



715 Birkdale Drive Atlanta, Georgia 30215
P770.716.9544 F770.719.8911



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CREATING EXCELLENCE IN ECONOMIC DEVELOPMENT: A COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY FOR MOBILE COUNTY, ALABAMA

A Report and Recommendations prepared for the Mobile County Commission

In partnership with:





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I. Background

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Mobile was first established in 1702, at Twenty-seven Mile Bluff on the Mobile River, as the capital of the French colony of Louisiana. Following a series of floods, the town was relocated downriver to its present location near the head of Mobile Bay in 1711. The Cotton Boom of the early 19th century brought an explosion of commerce to what had been a sleepy frontier town. By the 1850s, Mobile was one of the busiest ports in the United States. During World War II, the port town predictably livened up. Industry accelerated with the increase in ship-building. Workers from outlying areas moved into Mobile to fill jobs on the waterfront and many stayed after the war's conclusion.


In the post-War years, the Brookley Air Base was built in Mobile. The phenomenal influx of workers from the surrounding rural areas expanded the population dramatically. By 1956, Mobile's square mileage had tripled to accommodate the growth. Brookley's closure in the mid-1960s sent economic tremors through the area which took many years to absorb.



Today, soft relative growth, lacking the influence of net positive in-migration, differentiates Mobile's current population dynamics. At today's rates, population growth is essentially flat. Despite these features, Mobile's workforce exhibits promising characteristics. Total workforce out-commuting equals more than 12,000 workers in 2000, of which some 30 percent are traveling to manufacturing jobs outside the area. This fact, along with the recent increases in educational attainment, plus the latest manufacturing losses, point to the presence of an attractive pool of skilled local workers. Wages, while below the national average, have tracked close to the state until 1999, when growth stagnated. Likewise, per capita income growth has leveled as of 1999. These trends reflect the strong effects of the most recent recession on Mobile's economy. Local employment losses cut deeper in Mobile than in the nation or state. Sizeable losses in well-paying manufacturing, construction and information jobs magnified the impact. In the face of these heavy losses, several industry sectors did manage to grow. Financial activities, professional/business services, private education/health services, and the leisure/hospitality sector, each added jobs, though adding less than the total losses in other sectors.

Recent industry employment surveys demonstrate the beginnings of an economic upturn for the Mobile economy. Initial figures show continued gains in professional/business services and financial services, and a burst of employment activity in the construction sector. The manufacturing sector continues to languish.

Industrial specialization in the Mobile economy is diverse. Specifically, construction, administrative and support services, and rental and leasing services, top some of the service-related areas of local



specialization. Wood products, paper, petroleum/coal products, chemical, and transportation equipment manufacturing lead local manufacturing specialization. In addition, water, truck, and related transportation support activities stand out among the trade and transportation sector.

A consistent trend of rising industrial vacancy rates places the Mobile area above the region and comparable geographies and is a serious concern. With this understanding of Mobile's economic malaise, the Mobile County Commission showed leadership by conducting an economic assessment, analysis and recommendations to propel Mobile County's economic well being. The Commission selected the consultant firm of the Competitive Strategies Group, LLC (CSG), which in turn selected its strategic partner, McCallum Sweeney Consulting (MSC), to conduct an assessment and analysis of the County's economy and offer recommendations to propel the region forward.

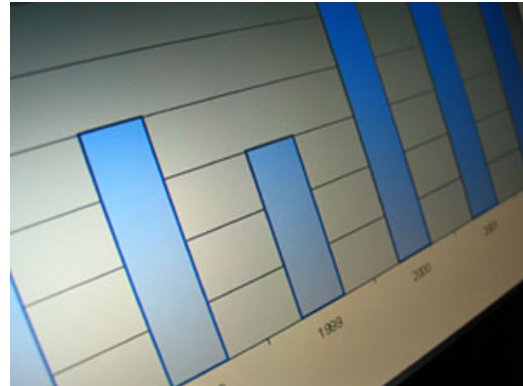
The findings, conclusions and recommendations of the Team are contained in this report. The report is structured as to identify what issues have been impediments to growth in Mobile County, what assets exists as it relates to economic development, and then recommendations to take Mobile County to its next level in economic development. The CSG Team especially appreciates the assistance of the County's Economic Development Steering Committee in providing suggestions and assistance. Special thank you to Gavin Bender, chairman of the Steering Committee. A very special thank you goes to Kim Hastie with Commissioner Mike Dean's office and Donna Wilson, with Gleason and Associates for their excellent assistance in our logistical needs and support with this project.



II. Methodology

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The CSG Team utilized various methods to collect data for the conclusions in this report. An exhaustive discovery and assessment phase was important before findings, conclusions and recommendations could be offered to Mobile County. The Team first conducted a multi day community overview of Mobile County in July and August analyzing the community as we do in our corporate assignments as site location consultants. Our review of Mobile County is noted in our field survey as Exhibit 1 under the Appendix.



We then conducted a comprehensive economic analysis of Mobile County over last 10 – 20 years and compared Mobile's economic activity to the United States, the State of Alabama, Charleston, SC, and Jacksonville, FL. Charleston and Jacksonville were selected by the members of the Steering Committee as a benchmark to Mobile.

The Team then conducted 47 personal interviews regarding Mobile County's economic progress and economic development service delivery in July and August. These interview respondents were selected by the Mobile County Steering Committee based on specific criteria the Team provided as the type of representation needed to draw a cross section of the community. There were four focus groups used representing education, small business, real estate developers and mid to large employers respectively. A summary of the interview questionnaire can be found beginning on page 25. Additionally, other interviews were conducted as background with individuals representing organizations such as national site location consultants and the Alabama Development Office. Finally, the Team analyzed its data collected with its national database of best practice examples of economic development initiatives from throughout the U.S.

Recommendations and conclusions contained in this report are the result of careful analysis of collected data by the senior management of the Team.



III. Results from Survey Instruments (Discovery and Assessment Phase)

III. Results From Survey Instruments

A. Community Overview/Assets and Challenges Assessment

The Team conducted a multi day community overview of Mobile County in July and August. The purpose of this overview was to review Mobile County just as a site location consultant, analyzing various communities on behalf of a corporate client, would conduct an assessment. This methodology uses a survey instrument used by the team to note Mobile County's assets and challenges as it relates to economic growth for the area.



The assessment can be found as Exhibit 1 in the Appendix. This assessment is based on what many corporate clients consider important to their business success. What is important to one particular industry or business sector may not be as important to another; thus, the subjective nature of this particular assessment.

The Team's assessment takes into consideration eighty-one specific community criteria. The criteria measured are under categories including: labor market, accessibility, occupancy, utilities, environmental, business climate and operating environment, and quality of life. Rankings of these factors were categorized as a weakness, normal or strength. The majority of the category rankings were either in the normal or weakness range.

Our analysis of the assets and challenges of Mobile County as it relates to economic development is summarized under our Findings and Conclusions.

B. Economic Assessment of the Mobile Area

INTRODUCTION

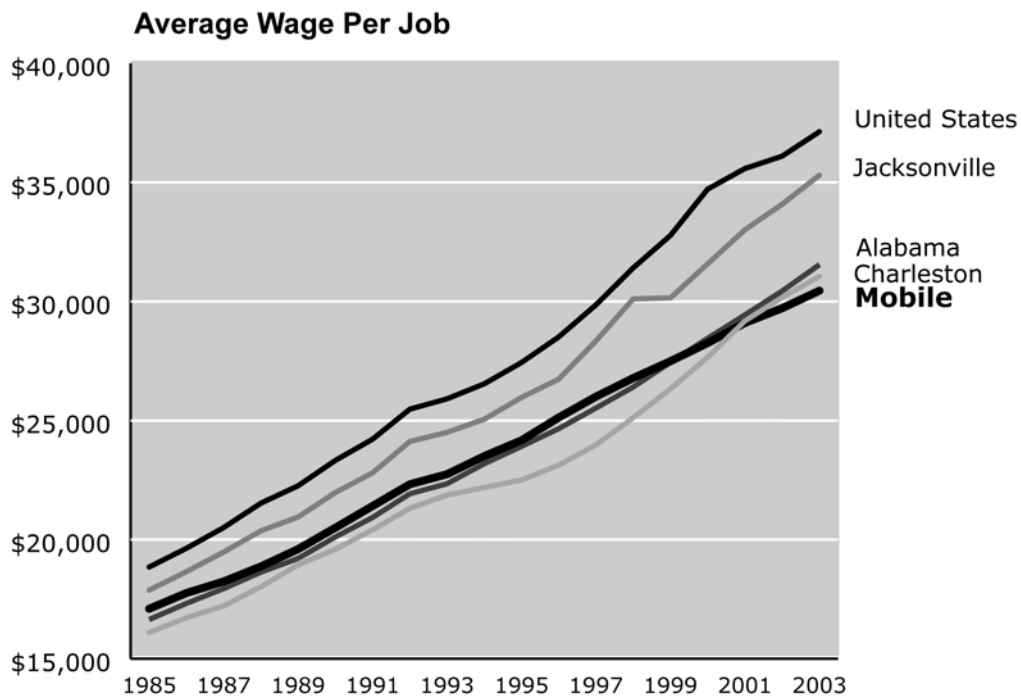
This economic assessment report of the Mobile, Alabama Metropolitan Statistical Area provides an objective evaluation of the area's current economic trends and dynamics. The report relies heavily on accepted measures of economic well-being, such as employment growth and relative wages. Critical to a comprehensive assessment are comparisons to benchmarks. Throughout this report, economic activity in Mobile is measured against time, the nation, the state of Alabama, and two comparable metro economies selected by the client: Charleston, South Carolina, and Jacksonville, Florida.

WAGES AND INCOME

In 2003, the annual average wage per job in the Mobile metro was \$30,453 (most current data available). The annual average wage per job is a standard measure of relative wages calculated annually by the U.S. Bureau of Economic Analysis. The average wage per job is computed per job, not person, with both full and part-time jobs included. Average wage per job figures cover only jobs in a particular geography, and do not measure wages for workers who commute-out for employment. Since 1985, the average wage per job in Mobile has been below the nation, and the Jacksonville metro (see Chart 1). Until 1999, Mobile's average wage per job was greater than the state's, although in the most recent four years the figure has fallen below. Currently, the Mobile average wage per job is below the nation (-\$6,677), state (-\$1,095), and two selected comparable metros (-\$601, -4,849 for Charleston and Jacksonville respectively).

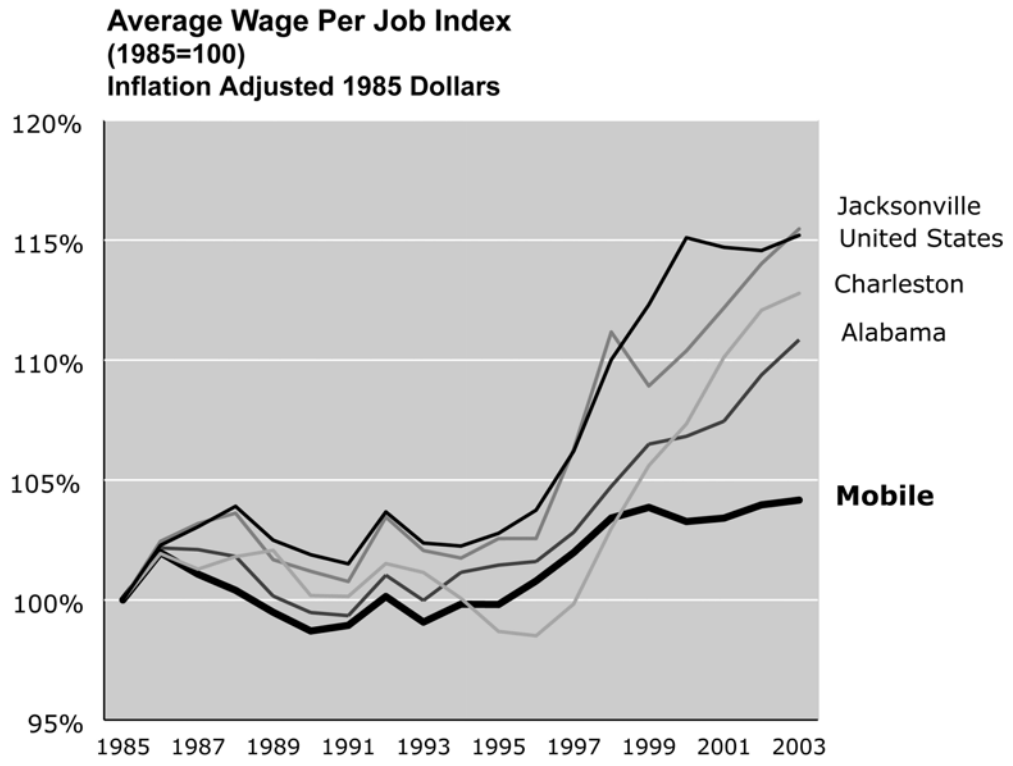
A striking comparison in relative annual average wage per job growth since 1985 is shown by indexing all the geographies to 100 in 1985, while also removing the effects of inflation (see Chart 2). As can be observed, the Mobile metro experienced negative wage growth in the early 1990's, that is, the change in annual average wages was less than the rate of inflation in each of those years. For the 1985 to 2003 period, Mobile performed below the nation, state, and selected comparable metros, excepting for 1995-1998 when Charleston dipped below.

Chart 1



Source: U.S. Bureau of Economic Analysis, unadjusted

Chart 2

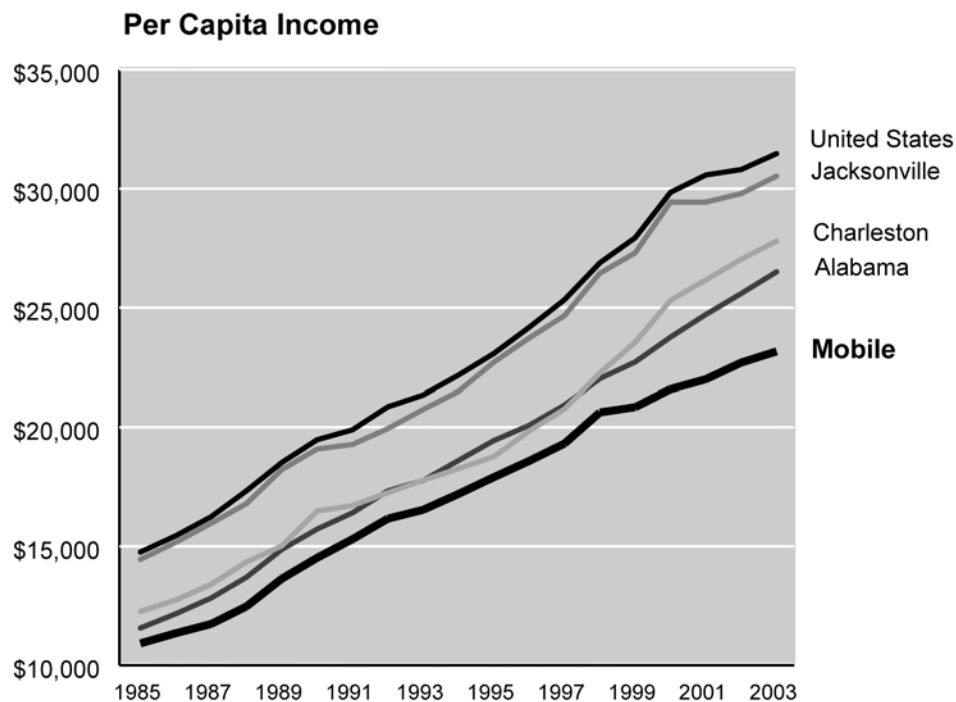


Source: U.S. Bureau of Economic Analysis, author's calculations

A broader economic measure than the annual average wage per job is per capita income.¹ In 2003, the most current data available, per capita income in the Mobile metro equaled \$26,164. The figure is below the nation (-\$8,308), state (-\$3,341), and two selected comparable metros (-\$4,633, -\$7,361 for Charleston and Jacksonville respectively). Similar to the annual wage per job, since 1985, per capita income in Mobile has been below the nation, state, and the comparable metros (see Charts 3).

As with the average wage per job, relative per capita income growth since 1985 is shown by indexing all the geographies to 100 in 1985, while also removing the effects of inflation (see Chart 4). As can be observed, the Mobile metro experienced growth rates similar to the state until 1998. From 1998 to 2003, the Mobile figure has been essentially flat.

