



# A GREATER SHOALS: A PATHWAY

Measuring What Matters.

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Study commissioned by **The Committee for A Greater Shoals.**

Learn more at [AGreaterShoals.com](http://AGreaterShoals.com)

# Executive Summary

In a mobile and global economy, adjacent cities and counties are not competing against one another for prosperity. Instead, entire metro areas compete collectively for growth, competing against other metropolitan areas in the state, the region, the nation, and the world.

Successful communities recognize that fortunes are shared across municipal and county boundaries. They work across those lines to pursue common goals and address problems. Municipal and county lines are still present and do have an impact, but communities that hold themselves hostage to those lines, communities that engage in counter-productive competition between local communities, put themselves at a disadvantage.

As is common in locales with industrial heritage, The Shoals developed in a fragmented fashion with the local population divided into separate municipalities. While this fragmentation complicates efforts to cooperatively invest, plan, and equitably and efficiently deliver services, The Shoals has shown impressive creativity and vision in finding alternative ways to come together at moments of challenge and opportunity.

The Shoals is again at a moment of unparalleled opportunity, but it is one that will require cross-community cooperation to capitalize on. The collaborative structures already in place should be valued and built upon, and new collaborative initiatives should be pursued.

### **Successful Responses to Fragmentation**

In the face of economic challenge, in the late 1980s, leaders in The Shoals formed The Shoals Economic Development Authority (SEDA), the state's first and only two-county economic development authority. It formed a united Chamber of Commerce.

In the mid-2000s at a moment of opportunity, that collaborative arrangement was made even more

powerful with the addition of the state's first and only two-county Economic Development Fund, supported by a half-cent sales tax in Colbert and Lauderdale counties.

Through collaboration, The Shoals partnered with Retirement Systems of Alabama to enable the development of The Shoals Marriot Resort in Lauderdale County and the Robert Trent Jones Golf Course in Colbert County. Through collaboration, The Shoals made possible the development of Barton Riverfront Industrial Park, expanded the Florence-Lauderdale Industrial Park, the Rogersville Business Park, Shoals Commerce Park, and The Shoals Research Airpark. SEDA has constructed spec buildings to attract new businesses, recruited new employers and helped existing companies expand. All those investments would have been much more difficult or impossible if individual cities and counties had been left to go it alone.

The residents of both Shoals counties have made collective investments in K-12 education, with both county and city school systems receiving levels of local per student funding that exceeds the state average.

And the school systems have produced results. Compared to the school systems in other Alabama metro areas, The Shoals systems, collectively, produced the highest level of college and career readiness among its high school students and scored the second highest rate of college-going students among Alabama metros.

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**Part of that success in college-going rates may be attributable to another cooperative venture: The Shoals Scholar Dollars program, which funds about 150 scholarships per year to Northwest-Shoals Community College for any graduate of the 17 high schools in Colbert and Lauderdale counties that meets basic requirements.**

## Opportunities

### ***A broader definition of economic development***

With SEDA and The Shoals Economic Development Fund in place, The Shoals is well positioned to compete with automotive suppliers for the \$1.6 billion Toyota-Mazda plant currently under construction in Huntsville.

However, beyond the historically important need for sites and incentives to recruit industry, economic development is increasingly contingent on the quality of the local workforce and the quality of life in the communities where companies are considering locating. As such, the purposes of the Shoals Economic Development Fund should be expanded in scope to include investments in workforce development and regional quality of life, with priorities set and decisions made through the local representative body.

### ***Workforce***

The Shoals high college- and career-ready rate and high college-going rate should be a tremendous advantage as companies emphasize workforce supply and quality as a key factor when deciding where to locate.

To capitalize on those achievements the region should bring K-12, higher education, and local employers together to address inequities among school systems; create tighter relationships between

schools, students and employers; and align educational offerings with local career opportunities.

Communities across Alabama are forging alliances between business and education. Alabama's realigned regional workforce council system is spreading state-wide best practice approaches to create these connections, but The Shoals needs its own local coalition, organized by the Chamber and/or SEDA, to support and carry out this work, rather than depending on the sprawling North Alabama Regional Council.

- 1 |** As early as 8<sup>th</sup> grade, students should be made aware of career opportunities and required education training, so they can begin to understand potential pathways through high school and post-secondary into careers.
- 2 |** Use local school systems as a laboratory for identifying educational successes and spread practices to address disparities in K-12 education.
- 3 |** Ensure that every child graduates with a plan and an opportunity to pursue it, including access to a sustainably funded Shoals Scholar Dollar program.
- 4 |** Tighten the alignment of the offerings at Northwest-Shoals Community College with the needs of local employers with an eye toward the advancing technology.
- 5 |** Improve 4-year college preparation and college-going rates, which are lower than other metros. Support the ambitions of the University of North Alabama to grow enrollment and target support for expansion in fields that fill regional needs.

### ***Quality of Life/Place***

The Shoals is enjoying a moment of unprecedented opportunity to draw visitors and new residents. There is the wave of interest in The Shoals historic and contemporary contributions to American music. The Shoals is suddenly an unexpected fashion hub. Local investors have revived downtowns in Florence,

Sheffield, and Tuscumbia. The communities support a well-stocked cultural calendar. And The Shoals' natural setting on the Tennessee River provides hard-to-match recreational opportunities.

### **Tourism**

Tourism boards on both sides of the river have done an admirable job of creating and telling The Shoals' story and raising its profile as a destination. However, since both organizations are funded through lodging taxes collected on their respective sides of the river, the two organizations find themselves in low-grade competition, duplicating efforts, and sometimes pitted against one another.

The revenue streams of the two boards should be merged, and a jointly representative board should reorganize operations to support a united effort to promote the area attractions on an equitable basis.

### **The River**

The Tennessee River has long been a central asset as a source of transportation, power, and recreation for The Shoals. Despite being tied to the river, the residential and town centers of the four cities of The Shoals lie some distance from the river. While recreational access has been developed in certain locales, there is relatively little pedestrian or bicycle connectivity from city centers to the river or along the river's corridors. Planned projects like the River Heritage Trail in Florence have languished. The Shoals should make interconnection to the river, neighboring communities, and along greenway corridors a priority. These projects should not be left up to municipalities. A private charitable or land trust organization is often a critical partner in planning, raising funds, and focusing public attention.

### ***Governmental Cooperation***

Recognizing the fragmented nature of municipal government in The Shoals, there has periodically been discussion of merging municipalities. Municipal

merger is rare and difficult and typically comes after multiple incremental steps involving shared and cooperative services. Through the SEDA and The Shoals Economic Development Fund, The Shoals has in effect formed a tool for intergovernmental cooperation—an overlay government that can address regional priorities. But attention now needs to be paid to cooperation from the bottom up. Steps to encourage that cooperation can include:

**Formation of a Mayors' Council:** Provide for regular, agenda-driven meetings of the four cities' chief executives, aimed at addressing issues of joint concern and exploring collaborative projects. Such a group should have support from an entity like the Northwest Alabama Council of Governments to provide research and scheduling support. Such a council might consider the adoption of anti-poaching agreements to prevent self-defeating, interlocal competition for business location. Together, the mayors can identify areas of common concern and challenge and devise consistent informed solutions.

**Consideration of the City Manager Form of Government:** Considering the complexity of modern government operation, the national trend is to hire professional managers to run the day-to-day operations of cities. In the case of The Shoals, where local governments provide not only basic city services but also utility services, the city manager form would have added value. Mayors, subject to election every four years, face a steep learning curve when entering office. Managers are trained to concentrate on efficient operation and can provide continuity. The manager form is preferable in situations where governments work with adjacent cities to provide shared services.

**Shared Services and Consolidation of Operations:** Any county or municipality in Alabama may contract with one or more counties or municipalities to exercise any power or deliver

a service that state or local law authorizes each of the contracting entities to exercise individually. The joint contract may allow one or more entities to provide a service on behalf of the others, or the service can be provided jointly by the entities.

Wholesale merger of the municipalities in The Shoals would be unlikely in the near term, considering the complexities involved, but work should begin immediately on finding ways to cooperatively deliver services. This is particularly true in the case of Sheffield and Tuscumbia, which are situated side-by-side, have similar levels of municipal revenue and expenditure, and exist in the same county.

Tuscumbia and Sheffield should form three separate study groups to examine the potential benefits and obstacles to increased cooperation or consolidation: one for municipal utilities, one for municipal departments and operations, and one for schools.

Initial cooperative agreements between those two cities can establish a framework that can be expanded to include participation by Florence and Muscle Shoals.

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**The communities of The Shoals are inextricably linked in a metropolitan community. Metro areas are the engines of economic prosperity in the modern United States. Dynamic metro areas work collaboratively and systematically to build on their own distinctive strengths and address weaknesses to create more vibrant and livable communities.<sup>1</sup>**



<sup>1</sup> Katz, Bruce; Bradley, Jennifer. *The Metropolitan Revolution: How Cities and Metros Are Fixing Our Broken Politics and Fragile Economy*. (2013). Brookings Institution Press. Washington, D.C.

To advance together, The Shoals needs to continue to pool its resources to make smart large-scale investments no one community can make on its own. It needs to prioritize addressing inequities that municipal boundaries tend to produce, especially in educational opportunity. And it needs to invest energy into cooperative structures that can drive toward regional consensus and regional achievement of goals.

# Introduction

In the past few years, the well-kept secret that is The Shoals has been anything but secret. The national and even international press has converged on the once obscure northwest corner of Alabama to celebrate its past and current contributions to American music. Beyond FAME and the Muscle Shoals Sound Studios, Florence has earned cache as an unlikely fashion mecca, home to noted clothing designers Billy Reid and Natalie Chanin. Architectural enthusiasts trek to The Shoals to see the Frank Lloyd Wright-designed Rosenbaum home, as well as antebellum treasures like Belle Mont in Colbert County.

The quaint college town of Florence has revived, with thriving restaurants and music venues, just down the street from the idyllic University of North Alabama. UNA has just entered NCAA Division I athletic competition division, with ambitions to grow its enrollment and its profile. Town centers in Sheffield and Tuscumbia have also seen new life, with local investors betting on a better future. Muscle Shoals has continued to see suburban and commercial growth.

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**With construction underway on a new \$1.6 billion Toyota-Mazda auto assembly plant in nearby Huntsville, The Shoals is in the prime competitive position to add to an existing base of auto suppliers.**

Located at the center point between that new plant and the existing Toyota plant in Blue Springs, Mississippi, the region stands ready to recruit new industrial prospects, thanks to the state's only two-county industrial development authority, the jointly funded and well-resourced Shoals Economic Development Authority.

This is a moment of opportunity for The Shoals to advertise and build upon the attributes it has, some of which are common knowledge to Shoals residents, and some of which might come as a surprise.



# Unique Assets

## A PLACE TO LIVE

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The communities of The Shoals are situated in a beautiful setting. Since the first settlers came to this area, the Tennessee River has been a central asset. Tuscumbia and Florence both had their beginnings as ports, and the river continues to be a highway for commerce with its connections to the Mississippi and Mobile rivers. Hydroelectric generation at Wilson Dam catalyzed The Shoals industrial base beginning in the early 20<sup>th</sup> century.

In more recent times, cities on both banks of the river have increasingly recognized that the river is also a recreational and lifestyle resource. Both Pickwick and Wilson Lakes are considered among the best fishing lakes in the Southeast. Florence and Sheffield both have existing recreational access on the river, and both have plans to better connect their downtowns to the river, from Florence's River Heritage Trail to the network of trails and greenways on the TVA reservation to the proposed Inspiration Landing project in Sheffield.

Across the country, cities have found new ways to capitalize on their riverfronts as lifestyle assets, and these types of opportunities are abundant in The Shoals, arguably richer than any other city in Alabama.

Beyond the natural setting, The Shoals has a richer base of cultural and educational opportunities than most communities its size, due in part to the contributions of the University of North Alabama in Florence and Northwest-Shoals Community College across the river in Muscle Shoals. The Shoals' calendar of annual events and festivals is crowded with offerings.

## A PLACE TO VISIT

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When considering the size of The Shoals, perhaps nowhere in Alabama rivals its density of unique cultural draws.

Native American history stretches back thousands of years here and poignantly ends with The Shoals' identity as one of the central disembarkation points for the Trail of Tears.

