

Madison County Economic Development Plan

June 27, 2012

Steering Committee Briefing

AGENDA

- Review Economic Base Report
- Review Leadership Survey Results
- Discuss Preliminary Competitive Assessment

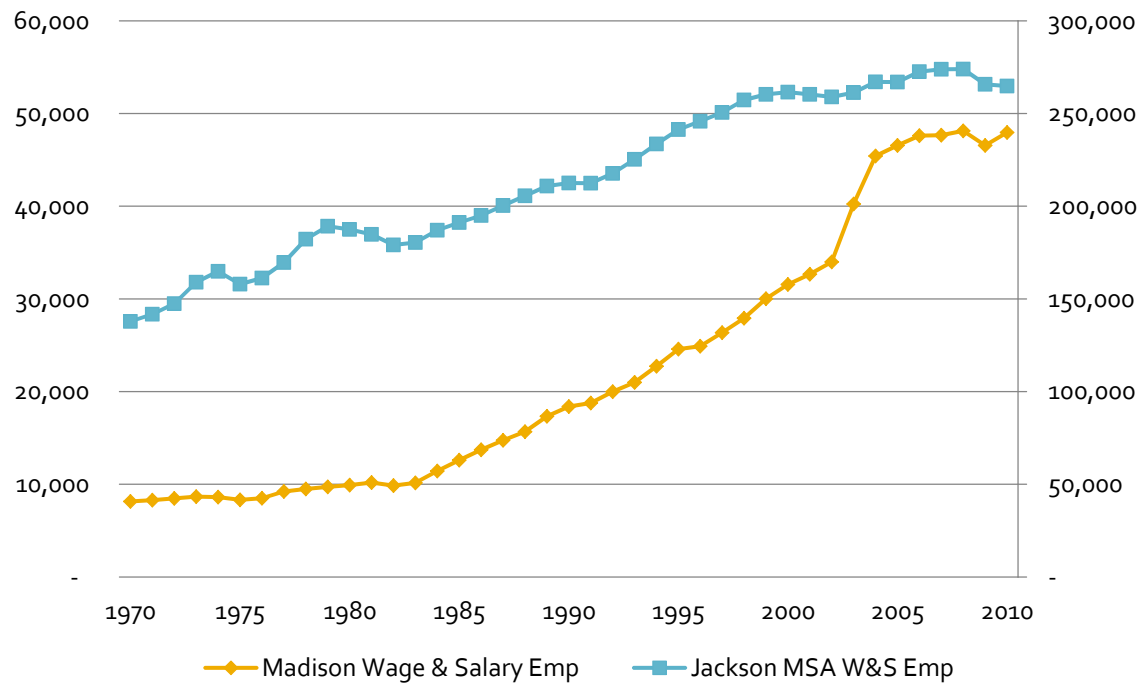
Economic Base Findings

A Decade Ago

- Employment growth outpacing MS and nation
- Manufacturing employment had grown by 20% in the 1990's vs. -1% in MS
- Largest basic industries were trade, food products, wood office furniture, insurance and telephone communications

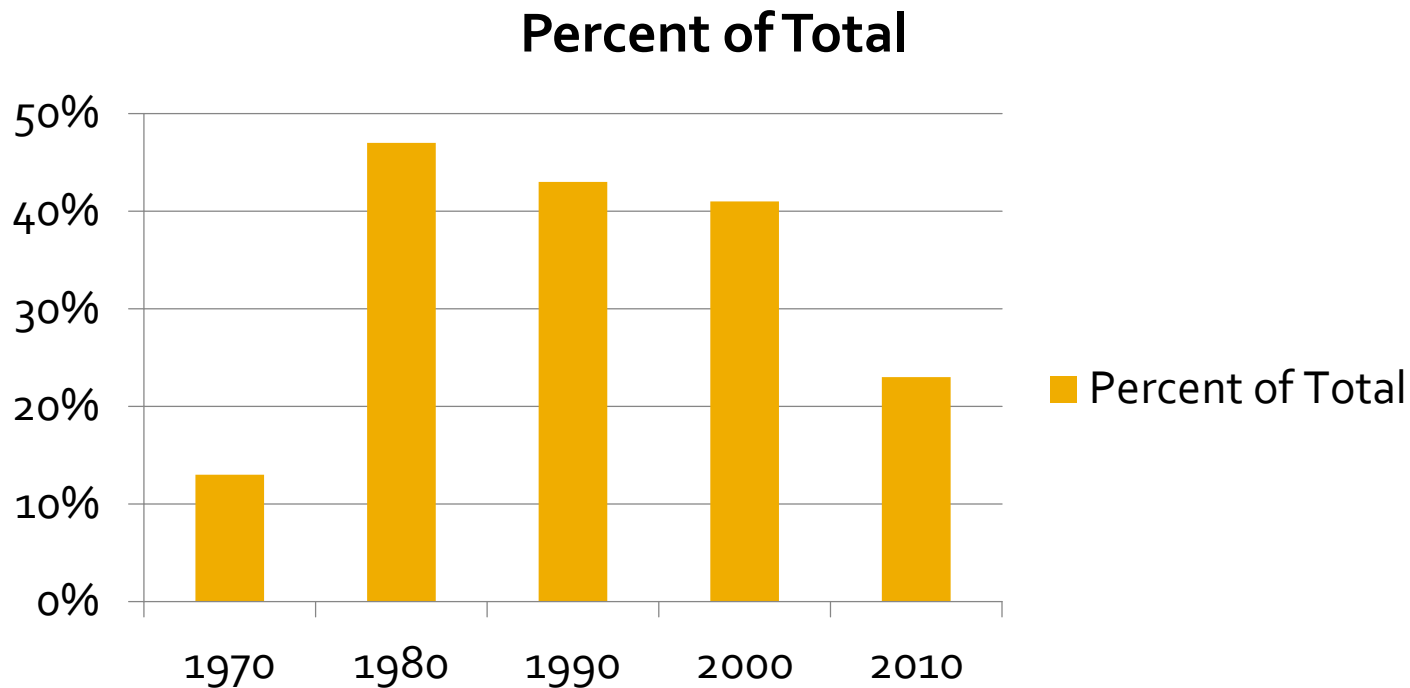
The New Normal

Wage & Salary Emp in Madison County
1970-2010



- Suburbanization drove employment growth
- Nissan had dramatic impact in 2003-05
- Growth in metro and county static since 2008

