

Gadsden

Gadsden's manufacturing sector shed just 100 jobs between October 2007 and October 2008, as new and expanding industries helped counter layoffs. Successful economic recruitment in 2007 led *Expansion Management* to name Gadsden the #11 small metro for recruitment and attraction. However, the metro area was hit with the loss of 400 jobs in services and another 100 in the financial sector. Construction employment was also down by around 100. Retail trade was the bright spot, adding 100 jobs. Overall, nonagricultural employment fell 1.6 percent, a loss of 600 jobs, during the 12-month period. Total employment of Gadsden metro residents slid by a larger 3.5 percent; at least 5,000 (11.7 percent) workers commute to jobs outside the area. With the labor force declining by a lesser 1.3 percent, unemployment rose from 3.7 percent in October 2007 to 5.8 percent in October 2008.

Goodyear Tire and Rubber continued work on a \$125 million project, slated for completion in 2010, expanding its capability with the introduction of new tire-making equipment. However, weak economic conditions have forced periodic shutdowns and layoffs at the plant since mid-summer 2008. New industry RC Mold and Machine began operation in March as a supplier to Goodyear. Rigid Building Systems completed its new plant at the end of 2007 and planned to add 100 employees in 2008. Construction began in July on a \$118 million expansion by Keystone Foods and a \$9 million facility for Southern Cold Storage on Airport Road in Gadsden that are expected to be finished by the fall of 2009. Keystone could add about 150 jobs and Southern Cold Storage 40. Infrastructure development at the property should make it an attractive site for future industry.

In other developments, auto supplier NARMCO received tax abatements for a \$7 million expansion in 2008, while S.I.P. planned to almost double production and add workers at its steel decking plant. Five Star, a provider of engineering technician services, was investing \$8 million in a facility that will begin with 15 employees. And Koch Foods' \$15.5 million investment in the former Tyson Foods plant should enable it to recreate some of the 200 jobs lost in the 2007 acquisition. However, Dixie Pacific closed its Gadsden plant in February 2008, idling 172. A contract for a new Automotive Technology Center for Excellence at Gadsden State Community College will help prepare the area's workforce for jobs at Honda and other auto-related companies.

Retail options in the area grew in 2008 with a J.C. Penney and Books-A-Million opening at Gadsden Mall and a CVS under construction in Gadsden. Possibilities for retail development of the River Trace Golf Course site looked promising at the start of 2008, but faded when Home Depot canceled its contract with the Shopping Center Group. A Tractor Supply Co. store in Gadsden was completed in the fall.

Gadsden's sizeable medical services sector added a new dimension with S&H Holdings \$5 million investment in a building and radiosurgery equipment for the Novalis-Brain Lab Team—the only machine of its kind in the state. In quality of life improvements, Gadsden worked on rehabbing dilapidated houses in the city. Upgrades and improvements to local parks were undertaken during the year and a new bait shop and boat launch was completed. An expansion and upgrades at the Gadsden Museum of Art should be finished in the spring of 2009. Two groups, Coosa Entertainment and CBS

Supply, presented proposals for an entertainment complex that would include a charitable electronic bingo facility. A new interchange at I-59 and Pleasant Valley Road is proposed to facilitate development of the area.

With an increase of about 300 residents, or 0.3 percent, population growth in the Gadsden area was the slowest of the state's metros in 2007. Gadsden's housing market weakened during the year; building permits for single-family homes issued during the first nine months of 2008 were one-third lower than a year ago. Homes sold during this period were down 19.9 percent. Prices held up, however, with the third quarter 2008 OFHEO House Price Index 3.7 percent above the third quarter of 2007. Per capita income posted a 4.8 percent increase for the year and, at \$28,492, ranked 9th. Manufacturing wages were more competitive than the average wage across all industries, but were still almost \$3,000 below the state's 2007 average.