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**Florence and Tuscumbia are among the oldest cities in Alabama, with historical roots stretching back to before Alabama was a state. The region is home to significant antebellum structures, Belle Mont and The Forks of Cypress.**

The Shoals is home to two internationally significant individuals: Helen Keller and W.C. Handy. Keller's home in Tuscumbia preserves the roots of her courageous story, overcoming a childhood illness that left her deaf and blind, and then going on to renown as an author, political activist, and lecturer. Handy's home in Florence recalls the contributions of the "Father of the Blues," whose original compositions and documentation of regional musical traditions helped propel jazz and blues into the American mainstream.

Meanwhile, the story of The Shoals' subsequent contribution to American popular music—the distinctive music produced at FAME and Muscle Shoals Music Studios in the 1960s and 1970s—has received a new burst of attention thanks in part to the award-winning documentary *Muscle Shoals*, released in 2013. Since the documentary's release, both studios have become highly touted tourist attractions, attractions that complement the Alabama Music Hall of Fame, located in Tuscumbia. It has also rekindled The Shoals' reputation as a creative center for music, drawing contemporary artists who are looking to tap into the musical magic of The Shoals.

## A PLACE OF EDUCATIONAL OPPORTUNITY

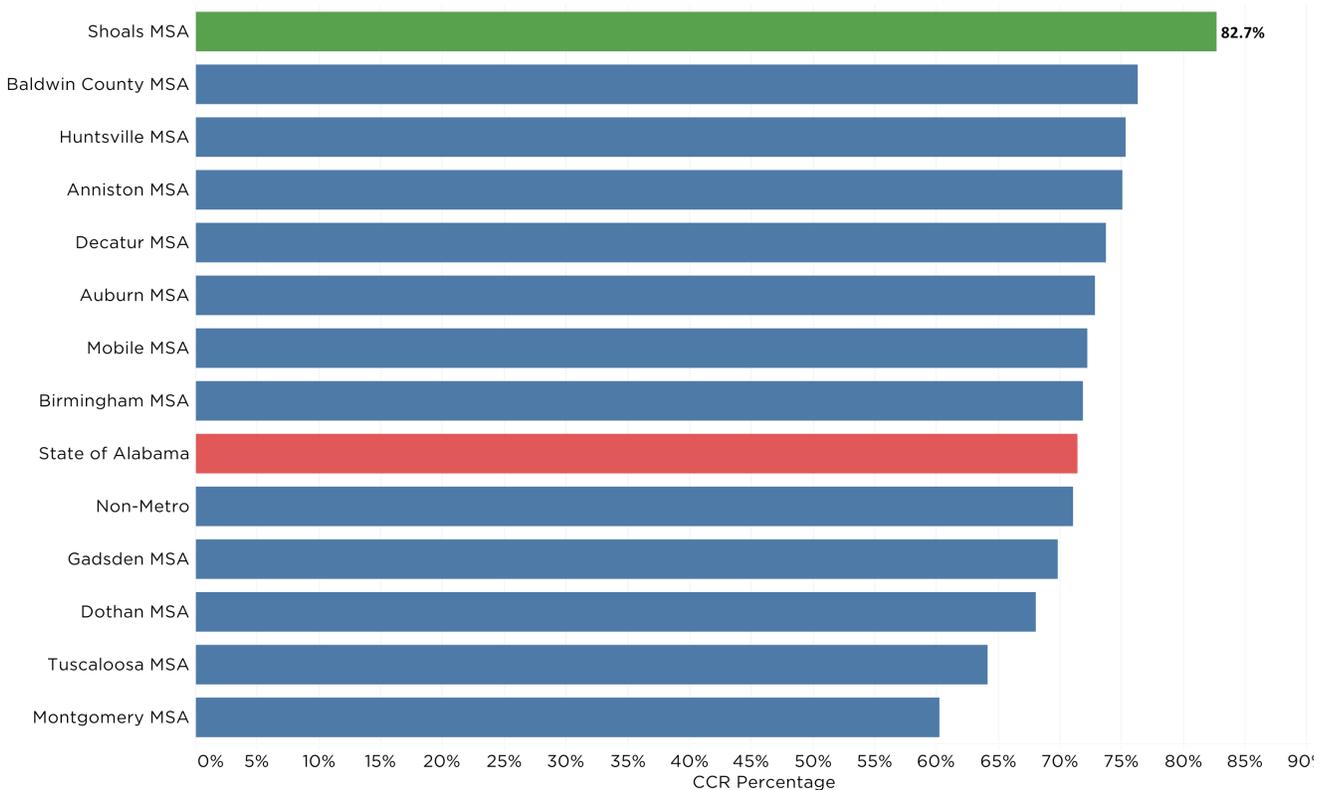
The Shoals has also generated a level of success in education that even locals may not be aware of: On multiple measures, The Shoals can claim a higher level of educational success from its K-12 schools than any other metropolitan area in the state of Alabama, a distinction that should be better understood, advertised, and built upon.

When educational statistics are analyzed at the level of metropolitan areas, The Shoals school systems collectively (the combined results from the six systems operating in Colbert and Lauderdale counties) rank at or near the top on multiple measures of success.

In 2017, The Shoals had the highest percentage of high school seniors that met the state’s definition of college and career ready.

**Figure 1.** Source: Alabama State Department of Education, PARCA calculations.

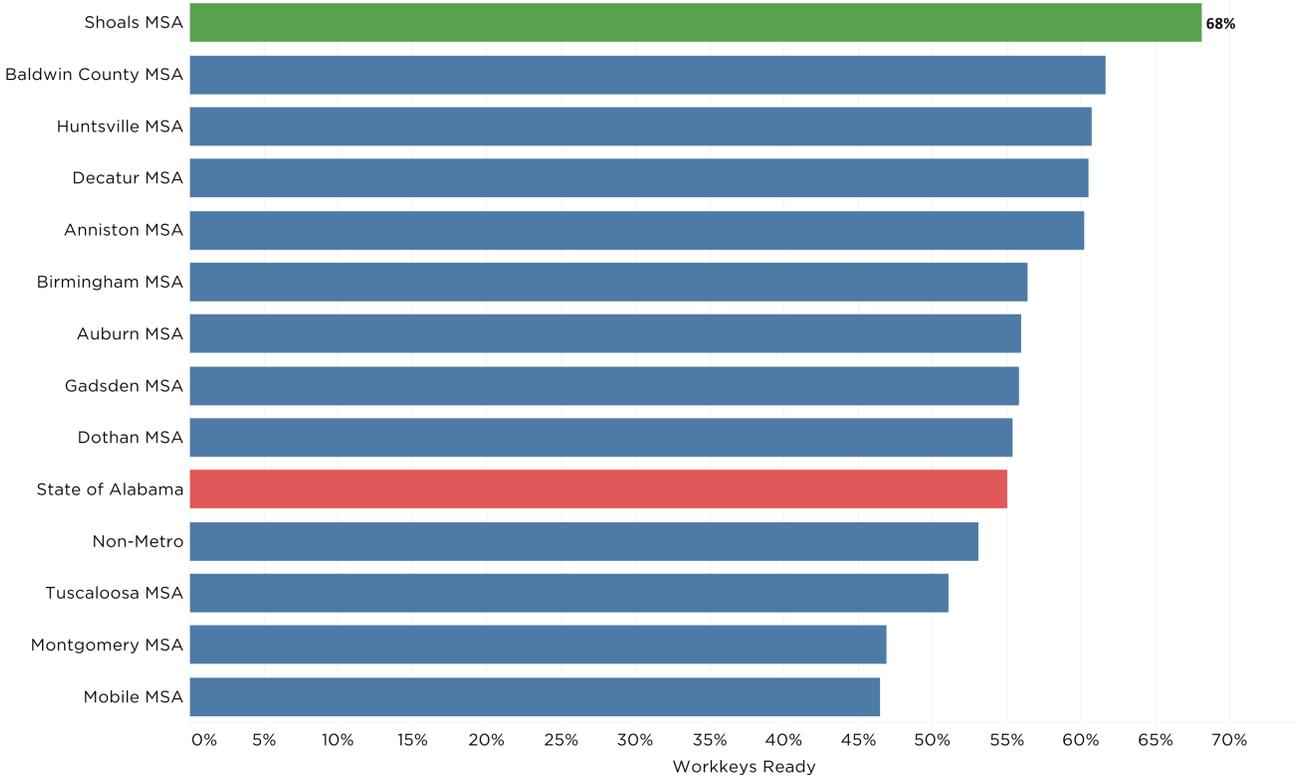
### Percent of HS Seniors College & Career Ready by MSA, 2017



In 2017, the school systems in The Shoals also led the state in the percentage of high school seniors who scored at the silver level or above on the ACT WorkKeys assessment, a test of math and reading skills as they are used in a workplace setting. Scoring silver indicates a student has the skills required for 67 percent of jobs in ACT’s database.

**Figure 2.** Alabama State Department of Education, PARCA calculations.

**Percent of HS Seniors Workforce Ready by MSA, 2017**



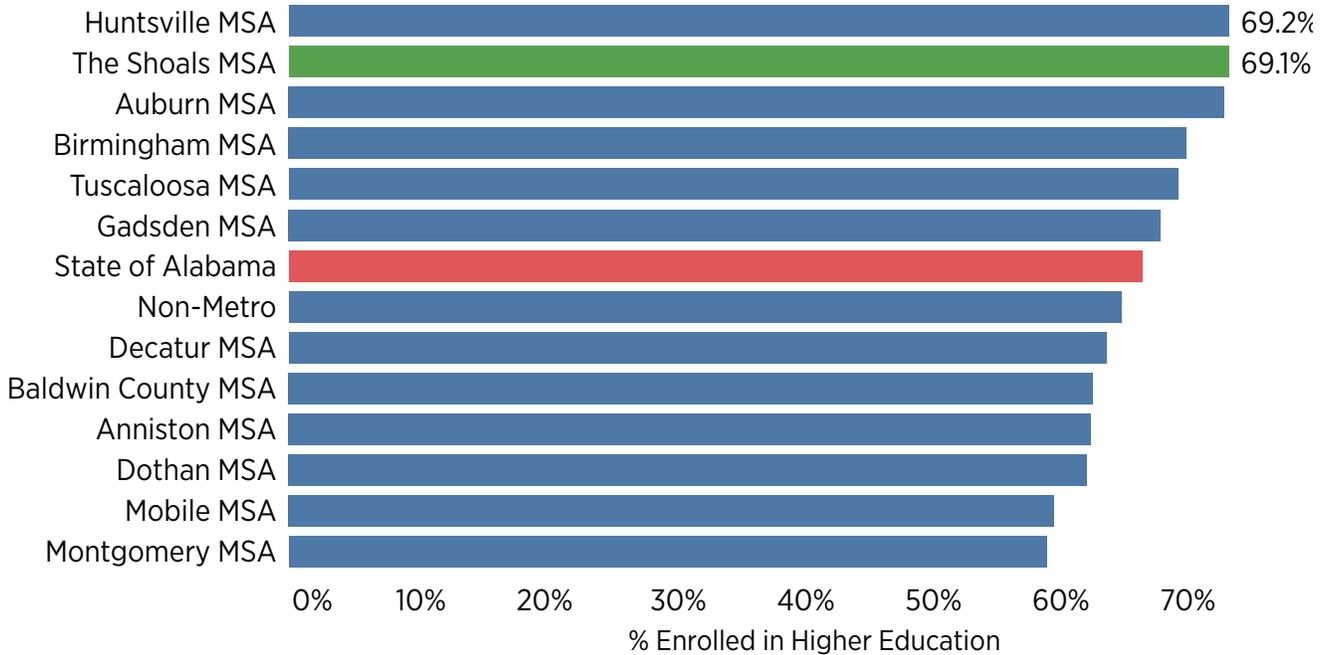
Looking back to the graduating class of 2016, schools in The Shoals MSA had the second highest college-going rate among Alabama MSAs, second only to the Huntsville MSA where the college-going rate was just one-tenth of one percent higher.



**According to the statistics drawn by the Alabama Commission on Higher Education from the National Student Clearinghouse, almost 70 percent of Shoals graduates went on to enroll in a two- or four-year college in the year following their high school graduation.**

Figure 3. Source: Alabama Commission on Higher Education, PARCA calculations.

### College Going Rates of High School Graduates by MSA, Class of 2016



From these three attributes alone, it is clear that The Shoals provides hard-to-match attributes as a place to live, a place to visit, a place to educate children, and a place to find a healthy pipeline of educated workers.

The question that remains is how can The Shoals effectively advertise and build upon these strengths to bring needed population and job growth?

No one city or county in The Shoals has the complete complement of attractions that make The Shoals appealing. No one city or county has the authority, resources, or responsibility to pursue a regional agenda for maximizing the region’s potential.