Earnings from Out-of-County Jobs



Fundamental shift in last decade

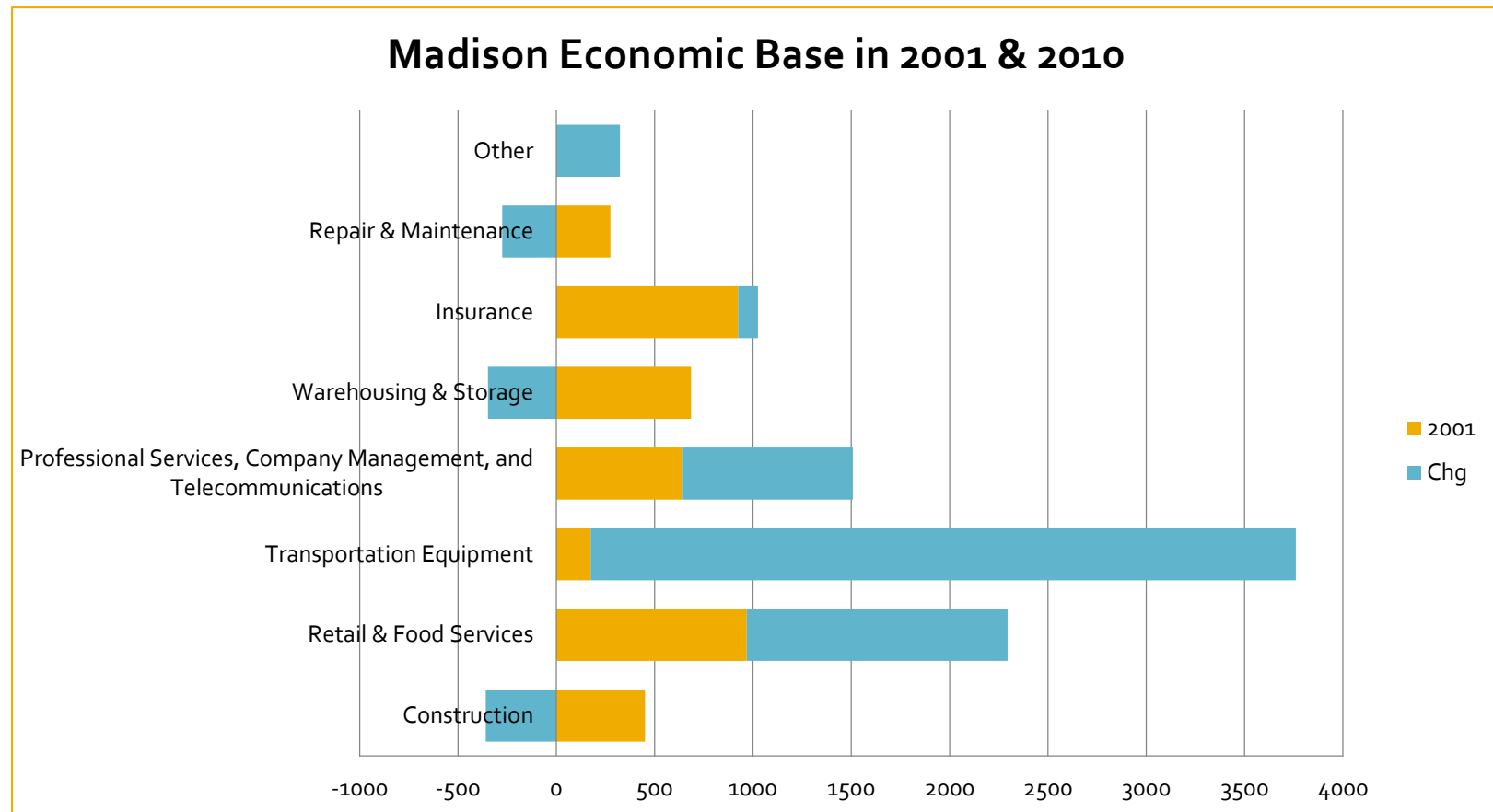
The Last Decade

Growth by Decade in Core Counties of Jackson MSA

Fips	Area	2000	2010	Change
28049	Hinds, MS	160,241	138,837	(21,404)
28089	Madison, MS	31,553	47,958	16,405
28121	Rankin, MS	53,835	61,550	7,715
	TOTAL 3 Counties	245,629	248,345	2,716

- Static state growth translates into no state employment growth in Jackson MSA, except in Health Care
- Government/health care/education now over half of jobs in Hinds County

Madison County employment base in 2001-2010



Economic base doubled in decade with huge increase in transportation equipment & big increases in professional services-HQ & retail

Property tax base comparison

County	Chg(%) 2000-10	Per Capita 2010\$
Hinds	24%	\$7,672
Madison	148%	\$14,321
Rankin	93%	\$10,082

- More resources now than rest of metro counties

Conclusions

- In the last decade, Madison County:
 - Evolved from a bedroom community to a major employment center for the region
 - Expansion in professional services, company management and telecommunications
 - Decline in warehousing, aircraft maintenance and heavy construction
 - Tax base has tripled
- New formula needed in the future. Less suburbanization. Health care only sector left. More focus on tech and professional services

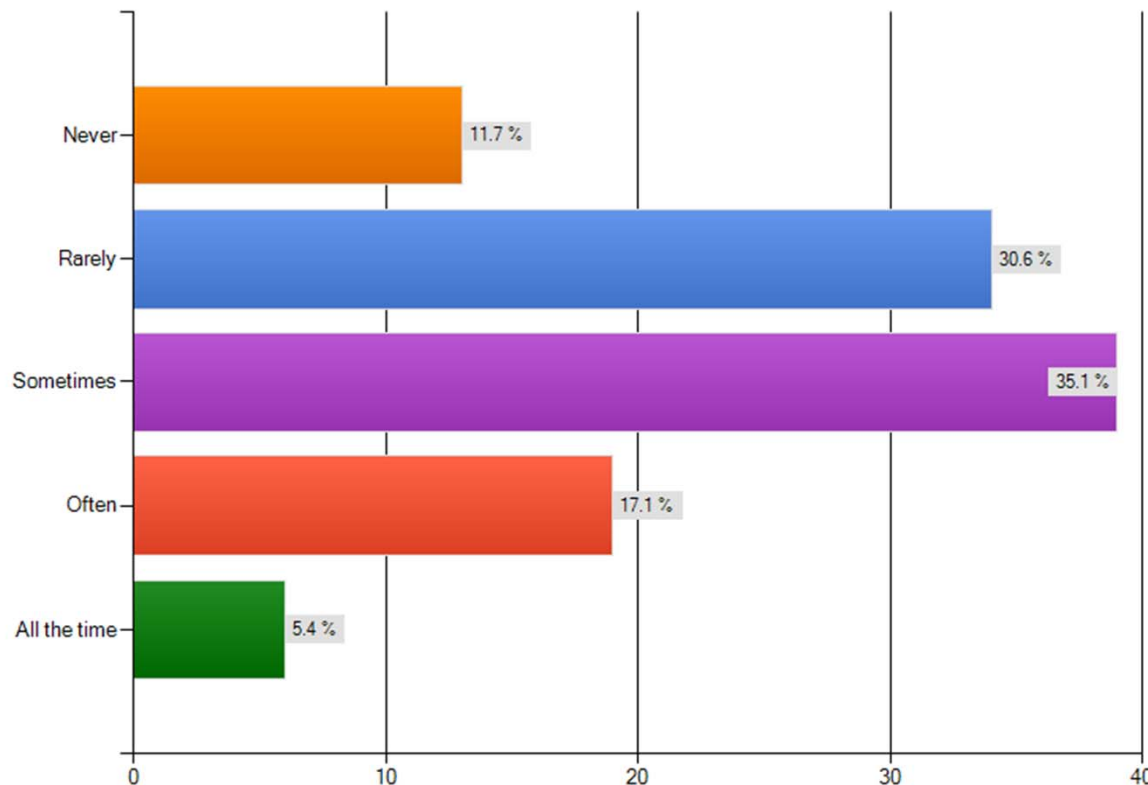
Leadership Survey Findings

Survey Overview

- 100+ questions
 - Changes since 2002
 - Locational assets
- 31% response rate is high by industry standards
- 124 responses recorded
 - Statistically reliable sample
- Made comparison to 2002 survey where questions were the same

Questions related to transportation goal from 2002 plan

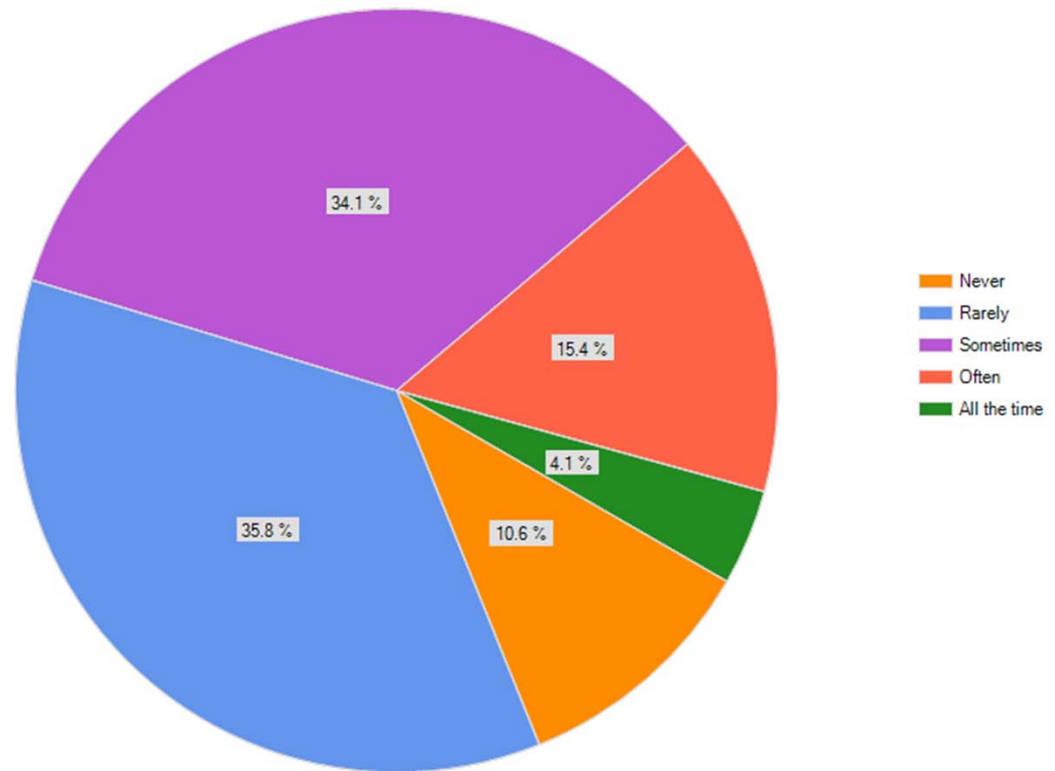
If you travel on I-55 to work, how often does traffic congestion on I-55 delay your trip by more than 10 minutes during rush hour?



42% never or rarely versus 22% often or all the time

Transportation

How often do you find yourself waiting for more than 2 changes of traffic lights before you cross an intersection anywhere in Madison County?



