5 FORWARD: 2018-2022

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

2018 ANNUAL PERFORMANCE REPORT North Central Alabama Region

NARCOG POSITIVELY IMPACTING PEOPLE AND COMMUNITIES
## Table of Contents

1. **Introduction**
2. **CEDS Strategy Committee**
3. **Mission, Vision, & Goals**
4. **Evaluation Framework**
5. **Performance**
   - **Goals**
   - **Programs & Initiatives Update**
   - **New & Expanding Industry**
   - **Selected Economic Highlights**
   - **Region & County Demographic Snapshots**
6. **Appendix**
7. **Resolution**
8. **References**
The North Central Alabama Regional Council of Governments (NARCOG) was originally created in 1966 as the North Central Alabama Regional Planning and Development Commission. NARCOG was re-established with its new name and subsequently certified by Governor George Wallace on November 1, 1971. NARCOG operates under the authority of Section 3 of Act No. 1126 of the 1969 Regular Session of the Legislature of Alabama. This Act, as amended, can be found in Sections 11-85-50 through 11-85-73 of the 1975 Code of Alabama. It provides for the creation and operation of regional planning and development commissions, which have among their many purposes, to “carry on continuous, comprehensive planning for the Region, assessing needs, resources, and development opportunities and formulating goals, objectives, policies, and standards to guide physical, economic, and human resource development.” NARCOG offers a multitude of services to the people and communities in our Region, as illustrated in the adjacent organizational structure diagram.
During FY2018, a few changes occurred to the committee regarding the representatives from two organizations. These changes were due to career changes and reassignments. The new members are indicated in “red” in the list of committee members located in the table to the right.

The CEDS Strategy Committee met on August 15, 2018 at the Decatur-Morgan County Entrepreneurial Center in Decatur. The purpose of the meeting was for NARCOG staff to provide an update on various initiatives and preliminary performance measures for the 2018 Annual Performance Report. Also, the meeting agenda included a regional presentation on “Economic Vitality” for downtown Network Communities by Ms. Trisha Black, Field Services Representative with Main Street Alabama. Economic vitality is one of the four (4) approaches to downtown revitalization utilized by Main Street Alabama, which supports some of the goals, objectives, and strategies in the CEDS. Main Street Alabama is also a partner organization in one of our initiatives.

| Suzanne Harbin (Kristi Barnett) | Wallace State Community College |
| Harry Schmidt                  | Tennessee Valley Authority     |
| Andrea Owensby                 | Hartselle Chamber of Commerce  |
| Cherrie Haney                  | Cullman County Economic Develop |
| Jason Houston                  | Lawrence County Chamber of Commerce |
| John Joseph IV                 | Decatur-Morgan County Entrepreneurial Center |
| Dale Greer (Stanley Kennedy)   | Cullman Economic Development Agency |
| Brooks Kracke                  | North Alabama Industrial Development Association |
| Tim Lovelace                   | NARCOG Small Business Fund Loan Committee |
| Jeremy Nails                   | Morgan County Economic Development Agency |
| Dr. Jim Payne                  | Calhoun Community College      |
| Jesslyn Reeves                 | Decatur City Schools Foundation |
| Tami Reist                     | North Alabama Mountain Lakes Tourist Association |
| John Seymour                   | Decatur-Morgan County Chamber of Commerce |
| Leah Bolin                     | Cullman Area Chamber of Commerce |
| Tony Stockton                  | Lawrence County Industrial Development Board |
| Larry Waye                     | Decatur-Morgan County Entrepreneurial Center & NARCOG Board Member |
Mission
Dedicated to improving the quality of life for the citizens of Cullman County, Lawrence County, and Morgan County.

Vision
Visioneering a diversified, resilient, and sustainable economic future for our Region that is forward thinking, embraces change, and capitalizes on our assets, while building on our traditional successes.