— **Each city’s fate is interconnected to the others. Cooperation is the clearest route to success.**

# A Moment of Opportunity

There is an argument to be made that the general isolation of The Shoals, its lower cost of living, and slower pace has contributed to its originality, creativity, and charm.

In the minds of many, The Shoals' division into four separate municipalities—Florence, Muscle Shoals, Tuscumbia, and Sheffield—has been part of what's kept this unique and attractive area off the radar of people outside the region.

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**But that out-of-sight, out-of-mind status, may also contribute to its slow population**

**and job growth, and what locals perceive as a lack of attention and support from the state government.**

Moreover, on a local functional level, has The Shoals' municipal fragmentation prevented it from creating a cohesive and comprehensive plan for growth? Has it divided resources that could have been marshaled for marquee projects that would benefit the entire region? Has fragmentation fostered interjurisdictional competition and created winners and losers? Has it led to duplication of staff and services, creating unneeded expense?

Is fragmentation holding the region back?

If so, what can be done to counter fragmentation's negative effects?



# Fragmentation: What Is It, How Does It Happen, What Are Its Effects?

Fragmentation refers to a proliferation of governmental units in a local area, with each unit of government serving a smaller population. Among Alabama metropolitan areas, The Shoals has the second highest number of local governments per 10,000 residents. Local governments include cities and counties, school systems, and special-purpose governments—governmental entities created to carry out a particular function or deliver a service.



**In The Shoals, the Census Bureau counts 41 governmental units: 2 counties, 13 municipalities, 6 school systems, and 20 special districts.**

**Table 1.** U.S. Census, Census of Governments.

**Rank in Governments per 10,000 in Population**

MSA	RANK IN TOTAL GOVERNMENTS PER 10,000	RANK IN MUNICIPAL GOVERNMENTS PER 10,000	RANK IN SPECIAL DISTRICTS PER 10,000	RANK OF SCHOOL SYSTEMS PER 10,000
Dothan MSA	1	1	1	3
Shoals MSA	2	3	2	2
Gadsden MSA	3	2	4	4
Tuscaloosa MSA	4	4	3	7
Anniston MSA	5	7	6	1
Baldwin County MSA	6	6	5	10
Birmingham MSA	7	5	9	6
Auburn MSA	8	9	8	5
Montgomery MSA	9	8	7	9
Huntsville MSA	10	11	11	8
Mobile MSA	11	10	10	11

Citizens tend to perceive smaller governmental units as closer to the people and more responsive to the needs of residents. However, fragmentation can also have negative effects. In fragmented communities, it is often the case that:

- Resources are divided, making it difficult to execute large projects.
- Services are duplicated, preventing economies of scale and potentially leading to unnecessary spending and inefficient delivery of services.
- Decision-making is diffused, creating multiple centers of power and difficulties in coming together around common purpose.
- There is a lack of a framework for driving toward action on issues of regional importance.
- Inter-jurisdictional competition creates winners and losers, leading to population and resource shifting.

Often fragmentation results from the proliferation of suburban communities surrounding an existing central city. When that central city is encircled by suburbs, the built-out center city finds itself at a disadvantage, with avenues for growth choked off and neighboring competitors offering residents new housing options. Fragmentation tends to be associated with a number of problems for the central city:

- As residents move out, a dwindling population base is responsible for supporting the existing level of government and infrastructure, potentially leading to higher taxes and/or lower levels of support for key regional assets.
- As residents with means move toward new housing in the suburbs, the central city population sees an increase in the proportion of its population in poverty. Other forms of social distress associated with poverty become more apparent.

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**Research has shown that the economic performance of central cities and suburbs are linked, that slow growth or negative growth in the center city means slow growth for the surrounding metro area.**

The Shoals, with four municipal governments for a relatively small base of population, does not clearly fit the classic pattern of a central city surrounded by suburbs. However, the communities in The Shoals do show some of the negative effects of fragmentation. From time to time, political and civic leaders in The Shoals have observed problems associated with fragmentation and have called for solutions. At this moment of opportunity for The Shoals, this question has resurfaced.

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**One idea offered has been to consolidate the four cities into one large city. On a theoretical level, the idea has appeal. Taken together, the four adjacent municipalities have a population of over 70,000, which, if combined, would rank as the seventh largest city in Alabama. For now, Florence, with a population estimated at just under 40,000, ranks No. 11, 9,000 residents smaller than No. 10 Madison. Muscle Shoals, Tuscumbia, and Sheffield are much further down the list.**

**Table 2.** U.S. Census Bureau, PARCA calculations.

RANK AMONG ALABAMA CITIES	EXISTING CITIES	2017 POPULATION ESTIMATE	RANK	CITIES COMPARED WITH 4 SHOALS CITIES COMBINED	2017 POPULATION ESTIMATE	RANK	CITIES COMPARED WITH 3 SHOALS CITIES COMBINED	2017 POPULATION ESTIMATE
1	Birmingham	210,710	1	Birmingham	210,710	1	Birmingham	210,710
2	Montgomery	199,518	2	Montgomery	199,518	2	Montgomery	199,518
3	Huntsville	194,585	3	Huntsville	194,585	3	Huntsville	194,585
4	Mobile	190,265	4	Mobile	190,265	4	Mobile	190,265
5	Tuscaloosa	100,287	5	Tuscaloosa	100,287	5	Tuscaloosa	100,287
6	Hoover	84,920	6	Hoover	84,920	6	Hoover	84,920
7	Dothan	68,202	7	The Quad Cities	71,202	7	Dothan	68,202
8	Auburn	63,973	8	Dothan	68,202	8	Auburn	63,973
9	Decatur	54,405	9	Auburn	63,973	9	Florence, Tuscumbia, Sheffield	57,180
10	Madison	48,861	10	Decatur	54,405	10	Decatur	54,405
11	Florence	39,852	11	Madison	48,861	11	Madison	48,861
12	Phenix City	36,219	12	Florence	39,852	12	Phenix City	36,219
13	Prattville	35,498	13	Phenix City	36,219	13	Prattville	35,498
14	Gadsden	35,409	14	Prattville	35,498	14	Gadsden	35,409
15	Vestavia Hills	34,291	15	Gadsden	35,409	15	Vestavia Hills	34,291
16	Alabaster	33,202	16	Vestavia Hills	34,291	16	Alabaster	33,202
17	Opelika	30,240	17	Alabaster	33,202	17	Opelika	30,240
18	Enterprise	28,247	18	Opelika	30,240	18	Enterprise	28,247
19	Bessemer	26,386	19	Enterprise	28,247	19	Bessemer	26,386
20	Daphne	25,960	20	Bessemer	26,386	20	Daphne	25,960
21	Athens	25,616	21	Daphne	25,960	21	Athens	25,616
22	Homewood	25,476	22	Athens	25,616	22	Homewood	25,476
23	Northport	25,094	23	Homewood	25,476	23	Northport	25,094
24	Pelham	23,493	24	Northport	25,094	24	Pelham	23,493
25	Trussville	21,827	25	Pelham	23,493	25	Trussville	21,827
26	Anniston	21,770	26	Trussville	21,827	26	Anniston	21,770
27	Prichard	21,732	27	Anniston	21,770	27	Prichard	21,732
28	Albertville	21,392	28	Prichard	21,732	28	Albertville	21,392
29	Oxford	21,180	29	Albertville	21,392	29	Oxford	21,180
30	Fairhope	20,935	30	Oxford	21,180	30	Fairhope	20,935
31	Mountain Brook	20,381	31	Fairhope	20,935	31	Mountain Brook	20,381
47	Muscle Shoals	14,022	32	Mountain Brook	20,381			
71	Sheffield	8,930						
78	Tuscumbia	8,398						

This one large metro government might have more clout than the current collection of smaller communities. One large metro government might also create efficiencies and allow the region to speak with one voice to prospective employers and investors. It could remove inter-city competition for new businesses, since a business located anywhere in the united city would benefit the bottom line of all. Unification could work against the inequities in property values and the concentration of advantage and disadvantage that has arisen in The Shoals. A successful consolidation of the four cities in Alabama would no doubt generate widespread interest from around the country since municipal consolidation is very rare.

For reasons detailed in this report, the consolidation of the four cities does not appear to be a viable response to fragmentation in The Shoals. However, that conclusion does not preclude other approaches to forging greater cooperation. After examining the current conditions in The Shoals, this report goes on to identify other options and priorities leaders in The Shoals should consider.

PARCA's study of the municipal arrangements in The Shoals was commissioned by the Committee for a Greater Shoals, a group of business and community leaders. It grows out of a similar project PARCA performed for Jefferson County and the Birmingham metro area, a project commissioned by the Community Foundation of Greater Birmingham.

As in The Shoals, leaders in the Birmingham metro area have a long-standing concern about how the multitude of municipalities that make up the Birmingham metro has affected Birmingham's ability to form and execute a coherent vision for progress.

Jefferson County has 35 municipalities within its borders. This state of fragmentation has led to duplication of services, an inequality of resources, counter-productive competition among local municipalities for businesses, and difficulties in coming to a

regional consensus around community priorities. The diffusion of resources and decision-making authority creates tension between the interests of individual communities versus the needs of the region.

PARCA's report, *Together We Can*, described fragmentation's origins and effects in Jefferson County, how other cities facing similar situations successfully responded, and what approaches might have applicability in Birmingham.

*Together We Can* described options but did not recommend any particular course of action. Instead, it launched a process of public education and discussion which, it is hoped, will build toward a broad-based, community consensus on the best way forward for the Birmingham area.

That consensus-building process began in Birmingham with the release of the report and more than 50 presentations of its findings to a wide variety of civic organizations as well as direct briefings to local elected leaders. Those presentations helped bring the issue of regional cooperation to the forefront in public discussion. The issue of improving cooperation received, and continues to receive, widespread media attention and has entered political discourse in the Birmingham area.

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**After disseminating the information in the report, the Community Foundation has continued the effort through the identification of leaders and volunteers interested in promoting community cooperation. With encouragement from the Community Foundation and local champions, the Jefferson County Mayor's Association has embraced exploring improved regional cooperation as a focus area.**

## A COMMON PATTERN

PARCA's study of metro Birmingham's plight found that Birmingham's fragmented nature bears close resemblance to patterns of municipal organization most commonly found in industrial cities of the East and Midwest: a central city hemmed in by suburbs.

This form of organization has produced a consistent pattern of results. In those fragmented cities, the central city and industrial core was cut off from avenues of growth and found itself at a competitive disadvantage in comparison to the newer surrounding suburbs.

Unlike fast-growing Southeastern cities, where suburban growth is often captured by an expanding central city, these fragmented cities lost population and wealth to surrounding suburbs.<sup>2</sup>

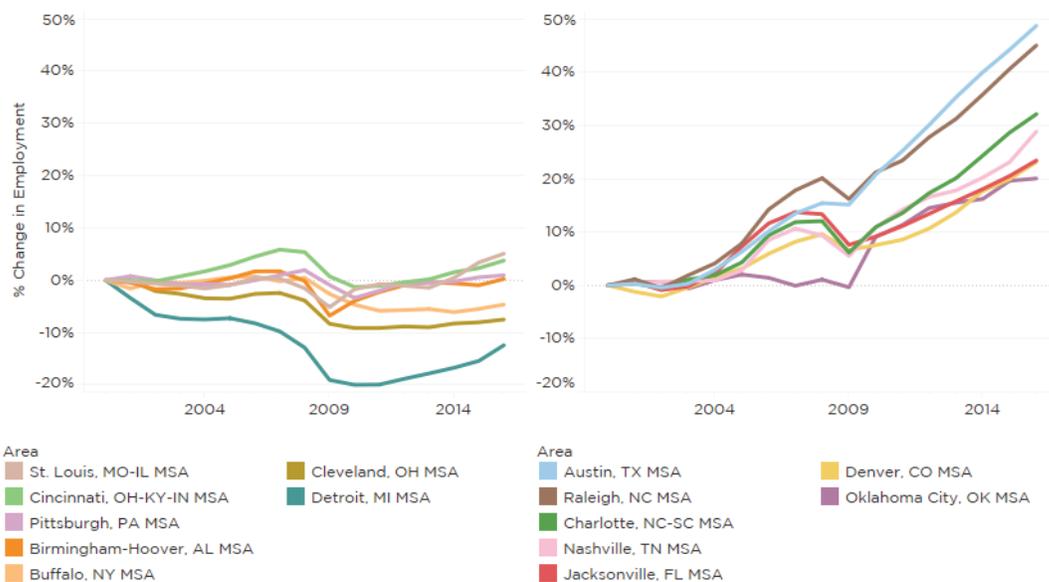
The economic and population shifts in these cities caused the most acute impact to the central city. But the resulting imbalance also tends to affect the entire metro area.