Most Responses

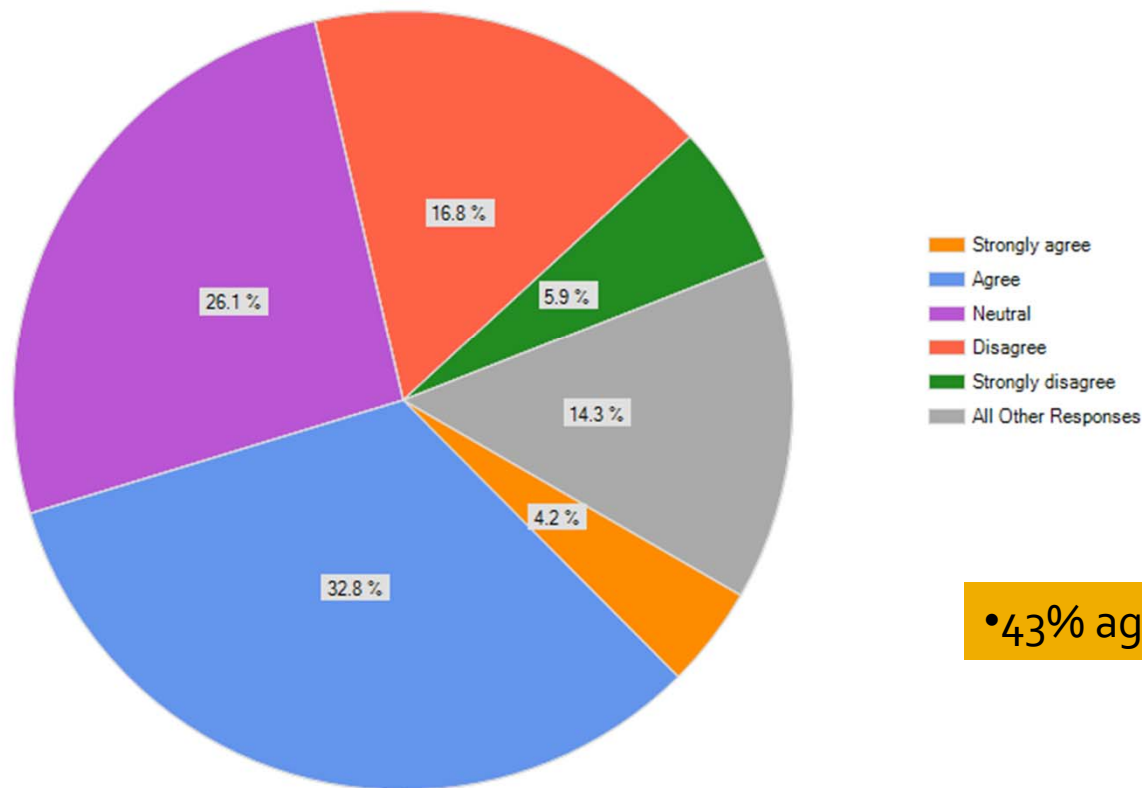
Hwy 51 &

- Madison Ave
- Hoy Rd
- Main St.
- Jackson St.
- Rice Rd

•20% often or all the time

Building and subdivision codes

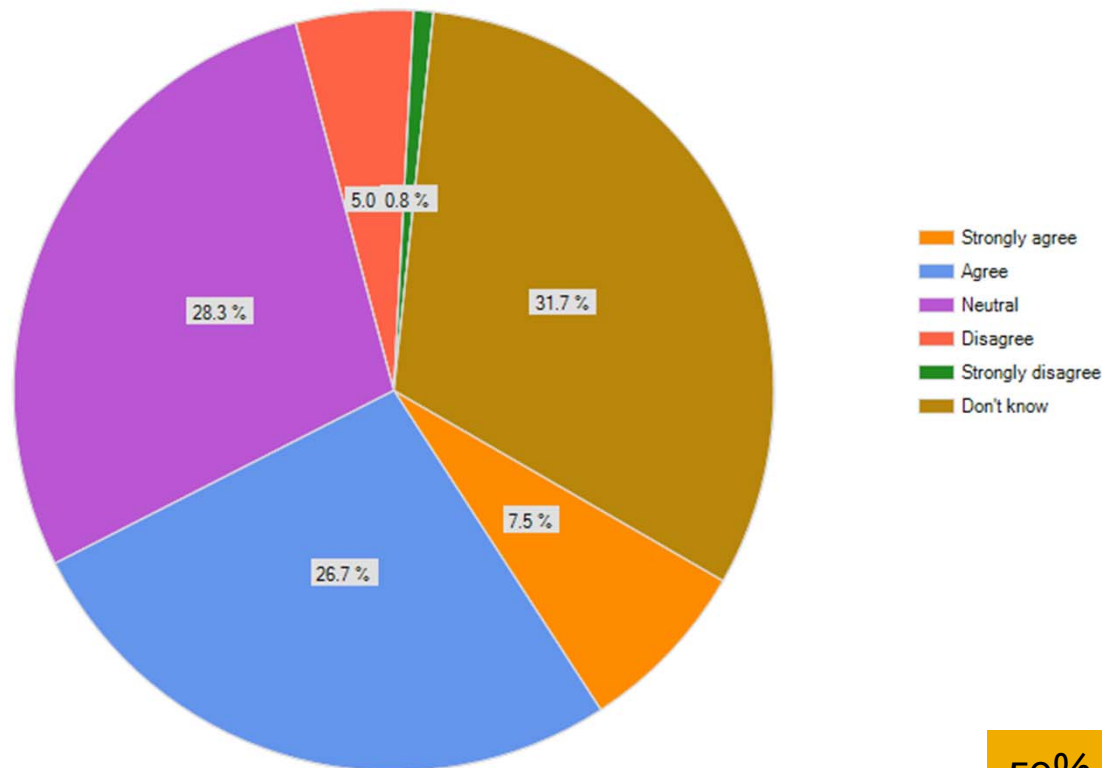
Coordination of building, subdivisions and zoning codes among jurisdictions in Madison County was identified as a priority in 2002. Units of governments in Madison County with responsibilities for planning and zoning have achieved this coordination in the last decade?



•43% agree-26% disagree

Community College Collaboration

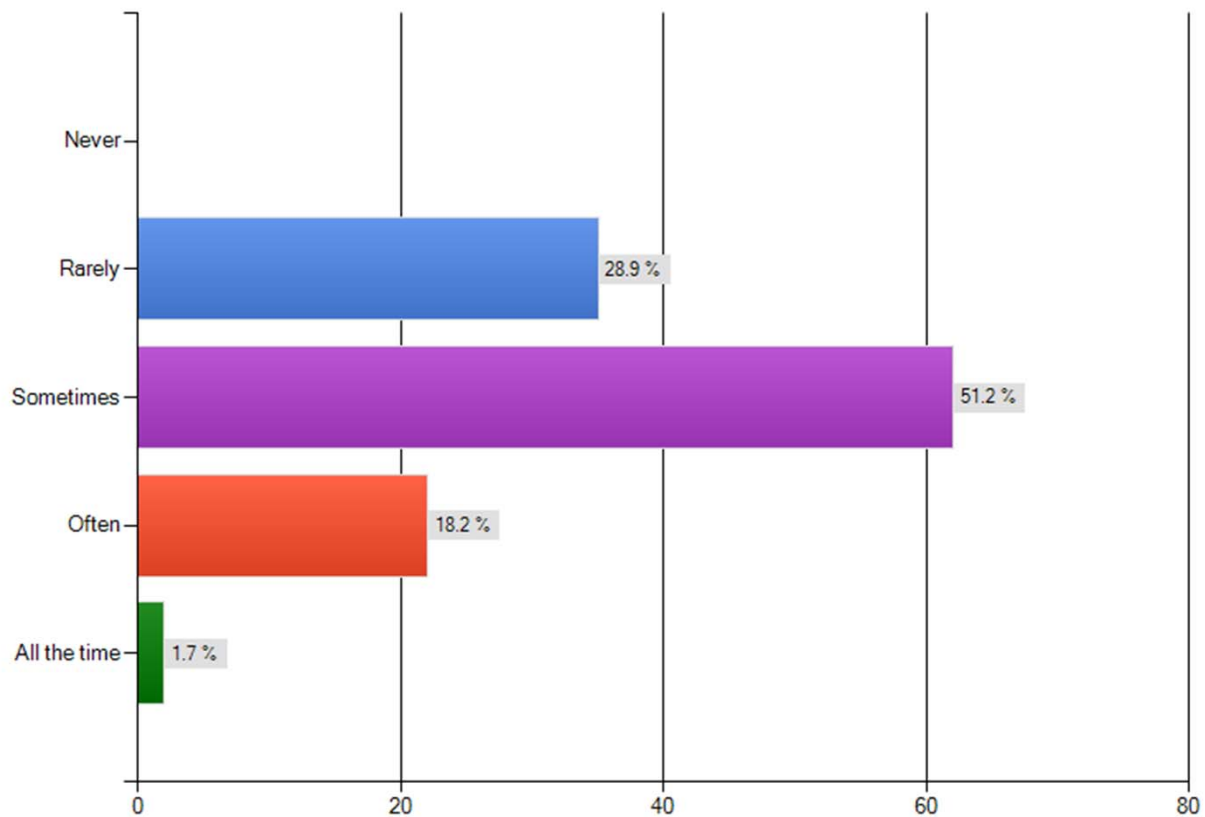
Collaboration between businesses in Madison County and Holmes Community College for meeting the skill needs of employers was identified as a priority in 2002. Has strong collaboration between Holmes and business developed during the last decade?