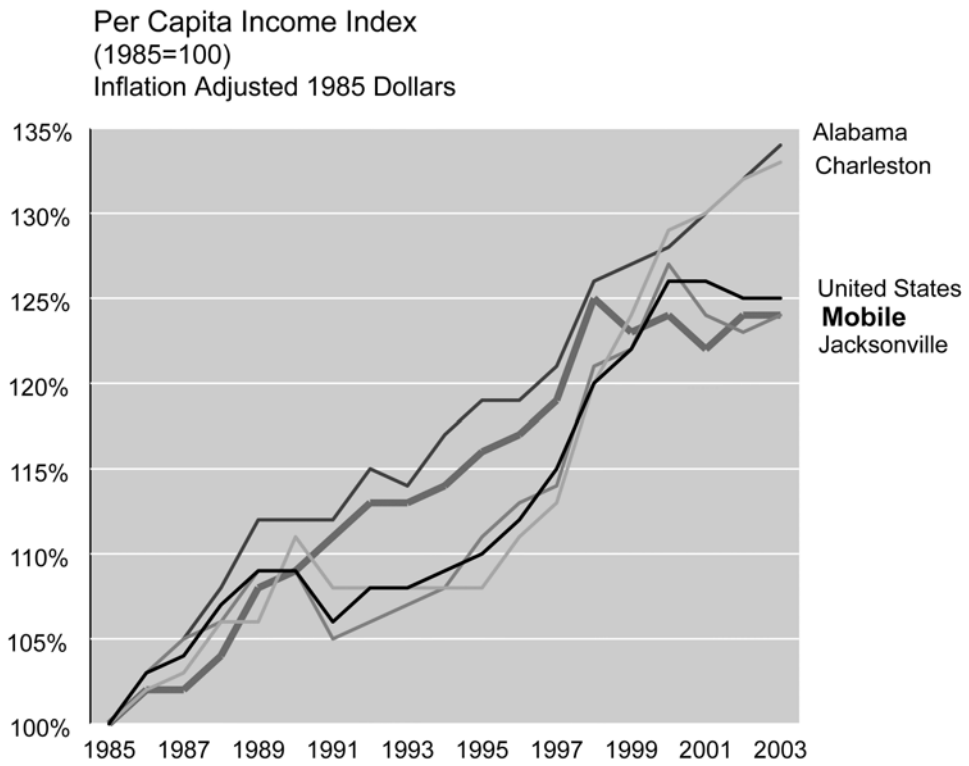
Chart 3



Source: U.S. Bureau of Economic Analysis, unadjusted

¹ Per capita income is calculated as the total personal income of the residents of an area (including those commuting-out for employment) divided by the population of the area. In addition to wages (earnings), personal income also includes employer contributions to private health and pension funds, government employee retirement plans, lump-sum payments not received as part of earnings, transfer payments, certain in-kind transfer payments such as Medicaid, Medicare, and food stamps and all interest received by individuals

Chart 4

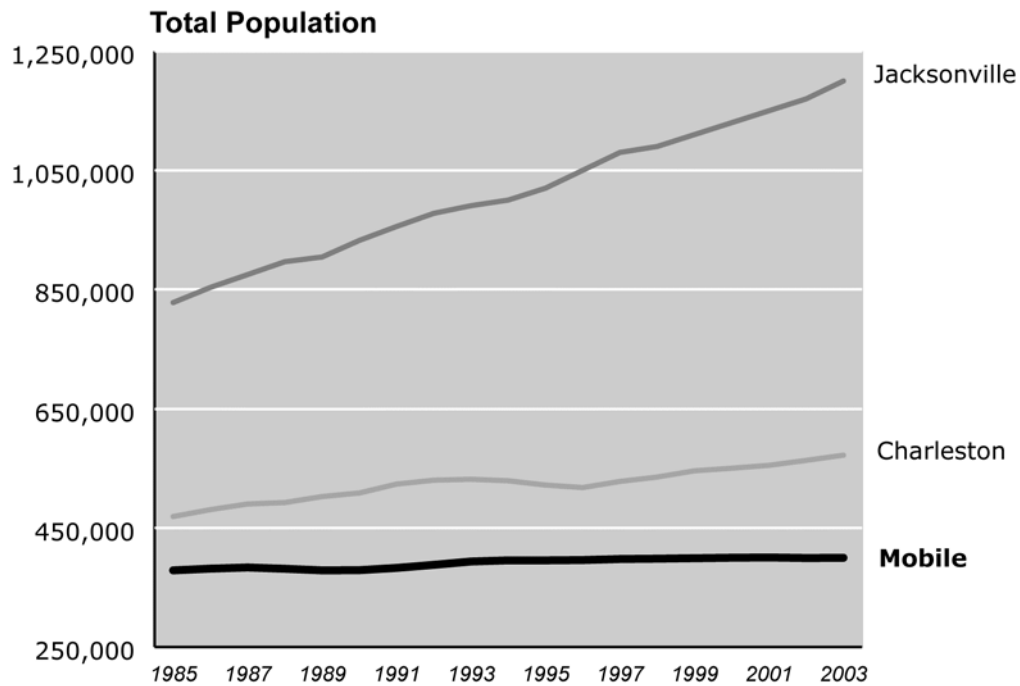


Source: U.S. Bureau of Economic Analysis, author's calculations

POPULATION GROWTH

According to estimates by the U.S. Census Bureau, population in the Mobile metro (Mobile County) totaled 400,526 in 2004. In the five years since 1999, the population has grown by just 0.3 percent, or 1,203 more persons. Over a longer period, 1985 to 2004, population increased by 5.7 percent or 21,679 more persons. This pattern of mild population growth in the Mobile metro has not occurred in the nation, state or comparable metros (see Chart 5, Chart 6, and Table A).

Chart 5



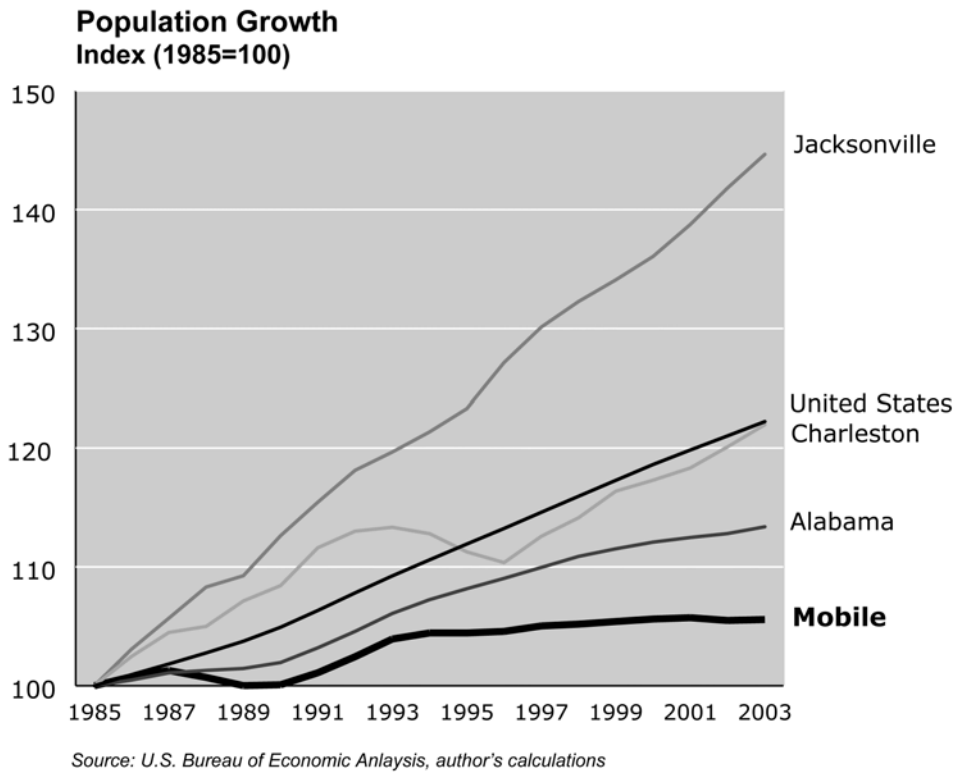
Source: U.S. Bureau of Economic Analysis

Table A

	Population	Percent Change	
	2004	1985-2004	1999-2004
Mobile	400,526	5.7	0.4
Alabama	4,530,182	14.0	2.3
United States	293,655,404	23.4	5.2
Charleston	583,434	24.3	6.8
Jacksonville	1,225,381	48.0	10.4

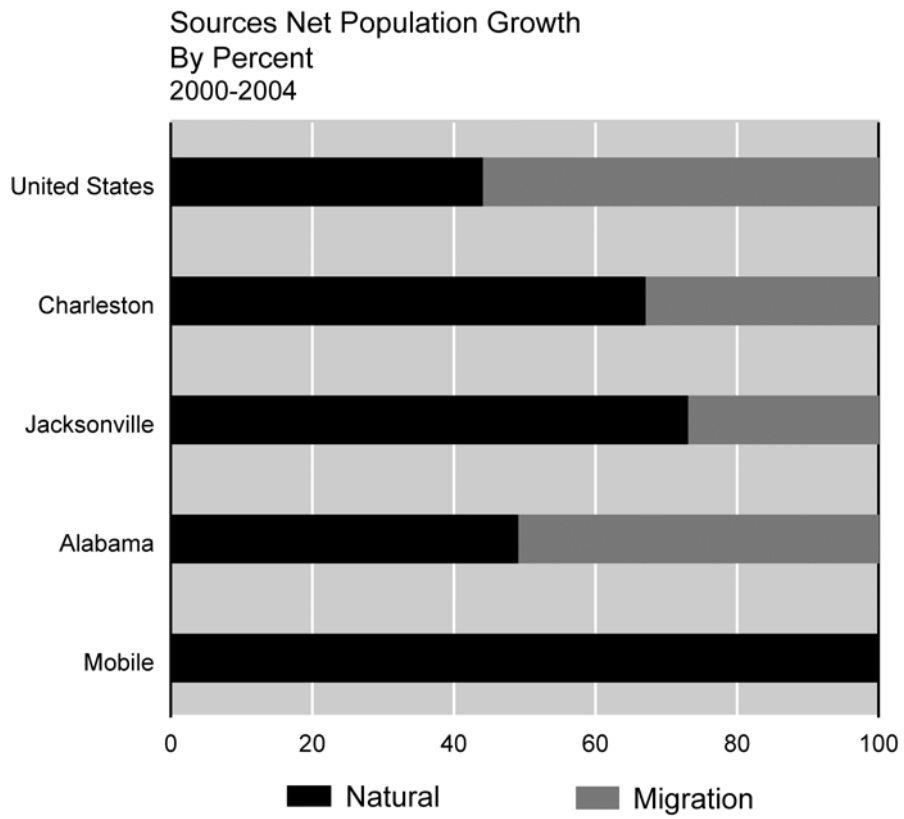
Sources: Bureau of Economic Analysis, U.S. Census Bureau

Chart 6



The basis of mild population growth can be traced to out-migration surpassing in-migration. According to information collected from the U.S Census Bureau, between 1995 and 2000, Mobile County experienced a net population migration loss of 12,691 persons (39,697 in-migrants minus 52,388 out-migrants). Total net population gains for the period were solely from natural increases (births over deaths). The source of population most recent growth by percent from 2000 to 2004, is contrasted among benchmarks geographies in Chart 7.

Chart 7

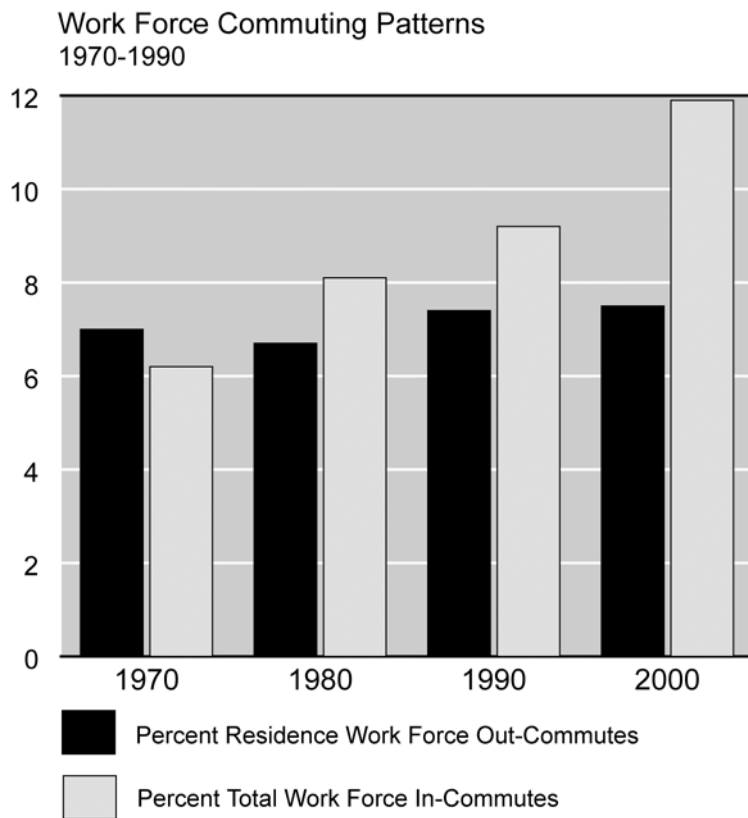


Net natural equals births greater than deaths, net migration equals in-migration greater than out-migration. Source: U.S. Census Bureau, author's calculations

WORKFORCE COMMUTING

An objective assessment of employment trends must address the role of cross-county workforce commuting. All areas experience some amount of nonresident cross-county workforce activity, whether in-commuting or out-commuting. Commuting data is available only once every ten years from the decennial nationwide census. According to data collected in 2000, commuters into Mobile totaled 20,122 workers, equal to about 12 percent of total local employment. Since 1970, the number of in-commuters has increased at each census, as has their proportion of total employment. The historic commuting trend also shows that out-commuting has held to between 7 and 7.5 percent of the total residence workforce over the last 30 years (see Chart 8).

Chart 8

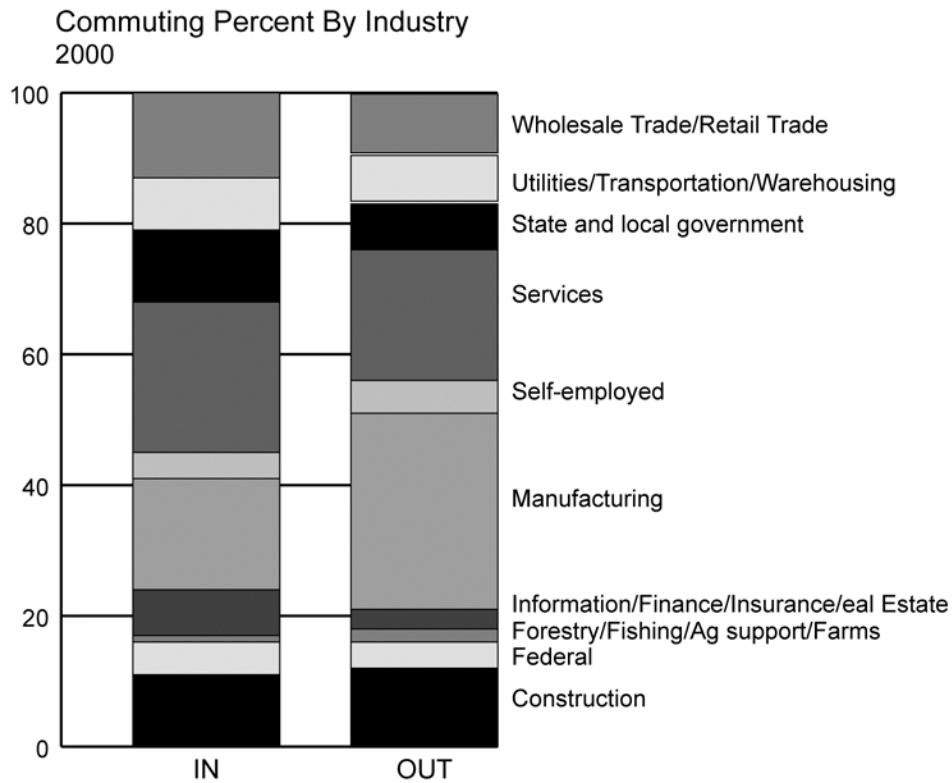


Source: U.S. Bureau of Economic Analysis, U.S. Census Bureau

Baldwin County, Alabama is the residence location of the largest number of in-commuters, 63 percent of the total, or 12,615 workers in 2000. Jackson County, Mississippi, accounts for the second largest number of in-commutes at a much lower 7 percent of total, or 1,310 workers. The destination of out-commuters is similarly dominated by Baldwin County, at 3,425 workers or 28 percent of the total, and Jackson County, at 4,180 or 35 percent of the total.

An examination of commuting by industry in 2000 reveals that 23 percent of in-commuters are employed in services, and 17 percent in manufacturing. Out-commuting employment is lead by manufacturing employment at 30 percent of all out-commuters, and services at 20 percent (see Chart 9).

Chart 9

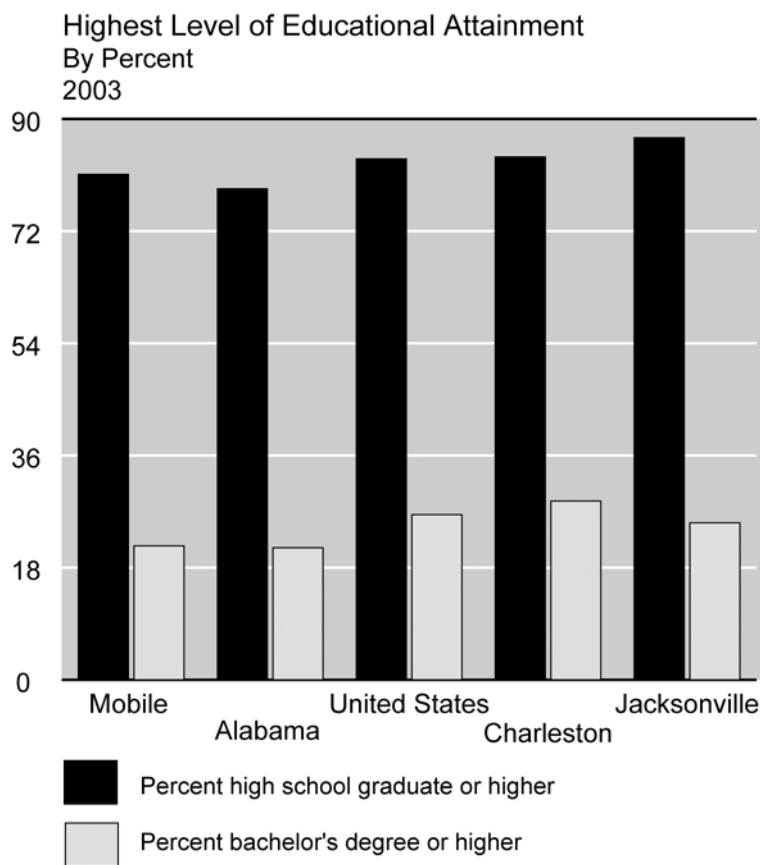


Source: U.S. Bureau of Economic Analysis, U.S. Census Bureau

EDUCATIONAL ATTAINMENT

Generally, the percent of the population age 25 and over with higher levels of educational attainment is less in Mobile than in the nation and the two comparable metros. The percent with high school degrees or higher is slightly above the state level, while the percent with bachelor's degrees or higher is equal to the state (see Chart 10 and Table B). For the 1990-2003 period, the Mobile metro saw significant gains in educational attainment among those earning a high school degree or higher, increasing by 11 percentage points. Over the same period, the percent of those with a bachelor's degree or higher increased by 6 point, slightly more than the state and just two percentage points below the national increase (see Chart 11).