Metropolitan statistical areas (MSAs) with a declining center city at its heart have historically grown more slowly in population and jobs than competing MSAs where the central city was able to expand and remain competitive.

As the center cities struggled with population loss, poverty and other forms of social distress became more concentrated. This, in turn, created a negative feedback loop, accelerating flight to the suburbs.

**Figure 4** presents two contrasting groups of MSAs. On the left are cities where acute fragmentation is present, where the central cities have lost population. On the right are growing central cities. The two groups are compared on the percentage job growth in the MSA between 2000 and 2016.

**Figure 4.** MSA Comparison, Percentage Change in Employment 2000-2016



<sup>2</sup>Rusk, David. *Cities without Suburbs: A Census 2010 Perspective Fourth Edition*. Woodrow Wilson Center Press, 2013.

<sup>3</sup>Rappaport, Jordan. *The Shared Fortunes of Cities and Suburbs*, Economic Review, Federal Reserve Bank of Kansas City, 2005.

The MSAs with a struggling center city at its core showed very little job growth, and, in most cases, lost jobs across their entire metro. That group sharply contrasts with the performance of the metro areas centered around a growing center city.

It cannot be definitively proved that governmental structure affects a community's ability to prosper. The correlation evident in these results does not necessarily equal causation. However, the pattern is evident in this selected comparison group, and the relationship is present in broader comparisons of cities and MSAs across the country. The fortunes of cities and their suburbs are linked.

## FIGHTING FRAGMENTATION

The tendency toward fragmentation is seen around the country. And throughout the country, communities have developed a variety of approaches to counter its negative effects. In dynamic cities and regions, leaders craft solutions for working together, pooling and sharing resources, and decreasing self-defeating competition. Dynamic communities work toward solutions that increase equity and improvement for all. They work to improve the coordination and efficiency of service delivery with an eye toward improving value for residents.

Each community is unique, and local solutions are developed that fit local circumstances. **However, through its research, PARCA identified four general categories of response:**

### 1 | Governmental Consolidation

Most often, the combination of the central city and central county to form a metro government.

Examples include Nashville, Tennessee; Jacksonville, Florida; and Louisville, Kentucky.

### 2 | Modernizing County Government

Giving the county government the responsibly and proper structure to deliver services and head initiatives that cut across municipal boundaries. Often this involves the creation of an elected county chief executive.

Examples include Pittsburgh, Pennsylvania, and Cleveland, Ohio.

### 3 | Intergovernmental Cooperation

Forging inter-local agreements between governments in order to provide shared services. Charlotte, North Carolina and its partners in Mecklenburg County are national leaders in the development and operation of these agreements intended to avoid duplication, generate economies of scale, and coordinate efforts.

### 4 | Regional Cooperation

The formation of organizations, governmental authorities, or tax districts that support service delivery or policy coordination across municipal and county lines. This approach creates a larger resource pool through which cross-cutting concerns can be addressed. Denver, Colorado is a national leader in this approach.

None of the approaches are mutually exclusive. Most regions will employ a mix of tactics, finding the arrangements that best fit local conditions and best address specific challenges.

# Fragmentation in The Shoals

The Shoals presents an interesting microcosm when looking at the effects of fragmentation. On a local level, some aspects of fragmentation are present and have to some degree produced the outcomes typically seen in fragmented areas: the division of resources, duplication of services, and the concentration of advantage and disadvantage.

At the same time, The Shoals presents a somewhat different case. Leaders in The Shoals have already forged cooperative partnerships that cross municipal and county boundaries and work to counter the negative effects of fragmentation.

## THE HISTORICAL ROOTS OF FRAGMENTATION IN THE SHOALS

There is a natural dividing line in The Shoals, The Tennessee River. Sometimes referred to locally as “The Gulf of Tennessee,” the river serves as a natural and, by extension, a cultural barrier to conceiving of the region as a single unit. When the earliest cities formed in The Shoals, there was no reason to expect them to be a single city, lying as they did on their respective sides of the river. Florence was founded in 1818 and Tuscumbia in 1820.<sup>4</sup> Both served as the agricultural and commercial hubs for their surrounding regions, providing port access west of the famous navigational obstacle which came to be known as Muscle Shoals.

Both cities showed promise. Tuscumbia developed the state’s earliest railroad lines, constructed to move cotton from the town to a port on the south bank of the river.

In addition to its role as a trading hub, Florence was one of the earliest centers for textile production in the South.

<sup>4</sup>Historical information is drawn from the Encyclopedia of Alabama, Tuscumbia-Sheffield Consolidation Study by House Consultant Inc. of Birmingham, and historical resources collected by The Old Railroad Bridge Co., Inc. <https://oldrailroadbridge.com/>

**Figure 5.** The Colbert County Courthouse in Tuscumbia, rebuilt in 1909 after fire. Courtesy of courthousehistory.com



In the 1840s a bridge was built linking the two sides of the river and eventually railroad service was added, linking Tuscumbia and Florence across the bridge.

While the linking of the two sides of the river created opportunities for more interconnection, seeds of rivalry can also be seen in the period. Colbert County residents have never completely come to terms with the loss of LaGrange College, the first college in Alabama, which had opened in 1830 on a high promontory near Leighton in Colbert County.

When the school was struggling financially in the 1850s, leaders from Florence offered increased support if the college moved across the river to Florence. The college moved in 1856, opening as Florence Wesleyan University, the forerunner of what is today the University of North Alabama.<sup>5</sup>

<sup>5</sup>From history compiled by LaGrange Living History Association, <http://www.lagrangehistoricsite.com>

In the aftermath of the Civil War, as industrialization spread south, a group of investors and entrepreneurs interested in taking advantage of local deposits of iron ore and limestone founded Sheffield in 1885, adjacent to Tusculumbia on the south bank of the river, as a center for iron manufacturing.

**Figure 6.** Iron Furnace in Sheffield. Courtesy of Sheffield Public Library.



Some of the same ambitious industrialists active in the boomtown of Birmingham, including Enoch Ensley, were involved in the development of Sheffield. Like Birmingham, Sheffield borrowed its name from an English industrial center. And like in Birmingham, the developers laid out a new city and sold lots to support the development of the town and its industry. Sheffield was soon home to multiple blast furnaces and other industrial operations.

By the turn of the century, Sheffield was larger than Tusculumbia and took the lead in providing municipal services. In an early example of inter-municipal cooperation, The Sheffield Company developed a streetcar line that, starting in 1904, provided public transportation between Tusculumbia, Sheffield, and Florence. That service persisted until 1933. The Sheffield Company also provided water and electricity for the three communities.

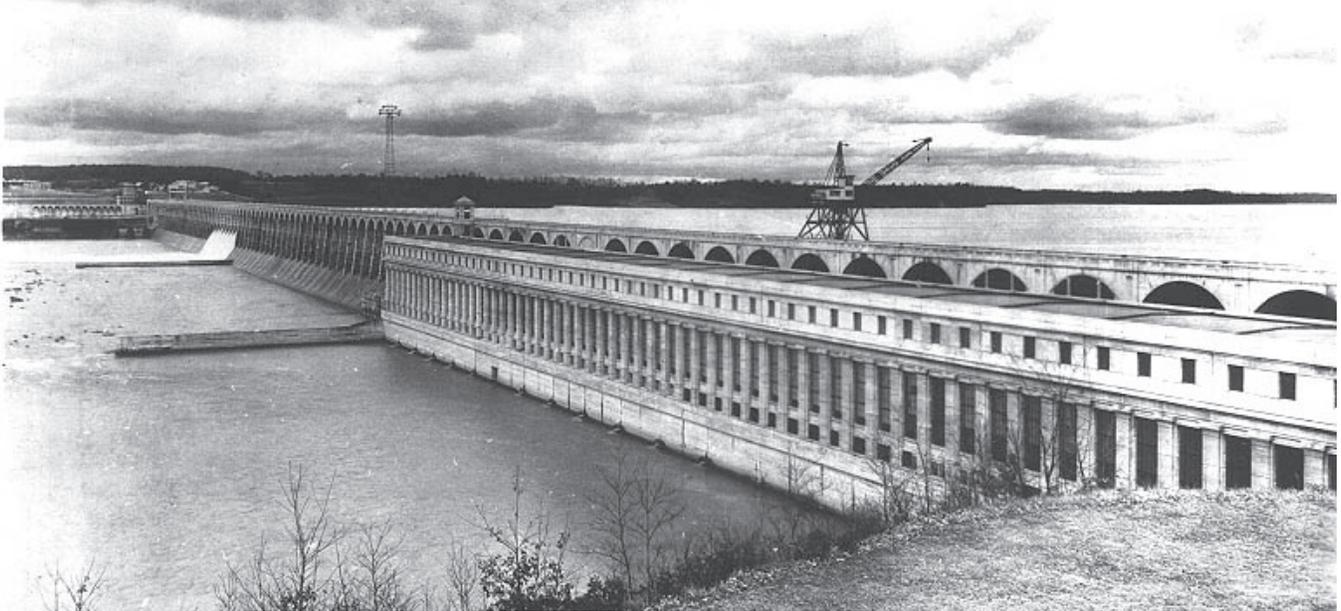
**Figure 7.** The Old Railroad Bridge. Courtesy of the Old Railroad Bridge Co., Inc.



During World War I, the federal government began the construction of Wilson Dam, with the aim of harnessing the Tennessee River to power two nitrate plants to meet the wartime need for ammunition and explosives. Workers poured in for the construction and operation of the dam and the plants, prompting rapid growth.

With the end of the war, that dam project was in limbo, but the promise of abundant, cheap reliable power drew the interest of industrialist Henry Ford, who offered to buy Wilson Dam and built a massive industrial metropolis on the banks of the Tennessee.

**Figure 8.** Wilson Dam. Courtesy of William Lindsey McDonald Image Collection, University of North Alabama.



Ford's interest led to a short-lived investment boom. Ford's associates designed a new community, Muscle Shoals, and incorporated it in 1922, envisioning a city of 100,000. However, Ford's offer for the dam was rebuffed by Congress. While Muscle Shoals existed in concept, its development into a full-fledged city would come decades later.

Despite the exit of Henry Ford, the area continued development of its industrial base with the completion of the dam in 1924.

Industrial development accelerated during World War II with the arrival of Reynolds Aluminum Company in 1941, which built a plant to produce aluminum for use in manufacturing warplanes. After the war, the plant was converted to civilian uses with employment levels at Reynolds and associated industries reaching as high as 6,000 by the 1970s.

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**In 1950, Ford Motor Company built an aluminum casting plant at Sheffield, which by 1973, employed 1,750 workers and was the world's largest aluminum-casting plant.**

## POSTWAR SHIFTS AND THE ACCELERATION OF FRAGMENTATION

In 1950, Sheffield had a population of 10,767, exceeding Tuscumbia (6,734) and Muscle Shoals (1,937) combined. However, changes were underway that would reshape the landscape.

In the 1950s, the State of Alabama rerouted U.S. 43, which had traveled through Tuscumbia and Sheffield, through Muscle Shoals, now effectively bypassing Tuscumbia and Sheffield, and creating a more direct route to Florence. Later, in the 1960s, U.S. 72 would also be rerouted to bypass downtown Tuscumbia.

The primary motivation for such changes in highway alignments is to improve traffic capacity and flow, but such changes also have the effect of reshaping patterns of economic and residential development.

