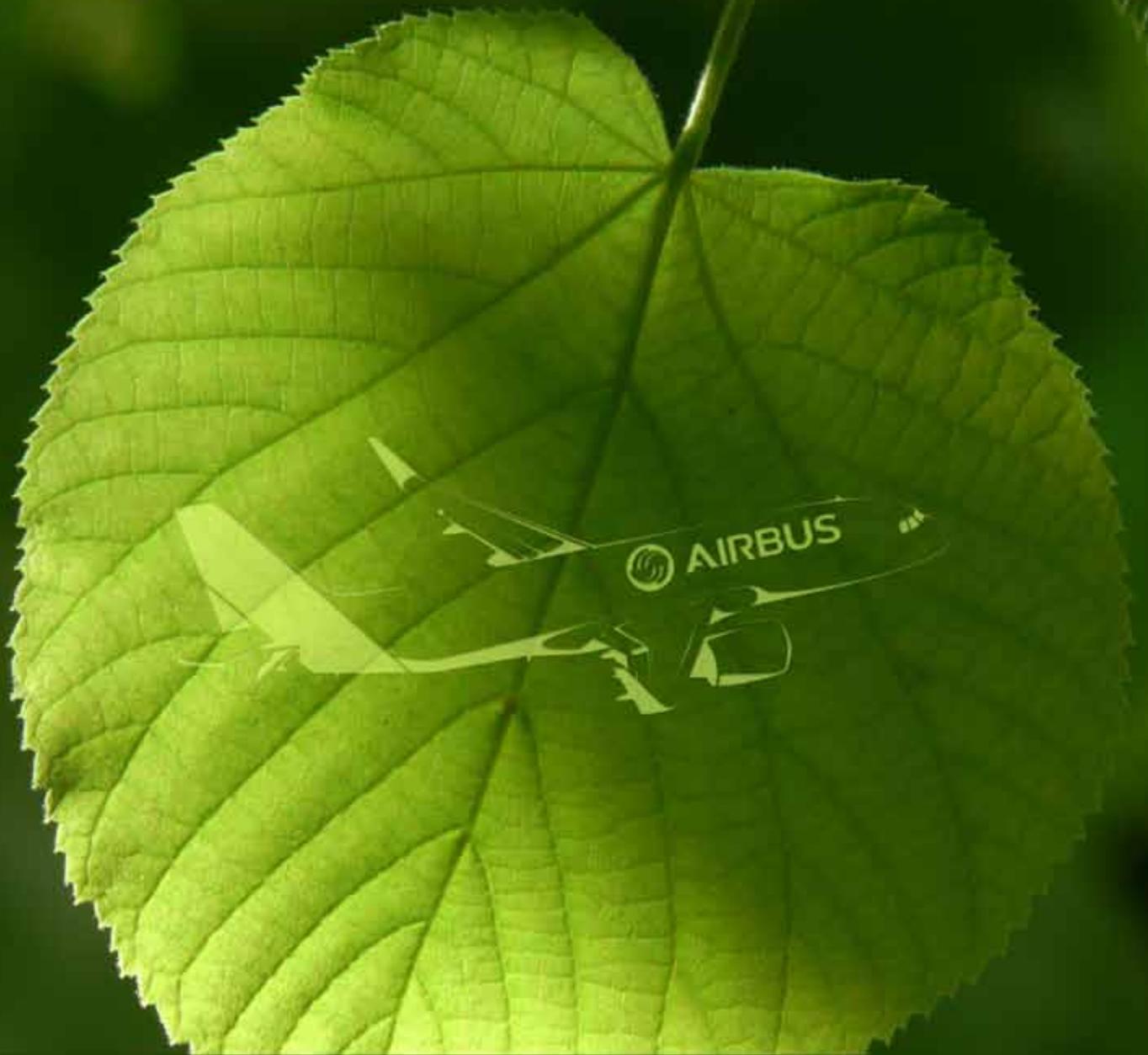
And as the industry gears up, so have the state's airports — a completely renovated terminal in Birmingham, a new airline providing commercial flights in the Shoals, terminal expansions in Montgomery, upgraded terminal amenities in Mobile, upgraded amenities and a new hotel in Huntsville, and a variety of upgrades in Dothan from runway and security improvements to upgrades of on-premises industrial sites.

**1.** Star Aviation vice president Gordon Smart looks in on an aircraft retrofit project. *Photo by Matthew Coughlin*

**2.** Sierra Nevada Corp.'s Dream Chaser can travel to space and land at a standard airport. Huntsville hopes to qualify as a landing site when commercial flights begin in a few years. *Photo courtesy of Sierra Nevada Corp.*

**3.** The Bell 407 is one of Bell Helicopter's commercial craft that get refurbished at Bell's maintenance, repair and overhaul facility at Ozark.

# Great Partnerships Yield Great Results



Airbus has a well-established track record as a global leader in eco-efficiency and sustainable business efforts. The development of the Airbus US Manufacturing Facility in Mobile, Alabama is no exception. UA SafeState has proudly assisted Airbus in the development of the environmental management program for their US facility. Find out what SafeState can do for your organization:

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From hardware to software, from city-operated fiber optics to head-in-the-cloud imagination, from hospital record keeping to military modeling and simulation, from the smallest specialty company to the 2,500 professional staffers at the Air Force's Gunter Complex, information technology is a strong and growing sector in the Alabama economy. And the state boasts, also, a couple of very high-powered teams working to keep all that information safe.

Adtran is the premier hardware developer in Alabama, one of the state's few publicly traded companies and a trendsetter in connectivity and in helping bring cloud computing in reach of small businesses as well as big.

Also in Huntsville, Intergraph continues to develop new software that feeds the world market for geospatial data to help keep governments and businesses on target.

In the south, Computer Programs and Systems Inc. has created record-keeping systems targeted at smaller hospitals, helping them keep their data accessible and meet mandates the federal government has placed on all healthcare providers. CPSI is another of the state's publicly traded IT companies.

Some areas of the state have taken extraordinary steps to provide high speed connectivity. Two years ago, Opelika, unable to get the quality of service its citizens wanted from commercial providers, built its own fiber optic network, available

to every home and business.

Along the Gulf Coast, Southern Light created a business to provide fiber optic services and has been so successful it has earned a place on the Inc. 5000 list for rapid growth.

Alabama's military presence also contributes to its IT prowess, both from within the military and from the hundreds of defense contractors nearby.

At Gunter Annex, associated with

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Intergraph enables electric utilities and safety response teams with geospatial software and it provides engineering software for design, construction and operation of ships, offshore facilities and plants like the Evonik Degussa Corp. chemical plant near Mobile.

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Maxwell Air Force Base in Montgomery, the Air Force maintains the majority of its professional IT services. Some 2,500 IT professionals are based there. The Business and Enterprise Systems Directorate provides IT services and superintends contracting and acquisition of additional services.

In Huntsville, contractors specializing in modeling and simulation support the nation's defense capabilities. So strong is the presence here that the annual model-

ing & simulation conference, AlaSim, attracts experts and exhibitors from around the world.

Aegis Technologies is one of the modeling & simulation industry leaders, developers of a new program that acts like a video game but helps troops learn to differentiate quickly between friend and foe.

Keeping all that data safe is the primary concern for several companies and agencies.

Seven of the state's college and universities have been designated as centers of

excellence for information systems security education at various levels of expertise.

And Gary Warner, a professor at University of Alabama at Birmingham, has created a firm, Malcovery, that works to find the perpetrators of cyber abuse and bring them to justice.

Adtran Inc., headquartered in Huntsville, is a leading global provider of networking and communications equipment. Adtran's products enable voice, data, video and Internet communications across a variety of network infrastructures.

## Last year, work done for Alabama business and industry by the experts at the Alabama Technology Network generated

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Checking on intellectual property up front can save hundreds of thousands of dollars over the cost of finding a problem later, says India Vincent, a partner with Burr & Forman.

end up in an intellectual property dispute.”

Such a dispute can be more than a nuisance.

India Vincent, an attorney with Burr & Forman in Birmingham, recalls a nonprofit organization that had to scrap its entire marketing/fundraising campaign about a year after it started because of a trademark infringement.

That nonprofit’s campaign title was the same as another’s, except for one word. And although the two nonprofits had different causes and were in different states, the infringing organization was forced to go to Plan B. It dumped a large portion of printed materials it had prepared for Plan A, redid its website and then essentially repeated a ton of branding work.

“They had to go back and do the brainstorming again — the selection of a new trademark, the logo, the colors,” Vincent says. “The time and materials cost in the process was incurred again. They had to increase their fundraising to pay for the new work.

“Situations like that can be avoided with a relatively minimal investment on the front end, a couple of thousand dollars to be sure you do that clearance search first. But it can cost hundreds of thousands on the back end, depending on how far along you get in using the new name before you get that demand letter.”

Scott Brown, an attorney with Maynard Cooper & Gale in Birmingham, notes that businesses — especially retailers and others who buy and resell goods — can find themselves in intellectual property disputes even though they might be several steps from where the initial infringement occurs.

He recalls, for example, a situation in which retailers were sued by the patent holder of the store locator function on the retailers’ websites. In another situation, retailers were sued because of a copyrighted design that had been incorporated into clothing they were selling.

“It wasn’t the design of the clothing,” Brown says. “It was actually a graphic design that was on the fabric of the clothing. So even though those retailers were

# PROTECTING & MINING INTELLECTUAL PROPERTY

BY CHARLIE INGRAM // PHOTO BY ART MERIPOL

Intellectual property is a growing and increasingly important realm in the business world — but exactly what is intellectual property?

A short answer might be that it’s ideas and creations of the mind along with some confidential contracts. Intellectual property consists largely of patents that cover inventions; trademarks for such things as logos, corporate symbols and slogans; copyrights that apply to written works and music, and trade secrets that usually involve contracts that protect things like the Coca-Cola formula or development of a new product.

Intellectual property disputes — often contentious disagreements over who invented, wrote or created something first — are nothing new. But they are becoming

more common in a digitized world made smaller by the Internet and mass communications.

Owning and leveraging intellectual property can represent huge bucks; neglecting or ignoring intellectual property issues can lead to major headaches and huge losses. Several Alabama lawyers say businesses and entrepreneurs need to understand the value of both protecting their intellectual property and leveraging it through marketing, contracts and other agreements.

Says Will Hill Tankersley Jr., an attorney at Birmingham-based Balch & Bingham: “I think it’s fair to say every business nowadays has more intellectual property than they know they have. And they also have more opportunities to unnecessarily

two or three steps away from where the infringement took place, they were part of the litigation. Even if you think you don't deal with intellectual property rights, you actually do if you are buying things to resell, or if you're buying services."

Because of that kind of risk, Brown says that businesses should pay close attention to intellectual property issues in contracts they have with suppliers. "When it comes to intellectual property, you have to be able to play offense and defense — to prevent others from infringing on your intellectual property and to ensure that you are not infringing anyone else's," he says.

Though disputes attract attention in the field of IP, most of the disputes occur over things most people would never otherwise notice. Consider, for example, the University of Arkansas' response to Hog Wine, which was part of a vineyard's product line marketed primarily to sports fans of different universities.

"If you ever wonder why somebody would ever name something Hog Wine, the answer is, 'If you're an Arkansas fan, that is exactly what you want to have at

your tailgate party,'" Tankersley says. "Unfortunately, the purveyors of Hog Wine didn't stop at a label that said 'Hog Wine'. Their label looked a lot like the hog, the actual razorback that the University of Arkansas has trademarked."

Arkansas, like the University of Alabama has done in similar trademark matters, took steps to protect its razorback trademark. "The truth is, the reason that brand has value is that the University of Arkansas has put value into it, and it just isn't right that somebody else should be able to (benefit from a trademark) like that. We were able to resolve that situation," says Tankersley, who represented Arkansas in that matter.

Knowing whether to bob or weave isn't always simple in this area, but some choices are better than others. "You can't just use your intuition and really expect to get a good result to an intellectual property question," Tankersley says.

"The things that might make sense to you sitting in your chair trying to run a business or create something may or may not be consistent with the law, and the



best thing you can do is not just roll the dice. It's to get some help to make sure you're doing something that's reasonable."

*Read the full story in April 2015 Business Alabama.*

**1.** A good first step to consider, says attorney David Quittmeyer of Hand Arendall in Mobile, is an intellectual property audit.

**2.** Even companies that simply buy and resell merchandise can trip over licensing issues, according to Scott Brown, an attorney with Maynard Cooper & Gale in Birmingham.

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# ANGEL INVESTORS BAND STATEWIDE

BY JESSICA ARMSTRONG // PHOTOS BY CHAD RILEY

Facebook was smaller than MySpace, with fewer than 10 employees, before angel investors swooped in. Without angel investing Google might not be among the world's largest companies, making \$56 billion in revenue its last fiscal year.

Discovering the next Facebook or Google — companies destined to become household names and transform everyday life — is like winning the lottery. But with a keen eye and due diligence, angel investors spread their wings around many early-stage companies with potential to earn high profits.

The Angel Investor Management Group is doing just that as one of the top early-stage funding sources in the region and Alabama's only statewide angel investor group.

Jim Corman — a self-described “serial entrepreneur” who teaches entrepreneurship at Auburn University — had an impressive track record starting his own

companies and investing in 46 early stage companies as an individual angel investor before founding the AIM Group in 2011.

In just three years, AIM has grown into six angel networks in Auburn/Opelika, Birmingham, Huntsville, Montgomery, Mobile and Dothan.

“Wish I could say [AIM's rapid growth] was due to my charm and charisma,” Corman says. Instead, he attributes its success to the growing popularity of entrepreneurship and the void venture capitalists have created by moving up the food chain to fund later-stage companies.

“Also, there was no sustainable angel presence in Alabama prior to AIM,” he adds. “People are hearing about the good job we do finding high quality companies, our well-defined process and that we're entrepreneurial friendly. Once a nicety, angel investing is now an absolute necessity.”

Though early-stage investing is high risk, investors can make 10 times their initial in-

vestment on home runs.

In 2013 and early 2014, AIM looked at about 25 applications a month and, out of those, picked one company for due diligence consideration. It now receives about 50 applications monthly and still selects one company among those 50 startups. Of the dozen selected for due diligence each year, 10 or so actually get funded, Corman says.

AIM's investment size ranges from \$250,000 to \$1 million, with an average investment of \$500,000 per round. Typically, AIM provides the first outside money a company raises, usually helping to cover expansion costs.

Both high- and low-tech companies are considered, with a preference for companies that tackle major problems for large

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Jim Corman (left) and Bo Megginson (right), head of AIM's Mobile chapter, meet with Pete Durand, CEO of RivalHealth at the Country Club of Mobile.

target markets and possess highly scalable business models with the potential for the business to multiply. Real estate, storefront retail, franchises and bars and restaurants are excluded.