50% agree-9% disagree

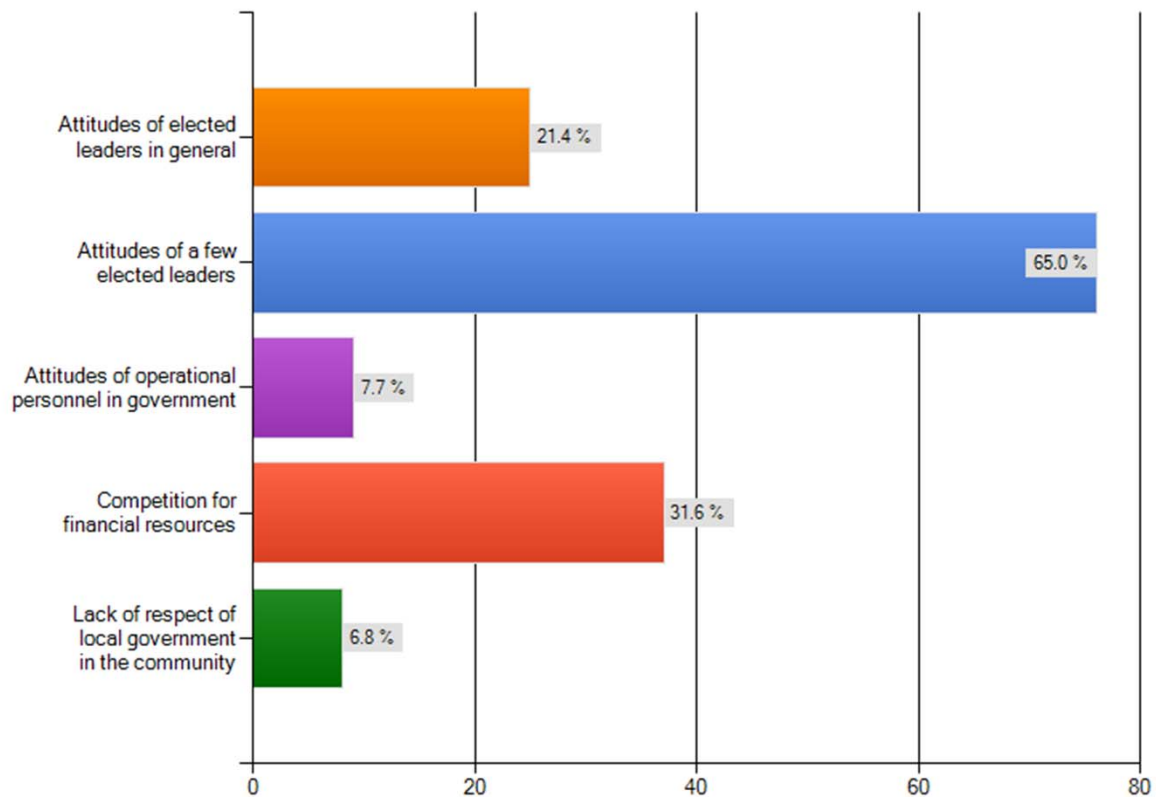
Collaboration

How often do local and county governments in Madison County cooperate to solve common problems?



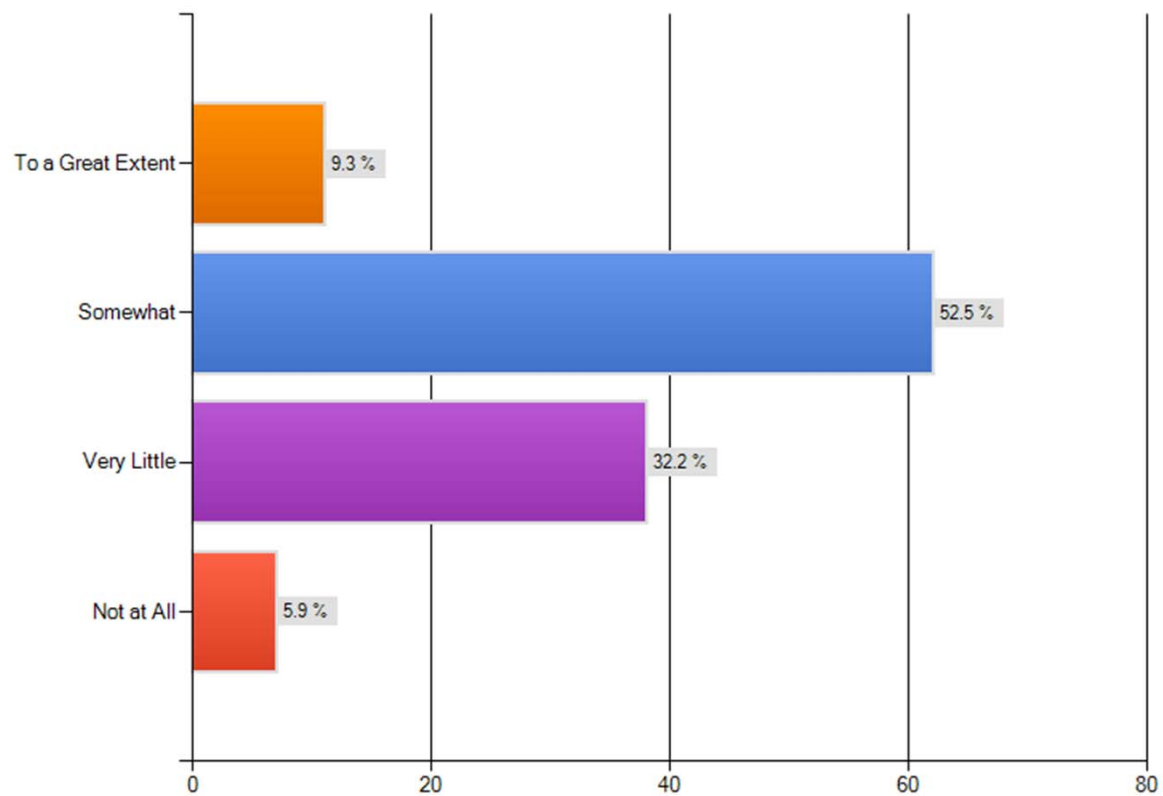
Collaboration

In your opinion, what are the most important barriers to governmental collaboration in Madison County? Choose one or more of the following:



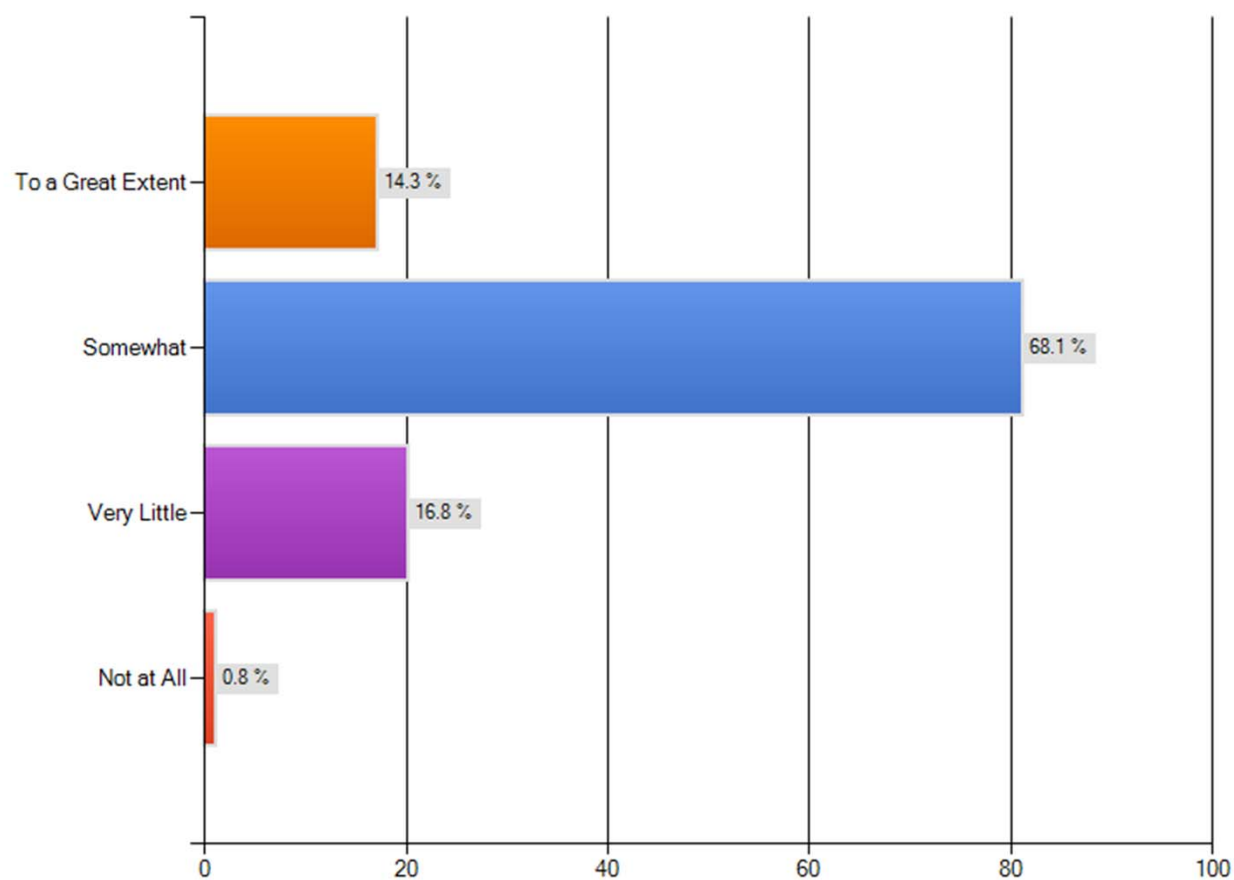
Collaboration

Has the climate for collaboration among local jurisdictions in Madison County improved during the last decade?



Trust

. How respected are the elected leaders in Madison County?



LOCATION QUESTIONS

Quality of Life Strengths and Differences from 2002

Strengths	Strength(%)	Trend
Executive-level housing	84%	↑
Level of crime	67%	↑
Recreational Opportunities	61%	↑
Physical appearance-highways-downtowns	62%	→
Local clinics and health care professionals	57%	↑
Improving	Normal%	
Moderate income housing	61%	↑
Rental Apartments	36%	↑
Cultural Activities	40%	↑
Weaknesses	Weakness%	
Hospital facilities	42%	↓

Education

Strengths	Strength(%)	Trend
Madison District Elem-Secondary	80%	→
Post-secondary education	44%	↑
Vocational programs at secondary lvl	24%	↑
Weaknesses	Weakness%	
Canton District Elem-Secondary	76%	→

Public Services

Strengths	Strength(%)	Trend
Police and Public Safety	78%	↑
Fire protection	72%	↑
Planning & Zoning	55%	↑
Adequate building codes	53%	↑
Permitting & business regulation	36%	→
Improving	Normal%	
Level of sales taxes	64%	↑
Adequate tax base to cover costs	50%	↑
Long-range planning and capital budgets	44%	↑
Weaknesses	Weakness%	
Local Government Cooperation	42%	↑

Leadership Situation

Strengths	Strength(%)	Trend
Involvement of public-private sectors in county economic development	47%	
Improving	Normal%	
Professional staff in city and county offices	47%	
Level of funding for local econ. Dev.	50%	
Level of cooperation with other EDOs	50%	

Workforce

Improving	Normal%	Trend
Unskilled workers	65%	↑
Clerical workers	63%	↑
Technical and professional workers	54%	↑
Managerial workers	52%	↑
Worker-management relations	62%	↑
Availability of post-secondary vocational t.	48%	↑
Continuing Ed. Programs	46%	↑
Weaknesses	Weakness%	Trend
Skilled industrial workers	29%	↓
Apprenticeship programs	29%	↓

Transportation

Neutrals	Normal%	Trend
Local highways	44%	↑
Commercial Air Service	48%	↓
Weaknesses	Weakness%	Trend
Traffic movement	44%	↑
Road conditions & maintenance	47%	↑
Traffic capacity of streets	51%	↓

Utilities

Strengths	Strength(%)	Trend
High quality electric service	43%	↑
High Quality gas service	49%	↑
Improving	Normal%	
Adequate water capacity	54%	↑
Adequate wastewater capacity	57%	↑

Real Estate & Capital

Strengths	Strength(%)	Trend
Attractive commerical/retail sites	57%	↑
Subdivision sites for new homes	49%	↑
Improving	Normal%	
Commercial/retail space	52%	↑
Adequate office space	52%	↑
Investment in community by financial institu	42%	↑

Marketing

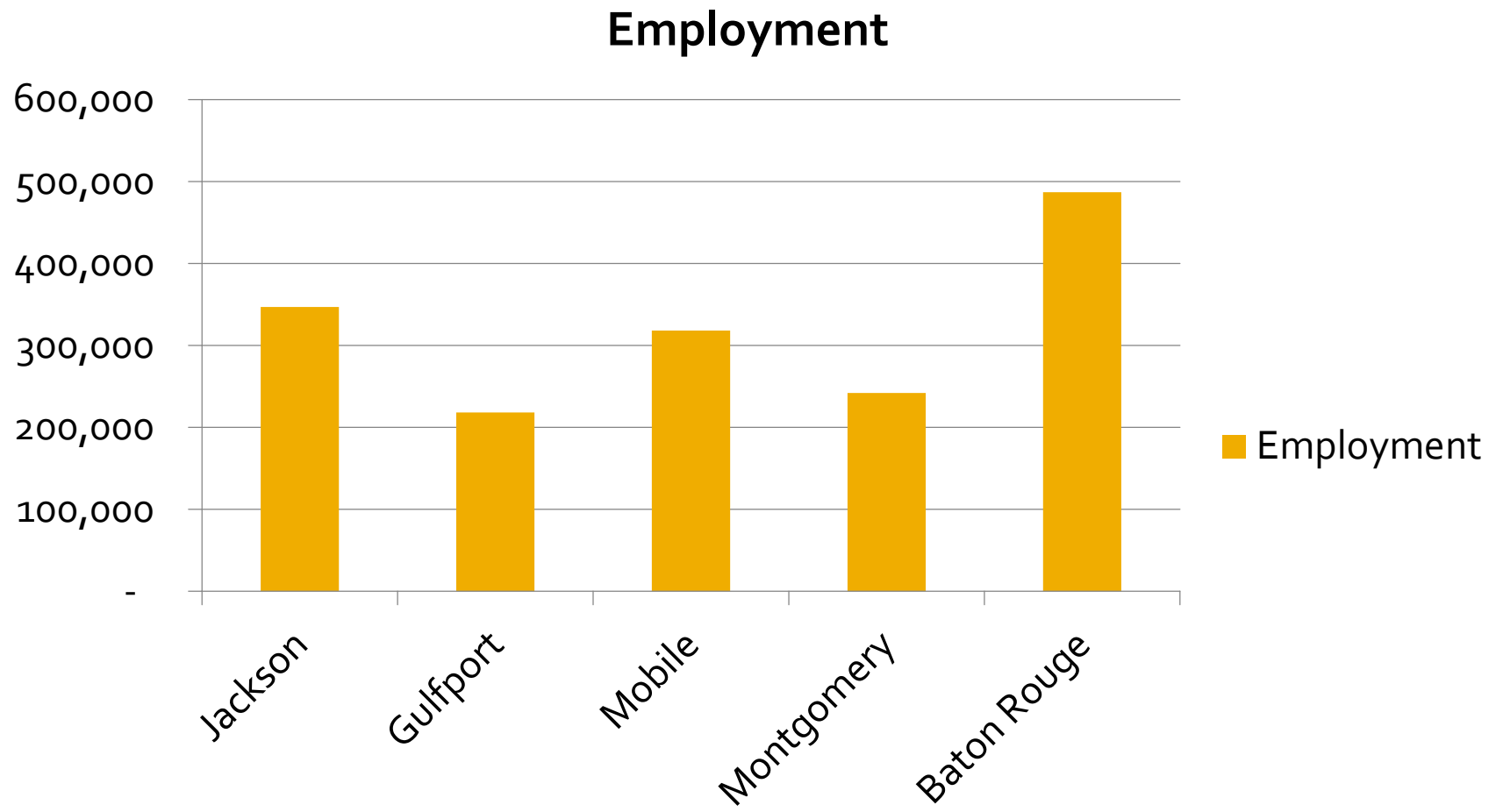
Strengths	Strength(%)	Trend
Range of retail stores and goods	57%	↑
Range of quality restaurants in community	63%	↑
Range of personal services	60%	↑
Adequate hotels and motels	47%	↑
Tourism marketing program	34%	↑
Improving	Normal%	
Newspaper support for business promotion	46%	↑
Funding to support tourism programs	37%	↑
Investment in community by financial institu	42%	↑
Weaknesses	Weakness%	Trend
Conference & Meeting facilities	47%	↓
Road conditions & maintenance	47%	↑
Traffic capacity of streets	51%	↓

Preliminary Competitive Assessment

Competitors

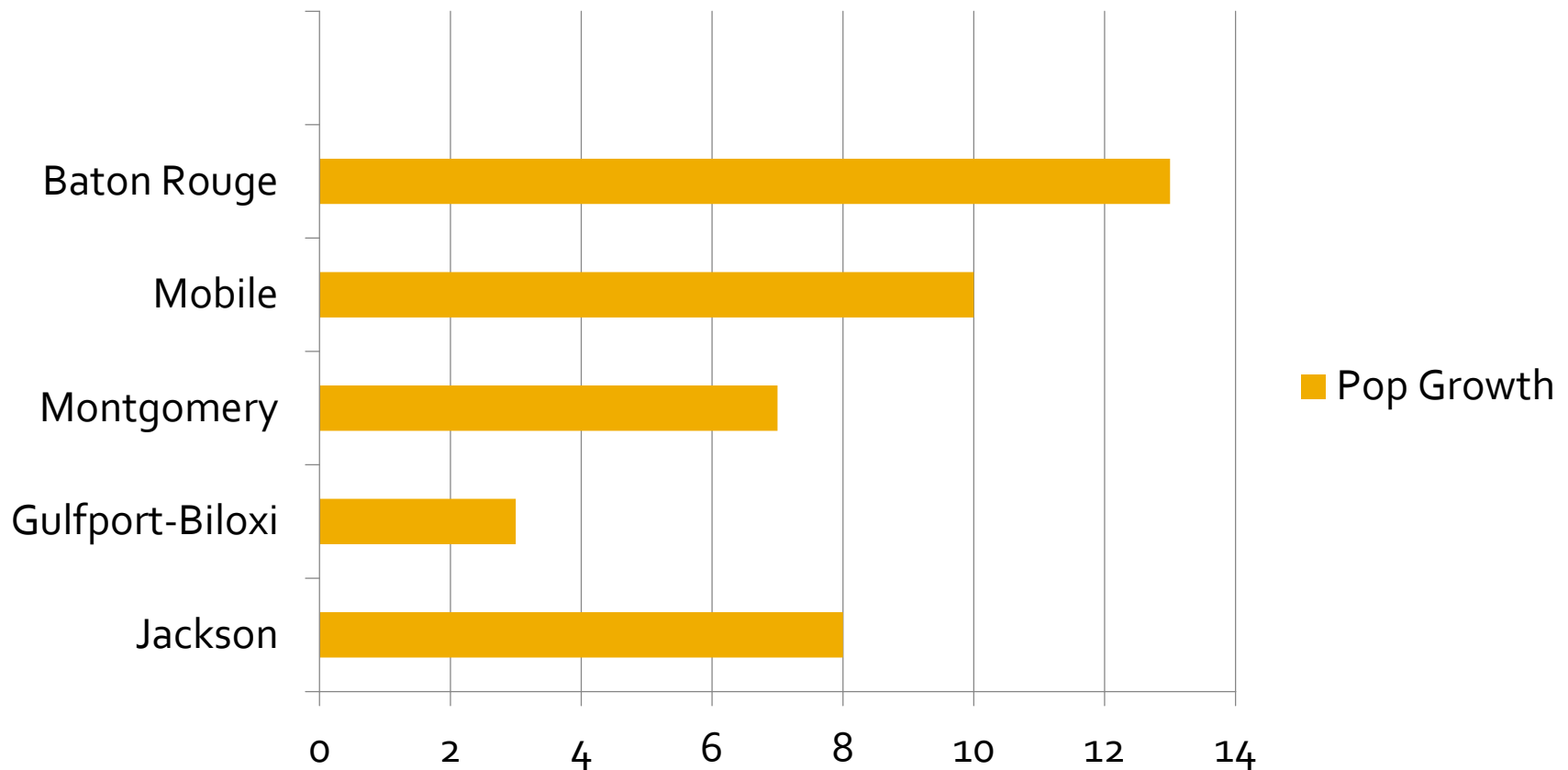
- Baton Rouge- similar size-state capital
- Montgomery- similar size- state capital & auto assembly plant
- Gulfport- similar size
- Mobile- similar size

Relative sizes

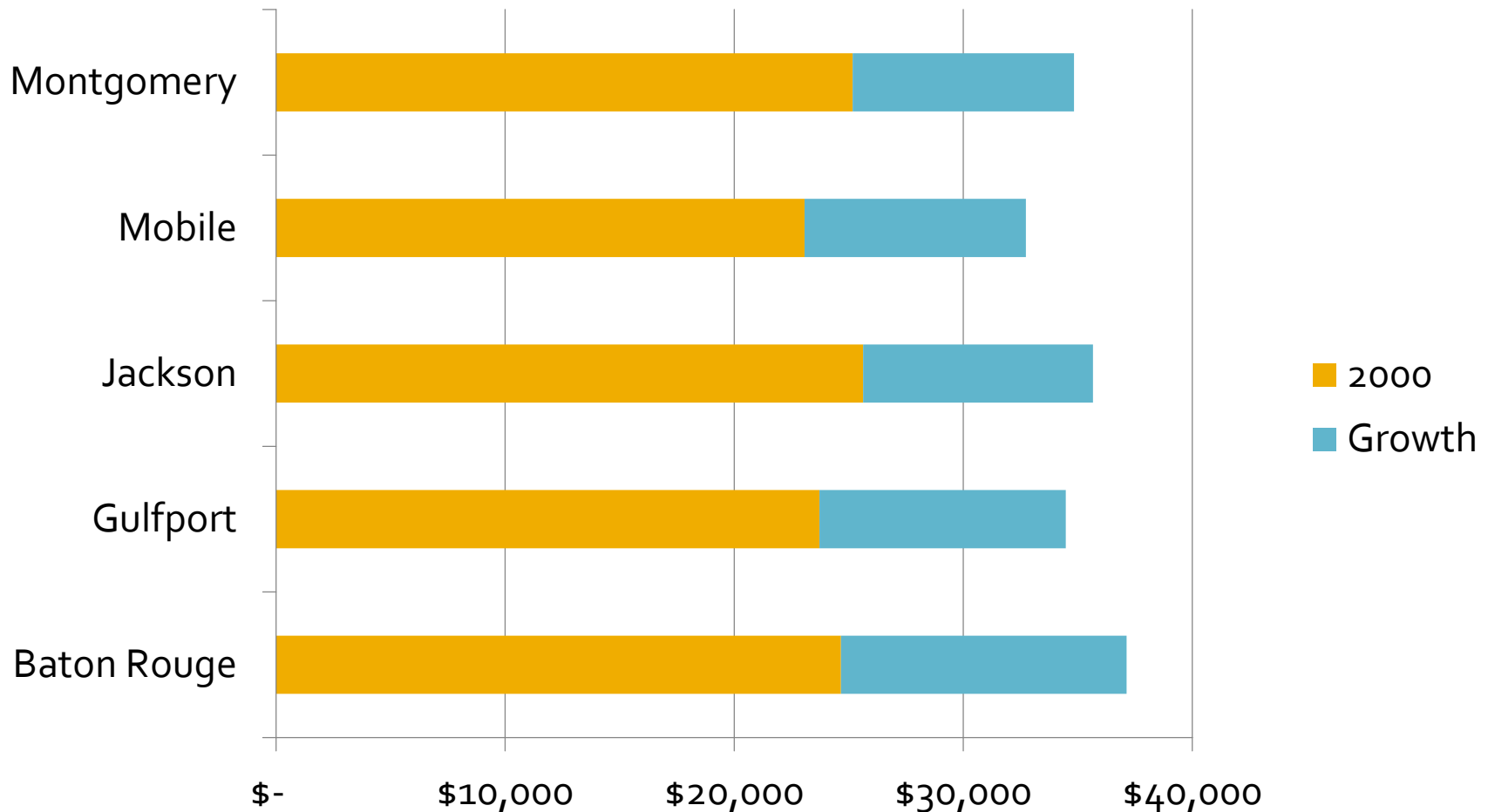


Growth Comparison

Pop Growth in % from 2000-10



Per Capita Income Growth



Global Cost Equalization

Comparisons of Operating Costs in Jackson and 14 Global Competitors

	Sao Paulo	Edmonton	Toronto	Shanghai	Marseille	Mumbai	Osaka	Frankfurt	Monterrey	Manchester	Montgomery	Baton Rouge	Gulfport	Mobile	Jackson
Overall															
Overall Manufacturing															
Precision Man.															
Electronics															
Prof. Services															

Key

Over 105% of Jackson	
Between 95-105% of Jackson	
Less than 95% of Jackson	

Source: Calculated from KPMG's Competitive Alternatives data

Location Factors

- Quality of life
- Business climate
- Market access
- Workforce and training
- Transportation
- Utilities
- Real estate
- Technology resources

Data sources

- Statistics
- Interviews with employers
- Surveys
- Professional judgment

Quality of Life

QUALITY OF LIFE		
Strengths	Neutrals	Weaknesses
Cost of Living & Housing	Moderate-Cost Housing	Local Hospitals
Public Safety and Crime Rates	Cultural Activities	Rental Housing & Apartments
General appearance		
Recreational Amenities		
Local Health Care Professionals		