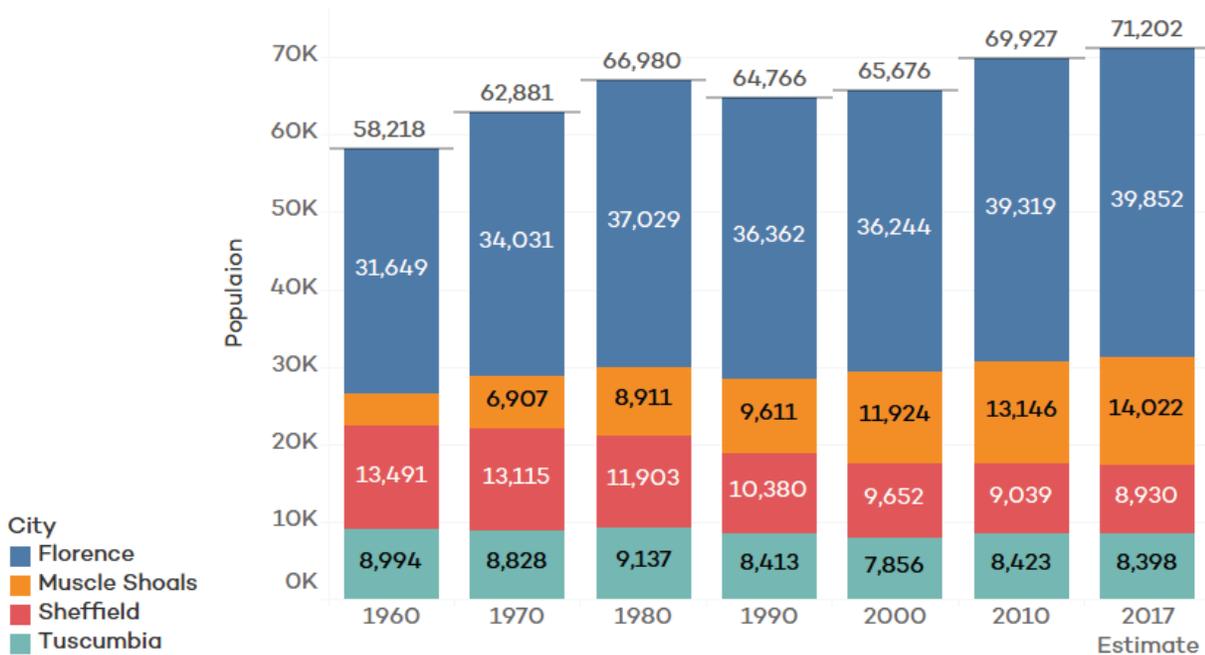
In The Shoals, the rerouted highways began to draw commercial and spin-off residential development, particularly in previously undeveloped Muscle Shoals. It drew traffic and economic activity away from the traditional downtowns in Sheffield and Tuscumbia.

Sheffield’s population peaked in 1960. The community continued to thrive with its strong industrial base, but the city was landlocked and cut off from the new energy created by the transportation routes. Both Tuscumbia and Sheffield had been to some extent “built out,” while Muscle Shoals had plenty of open land for development and a wide area over which to spread.

Since 1960, the population of Florence has experienced modest growth. The population of Muscle Shoals has increased significantly, while the population of Sheffield has declined. Tuscumbia’s population has been relatively flat. Taken together, the population of the four cities has increased 22 percent since 1960.

Figure 9. Source U.S. Census Bureau.

## Shoals Population Change Over Time



City	1960	2017 Estimate	Numeric Change Since 1960
Muscle Shoals	4,084	14,022	9,938
Florence	31,649	39,852	8,203
Tuscumbia	8,994	8,398	-596
Sheffield	13,491	8,930	-4,561
Grand Total	58,218	71,202	12,984

After 1960, Sheffield's population began to migrate out to newer housing opportunities. Hemmed in by Tuscumbia and Muscle Shoals, Sheffield has only added about 2.5 square miles to its city boundaries since 1960, and its population has dropped by one-third; Tuscumbia occupies the same square mileage today as it did in 1960, and its population has remained relatively constant. By the 1960s, Muscle Shoals was 11.4 square miles, larger than the more populated Sheffield (6.6 square miles) and Tuscumbia (6.6 square miles). Since 1960, Muscle Shoals has added an additional 4.3 square miles, and its population has doubled.

Meanwhile on the other side of the river, unchecked by any neighbors, Florence was able to keep major traffic arteries flowing through the city limits and expand its borders. Florence was only 10.7 square miles in 1960 but is now almost triple that size, 26 square miles in area. Its population has grown by 26 percent since 1960.

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**Florence's ability to expand allowed it to maintain a more diverse economic base. The city's population has grown consistently, if slowly.**

**Table 3.** Source: U.S. Census Quickfacts, PARCA Calculations.

CENSUS STATISTICS	MUSCLE SHOALS	TUSCUMBIA	SHEFFIELD	COLBERT CITIES COMBINED	FLORENCE
Population estimates, July 1, 2017	14,022	8,398	8,930	31,350	39,852
Population, percent change - 2010 to 2017	7%	-2%	-1%	2%	1%
Persons under 18 years, percent	23%	24%	20%	22%	19%
Persons 65 years and over, percent	18%	16%	19%	18%	19%
Black or African American alone, percent	17%	21%	21%	19%	19%
Hispanic or Latino, percent	2%	2%	3%	2%	3%
White alone, not Hispanic or Latino, percent	80%	73%	70%	75%	75%
Foreign born persons, percent, 2012-2016	1%	2%	2%	1%	3%
Owner-occupied housing unit rate, 2012-2016	77%	63%	57%	67%	56%
Median value of owner-occupied housing units, 2012-2016	\$135,000	\$102,300	\$88,900	\$108,733	\$126,000
High school graduate or higher, age 25 years+	90%	82%	80%	85%	85%
Bachelor's degree or higher, age 25 years+	28%	19%	18%	23%	27%
Labor Force Participation, age 16 years+	59%	58%	51%	56%	54%
Total retail sales per capita, 2012	\$26,413	\$23,298	\$21,031	\$23,581	\$24,535
Median household income (in 2016 dollars)	\$52,132	\$47,500	\$33,869	\$44,500	\$37,058
Per capita income in past 12 months (in 2016 dollars)	\$26,413	\$23,298	\$21,031	\$23,581	\$23,185
Persons in poverty, percent	10%	14%	26%	16%	24%

But on the south side of the river, with three separate municipalities in place, the shifts in economics and housing patterns have resulted in a sorting, a concentration of economic advantage and economic challenge.

In **Table 3**, the four cities of The Shoals are compared on demographic and economic measures. An additional column, labeled “Colbert Cities Combined” represents the combined statistics of the three cities on the Colbert County side of the river.

Comparing the City of Florence with the combined Colbert County cities area, the population base on the north and south sides of the river is remarkably similar today in overall composition and on most economic measures.

However, when the three Colbert County cities are compared side by side, stark differences appear. Muscle Shoals has higher income levels, higher home values, lower poverty rates, and higher levels of educational attainment.

Tuscumbia falls in the middle, but, Sheffield, once the commercial and residential center, ranks the lowest of the three Colbert County cities on economic measures. As noted in **Figure 10**, Sheffield’s population has fallen

by one-third since 1960 while Muscle Shoals’ population has more than doubled.

Florence has slightly higher educational attainment. The median home value in Florence is slightly lower than Muscle Shoals but higher than the average of the three cities on the south side of the river.

Sheffield has the highest poverty rate of the four cities, with 26 percent of the population in poverty, followed closely by Florence with 24 percent of its residents below the poverty line.

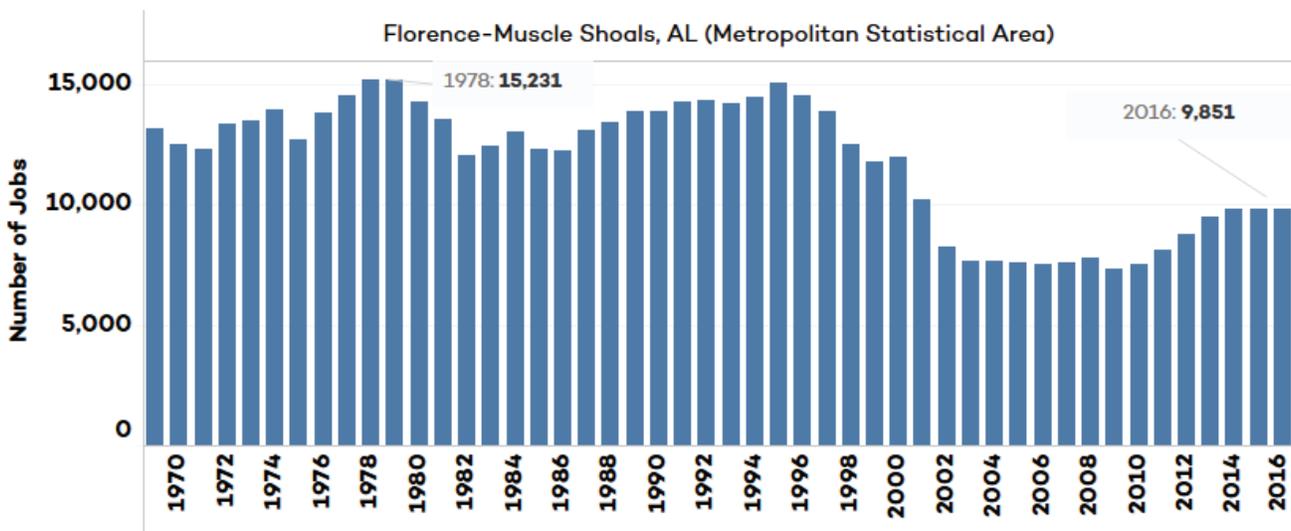
The entire area was severely impacted by shifts in the industrial economy that took place in the late 1970s and 1980s. The Ford casting plant shut down in 1983 and Reynolds Metals and associated industries began to shed jobs and shut down portions of its operations during the same time frame. On the Florence side of the river, textile and apparel manufacturing employment also led to job loss.

While the successor to Reynolds’ operations, Constellium, still operates in Sheffield, the plant only employs 1,135 today—a far cry from approximately 6,000 employed in Reynolds’ heyday.

Sheffield, with its blue-collar base of employment, was particularly hard hit.

**Figure 10.** Source: U.S. Bureau of Economic Analysis.

### Manufacturing Employment in the Shoals, 1969-2016



Municipal boundaries neither create nor erase the economic disparities between neighborhoods. Disparities are present between neighborhoods in unified cities, too.

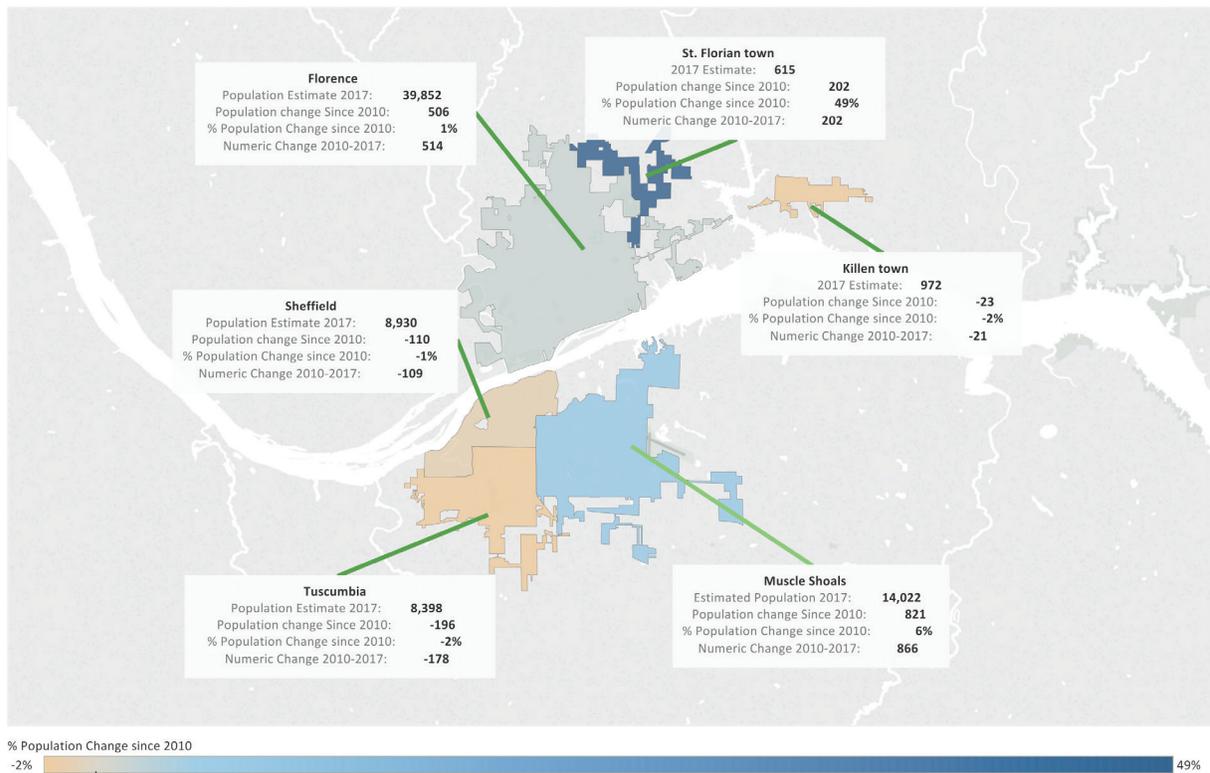
However, municipal boundaries do tend to amplify advantage and disadvantage. In unified cities, a wider base of resources remains available to address

community needs. In fragmented areas, that shared resource base is divided. In disadvantaged areas, there is increasing difficulty in marshaling the resources needed to revive the community.