Chart 10



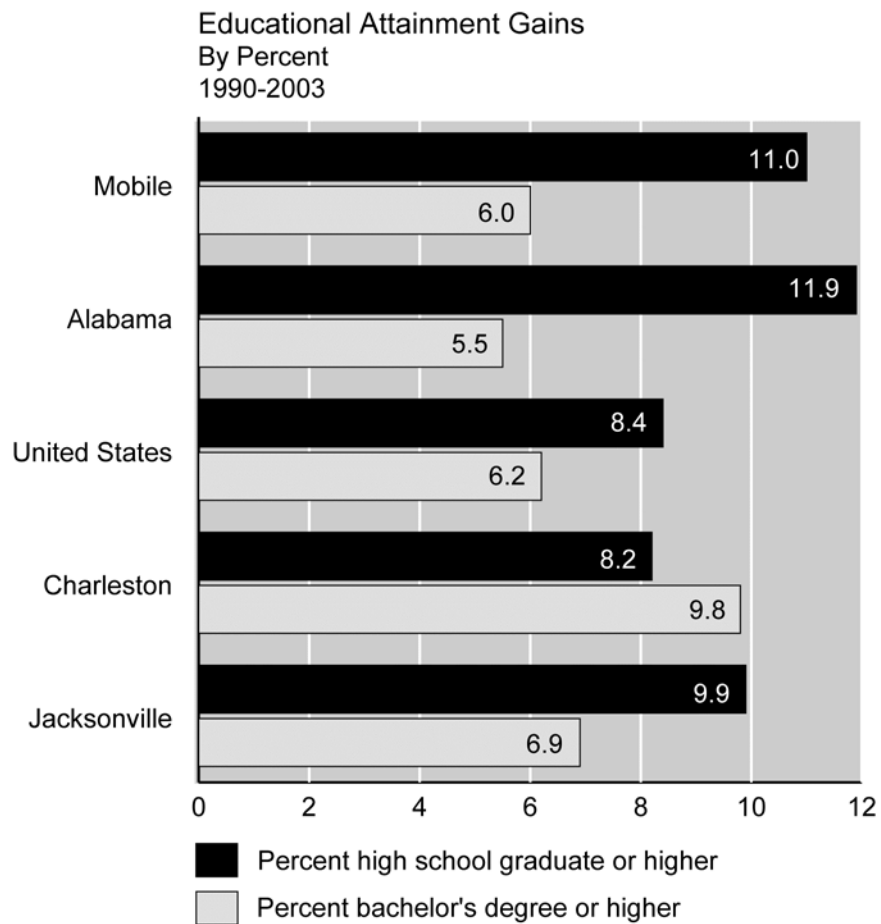
Source: U.S. Census Bureau

Table A

EDUCATIONAL ATTAINMENT. Population 25 years and over	Mobile	Alabama	United States	Charleston	Jacksonville
Less than 9th grade	4.4	7.0	6.4	6.0	3.6
9th to 12th grade, no diploma	14.4	14.2	9.9	10.1	9.3
High school graduate (including equivalency)	35.1	30.8	29.8	29.6	31.4
Some college, no degree	20.1	20.4	20.3	20.1	22.0
Associate degree	4.5	6.5	7.0	5.5	8.4
Bachelor's degree	14.2	13.8	16.9	18.2	17.5
Graduate or professional degree	7.3	7.3	9.7	10.4	7.7
Percent high school graduate or higher	81.1	78.8	83.6	83.9	87.0
Percent bachelor's degree or higher	21.5	21.2	26.5	28.7	25.2

Source: U.S. Census Bureau, 2003

Chart 11



Source: U.S. Census Bureau

INDUSTRY COMPOSITION

Industry sector employment composition is examined to roughly gauge economic diversity and note significant structural disparities. Employment by percentage in major industry sectors is shown in Table C, as compared to the Mobile metro. While no considerable disparities are readily apparent, two differences are noteworthy: the smaller relative percentage of Federal Government employment, and the higher relative percentage of Trade/Transportation/Utilities employment. More detailed industry breakdowns are examined further in this assessment.

Table C

Percent of Employment 2003

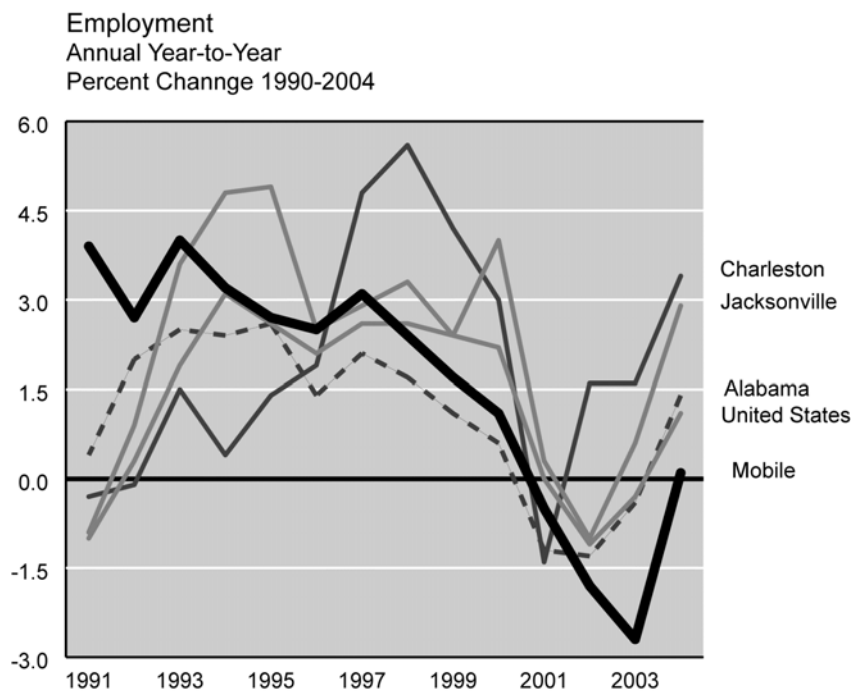
	Mobile	US	Alabama	Charleston	Jacksonville
Total					
Private	83.2	83.8	81.3	79.6	86.8
Federal Government	1.5	2.2	2.8	3.2	3.4
State Government	5.6	3.5	4.7	7.7	2.1
Local Government	9.7	10.6	11.2	9.5	7.7
Private					
Natural Resources and Mining	0.9	1.5	1.4	0.6	0.6
Construction	7.9	6.2	6.7	8.7	7.7
Manufacturing	11.3	13.5	19.8	10.3	7.1
Trade, Transportation, and Utilities	26.6	23.4	24.8	25.6	25.5
Information	1.8	3.0	2.1	1.8	2.6
Financial Activities	6.5	7.3	6.4	5.3	11.9
Professional and Business Services	15.2	14.8	12.6	14.9	16.0
Private Education and Health Services	14.7	14.7	12.4	12.7	13.6
Leisure and Hospitality	10.7	11.4	10.4	16.2	11.4
Other Services	4.4	4.0	3.2	3.6	3.7

Source: Bureau of Labor Statistics. May not total 100% due to rounding.

EMPLOYMENT TRENDS

According to the U.S. Bureau of Labor Statistics, total nonfarm civilian employment in the Mobile metro equaled 174,200 as of the first quarter of 2005. The number is 6,300 or 3.7 percent higher than one year earlier, but still below the totals in 1999, 2000, and 2001, (2001 holds the all-time employment high for the first quarter at 177,300). A detailed comparison of annual year-to-year percent changes in total civilian nonfarm employment from 1990-2005 (see Chart 12), clearly shows the severe employment impact for the period of the most recent recession.² By percentage, the Mobile metro experienced the deepest employment decline compared to the nation, state, and comparable metros, falling to 2.7 percent below its annual totals from 2002 to 2003. For the five-year 1990-1995 period, Mobile experienced an employment growth rate over the nation, state and comparable metros, while lower in 1995-2000 and 2000-2004 periods, relative to the other comparisons (see Table D and Chart 13). More recently, monthly year-to-year changes for the first quarter of 2005 show employment growth up in the Mobile metro, with rates topping the nation, state and comparable metros.

Chart 12



Source: U.S. Bureau of Economic Analysis, author's calculations

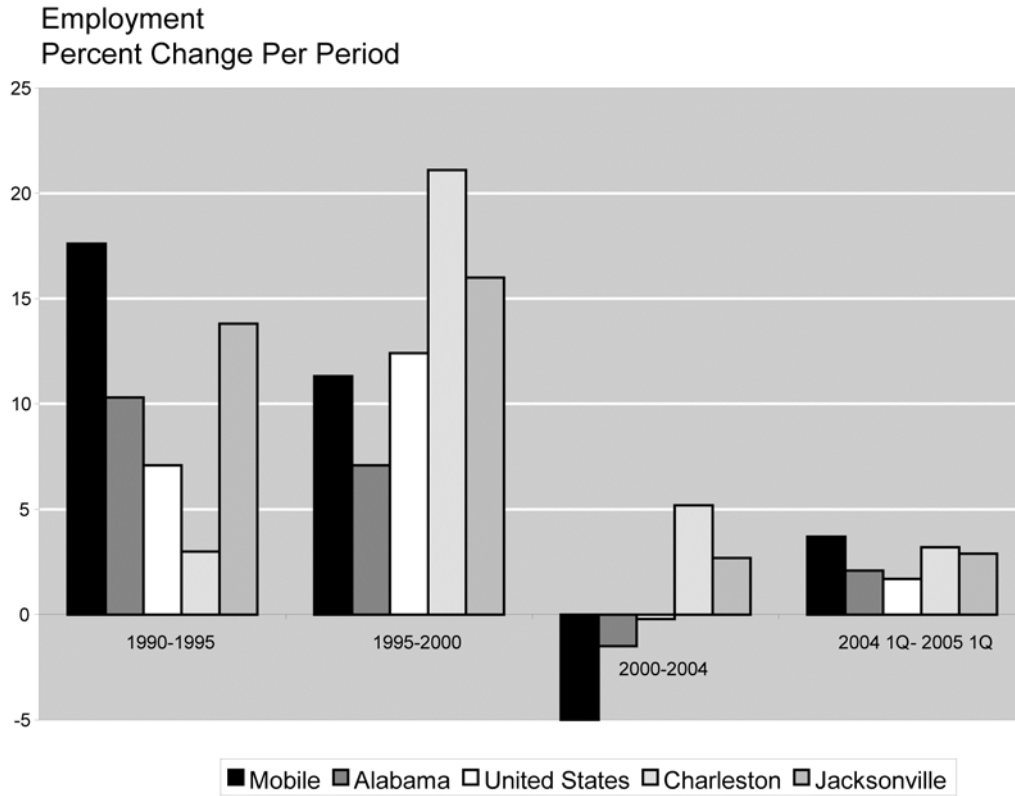
² The Business Cycle Dating Committee of the National Bureau of Economic Research dated the recession to have begun in March 2001 and end in November 2001; however, a continued downturn in regional employment activity was widespread. Recently, studies by the Federal Reserve Bank have suggested that in terms of employment, the recession ended as late as August 2003.

Table D

	1990-1995	1995-2000	2000-2004	2004 1Q- 2005 1Q
Mobile	17.6	11.3	-5.0	3.7
Alabama	10.3	7.1	-1.5	2.1
United States	7.1	12.4	-0.2	1.7
Charleston	3.0	21.1	5.2	3.2
Jacksonville	13.8	16.0	2.7	2.9

Sources: U.S. Bureau of Labor Statistics

Chart 13



Source: U.S. Bureau of Labor Statistics

INDUSTRIAL VACANCY RATES

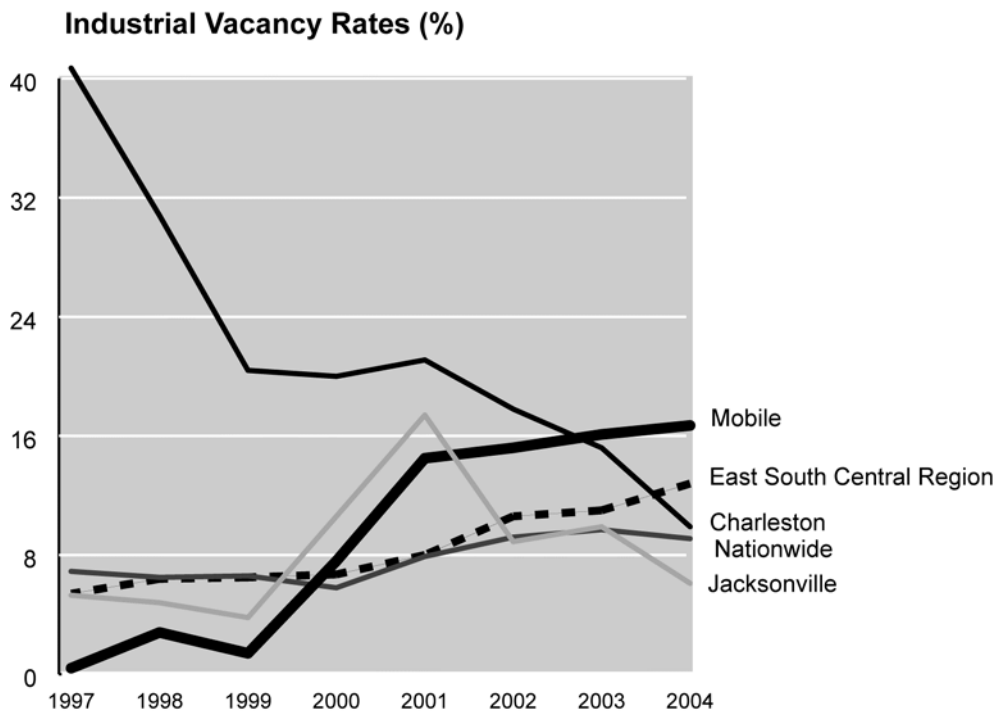
Below is a brief comparison of industrial vacancy rates in the commercial real estate market of Mobile and Baldwin Counties. Since 1997, the vacancy rate has increased from 0.4 percent in 1997 to 16.7 percent in 2004 (see Table E). The rising trend in the Mobile area differs from the trend in other comparable geographies (see Chart 14).

Table E

	Inventory (sf)	Vacant Space (sf)	Vacancy Rate
1997	12,410,000	50,000	0.4%
1998	13,030,000	365,000	2.8%
1999	13,630,000	196,000	1.4%
2000	13,670,000	1,040,000	7.6%
2001	14,310,000	2,081,000	14.5%
2002	14,250,000	2,161,000	15.2%
2003	14,330,000	2,300,000	16.1%
2004	14,360,000	2,400,000	16.7%

Source: SIOR Industrial Survey, includes Mobile and Baldwin Counties

Chart 14



Source: SIOR Industrial Survey, includes Mobile and Baldwin Counties

C. Individual Interviews and Focus Groups

The Team then conducted 47 personal interviews regarding Mobile County in July and August. These interview respondents were selected by the Mobile County Steering Committee based on specific criteria the Team provided as the type of representation needed for input. Of the 47 interviewed, 21 represented the private sector and 17 consisted of individuals in the public, education or non-profit sectors. Others were economic development allies such as site location consultants. There were four focus groups used representing education, small businesses, mid to large businesses and real estate developers, respectively. Following is a summary of the top responses from the interviews and focus groups.

Economic Development Survey for Mobile County, Alabama

Data compiled in July and August, 2005

Interview Profile:

Total interviewed, includes focus groups with educators, developers, small business owners and mid-large employers: 47

Private Sector: 21

Quasi public, not for profits and educators: 17

Elected officials: 4

Site location consultants and other economic development allies: 5

****Please note: The numbers within the () in the following results represent the total number of respondents who gave a similar response.**

1. What are the three greatest needs within the business community?

- Improve the quality of education for K-12 and for workforce training (15)
- Quality, livable wage jobs (12)
- Annexation to increase tax base (6)
- Access to capital for small business (5)
- Attract Corporate Headquarters' -they provide business leadership (3)
- Additional downtown attractions (2)
- Business friendly and consistent governments (2)
- Cultivate the creative class
- Lessen real estate lending difficulty for developers/contractors
- Improve cooperation between the city and county governments
- Lack of technology within the governments hinders speedy permit service, etc.
- Structural change to address Prichard
- Enhance involvement of the business community-disconnect exists of new and young businesses
- African/American leadership needs to be more engaged
- Transportation improvement, particularly roads, & I-10 capacities
- Completing docks infrastructure
- Need higher grade level of hotel accommodations downtown
- Economic diversification to raise the standard of living
- Aggressive tax abatements for new and expanding companies
- Reduce taxes, ease the difficulty of big business in the area, and create a more business friendly environment
- Leadership training for businesspeople and elected officials
- Do an economic impact analysis before expensive decisions are made by the public sector to see the value of what is being proposed and its impact on the region

2. On a scale of 1 to 10 with ten being best, how would you rate the business climate of³

Mobile?

1	5.05	10
worst	moderate	best

Mobile County?

1	5	7.35	10
worst	moderate		best

Comments regarding the City:.

- Process & time difficulty in permitting; engineering dept won't make decisions because of fear of retribution; over active legal advice given to planning commission (2)
- The governments work well in response to prospect activity (2)
- One-stop permitting-“it stops at that point”
- Conflict exists between departments that stifle decisions, not focused on encouraging the client but focused on being restrictive, the economic impact is not evaluated, inconsistency in the treatment of applicants
- City has the best people in engaged in the development process in a long time
- Constant bickering between the mayor and city council

Comments regarding the County:

- Better Attitude-good response-flexible (7)
- Proactive in working towards economic development in the past two years
- Better at being more inclusive
- Invests time to meet with developers to discuss new processes
- Zoning needs attention
- Need for replacement business to make up for all we have lost
- Commend the County for taking this initiative to be better than we are
- Lack of land use planning in the county greatly challenges development efforts
- Good support from the county, but felt the city lacked “interest”
- County policies less restrictive than city
- Streamline city and county regulations to make development process smoother
- The County is hungry for growth. The City says they are, but the bureaucracy doesn't support Council's policies to pursue economic growth

3. What are three benefits of locating and living in Mobile?

- Cost of living is affordable (10)
- Climate (9)
- Abundant recreational opportunities (6)
- Quality of life (5)
- People (4)

³ Business climate is defined as though local laws, policies, procedures and customer support by government that impacts business.