Concern: Rental Housing and Apartments

Business Climate

BUSINESS CLIMATE		
Strengths	Neutrals	Weaknesses
Labor-Management Relations	Local & State Taxes	Tax Incentives
Government Cooperation with Business		Cooperation Among Govt. Jurisdictions
Local Regulations & Permitting		

Inter-governmental cooperation only concern

Tax structures

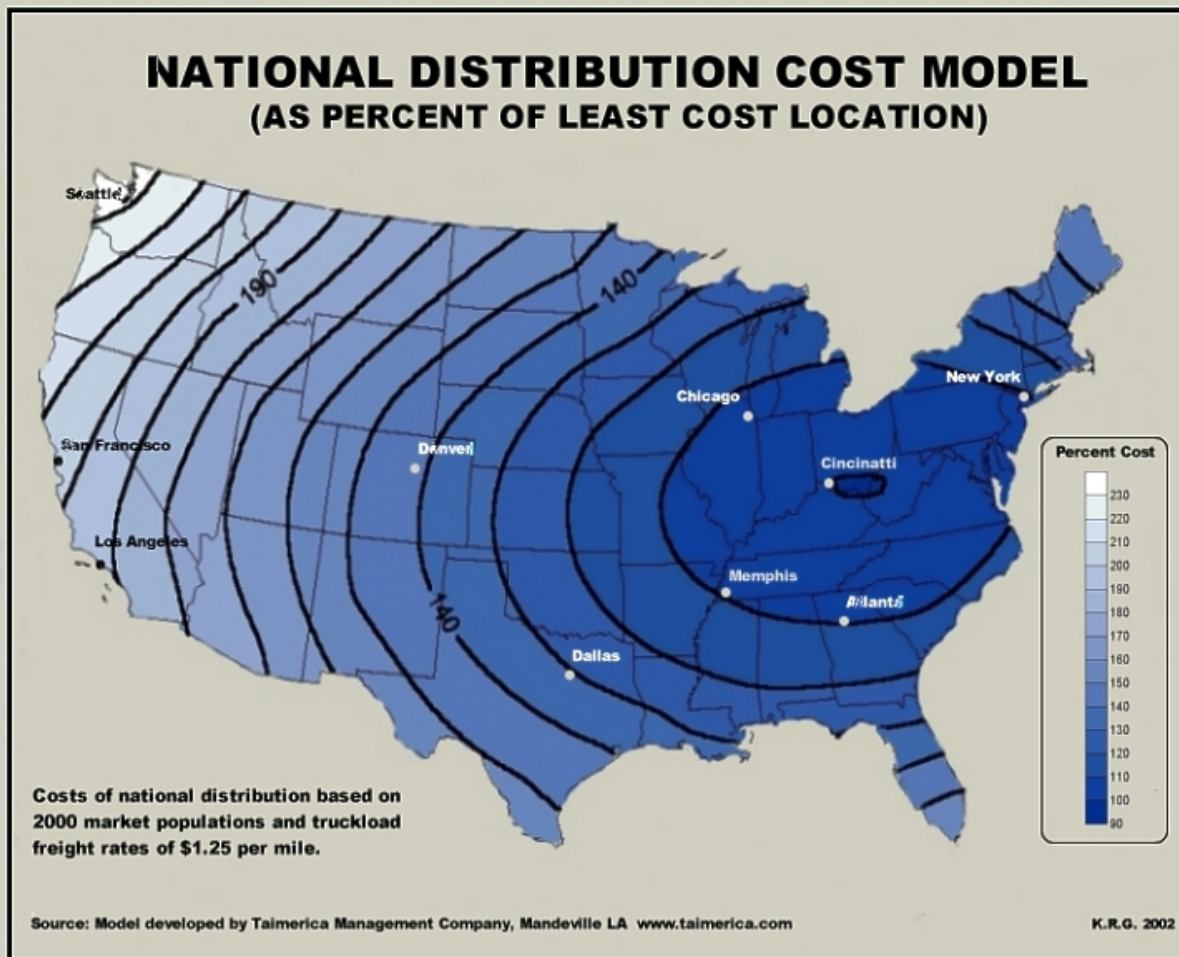
Property and Sales Tax Rates in Madison County & Competitors

		Real Property			
Jurisdiction		Mills	Assessment Ratio	Market Per \$1000	Sales Tax Machinery
Madison	M S	87.77	15%	\$ 13.17	1.5%
Rankin	M S	91.84	15%	\$ 13.78	1.5%
Hinds	M S	109.02	15%	\$ 16.35	1.5%
Gulfport	M S	95.24	15%	\$ 14.29	1.5%
Montgomery	AL	36.5	20%	\$ 7.30	3.6%
Mobile	AL	63.5	20%	\$ 12.70	4.8%
Baton Rouge	LA	100.92	15%	\$ 15.14	4.5%

Lower rates
than in
competitors

Source: Economic Development group websites

MARKET ACCESS



Good for
Southeast branch
plants or for
multi-state
distribution

WORKFORCE

WORKFORCE AND TRAINING		
Strengths	Neutrals	Weaknesses
Worker Productivity and Labor Relations	Manufacturing Wages and labor pool	Shortage of Skilled Manufacturing Workers
Vocational Training	Office wages	K-12 education (Canton)
Office Labor Pool	College talent pool	
Educational Attainment		
K-12 education (Madison)		

Relative size of talent pools

Size of Benchmark Labor Pool in 2011

Labor Market	Clerical	Manufacturing
Baton Rouge	28,380	1,825
Gulfport	7,940	504
Jackson, MS	21,190	1,353
Mobile, AL	15,150	1,102
Montgomery, AL	14,510	688

- Benchmark positions only
- Large manufacturing & clerical workforce relative to competitors
- But talent of importance in advanced manufacturing is technical

Source: BLS Wage Database



Adv. Manufacturing | National Occupations in Demand

- Over the past three years, **Industrial Engineers** accounted for the highest share (27%) of Advanced Manufacturing job postings across the Nation
- Supervisors/Managers of Production and Operating Workers and Mechanical Engineers ranked a consistent second and third, respectively, over the noted times
- Every occupation fell in 1H '09 (as total occupations dropped -44%) and then increased in 1H '10 (as total occupations rose a strong +102%)

Top 10 National Advanced Manufacturing Occupations (in thousands) - Job Postings	1H '08	% of Total	1H '09	% of Total	Change 1H'08- 1H'09	1H '10	% of Total	Change 1H'09- 1H'10
Industrial Engineers	144.9	27%	81.4	27%	-44%	159.2	27%	96%
Supervisors/Managers of Production and Operating Workers	107.2	20%	63.5	21%	-41%	126.1	21%	99%
Mechanical Engineers	85.0	16%	51.6	17%	-39%	78.7	13%	53%
Helpers--Production Workers	24.8	5%	12.3	4%	-50%	34.1	6%	177%
Machinists	27.5	5%	10.8	4%	-61%	25.9	4%	140%
Inspectors, Testers, Sorters, Samplers, and Weighers	20.6	4%	12.8	4%	-38%	24.8	4%	93%
Tool and Die Makers	22.9	4%	1.0	<1%	-96%	24.7	4%	2478%
Industrial Machinery Mechanics	19.5	4%	10.6	4%	-46%	19.3	3%	82%
Industrial Production Managers	17.2	3%	13.2	4%	-23%	19.1	3%	45%
Electrical and electronic equipment assemblers	12.0	2%	5.7	2%	-52%	16.9	3%	196%
Total All Occupations	530.7	100%	296.4	100%	-44%	599.2	100%	102%

Source: Wanted Technologies, 1H '08-1H'10

Educational Attainment

Educational Attainment for Various Cities of People 25 or older

	% Bachelor's Degree or Higher	% High School Graduate or Higher	% Less Than High School Graduate
Jackson, MS	27%	85%	15%
Montgomery, AL	26%	84%	16%
Baton Rouge, LA	26%	86%	14%
Mobile, AL	23%	85%	15%
Gulfport, MS	20%	86%	14%

Source: Census Bureau-American Community Survey

Highest concentration of degreed workers among the competitors

School Performance

School District Performance Measures

Measure	Canton	Jackson Public	Madison County	Rankin County
Total Enrollment	3,408	30,617	11,575	18,634
IEP Students as a Percentage of All Students	9.2%	10.3%	10%	11.5%
Highly Qualified Teachers	95.7%	90.4%	98.8%	96.7%
Graduation Rate (%)	54.1%	61.8%	85.3%	82.2%
Dropout Rate (%)	30.6%	22.8%	8.5%	11.4%
Average ACT Score	14.7	17	20.9	20.1
Total Estimated Per Pupil Expenditures	\$8,359	\$9,171	\$8,132	\$8,185

Source: The Children First Annual Report

Performance of Canton schools has a limited impact on workforce in region

College Talent Pool

College Graduates by Field in 2011 in Jackson and competitor CSAs
(Bachelors level graduates in 2011 per 100,000 population)

