In Tuscaloosa, the University of Alabama’s presence provided stability, and the metro area dealt with only minor losses in most areas during 2012. As always, visitors that came to the area for football games and other sporting events at the University offered support to local businesses still recovering from the damage of the 2011 tornadoes. The continuing rebound in the auto industry boosted economic activity in the Tuscaloosa metro at both Mercedes-Benz U.S. International and local auto-motive suppliers.

A total of 2,700 nonfarm jobs were lost between October 2011 and October 2012, decreasing payroll employment in the Tuscaloosa metro to 91,200. Area manufacturers added 200 jobs during the 12-month period. Service providing industries were responsible for most of the employment decreases in the metro, with the main losses from state and local government entities shedding 2,300 jobs. The metro area also posted job declines in retail trade (100); transportation, warehousing, and utilities (100); education and health services (200); and leisure and hospitality (300). The final closing of the W.D. Partlow Developmental Center in Tuscaloosa at year-end 2011 resulted in the layoff of the last of the 455 employed at the facility when the closure was announced. Wholesale trade, which added 300 positions, was the only service providing sector to post gains between October 2011 and October 2012. The forecast for Tuscaloosa metro employment in 2013 is mildly optimistic, with the expectation of a 0.4 percent employment expansion. GDP forecasts are also encouraging; Tuscaloosa area output should grow 1.5 percent over the next year.

The Tuscaloosa metro imported fewer workers in the past year, providing only about 300 more jobs than the number of employed residents, compared to 2000 from the previous year. During the 12 months through October 2012, employment of area workers and the metro’s labor force contracted 1.8 percent. Unemployment remained below the state average of 8.5 percent, but rose 0.1 percentage points from October 2011 to 7.8 percent. According to a CBER survey, the Tuscaloosa metro area had an underemployment rate of 16.8 percent in 2011, second lowest among the metro areas. Underemployment is estimated at 15,338 for 2012 by applying this rate to October labor force data. Adding the 7,702 unemployed residents, there was an available labor pool of 23,040 for the metro area, 3.0 times the number of unemployed.

Manufacturing contributed 14.4 percent of Tuscaloosa area jobs in October 2012, above the state average of 13.0 percent. Mercedes-Benz was at the heart of many positive announcements this year since it is making major expansions to its Vance plant. The company started off the year reporting record-breaking vehicle sales, up 26 percent compared to January 2011. The plant added a third shift for the first time to meet the demand for the M-Class, GL-Class SUV, and R-Class crossover. The first vehicle of the second generation of the upscale GL-Class SUV was officially rolled out over the summer at the Vance plant. Mercedes-Benz suppliers brought new business to the region in 2012. Lear Corp., a seats and seating frame supplier, and Boysen, an automotive exhaust systems provider, both plan to build new plants in nearby Brookwood. ZF Lemforder Corporation grew its worker base by 85 with a $14.6 million expansion in automotive axle systems manufacturing. BLG Logistics expanded local operations by adding the former Syncreon warehouse in the Legacy Industrial Park.

Other industrial development included Coskata choosing Boligee as the site of its first commercial plant to make biofuel from wood wastes. Walter Energy began its six-year development for a new underground coal mine in Tuscaloosa County that will create over 500 high-paying jobs once it is fully operational. Major closings also struck the metro area with Johnson Controls laying off 103, Heartland Catfish shedding 150 in Hale County, and Syncreon losing 312 jobs.

The University of Alabama (UA) again experienced a record-breaking year of growth. Fall 2012 saw enrollment of 33,602 students, a 5.8 percent increase from 2011. Another championship season for The University of Alabama’s Crimson Tide football team brought fans and opportunities to Tuscaloosa. Alabama football games bring approximately $15 million into the local economy for most game weekends, and against major rivals like LSU, Auburn, and Tennessee, the games produce an additional $2 to

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.
$3 million in impact. University women’s athletics teams were also highly successful in 2012, bringing home national championships in gymnastics, softball, and golf.

UA academics were esteemed this year as well with the School of Law earning its highest ever rank of 29th in the year’s U.S. News & World Report’s ranking of law schools. The Manderson Graduate School of Business was named the fourth most popular business school in the country by the same magazine, and the Department of Advertising and Public Relations was again one of the top five finalists for the PR Education Program of the Year award. Other bright spots on campus included renovations to the Sam Bailey Track Stadium, a new facility for UA’s women’s rowing team, and the dedication of the Roberta Alison Baumgardner tennis facility. A new dorm house close to 1,000 students opened in the Fall adjacent to the former Rose Towers, which was imploded in July.

Tuscaloosa’s health care capacity will continue to grow with several new developments. Construction moved forward on the new $81 million psychiatric hospital, set to open in May 2013 at the former Partlow site, which will replace the current Bryce Hospital facility. La Roca Nursing Home plans to build a $10 million nursing home at Capstone Village on the University of Alabama’s campus with 75 beds. The Tuscaloosa Veterans Affairs Medical Center added three new physicians to focus on caring for new, incoming veterans.