Goals
1. Inspire Innovation and Entrepreneurship
2. Foster Sustainable Economic Prosperity
3. Improve Education and Workforce Development
4. Invest in and Modernize Transportation and Infrastructure
5. Leverage Cultural and Natural Assets
6. Advocate Planning and Leadership Development
An evaluation framework is comprised of performance measures used to gauge progress on the CEDS and its impact on the regional economy, as well as providing information for the CEDS Annual Performance Reports. Therefore, performance measures were selected based upon what is important to our Region and used to evaluate the progress in achieving the vision, goals, objectives, and strategies in our CEDS. Below are our selected performance measures.

**PERFORMANCE MEASURES**

- Number of jobs created (anticipated)
- Number of jobs retained
- Number of new businesses and/or industries
- Number of expanding businesses and/or industries
- Amount of private sector investment
- Amount of public sector investment
- Number of labor force
- Number of unemployed
- Unemployment rate
- Changes in the economic environment in the Region
- Number of grants submitted and amount
- Number of grants funded and amount
- Number of NARCOG Small Business Fund loans
- Amount of NARCOG Small Business Fund loans
- Local revenue generated
- Net taxable assessed valuation
- Wealth creation such as GDP per capita
- Median household income
- Per capita income
- Total personal income
- Annual wages per employee
- Median home value
- Population with no health insurance coverage
- Educational attainment – high school diploma and bachelor’s degree
- New partnerships
- New development regulations
- New plans (downtown plans, comprehensive plans, hazardous mitigation)
In terms of implementation of the CEDS this past year, the NARCOG EDD and others made significant headway. The following sections: Goals, Programs and Initiatives Updates, New and Expanding Industry, Selected Economic Highlights, and Regional & County Demographics Snapshots represents the various efforts towards implementation, but is not all inclusive of everything accomplished within our region.
Create a culture of technological innovation and entrepreneurship in the NARCOG Region by investing in forward-thinking entrepreneurial and business development strategies that embrace change, create disrupters, and strengthen economic opportunities.

Foster economic prosperity for the Region that is resilient, diversified, globally responsive, demands quality development, community wellness, and environmental quality through the holistic concept of sustainability.

Improve the education, knowledge, skills, and health of all residents for a ready workforce to strengthen community and economic development opportunities.

**GOAL 1**  INSPIRE INNOVATION & ENTREPRENEURSHIP

Create a culture of technological innovation and entrepreneurship in the NARCOG Region by investing in forward-thinking entrepreneurial and business development strategies that embrace change, create disrupters, and strengthen economic opportunities.

**GOAL 2**  FOSTER SUSTAINABLE ECONOMIC PROSPERITY

Foster economic prosperity for the Region that is resilient, diversified, globally responsive, demands quality development, community wellness, and environmental quality through the holistic concept of sustainability.

**GOAL 3**  IMPROVE EDUCATION & WORKFORCE DEVELOPMENT

Improve the education, knowledge, skills, and health of all residents for a ready workforce to strengthen community and economic development opportunities.

**Decatur-Morgan County E-Center:**
- E-C 2.0 Building Tomorrow’s Economy – ARC grant - $100,000 ($200,000 Total); Not Funded
- TECNA 2.0 – USDA RBEG grant - $99,750 ($110,650 Total); Funded

**NARCOG Small Business Fund:**
- 5 loans
- 65 jobs created
- 56 jobs retained
- $120,000 loaned
- $780,143 private investment leveraged

**NARCOG**
- Connecting People and Communities Project – ARC grant - $28,525 ($50,045 Total); Not Funded
- Creating a Community Health Culture – ARC grant - $33,556 ($58,870 Total); Not Funded

**Cullman County Board of Education:**
- Full STEAM Ahead – ARC grant - $125,000 ($250,000 Total); Funded

**Decatur City Schools:**
- Chromebooks – ARC grant - $200,000 ($400,160 Total); Funded

**Wallace State Community College**
- Technical Education Center – EDA grant - $2 million; Funded

*Concept art shows the planned technical education center at Wallace State in Hanceville. (Courtesy of Wallace State)*

Invest in and modernize transportation and critical infrastructure such as broadband, water, sewer, and others to support community and economic development opportunities.