The most recent population estimates from the U.S. Census Bureau show population trends continuing in The Shoals between 2010 and 2017.

**Figure 11.** U.S. Census population estimates, 2017.

Estimated Population Change Since 2010



Muscle Shoals continues to lead in population growth with Florence not far behind in terms of the number of people added. According to the estimates, Sheffield and Tuscumbia have experienced modest declines.

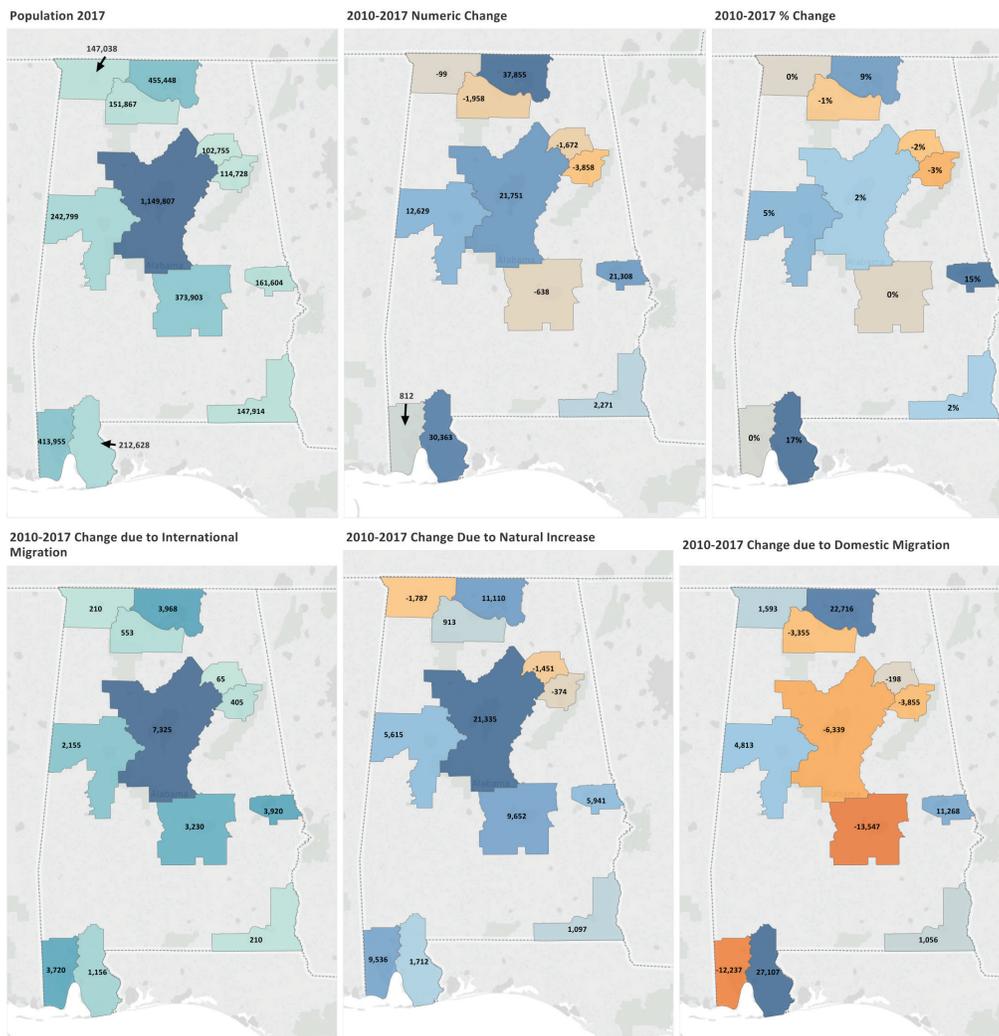
It is worth noting that a pattern of fragmentation is also emerging on the north side of the river. The towns of St. Florian (estimated population 615) and Killen (estimated population 972) are small and don't have independent schools or utilities. However, their geographic position somewhat complicates Florence's potential to expand to the east along a growth corridor.

## SLOW GROWTH AS A WHOLE

Population estimates released by the U.S. Census Bureau show The Shoals has seen little population growth since 2010, and while average annual employment in The Shoals has increased by about 1,500 since 2010 to 62,025, the total number of jobs in The Shoals has not recovered to the pre-recession 2007 peak of 65,587.

How does recent population change in The Shoals compare to other metro areas in Alabama? The charts below compare estimated population changes since 2010 among metropolitan areas in Alabama. The Shoals is one of three Alabama MSAs where population growth was flat. Three MSAs—Anniston, Gadsden, and Decatur—have lost population. Three MSAs, Baldwin County, Auburn-Opelika, and Huntsville saw strong growth, with Tuscaloosa also posting strong growth, particularly in its central county.

Figure 12. U.S. Census Metro Area Population Estimates 2017.



The Shoals saw positive growth through international and domestic in-migration (people moving from elsewhere in the U.S. into The Shoals). However, among the resident population, deaths outnumber births. Both Lauderdale and Colbert Counties have death rates higher than the state as a whole and birth rates lower than the state as a whole. This is likely a result of The Shoals having an older-than-average population than other metro counties.

Among Alabama MSAs, Florence-Muscle Shoals has the second highest median age at 41.8. Only Baldwin County, with its substantial retiree population, has a higher median age than The Shoals.

Using current demographic information and trends, the University of Alabama’s Center for Business and Economic Research creates population projections. If current trends continue, The Shoals MSA is not expected to grow appreciably through 2040.

**Table 4.** Source: Alabama Center for Business and Economic Research.

**Alabama Metropolitan Area Population 2000–2015 and 2040 Projections**

	CENSUS 2000	CENSUS 2010	APRIL 1, 2015 ESTIMATE	2040	2017 SERIES CHANGE 2010-2040	
					NUMBER	PERCENT
Alabama	4,447,100	4,779,736	4,855,847	5,319,305	539,569	11.3
Anniston-Oxford	112,249	118,572	115,713	111,723	-6,849	-5.8
Auburn-Opelika	115,092	140,247	156,351	211,019	70,772	50.5
Birmingham-Hoover	1,052,238	1,128,047	1,144,942	1,251,303	123,256	10.9
Daphne-Falrhope-Foley	140,415	182,265	202,710	300,899	118,634	65.1
Decatur	145,867	153,829	152,781	154,105	276	0.2
Dothan	130,861	145,639	148,127	166,806	21,167	14.5
Florence-Muscle Shoals	142,950	147,137	147,099	147,275	139	0.1
Gadsden	103,459	104,430	103,156	100,127	-4,303	-4.1
Huntsville	342,376	417,593	443,745	580,660	163,067	39.0
Mobile	399,843	412,992	415,278	431,909	18,917	4.6
Montgomery	346,528	374,536	373,659	396,298	21,762	5.8
Tuscaloosa	203,009	230,162	239,429	279,365	49,203	21.4

**FRAGMENTATION’S EFFECTS ON MUNICIPAL FINANCE IN THE SHOALS**

Considering the negative effects of fragmentation, it might seem logical that bringing the four cities together would reverse the tide. But the same forces that have shaped the development of the area make the prospect of combining them much more difficult. The demographic and economic shifts in The Shoals led to disparities in how the governments are funded and the levels of service each provides. Muscle Shoals and Florence have a richer tax bases and can generate more revenue with the same or lower tax rates. Thanks

to stronger revenues, those governments can, in turn, provide more extensive services. Meanwhile, Sheffield and Tuscumbia are more closely comparable.

As part of this project, PARCA collected comparative financial information from the four cities for analysis. These figures reflect the amounts collected and spent in the 2016 fiscal year. To make the figures comparable, we use a per capita calculation: the total generated divided by the population of each city.

**Sales tax**

In 2016, all four cities had the same sales tax rate for municipal purposes: 3.5% assessed by the city. However, the revenue generated by that sales tax in each of the municipalities varies greatly. Because retail establishments and restaurants on the Colbert County side are disproportionately located in Muscle Shoals, that city has the highest sales tax collections compared to its population base, collecting \$950 per capita. Residents of Tuscumbia and Sheffield spend money in Muscle Shoals, supplementing the amount available to spend in the City of Muscle Shoals.

Florence, which has preserved its population and retail base, comes in second, collecting \$815 per resident. Thanks in part to that sales tax base, the City of Florence funds not only city government but is also able to provide a major supplement to the city’s school system. In January 2019, Florence’s City Council voted to raise its municipal sales tax rate to 4.5%, with approximately 3.45 percent devoted to municipal operations and 1.05% pledged to the schools. After the increase, Florence’s combined sales rate (city, county, and state) will be 9.5%, compared to 9% for the Colbert County cities.



**Sales tax is typically the largest source of revenue for Alabama cities, and this disparity leaves Tuscumbia and Sheffield at a disadvantage when it comes to building a municipal budget.**

**Property tax**

Another source of revenue for cities is property taxes. **Table 6** lists the cities’ millage rates (1 mill = \$1 per \$1,000 of the assessed value of a property) collected for municipal purposes. Muscle Shoals has the lowest millage rate of the four cities, but because of the value of the property and the mix of the property in Muscle Shoals, it can generate more per mill than the others. The mix of properties in the city matters because commercial property is taxed at twice the rate of residential property. Tuscumbia and Sheffield have higher millage rates than Florence and Muscle Shoals, but because of the lack of commercial properties and lower home values in those cities, the yield of the property tax on a per mill per capita basis is lower.

**Table 5.** PARCA Comparison of Municipal Finances.

	FLORENCE	MUSCLE SHOALS	TUSCUMBIA	SHEFFIELD
Sales Taxes Revenue Per Capita	\$867	\$950	\$692	\$320

**Table 6.** PARCA Comparison of Municipal Finances.

	FLORENCE	MUSCLE SHOALS	TUSCUMBIA	SHEFFIELD
Property Tax Rate for Municipal Purposes (Mills)	7	5.50	12.50	12.50
Property Tax Generated for Municipal Purposes*	\$2,830,280	\$1,072,478	\$1,077,898	\$742,544
Revenue per mill per capita	\$10.15	\$13.91	\$9.66	\$7.07

\*These are calculated amounts that attempt to remove property taxes collected by the municipalities for the schools.

**Utility Revenue**

The one area in which Sheffield has an advantage is revenue from utilities and intergovernmental transfers. Each of the cities in The Shoals operates electric, gas, water, and wastewater utilities. Sheffield’s electric utility serves not only the residents of Sheffield but also the rest of the county that is outside Muscle Shoals and Tuscumbia. Thanks to amounts that the Tennessee Valley Authority pays on its utility property in lieu of property taxes, Sheffield receives far more on a per capita basis from that intergovernmental revenue than the other cities do. In fact, Sheffield generates more revenue from that source than it does from sales taxes.

**Expenditures**

The disparity in revenue-generating ability shows up when it comes to expenditures. Despite the fact that all the cities have the same sales tax rate and

Sheffield and Tuscumbia have higher property tax rates for municipal purposes, those two cities have far less to spend when it comes to providing municipal services. Florence, on a per capita basis, spends more on municipal operations than the other cities. In 2016, Florence also spent money from its fund balance, supplementing current revenues.

Comparing per capita spending by the four governments finds that Florence spent more providing municipal services in virtually every category. In **Table 9**, green cells are the highest per capita amount, yellow second highest, white third highest, orange the lowest amount spent per capita.

Muscle Shoals spends the most on a per capita basis in two categories: fire and libraries (libraries in Florence also receive support from Lauderdale County). It also has higher debt per capita. Tuscumbia spends the least in most categories.

