

Dothan

With its retail-heavy economy, Dothan was the first Alabama metro to see a sustained decline in jobs; payroll employment has been steadily below year-ago levels since December 2007. Opening of the Country Crossing entertainment venue on December 1 gave employment a boost that is not reflected in the October 2008 to October 2009 loss of 1,900 non-agricultural jobs (-3.1 percent) that dropped the total to 60,100. Dothan's relatively small goods producing sector was the hardest hit, with employment in manufacturing down 700 and construction off by 500. Service producing industries lost a total of 700 jobs. Retail trade and the professional and business services sector each shed 300 jobs during the 12-month period. Government was a growth industry, adding 200 positions in the state and local sector, while education and health services and transportation, warehousing, and utilities each gained 100. Employment in the information and federal government sectors was flat.

The Dothan area is a net importer of workers, with over 3,000 more jobs than working residents. Total employment fell 7.6 percent during the year ending in October 2009 compared to a statewide decline of 8.6 percent. With a state-average 3.4 percent drop in the labor force, unemployment rose from 5.1 to 9.3 percent over the year, fourth lowest among the metro areas. However, GDP grew more slowly in the Dothan metro than in the state between 2001 and 2008—an increase of 37.9 percent compares to Alabama's 43.3 percent gain. Dothan was the only metro to see a current dollar decline in GDP during 2008; the value of goods and services produced in the area fell 2.2 percent for the year, with the drop spread across most dominant sectors except government. At 68.0 percent, the share of GDP generated by service providing businesses is second-highest among the 11 metro areas, while the 18.0 percent of GDP from goods producing industries is the lowest.

Manufacturing contributed 10.3 percent of payroll jobs in the Dothan metro area in October 2009, with employment down more than 10 percent from a year ago. Development news in 2009 included the announcement of new industry All Metal Roofing & Siding, investing \$2.3 million and creating 35 jobs. However, cuts were reported at several local manufacturers early in the year—Reliable Products in Geneva laid off 156 in January and Dothan's Tri-State Plant Food let most of its employees go in November. Among expansions announced in 2008, Cummings Signs added another 100 workers, a \$2 million investment at Lincoln Fabrics should create about 30 jobs, and Wholesale Wood Products was spending \$1.2 million and adding 20 workers. Aviation services, a primary focus of the area's nonmanufacturing industry, has lent stability. Army Fleet Support at Fort Rucker was adding about 200 workers to its around 3,800 employees in the second half of the year. Henry County high school students will have convenient access to aircraft maintenance training offered at the Ozark Aviation Campus of Enterprise-Ozark Community College from a classroom being set up at the Headland airport in 2010.

Dothan has been growing its distribution business despite the lack of a controlled access highway to I-10. Several Mexican factories have opened sites in the last two years and another was added in February 2009 to receive goods shipped through Panama City, Florida for

distribution. A trade agreement between the Port of Panama City and the Port of Progreso in Yucatan could boost trade, with a possible use of Dothan and Geneva County's food service industry to provide cold storage for imported food products. Opening of the new Panama City-Bay County International Airport in the spring of 2010 should help development in the Dothan area, particularly with respect to industries that would supply and service the airport. State approval of a private proposal under consideration for a toll road to include a southern loop around Montgomery and a route from Midland City south to at least the Alabama line would bring the interstate link closer to reality.

National chain store closings dealt a blow to the area's retail sector early in 2009. About a quarter of Dothan Pavilion's retail space was vacant in February, despite the opening of a movie theater and several restaurants. Still, the Dothan Village shopping center that will incorporate hotels and retail businesses broke ground in the spring. Work progressed slowly on three Publix locations in the Dothan area. The Publix-anchored Cottonwood Corners and Publix stores at Westway and in a redevelopment project at Northside Mall could all open in 2010. Both a Hilton Garden Inn and Country Inn and Suites opened in the fall.

The Country Crossings country music-themed entertainment venue and bingo hall provided a boost to construction employment during 2009 and to jobs in the leisure and hospitality industry late in the year. Phase 1 of the project opened December 1 as country music stars greeted visitors to the development's bingo hall and three inside celebrity restaurants. The site also houses a bed and breakfast, amphitheater, and RV parking area. The 1,700 electronic bingo machines were tested for compliance with Alabama Supreme Court guidelines. An estimated 2,000 contractors and employees were on hand for opening day. Site preparation is underway for Phase 2 which will include a Family Entertainment Center, bowling alley, arcade, stage, and other family attractions.

Population trends in the Dothan area have benefitted from the relocation of some coastal Florida residents; population rose 1.2 percent in 2008 with an estimated 1,176 new residents. *BusinessWeek* named Dothan the #1 place in Alabama to raise a family. The City of Dothan continued to provide funding to support public/private redevelopment of its downtown. Work got underway on a \$46 million sewer treatment plant during the year and on a HUD-funded elderly housing development.

Growth in deposits in the Dothan metro's banking sector was a strong 11.1 percent for the year ending June 30, above Alabama's 9.0 percent gain. The addition of one banking institution brought the area total to 21, while branches increased by two to 55. At 2.4 percent, per capita personal income growth during 2008 was the lowest among the metros, although the area's \$32,016 ranked seventh. However, median family income was up a strong 5.8 percent to \$51,100 in FY2009. Average wages across all industries in 2008 amounted to \$32,920 or 91.0 percent of the Alabama average. Building permits were issued for 175 single-family homes in the Dothan metro area during the first 10 months of 2009, a 38.2 percent decline from the same period in 2008. There were 56 multi-family units permitted compared to none the previous year. Home sales held up fairly well through October, down just 8.0 percent versus a 15.3 percent

drop statewide. Home prices based on the FHFA House Price Index actually rose in the third quarter compared to both the prior quarter and a year ago, up 0.5 and 1.7 percent, respectively.