- NARCOG Regional Transit (Lawrence and Morgan Counties) and RPO Programs
- Participation in Launch 2035: Regional Trail Plan (Morgan, Limestone, Madison Counties)
- Hanceville Downtown Sidewalks – ALDOT TAP grant - $162,652 ($195,183 Total); Not Funded
- Connecting Courtland, AL Broadband Internet Project – ARC grant - $165,158 ($235,940 Total); Funded
- Hanceville Downtown Streetscape Improvements – CDBG - $250,000 ($303,465 Total); Pending
- Courtland Streets and Drainage Improvements – CDBG - $349,815; Pending
- North Courtland Streets and Drainage Improvements – CDBG - $349,975; Pending
- Falkville Sewer System Improvements – CDBG - $350,000 (408,083 Total); Pending
- Eva Sewage Treatment Plant – CDBG Emergency Grant - $28,500; Funded
- Hillsboro Tennessee Valley P.B. Institute Demolition – CDBG - $105,625; Complete

Leverage the Region’s cultural and natural assets to strengthen the community and provide for economic development opportunities.

- Alabama Historical Commission
  - Historic Tax Credit Seminar – June 14th (coordinated and promoted)

Cullman County Economic Development:
- Stony Lonesome OHV Park Recreational Trails Program (RTP) grant through ADECA – 2 phases: car wash totaling $688,090 (with a 20% match of $137,618); and a bathhouse totaling $364,117 (with a 20% match of $72,823); Pending

Advocate for community and regional planning and build the capacity and skills of current and future leaders and organizations to innovate, collaborate and advance community and economic development opportunities.

- NARCOG EDA EDD (CEDS) & ARC LDD Programs
- Local Update of Census Addresses (LUCA): Lawrence and Morgan Counties - Complete
- Updated Trinity Zoning Map - Complete
- City of Cullman Traditional Neighborhood Development (TND) Regulations - Underway
- Falkville Downtown Improvement Plan – CDBG planning grant - Adopted
- Hanceville Downtown Improvement Plan – CDBG planning grant - Underway
- Hanceville ACE Designation - Underway (Phase 2)
- Hartselle ACE Re-Designation - Underway
- Priceville DesignPlace: DesignAlabama - Complete
- Regional Downtown Network with Main Street Alabama – Underway (Year 2)
NARCOG operates a Small Business Fund (SBF) Program intended to assist small and medium-size business and industries throughout the region with gap financing. The NARCOG SBF Program has been very successful over the years and is partially funded by EDA. Program information was made available at: NARCOG, local Chambers of Commerce, industrial development associations, Decatur-Morgan County Entrepreneurial Center, local banks, all member governments, and online at www.narcog.org. For the period October 1, 2017 through September 30, 2018, NARCOG SBF has done the following:

- Loan Review Committee Meetings – 7
  - November 2nd
  - January 25th
  - February 12th
  - May 1st
  - July 10th
  - August 21st
  - September 5th
- Marketing: Bankers Breakfast – 3
  - Morgan County at NARCOG; May 9th
  - Lawrence County Chamber of Commerce; May 30th
  - Cullman Area Chamber of Commerce; September 21st
- RLF Corrective Action Report (EDA) – complete/approved
- Improved the SBF application form: user friendly, fillable, shorter

*Also see Goal 2
In terms of patterns and trends, employment continues to be the primary gauge in analyzing or measuring the economy of the NARCOG EDD and its service area. The following table reflects the number of new and expanding industries along with the corresponding amounts of capital investment and jobs created within the NARCOG EDD service area of Cullman, Lawrence, and Morgan Counties from October 1, 2017 to August 2018. Thus far in FY2018, there have been 13 new and expanding companies, nearly $427M in capital investments, and 570 jobs created and/or retained in the NARCOG region. Also, these numbers, provided by our local economic development agencies, represent what has been “announced” during this time period, and it may be several years in some cases before the actual private investment and, most importantly, the jobs are actually created.