- The transportation access is great (3)
- Lack of congestion (3)
- Water (3)
- Location (2)
- Historical value (2)
- Variety of medical services available (2)
- Racial harmony (2)
- Higher education opportunities (2)
- Proximity to other major cities (2)
- Sense of community is very strong
- Regional population growth (Baldwin County is growing)
- Favorable tax climate

4. If you were the mayor or county commission president, what three things would you change about the area?

- Try to influence a change in the education system (6)
- Eliminate the city and county funding for the chamber of commerce due to potential conflict of mission (5)
- Find someone or an entity to take charge of economic development that can offer leadership and a pragmatic strategy for business recruitment (5)
- Do a targeted approach in business recruitment efforts (4)
- Redevelop downtown (3)
- Consolidate city and county government (3)
- Baldwin County should be a formal partner in Mobile's economic efforts (3)
- Improve air service (2)
- Improve economic conditions of African Americans (2)
- Support Annexation-critical to economic growth (2)
- Common goal focused-vision strategy
- Form of government is weak in structure with the simple majority-no one has the lead responsibility
- Eliminate executive session of the planning commission
- Tax reform
- Decisions that aren't based on partisan politics
- Make the water and wastewater boards' private
- More professionalism in economic development
- Greater emphasis on vocational training
- Have a transportation plan
- Enhance the cultural opportunities
- Change the attitude of city employees
- Increase funding for economic development
- Work harder to improve race relations
- Work on preparedness and readiness in terms of site and park development
- Work on dock development

- Bring new business leaders into leadership structure
- Create opportunities for increasing wealth in the community through more successful job creation efforts
- Decrease sales tax
- Institute a small business advocacy program (beyond the incubator)
- County needs to move five commissioners for better representation
- Better road access to the airport-perhaps a light rail system
- Develop Bishop College into a four-year College
- Increase funding for the Port
- Improve recreational facilities/amenities
- Work to end divisiveness in the community
- Put an end to social programs being disguised at economic development programs
- Be more of a sports city
- Work on creating a career pathways initiative in middle school and high school
- Work on improving the community's aesthetics
- The mayor should not make all of the key board and commission appointments. We need a blend of ideas rather than just one

5. How do you see your area in the future?

- It won't be good if we don't look at ourselves honestly and objectively and stop patting ourselves on the back for doing mediocre work (4)
- Bright future for Mobile as a logistics/transportation hub (2)
- Solve the racial disharmony, and the future might be bright (2)
- EADS might be an anomaly. The last big announcement we had was in 1994 with IPTN. Then the Indonesian government imploded and the project went away
- Need to work with Baldwin County to maximize the area's economic abilities
- Improved perspective
- Must be proactive
- Local government has the attitude we will take any business interested in Mobile regardless of the impact
- Challenging
- Downtown will become more vibrant and viable
- In migration of people from the EADS project
- Latin American relations have increased
- Attracting retirees-with a demand for health care services
- Environmental stress on coastal area (i.e. wastewater in South portion of the county)
- Mobile is entering into one of the better periods of prosperity
- Fantastic
- A resurgence of the downtown
- Without annexation, stagnant
- Growth will be flat if we support "business as usual"
- Cultural stagnation
- We need a community pride campaign

6. Does your business feel supported by the local community?

- Yes, by the local governments and the community residents
- Yes, and it was not always that way. There are new faces/new leaders that are pushing Mobile to be more progressive
- Yes, more cooperative efforts between the governments, including the state, in the past couple of years

7. What would make you leave the Mobile area?

- Nothing (3)
- Career opportunity elsewhere (3)
- Leadership that unreasonably restricts growth
- Wasted opportunities
- Baldwin County growth. Move to Baldwin where the action is
- Crime
- Undesired growth
- Loss of employment
- Deterioration of the city
- Heavy increase in property taxes

8. What other types of companies do you want to see in this area?

- Technology based (5)
- Corporate headquarters (4)
- Aviation related (4)
- Auto assembly or related suppliers (3)
- Large distribution companies (3)
- Businesses that pay good wages and benefits (3)
- Environmental technology (2)
- Health care (2)
- Financial services
- Transportation related, but Mobile has a disadvantage because 50% of its distribution market is water
- Job training and education
- Customs services
- General manufacturing
- Incubator type companies
- Businesses with strong support towards the community (giving back)
- Businesses sensitive to environmental matters
- Biotech associated with the cancer center
- Homegrown businesses
- Clean, caring and honest companies
- Environmentally friendly
- Manufacturing
- More cruise lines
- Healthcare

- Financial Services
- International companies
- Maritime related
- Diverse blend of retail

9. What types of companies would you not want in the area?

- Environmentally insensitive businesses (8)
- Chemical related (3)
- Companies that pay only minimum wage (3)
- LNG (3)
- Outbound call centers
- Petroleum companies
- Paper mills
- High capital investment, low employment numbers
- Gaming Industry
- Those companies not supportive of the community

10. How do you see the current labor situation in your area (both quality and availability)?

- Quantity – Good. Quality – fair to poor (27)
- For many industries it is a problem-only 25% have a college degree (5)
- Vocational training model not developed; culture of junior college not properly focused (2)
- There may be a large underemployed work force here, but no way of knowing unless a true labor survey is undertaken
- The wage rates in Mobile are higher in certain sectors because of the chemical industry
- The rate of unionization is higher in Mobile than other peer cities in the southeast. 14% unionization rate in Mobile versus 5% in the southeast
- Alabama has a higher workers comp rate than any other state in the southeast except for MS

11. What infrastructure is missing or unsatisfactory in the area?

- Roads need improvement (5)
- Bridge over Mobile River needed instead of tunnel (5)
- Access to river (2)
- Increase activity downtown (Nothing to do but eat once tourists leave the ship) (2)
- Bike paths and other means to connect green space (2)
- An effective Sports Commission
- Maritime training institute
- Work force initiatives and better coordination
- Need education improvement
- Sidewalks need repair
- Sewer in South Mobile County

- Safety-fire and police
- The docks need improvement
- Enhance cultural performing centers/venues
- Improve Interstates 10, 65,
- West corridor link to I- 10 & 65
- Industrial park space
- City more pedestrian friendly
- Enhance the hurricane evacuation system
- Need Wi Fi availability throughout the community
- Inter-city transportation
- Green space downtown
- Provide wastewater to unserved areas
- Perimeter roads are confusing and too many stoplights

12. According to estimates by the U.S. Census Bureau, in the five years since 1999, the population of Mobile County has grown by just 0.3 percent,, (nearly flat). Although current employment is up over last year according to the U.S. Census Bureau of Labor Statistics, the number is still less than the number employed in 1999, 2000, 2001, and 2002. What do you attribute as the cause(s) for these results?

- People are moving to Baldwin County for “better” schools and housing, e.g. (perceived “white flight”) (12)
- Job loss due to loss of manufacturers (8)
- Poor business recruitment strategies and leadership (4)
- Population-misleading by not including Baldwin County (3)
- We weren’t working aggressively enough on replacing the businesses we lost
- Industry clusters fading
- Corporate relocations
- Geographic location
- Lack of opportunity
- The tax structure is hindered by anti-growth proponents
- The statistics being used are lagging and don’t capture “expected” growth
- It is wrong to compare Mobile to other cities because other cities have not had the job losses (employer losses) that Mobile has experienced
- The basic industry has faded and Mobile is transitioning into a tech sector, much like the national economy
- Baldwin County is attractive to retirees
- Negative media
- City Council is divisive
- Baldwin has their act together. “They are eating our lunch, and I respect them for their success”

13. On a scale of 1 to 10 with 10 being the highest, how do you rate the Mobile region’s economic development efforts over the last five years? This would include all parties engaged in economic development efforts, e.g. the Chamber, the City, the County, MAA, USA, the Port Authority, etc. .

1	5.33	10
worst	average	best

14. Based on the rating above, please elaborate. If you wish to single out one or more organizations for further dialog, please do so.

- We need an economic development quarterback that has a national presence and reputation. Someone who can help us get the doors opened proactively rather than relying on others to generate prospects for us⁴ (5)
- Very pleased with how well the organizations work together; there is a strong economic development capability present⁵. (4)
- We are reactive rather than proactive (4)
- Weak leadership from the Chamber (4)
- Need to have a real regional economic development program with Mobile and Baldwin Counties⁶ (4)
- Mobile Airport Authority can be difficult to work with⁷ (3)
- Do not want to see a splintered effort (3)
- Prospects see a seamless team (2)
- Need an experienced, seasoned, well networked professional leading the economic development effort (2)
- Impressed with the *Mobile Works* organization
- There’s too much negativism and finger pointing
- The State Docks (AL Port Authority) does a good job
- CVB should not have been separated from the Chamber in the late 80’s. Now, I wouldn’t want them part of the Chamber
- Chamber needs to be better focused on economic development rather than trying to be everything to everybody
- Need the best people possible to lead the economic development effort
- Who is in charge of economic development?
- Need to support the real estate industry proactively. They are the ones who are selling this community
- The efforts are not communicated effectively
- Sometimes politics interfere, skirmishes for credit, or who is in charge
- Targeting could be better

⁴ Respondents represented local, state and national organizations

⁵ Local and state respondent comments

⁶ Local, state and national respondent comments

⁷ State and national respondent comments

- There is a concern about the capability of the Commissioners. The County has no expertise in business attraction
- The chamber fund raising exceeded goal-documents the broad support for the chamber
- Would like to see more funding for economic development
- Weak State support/participation in Mobile
- Steady improvement in coordination, especially the last couple of years
- The level of optimism is at its highest
- There has been a good job of diversifying the economy with a multi-cluster approach
- The power company has too much muscle with economic development in the community
- Project presentations are first class by the Chamber
- Need to have representation from all of the municipalities in Mobile County on some sort of oversight board for economic development

15. Are there any other issues of concern to you?

- Government employees need to be supportive (2)
- Brand Mobile Bay as an economic development location (2)
- Mobile lost the America's Junior Miss, the Bay Sharks, the farm teams for hockey and baseball, and the residents don't seem to care (2)
- Residents in West Mobile have difficult with road transportation
- Play off of Baldwin County as an asset
- Factions entrenched and won't meet compromises, or resolve impasses
- The value of education is not discussed among the political leaders
- Need to focus on career tracking and vocational training in earlier years of student's lives
- Focus on creating jobs and wealth
- There may be a better theoretical model for an organization but the current structure works
- Improve or change image
- Support the USA Tech Park
- Put more funding emphasis on small business
- Work on ethics and collaboration with the churches
- Don't revert to smokestack chasing
- Need to bolster Higher Education
- The area is more cohesive-not a lot of separations of counties, cities, to the prospect-they see us as a region
- Need for private sector dollars to help support economic development efforts
- Why isn't more being done to locate business in Mobile Commerce Park? It has the location and infrastructure
- Community pride and training of people is paramount to success
- "If Mobile can survive the first paper cut by site location consultants and companies, then Mobile has a compelling story to tell"⁸

⁸ Site location consultant respondent



V. Findings and Conclusions

V. Findings and Conclusions



In balance, the County's assets and challenges show an area with advantages for attracting new and expanding industry and for developing its own "homegrown" industries. The area has unique advantages that need to be promoted and enhanced. However, the area disadvantages could be strong enough to restrict meaningful development in the area.

The Mobile area is at a critical point of transition in which it must move to one that is more attuned to the regional, national and global economy if it is to flourish. Positive changes have begun and are strengthening. However, progress will take time and must begin with some basic, but preparative steps. These steps include building from the area's strengths while lessening its weaknesses.

Areas of Concern

1. Over the last 20 years, Mobile County has only seen net positive economic growth from 1990-1995. During that short time period, Mobile's growth surpassed the nation, state and the benchmark communities of Jacksonville, FL and Charleston, SC.
2. According to estimates by the U.S. Census Bureau, population in the Mobile metro totaled 400,526 in 2004. In the five years since 1999, the population has grown by just 0.3 percent, or 1,203 more persons. Over a longer period, 1985 to 2004, population increased by 5.7 percent or 21,679 more persons. This pattern of mild population growth in the Mobile metro has not occurred in the nation, state or comparable metros.
3. According to the U.S. Bureau of Economic Analysis, in 1997, Mobile County had 9,426 private business establishments. In 2004, there were a total of 9,270, a loss of 156 business establishments.
4. Reasons for this stagnant or in some cases, depressed growth are attributed to several factors. They include the reduction in employment and closings of large employers in various industry clusters in the early 2000's. Questionable local strategies for job creation placed greater emphasis of retention and expansion of existing business when more emphasis should have been placed on growing the economy through diversification of industries as it was from 1985-1995, especially when a number of the existing industry clusters were closing or reducing its work force considerably. Evidence to support this finding include the Mobile Chamber's Partners for Growth capital campaign for economic development which has a 5 year budget of \$7 million of which \$3.7 million is allocated for existing business retention and expansion and \$2.6 million is set aside for new business development.⁹

⁹ ACCE Chamber Executive, Vo. 32, No. 4 July/August 2005, pg.12.

5. The Chamber's vice president of economic development is quoted in the May 19, 2003 edition of the *Mobile Register* as saying, "The days of the hunter-gatherer approach to economic development are gone. While bringing in new business is important, he said, the majority of his time must be spent helping existing companies prosper."¹⁰ While we do not disagree with the need to assist existing business in their expansion needs and work in retaining what's already there, significant and serious events were occurring where evidence would strongly suggest that to grow the economic pie as other key employers were leaving or reducing their presence in Mobile, then a shift in strategy should have occurred to place emphasis in attracting new business by having an aggressive and proactive business recruitment effort. These statements do not support a shift in strategy.
6. The Mobile County Commission contributes over \$400,000 a year to different organizations for economic development purposes, including the Chamber, the Business Information Center, the Forestry Commission, Mobile United, Women's Business Assistance Center and others. The County does not conduct an annual audit of these organizations to determine the value of their investment annually. Nor does the County require a presentation prior to budget adoption from these organizations to hear how the County's money would be used.
7. The Chamber's economic development capital campaign, titled "Partners for Growth" has a target goal of 1,100 new jobs per year or 5,500 over five years. This compares to similar campaigns in Chattanooga, with a goal of 20,000 jobs and Macon, GA with 8,400 jobs. We believe the bar has been set too low to achieve the necessary results needed to enhance and sustain the region's economy.
8. In the aftermath of Hurricanes Ivan, Katrina and Rita and the devastation that has occurred along the Louisiana and Mississippi Gulf Coast, many businesses from the outside are seeking short-term leases in Mobile County. In many instances, office and industrial space has gone from 17% vacancy rates to near zero. This economic windfall is a direct result of a natural disaster and at the expense of other communities who have been essentially closed for business for the next months if not years. The challenge to the County leadership will be to install sound economic policies and structure that will sustain this growth after a three-year period when many of these leases will expire.

¹⁰ Mobile Register, May 19, 2003

9. As a result of Hurricane Katrina, cargo, container and cruise traffic has ceased either in the short term, as in the case of New Orleans, or longer, as with the Port of Gulfport, with certain commodities. For example, Carnival Cruise Lines repositioned its passenger cruise fleet to Galveston, Texas. Chiquita Brands is using the Port of Everglades for its cargo shipment of bananas. One must ask why not Mobile? In conversation with the Mobile Convention and Visitors Corporation and in the case of cruise ship traffic, the Mobile River width may cause some difficulty for berthing/turning the mega cruise ships over of 1,000 ft. in length, thus limiting the type and class of vessel that may be positioned in Mobile.



10. The investment by the Retirement Systems of Alabama in the construction of the RSA Battle House Tower has many in the community wondering how the County will recruit new tenants from outside the Mobile market. The concern by the local development community is that this new office tower will move tenants from existing offices in Mobile without a plan or successful initiative of bringing new tenants to the community to absorb what will be displaced. This would increase the vacancy rate for office space when the building comes on line in late 2006/2007. Discussions with Metcalfe & Company, the local broker retained by the RSA, was helpful in understanding the RSA's strategy to attract tenants from both Mobile and outside of the area. A marketing campaign has commenced targeting certain office operations nationwide to the respective property. Without success from this effort, vacancy rates for office space may indeed escalate.

11. The Chamber's web site for economic development business purposes may not offer the best source of data retrieval for the customer; offering no downloads and limited comprehensive information needed by site location consultants and corporate investors. For example, the information/demographic/statistical data content of the web site should be translated into the languages of the countries with the highest concentration of the community's target markets. Some of the links under the Chamber's *economic overview* were not operable when we attempted to navigate the site. The site and building inventory is linked and managed by the Economic Development Partnership of Alabama (EDPA) rather than managed internally by the Chamber and does not offer a geographic information system component to analyze the demographics within a certain radius of each property. This GIS component would be a welcome addition to assist siting consultants and companies. The design itself is unappealing and does not present itself as the best "front door" to the Mobile area. This feedback was received from the



customer - site locations consultants and other economic development allies that are in the “front line” of positioning Mobile to corporate investors everyday.

12. Site location consultants and corporate investors rely on up to date, reliable demographic and statistical information to evaluate communities in their siting process. The Chamber no longer has a research director (staff position) dedicated to offer this much needed service and resource.

13. Airline service into Mobile is a challenge. With the recent announcement by Delta Airlines, Mobile’s largest air passenger carrier, reducing its schedule dramatically, Mobile will have difficulty attracting and retaining regional offices and sales operations that rely on air service as a key component of their business.



14. Mobile County is limited on its inventory of quality available buildings suitable for investment. Over 80% of site searches are seeking either available buildings, or locations in business parks with all utilities and the infrastructure in place with protective covenants to protect their investment. Its two key public business parks are the Mobile Commerce Park, which has seen limited growth over its fifteen-year history, and USA’s Technology Park.

15. Though the Mobile Chamber has targeted specific businesses and industries to market to, many of the local and state respondents interviewed were unaware of this effort or questioned how proactive it is.

16. Some of the Mobile’s target markets are questionable. There was no formalized or scientific approach in determining these targets. Shift Share and Location Quotient, two of the most widely accepted approaches of measuring economic performance of industry sectors and in determining targets for growth were not used in selecting the community’s targets. According to the Chamber, the targets noted below were selected based on community feedback and with the Chamber’s staff’s input. Those targets are:

- Maritime and other port-related industries
- Transportation and distribution
- Aviation/aerospace
- Biotech and High Tech, including IT services
- Cruise industry
- Forest products

Of these, we question the validity of biotech, and to a smaller extent high tech when the industry characteristics, both locally and nationally limit the possibility. Additionally, there are other targets of opportunity that are not listed that we will discuss in the Recommendations chapter. We applaud the University’s investment into cancer research and in a research and technology park, but these two product improvements initiatives will not necessarily be a panacea to Mobile’s economic success, when many other communities that

have research or teaching medical facilities have initiated similar projects and with marginal success in developing a cluster within those defined economic areas. Biotech happens in clusters and is limited to a select few cities where there is growth: San Diego, Research Triangle Park, NC, Boston and in emerging cities such as Houston, Austin and Baltimore. Florida will become more predominant in biotech research and commercial applications once the Scripps facility comes on line. There is limited growth opportunity for this to be a significant cluster in Mobile, even with USA's resources.

17. Nearly all of our survey respondents said that the City of Mobile's permitting processes and customer service was a hindrance to growth in the City.
18. The County of Mobile has fewer permitting and regulatory restrictions than the City and as a result, receives higher marks for its business climate and ease of doing business in the County.
19. Many of the employer interview respondents we surveyed had conflicting opinions on the quality of the local work force and their work ethic. Those that paid wages higher than the local median salary were complimentary of the work force. Those that paid near the median or below were not nearly as complimentary. This is the norm with what we find in other communities with similar wage and salary circumstances.
20. Public education (K-12) received poor reviews by the respondents we interviewed. These respondents were all customers - employers hiring graduates of the of the public school system in Mobile County.
21. High Speed Internet access is in limited areas geographically of the County. Investment needs to be made to expand high-speed access throughout Mobile County if the County is to be successful in attracting "Mobile Entrepreneurs". These individuals can operate a business anywhere as long as they have a computer and high-speed internet access. They are normally attracted to a community because of quality of life factors. Further, Mobile should consider creating WI-FI locations downtown, and in all public buildings.
22. Some of the respondents interviewed felt that the public funding for the Chamber to specifically manage new business recruitment efforts for the County should be reduced or eliminated because of potential conflicting missions, and a perceived poor return on investment over a period of years when the community suffered economically, even before the closing of some major employers. Others, though fewer, felt that the funding to the Chamber was worthwhile in certain areas, such as business retention, and should be continued.













23. Some respondents felt that there is a need to accept an enhanced and more formalized regional approach to economic development. This effort would not only focus on sharing resources, but in branding the region as a whole. Many of the respondents felt that there needed to be an organization or entity that was focused solely on business development/ business recruitment and nothing more.
24. There appears to be no unified message or brand in promoting the Mobile region externally for economic development purposes. There is a need for a unified branding campaign for Mobile County between those organizations that market the region externally.
25. Many of the economic development allies familiar with Mobile through projects they have worked over the years commented that even though some in the business and government leadership within the community like to say that there is a team approach for economic development in Mobile, it's hard to see. In many instances, these allies and consultants observed territorial boundaries, run away egos, or weak leadership as a result of no one defined lead organization for economic development.
26. Many respondents interviewed voiced concern about limited retail opportunities in Mobile County, or the migration of retail occurring to Baldwin County. Retail growth is based on population growth, which Mobile County has not gained over the last several years. Conversely, Baldwin County is one of the fastest growing counties in the United States.
27. The rate of unionization in Mobile is higher than the southeast - 14% in Mobile versus 5% in the southeast. This is an area of concern to some companies that wish to operate without union influence.
28. Most of the recent investment occurring in Mobile has been related to public investment, e.g. Battle House Tower, Cruise Terminal, Port Authority, etc. This investment is needed and appreciated by many, but more needs to be done to encourage private investment to supplement public investment in Mobile.
29. Mobile's downtown, even though a focus of the City administration for improvement and rehabilitation, does not show well. Many vacated structures still exist and others seem to be in a state of disrepair. A downtown is normally the living room and lifeblood of a community, and more needs to occur to make Mobile an appealing community to visitors.