AIM has invested in 20 companies and this year plans to invest \$6 million in an additional nine or 10 companies. The six networks total 220 dues-paying members. Rather than create additional networks, the plan is to increase membership in the existing networks.

Presentations featuring startups for funding consideration are held regularly at the six network locations. Called road shows, members attend to learn about the startups but are not obligated to invest.

Corman started AIM Group with his son, Clay, who is also a managing partner and serves as executive director of the Auburn Angel Network.

“It is absolutely a blast to enable entrepreneurs to pursue their dreams,” Clay says. “They have to have passion, because it’s a hard road, and they’re at the point where they need lots of capital to realize their

dream. These are people worth betting on.”

Jennifer Skjellum, executive director of AIM’s Birmingham chapter, echoes Clay’s sentiment that angel funding is about more than finding high-return investment opportunities.

Skjellum calls it “philanthropy with a return” — a way to support entrepreneurs, increase the number of startups and learn about new technologies and business ideas. Skjellum says the Birmingham network includes business owners, bankers, attorneys, financial planners, doctors, professors and other professionals.

Investing in any company, even proven companies, carries risk, observes Bo Megginson, executive director of AIM’s Mobile chapter. “Who thought Lehman Brothers would ever fail?” he asks. Early stage companies are unknown commodities, but, when burgeoning companies prosper, everyone who gambled on their dream prospers, Megginson says.

Private equity and venture capitalist specialist Richard Marsden, an attorney with Lanier Ford in Huntsville, believes angel investing will become more widespread in

Alabama.

“I believe that as more professional management, organization and procedural discipline of the investment and diligence process is made available to investors by such organizations as AIM, more dollars will become available,” says Marsden.

Equally important, Marsden says, is that we may see follow-on funding, meaning several rounds of funding, in the same deals by the same groups of investors, which “is something that has been missing in the past.”

David Ketchen, professor of management and executive director of the Lowder Center for Family Business and Entrepreneurship at Auburn University, points out that a good business model involves figuring out how to solve a problem and then getting paid to solve it.

“That’s exactly what the AIM Group did. They honed in on a limitation in the traditional approach to angel networks and they are overcoming that limitation.”

*Read the full story in March 2015 Business Alabama.*

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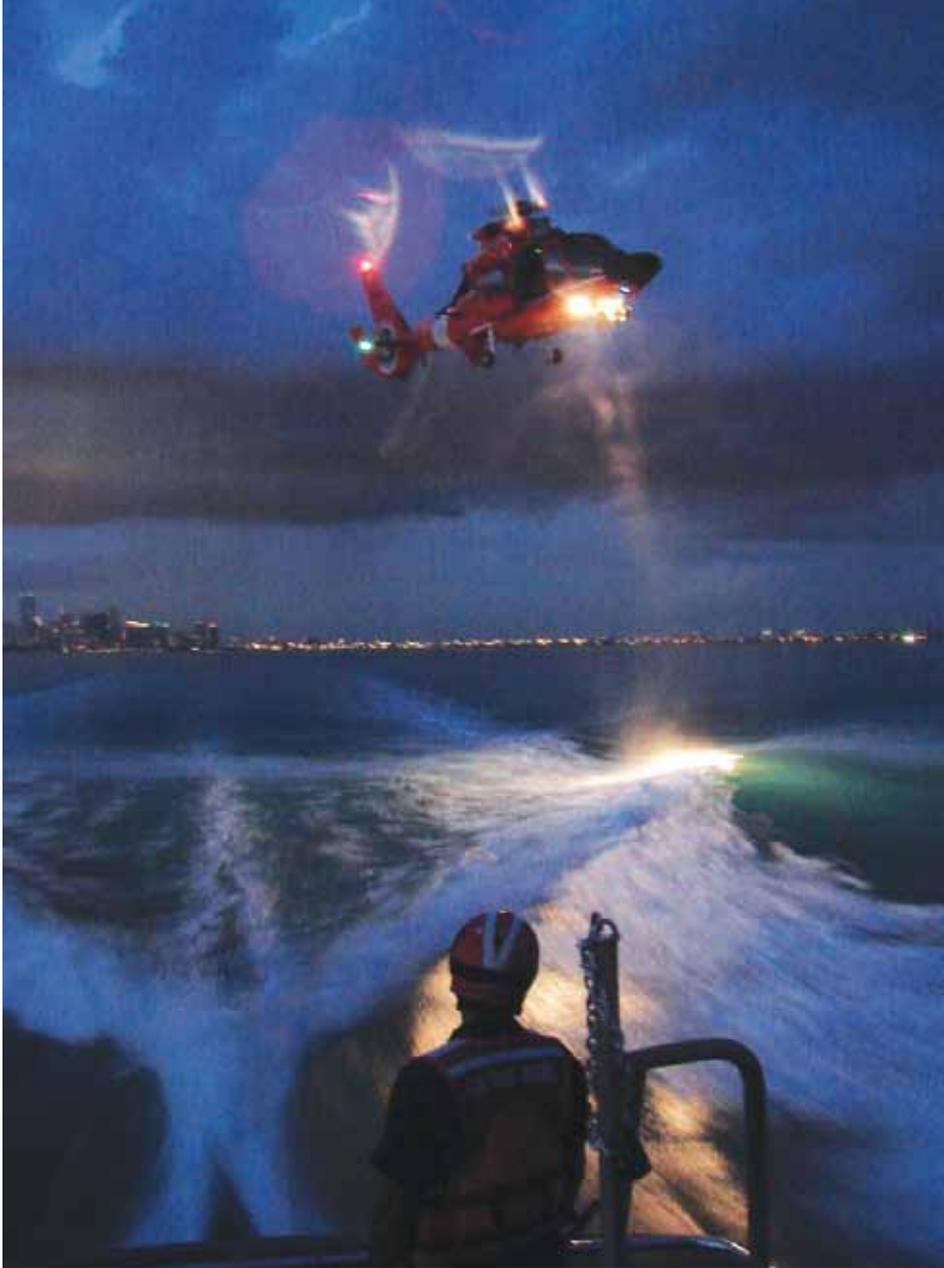


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## COAST GUARD AVIATION TRAINING CENTER

Growing from a need for Coast Guard flight training and for air search and rescue over the Gulf of Mexico, the Coast Guard Aviation Training Center has been located in Mobile for nearly 50 years.

A headquarters unit, the Center provides aviation support for Coast Guard Eighth District search and rescue, law enforcement, marine safety, homeland security and logistics missions. This is accomplished with an around-the-clock ready HU-25 and other available aviation assets.

In 2013, ATC Mobile participated in 164 search and rescue missions, saving 26 lives, assisting 68 individuals and saving \$2.1 million in property. The center spent 2,200 hours in support of law enforcement missions in 2013, including a foiled drug smuggling attempt. Within 30 minutes of notification, an HC-144A and crew is ready to launch for search and rescue or law enforcement missions.

The Aviation Training Center Mobile is one of the Coast Guard's largest units, with 595 active duty military and civilian personnel. It generates nearly \$98 million in payroll in Mobile and surrounding counties, according to the Mobile Area Chamber of Commerce.

**Contractor Profile:** Long before the hoopla over its new commercial airliner plant in Mobile, Airbus moved a unit to the Port City to help support its major customer, the U.S. Coast Guard. The Airbus Coast Guard support unit has 50 people providing a certified repair station for operators of the C212 and CN 235 tactical transports, as well as direct support from the aircraft manufacturer.

With nearly 600 active duty and civilian personnel, the U.S. Coast Guard Aviation Training Facility in Mobile is one of the largest units in the Coast Guard. *Photo courtesy of U.S. Coast Guard*

# DEFENSE CLUSTERS

BY NANCY MANN JACKSON, JESSICA ARMSTRONG,  
LAURA STAKELUM & TAMMY LEYTHAM

The people of Alabama do more than their share to support the U.S. military — and the military helps support the people of Alabama. Aside from those who serve in active duty or reserve roles, many Alabamians work in civilian roles that support the defense industry. As a result, a wide range of public-sector and private-sector jobs — and the state's economic sustainability — are closely linked to Pentagon decisions about base realignment and closure (BRAC) and threats of sequestration.

Military bases, the National Guard and Reserve, and defense contractors have an annual economic impact of more than \$17 billion in Alabama, and more than 117,000 Alabamians work in jobs that are directly or indirectly connected to military installations.

“To put that into perspective, the state's largest industry is agriculture, with an impact of \$70 billion,” says Michael Ward, senior vice president of government and public affairs at the Huntsville/Madison County Chamber of Commerce. “The military's impact is larger than the state's automotive industry and construction industry combined.”

## ANNISTON ARMY DEPOT

In 1941, the Anniston Army Depot opened as a simple depository employing four people. The multi-mission installation is now the largest employer in Alabama's Third Congressional District and widely recognized for its expertise with heavy combat vehicles and small arms. It is the site for repair, modification, upgrade and conversion of all heavy and light-tracked vehicles, except the Bradley, along with towed and self-propelled artillery and small arms.

Some 4,000 people work on the installation — about 2,775 are Depot employees, 665 are contractors and 545 are tenants, government employees who rent on the property. The Depot has an operating budget of \$616 million and a \$307 million payroll.

Contractor Profile: General Dynamics is the Depot's oldest and among its largest contractors, with 454 workers who support and service of the M1A1 and M1A2 Abrams tanks and the Stryker eight-wheeled combat vehicles worldwide.

## FORT RUCKER

Located on 63,100 acres in southwest Alabama, Fort Rucker opened in 1942 to train troops headed off to World War II. After an inactive stretch from March 1946 to August 1950, the camp reopened and it has trained troops and aviators ever since.

Today, it is home to the United States Army Aviation Center of Excellence and the largest helicopter training installation in the world. Army and Air Force helicopter personnel have been training at Fort Rucker since 1971. The Aviation Center's mission is to train military, civilian and international personnel.

According to a 2009 economic impact study done by Troy University, Fort Rucker wages and salaries comprise approximately 17 percent of total wages and salaries in the nine-county Wiregrass area, and 12 percent of the total employment of the Wiregrass area is due to Fort Rucker. More than \$1 billion is paid annually to military retirees within a 50-mile radius of Fort Rucker. In 2009, military, civilian and students at Fort Rucker were as many as 6,448. Military employees are paid ap-

proximately \$272.51 million in wages and salaries. Contracts accounted for \$656.24 million in 2009.

Contractor Profile: L-3 Army Fleet Support provides aviation maintenance and logistics support to the Army Aviation Center of Excellence and the Air Force at Fort Rucker since 2003. The Aviation Center Logistics Command is the primary customer of Army Fleet Support, providing safe and reliable helicopters to train U.S. Army and Air Force aviators.

## REDSTONE ARSENAL

Located in Huntsville, the Redstone Arsenal Army Base spans 38,125 acres, including 10 miles of Tennessee River frontage. The story of Redstone is the story of Huntsville, as the arrival of the military and its ongoing presence in the area fueled the growth of the city around it, from a small farming community to the nation's 120th largest metropolitan area.

The Arsenal was formed in 1941 to manufacture weapons and ammunition, as the Army ramped up support for World War II. In 1950, when Wernher

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von Braun and his rocket team arrived, the Arsenal became the center of Army missile development and rocketry — laying the foundation for the U.S. space program. Many programs transferred to the new NASA and Marshall Space Flight Center opened at Redstone. The Saturn V rocket that carried three astronauts to the moon in 1969 had roots at Redstone and MSFC still plays a prominent role in the U.S. space program.

Through BRAC decisions in the 1980s, 1990s and 2000s, a number of new operational units have made their home at Redstone Arsenal including the Army Materiel Command’s four-star headquarters, the Space and Missile Defense Command’s three-star headquarters and more, such as the Department of Justice explosives research and analytical centers for the FBI and ATF.

As Redstone’s military installations have grown, its importance to the Huntsville region has continued to expand. More than 35,000 people work on Redstone Arsenal, including 1,000 active duty military members, 19,500 government civilians and 15,000 contractors. Thousands of others work at local companies that provide contract services.

Contractor Profile: Lockheed Martin has operated in Huntsville for more than 50 years and now employs more than 1,000 workers in Huntsville. Air and missile defense systems are a focus for Lockheed Martin’s operations in Huntsville, and air and missile defense components developed by the company have achieved more than 100 missile intercepts in combat and testing — more than any other company.

## MAXWELL AIR FORCE BASE//GUNTER ANNEX

Maxwell Air Force Base — once a Montgomery cotton plantation, later an early Wright Brothers early flying school and then the Air Corps Tactical School where aviators taught themselves the fighter tactics for World War II — is now home to more than 12,000 active-duty, reserve, civilian and contractor personnel. Also on the base is Air University, an important center for military education and training.

Gunter Annex is a separate installation under the 42nd Air Base Wing. As a hedge against future Base Realignment

and Closure action, Gunter was consolidated under Maxwell Air Force Base and the combined installation is commonly referred to as Maxwell-Gunter.

Maxwell-Gunter is Montgomery County’s largest employer. About 26,000 people work on the base, with 1,800 of those being contract employees. Maxwell-Gunter has an annual payroll of \$750 million, an operating budget of more than \$500 million, annual expenditures of \$1.66 billion and \$161 million estimated value of jobs cre-

ated. The estimated total economic impact of all Maxwell-Gunter units on the Montgomery area is nearly \$2.6 billion annually.

Contractor Profile: Vectrus. The base has annual contracts totaling \$1.4 billion, and Vectrus, based in Colorado, is among the largest. It provides civil engineering, operations and airfield support, as well as IT and network services.

*Read the full story in May 2015 Business Alabama.*

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# BIOTECHNOLOGY

Cancer research, plant genetics, medical devices, drug discovery and all the variations on those themes make up the fabric of a strong bioscience sector throughout Alabama.

Industry association BioAlabama counts some 550 bioscience firms and centers around the state, “spanning all sub-sectors of the biotech industry including agriculture, pharmaceuticals,

medical devices, hospitals, research testing & medical labs.”

Those 550 companies employ more than 10,000 people and are recognized for a host of achievements — including those at Southern Research credited with discovery of seven cancer-fighting drugs in use today and six more in advanced testing.

In the past 10 years alone, more than 500 patents have been awarded to Ala-

bama researchers for their discoveries.

Researchers at the state’s universities, specialty labs, the massive Cummings Research Park and premier research centers — the HudsonAlpha Institute and Southern Research — continue to pursue some of the most advanced medical research in the world.

