Manufacturing dominated the news in the Auburn-Opelika metro area during 2012, with new and expanding companies primarily in the automotive and medical products industries. Still, after posting a relatively strong increase of 1,100 jobs in 2011, nonfarm employment averaged just 52,400 for the first 10 months of 2012, down about 1,000 from the same period in 2011. Looking at October 2012 compared to October 2011, employment fell by a steeper 2,100. A 1,300-job decline among state and local government entities accounted for most of the losses; no sectors added jobs. Both the area’s labor force and the number of employed residents fell by about 1,500 during this 12-month period, leaving the unemployment rate little changed from a year ago at 6.7 percent—tied for lowest among Alabama’s 11 metros.

Despite a dip in employment in 2012, Auburn-Opelika is well-positioned for growth. A 2011 CBER survey found an underemployment rate of 20.9 percent for the metro area. Applying this rate to October 2012 employment data gives an estimate of 13,174 underemployed residents. Combined with 4,556 unemployed, the area’s available pool was around 17,730, 3.9 times the number of unemployed. Forecasts for 2013 from the Center for Business and Economic Research have employment rebounding with an increase of 1.2 percent. Area GDP is expected to rise 2.1 percent during the year.

Activity was strong in Auburn-Opelika’s manufacturing sector during 2012, although employment declined by 100 between October 2011 and October 2012. Manufacturing accounted for 10.9 percent of nonfarm jobs; below the 13.0 percent statewide. A number of new industries and expansions set for completion in 2013 will more than make up for the 250 positions that Briggs and Stratton will phase out as it moves production of horizontal shaft engines to China. The $30 million GE Aviation plant, scheduled to open in March in Auburn’s West Tech Park, will hire 300 to 400 as production ramps up and will emphasize employing military veterans. SiO², a manufacturer of products for the biological drugs industry, broke ground in Auburn for a $90 million facility that should be complete early in 2013 and will create around 300 jobs; SiO² supplier Capitol Medical Technologies will also locate in the area.

The Auburn-Opelika area’s automotive supplier cluster continues to grow. With the opening of ARKAL Automotive’s $7.2 million facility that will employ 25 in Auburn’s Technology Park West, the metro has 22 manufacturing facilities of foreign-based companies. Seung Chang Airtek (SCA)’s new plant expanded its operations in Auburn; Daewon America is investing more than $13 million and hiring 32 as it opens a new production line in 2013 at its Opelika facility. Opelika’s Mando America is also adding a production line at its North American corporate headquarters, with an investment of $24.3 million that will add 30 jobs when complete this spring. German auto supplier Rausch & Pausch LP (RAPA) announced plans for an $18 million U.S. headquarters and production facility in Auburn Technology Park West that will open in the fall and create 105 jobs over five years. Other automotive supplier expansions in 2012 included Wiedmann Plastics’ $15 million investment in its Opelika plant with 40 jobs and Hanwha’s $4.2 million investment that added around 30 positions.

Among other developments, Aluminum Technology Schmid NA is investing $3 million and hiring 15; German precision metal works company Wuerz Precision Technologies will open its first U.S. operation in the Schmid plant with a $2.8 million investment and 12 employees. Medical device maker MDVice plans to create 18 jobs after a $1.2 million expansion. MasterBrand Cabinets held a job fair in October as it looked to hire about 125 production employees for a new third shift at its Auburn facility. Opelika approved an addition to automotive engineering and customization company APR, which plans to hire 25 workers. A grant to KD Bearings will help with training and facilities improvement.

Services employment, which fell by 400 in the 12 months ending in October 2012, was boosted late in the year by the addition of around 175 web chat customer service and sales representatives at Afni Inc.’s Opelika operations center. Earlier in August, the Goodwill Career Center hired for 400 full- and part-time positions in security, ticket-taking, guest services, and other functions related to event operations. In healthcare developments, an American Family Care