30. Overall, the respondents we interviewed, locally, and within the state and nation, ranked the overall economic development efforts of the various groups engaged in economic development with in Mobile County, a 5.33 or average rating on a 10 scale. Some of the concerns voiced included ego management, poor economic development strategies, the need to have one lead agency for business development purposes, a reactive business development effort rather than proactive, the need for a regional program, and the need to engage those organizations that are on the front line of selling Mobile every day – the real estate brokerage community, more proactively. Positive comments included work of the Port Authority, individuals at the Chamber (in a support role rather than as a leader), and the Mobile Works office.
31. Small Business efforts overall received comment of being disjointed or fragmented. Many felt that there was not enough tangible support to assist small businesses in Mobile County, especially minority businesses.

32. Recently, Forbes Magazine ranked Mobile 118 of 150 communities as the best place for business¹¹. Inc. Magazine ranked Mobile 44 of 90 cities as an ideal location for business.¹² Though these ranking could be construed subjective in nature, they are read by potential investors. The various criteria used to evaluate communities are noted below:
33. Mobile is susceptible to climatic disasters, e.g. hurricanes, which causes many prospective companies to measure the risk assessment when evaluating where they should locate or expand.

**Forbes Best Places For Business
#118 Mobile, AL of 150**

	RANK
 Advanced Degrees ^a	83
 Cost of Doing Business ^b	10
 Cost Of Living ^c	30
 Crime Rate ^d	111
 Culture & Leisure ^e	125
 Educational Attainment ^f	118
 Income Growth [*]	147
 Job Growth [*]	111
 Net Migration [*]	94
 Overall	118

¹¹Table

^aEngineers as a percent of total employment.

^bIndex based on cost of labor, energy, taxes and office space.

^cIndex based on cost of housing, utilities, transportation and other expenditures.

^dCrimes per 100,000 residents.

^eIndex based on museums, theaters, golf course, sports teams and other activities.

^fShare of Population over age 25 with a bachelor's degree or higher.

^{*}5-year annualized figures.

Sources: Economy.com; Sperling's BestPlaces; FBI Index of Crime

¹² Inc. criteria include low housing costs, low labor costs, favorable regulatory environment and low taxes. Mobile is susceptible to climatic disasters, e.g. hurricanes, which causes many prospective companies to measure the risk assessment when evaluating where they should locate or expand.

Areas of Opportunity

1. The Mobile County Commission (MCC) is commended for initiating a tobacco tax with a portion of the proceeds used for economic development purposes. This tax and the designated portion for as of yet to be determined economic development efforts totals about \$950,000 annually.
2. The Mobile community, along with the State of Alabama through the Governor's office, the Alabama Development Office and Mobile's Congressional delegation, is commended for their work in securing the EADS announcement. This announcement has the potential to lead to further economic development within one of Mobile's target markets – aviation.
3. The MCC received positive ratings from the local business community interviewed for having a proactive business climate.¹³
4. The MCC also received positive comments from many in the business community for taking a proactive approach in economic development by undertaking this strategic initiative to enhance economic development for Mobile County. A typical comment we heard was, "this is a wonderful thing to do. I wish we would have done it sooner."
5. The Alabama Port Authority receives high marks for its assistance given to the customer, e.g. prospects, site location consultants, Alabama Development Office.
6. The addition of container port facilities at the Choctaw Point Terminal is a positive for the Mobile area and will open Mobile to new opportunities in import and export distribution.
7. The Brookley Industrial Complex, Mobile Commerce Park and USA's Research and Technology Park are all excellent site infrastructure assets in Mobile that allow for a diverse offering of "product" to the customer.
8. Low cost of living was touted by many respondents as a tremendous asset to Mobile. Mobile's ACCRA Cost of Living Index of 89.7 is exemplary.
9. Quality of Life was cited by many local respondents and out of town economic allies as an asset to the community. Diverse recreational opportunities, climate, water access, lack of traffic congestion, historical significance and racial harmony were all cited as examples of a positive quality of life asset.



¹³ Business climate is defined as those policies, laws and regulatory processes, along with governmental treatment of the private sector toward business.

10. The area colleges and universities all offer a diverse set of curriculum opportunities and majors for college students. Local investment in higher education is a positive.
11. The University of South Alabama has grown in a relatively short period of time to become a tremendous economic, educational and cultural asset to the Mobile region. It has become one of Mobile's largest employers and its economic impact to the area is significant. Its research focus in certain disciplines will have even greater benefit to the Mobile area over time.
12. The Alabama School of Math and Science is an asset for the Mobile area, even though students from around the state including from Mobile, are housed there. Its location in Mobile shows a technology focus for the community.
13. The community's trade development program, primarily led by the Mobile Chamber, receives high marks from those in the community that have knowledge of its efforts.
14. Like wise, the Chamber's retention and industry visitation program also received positive comments from those that have had a direct experience with it.
15. The Mobile Innovation Center, the community's small business incubator, gets positive marks from those that have knowledge of its efforts.
16. Medical facilities in the Mobile region received high marks, including those facilities associated with USA. The magnitude of these facilities makes Mobile a regional health provider.
17. The Alabama Industrial Development Training program is a tremendous asset to the region and State.





VI. Recommendations

VI. Recommendations

Mobile County needs to focus on several fundamental issues of economic transition as well as important preparative steps before it can realize its potential as a dynamic, regional economic center. The recommendations below provide the steps to meet this challenge.

Recommendations for action are categorized under three areas of opportunity:

- Organizational
- Product Marketing¹⁴
- Product Improvement¹⁵

The “Product” is considered Mobile County and its region.

“The economies of most big cities are idling. The real entrepreneurial hotbeds are now on the periphery -- where low costs make it possible to thrive in a tough global economy. The dynamic, job-generating information-technology and service companies that characterized the boom of the 1990s are still around. But it's getting harder to find them in the usual high-tech clusters like Silicon Valley, Boston, and Austin. Instead, five years after the bubble burst and a year or so into an economic recovery, those same kinds of companies are thriving in places like Reno, Nev., Boise, Idaho, and Naples, Fla. -- cities that were once mere specks on the new-economy map. Thanks to lower housing and labor costs, more favorable regulatory environments, and, in some cases, lower taxes, these smaller cities are proving ideal places for doing business -- especially in a globalized economy in which companies operate under relentless pressure to keep costs low and quality high. In many cases, it is precisely these low costs that allow U.S. companies to successfully compete in industries that often seem all but ready to concede to India and other countries. Rather than sending business overseas, many companies are instead opting to contract with lower-cost domestic suppliers -- a new wrinkle in the outsourcing trend known as home-shoring.”¹⁶ Mobile, through a concerted and unified effort, can achieve what many second and third tier communities are doing today with their successful economic development programs.



At the end of this chapter is a table that gives specifics of estimated budget, the recommended organization responsible for implementation and timeline. We have also offered a timeline recommendation within the narrative over a five year period (FY 2006-2011).

¹⁴Product marketing is defined as marketing/promoting or selling Mobile County worldwide for business development opportunities and investment.

¹⁵Product improvement is defined as Mobile County having the necessary infrastructure, including a favorable business climate that attracts investment to the community. Product improvement is the foundation that that allows product marketing to succeed.

¹⁶Inc. magazine May 2005

Organizational

(Organizational recommendations include staffing, budget, governance and other related items that allow for the effective service delivery of economic development in the Mobile region)

1. The Mobile County Commission should be the catalyst in creating a new regional economic development organization called the *Mobile Bay Economic Partnership (MBEP)*. This economic development organization will have the sole responsibility of business recruitment and expansion in the Mobile area. Ideally, a formal partnership with Mobile, Baldwin and Washington Counties should be developed with board of director representation from all three counties. Many of the respondents we talked with, both locally and nationally, mentioned that there is a need to have a leader or quarterback for business development recruitment efforts and that in their opinion, none currently exists in the Mobile region. Ideally, the customer, meaning the business prospect or site location consultant, is seeking one key local contact to serve as the facilitator for business development purposes. This new Partnership, housed in Mobile County would be a public/private partnership organized as a 501 (C) 3 or (C) 6 under the IRS not for profit tax code. It would receive funding on a per capita population basis from each county, with the bulk of the funding from Mobile County. Its board would have voting representation from the funders with ex-officio members from various groups engaged in business development activities. A sample set of bylaws is provided upon request at the point of implementation.
- **Mission:** the sole mission and focus of the MBEP will be to recruit new business to the region and assist existing business in their expansion needs. This organization will not be engaged in a lead role in trade, entrepreneurial development, work force issues or existing business visitations/retention. That role should be left to other organizations currently performing these tasks. This organization would not only generate prospective leads, but would also manage those leads for the region. This would allow a seamless point of contact for the customer and a more effective economic development program based on one particular mission and focus. Many economic development organizations over the decade have been created autonomously from a Chamber of Commerce or similar organization so that there is a defined mission that does not conflict with other missions. The Metropolitan Development Board in Birmingham, AL is a good example of this from its creation in the early 1980's. Nationally and as part of our best practice examples, many successful economic development organizations have been autonomous for years and are reaping the success of their vision. Examples include the Richmond Economic Development Partnership and the Hampton Roads Economic Development Alliance, both regional groups.
 - **Staffing:** It is recommended that the MBEP have a staff of five. They would include a President and CEO, a vice president of business development, a business development manager, research director, and an administrative assistant. The President and CEO

should be an individual with a national reputation and a successful track record of business recruitment. That individual might be a Certified Economic Developer, as noted by the International Economic Development Council. The offices should be housed in facilities that are attractive and serve to represent the region in a first class manner. It should not be located in a government building or in a facility currently housing economic development offices for other groups to avoid confusion with the public.

- **Budget:** The annual budget of the MBEP would be approximately \$800,000 to \$900,000 annually. The first two years would be the most expensive operationally because of start up costs.
2. The Mobile County Commission should appropriate operating funds for the MBEP through the tobacco tax set aside for economic development purposes, and from a reallocation of appropriated funds to the various organizations engaged in business recruitment for Mobile County.
 3. Mobile County Commission should create a “Project Opportunity Fund”, to be used as a deal closer for certain economic development projects that are labor intensive and with higher than the per capita wage structure in Mobile. The MBEP would create a set of guidelines that determine if company applicants qualify for the incentive. Claw back provisions should be engaged in the agreement in case certain expectations are not met as promised by the company receiving the incentive.
 4. The MBEP should seek professional assistance in soliciting funds for economic development from both the public and private sectors. The CSG can recommend firms that have a successful track record and professionalism to carry this initiative forward.
 5. In creating a true public private partnership for economic development, there should be a blend of revenue sources from both sectors. Private capital would normally be generated through a capital campaign discussed in item 4 above. Public participation may be in the form of a dedicated sales tax for a specific amount of time, such as the tobacco tax, or a per capita investment by each County, similar to Hampton Roads (Norfolk/Virginia Beach, VA).
 6. The Mobile County Commission should require all agencies or organizations seeking public appropriations for funding to submit a formal presentation on how the money will be used, its value proposition, and its anticipated return on investment. At the end of each budget cycle, the receiving organization should report to the County if its performance goals were met, and if not, why not.
 7. Economic development is both a science and art. There is a basic lack of understanding of the principles of economic development with many that we came in contact with. This is not unusual if the lead economic development group does not work to communicate the basic tenets of economic development in their respective community. The MBEP and



other economic development partners should hold formalized training sessions once a year for government and elected officials, the business community and members of the general public in orienting the community on the fundamentals and foundations of economic development. It is important to bring outside experts in to offer these sessions.

Product Marketing

(Product marketing is defined as marketing/promoting or selling Mobile County worldwide for business development opportunities and investment.)

1. Mobile should market itself within the U.S. and globally as a low cost location for business, but still retaining the quality of life needed to attract and retain a quality workforce. With the trend reversing from off shoring to “home shoring”, Mobile is in an ideal environment to capitalize on its low operating costs.
2. The MBEP and the Alabama Development Office should work as a team in marketing Mobile County and the region to the target audience base of industries noted in the next chapter. This would include such tactics as direct mail, electronic mail, and the promotion of Mobile County in targeted industry trade publications.
3. To be considered in a final company location, Mobile County needs to have data available that is comparable to other locations nationwide. A metro-wide statistical database is urged for the metro area, following the International Economic Development Council (IEDC) guidelines. This needs to be updated constantly.
4. The reputation of the area’s public schools is weak, impacting relocation and population growth. Continued emphasis should be placed on improving the image of the school district and documenting its successes. For the 1990-2003 period, the Mobile metro saw significant gains in educational attainment among those earning a high school degree or higher, increasing by 11 percentage points. Over the same period, the percent of those with a bachelor’s degree or higher increased by 6 points, slightly more than the state and just two percentage points below the national average. This is a significant accomplishment and should be touted accordingly. Additionally, the promotion of school choices in Mobile, both private and parochial should not be ignored. Though most corporate clients are most interested and concerned regarding the value and quality of public education.
5. It is recommended that efforts be expanded to improve the image of vocational-technical education for students who are not college bound, or who defer college until a later time in their lives. Concerted efforts need to be made to attract students into these programs. Continued emphasis should be placed on creating and enhancing school-to-career strategies, or career academies particularly in the manufacturing/construction cluster. Aggressive guidance counseling among students not college bound should be started in the middle-school years.



6. The University of South Alabama and the other area colleges and universities should consider inviting its successful alumni representing business to Mobile periodically to review growth of the colleges and network while in Mobile. This is an opportunity to showcase the Mobile region to alumni and encourage future investors to the area.
7. The MBEP should work with other organizations in the area that have external marketing budgets, and create a unified brand and marketing campaign to promote the Mobile region worldwide.
8. More emphasis must be placed on a first class web site providing promotional images and relevant data, (in various languages, e.g. Spanish, Chinese, Korean, Japanese, French and German) for potential investors to utilize in their assessment of the Mobile region. The web site should also have detailed data on available sites and buildings in a geographical information systems (GIS) format. Data should be in both a PDF file format and in Word so that it can be used in various formats and templates used by site location consultants and company representatives.



Product Improvement

(Product improvement is defined as Mobile County having the necessary infrastructure, including a favorable business climate that attracts investment to the community. Product improvement is the foundation that that allows product marketing to succeed. Items reviewed for consideration include sites and buildings, transportation infrastructure, utility infrastructure, workforce development, and incentives)

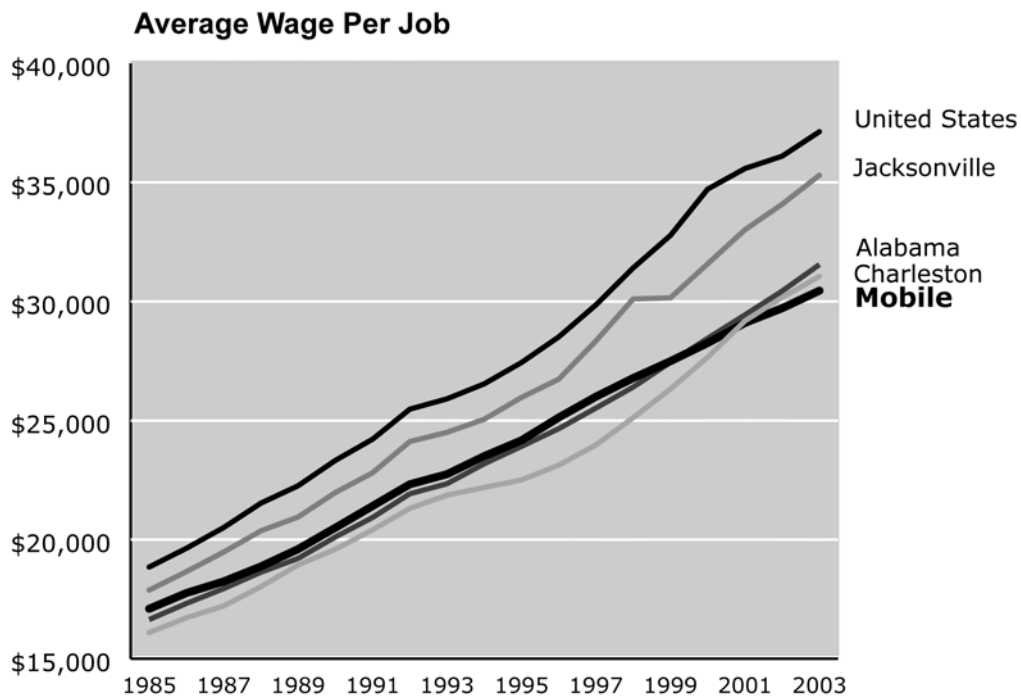
1. Continued efforts need to be pursued from both local officials and Mobile's Congressional delegation to expand air service into the Mobile Regional Airport. Mobile may have no choice but to buy air service as they did years ago from a low cost air carrier. Poor air service will be a continued detriment in attracting and retaining regional office operations and national or regional sales and service offices.
2. Efforts to upgrade basic infrastructure, such as roads, water and sewer lines are a necessity should Mobile wish to not only grow its economic base, but also sustain what already exists.
3. To attract mobile entrepreneurs, high-speed Internet access is one of the most important factors. With new Wi-Fi technology, Mobile County should work with its state and Congressional delegations to be a model community for county wide, high-speed Internet wireless technology. Wireless in rural areas has been called "rural datafaction" similar to the expansion of electricity years ago in rural areas. Community examples that have embraced a broad geographic area for wireless technology include Athens, GA, Austin, TX, Long Beach, CA, Spokane, WA, and Danville, VA. As Mayor John Hamlin of Danville, Virginia said in a recent interview with *USA Today* through their initiative of creating a high-speed Internet network, "We used to have to beg businesses to locate here. Now our phones are ringing off the hook." (*USA Today*, September 22, 2004)

4. The development of quality, fully serviced industrial sites along with manufacturing and distribution shell building programs are urged for companies looking at the area that have an accelerated start-up schedule and need a facility quickly. Based on the target markets we identify in the next chapter, we recommend a 75,000 sq.ft. shell building, expandable to 150,000 sq.ft.
5. A consistent and uniformed policy should be developed and adopted by the various governmental jurisdictions on offering incentives to new and existing businesses based on measurable criteria, and with compliance provisions to those who receive incentives. There are many examples of counties that have numerous municipalities and have adopted one uniform policy, such as in Wichita, Kansas. The CSG has experience in providing these types of policies to communities.