Founded in 1941, Southern Research specializes in a wide spectrum of biomed-

cal research in its own right and it partners with the University of Alabama at Birmingham to research new drugs and bring medical devices to market. Among its most recent biomedical projects is a \$4.5 million project funded by the National Institutes of Health, to develop opioid drugs with fewer side effects. In addition, scientists at Southern Research are working on a \$22 million, seven-year project to seek a cure for AIDS.

HudsonAlpha Institute, in Huntsville, is actively working on genomic research related to ovarian cancer, Alzheimer's, Parkinson's and ALS. Founded in 2008, the nonprofit Institute fosters research and education, individual research and collaboration, academia and business. Researchers work on esoteric problems and practical solutions, applying the science of genetics to personalized, gene-based treatment of human disease, as well as developing crop plants that are stronger and more useful.

Other top news in the sector included NIH funding for researchers at Mobile's Mitchell Cancer Institute, working to prevent skin cancer. Scientists there also work to uncover the ways to detect the often-hidden cancers — ovarian and pancreatic — while they are easier to treat.

Evonik Corp. is creating a new research and development facility in Birmingham that will focus on medical devices and technology. It's the German firm's first R&D facility in the U.S.

Oxford Pharmaceuticals broke ground in September for a new \$29.4 million manufacturing plant in Birmingham. The firm, based in the U.K, will make generic drugs in the new facility.

In Mobile, Bayer CropScience is building a new plant to produce components for the company's herbicide Liberty, in partnership with Evonik's Mobile plant.

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1. Auburn-based CytoViva's imaging systems get close up on nanoparticles.

2. Huntsville's Research Genetics became one of the largest suppliers of artificial DNA, producing arrays of DNA like these, used extensively by researchers participating in the Humane Genome Project.

3. The University of South Alabama Mitchell Cancer Center opened in 2008 with funding of \$86 million. Affiliated with the University of South Alabama Medical Center, the USA center recently announced plans to enter into a consortium partnership with the University of Alabama at Birmingham Comprehensive Cancer Center.



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The University of Alabama at Birmingham's Dugald Hall is responsible for making sure good ideas from UAB can find their way to market.

# UNIVERSITY INTELLECTUAL PROPERTIES LAUNCH STARTUPS

BY JESSICA ARMSTRONG // PHOTO BY ART MERIPOL

No more do university scientists rely on publishing alone to ensure that their discoveries are available to help the world.

Today they're more likely to work through their university's technology transfer program — licensing their discoveries to leave ownership of the intellectual property with the university, while giving the industrial partner conditional rights to use and develop it.

Breakthroughs made at universities are playing an increasingly important role in economic development and the public good. And it's happening with gusto at Alabama's top research campuses.

At the University of Alabama at Birmingham's Institute for Innovation and Entrepreneurship, new therapies, vaccines,

diagnostics and devices are being unleashed to address unmet medical and environmental needs.

Intellectual Property Manager Dugald Hall says UAB takes a proactive approach to technology transfer and commercialization. As a result, the Institute provides economic opportunities through licensing products and technologies and forming start-up companies. UAB holds about 223 active license agreements and collects an average of \$4 million annually in license income from university-generated research.

Richard Swatloski, director of the University of Alabama's Office for Technology Transfer, says part of UA's research mission is to develop solutions to improve the quality of life and solve major problems that

confront society, while expanding the base of available knowledge and technologies.

"Basic research is vital, but there is a gap between basic research and the application of that research," Swatloski observes. "Many of the things we do in the Office of Technology Transfer try to narrow that gap."

Technology is licensed to other companies for further development and also developed through launching campus startup companies — at present, says Swatloski, UA is home to a dozen or more. The university currently holds about 20 licenses and, over the past eight years, has averaged about \$39,000 annually in license income.

Though technology transfer at the University of Alabama in Huntsville is similar to other universities, they differ in areas of expertise, notes Director Kannan Grant, of UAH's Office of Technology Development. UAH is more focused on physical sciences, for example, compared to UAB, which focuses more on biotechnology.

"We actively engage with our faculty, staff and students to continuously educate them on intellectual property issues, the process of discovery, protecting discoveries and ultimately having such discoveries find their way into the marketplace," says Grant. "We do this as part of the process to mine those discoveries."

Grant says researchers don't always think of protecting their discoveries or how they can benefit from their discoveries. Innovators disclose their discoveries to UAH's Office of Technology Commercialization, which conducts a series of evaluations to determine whether patenting the discovery is viable. UAH currently holds about 20 active licenses, with licensing revenue at just over \$1 million a year.

Auburn University's Office of Technology Transfer supports research by providing a proactive program for the application and commercial development of intellectual property through patents, copyrights and licenses.

Responsibilities include evaluating invention disclosures, managing the patent process, marketing AU's intellectual properties and working with start-up companies that license AU technologies. Auburn University currently holds 87 active licenses and

licensing income in FY2014 was \$863,344.

Andrew Byrd, the University of South Alabama's marketing and licensing associate for Intellectual Property Management, says the university's intellectual property portfolio reflects its core research competencies.

Launching a new idea in the 21st century can be a "slow and sometimes dysfunctional process," says Byrd, adding that only about 20 percent of the proposals received each year for patent consideration are presented for consideration, compared to the 50 per-

cent nationwide average. USA has launched six startups in recent years.

USA holds 16 active licenses, with licensing income just over \$2 million a year. In 2008, Forbes ranked USA in the top 15 patent-revenue generating universities in the nation. Lynne Chronister, USA's vice president of research and economic development, says the university has made it a priority to build a vibrant innovation culture in the region.

UAB's Hall says that historically universi-

ties have licensed their patents to the "highest bidder." With pharmaceutical companies downsizing their R&D groups and federal funding scarce, he says, universities must look for ways to develop their technologies further, rather than simply license them, to increase their value and therefore the return to the institution.

UA's Swatloski notes that technology transfer is about more than just money. "We don't want licensing royalty to be the determining success factor. It's important, but it should not be the only driver."

"We're not chasing the last dollar by any means, and the best company is often the small company," says Director Jan Dowdle Thornton, of Auburn University's Office of Technology Transfer. "We try to take cutting-edge research to where it can do the most good."

### NEW TECHNOLOGIES FROM THE UNIVERSITY OF ALABAMA IN HUNTSVILLE

- Adhere Tech was awarded a second U.S. patent in 2014 for a smart pill bottle. Adhere Tech's first generation bottle is in use, and a smaller and a less expensive second generation bottle is planned for release this year. The bottle measures whether patients have taken their medication. Data is wirelessly sent from the bottles to Adhere Tech servers to be analyzed in real time. If a dose is missed, patients are reminded via automated phone calls or text messages, as well as by lights and chimes on the bottle.

- NextStorm Inc. is a startup that provides weather nowcasting, the accurate prediction of when and where storms will arise over a period of one to two hours. Products being developed use satellite data to discern which cloud will soon produce heavy rain, which will contain lightning and which have the highest potential to become severe storms.

- GeneCapture began its design phase in 2013 to develop a device to provide physicians with one-hour pathogen capabilities. The product involves DNA probes that "capture" a genetic signature quickly to be used to identify the presence of one of many specific pathogens in a sample.

- Dawn Research Inc. has patented an electrolytic process now available to the public as a single-component, low-cost and maintenance and environmentally adaptable plating process. The deposit obtained may be at any thickness for single-point diamond turning for optical and other precision applications.

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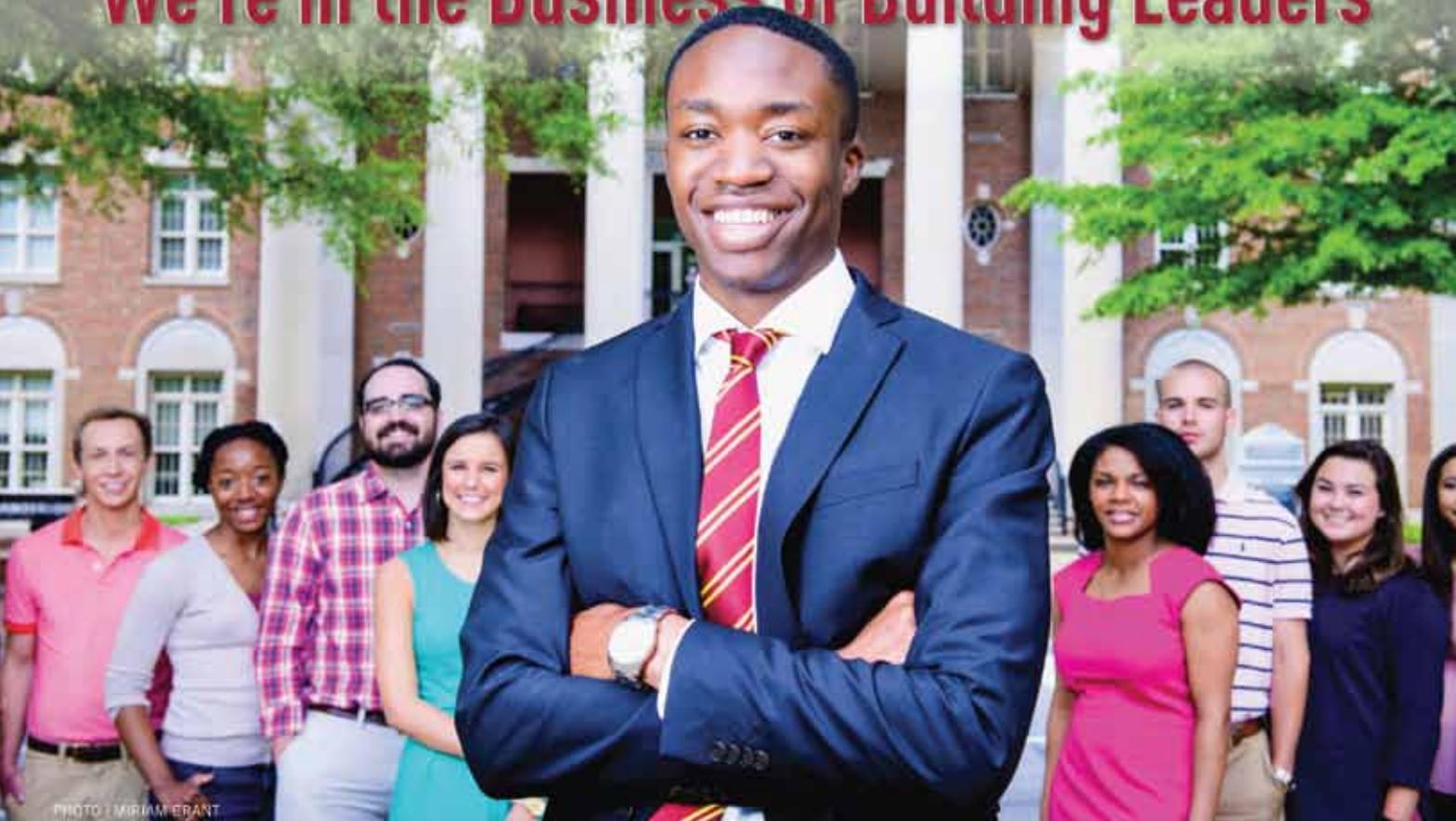


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## NEW TECHNOLOGIES FROM THE UNIVERSITY OF ALABAMA AT BIRMINGHAM

- A UAB startup founded in 2010 has reimagined how people get help over video. VIPAAR is a virtual interactive presence that enables people in separate locations to provide a virtual demonstration of a task. The technology has applications from surgery to fixing lawn mowers to making sushi.

- Illumina Inc. is providing access to genetic information through nanopore sequencing, a method for determining the order in which nucleotides occur on a strand of DNA. Biologic nanopore is one component in the development of nanopore sequencing systems licensed in 2013. These systems are useful in personalizing medicine.

- IPG Photonics Corp. is providing the technology licensed in 2010 for the production of lasers in the mid-infrared spectrum — useful for plastic processing, laser scalpels, remote sensing and more.

- Malcovery Security is a startup launched in 2013 based on research in cyber forensics conducted at UAB's Center for Information Assurance and Joint Forensics Research. This licensed technology not only identifies and stops cybercrime activities, but also produces actionable intelligence to enable successful prosecution of cybercriminals.

## NEW TECHNOLOGIES FROM AUBURN UNIVERSITY

- Vapor Wake Technology trains canines to detect the scent an explosive leaves in the air. The “underwear bomber” escaped security detection but wouldn't get past an Auburn dog. Called a “game changer” by a counter-terrorism official, Vapor Wake canines are used by the Transportation Security Administration, the U.S. Capitol Police, Amtrak and law enforcement agencies nationwide. Vapor Wake was licensed in 2013.

- HaloPure BR Water Disinfection brings clean drinking water to countries where people are dying from waterborne diseases. Licensed in 1998, this low-cost system for point-of-use water disinfection is being sold through HaloSource Inc., in India, China and Brazil.

- CytoViva Ultra Resolution Imaging is a light microscope adaptor that enables researchers to observe living cells in extremely fine detail without the time consuming or invasive steps typical of other high-tech

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microscopes. Introduced to the market by Aetos Technologies, CytoViva was licensed in 2003 and has won several national awards.

- Animal Feed Test Kits are helping to prevent the spread of mad cow disease and were licensed in 2009. The kits are used to detect ruminant tissues in meat and bone meals and animal feeds that can spread bovine spongiform encephalopathy or mad cow disease. Kits are sold by Neogen Corp., and a kit for more rigorous testing is available through ELISA Technologies Inc.

### NEW TECHNOLOGIES FROM THE UNIVERSITY OF ALABAMA

- Innovative Med Concepts, based in Tuscaloosa, has had a licensing agreement with UA since 2012 and is partnering to create a diagnostic test for fibromyalgia, irritable bowel syndrome and other chronic ailments. The company plans a phase-three clinical trial for a drug combination that has shown promising results in treating debilitating illnesses.

- BASF is licensing UA patents using ionic liquids to dissolve, regenerate and process cellulose found in the cell walls of

trees and other plants. The Licensing Executives Society named the agreement between UA and chemical giant BASF one of its 2006 Deals of Distinction.

- Frost Protect is a spray-on formula that improves plants' freeze tolerance up to 9.4 degrees, helping prevent damage and death. Frost Protect was licensed to Oregon-based Gro-Tech in 2008. The spray won Best in Show at the 2009 Independent Garden Center Show in Chicago.

- ION Engineering, a leading developer of technology to reduce CO2 emission from industrial and fossil power sources, has teamed with UA to develop a cheaper and more efficient way to clean industrial emissions. UA has been granted two patents for carbon capture research.

### NEW TECHNOLOGIES FROM THE UNIVERSITY OF SOUTH ALABAMA

- Tatva BioSciences, formed in 2014, is a personal care and cosmetics company using silver nanoparticles as a topical cream for ultraviolet radiation protection against skin cancer.