<table>
<thead>
<tr>
<th>New &amp; Expanding Industry: FY2018</th>
<th>CULLMAN COUNTY</th>
<th>LAWRENCE COUNTY*</th>
<th>MORGAN COUNTY</th>
<th>NARCOG REGION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total New Companies:</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Total New Jobs:</td>
<td>0</td>
<td>40</td>
<td>3</td>
<td>43</td>
</tr>
<tr>
<td>Total New Capital Investment:</td>
<td>$0</td>
<td>$700,000</td>
<td>$3,190,000</td>
<td>$3,890,000</td>
</tr>
<tr>
<td>Total Expanding Companies:</td>
<td>5</td>
<td>0</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Total Expanding Jobs:</td>
<td>139</td>
<td>0</td>
<td>361</td>
<td>500</td>
</tr>
<tr>
<td>Total Expanding Capital Investment:</td>
<td>$98,380,793</td>
<td>$0</td>
<td>$324,670,000</td>
<td>$423,050,793</td>
</tr>
<tr>
<td>Total New &amp; Expanding Companies:</td>
<td>5</td>
<td>1</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Total New &amp; Expanding Jobs:</td>
<td>139</td>
<td>40</td>
<td>391</td>
<td>570</td>
</tr>
<tr>
<td>Total New &amp; Expanding Investments:</td>
<td>$98,380,793</td>
<td>$700,000</td>
<td>$327,860,000</td>
<td>$426,940,793</td>
</tr>
</tbody>
</table>

Sources: Cullman Economic Development Agency  
Lawrence County Industrial Development Board  
Morgan County Economic Development Agency  
* July 2017
Cullman County

“Topre America announced the grand opening of a new $3.2 million 45,000sf distribution facility on February 9, 2018. Governor Kay Ivey attended the ribbon cutting ceremony for the new facility. During the ceremony Governor Ivy announced the $80 million Hot Press Line expansion that Topre America would bring to North Alabama. Both projects will bring in a total of 98 new jobs to the Cullman Community.” Source: North Alabama Industrial Development Association (NAIDA)

“Metrology South, Inc. (Met South), a leader in automotive metrology systems, held its ribbon cutting ceremony June 27, 2018 at its new location in Hanceville. The company relocated from Birmingham to Hanceville to take advantage of being in close proximity to Wallace State Community College and the quality workforce it produces. Met South has built a $644,000 facility and has brought 12 jobs to Cullman County.” Source: NAIDA

“Technology Village Cullman (TVC), a joint venture between the City of Cullman, Cullman Area Chamber of Commerce and Wallace State Community College, in partnership with the University of Alabama, has hired John Wessel as Director. The Technology Village will be incubator focused on fostering an entrepreneurial culture and linking entrepreneurs with resources to start and grow their businesses. The program is still under development, but plans indicate that participants will be selected through a competitive process. The participants will receive assistance in: business coaching, mentoring, networking, product pricing, creating a business plan, identifying and securing funding, identifying and contacting customers, etc. Once these businesses are ready, they will leave the program and another one will take its place.” Source: NAIDA

“Cullman County unemployment second lowest in Alabama” Source: Cullman Times

Lawrence County

“Red Land Cotton, the farm-to-fabric business, located in Moulton, represented the state of Alabama in the Made in America Product Showcase at the White House on July 23, 2018. President Donald Trump hosted companies from across the country in order to celebrate and highlight each state’s effort and commitment to American-made goods. Red Land Cotton displayed bed, bath and kitchen linens made from cotton grown in North Alabama.” Source: NAIDA

Morgan County

“GE Appliances, a Haier company, will invest $115 million to expand its manufacturing facility in Decatur. This expansion will add 255 jobs to the plant, bringing the total number of full-time employees to nearly 1,300. Approximately 40,000 sf will be added to the plant, along with new cutting-edge manufacturing equipment that further advances GE Appliances’ plan to transition to a fully interconnected digital factory. The investment will help GE Appliances increase production to meet increasing demand for its top-mounted freezer refrigerators.” Source: NAIDA