Benchmarks

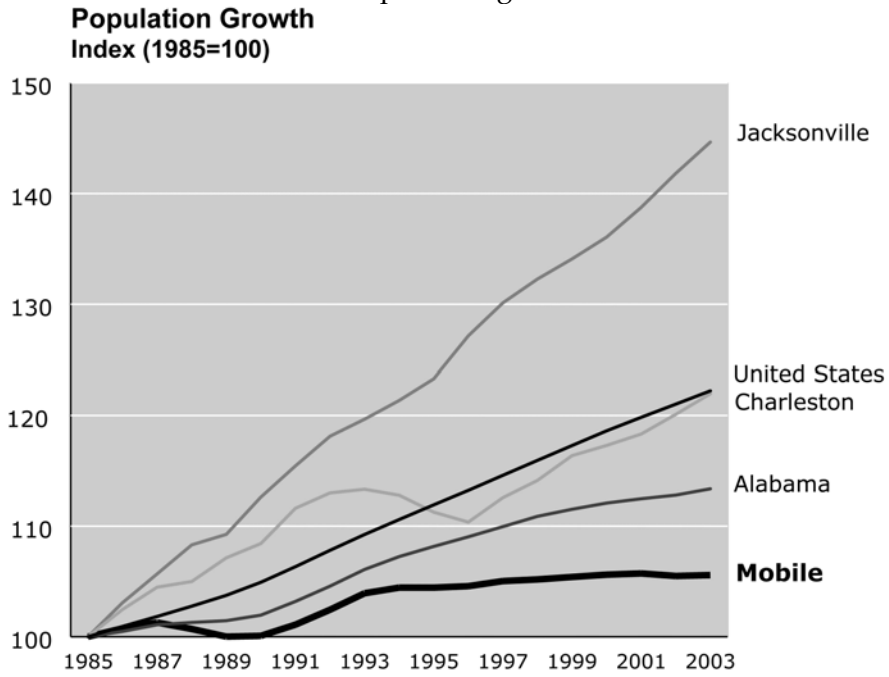
The CSG recommends certain annual milestones and measurable objectives to monitor economic success in the Mobile region. These indicators are the best measurement to determine if progress is being made to grow the economy, enhance wealth in the region and become more diversified in your economic base. These indicators noted below can be researched and compiled from data sources published annually, such as the U.S. Bureau of Labor Statistics. The indicators include:

Average wage per job



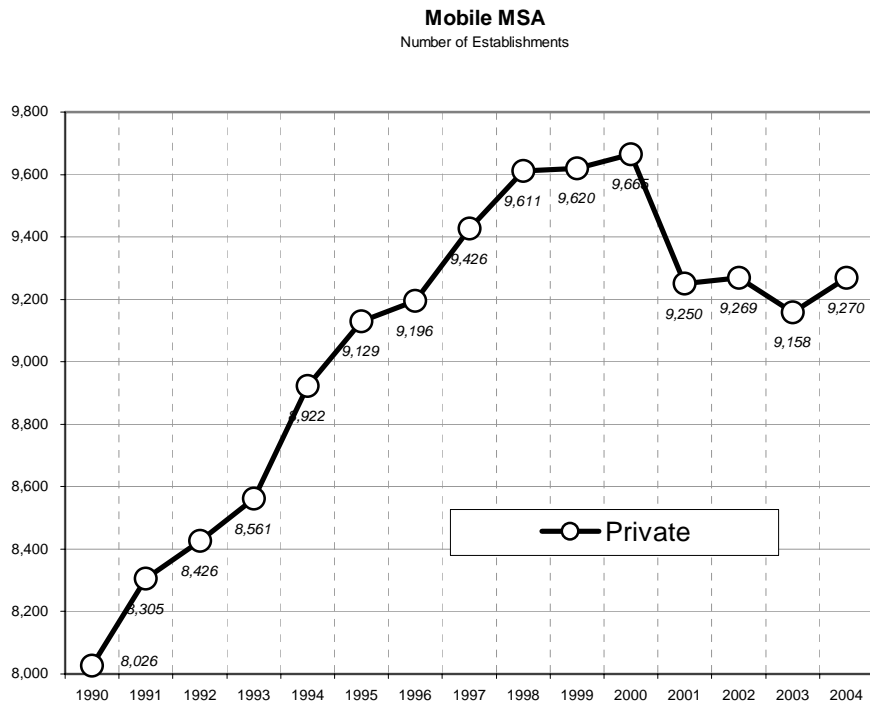
Source: U.S. Bureau of Economic Analysis, unadjusted

Population growth




Source: U.S. Bureau of Economic Analysis, author's calculations

Number of business establishments



Source: Bureau of Economic Analysis



Additionally, the following table provides a detailed list of each recommendation and a checklist of its status. This document will allow the organization responsible for implementation and its governing board a management tool to monitor its execution.

Implementation Guidelines for Recommendations

Recommendation	Responsible Organization	Schedule	Estimated Cost	Status		
				In Progress	Complete	Incomplete
ORGANIZATIONAL						
1.The Mobile County Commission should be the catalyst in creating a new regional economic development organization called the <i>Mobile Bay Economic Partnership (MBEP)</i> . This economic development organization will have the sole responsibility of business recruitment and expansion in the Mobile area. Ideally, a formal partnership with Mobile, Baldwin and Washington Counties should be developed with board of director representation from all three counties.	MCC	2006	\$800-900K annually. \$400,000 from the public sector and \$400,000 from the private			
2.The Mobile County Commission should appropriate operating funds for the MBEP through the tobacco tax set aside for economic development purposes, and from a reallocation of appropriated funds to the various organizations engaged in business recruitment for Mobile County.	MCC	2006	See above			
3.Mobile County Commission should create a “Project Opportunity Fund”, to be used as a deal closer for certain economic development projects that are labor intensive and with higher than the per capita wage structure in Mobile. The MBEP would create a set of guidelines that determine if company applicants qualify for the incentive. Claw back provisions should be engaged in the agreement in case certain expectations are not met as promised by the company receiving the incentive.	MCC	2006- indefinite	\$500,000 annually			
4.The MBEP should seek professional assistance in soliciting funds for economic development from both the public and private sectors.	MBEP	2006				
5. In creating a true public private partnership for economic development, there should be a blend of revenue sources from both sectors. Private capital would normally be generated through a capital campaign discussed in item 4 above.	MBEP/MCC	2006	\$150,000			

Recommendation	Responsible Organization	Schedule	Estimated Cost	Status		
				In Progress	Complete	Incomplete
6. The Mobile County Commission should require all agencies or organizations seeking public appropriations for funding to submit a formal presentation on how the money will be used, its value proposition, and its anticipated return on investments. At the end of each budget cycle, that organization should report to the County if its performance goals were met, and if not, why not.	MCC	2006- indefinite				
7. The MBEP and other economic development partners should hold formalized training sessions once a year for government and elected officials, the business community and members of the general public in orienting the community on the fundamentals and foundations of economic development. It is important to bring outside experts in to offer these sessions.	MBEP	2007- indefinite				
PRODUCT MARKETING						
1. Mobile should market itself within the U.S. and globally as a low cost location for business, but still retaining the quality of life needed to attract and retain a quality workforce. With the trend reversing from off shoring to “home shoring”, Mobile is in an ideal environment to capitalize on its low operating costs.	MBEP	2007-2012				
2. The MBEP and the Alabama Development Office should work as a team in marketing Mobile County and the region to the target audience base of industries noted in the next chapter. This would include such tactics as direct mail, electronic mail, and the promotion of Mobile County in targeted industry trade publications.	MBEP/ADO	2007-2012	\$150,000 per year			
3. To be considered in a final company location, Mobile County needs to have data available that is comparable to other locations nationwide. A metro-wide statistical database is urged for the metro area, following the International Economic Development Council	MBEP					

Recommendation	Responsible Organization	Schedule	Estimated Cost	Status		
				In Progress	Complete	Incomplete
(IEDC) guidelines.						
4. The reputation of the area's public schools is weak, impacting relocation and population growth. Continued emphasis should be placed on improving the image of the school district and documenting its successes. Additionally, the promotion of school choices in Mobile, both private and parochial should not be ignored. Though most corporate clients are most interested and concerned regarding the values and quality of public education.	School Board	2006- indefinite				
5. It is recommended that efforts be expanded to improve the image of vocational-technical education for students who are not college bound, or who defer college until a later time in their lives. Concerted efforts need to be made to attract students into these programs. Continued emphasis should be placed on creating and enhancing school-to-career strategies, or career academies particularly in the manufacturing/construction cluster.	School Board	2006				
6. The University of South Alabama and the other area colleges and universities should consider inviting its successful alumni representing business to Mobile periodically to review growth of the colleges and network while in Mobile. This is an opportunity to showcase the Mobile region to alumni and encourage future investors to the area.	Area Colleges	2006 indefinite				
7. The MBEP should work with other organizations in the area that have external marketing budgets, and create a unified brand and marketing campaign to promote the Mobile region worldwide.	MBEP/MCVC , etc.	2007				
8. More emphasis must be placed on a first class web site providing promotional images and relevant data, (in various languages, e.g. Spanish, Chinese, Korean, Japanese, French and German) for potential investors to utilize in their assessment of the Mobile region. The web site should also have detailed data on available	MBEP	2006	\$55,000			



Recommendation	Responsible Organization	Schedule	Estimated Cost	Status		
				In Progress	Complete	Incomplete
sites and buildings in a geographical information systems (GIS) format.						
PRODUCT IMPROVEMENT						
1. Continued efforts need to be pursued from both local officials and Mobile's Congressional delegation to expand air service into the Mobile Regional Airport.	MAA	2006	TBD			
2. Efforts to upgrade basic infrastructure, such as roads, water and sewer lines are a necessity should Mobile wish to grow its economic base.	MCC, City of Mobile	2006	TBD			
3. To attract mobile entrepreneurs, high-speed Internet access is one of the most important factors. With new Wi-Fi technology, Mobile County should work with its state and Congressional delegations to be a model community for county wide, high-speed Internet wireless technology.	MBEP, MCC	2006	TBD			
4. Manufacturing and distribution shell building programs are urged for companies looking at the area that have an accelerated start-up schedule and need a facility quickly.	MBEP, MCIDB, etc.	2006-2007	TBD			
5. A consistent and uniformed policy should be developed and adopted by the various governmental jurisdictions on offering incentives to new and existing businesses based on measurable criteria, and with compliance provisions to those who receive incentives.	MBEP	2006				



VI. Target Business Analysis & Recommendations

VI. Target Business Analysis & Recommendations

The purpose of the **Mobile Targeted Industry Recommendations** is to review, verify, and recommend target industries for the Mobile area.

One of the major challenges is determining where to begin. It can seem to be a daunting task when you consider there are over 800,000 businesses in the United States, which employ over 20 people. How do you effectively market to such a large group of companies? You must align the overall strengths and objectives of your region with the needs of growing companies. A successful targeted industry plan relies on balancing what is desired by the community with what is feasible.

We started the process by visiting the community to understand the region's strengths, assets, weaknesses, and opportunities. We also interviewed economic development leaders and community members to realize the types of businesses the local leadership desired.

The data sources used for this report come from a variety of sources including Competitive Strategies Group, Applied Economics, Dun & Bradstreet, Conway Data Scoreboard, the Bureau of Economic Analysis, and the Bureau of Labor Statistics. Every effort has been made to present this information accurately, however, sometimes classification errors do exist within the data. For instance, Conway Data is a voluntary system where companies submit an announcement that they plan to relocate or expand. As a result, not all projects are caught by Conway Data.

National Projected Employment Growth

National job growth will occur in innovative/high tech industries that require a higher level of skilled labor. Another area that growth will occur is in industries that support a way of life (i.e. community care for elderly, employment services, and rehabilitation facilities). Health care will continue to be a growth area due to the demographics, and education will also be a growth area because of the need to compete globally through innovation and design.

NATIONAL INDUSTRIES WITH THE FASTEST WAGE AND SALARY EMPLOYMENT GROWTH 2002-2012

The Bureau of Labor Statistics (BLS) has projected employment growth by NAICS code from 2002 through 2012. The majority of the growth through 2012 is expected to be in the services and healthcare sector.

NAICS Code	Industry	2002 Jobs*	2012 Jobs*	2002-2012 Change*	Average Annual Rate of Change
5112	Software publishers	256	429.7	173.7	5.3
5416	Management, scientific, and technical consulting services	731.8	1,137.40	405.6	4.5
6233, 6239	Community care facilities for the elderly and residential care facilities	695.3	1,077.60	382.3	4.5
5415	Computer systems design and related services	1,162.70	1,797.70	635	4.5
5613	Employment services	3,248.80	5,012.30	1,763.50	4.40
6241-3	Individual, family, community, and vocational rehabilitation services	1,269.30	1,866.60	597.3	3.9
6214-6, 6219	Ambulatory health care services except offices of health practitioners	1,443.60	2,113.40	669.8	3.9
2213	Water, sewage, and other systems	48.50	71.00	22.5	3.9
516, 518, 519	Internet services, data processing, and other information services	528.80	773.10	244.3	3.9
6244	Child day care services	734.20	1,050.30	316.1	3.6
5324	Commercial and industrial machinery and equipment rental and leasing	102.20	142.80	40.6	3.4
6211-3	Offices of health practitioners	3,189.90	4,418.80	1228.9	3.3
5322, 5323	Consumer goods rental and general rental centers	352.90	484.20	131.3	3.2
5152, 5175	Cable and other subscription programming and program distribution	220.90	299.80	78.9	3.1
713	Amusement, gambling, and recreation industries	1,307.60	1,717.30	409.7	2.8
485	Transit and ground passenger transportation	371.50	487.70	116.2	2.8
5414	Specialized design services	122.90	160.80	37.9	2.7
5611, 2	Office administrative and facilities support services	390.30	507.60	117.3	2.7
512	Motion picture and sound recording industries	387.10	503.10	116	2.7
61	Educational services	2,650.60	3,409.80	759.2	2.6

*thousands of jobs

Source: Bureau of Labor Statistics

NATIONAL INDUSTRIES WITH THE SLOWEST WAGE AND SALARY EMPLOYMENT GROWTH 2002-2012

The Bureau of Labor Statistics (BLS) has projected employment growth by 3-digit SIC code from 2002 through 2012.

NAICS Code	Industry	2002 Jobs*	2012 Jobs*	2002-2012 Change*	Average Annual Rate of Change
3152	Cut and sew apparel manufacturing	281.8	77.1	-204.7	-12.2
3151	Apparel knitting mills	49.6	20	-29.6	-8.7
3133	Textile and fabric finishing and fabric coating mills	82.4	40.1	-42.3	-6.9
3161	Leather and hide tanning and finishing	8.6	4.5	-4.1	-6.3
313	Textile mills	293.2	156.9	-136.3	-6.1
3169	Other leather and allied product manufacturing	19.9	10.8	-9.1	-5.9
3132	Fabric mills	146.6	79.6	-67	-5.9
3159	Apparel accessories and other apparel manufacturing	26.2	15.1	-11.1	-5.4
3131	Fiber, yarn, and thread mills	64.2	37.2	-27	-5.3
3122	Tobacco manufacturing	33.2	20.2	-13	-4.8
2122	Metal ore mining	29.4	18	-11.4	-4.8
NA	Federal Government enterprises	51.9	32.4	-19.5	-4.6
2121	Coal mining	74.9	52.3	-22.6	-3.5
3259	Other chemical product and preparation manufacturing	112.4	79.4	-33	-3.4
3311	Iron and steel mills and ferroalloy manufacturing	107.1	76	-31.1	-3.4
211	Oil and gas extraction	122.5	88.4	-34.1	-3.2
3341	Computer and peripheral equipment manufacturing	249.8	182.1	-67.6	-3.1
1131-2, 114	Forestry, fishing, hunting, and trapping	67.6	50.4	-17.2	-2.9
3221	Pulp, paper, and paperboard mills	168.2	126.4	-41.8	-2.8
3252	Resin, synthetic rubber, and artificial synthetic fibers and filaments manufacturing	114.3	88.5	-25.8	-2.5

*thousands of jobs

Source: Bureau of Labor Statistics

INDUSTRY SECTOR DETAILS

Following are eight industry sector snapshots detailing employment, wage, and specialization trends among the major private industry groups over a five-year period from 1998 to 2003¹⁷. In addition, to capture the most recent trends, individual charts using data from a monthly industry employment survey by the U.S. Bureau of Labor Statistics are also displayed. The charts show relative comparisons by indexing major industry employment in Mobile, the nation, state and selected comparable metros to 100 for the period of April 1995 to April 2005, with percentage changes in each major industry plotted for each area, offering side-by-side employment trend assessments. Below is an explanation of the terms used in the tables detailing each industry:

Sources of Change
Shows the results of a shift-share formula, which separates the causes in industry employment changes between the **industry**, according to its trends experienced nationally, and the **local** change, which differs from national industry trends. Results indicate the strengths of industries nationally and local competitive advantages or disadvantage. Positive results for the 1998-2003 period are **highlighted**.

Specialization
Degree shows local industry employment concentration relative to the nation. A figure over 1.25 indicates a specialized industry serving an export market. Degrees over 1.25 are **highlighted**. The **trend** shows the change in degree over the 1998-2003 period. Positive trends are **highlighted**.

Employment
Presents total and percent of total private industry employment in Mobile as of 2003 (the most current detailed industry data). **Five-Year Change** is for the 1998-2003 period. Positive employment change over the five-year period are **highlighted**.

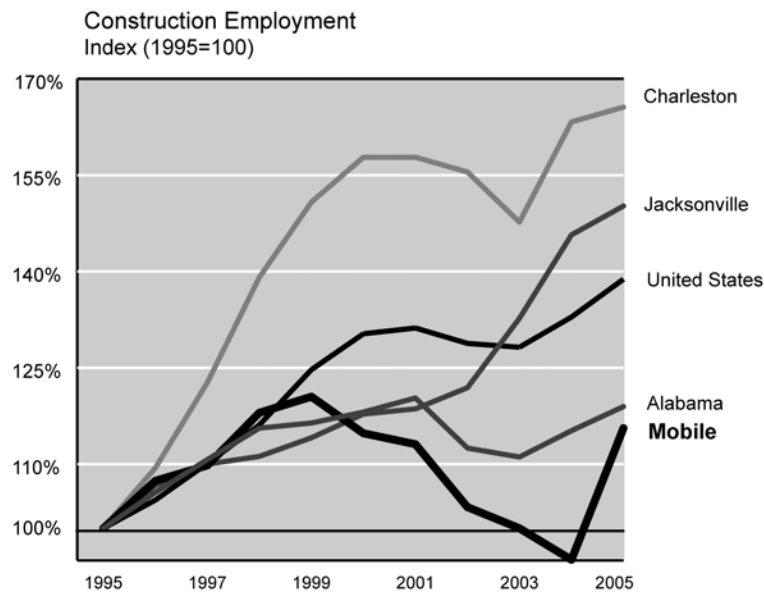
Wages
Presents 2003 **annual** industry wages, and **changes** over the 1998-2003 period. Annual wages greater than the Mobile private industry sector average of \$30,184 are **highlighted**. Changes greater than the average gain of 12.5 percent are **highlighted**.