- ADP Therapeutics is a cancer drug startup company formed in 2015 targeting

inhibition of Ras protein family members, which belong to a class of protein that are involved in transmitting signals within cells.

- Swift Biotechnology in 2010 licensed a USA Mitchell Cancer Institute technology, which uses a unique set of protein biomarkers to screen and diagnose early stage endometrial and ovarian cancer.

- SpectraCyte is a medical device startup company formed in 2014 seeking to improve endoscopic imaging capabilities using an approach that filters light before it reaches the camera over a series of wavelengths. The result is a multi-dimensional image that could allow physicians to better detect cancerous and precancerous cells, and improve the ability to remove those tissues during colonoscopies and other endoscopic procedures.

- Exscien Corp. was started in 2010 to develop drugs to repair damage to mitochondrial DNA, thus providing treatment ranging from organ transplant to multi-organ system failure. The company is working on studies in the lung, stroke and cardiac model.

*See the complete story in March 2015 Business Alabama.*

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# AWARD-WINNING WORKFORCE PROGRAM BOLSTERS CONSTRUCTION

BY KATHY HAGOOD // PHOTO BY ROBERT FOUTS

The Go Build Alabama campaign to improve the image of the construction industry in the minds of potential skilled workers has been declared a resounding success by government, education and business leaders.

The state-mandated marketing effort kicked off in 2010 with funding provided by the industrial and commercial con-

struction industry, winning kudos and an award at the recent National Workforce Development Conference.

For several decades, construction had been fighting a perception as a dirty job that somebody had to do, perhaps as a last resort. As a result, the building trades were attracting fewer young people to their ranks, much to the chagrin of employee-

hungry building contractors, says Jason Phelps, executive director of the Alabama Construction Recruitment Institute (ACRI), the agency created to coordinate Go Build Alabama.

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ACRI Executive Director Jason Phelps has many tools to get his group's message across.



Students at the World of Opportunity expo in Southwest Alabama practice their painting skills.

But now construction is emerging in the minds of Alabama's youth as a great career opportunity with high-paying jobs

for those with the ability and interest in learning a skilled building trade. Families have been pleased to learn the building

trades also offer the opportunity for paid apprenticeship work programs and free education. "When students and their parents find out they can end up with a higher paying job than many college graduates, and avoid costly student loans, they want to hear more," Phelps says.

Because of Go Build, interest and enrollment in construction education, training and apprenticeship programs in Alabama has surged after many years of decline. The Alabama Department of Education, for example, reported a 51 percent increase in first-year career technical education (CTE) class enrollments in the 2013-14 school year. Among CTE students, 33 percent said Go Build played a direct role in their decision to enter skilled construction trades.

"Go Build has done a tremendous job helping us educate students about career opportunities in construction," says Philip Cleveland, director of Career and Technical Education and Workforce Develop-

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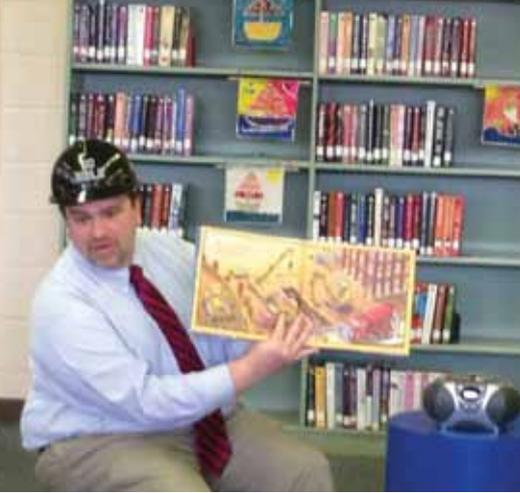


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It is the policy of the Alabama Community College System, its Board of Trustees and Bevill State Community College, an institution under its control, that no person shall, on the grounds of race, color, disability, sex, religion, creed, national origin, or age, be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any program, activity, or employment.



Jason Phelps reads “Goodnight, Goodnight Construction Site” to Montgomery elementary students.

ment for the department.

Cleveland applauds Go Build’s educational materials, including a website that provides in-depth information on various building trades and video testimonials by working tradespeople. The site describes

the wide variety of construction education and training opportunities at community colleges, career technical centers and apprenticeship programs. Those materials are helpful to career coaches and counselors, as well as in the new ninth grade career curriculum in high schools across the state, Cleveland says.

Skilled building trade apprentice programs, some administered by trade unions and others by construction companies, have seen a significant boost in interest, participation and retention thanks to Go Build. Since the inception of the campaign, 70 percent of apprenticeship programs have seen a significant increase in applications. “Apprentice programs are expanding because of the increase in interest, and everyone is pleased about the quality of the candidates they are getting,” says Teresa Magnus, spokesperson for the Alabama Building Trades Alliance.

The boost in the numbers of young people interested in and entering skilled building trades is good news to an industry struggling to replace retiring skilled workers. As the Go Build website points out, for every four tradespeople leaving the industry only one is entering.

ACRI was created by Act 220 of the 2010 Alabama Legislature. The original bill was sponsored by Sen. Wendell Mitchell and cosponsored by Sen. Del Marsh. Funding for ACRI and its Go Build efforts are provided through an employer fee levied upon wages paid on commercial and industrial projects in Alabama. Approximately \$90 is paid for every \$100,000 in wages, with the goal of raising approximately \$1.75 million per year.

The program has used print advertising, television and radio spots, its gobuildalabama.com website, social media and outreach through the schools to help reinvent the reputation of the construction industry. Recent additions include an e-textbook and an app. Big Communications, in Birmingham, provides marketing and advertising support for the ongoing campaign. “Go Build is reaching these young people in ways they are comfortable with, interested in and respond to,” Cleveland says.

The Go Build website currently receives more than 50,000 visits each year, according to ACRI. Its Facebook page has drawn more than 13,400 fans. Every county in the state has received Go Build visits, and

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## North Alabama's Leader in Workforce and Economic Development

Uniquely situated in north Alabama's high-technology corridor, Calhoun Community College exemplifies the community college mission at its best. The largest of the two-year institutions comprising the Alabama Community College System, Calhoun is recognized among the region's most successful economic and workforce development engines, providing educational and training opportunities to approximately 11,500 credit students, more than 3,500 non-credit students, and dozens of area business and industry which include the Tennessee Valley Authority, The Boeing Company, United Launch Alliance, 3M, Daikin, and Nucor Steel.

Calhoun's economic impact to the region is significant. A report from the Alabama Community College System indicated that the College's local economic impact is \$279,284,280, for a return on \$1 investment (ROI) of 12:1, the highest among the state's 25 two-year colleges.

As an institution on the cutting edge of providing excellence in teaching and service, Calhoun is home to many of the state's most innovative, cutting-edge programs which include the Alabama Center for the Arts, a project in partnership with Athens State University; the Alabama Robotics Technology Park, a partnership with, AIDT, the State of Alabama, and local government entities; and the Alabama Center for Excellence in Clean Energy Technology (ACECET).

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Pickens County Career Tech Day draws many prospective tradespeople.

more than 256,000 students have been personally touched by the program statewide. “But it’s an ongoing process. As long as there continues to be a need and we continue to get results, the Go Build campaign will likely keep going,” Phelps says.

Recognizing a critical need for coordinated marketing that would improve the reputation of their industry, the Alabama Associated General Contractors (AGC), the Associated Builders and Contractors of Alabama (ABC) and the Alabama AFL-CIO lobbied for the Go Build program.

Their willingness to work together was fueled by a 2007 U.S. Department of Labor estimate that the industry would be 1.5 million workers short by 2012. Not nearly enough new workers were being trained to become boilermakers, carpenters, equipment operators, electricians, insulation workers, pipefitters and welders for industrial and commercial construction projects.

“Skilled workers were ‘aging out’ and retiring in significant numbers, and there weren’t enough new workers coming into the industry to replace them,” says Jeff Rodgers, vice president of Alabama AGC and its representative on ACRI’s board of directors.

While the Great Recession temporarily reduced that shortage, the slowly rebounding economy has brought increased need for workers.

“We’re fortunate Go Build is working, because we continue to face shortages in the skilled trades,” says Brad Condray, vice president of operations for Golden Construction LLC and ABC representative on the ACRI board.

Go Build’s successes were honored at the National Workforce Development Conference in November. The campaign was recognized at the conference during Construction Users Roundtable Awards of Excellence Celebration.

Other states have been trying to institute similar industry promotion campaigns but often with limited results. Georgia, for example, has its own Go Build program. “The reason this program works so well in Alabama is that everyone at the table is cooperating to promote the entire industry, not just one segment of it,” Phelps says. “It’s rare and critical to have that kind of collaboration and coordinated effort.”

*Read the full story in March 2015 Business Alabama.*



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# ALABAMA ECONOMIC DEVELOPMENT INCENTIVES



“Alabama has one of the most competitive business climates in the nation,” says the Alabama Department of Commerce. And the fact that tax incentives are statutory — part of the state’s Constitution and Codes — “gives industry a stable framework for long-term investment.”

Citing Alabama’s tax burden as among the lowest in the nation, the Economic Development Partnership of Alabama says, “Alabama is one of a small number of states that allow a full deduction of federal taxes paid from state income tax liability.” That provision drops an actual 6.5 percent corporate tax rate to an effective rate of 4.5 percent, lower even than any of its Southern neighbors.

Here’s a quick look at major tax incentives and credits:

## JOBS ACT INCENTIVES

- **Jobs Credit.** Annual cash refund up to 3% of the previous year’s gross payroll for up to 10 years.
- **Investment Credit.** Credit of up to 1.5% of the qualified capital investment costs for up to 10 years. Credit can be taken against the Alabama income tax liability and/or utility tax liability. Credit is available for up to 15 years for companies in targeted counties selling their output nearby.

## ALABAMA REINVESTMENT AND ABATEMENTS ACT

- **New Facility and Expansion.** (1) Abatement of non-educational portion of sales and use taxes on construction materials, and (2) Abatement of non-educational portion of property tax for up to 20 years. May also qualify for Jobs Act Incentives.
- **Existing Facility:** Refurbishments, Upgrades, or Placed Back in Service. (1) Abatement of non-educational sales and use taxes on construction materials and equipment, (2) Abatement of non-educational property taxes for up to 20 years of the incremental property tax increases, (3) Exemption from taxes for increased utility services for up to 10 years, and (4) AIDT worker training. May not apply for Jobs Act Incentives.
- **Property Tax Abatement.** New and expanding businesses can abate all of the state and local non-educational portion of the property taxes on all real and personal property incorporated into a qualifying project, for up to 20 years. Data processing center projects can receive an extended abatement up to 30 years, contingent on total capital investment in a project.
- **Sales and Use Tax Abatements.** Companies can abate all state and the local non-educational portion of the sales and use taxes on the acquisition, construction and equipping of a qualifying project. Data processing center projects can receive an extended abatement associated with constructing and equipping a project, including refresh, for up to 30 years, contingent on total capital investment in a project.
- **Full Employment Act Credit.** Employers with less than 50 employees are eligible for a \$1,000 nonrefundable income tax or financial institution excise tax credit for each qualifying job created.
- **Heroes for Hire Credit.** Employers meeting the requirements for the Full

Employment Act are eligible for an additional \$1,000 nonrefundable income tax or financial institution excise tax credit if the employee is a qualifying veteran.

- **Net Operating Loss Carryforward.** Companies may carry forward any operating losses for up to 15 years.
- **Alabama Enterprise Zone Credit.** Credits and exemptions based on numbers of employees for businesses locating in depressed areas of the state.
- **Income Tax Education Credit.** Allows an employer to take a tax credit for 20 percent of the cost of an employer-sponsored program to improve basic skills though high school level.

Here’s a quick look at financing incentives:

- **Industrial Development Grants.** Local governments and authorities can receive state grants to help businesses with the cost of site preparation. These grants are available to industrial, warehousing and research firms or headquarters facilities for other types of firms.
- **Industrial Revenue Bonds.** Tax exempt bonds up to \$10 million can be issued covering all or part of the cost of land and building acquisition, construction, furnishings and some soft costs.
- **Alabama Infrastructure Grant Program.** Helps finance water, sewer and road facilities.
- **Alabama Industrial Access Road and Bridge Program.** Helps finance the roads and bridges needed to connect public roads to industrial projects.
- **Certified Capital Company Program.** Provides financing for projects considered to be too risky for conventional financing options.

More Information: Alabama Department of Revenue, Alabama Department of Commerce and other state agencies.

# NATIONAL LEADER IN EXPORTS AND FOREIGN DIRECT INVESTMENTS

By plane, train and ship, goods move from Alabama to the world. Taking advantage of the deep-water port at Mobile, international freight forwarder Panalpina in Huntsville, a major intermodal center in Birmingham, and crisscrossed by interstate highways and five class 1 railroads, Alabama is well equipped to trade with the world.

Year after year, it uses those advantages to advantage.

In 2014, Alabama exports totaled \$19.5 billion of the nation's total \$2.35 trillion in exports.

Vehicles topped the list again in 2014, with more than \$7 billion of the state's total. Coals, chemicals, wood products and chicken parts are other key exports. Even though coal exports have dropped nearly \$1 billion in the past four years, coal still ranks fourth on U.S. Department of Commerce lists, with more than \$1 billion in exports in 2014.

Where does it go?

Alabama has more than 200 export destinations. But Canada tops the list, taking \$4.25 billion in goods, followed by China at \$3.1 billion, and Mexico at \$2.3 billion. Germany and the United Kingdom round the top five destinations for Alabama's exports.

A dollar that's particularly strong against other world currencies can hinder exports, but state Department of Commerce officials say the impact isn't too bad so far.

In fact, Hilda Lockhart, the state's foreign trade expert, says the state's export numbers may soon get a boost thanks to the presence of Airbus. In June, Airbus brought in its inaugural shipment of large aircraft components for the first A320 Family jetliner and final assembly line to Mobile.

"We're hoping that with Airbus coming, and with transportation equipment still remaining very competitive for Alabama, that a lot of these are going to help us maintain our export volumes from the state to throughout the world," Lockhart says.

Lockhart, however, says Alabama export-

ers can help themselves weather fluctuating currencies by developing strong relationships with customers to encourage loyalty to their products. "We know that price is not always the deciding factor," Lockhart says. "We also encourage companies to look toward emerging markets like Eastern Europe and South America while the dollar is strong."

"With more than 70 percent of the world's purchasing power located outside the U.S., Alabama companies are looking at markets beyond our borders, where demand is growing," reported the Alabama Department of Commerce in "Year in Trade," its review of the global marketplace. "International trade enhances the quality of life for all Alabamians and contributes to the state's prosperity. Creating jobs through exports for the state's citizens is key in accelerating Alabama globally."