“M&J Industries, located in Decatur, will open a new division called M&J Precision. The new division will be a precision machinery operation primarily for the defense, energy, and aerospace industries. The capital investment for this project is $3.19 million and will employ 30 at an average annual wage of $50,000. The project is scheduled to be completed on or before June 2020” Source: NAIDA
<table>
<thead>
<tr>
<th>Component</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong></td>
<td></td>
</tr>
<tr>
<td>Total labor force</td>
<td>108,726</td>
</tr>
<tr>
<td>Unemployed</td>
<td>4,177</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>3.84%</td>
</tr>
<tr>
<td><strong>Economy</strong></td>
<td></td>
</tr>
<tr>
<td>Total personal income</td>
<td>$8,406,844,000</td>
</tr>
<tr>
<td>Net taxable assessed valuation</td>
<td>$2,553,263,847</td>
</tr>
<tr>
<td>Public assisted households</td>
<td>22.2%</td>
</tr>
<tr>
<td>Per capita income</td>
<td>$35,815</td>
</tr>
<tr>
<td>Annual wages per employee</td>
<td>$41,125</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td></td>
</tr>
<tr>
<td>Population with no health insurance</td>
<td>13.1%</td>
</tr>
<tr>
<td>Food insecurity rate</td>
<td>13.0%</td>
</tr>
<tr>
<td>Child food insecurity rate</td>
<td>22.2%</td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td></td>
</tr>
<tr>
<td>Housing units</td>
<td>103,854</td>
</tr>
<tr>
<td>Vacancy</td>
<td>12.79%</td>
</tr>
<tr>
<td>Housing units with no vehicle</td>
<td>4.52%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
</tr>
<tr>
<td>Age 25+ with ≥ high school diploma</td>
<td>81.7%</td>
</tr>
<tr>
<td>Age 25+ with ≥ bachelor degree</td>
<td>17.6%</td>
</tr>
</tbody>
</table>
CULLMAN COUNTY

**Population**

- 2010: 80,406
- 2016: 81,316
- 2020: 82,904

**Health**

- Population with no health insurance: 14.5%
- Food insecurity rate: 12.0%
- Child food insecurity rate: 21.9%

**Education**

- Age 25+ with ≥ high school diploma: 82.2%
- Age 25+ with ≥ bachelor degree: 15.0%

- Wallace State Community College: 5,500 enrolled students

**Employment**

- Total labor force: 38,157
- Unemployed: 1,350
- Unemployment rate: 3.54%

**Economy**

- Median household income: $39,297
- Per capita income: $36,315
- Annual wages per employee: $37,823
- Total personal income: $2,994,954,000
- Net taxable assessed valuation: $870,837,566

**Housing**

- Median Home Value (2016):
  - Cullman County: $118,700
  - Alabama: $128,500
  - U.S.: $184,700

**Top 10 Employers**

- Cullman County Schools
- REHAU
- Wal-Mart Distribution
- Cullman Regional Medical Center
- State of Alabama
- Wal-Mart Super Center North/South
- Topre America Corporation
- Golden Rod Broilers
- Wallace State Community College
- Cullman County Commission
**Population**

- 2010: 34,339
- 2016: 33,433
- 2020: 32,260

**Housing**

- Median Home Value (2016): $97,600, $128,500, $184,700

**Health**

- Population with no health insurance: 11.0%
- Food insecurity rate: 14.6%
- Child food insecurity rate: 23.0%

**Employment**

- Total labor force: 14,097
- Unemployed: 641
- Unemployment rate: 4.55%

**Economy**

- Total personal income: $1,038,715,000
- Net taxable assessed valuation: $246,743,421
- Median household income: $42,339
- Per capita income: $31,245
- Annual wages per employee: $33,493

**Education**

- Age 25+ with ≥ high school diploma: 77.5%
- Age 25+ with ≥ bachelor degree: 10.3%
MORGAN COUNTY

POPULATION

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>119,490</td>
</tr>
<tr>
<td>2016</td>
<td>118,819</td>
</tr>
<tr>
<td>2020</td>
<td>119,865</td>
</tr>
</tbody>
</table>

EDUCATION

- Age 25+ with ≥ high school diploma: 82.5%
- Age 25+ with ≥ bachelor degree: 21.4%
- Calhoun Community College: 9,900 enrolled students