Industry sub-group	Specialization		Total	Employment		Source Of Change		Wages		
	Degree	Trend		Total %	5-Y Change	Industry %	Local %	Annual \$	5-Y Change %	
Leisure and hospitality	0.94	0.05	1,4371	10.7	592	4.3	5	3	11,270	2.5

¹⁷ Annual 2003 is the most current detailed data published by the Bureau of Labor Statistics. Unlike other employment databases, this information is collected from a quarterly census of business establishments, rather than a representative survey.

CONSTRUCTION

Although specialized, construction employment dropped during the five year detailed examination, while nationally sources of industry change were positive. Building construction was the hardest hit sub-group. Construction industry wages are relatively high and wage growth has been positive. In the most recent industry survey, the sector has experienced a sharp turnaround, up 21.6 percent, or 2,500 new jobs. Local evidence suggests that some of this upturn may be due to several one-time, large Retirement Systems of Alabama projects, such as the Battle House Tower, the Riverview Plaza renovation the Cruise Ship Terminal, along with hurricane re-construction.



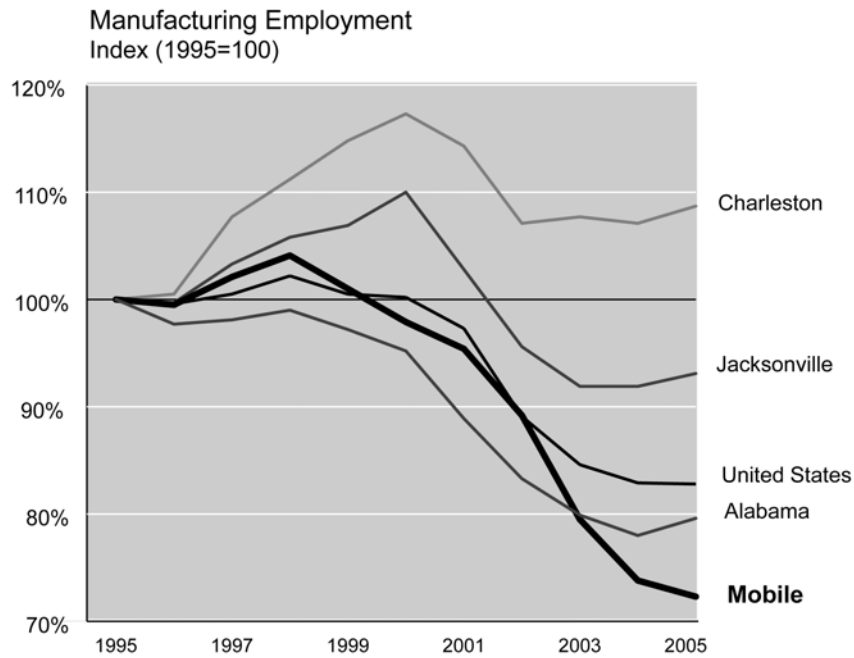
Construction Detail

	Specialization		Employment				Source Of Change		Wages	
	Degree	Trend	Total	Total (%)	5-Y Change	5-Y Change (%)	Industry (%)	Local (%)	Annual (\$)	5-Y Change (%)
Construction	1.26	(0.25)	10,613	7.9	(1,930)	(15)	9	(26)	31,140	9.1
Construction of buildings	1.16	(0.54)	2,289	1.7	(1,074)	(32)	7	(41)	33,836	6.4
Heavy and civil engineering construction	1.47	(0.06)	1,652	1.2	(139)	(8)	3	(13)	33,994	13.1
Specialty trade contractors	1.26	(0.17)	6,672	5.0	(717)	(10)	11	(22)	29,508	10.6

Source: U.S. Bureau of Labor Statistics, author's calculations

MANUFACTURING

Overall, the manufacturing sector has experienced persistent declining employment. Current industry survey information through April 2005, shows local manufacturing employment is down 2.1 percent or 300 less jobs over the last year. Manufacturing remains an industry with high wages and solid wage growth. Despite the weak industry performance, several locally specialized sub-groups show indications of strength. Wood product, paper, petroleum/coal products, chemical, and transportation equipment, are manufacturing industries sub-groups with various indications of relative economic strength.



Source: U.S. Bureau of Labor Statistics, author's calculations

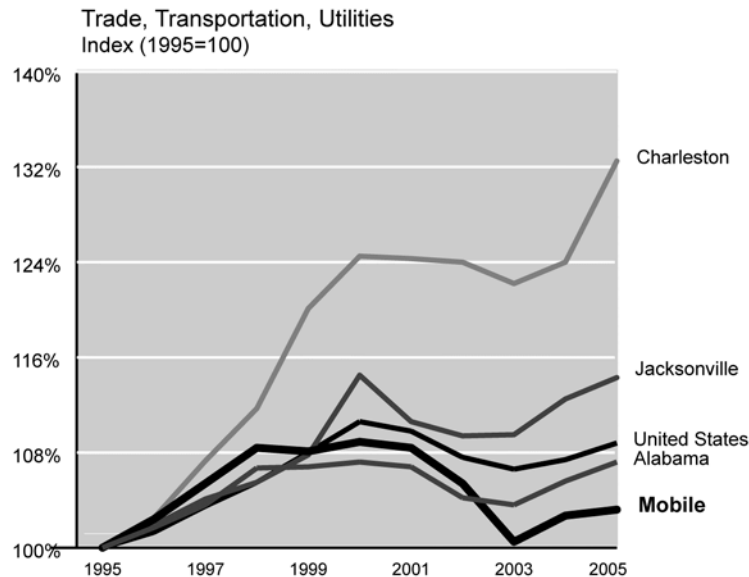
Manufacturing Detail

	Specialization		Employment				Source Of Change		Wages	
	Degree	Trend	Total	Total %	5-Y Change	5-Y Change %	Industry %	Local %	Annual \$	5-Y Change %
Manufacturing	0.84	(0.02)	15,267	11.3	(5,715)	(27)	(20)	(9)	44,398	11.9
Food manufacturing	0.79	0.11	1,505	1.1	47	3	(5)	6	20,817	34.7
Textile product mills	0.35	(0.15)	80	0.1	(72)	(47)	(20)	(30)	20,884	10.7
Wood product manufacturing	1.84	0.34	1,236	0.9	(23)	(2)	(14)	11	32,447	23.0
Paper manufacturing	1.67	(3.27)	1,077	0.8	(3,216)	(75)	(20)	(56)	59,955	12.2
Printing and related support activities	0.33	0.02	283	0.2	(74)	(21)	(21)	(2)	26,293	9.0
Petroleum and coal products manufacturing	1.69	0.35	246	0.2	9	4	(12)	14	58,574	21.7
Chemical manufacturing	2.52	(0.41)	2,874	2.1	(1,156)	(29)	(11)	(20)	68,123	23.7
Plastics and rubber products manufacturing	0.22	(0.09)	223	0.2	(169)	(43)	(15)	(31)	32,634	8.0
Nonmetallic mineral product manufacturing	0.93	(0.03)	583	0.4	(134)	(19)	(10)	(11)	47,047	28.6
Fabricated metal product manufacturing	0.86	0.16	1,600	1.2	(99)	(6)	(18)	10	37,176	4.7
Machinery manufacturing	0.31	0.06	446	0.3	(64)	(13)	(26)	12	40,888	31.0
Computer and electronic product manufacturing	0.41	0.02	703	0.5	(282)	(29)	(28)	(3)	48,336	30.4
Electrical equipment and appliance mfg.	0.29	0.00	167	0.1	(68)	(29)	(25)	(6)	36,387	41.3
Transportation equipment manufacturing	1.19	0.03	2,617	1.9	(704)	(21)	(17)	(6)	41,631	21.7
Furniture and related product manufacturing	0.62	0.04	446	0.3	(77)	(15)	(15)	(2)	24,420	20.2
Miscellaneous manufacturing	0.25	(0.05)	210	0.2	(105)	(33)	(13)	(2)	20,686	(1.5)

Source: U.S. Bureau of Labor Statistics, author's calculations

TRADE, TRANSPORTATION, UTILITIES

The trade, transportation, and utilities sector includes retail trade, transportation related industries and utilities. Overall, after peaking in 2000, the group experienced employment declines over the five year detailed examination period. As of 2003, industry survey indicates a mild up-tick, with employment up by .06 percent or 200 more jobs in the last year. Of particular note are the strong indicators in the transportation sub-group; water, truck, and support activities.



Trade, Transportation, and Utilities Detail

	Specialization		Employment				Source Of Change		Wages	
	Degree	Trend	Total	Total %	5-Y Change	5-Y Change %	National Industry %	Local %	Annual \$	5-Y Change %
Trade, Transportation, and Utilities	1.14	(0.04)	35,761	26.6	(4,229)	(11)	(1)	(12)	28,642	17.4
Wholesale trade	1.07	0.00	7,557	5.6	(624)	(8)	(1)	(9)	37,586	17.1
Merchant wholesalers, durable goods	1.20	0.03	4,429	3.3	(358)	(7)	(3)	(6)	39,513	13.8
Merchant wholesalers, nondurable goods	1.07	0.05	2,702	2.0	(7)	(0)	2	(4)	33,277	24.9
Electronic markets and agents and brokers	0.51	(0.27)	427	0.3	(258)	(38)	2	(42)	44,864	26.5

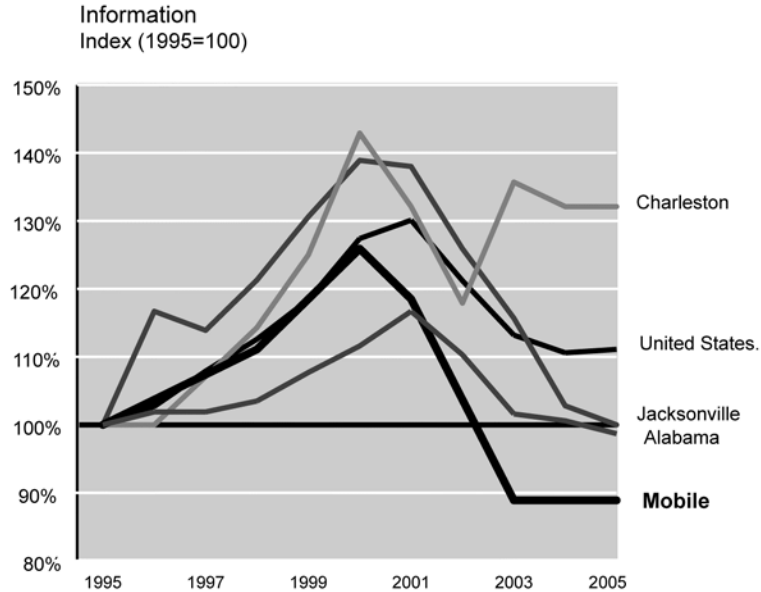
	Specialization		Total	Employment			Source Of Change		Wages	
	Degree	Trend		Total %	5-Y Change	5-Y Change %	National Industry %	Local %	Annual \$	5-Y Change %
Retail										
Motor vehicle and parts dealers	1.27	0.05	3,012	2.2	56	2	5	(5)	33,007	11.3
Furniture and home furnishings stores	1.33	0.13	913	0.7	88	11	7	2	24,574	14.5
Electronics and appliance stores	0.78	(0.23)	506	0.4	(219)	(30)	(3)	(29)	28,135	4.8
Building material and garden supply stores	1.25	0.06	1,869	1.4	132	8	10	(5)	26,513	13.8
Food and beverage stores	0.77	(0.34)	2,742	2.0	(1,761)	(39)	(5)	(36)	17,211	0.6
Health and personal care stores	1.11	(0.03)	1,311	1.0	(64)	(5)	5	(12)	27,227	33.2
Gasoline stations	1.59	0.34	1,761	1.3	132	8	(8)	15	14,422	10.6
Clothing and clothing accessories stores	0.92	0.04	1,520	1.1	(28)	(2)	1	(5)	14,666	2.9
Sporting goods, hobby, book and music stores	0.85	(0.20)	698	0.5	(243)	(26)	(2)	(26)	19,394	29.0
General merchandise stores	1.33	(0.03)	4,707	3.5	(334)	(7)	8	(11)	17,740	15.3
Miscellaneous store retailers	1.09	0.04	1,283	1.0	(108)	(8)	(5)	(5)	17,580	4.6
Nonstore retailers	1.13	(0.17)	601	0.4	(210)	(26)	(8)	(20)	20,649	51.0

	Specialization		Total	Employment			Source Of Change		Wages	
	Degree	Trend		Total %	5-Y Change	5-Y Change %	National Industry %	Local %	Annual \$	5-Y Change %
Transportation, Warehousing, Utilities										
Air transportation	0.16	0.02	108	0.1	(1)	(1)	(8)	5	33,817	5.1
Water transportation	4.55	2.29*	304	0.2	140*	85*	(2)*	87*	45,463	18.1*
Truck transportation	1.50	(0.04)	2,497	1.9	(380)	(13)	(4)	(11)	31,821	12.4
Transit and ground passenger transportation	0.33	0.07	157	0.1	31	25	5	18	15,196	6.1
Pipeline transportation	2.07	NA	105	0.1	NA	NA	(17)	NA	60,895	NA
Scenic and sightseeing transportation	0.60	NA	20	0.0	NA	NA	(18)	NA	13,764	NA
Support activities for transportation	3.43	(1.12)	2,211	1.6	(900)	(29)	2	(32)	40,273	26.2
Couriers and messengers	0.67	0.04	475	0.4	(43)	(8)	(7)	(4)	33,289	24.2
Warehousing and storage	0.38	(0.03)	250	0.2	(26)	(9)	6	(17)	31,474	12.3
Utilities	1.59	NA	1,155	0.9	NA	NA	(7)	NA	63,494	NA

* 1999 figures used, 1998 unavailable

INFORMATION

Except for broadcasting, the information sector exhibits very low specialization, indicating an industry primarily serving only the local economy. The sector has high wages, and has demonstrated strong wage growth over the five year detailed examination period. Current industry survey information reflects flat employment activity over the last year.



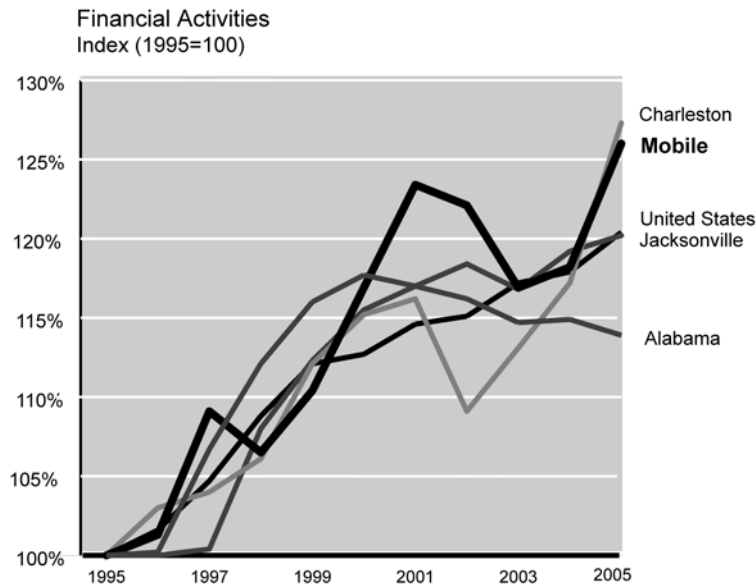
Information Detail

	Specialization		Employment				Source Of Change		Wages	
	Degree	Trend	Total	Total %	5-Y Change	5-Y Change %	Industry %	Local %	Annual \$	5-Y Change %
Information	0.59	(0.07)	2,377	1.8	(587)	(20)	(3)	(18)	39,322	18.9
Publishing industries, except Internet	0.53	0.04	625	0.5	(37)	(6)	(6)	(1)	40,382	24.2
Motion picture and sound recording industries	0.31	0.02	146	0.1	(8)	(5)	(6)	(1)	12,551	24.6
Broadcasting, except Internet	1.80	0.12	733	0.5	2	0	1	(3)	38,202	20.9
Telecommunications	0.44	(0.23)	604	0.4	(431)	(42)	(5)	(39)	49,546	21.9
ISPs, search portals, and data processing	0.51	(0.20)	258	0.2	(121)	(32)	1	(35)	31,274	24.6

Source: U.S. Bureau of Labor Statistics, author's calculations

FINANCIAL ACTIVITIES

The financial activities sector has experienced relatively strong employment growth excepting for a few years, and is up 6.6 percent or 600 more jobs in the last year, as of the most recent industry survey. While the entire sector is not specialized overall, the rental and leasing services sub-group is locally specialized, with a strongly increasing trend in specialization over the five year detailed examination period.



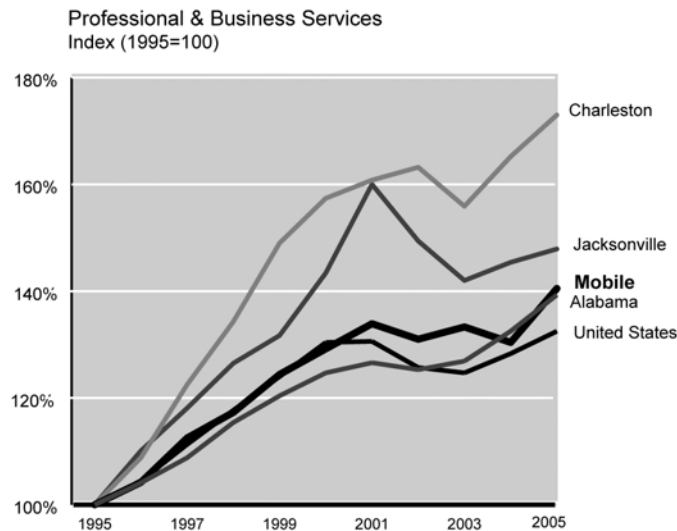
Financial Activities Detail

	Specialization		Employment				Source Of Change		Wages	
	Degree	Trend	Total	Total %	5-Y Change	5-Y Change %	Industry %	Local %	Annual \$	5-Y Change %
Financial Activities	0.89	0.08	8769	6.5	574	7	5	0	37,704	0.28
Finance and insurance	0.74	0.00	5,394	4.0	(79)	(1)	5	(9)	44,457	34.4
Credit intermediation and related activities	0.97	0.06	3,407	2.5	217	7	8	(3)	37,361	34.9
Insurance carriers and related activities	0.63	(0.08)	1,697	1.3	(323)	(16)	2	(20)	52,922	49.4
Real estate and rental and leasing	1.31	0.29	3,375	2.5	653	24	4	18	26,911	19.7
Rental and leasing services	2.34	1.04	1,876	1.4	724	63	(3)	64	26,015	19.6

Source: U.S. Bureau of Labor Statistics, author's calculations

PROFESSIONAL & BUSINESS SERVICES

Overall, the professional and business services sector has avoided deep employment losses, or short-term dips, and has earned a mostly growth pattern. The specialized administrative and support services sector has demonstrated strong employment growth over the detailed five year examination period. The recent industry survey show, the professional and business services sector up 7.8 percent, or 1,700 more jobs in the last year.