## FOREIGN DIRECT INVESTMENT

Alabama is also home to multitudes of international firms or foreign direct investment. A 2014 study by the Global Cities Initiative, a joint project of Brookings and JPMorgan Chase, identifies 87,050 jobs in Alabama with firms that are headquartered overseas. In the previous 20 years, Alabama has moved up only one place in the rankings, from 24th to 23rd, but the number of jobs increased from 51,980 to more than 87,000.

Alabama Power counts 411 international firms from 30 countries doing business in Alabama. Thanks to the automotive industry, businesses headquartered in Germany, Japan, South Korea and Canada have the biggest presence.

But newcomers are power players.

The steel mills built by German firm ThyssenKrupp have been sold to Finnish firm Outokumpu Oyj, the world's leading producer of stainless steel, and to a joint venture of world's largest steel company ArcelorMittal, based in Luxembourg, and



Alabama's \$19.5 billion in exports in 2014 went to 200 destinations, led by Canada, China, Mexico, Germany and the United Kingdom. *Photo by Chad Riley*

Japanese steel giant Nippon Steel and Sumitomo Metal.

Chinese firm Golden Dragon Precise Copper Tubing has opened in Wilcox County, the first major new industry there in decades.

Newest of the international companies to announce Alabama projects are International Automotive Components, a firm based in Luxembourg planned an \$80 million, 350-employee project in Anniston; Bimbo Bakeries, a Mexican firm planning a distribution warehouse in Pelham and anticipating more than 100 jobs, and Nanjing Zijin Lide-Electronics, a Chinese firm that has announced plans to build a \$50 million plant in Dothan to manufacture 3D printers. All three have been highlighted by the U.S. Bureau of Economic Analysis as tops for Alabama in the past year.

And European aerospace and defense firm Airbus has established a major presence in Mobile with the new aircraft assembly plant that's building its first planes at this moment.

*Gail Allyn Short contributed to this story.*



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1

# ALABAMA'S INTERNATIONAL AIR CARGO PORT



2

Huntsville has historically been the hub of Alabama aerospace enterprise — the builders of spacecraft — but Huntsville also sets the pace for using aircraft to get things and people from one place to the other in record time.

Huntsville International features two parallel runways — 12,600 feet, which is the second-longest runway in the Southeast U.S., and 10,000 feet. It recently added 492,516 square feet of air cargo ramp space, increasing total air cargo ramp space to 2.3 million.

It is the 16th largest air cargo airport in the United States.

The Port of Huntsville opened in its current location in 1967. Since its inception, it has grown to nearly 7,000 acres of land and three key units — the Huntsville International Airport (HSV), International Intermodal Center and Jetplex Industrial Park, which is the north Alabama home to a number of international aerospace companies.

Passenger service is provided by three commercial airlines, with more than 65 flights per day and nine nonstop destinations. More than 1 million customers are served annually.

Air cargo service at the Port of Huntsville exceeds expectations.

The Huntsville Airport Authority began promoting its cargo capacities in the early 1980s, with an air cargo ramp that had 50,000 square feet of cargo space. Those efforts culminated in a

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Swiss-based international cargo carrier Panalpina developed its U.S. hub at Huntsville International Airport, with service out of Alabama to Europe, Mexico, Sao Paulo and Hong Kong. *Photos by Tyler Brown*

rail intermodal facility in 1986. The Port of Huntsville now has more than 300,000 square feet of cargo space.

In 1990, Swiss-based international carrier Panalpina opened operations in Huntsville with one 747 flight a week, gradually adding flights over the years.

In 2010, its 20th anniversary in Huntsville, Panalpina announced the start of a Hong Kong-to-Huntsville service. Shortly after that, the carrier announced it was also adding Sao Paulo, Brazil, and shortly

after that it announced a second Hong Kong flight, adding an outbound flight, making the service round trip. All that was on top of what Panalpina already had — five flights to and from Europe and two to and from Mexico.

Now Panalpina provides fully integrated and customizable supply chain solutions, and HSV is its hub in the United States. Panalpina's Huntsville Logistics Center serves many of the company's largest hi-tech customers in healthcare and the

chemicals industries with temperature-controlled storage and transport capabilities. Advanced warehouse services, customizable IT enhancements and direct access to its road feeder service in Huntsville allow Panalpina to also provide last-minute solutions for needs of all customers.

Since the arrival of Panalpina, the port has invested — in FAA funding and its own financing — about \$146 million in infrastructure that directly relates to cargo operations. That figure includes a 2013 grant from the Federal Aviation Administration of more than \$15 million in discretionary funds to Huntsville International for improvements to its east runway — the largest grant HSV has ever received.

In recent years, the Port of Huntsville completed upgrades that make it operational for Group VI aircraft. Both the 12,600-foot west runway and 10,000-foot east runway meet requirements set for the 747-8s.

While the 747-8 has a payload increase of 16 percent over the 747-400 model, it has substantial reductions in fuel burn, noise and CO2 emissions. This Group VI aircraft boasts a 224-foot, seven-inch wingspan and measures 250 feet, 2 inches from nose to tail. The new model is 18.3 feet longer and 13 feet wider than the earlier 747 models.

The International Intermodal Center provides a single-hub location that delivers world-class multi-modal (rail, air and highway) services and facilities. Nationwide rail service is provided by Norfolk Southern. The air cargo operations are handled by Panalpina, which has the only non-stop 747-8 freighter international air cargo service in the State of Alabama to Europe, Mexico, Asia and South America. These markets are currently served with 7 to 10 flights weekly.

This service helped elevate HSV to the 16th largest international air cargo airport in the U.S.

"Huntsville International Airport is part of a small group of U.S. airports that have been FAA-certified to support these 747-8s," said Dr. Carl Gessler Jr., Huntsville-Madison County Airport Authority board member. "We share this distinction with cities like Miami, New York, L.A. and Chicago. Considering the size of our community as compared to the others on the list, this truly is an accomplishment for our region."

For more information, visit the port's website at [www.hsvairport.org](http://www.hsvairport.org).



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\*Bloomberg.com — "The Unlikely Cities that Will Power the U.S. Economy," September 3, 2015



# FOREIGN TRADE ZONES

Like an airport duty-free shop, Foreign Trade Zones offer businesses a place for international trade without the encumbrance of tariffs — a level playing field with international competitors.

The U.S. Department of Commerce designates FTZs, mostly near ports and major industrial sites. The designation allows companies within the zones to import foreign goods without paying any duty, store them, mix them with domestic parts, and convert them into new products for sales here or abroad.

Each of Alabama's major cities — Mobile, Huntsville, Birmingham, Montgomery and Dothan — has an FTZ. State economic development officials estimate that 12,000 workers are employed in FTZ companies, making \$1 billion worth of products that are later sold overseas. Autos, ships, oil and chemicals are among the key products.

## QUICK FACTS ABOUT ALABAMA'S FIVE MAJOR FTZS

**Mobile.** Administered by the City of Mobile, the southernmost FTZ covers 9,848 acres in several locations. Several international firms are located within the FTZ, while Evonik Degussa, Austal USA,

Outokumpu Stainless USA and Shell all benefit from smaller business-based subzones. The Mobile zone also has four sites in Baldwin County.

**Huntsville.** FTZ facilities are clustered on 1,700 acres around the intermodal center, plus another 1,000-acre complex at Mallard Fox Creek Industrial Park and the Port of Decatur. DaimlerChrysler has its own subzone in the Huntsville group, as do VF Jeanswear, General Electric and Toyota Motor Manufacturing Alabama.

**Birmingham.** Birmingham's FTZ is scattered over seven sites including parts of AirportNorth/Northeast Industrial Park, Shaw Warehouse facilities, ACIPCO industrial area, Oxmoor Industrial Park, Birmingham International Airport's air cargo facility, and Munger/Valley East. Industrial giant Mercedes-Benz has its own subzone in Vance, as do ZF Industries, JVC America and NACCO Materials Handling Group Inc.

**Montgomery.** Montgomery has more than 5,000 acres in four sites — near the airport and I-65, along the northern and eastern bypass, at the Airport Industrial Commercial Park and at Montgomery County Technology Park. Montgomery also has subzones for Hyundai Motor and Quantegy Inc.

**Dothan.** Dothan has six sites in its FTZ, with no industry-specific subzones. Dothan's international commerce is handled by the airport and the port of Panama City, Florida



**1.** Mobile's foreign trade zone links FTZ warehouses and industry subzones to the Port of Mobile, among the nation's largest ports. Subzones include Atlantic Marine Alabama, Evonik Degussa Corp., Sony Electronics Inc., Syngenta Crop Protection, Trigeant EP Ltd., Shell Chemical LP, Austal and Outokumpu Stainless USA. *Photo by Chad Riley* **2.** The foreign trade zone at the Jetplex Industrial Park, in Huntsville, links industries and distribution centers with the air cargo port at Huntsville International Airport. North Alabama's aerospace and electronics companies thrive on the connection.

# ALABAMA STATE PORT AUTHORITY



1

**1.** The Port of Mobile has deepened its channel and widened its turning basin to accommodate Post-Panamax ships such as this, that range up to 1,200 feet in length.  
**2.** The Port's cranes already handle 10,000 TEU ships and two even larger ones are on the way. *Photos by Chad Riley*

Alabama's deepwater seaport, at the Port of Mobile, is located just 32 miles from the Gulf of Mexico and handled more than 54 million tons of cargo in 2013. The full service public seaport terminals are owned by the Alabama State Port Authority and are served by major ocean carriers transiting Asian, European, Mediterranean, and Latin American trade lanes. In 2014 the tonnage handled by the Port Authority increased to more than 29 million tons of containerized, general cargo, dry and liquid bulk, frozen poultry, and oversized and heavy-lift cargo freight.

Since 2002, the Alabama State Port Authority has invested more than \$750 million in a capital expansion program that established new facilities at the Port of Mobile, including a new container terminal, two new steel terminals, an expansion

and enhancement program at McDuffie coal terminal, a new rail ferry terminal and a new turning basin to turn Post-Panamax sized ships.

The Authority's board of directors approved a \$356 million capital program that will over the next three to five years establish an intermodal rail facility, new warehouses and terminals, and rail improvements. The public terminals are connected to two interstate systems (I-10 and I-65) and five Class 1 railroads—CSX, Canadian National, Burlington Northern Santa Fe (Alabama & Gulf Coast Railroad), Norfolk Southern and Kansas City Southern. The C.G. Railway offers shippers every four days waterborne connectivity to Southern Mexico's national railroad system between Mobile and Coatzacoalcos, Mexico (Veracruz Region).

## WATER

The seaport is supported by a 45-foot draft ship channel currently serving Post-Panamax traffic and two 40-foot draft channels serving the upper harbor and the

Theodore Industrial Complex. Extending north from the port are more than 1,200 miles of navigable waterways in Alabama, among the most of any state in the nation, with lock and dam structures along the Tennessee-Tombigbee Waterway, Black Warrior, Coosa-Alabama and Tennessee rivers that provide access to not only Alabama's heartland but also to the Tennessee and Ohio valleys and the Great Lakes. The Port of Mobile is also accessible to the Gulf Intracoastal Waterway, providing shippers coastal connections from Texas to Florida.

## RAIL, AIR AND HIGHWAY ACCESS

Five Class 1 railroads access the port — Burlington Northern/Santa Fe/Alabama & Gulf Coast Railroad, CSX Transportation, Canadian National, Norfolk Southern and Kansas City Southern. Port linkage is provided by the Alabama State Port Authority's Terminal Railway. The Port is also served by the CG Railway, which provides shippers railed cargo via ship to Mexico's Veracruz region. The

seaport is served by the Mobile Aeroplex at Brookley, located just four miles from the dock's main entrance and Airbus's new \$600 million assembly plant for its family of A319, A320 and A321 aircraft. Mobile Aeroplex also serves as the region's air cargo terminal, with daily service provided by UPS and FedEx. The authority's terminals have immediate access to Interstates 10 and 65/165.

## GENERAL CARGO

The Alabama State Port Authority offers 31 general cargo berths, with approximately 2.4 million square feet of open yards adjacent to piers and railroad tracks, and more than 2.8 million square feet are under roof. The general cargo facilities also feature heavy-lift terminals, along with a heavy-lift crane capable of lifting cargo up to 400 tons from ship to barge, rail, truck or specialized carrier. Other facilities include a freezer terminal, a cement terminal, a grain terminal and three RO/RO berths, all of which can accommodate vessels up to 40-foot draft.

## STEEL

Investments in the Authority's steel handling facilities are contributing to Alabama's rapid growth in the steel market. The highly automated Pinto Terminal applies innovation and technology to meet its 5 million-ton annual throughput capacity. The terminal has a 45-foot draft, a 1,050-foot-long ship berth, an automated barge handling system and a slab storage yard. The terminal is equipped with three post-Panamax gantry cranes, which are the first in North America to use magnet technology in a ship-to-shore cargo handling operation. In addition, the Port Authority in early 2015 opened a new steel coil handling facility. The \$36 million, 178,200-square-foot steel coil handling warehouse and 168,000-square-foot open yard are served by rail, truck, barge and a 40-foot-draft ship dock. Other steel terminal investments include an \$18 million enhancement program at its Pier C North terminal to handle both inbound and outbound carbon and stainless steel articles.

## COAL

The McDuffie Coal Terminal is the most versatile facility in the nation, with import/export handling capability to ship, barge and rail transportation. More than



\$120 million has been invested in new ship and yard equipment, automation and new rail facilities to increase export throughput to 16 million tons annually. Overall investments at McDuffie have generated annual import and export throughput capacity to 30 million tons.