The underemployment rate is based on 2011 underemployment data collected by The University of Alabama’s Center for Business and Economic Research. Applying this rate to October 2012 labor force data results in an estimated number of employed residents who were underemployed. Totaling unemployed and underemployed residents gives a more realistic measure of the available labor pool in a metro area. Prospective employers must be able to offer the underemployed higher wages, better benefits or terms of employment, or some other incentives to induce them to change jobs.
Clinic opened in the TigerTown shopping center. Auburn University reached an agreement with Edward Via College of Osteopathic Medicine for a campus in Auburn, with plans for collaborative biomedical research and other healthcare projects. The first class of 150 students is expected to enter in the fall of 2015. However, the plan drew opposition from the Alabama Osteopathic Medical Association due to potential conflicts in areas including student recruitment with Dothan’s Alabama College of Osteopathic Medicine which is set to open in 2013. In other services-related developments, Jo-Ann Stores undertook a $2 million expansion of its Opelika distribution center. Bank deposits in the Auburn-Opelika metro were up a strong 5.2 percent during the year ending June 30, 2012 to total $2.1 billion.

As the presence of Auburn University is a major influence in the metro area, Auburn-Opelika had 30.9 percent of its workforce in state and local government employment in October 2012, well above the state’s 16.7 percent share. The university, which enrolled 25,134 students in Fall 2012, had a number of construction projects ongoing during the year, including renovations to the Lowder Business Building, construction of a $47 million small animal hospital, a new $53 million Wellness and Recreation Center, a $51 million student residence hall, a Department of Kinesiology facility, and the Center for Advanced Science Innovation and Commerce. Many of these projects will be completed in 2013. Auburn’s Cyber and Security Center opened at Auburn Regional Airport late in 2012, with the University’s new senior counsel for national security programs, Lt. General Ron Burgess, over-seeing the center’s programs. A new research facility to develop and test poultry feed is a joint venture with the poultry industry. With a growing South Korean industrial and cultural presence in the area, Auburn opened a Korea Center, offering noncredit language and culture classes in partnership with Keimyung University.

The Auburn-Opelika metro saw a number of new retail stores and restaurants open during 2012. Publix opened in Auburn’s The Shoppes at Cary Creek, with Nail Boutique, Urgent Care, and Louie’s Chicken Fingers among other ten-ants. Opelika’s TigerTown added a Shoe Station; outdoor sporting goods retailer Gander Mountain is building a store nearby. A 13-screen Carmike Cinema planned for Opelika is expected to open late in 2013. Demolition of the Heart of Auburn Inn early in 2013 will make way for The Shoppes at the Heart of Auburn which will be anchored by CVS. Both Auburn’s Kmart and Sears stores closed in 2012; a smaller Sears Hometown Store is locating in Opelika’s Midway Plaza.

Strong population growth continued in the Auburn-Opelika metro during 2011, adding almost 2,700 residents during the year ending July 1 for a 1.9 percent gain, compared to a 0.4 percent increase statewide. Housing activity picked up in 2012, with 1,074 homes sold in the first 10 months of the year up 8.8 percent from the same period in 2011. However, prices did not recover; the FHFA House Price Index for third quarter 2012 was 0.5 percent lower than a year earlier and 11 percent lower than five years ago. There were 510 single-family homes permitted during the first three quarters of 2012, about 100 more than a year earlier, but just 56 multi-family building permits were issued.

The area continued to develop its infrastructure during 2012. Auburn issued warrants for construction of a new elementary school and to purchase land for a new high school, Opelika broke ground on a $40 million high school that will be completed in 2014, and the Lee County Board of Education awarded a contract for construction and renovations at Beauregard High School. New Exit 50 on I-85 in Auburn opened, providing quicker access to Auburn Technology Park, and work continued on Cary Creek Parkway. A $200,000 Appalachian Regional Commission grant to Notasulga will improve public water services. Opelika Power Services’ new $3.7 million facility is integral to the fiber optic network being built throughout the city.

Ongoing streetscaping and other developments in Opelika’s downtown earned the American Planning Association’s Outstanding Small Town or Rural Plan award. Outdoor opportunities for area residents will increase due to funding to create mountain bike trails in Auburn’s Chewacla State Park and to develop trails and other facilities in Opelika’s Siddique Nature Park. Auburn voters approved a bond issue for parking improvements downtown and for work at the Frank Brown Recreation Center. Both 2011 per capita income of $29,208 and average annual wages of $37,670 were below statewide averages due to the large percentage of students in the area. However, FY2012 median family of $61,400 was higher than Alabama’s and ranked third highest among the 11 metros.