Tuscaloosa’s housing stock was seriously diminished by the April 2011 tornado and land owners are still determining their best course for redevelopment. Several mixed-use developments were underway in 2012. On University Boulevard, at the site of Broad Street Apartments, an apartment and retail development with 85 bedrooms in one-, two-, and three-bedroom units is under construction. Chance Partners moved forward with a mixed residential and retail project across from City Hall. Among big developments this year were the first phase in the rebuilding of Rosedale Court, a public housing community largely destroyed by the tornado, and on the city’s Riverwalk, a new construction project created condos and retail space. Construction got underway in the fall on The Lofts, an apartment and retail development at the site of the Wood Square Shopping Center that was destroyed by the April 2011 tornadoes.

With these new and rebuilding projects underway, building permits for single-family homes in the Tuscaloosa metro were up by 167 to 409 for the first nine months of 2012 compared to the same period in 2011. At 305 the number of multi-family units permitted was about the same as a year ago, as developers continue work on apartment buildings and condos. On a year-over-year comparison, prices measured by the FHFA House Price Index were up a slight 0.5 percent in the third quarter, in a year where most other Alabama metro areas posted losses. However, home sales were down 1.9 percent for the first nine months of 2012 compared to the same period in 2011.

With more and more visitors coming to the area, businesses are looking to cash in on tourism dollars. The Hotel Capstone is renovating all 150 guest bathrooms for a spa-like look. Wilson Hotel Management Group broke ground for the new $27 million Embassy Suites hotel on the corner of Greensboro Avenue and University Boulevard, and will create about 60 jobs by summer 2014. A new intercity bus started up a route between Starkville MS, Tuscaloosa, and Birmingham.

Bank deposits in FDIC-insured institutions increased by 2.5 percent during the year that ended June 30, 2012. Pittsburgh-based PNC bought more than 400 RBC banks, including the downtown Tuscaloosa location which has been a focal point in the city for years. Robertson Banking dedicated its second branch in the Northridge Shopping Center and Renasant Bank moved forward over the summer on plans to build a two-story bank building downtown.

Population in the metro area rose by 0.8 percent in 2011 to reach 221,553. The Tuscaloosa metro area’s increase of 3.5 percent in per capita income was on par with the state’s growth in 2011. At $34,305 Tuscaloosa’s per capita income ranked fifth among the 11 metro areas. Median family income increased by 1.4 percent in FY2012 and ranked fifth at $56,500. Average annual pay of $38,240 was 97.6 percent of the Alabama average in 2011.

Despite posting a modest job decline overall, area retail was vibrant and was dominated by former businesses finding new locations, or rebuilding in locations that had been destroyed by the April 2011 tornadoes. The numerous reopenings in Tuscaloosa included GFG Fitness on 13th street, Express Oil Change, Tommy Metrock’s Boulevard Salon, Full Moon Bar-B-Que, Krispy Kreme, Hokkaido Japanese Steakhouse, and Schlotzsky’s Deli. Tuscaloosa’s downtown area retail was energized by the openings of R & R Cigars, Sweet CeCe’s Frozen Yogurt & Treats, Royal Fine Cleaners, the Pants Store, Glory Bound Gyro Co., The Twisted Martini bar, and the relocation of Tin Top Restaurant & Oyster Bar. Other openings around the city included Edible Arrangements, Ross Stores Inc. in McFarland Plaza, and Bevello’s women’s clothing.

John A. Ruth, Ph.D.
store in Midtown Village. Druid City Brewing Co started brewing commercially on 14th Street, Mr. Chen’s Authentic Chinese Cooking and Oriental Market opened, and T-Town Café opened at the old Bottomfeeders location. The River Market—Tuscaloosa’s new $3 million farmers market—opened and is next to the new luxury condominium-retail project under construction on the city’s riverwalk. Orange Leaf Frozen Yogurt and Another Broken Egg Café opened on the development’s ground floor late in 2012.

Northport gained a Hobby Lobby and Big Lots when the companies decided not to rebuild tornado-damaged stores in Tuscaloosa. Downtown Northport added Mark’s Mart, a family-owned specialty grocery store. Cypress Inn on Rice Mine Road opened a pavilion on their property to host private events. Nearby Moundville saw the opening of a new Family Dollar store.

Entertainment attracted people to the metro area with big names like Ringo Starr and the 13th All Starr Band, Alan Jackson, and Neil Young coming to the Tuscaloosa Amphitheater, among many others during the 2012 season. The Tuscaloosa Regional Air Show drew a crowd of 75,000, and the Tuscaloosa Color Run attracted 4,500. Alberta began construction on a new amphitheater and a $3 million, tennis complex in Jaycee Park. Tuscaloosa area residents were able to enjoy ice skating during the Christmas holiday season at the inaugural Holidays on the River ice rink set up at the Mildred Westervelt Warner Transportation Museum.