**Table 7.** PARCA Comparison of Municipal Finances.

	FLORENCE	MUSCLE SHOALS	SHEFFIELD	TUSCUMBIA
Intergovernmental Revenue & Utilities Per Capita	\$257	\$211	\$395	\$202

**Table 8.** PARCA Comparison of Municipal Finances.

	FLORENCE	MUSCLE SHOALS	SHEFFIELD	TUSCUMBIA
Municipal Operations	\$1,263	\$1,075	\$903	\$844

**Table 9.** PARCA Comparison of Municipal Finances

PER CAPITA EXPENDITURES, 2016	FLORENCE	MUSCLE SHOALS	SHEFFIELD	TUSCUMBIA	AREA
TOTAL	\$1,698	\$1,223	\$1,152	\$939	\$1,446
Total Less Education	\$1,403	\$1,130	\$1,073	\$868	\$1,245
Municipal Operations*	\$1,263	\$1,075	\$903	\$844	\$1,131
Capital Projects	\$140	\$55	\$169	\$25	\$113
PUBLIC SAFETY	\$439	\$435	\$404	\$276	\$414
Police	\$267	\$258	\$255	\$163	\$244
Fire	\$167	\$176	\$136	\$103	\$155
Other	\$5	\$1	\$13	\$9	\$15
PUBLIC WORKS	\$295	\$203	\$105	\$192	\$241
SANITATION	\$143	\$115	\$56	\$107	\$122
GENERAL GOVERNMENT	\$146	\$137	\$127	\$128	\$140
EDUCATION & LIBRARY	\$312	\$144	\$112	\$90	\$227
Library	\$17	\$51	\$32	\$20	\$26
Education	\$295	\$93	\$80	\$71	\$202
HEALTH & WELFARE	\$24	\$9	\$13	\$31	\$20
PARKS, RECREATION & CULTURE	\$203	\$195	\$107	\$154	\$183
Debt Service	\$140	\$45	\$116	\$45	\$107
Net Debt	\$43,114,215	\$20,260,000	\$9,200,000	\$3,910,000	\$76,484,215
Net Debt Per Capita	\$1,082	\$1,445	\$1,030	\$466	\$1,074

\*Excludes Education and Capital Projects

### Supplement for schools

Beyond the higher spending for municipal operations, Florence is also able, through its municipal taxes, to provide significant extra support to the Florence school system. Each of the cities provides some additional money to the schools on top of any property taxes the cities collect on behalf of those schools.

Florence's contribution to the schools from its sales tax base is by far the most sizeable. Florence ranks No. 6 among the state's 137 school systems in the amount of local money generated per student.

**Table 10.** PARCA Comparison of Municipal Finances.

	FLORENCE	MUSCLE SHOALS	SHEFFIELD	TUSCUMBIA
Municipal Supplement for Schools	\$8,931,566	\$1,304,034	\$248,754	\$295,101
Supplement per Capita	\$224	\$93	\$28	\$35

Having such a wide disparity in tax base and municipal spending per capita complicates any prospects of a theoretical merger.

As previously mentioned, Muscle Shoals has advantages: the lowest tax rates and the second highest amount of revenue generated per capita.

Florence generates significantly more per capita than Tuscumbia and Sheffield, even with its lower municipal property tax rate. And beyond having more to spend on municipal operations, Florence sends a larger share of its sales taxes to schools. Florence voters would have to be convinced of significant opportunities available if it were to join with Sheffield and Tuscumbia.

Alternatively, protections would have to be built into the merger ensuring that Florence would not be diluting its current spending. Such measures would tend to lower the advantage Sheffield and Tuscumbia would gain through a merger with Florence.

Sheffield and Tuscumbia with their equal municipal tax rates and lower spending levels create a potential match, particularly if it could be demonstrated that a combination of municipal services would produce efficiencies and economies of scale. A combined Tuscumbia and Sheffield would be larger than Muscle Shoals. A combined city would offer advantages in planning, development and revenue sharing. However, such a merger would not, in and of itself, boost the relative disadvantage found in the two cities in terms of tax base.

## UTILITIES IN THE SHOALS

Also complicating any theoretical merger is the presence in each city of municipally owned utilities. Each city, under varying management structures, operates electric, gas, water, and wastewater utilities.

Title 11, Chapter 42 of the Code of Alabama lays out the various ways in which cities can alter their corpo-

rate limits, including through annexation or consolidation. The city that results from consolidation would assume control and operation of any utility operated in the previously existing cities. The Code states that customers of the utilities would receive service on the same terms and conditions and at the same rates charged before the merger.

A reliable analysis of the implications of any combination of utilities is beyond the bounds of this study. A thorough study would involve questions of engineering, complex rate structures, and the varying costs of operation and administration. There would be legal and human resource complexities as well. Informative answers to those kinds of questions would best come from experts in those fields. Also, Tuscumbia's utilities are operated by a state-created entity, separate from the city, which might prevent it from being party to a merger under the general process described by the Code.

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**As a general principle, the fragmentation of municipal services can lead to higher costs for cities and consumers, particularly when large capital investments are made. Fragmentation works against the achievement of economies of scale.**

For example, a single water or wastewater plant represents a large capital and operational investment. Ideally, the more customers served, the greater the ability to spread the cost over a higher number of ratepayers.

However, since each of the municipalities in The Shoals has already invested in the infrastructure needed to produce and deliver adequate service to residents, the potential for immediately realizing cost savings is reduced. Additionally, utilities in Florence are not interconnected with those across the river

in Tuscumbia and Sheffield. That diminishes the potential benefits. Certain administrative cost savings might conceivably be achieved in the long run. However, in the short term, the challenges of making steps toward integration of the utilities and their workforces would be considerable.

In the case of Sheffield and Tuscumbia, there are interconnections between water systems and the potential exists for interconnection of other services as the cities sit side by side. Regardless of whether a municipal consolidation of Sheffield and Tuscumbia is pursued, cooperation and consolidation of some or all of their municipal utilities should be considered. At a minimum, the separate adjacent utilities can look to the neighboring utility to form a joint operating agreement. Any major capital investment being considered by any utility should take into consideration whether the need might be met through a shared service agreement with a neighboring municipality.

A current example is Tuscumbia's need for improvements at its wastewater treatment facility. In a hopeful sign for fiscal prudence and healthy relations between the neighboring cities, Tuscumbia is exploring the possibility of contracting with Sheffield for wastewater treatment. There are some indications that such an arrangement might be mutually beneficial, answering Tuscumbia's needs while at the same time addressing needed improvements to Sheffield's wastewater delivery system.

Further analysis will be needed, but the fact that such discussions are occurring shows that there is a willingness to cooperate in The Shoals.

## FRAGMENTATION AND SCHOOLS

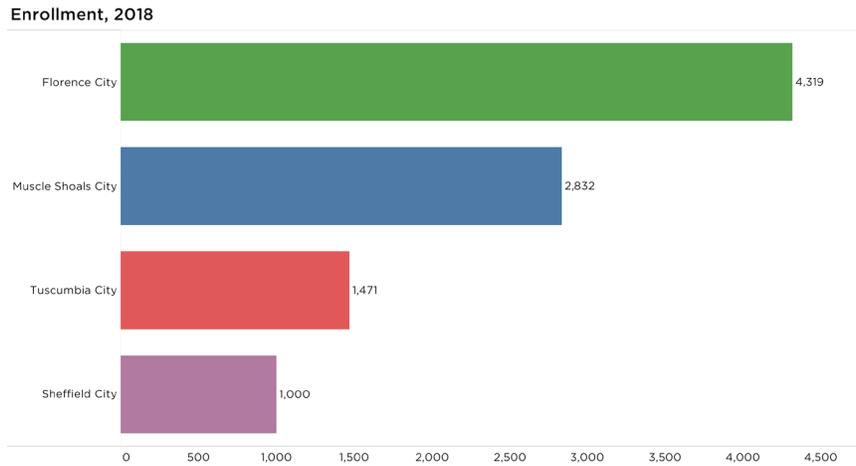
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Another area for formal or informal cooperation is in K-12 education. When it comes to formal consolidation, combining school systems would be as challenging as merging municipal utilities, if not more so. Considerations include entanglements with state and county government, compensation and tenure rights, and the potential involvement of federal court oversight due to still active federal desegregation lawsuits. The systems have differences in sources and methods of funding. Adding to that is the deeply felt emotion and connection residents in all communities feel toward schools.

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**Four school systems operate in The Shoals along with two county systems serving the areas outside of the Quad-Cities. The same fragmentation that we see on the municipal measures is reflected in the schools. That fragmentation produces results similar to those seen on the municipal side, a shifting of the population and a sorting of the school-age population along socio-economic lines.**

**Figure 13.** Source: Alabama State Department of Education.

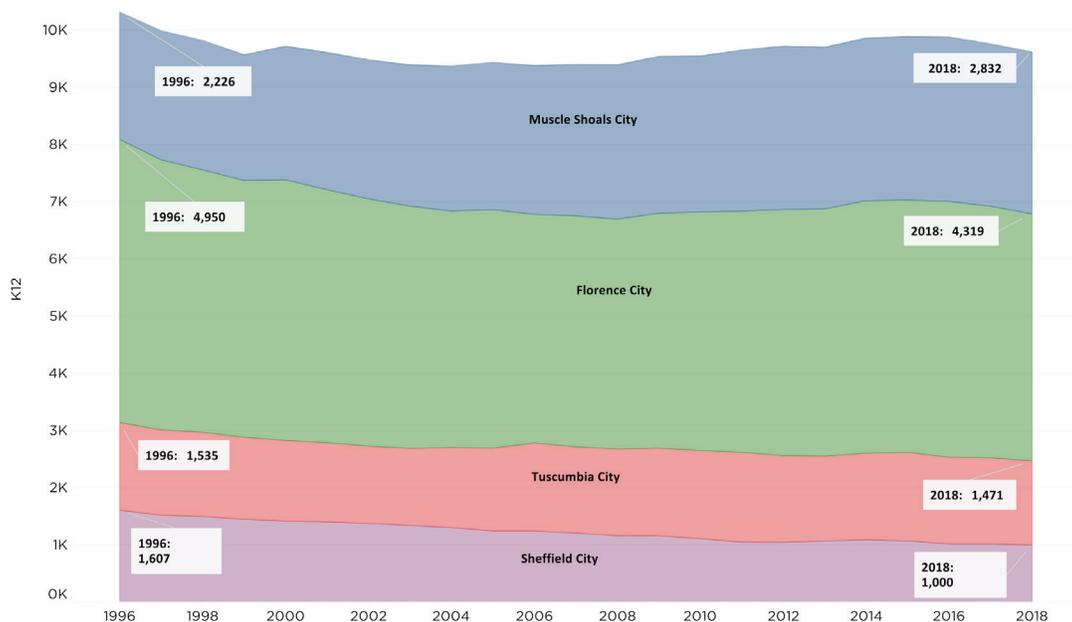


Florence is the largest system, reflecting Florence’s ability to maintain its population base over time. Sheffield, once the largest of the three cities on the Colbert side of the river, now has the smallest city school system, with only 1,000 students. That makes Sheffield the seventh smallest system in the state. Tuscumbia’s enrollment is slightly larger. With 1,471 students in 2018, it ranked as the 24<sup>th</sup> smallest among the state’s 137 school systems.

Since 1996, enrollment has declined in Florence, Tuscumbia, and Sheffield but has climbed in Muscle Shoals.

**Figure 14.** Source: Alabama State Department of Education.

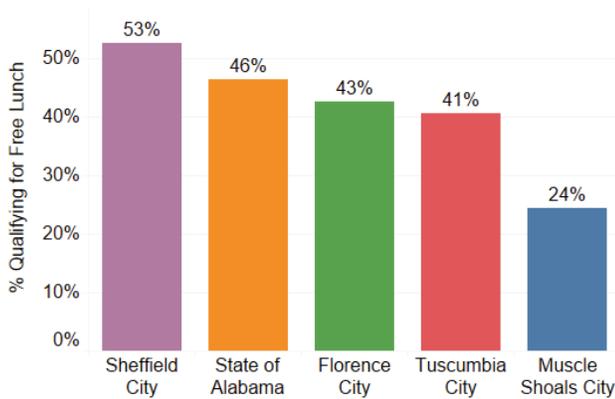
**School Enrollment in the Shoals**



As was seen in the overall socio-economic statistics for the Shoals, Sheffield has borne the brunt of economic and housing changes, and that, too, is reflected in the schools.

**Figure 15.** Source: Alabama State Department of Education.

### Percentage of Students in Poverty, 2018



Sheffield has the highest percentage of students in poverty among the four school systems, as measured by the percentage of students who directly qualify for a free lunch under the National School Lunch Program. In Sheffield, 53 percent of students are automatically qualified. That is higher than the state average and significantly higher than the other systems in The Shoals. Muscle Shoals' poverty percentage is far lower than other Shoals cities and is among the lowest in the state.