Code	CIPTitle	Jackson	Mobile	Montgomery	Baton Rouge	Gulfport
11	COMPUTER AND INFORMATION SCIENCES	6	16	12	7	0
14	ENGINEERING.	6	16	0	54	0
15	ENGINEERING TECHNOLOGIES	4	41	0	1	0
26	BIOLOGICAL AND BIOMEDICAL SCIENCES.	38	20	32	50	0
40	PHYSICAL SCIENCES.	10	6	4	7	0
51	HEALTH PROFESSIONS	62	87	29	39	0
52	BUSINESS	107	144	219	121	0
NA	TOTAL	434	541	482	551	0

Source: Calculated from IPEDS database

Good source of college educated talent pool overall but low in Computer Science & Engineering

Transportation

- Trucking is very good
- East-West Rail Service is a weakness
- Commercial airline service good compared to competitors but not adequate for national sales or technical support offices

Airport Comparisons in 2011

Code	Region	Enplanements
BTR	Baton Rouge, LA	395,516
GPT	Gulfport/Biloxi, MS	383,856
JAN	Jackson/Vicksburg, MS	615,148
MGM	Montgomery, AL	186,767
MOB	Mobile, AL	288,461
BHM	Birmingham, AL	1,427,832
BNA	Nashville, TN	4,648,462
JAX	Jacksonville, FL	2,699,574
MCO	Orlando, FL	15,550,148
MEM	Memphis, TN	4,281,764
MSY	New Orleans, LA	4,219,716

Jackson region comparison are shaded

Source: FAA FT-100 database

Utilities

UTILITIES		
Strengths	Neutrals	Weaknesses
Broadband Telecommunications		
Water & Wastewater Capacity		
Cost and reliability of electricity		
Natural Gas Service		

Major improvements in decade in capacity and reliability

Real Estate

Strengths

Office real estate

Neutrals

Construction
Costs

Weaknesses

Supply of Industrial and
warehouse space

Industrial park site inventory

Conference and Meeting
Facilities

-Lack of Industrial Space inventory will limit future growth
Conference & meeting space identified as issue in employer interviews

Ratios

Industrial Building Space Ratios in 2011			
County	Warehouse space (sf)	Manufacturing & Wholesale Workers	Space/Worker
Hinds	13,739,574	8721	1,575
Madison	1,240,442	8402	148
Rankin	3,772,859	9057	417
Source: Calculated from Costar report and BEA website data			

Small warehouse inventory relative to size of manufacturing workforce in Madison County

Technology Assets

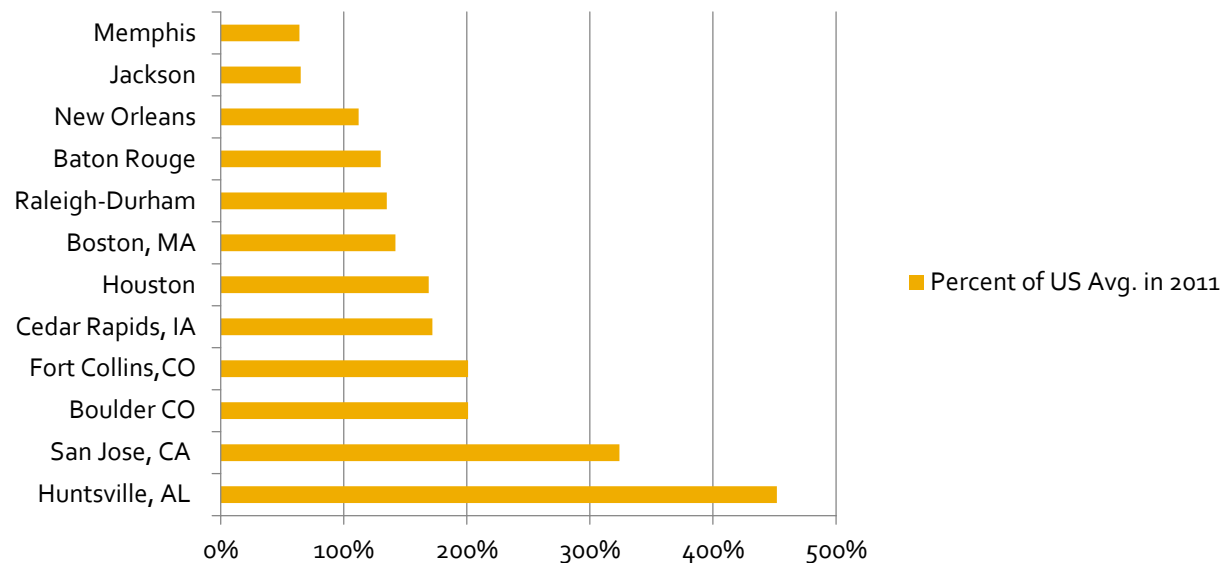
TECHNOLOGY AND START-UP SUPPORT

Strengths	Neutrals	Weaknesses
Entrepreneurial Climate		Technical Talent Pool
		Continuing Technical Education
		Image for Recruiting Professionals

Image is a bigger issue here because of lack of regional talent pool of technology graduates

Engineering Talent Pools

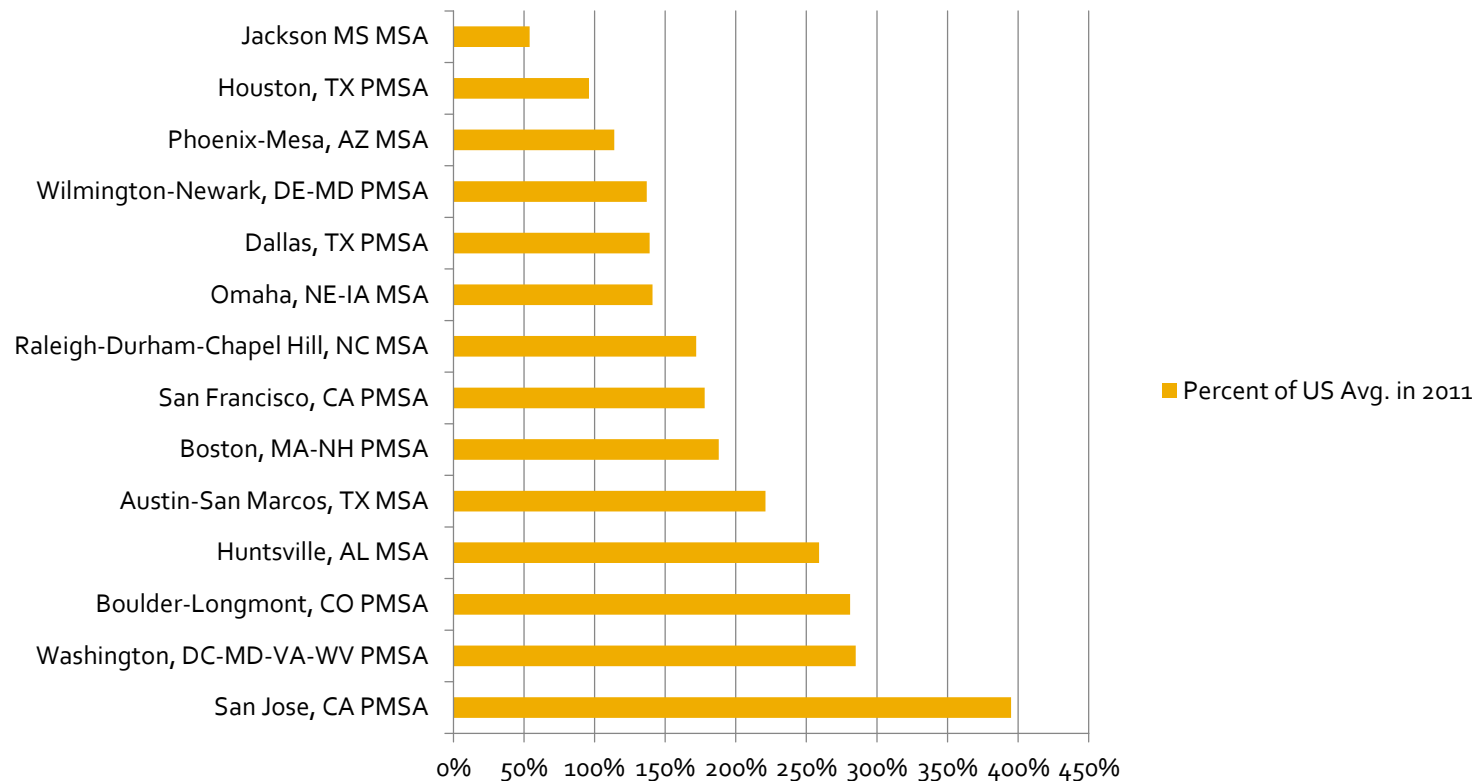
Concentration of Architecture and Engineering Occupations



Strong connection between size of talent pool and growth of technology sector

Computer Science Talent Pools

Concentrations of Computer and IT Occupations



Strong connection between size of talent pool and growth of technology sector

Discussion and next steps