

Cullman, Alabama

Executive Overview



LOCATION

- Located in North-Central Alabama, within 500 miles of two-thirds of the US population.
- 45 miles from Birmingham, Alabama - the largest city in the state.
- 45 miles from Huntsville, Alabama
- 156 miles northwest of Atlanta, Georgia.
- 144 miles south of Nashville, Tennessee.

Fairview	498
Garden City	558
Good Hope	1,924
Hanceville	2,830
Holly Pond	622
South Vinemont	431
West Point	318
Unincorporated Areas	55,685

Cullman County

1980 Census	61,642
1990 Census	67,613
2000 Census	77,483
2004 Estimate	77,927
Growth Rate 1980-90	9.7 %
Growth Rate 1990-2000	14.6 %

Cullman County was the fourteenth fastest growing of Alabama's sixty-seven counties between 1998 and 2000.



POPULATION

City of Cullman

1980 Census	11,061
1990 Census	13,367
2000 Census	13,995
2004 Estimate	13,354
Growth Rate 1980-90	20.8 %
Growth Rate 1990-2000	8.5 %

The City of Cullman was the fifth fastest growing city in the State of Alabama between 1990 and 1998, and the fastest growing non-MSA.

Other Cities in Cullman County

2004 Census Estimate

Baileyton	713
Colony	367
Dodge City	627



GOVERNMENT

State of Alabama	Governor / Legislature
City of Cullman	Mayor / Council
Cullman County	Chairman / Commission



CLIMATE

Average Annual Temperature	58 degrees
Average January Temperature	34 degrees
Average July Temperature	77 degrees
Annual Rain	54 inches

Annual Snow

0 inches

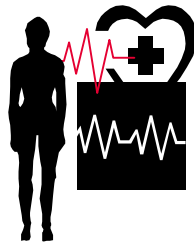


RETAIL SALES

Taxable retail sales in Cullman County grew by over 49% between 1992 and 2001 increasing from \$390 million to more than \$584 million.

	1992	1995	1998	2001
Total Sales*	\$390	\$502		\$584

*in Millions



HEALTH CARE

Cullman Regional Medical Center (CRMC) is a 115 bed facility built in 1995. CRMC is one of the area's largest employers with a staff of almost 700 to serve your health care needs. 125 employees have been added to their staff over the past few years and similar employment growth is expected for the immediate future. 30 physicians have been added to their staff in the past five years, 15 in the past two years. The facility currently serves the health care needs of 77,000 Cullman County residents and an estimated 90,000 people from the surrounding area.

Cullman's private health care provider is Woodland Medical Center which offers a 24-hour physician staffed emergency department. Woodland has a staff of 250 including 100 physicians. The 100 bed facility founded in 1974 offers a full range of services, including a 20 bed In-patient adult mental health unit, clinics for cardiology, pain management, pulmonary, oncology, and urology. Services include everything from laser surgery to certified mammography, all focusing on the individual needs of the patient.

HOUSING



Cullman County

2004

Total Housing Units
36,262

Avg. Home Value

\$118,586

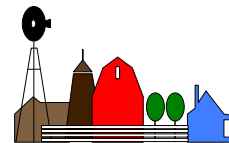


EDUCATION

Educational opportunities in Cullman abound. The City of Cullman maintains one primary school, grades K-1, two elementary schools, one junior high, and one senior high schools. Cullman County supports fifteen elementary schools, six junior highs, and seven senior high schools. Wallace State College, one of the fastest growing two-year colleges in the Southeast, offers technical as well as academic instruction as an accredited member of the state junior college program.

Cullman is very proud of the high standards and commitment to excellence evident in our classrooms. The Cullman City School System continually places among the top ten school systems in Alabama according to Stanford Achievement Test (SAT) scores, and the entire county regularly exceeds the national and state average on standardized tests.