## APM TERMINALS MOBILE / CONTAINER INTERMODAL INVESTMENTS

Phase 1 of the new, 135-acre container terminal has 2,000 feet of berth at 45-foot draft, state-of-the-art container cranes and fully automated gates providing an



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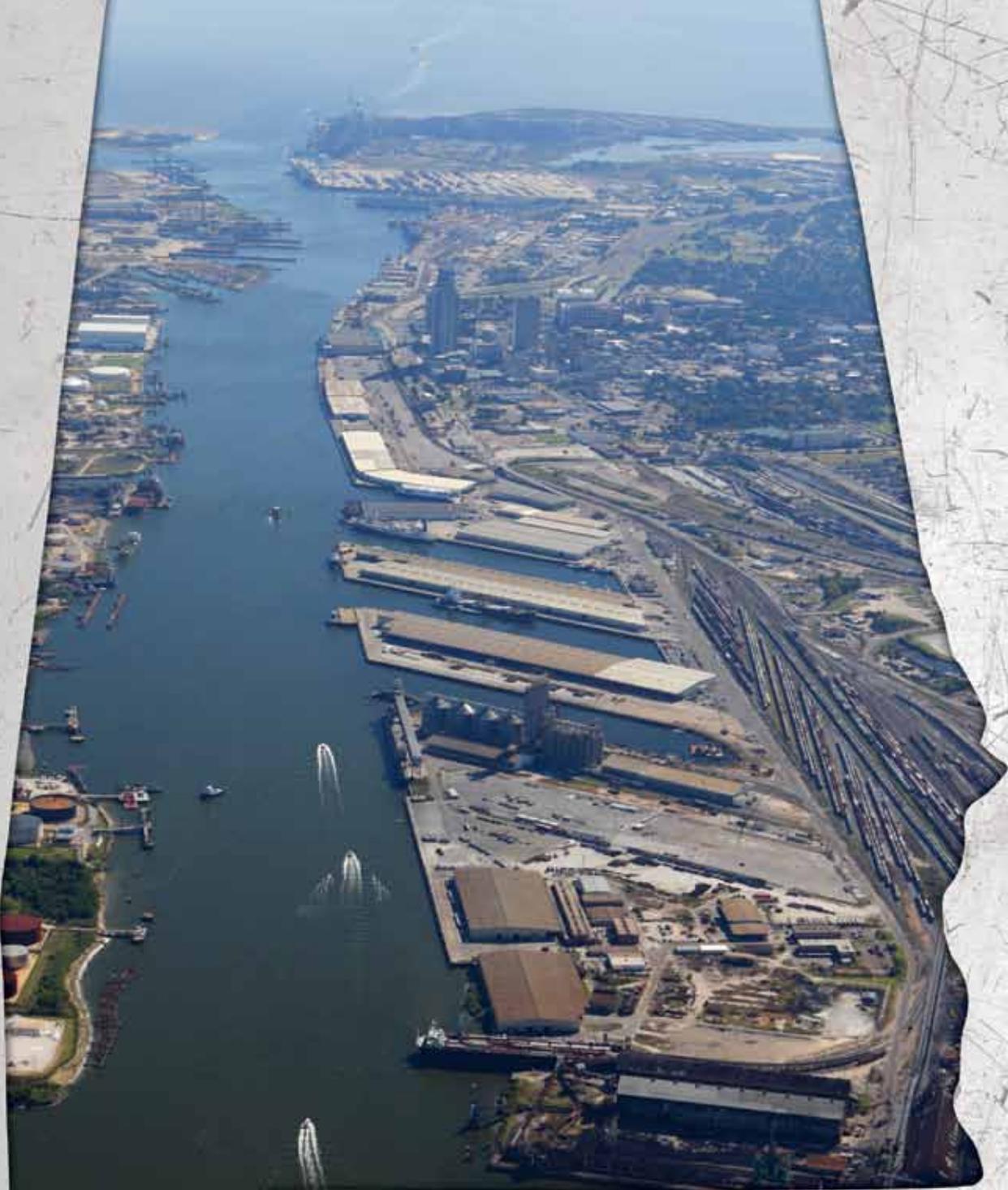
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annual throughput capacity of 350,000 TEUs (20-foot equivalent units). APM Terminals has announced that its \$48 million Phase II expansion program will begin in 2015 to increase the capacity to 800,000 TEUs. Ocean carrier services on most trade lanes are provided by Maersk, CMA CGM, China Shipping (CSCL), Mediterranean Shipping Company (MSC), and ZIM. APM Terminals Mobile represents the first leg in the Authority's 380-acre Choctaw Point intermodal project, which includes an intermodal rail transfer facility and development land for logistics. Construction is underway on the Port Authority's \$36 million, Phase I intermodal container transfer facility (ICTF) providing by April 2016 containerized cargo shippers, via the Port of Mobile and 5 Class I railroads expanded market access into the Southeast, Midwest, and the Ohio and Tennessee River valleys.

"We already see the larger ships today coming out of Europe, but we'll see those same larger ships coming out of the Asian trade lanes in the future," says James Lyons, director and CEO of the Alabama State Port Authority. *Photo by Chad Riley*



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# INTERNATIONAL TRADE

## RAIL FERRY TERMINAL

The Authority's Terminal Railway operates a rail ferry terminal that provides rail shippers twice weekly sailings into the Veracruz region of Mexico. The CG Rail Terminal is the first of its kind, with a twin-deck design for quicker loading. The ships can haul 120 standard rail cars per voyage without loading and unloading cargo, shaving nearly two weeks off the typical rail services into Mexico. The ser-

vice provides four-day rail service between Mobile and Coatzacoalcos, Mexico.

## TERMINAL RAILWAY

The Port Authority's Terminal Railway provides service between the five Class 1 railroads serving Mobile and the port authority's terminals. It handled more than 154,000 revenue-producing rail cars in 2014 and maintains more than 75 miles of track and ten locomotives. The Termi-

nal Railway is the largest port authority owned and operated railroad in the nation providing direct access to seaport terminals, including general cargo and container berths, McDuffie Terminals, the Bulk Handling Plant and private industries located as far north as the Port of Chickasaw and as far south as the Alabama State Port Authority's future Intermodal Container Transfer Facility (ICTF).

## INLAND PORT FACILITIES

To take full advantage of Alabama's waterway system, which comprises nearly 1,500 navigable inland barge miles, the Alabama State Port Authority owns 11 inland dock facilities that can be served by either barge or rail. The facilities are located throughout the state's river systems — at Bridgeport on the Tennessee River; Demopolis, Tuscaloosa/Northport and Cordova on the Warrior River; Claiborne, Selma and Montgomery on the Coosa Alabama River; Columbia, Eufaula and Phenix City on the Chattahoochee River, and at Axis on the Mobile River.



Being developed by the Auburn Research and Technology Foundation, the **AUBURN RESEARCH PARK** is Alabama's newest university-affiliated research park and is located on the Auburn University campus. An environmentally sustainable development, the park is a mixed use campus designed to drive economic development through entrepreneurship, innovation, collaboration, and commercialization. The research park is also home of the **AUBURN BUSINESS INCUBATOR**. Some of the benefits to locating in the research park include access to highly talented students, graduates, and faculty; collaborative research opportunities and access to campus facilities and specialized equipment.

For more information about the research park and how your company can call it home, please contact John D. Weete, executive director, at [weetejd@auburn.edu](mailto:weetejd@auburn.edu).

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## PORT FACTS - 2014

- Acreeage:** 4,000
- Number of Berths:** 41
- Channel Depth:** 45 Feet on the lower harbor; 40 Foot in the upper river harbor
- Warehousing and Open Yards:** 4.8 million square feet
- Number of vessel calls:** 1,360
- Revenue Producing Rail Car Movements:** 154,560
- Tonnage:** 29.1 Million
- Containers:** 237,266 TEUs
- Revenue:** \$162.3 million
- Imports:** heavy lift and oversized cargo, containers, coal, aluminum, iron, steel, copper, lumber, woodpulp, plywood, fence posts, veneers, roll and cut paper, cement and chemicals.
- Exports:** heavy lift and oversized cargo, containers, coal, lumber, plywood, woodpulp, OSB, laminate, flooring, roll and cut paper, iron, steel, frozen poultry, soybeans and chemicals



# CHICKEN A LA CUBANA

BY JESSICA ARMSTRONG

Americans love chicken — no surprise here — especially white meat, consuming an average of more than 80 pounds per person per year. Many of those tasty birds we devour are from Alabama, the second largest broiler producer in the United States, just behind Georgia.

Ever wonder what happens to our unwanted dark meat? It ends up in Cuba and other countries, where dark meat's richer flavor is preferred.

Though the Cuban embargo remains in place, President Barack Obama's recent reforms make it easier to sell U.S. agricultural products to Cuba. About 10 percent — or \$32 million — of Alabama's total poultry exports of \$312 million were

shipped to Cuba in 2014, according to Alabama International Trade Center Director Brian Davis.

The United States began exporting Alabama poultry to Cuba in 2003, peaking at nearly \$42 million in 2012.

"Cuba provides another market for Alabama poultry and helps spread the customer base around the world; the idea of not having all your eggs in one basket," Davis explains. "This comes at an opportune time, when other foreign markets have abruptly closed, Russia and China."

Davis points out that although poultry exports to Cuba in 2014 represented less than 1 percent of Alabama's total exports, the state needs every foreign market and

purchase from abroad it can get to maintain growth in exports above the \$19 billion market, which was the total of all Alabama exports in 2014.

It's the back half of the chicken, the leg quarters, which are mainly shipping to Cuba. Export is generally the large birds slaughtered at 8 pounds.

The United States has authorized farm exports to Cuba since the Trade Sanctions

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Breakbulk poultry is loaded at the Alabama State Port Authority's Pier A Refrigerator/Freezer terminal operated by Seonus. Eight to 10 ships a year, each laden with some 4,000 tons of poultry, leave the Docks headed for Cuba. *Photo courtesy of Alabama State Port Authority*

## INTERNATIONAL TRADE

Reform and Export Enhancement Act of 2000. That's when "a flurry of companies" started trade missions to Cuba, where the government held food shows to bring together the buyer (the Cuban government) and the sellers, recalls Toby Moore, vice president of communications for the USA Poultry and Egg Export Council in Stone Mountain, Georgia.

USA Poultry and Egg Export Council President Jim Sumner met with Fidel Castro on several of these trade missions, which included banquets where Castro would give long speeches. Says Sumner: "Castro said that Cuba was unable to competitively grow chickens, and it was in their best interest to import poultry. So they have been a major buyer since 2000."

The U.S. Southeast poultry market is one of the strongest in the world, says Davis, and is enjoying a competitive advantage in terms of economies of scale in production, productivity improvements and proximity to key U.S. ports of exit for overseas markets. And, he says it is easier for many markets to buy from the Southern states at a competitive price, rather than "grow their own" or purchase from other supplier countries with less quality and reliability.

"Cuba is one of our biggest markets," says Moore. "At the end of last year, it was the fifth leading market. And it's almost totally a leg quarters market, which has been strong for the past three to four years."

Tyson, Pilgrim's Pride and other major chicken producers operate poultry processing plants in Alabama, where chickens are slaughtered, cut and packaged — then loaded onto refrigerated trucks. Because U.S. consumers prefer white meat, there are more leg quarters than retailers will buy, so the excess goes into cold storage.

Trading companies buy the poultry and consolidate it from a number of chicken producing states. So it's difficult to determine where the chicken being exported to Cuba originates. Say a farm in Cullman grows chickens for Pilgrim's Pride. After the chicken is processed, unless it is sold specifically to a retailer, such as McDonald's, or a grocery chain like IGA or Kroger, it's hard to track where it ends up.

Moore says poultry companies also export, but it is easier and cheaper for them to sell to a trading company than operate their own export division. The export

business is complex and each country has different requirements. Cuba has different regulations than Jamaica, for example.

Transactions are cash only and cannot involve U.S. banks, a system suppliers favor because they get paid right away, notes Moore. "With the new warming of relations, this may change, with U.S. banks getting involved and credit being offered, which will add an element of risk."

Trading companies do the lion's share of exporting, and these are typically small, privately held companies with buyers throughout the world, working with suppliers, Moore adds.

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### It takes just two days to travel to Cuba from the Gulf Coast.

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Ray Hilburn, associate director of the Alabama Poultry and Egg Association in Montgomery, agrees that it is difficult to know exactly how much chicken going to Cuba is from Alabama, since brokers buy from a number of states.

As of 2006, a full quarter of Alabama's agricultural revenue came from exports to Cuba, writes Jennifer Harris, a senior fellow for the Council on Foreign Relations, in "The Winners of Cuba's 'New' Economy" in *Fortune* Jan. 14, 2015. She names the Southeastern farmers the biggest winners in the United States' efforts to restore diplomatic relations with Cuba.

According to Harris, the Southeast's proximity to Cuba makes its poultry and other agricultural exports especially competitive. It takes just two days to travel to Cuba from the Gulf Coast, a significant advantage for leg quarters and other highly perishable goods.

Such proximity puts the Port of Mobile at a distinct advantage. Every year, eight to 10 ships leave the Alabama State Docks and head to Cuba carrying 4,000 tons of frozen poultry per ship, according to Judith Adams, Alabama State Port Authority's vice president of marketing.

The Alabama State Port Authority partners with Seaonus, a Jacksonville,

Florida-based company that provides refrigerated warehousing. The company's 2 million-cubic-foot facility at the state docks handles perishable imports and exports worldwide, from short jaunts to Cuba to halfway around the world to New Zealand. The on-dock facility can process 350,000 tons annually and is rail served. The terminal handles both general cargo and containerized refrigerated cargoes.

Mobile is one of the few U.S. Gulf ports with cold storage blast freeze capability. Other Gulf ports with cold storage that serve U.S. sanctioned trade to Cuba are in Fort Lauderdale, Jacksonville, New Orleans and Freeport, Texas. Adams says that brokers could also be shipping Alabama poultry from these ports.

Cuba isn't the only destination for U.S. poultry shipping out of the Port of Mobile. Adams believes China will lift its recent embargo on importing U.S. chicken but believes Russia's embargo may not be lifted so soon, because of the wider and deeper political conflicts between the U.S. and Russia.

In a recent survey said to be the first independent poll in Cuba in decades, most Cubans say they are optimistic about economic reform from President Barack Obama's decision to re-establish diplomatic ties with Cuba, and 97 percent say normalizing relations with the United States is good for their country.

According to a recent Washington Post-ABC news poll, 68 percent of Americans support ending the trade embargo to Cuba, up from 57 percent who said so in 2009. And support for increased trade is strong across party lines.

If tourism from the United States opens in Cuba, the USA Poultry and Egg Export Council predicts that the poultry market will get even bigger.

Tourism is one of Cuba's top industries generating foreign exchange — which, in turn, enables the island nation to pay for imports, Davis adds.

"To the extent the Cuban economy is deregulated and inbound tourism continues to grow, then I anticipate growth in trade in poultry from Alabama, albeit with yearly ups and downs typical with this type of an emerging market with centralized, government purchasing."

*See the full story in June 2015  
Business Alabama.*

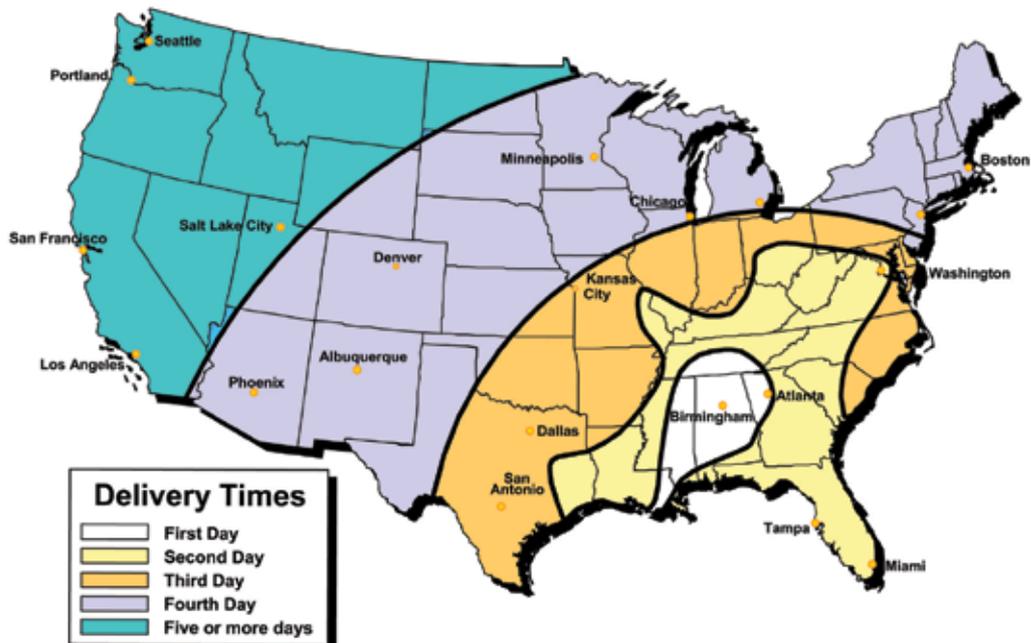
# ALABAMA MAJOR RAIL SERVICE

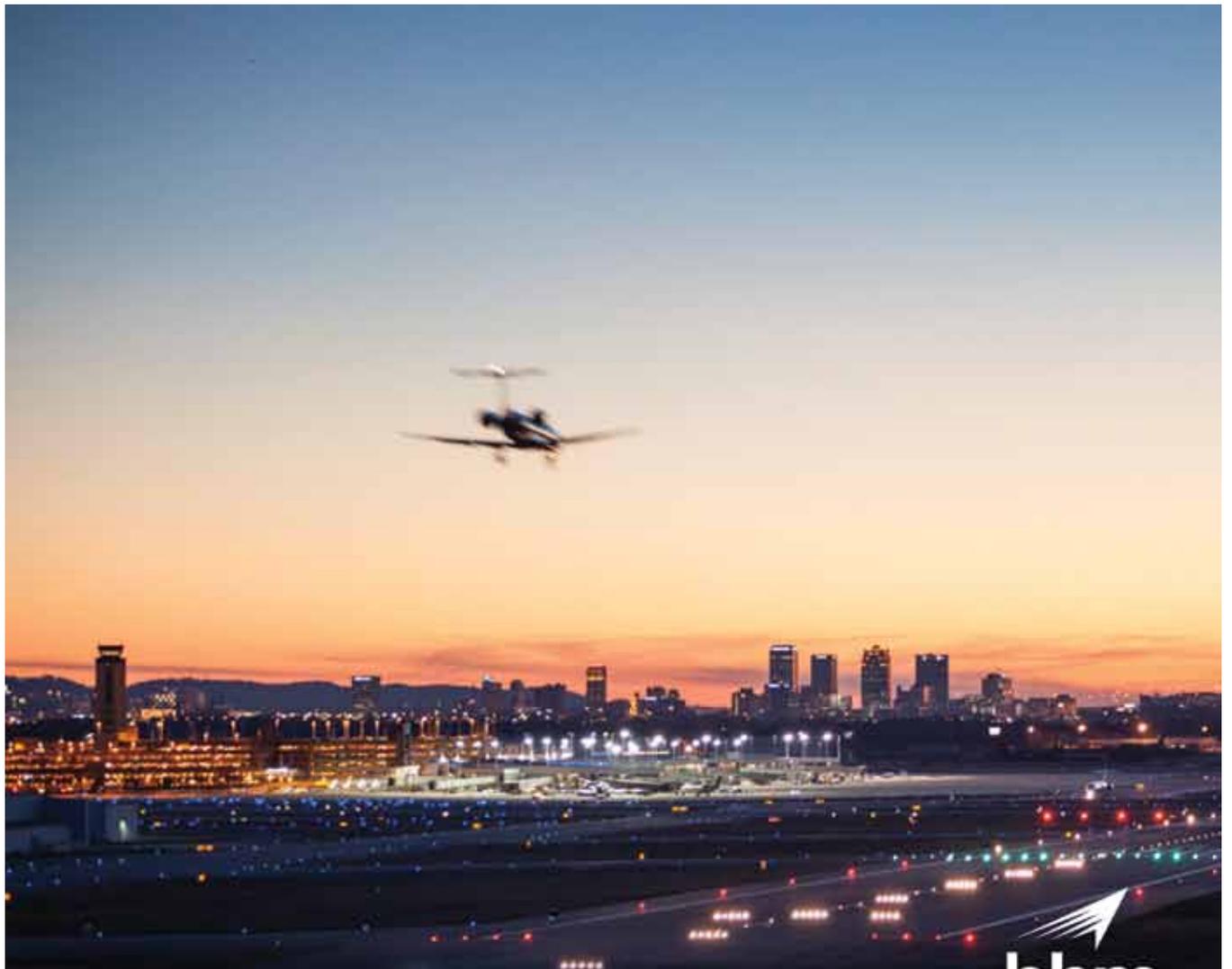


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# RAIL DELIVERY TIMES





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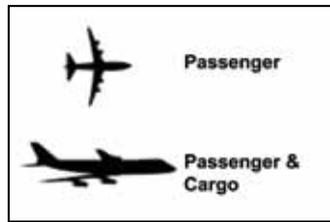
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# ALABAMA COMMERCIAL AIRPORTS



# MAJOR ALABAMA HIGHWAYS



Source: Center for Business and Economic Research, The University of Alabama

# ALABAMA'S WATERWAY SYSTEM



# ALABAMA DEPARTMENT OF COMMERCE

## Alabama's lead economic development agency



In April, 2015, Gov. Robert Bentley was on hand for startup of a new, \$71.4 million engine assembly facility at Honda's Alabama plant in Lincoln.

state as an ideal location for new facility and expansion projects. The department and its partners engage in an integrated teamwork approach that brings in additional state and local government agencies to demonstrate to prospects the level of support they can expect with a project in Alabama. Commerce also works with communities across the state to help them determine how they can become more competitive for new job creation.

In addition, Commerce is heavily involved in workforce development and is expanding its responsibilities in this arena.

Commerce's divisions play specific roles in meeting goals:

**EXECUTIVE** — sets policy, oversees Commerce functions, handles events around the globe.

**BUSINESS DEVELOPMENT** — identifies prospects that could broaden Alabama's economic base, working to bring foreign manufacturing investment, expand international trade, help fledgling small businesses and attract film projects.

**WORKFORCE** — includes the state's flagship AIDT training program, a new Workforce Development Division and regional workforce councils.

**BUSINESS INFORMATION** — offers technical support and other data and statistics to support business.

**ADMINISTRATION** — offers support for information technology, telecommunications, payroll, personnel, budgeting, purchasing and more.

Alabama's lead economic development agency continues to aggressively pursue the kind of game-changing industrial projects the state is known for winning, but it's also seeking to grow the state's share of knowledge-based jobs in fields such as aerospace, automotive, health care, and biosciences.

The record shows that the Alabama Department of Commerce is succeeding on both fronts, with significant project announcements made recently that will bring new investment and more high-paying advanced manufacturing and research-related jobs to the state. In 2015, Google, Polaris Industries, Lockheed-Martin and other well-known companies all launched projects in the state.

Under the direction of Commerce Secretary Greg Canfield, the department works with economic development partners across the state to fulfill the objectives of Accelerate Alabama, the strategic economic development growth plan adopted

by Governor Robert Bentley in 2012. In Accelerate Alabama's first three years, companies from around the globe announced Alabama economic development projects involving more than 55,000 new and announced jobs and nearly \$13.2 billion in capital investment.

Accelerate Alabama identified 11 industry clusters whose growth prospects made them ripe for recruitment: aerospace and defense, automotive, agricultural products and food production, steel and metals, forestry products, chemicals, distribution and logistics, biosciences, information technology, enabling technologies (such as robotics and nanotechnology), and corporate operations. These sectors were selected because they offer higher-than-average wages and because they fit well with Alabama's existing industry and workforce infrastructure.

Commerce continues to collaborate with public and private economic development entities across Alabama to position the

## KEY CONTACT

**Greg Canfield** || Alabama Department of Commerce || Alabama Center for Commerce  
401 Adams Avenue || Montgomery, AL 36130 || (334) 242-0400 or (800) 248-0033 || Fax: (334) 242-5669 || [www.madeinalabama.com](http://www.madeinalabama.com)

# ADECA ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS

## Managing economic incentives and community development grants



An arm of the Governor's Office, the Alabama Department of Economic and Community Affairs was created by the Legislature in 1983. The department's mission is to "Build Better Alabama Communities" using a broad range of grants, incentives and programs aimed at community development.

ADECA administers provisions of the Alabama Enterprise Zone Act, which authorizes state tax incentives to encourage employers to locate or expand within designated zones. Credits are available for income, franchise, sales and use tax. Birmingham, Montgomery and Prichard are designated as Enterprise Zones, along with 25 counties: Barbour, Bullock, Butler, Cherokee, Clarke, Clay, Covington, Dallas, Escambia, Etowah, Jackson, Lawrence, Lowndes, Macon, Mobile, Monroe, Perry, Pickens, Pike, Randolph, Russell, Sumter, Talladega, Tallapoosa and Wilcox.

AlabamaSAVES is a \$60 million revolving loan program created by ADECA to help industrial and commercial businesses finance energy-saving facility improvements.

Launched in 2012, the department administers a \$31.3 million State Small Business Credit Initiative program designed to increase access to credit for small businesses at financial institutions participating in the program. Businesses with up to 500 employees are eligible to participate. More than 350 businesses have taken advantage of the program to help finance projects ranging from a brewery to a coin-operated laundry.

Three ADECA grant programs are often used to help Alabama communities with economic development projects:

- Community Development Block Grants support local efforts to attract and prepare for new or expanding industries, rehabilitate neighborhoods, provide water and sewer service or fund other infrastructure improvements that support business development or enhance the quality of life.

- Grants from the Appalachian Regional Commission are awarded to encourage economic development and improve the quality of life of Alabamians living within 37 north Alabama counties considered part of the Appalachian mountain region.

Ethan Tolbert manages Burris Farm Market in Loxley. The market expanded thanks to a loan from the State Small Business Credit Initiative administered by ADECA.

- Delta Regional Authority grants encourage the development of new jobs and help with basic community improvements in a rural region that includes 20 counties in primarily Alabama's Black Belt region in south Alabama.

- ADECA also manages two recreational programs, the Land and Water Conservation Fund and the Recreational Trails program, to fund parks and recreational facilities that attract tourists who boost local economies by patronizing hotels, restaurants and shops.

Other ADECA programs support state and local law enforcement, traffic safety, juvenile justice, victim services, home weatherization and energy conservation. The department also helps manage the state's water resources and distributes state and federal surplus property.

ADECA is frequently called upon to help the state to respond to natural disasters. For example, when devastating tornadoes struck Alabama on April 27, 2011, Gov. Robert Bentley named ADECA to coordinate long-term recovery efforts. The department secured \$73.8 million in special Community Development Block Grant funds to help communities rebuild public facilities and infrastructure.

Visit [www.adeca.alabama.gov](http://www.adeca.alabama.gov) for more information about the department's programs. For news and updates, follow ADECA on Twitter @adeca or like ADECA on Facebook at [www.facebook.com/ADECAgov](http://www.facebook.com/ADECAgov).

## KEY CONTACTS

**Jim Byard, Jr., Director** || Alabama Department of Economic and Community Affairs || P.O. Box 5690 || Montgomery, AL 36103-5690  
(334) 242-5591 || Fax: (334) 242-5099

**Terri Adams, Chief** || ADECA Energy Division || (334) 242-5292

**Bea Forniss, Chief** || ADECA Community and Economic Development Division || (334) 242-0492

# AIDT ALABAMA'S WORKFORCE TRAINING AGENCY

**Workforce development provided by AIDT is among the strongest incentives for businesses choosing to locate or expand in Alabama.**

Alabama has one of the strongest workforce training programs in the world, in support of Alabama's commitment to new and expanding industries.

AIDT has long been recognized among the nation's top workforce training programs by industry observers. AIDT's pre-employment training program holds an ISO 9001:2008 certification for quality and continuous improvement.

AIDT has assisted new and expanding companies in recruiting, selecting and training more than 600,000 job seekers. AIDT training typically produces a workforce that employers recognize for high performance achievement—a result of both the technical assessment and training AIDT trainees receive and the process by which they are selected.

From automotive to aerospace and logistics and warehousing to biomedical, AIDT researches and identifies the needs of each company served and uses that information to develop a full range of technical pre-employment selection programs uniquely customized to each company.

In a continued effort to meet the needs of industry, Alabama has embarked on an aggressive plan to open regionalized Workforce Centers of Excellence, managed and operated by AIDT. The Alabama Workforce Training Center in Birmingham is designed to meet the growing needs of companies engaged in the manufacturing and construction industries in north and central Alabama. And the Montgomery Regional Workforce Training Center provides entry-level training, employee upgrade training, two-year technical college level training, and K-12



career training to adequately supply businesses with a trained workforce for the Montgomery region.

AIDT's Alabama Workforce Training Center, in Birmingham, provides training in manufacturing technology, construction trades and leadership skills.

## **AIDT SERVICES INCLUDE:**

- Identification of needed employee skills and knowledge, training criteria and curricula content definition, and required behavior and performance criteria the company expects of employees.
- Recruitment of trainee candidates for potential employment. AIDT interviews and enrolls in training those acceptable by the company.
- Provides program development, instructors, equipment, consumable supplies, and training aids such as manuals, workbooks, videos and films. AIDT services are provided at no cost to trainees or employers.
- Job seekers who meet the selection criteria designed by AIDT and the employer are enrolled in job specific, pre-em-

ployment training for detailed assessment of attitude, character, work ethic, literacy, teamwork and technical learning ability.

A division of the Alabama Department of Commerce, AIDT also provides leadership development, on-the-job training, industrial maintenance assessment, industrial safety assessment and process improvement assessment. Leadership development conducted by AIDT is designed to develop and retain quality leaders, improve retention and create loyal and dedicated employees. Industrial maintenance and safety assessment services help identify candidates best qualified for effective and efficient operations through corrective and preventive maintenance of equipment and processes. Process improvement assessments provide an independent third party review of business processes.

## **KEY CONTACT**

**Ed Castile, Director** || Alabama Industrial Development Training || One Technology Court || Montgomery, AL 36116-3200  
(334) 242-4158 || Fax: (334) 242-0299 || TDD: (334) 242-0298 || E-mail: info@aidt.edu || www.aidt.edu

# ATN ALABAMA TECHNOLOGY NETWORK

Experts in technical assistance and innovation work directly with Alabama's existing industry to increase productivity, profitability, and competitiveness.



The Alabama Technology Network provides the most innovative technical assistance and training to continually improve Alabama's businesses and industries.

As part of the Alabama Community College System, the network's 19 sites are located at 15 community colleges and the state's three research universities — Auburn University, the University of Alabama and the University of Alabama in Huntsville. ATN's team of experts helps solve the needs of industry and business through innovative, sustainable, cost-effective solutions. ATN can conduct de-

tailed needs assessments, outline potential solutions based on the results, and then provide technical assistance to help you solve those problems or identify those who can. Services include lean enterprise, quality services training, continual improvement methods, environmental health and safety training, industrial maintenance training, sustainability in manufacturing, and innovation engineering.

According to 2014 independently conducted customer surveys, ATN helped retain and create 1,180 jobs, helped increase and retain sales totaling more than

\$249 million, generated workforce investments and saved costs totaling over \$58.6 million.

ATN is an affiliate of the National Institute of Standards and Technology's Manufacturing Extension Partnership, which provides hands-on assistance and training to smaller manufacturers.

In addition to its training services, ATN partners in presenting the Alabama Manufacturer of the Year awards. These awards recognize the state's top manufacturers, in three size categories, for their accomplishments.

## KEY CONTACT

**Douglas J. Jensen, Ed.D., President & CEO** || Alabama Technology Network || PO Box 302130 || Montgomery, AL 36130-2130  
1-877-428-6457 toll free || [www.ATN.org](http://www.ATN.org)

# EDAA ECONOMIC DEVELOPMENT ASSOCIATION OF ALABAMA

An association of professionals committed to Alabama's economic development



Jim Searcy, executive director of EDAA, and Regina Pickron, executive assistant, work to foster the collaboration that attracts and supports business. *Photo by Robert Fouts*

Economic development can have a multitude of meanings, but at its core, it is a collaborative effort between businesses, communities, organizations and government agencies. Since 1968, the Economic Development Association of Alabama (EDAA) has facilitated that collaboration in an effort to both attract new investment to the state and work to expand those companies that are located here. EDAA provides a forum for discussion of specific issues affecting economic development and provides programs, training and expertise to create successful development programs. The EDAA membership of 450 consists of individuals involved in economic development from many different areas and disciplines. EDAA members are economic development professionals, attorneys, engineers, architects, state agency personnel, utility employees, bankers, contractors, real estate agents and educators, municipal and county officials.

A voluntary member association, EDAA conducts workshops and seminars covering the ideas, principles, practices and ethics of economic development. Most of the EDAA educational programs focus on enhancing the skills of economic development professionals by providing them with new tools to address the challenge of remaining one of the nation's top states in economic development. Additionally, EDAA works with other organizations in the state to improve Alabama's economic development environment. Strategic alliances with the Alabama Department of Commerce, Alabama Department of Economic and Community Affairs and the Economic Development Partnership of Alabama enable EDAA to provide its membership with substantive skills.

EDAA is diligent in addressing state and federal legislation and regulatory issues impacting economic development in Alabama. With a full-time lobbying pres-

ence when the Alabama Legislature is in session, EDAA is a leader in forming economic development policy and legislation for its members. Legislative efforts on the state level in recent years have seen EDAA lobby for competitive and sustainable economic development incentives, adequate funding for state recruitment efforts and worker training programs and to defeat legislation that would pose a threat to Alabama's economic development effort. EDAA actively seeks innovative solutions to challenges that could negatively impact the state's economic development efforts.

EDAA holds multiple networking opportunities, provides members with a newsletter, publishes a membership directory, conducts two major conferences each year, and holds quarterly workshops and recently initiated the Economic Development Leadership Institute in partnership with Auburn University's Economic and Community Development Institute (ECDI).

The EDAA Leadership Institute represents a partnership between EDAA and ECDI to educate and engage elected officials, ED board members and other community leaders about key issues in economic and community development

For more information contact:  
EDAA (334) 676-2085

## KEY CONTACT

**Jim Searcy, Executive Director** || Economic Development Association of Alabama || 2 North Jackson Street, Suite 302  
Montgomery, AL 36104 || (334) 676-2085 || Fax: (334) 676-2087 || E-mail: [info@edaa.org](mailto:info@edaa.org) || Web site: [www.edaa.org](http://www.edaa.org)

# EDPA ECONOMIC DEVELOPMENT PARTNERSHIP OF ALABAMA

**A private, non-profit organization, EDPA works with companies looking to locate or expand within the state and assists companies and communities within the state to improve their competitiveness.**



For more than 20 years, the Economic Development Partnership of Alabama has been a catalyst for economic growth in the state. During that time, the Partnership has been involved in Alabama's greatest economic development successes. A totally private, non-profit organization, EDPA is uniquely positioned to partner with state, local and private entities involved in Alabama's economic development efforts. In 1993, EDPA assisted in the effort to attract Mercedes-Benz. Now, EDPA is led by Mercedes-Benz U.S. International's former president Bill Taylor, who brings his industry experience to economic development.

EDPA provides services to companies looking to locate in the state, encourages emerging business development and assists companies and communities that want to improve their competitive edge.

EDPA is supported by more than 70 leading companies from various sectors that are committed to the state's long-term economic growth. The organization's board of directors is comprised of top business leaders in Alabama.

By aligning its resources with the Governor's Office, key state agencies and institutions of higher learning, EDPA works to market Alabama and to provide prospective companies a smooth site selection process and tools for a sustainable operation in Alabama.

EDPA actively assists companies searching for a location.

Equally as important, EDPA works to provide resources and networks for existing industries and communities in Alabama.

To encourage innovation, commercialization and emerging business development, EDPA works closely with institutions of higher learning in the state. The Partnership joined with state research universities to create Alabama Launchpad, which hosts competitions to fuel the development of high-growth companies in Alabama and an annual conference that celebrates the achievements of innovation and entrepreneurship in the state.

By participating in collaborative efforts in Alabama, EDPA works to foster a cooperative spirit among the diverse organizations involved in the many areas that affect the state's growth.

---

Bill Taylor, president of the Economic Development Partnership of Alabama

## KEY CONTACT

**Bill Taylor, President** || **Steve Sewell, Executive Vice President** || Economic Development Partnership of Alabama  
 500 Beacon Parkway West || Birmingham, AL 35209 || (205) 943-4700 or (800) 252-5453 || Fax: (205) 943-4703  
[www.advantagealabama.com](http://www.advantagealabama.com)

# NAIDA NORTH ALABAMA INDUSTRIAL DEVELOPMENT ASSOCIATION

The North Alabama Industrial Development Association (NAIDA) is a 66-year-old regional economic development organization formed to assist in the creation of quality jobs in the thirteen counties that are served by the distributors of TVA electric power.



The North Alabama region has a highly diversified industrial economy. Since the 1950s when chemical companies began to locate in North Alabama and the 1960s when the Saturn V rocket was designed, built, managed and tested here, the region has continued to grow with more and more advanced manufacturing companies. The North Alabama region now has over 2,000 manufacturing companies from various industry sectors. Of course, chemicals and aerospace/aviation continue to be strong in the region. Over 70 chemical companies here include 3M, AlphaPet, Ascend, BP, Daikin, Hexcel, Occidental Chemical and Toray. The aerospace aviation companies include Boeing, Lockheed Martin and ULA (United Launch Alliance). ULA continues the tradition of building rockets in North Alabama. They build the Delta II and IV, the Atlas V and will soon build the new Vulcan Rocket.

The automotive sector is strong in North Alabama. Over 102 automotive companies have found North Alabama to be centrally

located to the Southern OEMs. Reha, a Mercedes Supplier, has recently opened a Research and Development facility here, the first outside of Germany. Toyota Motor Manufacturing has a maximum annual engine capacity of nearly 750,000 engines. The plant is the only Toyota facility in the world to produce four-cylinder, V6 and V8 engines under one roof. TS Tech has just broken ground on a 125,000 sq. ft. expansion. Another recent addition to the region is a new 700,000 sq. ft. Polaris advanced manufacturing facility.

More than 65 plastics companies are doing well in North Alabama. India-based Polyplex has completed a facility here and North American Lighting (NAL) has had several expansions and now employs 1,500 people. Asahi Kasei Plastics is constructing a new compounding facility in North Alabama.

Metals companies also find success in North Alabama. Nucor Steel and Constellation are just two of the many metals companies here. Remington is the newest addition.

The HudsonAlpha Institute for Biotechnology and its tenant companies are the shining stars for the Life Sciences sector. HudsonAlpha has added \$1.3 billion to the economy of Alabama since it began operation in 2006.

Our newest addition to our diverse economy is a \$600 million Google datacenter.

Following are some of the reasons companies here in North Alabama flourish:

- Twelve institutions of higher education (5 four-year institutions and 7 two-year technical/community colleges).
- The Robotics Technology Park provides robotic maintenance training to Alabama companies at no charge.
- North Alabama is served by the robust TVA electric power system. Since 2000, the TVA system has delivered 99.999 percent transmission reliability.
- Three interstates and numerous four-lane highways
- Two mainline railroads
- Two commercial airports. Huntsville International provides direct flights to major cities and air cargo to international destinations and offers an intermodal facility.
- Five ports along the navigable 202 miles of the Tennessee River

North Alabama is a growing vibrant region and proven location. With 13 AdvantageSites, six Primary Data Center Sites, seven speculative buildings along with other available sites and buildings, North Alabama is prepared for your company's new location.

To learn more about North Alabama or for site location assistance, please call 1.800.669.9450 or visit [www.naida.com](http://www.naida.com).

## KEY CONTACT

Brooks Kracke, President/CEO || North Alabama Industrial Development Assn. || 410 Johnston Street, Suite A || Decatur, AL 35601  
PO Box 1668 – 35602 || 800.669.9450 || [bkracke@naida.com](mailto:bkracke@naida.com)

# BBA BIRMINGHAM BUSINESS ALLIANCE

**The Birmingham Business Alliance is the lead economic development agency for the state's largest city and seven surrounding counties.**



The Birmingham Business Alliance (BBA) is the lead economic development agency for the state's largest metropolitan region, the seven-county Birmingham-Hoover MSA, which encompasses Bibb, Blount, Chilton, Jefferson, St. Clair, Shelby and Walker counties.

The Birmingham region's economic base is highly diversified. It includes a wide range of manufacturing and has evolved into an internationally recognized center of medical technology and research, health care delivery, and finance and insurance.

Birmingham is home to 75 international companies and most of the workforce for two of the premier automotive assembly plants in North America — Mercedes-Benz in Vance and Honda in Lincoln. The base of automotive suppliers continues to grow in the Birmingham region — nearly 30 have made a home in the region — because of those two major manufacturers and others in the Southeast. One of the world's largest suppliers, Kamtek, announced in 2015 a \$530 million expansion of its Birmingham facility — one

of the largest announcements in recent state history.

Alabama's only Fortune 500 company, Regions Financial Corp., is based in Birmingham, along with construction aggregates company Vulcan Materials Co., national retailers Hibbett Sporting Goods and Books-A-Million, and mining giants Drummond Co. Inc. and Walter Energy.

Birmingham is a strong market for the health care industry and the region is emerging as a major player in life sciences with several major projects recently announced — a new \$29.4 million manufacturing facility for Oxford Pharmaceuticals; a health care-related research and development center for Evonik, a global leader in specialty chemicals; and Steris Corp.'s decision to locate the global headquarters of its specialty services division, IMS, in Birmingham.

Birmingham's largest employer with 23,000 employees and anchoring the region's medical and health care communities is the University of Alabama at Birmingham (UAB). UAB is a leading research institution that has an economic impact of \$5 billion on the region and is home to the third largest public hospital in the country.

UAB shares a landmark partnership with Birmingham's Southern Research, a contract research organization with seven FDA-approved cancer drugs. Known as the Alabama Drug Discovery Alliance, the partnership leverages each institution's world-class experience to expedite drug delivery in areas such as oncology, Parkinson's disease, Alzheimer's, diabetes and many others.

Another major partner with UAB and a key to Birmingham's entrepreneurial growth is Innovation Depot, the Southeast's largest technology incubator, which houses more

than 90 startups in its 140,000-square-foot facility in downtown Birmingham. It has been named Technology Incubator of the Year and designated a Soft Landing for international companies by the National Business Incubation Association.

Birmingham is a top transportation hub that continues to build on its strong infrastructure. The newly modernized Birmingham-Shuttlesworth International Airport is just minutes from downtown Birmingham. A major interstate interchange, Interstate 22, is near completion and will directly connect the area to Memphis and the western portion of the United States. The first portion of the 53-mile I-422, or the Northern Beltline, is underway. This major roadway will complete the interstate loop around Birmingham and increase opportunities for economic growth throughout the region.

Affordability is another asset for the community. Birmingham was named by Forbes the Most Affordable City in America for 2015 and Bloomberg Business has ranked Birmingham one of six cities in the country where millennials could afford rent.

At the core of the region's growth is the re-emergence of downtown Birmingham. In 2015, over 30 projects, representing \$725 million in investment, are proposed or under construction in the city center. This includes the construction of apartments, condos, hotels, a Publix grocery store, retail and office space, entertainment venues, two museums, a brewery and a new parking deck. A portion of this large investment is fueled by a new tax credit from the State of Alabama for renovation costs on historic residential and commercial properties.

For more information, visit [www.birminghambusinessalliance.com](http://www.birminghambusinessalliance.com).

## KEY CONTACT

**Rick Davis, senior vice president of economic development** || Birmingham Business Alliance  
505 20th St. N., Suite 200 || Birmingham, AL 35203 || (205) 241-8136 || [rdavis@BirminghamBusinessAlliance.com](mailto:rdavis@BirminghamBusinessAlliance.com)

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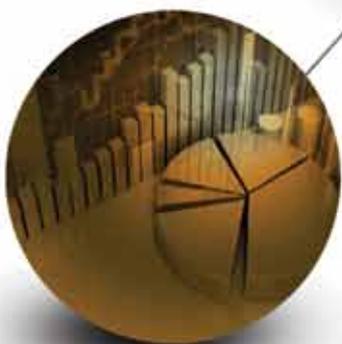
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