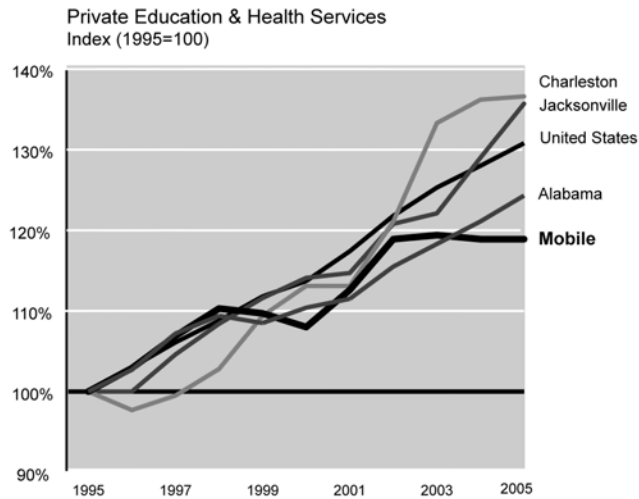
Professional and Business Services Detail

	Specialization		Employment				Source Of Change		Wages	
	Degree	Trend	Total	Total %	5-Y Change	5-Y Change %	Industry %	Local %	Annual \$	5-Y Change %
Professional and Business Services	1.03	0.14	20,480	15.2	1,958	10	3	5	26,356	7.3
Professional and technical services	0.97	0.09	8,083	6.0	734	10	7	1	41,649	10.3
Management of companies and enterprises	0.19	0.04	406	0.3	42	12	(6)	16	42,141	(2.1)
Administrative and waste services	1.26	0.18	11,991	8.9	1,182	11	2	7	18,803	4.2
Administrative and support services	1.26	0.23	11,473	8.5	1,631	17	2	12	18,055	6.9
Waste management and remediation services	1.29	(0.96)	518	0.4	(449)	(46)	0	(48)	35,379	18.8

Source: U.S. Bureau of Labor Statistics, author's calculations

PRIVATE EDUCATION & HEALTH SERVICES

The private education and health services sector experienced positive employment growth over the five year detailed examination period, however a review of the sources of change data, indicates that the growth was due to a national trend, not local specialization. Dominated by health related sub-groups, these industries demonstrate high relative wages and high wage growth. The recent industry survey shows no employment change over the last year.



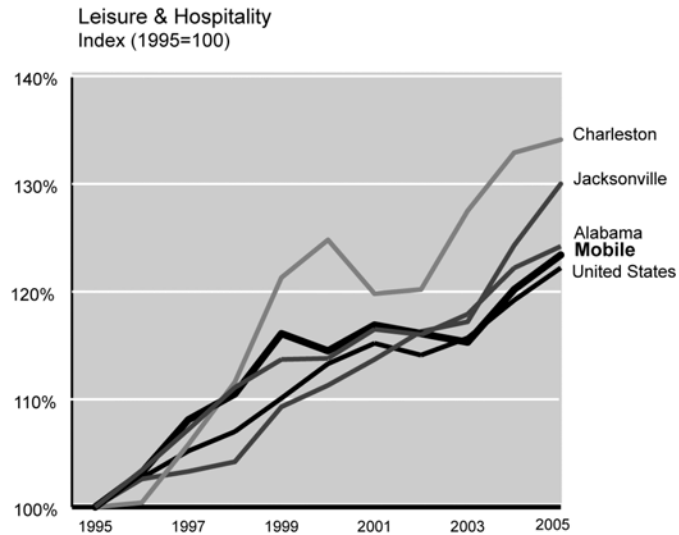
Private Education and Health Services Detail

	Specialization		Employment				Source Of Change		Wages	
	Degree	Trend	Total	Total %	5-Y Change	5-Y Change %	Industry %	Local %	Annual \$	5-Y Change %
Private Education and Health Services	1.00	0.00	19,838	14.7	724	4	12	(10)	34,637	19.5
Private Educational services	0.71	(0.05)	1,797	1.3	66	4	19	(17)	25,521	21.6
Health care and social assistance	1.05	0.01	18,042	13.4	659	4	11	(9)	35,544	19.3
Ambulatory health care services	1.09	(0.09)	6,575	4.9	(279)	(4)	12	(18)	52,184	26.1
Hospitals	1.16	NA	6,128	4.5	NA	NA	8	NA	32,146	NA
Nursing and residential care facilities	0.86	0.11	3,009	2.2	417	16	9	5	19,198	16.7
Social assistance	0.94	NA	2,330	1.7	NA	NA	20	NA	18,637	NA

Source: U.S. Bureau of Labor Statistics, author's calculations

LEISURE & HOSPITALITY

Although exhibiting a low degree of local specialization, the leisure and hospitality sector has demonstrated mostly positive growth, mirroring the national trend. While wages are relatively low, wage growth has been strong over the five year detailed examination period. The recent industry survey shows employment up 2.7 percent, or 400 more jobs than last year.



Leisure & Hospitality Detail

	Specialization		Employment				Source Of Change		Wages	
	Degree	Trend	Total	Total %	5-Y Change	5-Y Change %	Industry %	Local %	Annual \$	5-Y Change %
Leisure and hospitality	0.94	0.05	14,371	10.7	592	4.3	5	3	11,270	2.5
Arts, entertainment, and recreation	0.59	(0.00)	1,348	1.0	(45)	(3)	5	(10)	15,489	22.6
Performing arts and spectator sports	0.62	(0.30)	299	0.2	(153)	(34)	6	(42)	20,034	43.4
Museums, historical sites, zoos, and parks	0.87	0.11	126	0.1	21	20	13	5	14,058	21.3
Amusements, gambling, and recreation	0.56	0.07	923	0.7	87	10	3	5	14,209	18.0
Accommodation and food services	1.00	0.06	13,023	9.7	637	5	6	(3)	10,834	0.2

Source: U.S. Bureau of Labor Statistics, author's calculations

Recommended Industries

In order to provide a framework for recommending industries and specific tactics for the Mobile area, it is necessary to discuss and define what economic development is as well as the overall economic development tactics an economic development organization can employ to meet their goals.

Economic development has often been defined as the process by which wealth is created in a given geographic area. In this case the primary area of concern is Mobile County. However, it is important to keep a regional perspective in mind due to the transient nature of economic activity in a global context.

In order to create wealth within the area, it is helpful to think of the local economy as a nation in which the balance of payments determines the level of wealth created. The goal is to bring money into the region in excess of the money leaving the region. This can be accomplished in a number of ways. One of the most common is to generate income by exporting value-added products or services outside of the area in excess of the income spent for goods and services purchased from outside the area. Once money is brought into the area the goal becomes to keep it there and let it re-circulate as many times as possible before it leaves the area to pay for goods or services purchased from outside the area.

However, the primary goal of an economic development strategy is to make the economic pie bigger rather than re-cycle what is already there. The greater the value added by the local business, the bigger the economic impact. Historically, manufacturing has been the economic sector that has given the “biggest bang for the buck,” by providing the highest value added for the inputs. Traditionally, the inputs have been land, labor, and capital. In the rapidly evolving global economy the inputs have expanded to include knowledge, innovation, and communications.

There are several methods to bring money into the area. It may come in the pockets of tourists who visit the area, or from second homeowners who earn their income outside the area and bring it with them. It can come from retirees who choose the area as the place to spend their 401K retirement funds. It may also come from retirement homes and regional medical centers. It can also be transferred into the area by the government in the form of welfare payments, social security, and grants.

Yet another tactic to pursue in the economic development effort to make the pie bigger is the attraction of economic activity (business) from outside the region. Therefore if an area is to compete successfully, it must offer significant competitive advantages. These advantages can come in the form of the area’s geographic proximity to markets, available skilled and knowledgeable workforce, high quality of life, transportation systems, communication infrastructure, etc. The ability to recruit and retain talented workers is rapidly becoming a competitive factor as we approach the demographic shift brought about by the pending retirement of the “baby-boomers”.

The recommended industries have been selected based on Mobile's strengths, existing economic base, assets, desired industry targets, growth potential, and our experience.

By focusing on the primary recommendations, Mobile will be able to achieve one of its goals, which is to diversify its manufacturing base.

Companies will continue to locate to the Mobile Area regardless of any proactive targeted marketing campaigns. However, targeting companies within the recommended industries will allow Mobile to control its own destiny. The information following is provided to Mobile to assist in marketing to these industries.

Nine Immediate Target Industries

Information technology occupations are projected to be some of the fastest growing occupations within the U.S. through 2010, according to the U.S. Bureau of Labor Statistics. The wireless communications segment is the fastest growing sector within the telecommunications industry, and we recommend that you focus on companies that provide products and services to this industry. Other recommended segments of focus include companies that provide software and consulting services to the government, and companies that provide outsourcing solutions to businesses. Based on sector forecasts, additional sectors Mobile may want to target include network operating systems, groupware software, multimedia software, music and video software, information retrieval services, and data processing and network services. Site location factors important to this industry are close proximity to market, availability of technical and executive skills, availability of financial capital, and high quality of life. Mobile offers all of these factors, making this an ideal target for the greater Mobile area. Many sub sectors within this industry pay high annual payrolls.

Wood Product Manufacturing

Industries in the Wood Product Manufacturing sector manufacture wood products, such as lumber, plywood, veneers, wood containers, wood flooring, wood trusses, manufactured homes (i.e., mobile home), and prefabricated wood buildings. The production processes of the Wood Product Manufacturing sector include sawing, planing, shaping, laminating, and assembling of wood products starting from logs that are cut into bolts, or lumber that then may be further cut, or shaped by lathes or other shaping tools. The lumber or other transformed wood shapes may also be subsequently planed or smoothed, and assembled into finished products, such as wood containers. The Wood Product Manufacturing sector includes establishments that make wood products from logs and bolts that are sawed and shaped, and establishments that purchase sawed lumber and make wood products.

Transportation Equipment Manufacturing (Includes Avionics)

Industries in the Transportation Equipment Manufacturing sector produce equipment for transporting people and goods. Aircraft parts manufacturing and assembly and shipbuilding is included in this sector.

Water Transportation

Industries in the Water Transportation sector provide water transportation of passengers and cargo using watercraft, such as ships, barges, and boats.

Truck Transportation

Industries in the Truck Transportation sector provide over-the-road transportation of cargo using motor vehicles, such as trucks and tractor-trailers. The sector is subdivided into general freight trucking and specialized freight trucking. As the Choctaw Point Intermodal facility comes on line, opportunities will develop for import and export distribution.

Support Activities for Transportation

Industries in the Support Activities for Transportation sector provide services, which support transportation. These services may be provided to transportation carrier establishments or to the general public. This sector includes a wide array of establishments, including air traffic control services, and marine cargo handling. Ship repair and maintenance not done in a shipyard is included, such as floating dry-dock services in a harbor.

Administrative and Support Services


Industries in the Administrative and Support Services sector group establishments engaged in activities that support the day-to-day operations of other organizations. The processes employed in this sector (e.g., general management, personnel administration, clerical activities, cleaning activities) are often integral parts of the activities of establishments found in all sectors of the economy. The establishments classified in this sector have specialized in one or more of these activities and can, therefore, provide services to clients in a variety of industries and, in some cases, to households.

Many of the activities performed in this sector are ongoing routine support functions that all businesses and organizations must do and that they have traditionally done for themselves. Recent trends, however, are to contract or purchase such services from businesses that specialize in such activities and can, therefore, provide the services more efficiently.

Finance and Insurance

The Finance and Insurance sector comprises establishments primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions. Three principal types of activities are identified:

1. Raising funds by taking deposits and/or issuing securities and, in the process, incurring liabilities. Establishments engaged in this activity use raised funds to acquire financial assets by making loans and/or purchasing securities. Putting themselves at risk, they channel funds from lenders to borrowers and transform or repackage the funds with respect to maturity, scale, and risk. This activity is known as financial intermediation.
2. Pooling of risk by underwriting insurance and annuities. Establishments engaged in this activity collect fees, insurance premiums, or annuity considerations; build up reserves; invest those reserves;



and make contractual payments. Fees are based on the expected incidence of the insured risk and the expected return on investment.

3. Providing specialized services facilitating or supporting financial intermediation, insurance, and employee benefit programs.

In addition, monetary authorities charged with monetary control are included in this sector.

The Finance and Insurance sector has been defined to encompass establishments primarily engaged in financial transactions; that is, transactions involving the creation, liquidation, change in ownership of financial assets; or in facilitating financial transactions. Financial industries are extensive users of electronic means for facilitating the verification of financial balances, authorizing transactions, transferring funds to and from transistors' accounts, notifying banks (or credit card issuers) of the individual transactions, and providing daily summaries. Since these transaction-processing activities are integral to the production of finance and insurance services, establishments that principally provide a financial transaction processing service are classified to this sector, rather than to the data processing industry in the Information sector.

Health Care and Social Assistance

The Health Care and Social Assistance sector comprises establishments providing health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities. The industries in this sector are arranged on a continuum starting with those establishments providing medical care exclusively, continuing with those providing health care and social assistance, and finally finishing with those providing only social assistance. The services provided by establishments in this sector are delivered by trained professionals. All industries in the sector share this commonality of process, namely, labor inputs of health practitioners or social workers with the requisite expertise. Many of the industries in the sector are defined based on the educational degree held by the practitioners included in the industry.

Industries in the Hospitals subsector provide medical, diagnostic, and treatment services that include physician, nursing, and other health services to inpatients and the specialized accommodation services required by inpatients. Hospitals may also provide outpatient services as a secondary activity. Establishments in the Hospitals subsector provide inpatient health services, many of which can only be provided using the specialized facilities and equipment that form a significant and integral part of the production process.



VII. Concluding Thoughts

VII. Concluding Thoughts

Mobile County is at a crossroads in shaping its economic destiny. It's 20 years history of lackluster or stagnant growth has been a cause for the loss of businesses establishments and population growth.



Now is the time for Mobile County to invest in strengthening its economy and in having a role in controlling its own destiny. Mobile County economic development efforts over the last several years have been somewhat ineffective. During the high growth years of the 1990's in the U.S., Mobile County should have had a pro-active effort positioning itself as a competitive location for business development. It did not take advantage of that opportunity. Politics and turfdom is limiting Mobile from reaching its fullest potential today.

Mobile County must look forward and recognize to succeed, it cannot be business as usual. It must focus on what the global economy promises will be constant and rapid change. Mobile County must invest in technology to position itself as a location for "mobile entrepreneurs". It must focus on public and private leadership and nurture a new generation of leaders for the community. It should celebrate success with business locations and expansions no matter what size.

Divisiveness and pettiness must take a back seat. Local leaders must strongly commit to economic development, both in policy making and resource allocation to reach long-term goals. Cooperation and collaboration is paramount to success.

These are the themes that we have heard and observed. Now we challenge Mobile County to move forward. Mobile County is a good community. It has achieved success in many areas. It can be a great community.



VIII. Appendix

**Competitive Strategies Group
Community Assets and Challenges Assessment**

Community: ___ Mobile, AL

Contact: Completed by Mark Sweeney, MSC, Inc.

Date: 7/27/05

ACCESS TO MARKETS	Weakness	Normal	Strength
Centrally located for major regional market		X	
Centrally located for national market	X		
Well positioned to serve international markets			X
Common carrier trucking		X	
Interstate highways		X	
Rail service			
Port facilities		X	
Scheduled airfreight services			X
Within 1 hour of commercial air passenger service (non-commuter)		X	
General aviation airport capable of handling corporate aircraft			X
Local telephone company's capacity for simultaneous voice/data transmission and high speed internet services			
Connection of local telephone company to national fiber optics network			

LABOR	Weakness	Normal	Strength
Availability of unskilled and semi-skilled workers		X	
Availability of skilled industrial workers			X
Availability of skilled clerical workers		X	
Availability of technicians and scientists	X		
Availability of managerial personnel			
Cost of labor			X
Quality of labor-management relations			
Availability of post-secondary vocational training		X	
Availability of on-the-job training assistance			X
Within 1/2 hour of major university/college			x
Availability of engineering program		x	
Cooperation of local state employment office in recruiting and screening applicants		x	

ACCESS TO RESOURCES	Weakness	Normal	Strength
Availability of forest products			X
Availability of agricultural products for food processing			X
Availability of minerals		X	
Availability of intermediate manufactured goods and supplies		X	
Availability of manufacturing processes		X	
Availability of business and professional services			
Cost of electricity for industrial use			X
Availability of high quality electric service			X
Availability of uninterruptible natural gas		X	
Availability of water/cost of water/sewer			

LOCAL ECONOMIC DEVELOPMENT PROGRAM	Weakness	Normal	Strength
Adequate level of professional staff		X	
Involvement of both public and private sectors		X	
Local economic development organization has a strategic plan		X	
Level of leadership support of economic development program		X	
Level of cooperation between various organizations involved in economic development activity			
Level of awareness of community regarding economic development		X	
Level of funding for local economic development program		X	

ACCESS TO SPACE	Weakness	Normal	Strength
Availability of fully served and attractive industrial sites	X		
Availability of fully served and attractive office sites	X		
Reasonably priced sites		X	
Availability of suitable industrial space	X		
Availability of suitable office space		X	

ACCESS TO CAPITAL	Weakness	Normal	Strength
Availability of tax-exempt financing for new industrial facilities		X	
Availability of low interest loans for small business		X	
Availability of venture capital from local sources for business startups			

GOVERNMENT IMPACT ON BUSINESS	Weakness	Normal	Strength
Availability of adequate wastewater treatment capacity			
Availability of adequate water and sewer lines to industrial sites		X	
Condition and maintenance of local streets	X		
Level of traffic-carrying capacity of local streets and highways		X	
Availability of tax incentives		X	
Availability of labor training incentives		X	
Availability of relocation incentives for transferees			
Quality of local elementary and secondary education	X		
Quality of post-secondary education		X	
Level of state costs for workers' compensation	X		
Level of state costs for unemployment insurance			
State and local environmental regulations		X	
Business permitting procedures and costs		X	
Zoning policies	X		
Building codes			
Corporate income taxes	X		
Local property taxes		X	
State and local sales and use taxes service taxes		X	
Personal income taxes		X	

QUALITY OF LIFE	Weakness	Normal	Strength
Availability of executive-level housing			
Availability of moderate cost housing		X	
Availability of apartments		X	
Cost of housing			X
Level of crime	X		
Level of cultural activity		X	
Availability of recreational opportunities		X	
Presence of major sporting events		X	
Level of air pollution			
Quality of the climate	X		
Attractiveness of the physical environment	X		
General appearance of the community		X	
Availability of major shopping facilities			
Availability of adequate medical facilities		X	
Availability of first-class hotels, motels, and resorts	X		
Quality of local restaurants		X	
Appearance of the Central Business District	X		