AGRICULTURE

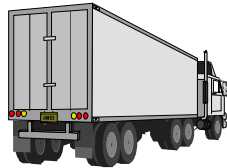


Cash Receipts - 2003

Crops	\$ 12,946,000
Livestock & Poultry	\$358,557,000
Farm Products	\$413,501,000
Total Farm & Forestry	\$415,840,000

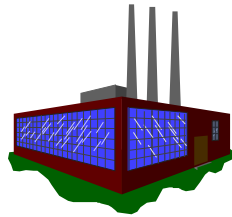
State Ranking - 2003

All Cattle	1
Milk	2
Eggs	1
Broilers	1
Overall State Ranking	1



DISTRIBUTION

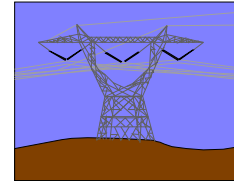
- Centrally located on a major north-south interstate, I-65.
- Centrally located on a major east-west federal highway, U.S. 278.
- Located on a mainline of CSX Railroad.
- 45 miles north of Birmingham International Airport.
- Over 50 freight lines serve the area.
- 45 miles south of Huntsville International Airport.
- Corporate air travel available through Cullman’s Folsom Field.
- Home to eight distribution centers including a 1.2 million square foot Wal-Mart facility.



SITES

- Four publicly-owned, fully served and developed industrial parks (Industrial Parks I, II, III & IV) encompassing over 789 acres with over 230 acres still available.
- Cullman Industrial Complex is a 30 acre publicly owned freestanding site located next to Industrial Park I & II.
- All industrial parks boast excellent access to distribution and supply routes being located within two miles of I-65.
- All utilities in place at Industrial Parks I, II, III, IV and Cullman Industrial Complex.
- Fire insurance ratings of Class 4.

- Diversity of industrial tenants, ranging from agricultural, to distribution, to automotive.
- M-1P Industrial Zoning.
- Other free-standing, non-industrial park sites available.
- Cost of \$10,000 to \$30,000 per acre.



UTILITIES

Electricity

Supplier: Tennessee Valley Authority
 Distributors: Cullman Power Board and Cullman Electric Coop

Water

Supplier: City of Cullman
 Source: Surface
 Max Daily Consumption: 19,000,000 GPD
 Avg. Daily Consumption: 15,000,000 GPD
 Storage Capacity: 24,000,000 GPD
 Treatment Capacity: 24,000,000 GPD

Sanitation

Supplier: City of Cullman
 Storm Sewer: Yes
 Sanitary Sewer: Yes
 Coverage: 95%
 Treatment Plant: Yes
 Type: Trickling Filter
 Max Capacity: 7,000,000 GPD
 Avg. Daily Flow: 3,800,000 GPD
 Average Load: 54%

Natural Gas

Supplier: Southern Natural Gas
 Distributor: Cullman-Jefferson Gas Co.

Communications

Telephone: BellSouth
 5ESS Digital Switching
 Fiber Optic Lines
 ISDN Digital Service
 Internet: Various Providers
 Telegraph: Western Union
 Mail: US Post, Class One

Couriers: Federal Express, UPS,
Airborne Express



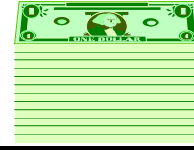
LABOR MARKET

April 2005 Labor Profile:

Labor Force	38,176
Unemployment Rate	3.4 %
Available Labor Pool	162,000
Out Commuting Worker	29%
Manufacturing Labor	9,300
Average Age	38.1 years
Absenteeism Rate	less than 5%
Turnover Rate	less than 2%
Industries with Unions	3 of 125
% Union Workers	Less than 1%

Employment by Industry

<u>Industry</u>	<u># of Workers</u>
Agricultural	1,433
Mining	152
Construction	2,601
Manufacturing	7,110
Transportation	3,606
Wholesale Trade	1,372
Information	313
Retail Trade	5,251
Finance & Insurance	957
Personal Services	673
Entertainment & Recreation Services	325
Utilities	224
Professional and Related Services:	
Health Services	3,382
Educational Services	2,712
Other Professional & Related Services	1,202
Public Administration	997
Real Estate	521