HOUSING

- Median Home Value (2016):
  - Morgan County: $124,900
  - Alabama: $128,500
  - U.S.: $184,700

HEALTH

- Population with no health insurance: 12.6%
- Food insecurity rate: 13.2%
- Child food insecurity rate: 22.1%

EMPLOYMENT

- Total labor force: 56,472
- Unemployed: 2,186
- Unemployment rate: 3.87%

ECONOMY

- Total personal income: $4,373,175,000
- Net taxable assessed valuation: $1,435,682,860
- Median household income: $46,883
- Per capita income: $36,746
- Annual wages per employee: $43,915

TOP 10 EMPLOYERS

- Decatur Morgan Hospital
- GE Appliances, a Haier company
- Decatur City Schools
- Wayne Farms Prepared Foods
- Morgan County Schools
- Wayne Farms Fresh
- 3M
- Gemstone Foods, LLC
- Nucor Steel
- Wal-Mart

MORGAN COUNTY

ALABAMA

U.S.

MEDIAN HOME VALUE (2016)

- $0
- $50,000
- $100,000
- $150,000
- $200,000
- $248,900
- $284,700

Population with ≥ high school diploma
Population with ≥ bachelor degree
Calhoun Community College
9,900 enrolled students

Decatur Morgan Hospital
GE Appliances, a Haier company
Decatur City Schools
Wayne Farms Prepared Foods
Morgan County Schools
Wayne Farms Fresh
3M
Gemstone Foods, LLC
Nucor Steel
Wal-Mart

Median household income
Per capita income
Annual wages per employee
NORTH CENTRAL ALABAMA REGIONAL COUNCIL OF GOVERNMENTS

Resolution Number 2018-0011

2018 CEDS Annual Performance Report

WHEREAS, the North Central Alabama Regional Council of Governments (NARCOG) Board of Director’s recognizes the importance of creating employment opportunities and promoting a stable and diversified economy throughout our Economic Development District (EDD) as designated by the Economic Development Administration (EDA), and

WHEREAS, the NARCOG EDD is required by EDA to prepare and maintain a Comprehensive Economic Development Strategy (CEDS) as part of its annual work program, and

WHEREAS, the 5 Forward: 2018-2022 Comprehensive Economic Development Strategy (CEDS) was approved and adopted by the NARCOG Board of Directors to cover the five-year period from 2018 to 2022, and Annual Reports are required for the intervening four-year period from 2018 to 2021, and

WHEREAS, the NARCOG staff, CEDS Strategy Committee, and stakeholders have undertaken and completed project review, input, status, economic research, evaluation, and analysis required by EDA resulting in the 2018 CEDS Annual Performance Report,

NOW THEREFORE, BE IT RESOLVED, that the NARCOG Board of Director’s approves and adopts the NARCOG EDD’s 2018 CEDS Annual Performance Report.

RESOLVED this 26th day of September 2018

Chairman

Executive Director
REFERENCES

DATA SOURCES:

- U.S. Census Bureau, 2012-2016 American Community Survey (ACS) 5-Year Estimates
- U.S. Census Bureau, 2010 Census
- Center for Business and Economic Research (CBER), The University of Alabama, April 2018
- Bureau of Economic Analysis (BEA) 2016 CA1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income
- Bureau of Labor Statistics (BLS) 2017 Quarterly Census of Employment and Wages (QCEW), County High-Level Annual Averages
- Alabama Department of Revenue (ADOR), 2017 Annual Report (2015 data)
- Alabama Department of Labor (ADOL), Local Area Unemployment Statistics (LAUS), Civilian Labor Force by County, July 2018 Unemployment Data
- Feeding America, Map the Meal Gap, 2018 State Data Tables by county for Alabama (2016 data)
- Cullman County Top Employers:
  - Cullman Economic Development Agency (CEDA) – https://www.cullmaneda.org/workforce/largest-employers
- Morgan County Top Employers:
  - Morgan County Economic Development Association (MCEDA)
- Lawrence County Top Employers: