Dothan

Dothan’s economy stabilized in 2010 after a couple of years of declining employment and struggles in the housing market. Nonfarm employment in the Dothan metro fell 0.9 percent to 57,500 for the 12-month period ending in October. Local labor force conditions improved, however, and the unemployment rate fell to 8 percent in October 2010, a 1.4 percentage point drop from one year earlier. This was due to total employment rising 4.4 percent to 58,898 from October 2009 to 2010, while the size of the labor force increased a lesser 2.8 percent, to 64,046. Payroll employment losses were spread across several sectors, with most industries unchanged. Information, financial services, and professional services each lost 100 jobs, as did wholesale trade and transportation.

The largest loss for the metro area during the year was in manufacturing, with the closure of the Sony plant in October. Established in 1977, the plant had seen employment fall from a peak of 1,000 to about 320 workers in recent months. The significance of the manufacturing sector in Dothan continued to decrease in 2010, as it accounted for 9.7 percent of total employment, compared to 10.3 percent a year earlier. The largest sectors remained trade and transportation, with 25.9 percent of Dothan area jobs, and government, accounting for 18.6 percent of employment.
While retail employment was steady at 9,000 workers, it provided 15.7 percent of local employment, illustrating Dothan’s status as a major retail center for surrounding counties. Data from the 2007 Economic Census of Retail Trade confirm this—at $15,542 Dothan retail sales per capita were the highest of the 11 metros and 126 percent of the Alabama average. Furthermore, retail activity in 2010 was brisk, suggesting that retail employment may be due for an increase in 2011. New developments opening in 2010 were Cottonwood Corner in south Dothan and Westway in west Dothan. Each development is anchored by a Publix supermarket with various other businesses including Tropical Smoothie, Five Guys, Palm Beach Tan, and McDonald’s. Work also began on the redevelopment of Northside Mall, which in addition to existing businesses will include another Publix store, a Hobby Lobby, and office space when finished in 2011. Winn Dixie invested $8 million in upgrading its four Dothan stores to better compete with Publix. A new Comfort Inn was completed in Dothan, and a Quality Inn is planned for completion in 2011.

The trade and transportation sectors maintained their prominent role in the Dothan economy. Transportation and warehousing accounted for 5.9 percent of total employment in Dothan, compared to 3.5 percent for the state; wholesale trade also employed slightly more than the state average, at 4.3 percent of area employment. New development occurred in these sectors in 2010, with Buffalo Rock, a beverage distributor, announcing plans for a new $6 million distribution center, expected to add about 20 jobs in the area. Pepi Foods will complete a new headquarters and distribution center in Dothan, adding 20 jobs to its current employment in the city.

As the local economy appears to move further away from manufacturing, Southeast Alabama Medical Center announced it will take part in creating a new osteopathic medical school near its property, to break ground in February 2011. The school, to be called Alabama College of Osteopathic Medicine, is expected to grow the medical sector in Dothan, provide better access to medical care for local residents, and have an economic impact of $111 million through 2015. It will admit its first class in the fall of 2012 and is expected to have about 600 students by 2016. Southeast Alabama Medical Center is already the largest employer in the metro area, with 2,600 employees.

The aviation and aerospace industry remained significant in the region in 2010, as Army Fleet Support (AFS) at Fort Rucker increased its employment to 4,122 workers, and local businesses capitalized on contract opportunities. The Alabama Aviation Center in Ozark provided training to maintain a constant supply of workers for AFS and local aviation/aerospace-related businesses. And Dothan Regional Airport received a $750,000 grant to be used to attract a new airline to the airport, through guaranteeing revenue. The airport has been in talks with American Eagle about beginning service there. Other area developments included a new call center in Taylor, which will employ 350 workers. The Country Crossing entertainment complex near Dothan, which employed about 1,000 workers during its two months of operation, closed in January amidst threats of a raid by the governor’s anti-gambling task force.

The City of Dothan’s Downtown Dothan Redevelopment Authority was very active in 2010, often in cooperation with the private sector. Eagle Investments, following the purchase of three properties on Foster Street, worked out an agreement with the city to acquire the former Wadlington Hotel and two more Foster Street properties. The city began a streetscaping project on Foster Street as well, which will be mostly paid for with a $500,000 grant. Dothan also added to its recreation offerings, completing E.R. Porter Park downtown, and refurbishing a 3.3 mile cycling/walking trail at Westgate Park.
Like many metro areas in the state and the nation, home prices in Dothan fell in 2010. The FHFA house price index for the third quarter of 2010 was down 4.2 percent from third quarter 2009. Despite this, activity remained relatively steady, as the number of permitted single-family and multi-family units fell by just 4 and 9, respectively, from the previous year. This resulted in a total of 171 single-family permits and 47 multi-family permits for January to October 2010. Home sales through October 2010 were up slightly, rising to 878 from 810 for the same period in 2009. Population growth may have helped home sales, as the Dothan metro area’s population increased 0.9 percent to 142,693.

Median family income in Dothan rose 0.6 percent to $51,400, remaining slightly below the state median. Dothan’s per capita income fell modestly to $33,097 in 2009; however, the 0.8 percent decrease from 2008 was less than for most of the state’s metros. Bank deposits were up 2.4 percent from 2009; the total number of banks was unchanged at 21, while the area lost one branch for a total of 54.