INCOME

2004 Average Household Income

City of Cullman	\$44,451
Cullman County	\$47,393

2000 Per Capita Income

City of Cullman	\$18,022
Cullman County	\$16,922

2004 Manufacturing / Distribution Wage Survey Summary

HOURLY EMPLOYEES:

Hourly Employees Rep.:	3,435
Companies Reporting:	31
Average Hourly Wage:	\$12.62
Average Entry Wage:	\$8.56

SALARIED EMPLOYEES:

Average Monthly Salary:	\$3,840
(Estimated by companies)	



INDUSTRIAL GROWTH

2004 was an impressive year for economic growth in Cullman County with new and expanding industries combining to produce total capital investments of approximately \$150 million.

Over 960 jobs were created in 2004, 548 of which were produced by the expansions of existing industries. Over 8,000 manufacturing and distribution jobs have been created in Cullman County over the past 10 years.



TAXES

Property Taxes for Businesses Overview

Business property and equipment is rated under Class II and is assessed at 20 percent of the appraised value. The assessed value is then multiplied by the appropriate millage rate to determine the amount of tax.

The millage rates for the State of Alabama, the City of Cullman and Cullman County are listed below. For more information, you may contact the Alabama State Department of Revenue and the Cullman County Revenue Commissioner.

County	7.0 mils
Roads and Bridges	2.5 mils
County Schools	7.0 mils
<u>State</u>	<u>6.5 mils</u>
County Total	23.0 mils
City of Cullman Schools	10.5 mils
<u>City of Cullman</u>	<u>5.0 mils</u>
City & County Total	38.5 mils

Example:

If you have a \$100,000 manufacturing facility located in Cullman County, the taxes would be:

\$100,000	Fair market value of the plant.
<u>X 20%</u>	Assessment ratio - comm.
\$20,000	property. Assessed value.
\$20,000	Assessed value.
<u>x .0065</u>	State millage rate.
\$ 130	Total State Property Taxes Due.
\$20,000	Assessed value.
<u>x .0165</u>	Cullman County millage rate.
\$ 330	Total County Property Taxes Due.
\$130	State Property Taxes Due.
<u>+ \$330</u>	County Property Taxes Due.

\$460 Total Annual Ad Valorem Taxes Due.

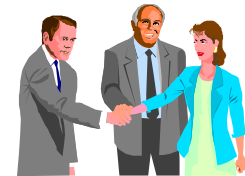
Under the State of Alabama Department of Revenue Ad Valorem Tax Abatement Program, companies whose SIC Code meet the

qualifications of an industrial or research enterprise in accordance with Section 40-9B-3(f), **Code of Alabama 1975**, as amended AND who meet the minimum qualifications on the basis of investment and number of employees, may be granted an abatement of noneducational ad valorem taxes by the local governing authority and the State of Alabama.

Some of the Lowest State and Local Taxes in the Nation

Alabama taxpayers pay only about two-thirds of the national average in state and local taxes.

Alabama	
\$1,603	
Mississippi	\$1,654
Arkansas	\$1,678
Louisiana	\$1,720
Tennessee	\$1,759
South Carolina	\$1,811
Kentucky	\$1,931
North Carolina	\$2,108
Georgia	\$2,113
Florida	\$2,184



INCENTIVES

Sales and Use Tax exemption for land, building, and equipment (state and local, non-educational only).

Ad Valorem Tax exemptions for 10 years (state and local, non-educational only).

Free Alabama Industrial Development Training (AIDT) training and recruitment, on-site.

Site Preparation Grants.

Corporate Income Tax exemption (5% a year for 20 years).

NO Inventory Taxes.

Lowest Property Taxes in the U.S.
Right-to-Work State.
Wallace State College technical training.

Low interest TVA loan (maximum of \$2 million
for 10 years, 3-4% below prime).
Local incentives tailored to the industry's needs.

NOTES