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**Across Alabama and across the country, students from poverty households tend not to fare as well on measures of academic achievement as students from nonpoverty backgrounds. While no school system should use its poverty level as an excuse for poor performance, a system's academic performance on standardized tests should be viewed in context.**

For Muscle Shoals, the academic performance of their school system is a point of pride, as it should be. To take one measure as an example, the average composite ACT score of Muscle Shoals students, 22.2 on a 36-point scale, ranks No. 9 among the state's school systems. Moreover, Muscle Shoals' results top other systems in The Shoals, even when the results are narrowed to focus on results from subgroups of students. However, it is worth noting that when the scores are viewed by subgroup, Muscle Shoals' lead narrows.

**Table 11.** Source: Alabama State Department of Education.

**Average ACT Composite Score, 2017**

SYSTEM NAME	ALL STUDENTS	NON-POVERTY	POVERTY	BLACK OR AFRICAN AMERICAN	WHITE
Muscle Shoals City	22.2	23.2	19.3	18.3	22.8
Florence City	20.3	22.6	17.5	17.5	22.4
State of Alabama	19.2	20.7	17.2	16.7	20.7
Tuscumbia City	18.9	20.5	16.4	16.7	19.7
Sheffield City	18.1	19.7	15.8	16.6	20.2

When it comes to school finances, public funding for education recognizes that schools with higher poverty rates face challenges and need extra resources to help disadvantaged students compete. The funding of the school systems in The Shoals reflects that. Sheffield receives more in per-student funding than the other systems in The Shoals. Both federal and state funding formulas provide some extra money to level the playing field.

**Figure 16.** Source: Alabama State Department of Education.

**Per Student Spending by Sources of Funds, 2016**



Florence and Sheffield, and to a lesser extent Tuscumbia, tax property at a higher rate for school purposes than Muscle Shoals, though Muscle Shoals can generate more money per mill than the other communities.

As noted previously, all four cities devote some of their municipal taxes to schools as well. Florence sends a significant share of its sales tax to the schools. That, combined with its higher millage rate, enables Florence to provide the highest level of local support to schools in The Shoals.

**Table 12.** Source: Alabama State Department of Education, PARCA calculations.

**Public School Funding**

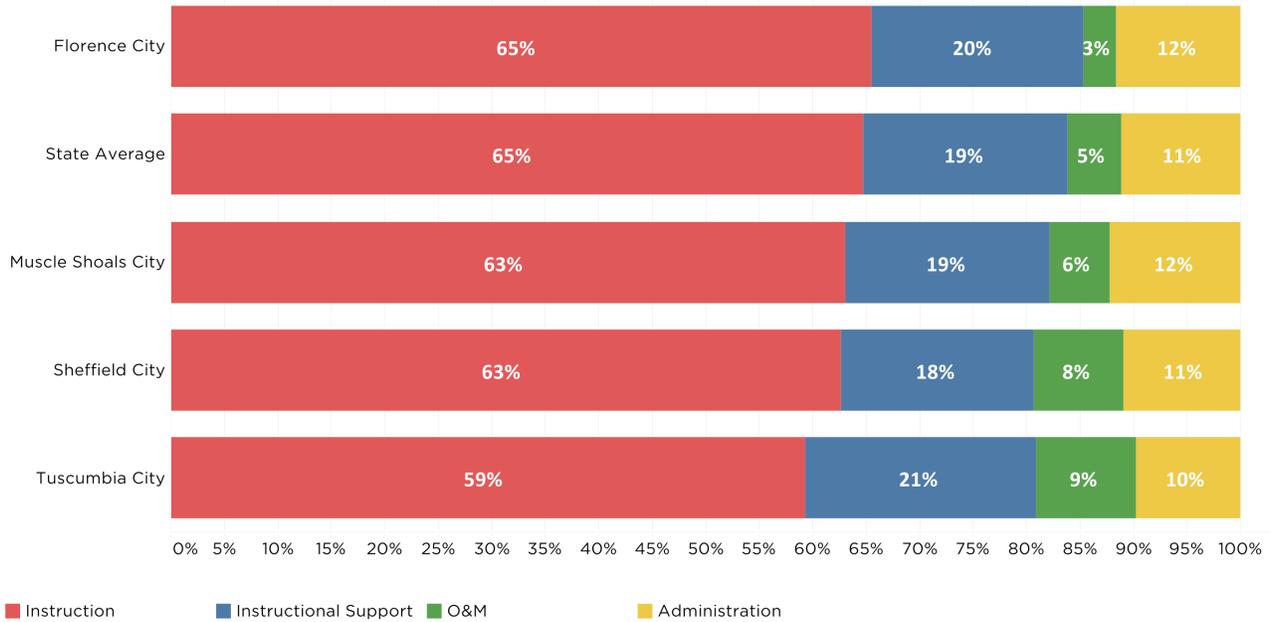
SYSTEM	MILLAGE RATE FOR SCHOOLS	COUNTYWIDE SALES TAX FOR SCHOOLS	MUNICIPAL SUPPLEMENT BEYOND SCHOOL TAXES	PER STUDENT AMOUNT OF SUPPLEMENT	TOTAL PER STUDENT FUNDING, 2016 STATE AVERAGE: \$9,213
Florence	25	1%	\$8,931,566	\$1,990	\$10,981
Sheffield	24	1%	\$248,754	\$243	\$11,911
Tuscumbia	21	1%	\$295,101	\$195	\$9,157
Muscle Shoals	20	1%	\$1,304,034	\$452	\$9,496

When it comes to spending on schools, the small size of the Sheffield and Tuscumbia systems appears to present a disadvantage. It is considered a best practice to devote as much spending as possible to the classroom, spending categorized as instruction or instructional support.

Both Sheffield and Tuscumbia do an admirable job of keeping administrative spending low, 11 percent and 10 percent of their education budget respectively.

**Figure 17.** Source: Alabama State Department of Education, year 2016.

**Spending by Category**



However, those systems spend a greater share of their budgets on operations and maintenance, operating buildings and facilities that house fewer students. Florence, with its larger schools, spends only 3 percent of its total budget on operations and maintenance, generating an economy of scale in operations and maintenance spending, thus allowing the system to devote a greater share of its spending to the classroom.

A very surface-level analysis indicates a merger between Sheffield and Tuscumbia school offers potential benefits, a prospect that has been discussed periodically. Because of the complexities of public school finance, a deeper study of the ramifications of a

merger would be needed. Such a study would necessarily include an inventory of personnel, buildings, capital needs, and debt of the two systems. Projections and potential alignments of the two systems would need to be created. The two communities would need to be engaged in evaluating the opportunities and the costs.

If the two cities merged, one school board would be formed and charged with operating the schools within the merged city. Alternatively, both systems could dissolve into the county system, and the schools within the two cities could be overseen by the county. Either of those choices would likely have ramifications for school funding that would need to be examined.

Regardless of the path taken, the aid of attorneys, experts in school finance, and the State Department of Education would be needed to help the communities explore the possible pathways toward a mutually beneficial arrangement.

# **Recognizing The Shoals' Interconnected Nature**

Regardless of whether any steps are taken toward municipal consolidation, it is important to reinforce that the communities of The Shoals are intensely interconnected. Cooperation across communities is in everyone’s interest. No city is an island. Problems in one city will inevitably spill into others. Progress anywhere benefits all the wider Shoals in general.

On a daily basis, the workforce in The Shoals flows back and forth across the river from home to job, from town to town.

Based on their interconnected workforce, the two counties are joined together as a single metropolitan statistical area (MSA). The most recently available data from the U.S. Census finds that 89 percent of jobs in The Shoals are filled by people who live in either Colbert or Lauderdale County<sup>6</sup>. Lauderdale

County is home to 33,446 jobs, while 22,491 people work in Colbert County.

Of those living in Colbert County, 4,166 or 20 percent of workers, cross over to Lauderdale County to work.

Meanwhile, 6,111 workers, or 16 percent of workers from Lauderdale County, travel across the river to Colbert County to work. A total of 10,023—6,156 from Lauderdale and 3,867 from Colbert County—leave the MSA to work elsewhere.

**Table 13.** U.S. Census, ACS 2009-2013 Commuting Flows.

MSA TOTALS	NUMBER	PERCENT
People working in Lauderdale	33,446	—
People working in Colbert	22,491	—
People working in the MSA	55,937	100%
Total working in MSA who live in the MSA	49,556	89%
Total commuting into the MSA for work	6,381	11%
<b>Total Workers from Lauderdale</b>	<b>38,518</b>	<b>100%</b>
Total living and working in Lauderdale	26,251	68%
Total living in Lauderdale working in Colbert	6,111	16%
Total commuting to work outside MSA	6,156	16%
<b>Total workers From Colbert</b>	<b>21,061</b>	<b>100%</b>
Total living and working in Colbert	13,028	62%
Total living in Colbert working in Lauderdale	4,166	20%
Total commuting to work outside MSA	3,867	18%

<sup>6</sup> 2009-2013 5-Year American Community Survey Commuting Flows.

The Census Bureau offers a more fine-grained analysis through a separate set of data<sup>7</sup> that further documents the intertwined nature of the communities of The Shoals. In both Sheffield and Tuscumbia, more workers leave their community of residence for work in either Muscle Shoals or Florence than work in their home community. Muscle Shoals sends over 21 percent of its workforce to Florence, while 27 percent work in their home community. A higher percentage of Florence workers, 43 percent, remain in their home city for work. Still, 16.7 percent of Florence workers work in either Muscle Shoals, Tuscumbia, or Sheffield.

**Table 14.** Source: Longitudinal Employer-Household Dynamics, U.S. Census Bureau.

DESTINATION OF WORKERS FROM FLORENCE TO PRIMARY JOB	% OF TOTAL	DESTINATION OF WORKERS FROM MUSCLE SHOALS TO PRIMARY JOB	% OF TOTAL	DESTINATION OF WORKERS FROM SHEFFIELD TO PRIMARY JOB	% OF TOTAL	DESTINATION OF WORKERS FROM TUSCUMBIA TO PRIMARY JOB	% OF TOTAL
Florence	42.7%	Muscle Shoals	26.6%	Florence	19.9%	Muscle Shoals	17.8%
Muscle Shoals	10.7%	Florence	20.9%	Muscle Shoals	18.3%	Florence	16.8%
Huntsville	4.2%	Sheffield	8.4%	Sheffield	14.9%	Tuscumbia	12.7%
Sheffield	4.1%	Tuscumbia	6.2%	Tuscumbia	6.4%	Sheffield	10.2%
Decatur	2.5%	Huntsville	3.3%	Huntsville	4.1%	Huntsville	4.1%
Tuscumbia	1.9%	Decatur	1.9%	Decatur	2.7%	Decatur	2.9%
Birmingham	1.5%	Russellville	1.5%	Birmingham	1.5%	Russellville	1.7%
Russellville	1.2%	Birmingham	1.2%	Athens	1.2%	Birmingham	1.3%
Athens	1.1%	Athens	0.9%	Russellville	0.8%	Montgomery	1.0%
Montgomery	0.7%	Montgomery	0.8%	Montgomery	0.8%	Athens	0.8%
Other Locations	29.4%	Other Locations	28.4%	Other Locations	29.4%	Other Locations	30.8%

<sup>7</sup> Longitudinal Employer-Household Dynamics, U.S. Census Bureau.

# Models for Collaboration

As described earlier, PARCA has identified four broad approaches to bringing regions together to tackle common problems and achieve more coordinated and efficient delivery of services.

## CONSOLIDATION

The actual merger of two or more cities is extremely rare in the modern United States. Mergers were more common in the first half of the 20<sup>th</sup> century but became increasingly rare as modern suburbs developed and found ways to provide levels of municipal services that were comparable to those offered by large cities. In modern times, the more common approach employed has been to consolidate city and county governments.

According to the National League of Cities, nearly 100 communities have proposed city-county consolidations over the past 40 years, but voters have rejected three-fourths of them. Multiple attempts at consolidation are typically necessary.<sup>8</sup> Georgia has seen eight successful city-county consolidations. However, counties in Georgia are much smaller than those in Alabama making such a merger easier. Also, for the most part, education in Georgia is delivered at the county level, meaning that the merger of city school systems was not an issue.

Louisville, Kentucky, is the most recent high-profile success of city-county consolidation. The large central city of Louisville had seen its population decrease as people moved to a ring of small suburban cities and to the unincorporated county. Louisville initially proposed merging its city and county governments in the mid-1980s, but voters resoundingly rejected the measure.

Leaders in Louisville then went to work on sharing services between the city and the county. Over time,

those arrangements improved voter perceptions of the benefits of cooperation. In the late 1990s, leaders in government and business launched a renewed push for city-county consolidation and, in 2000, were successful. The metro government created through the merger left existing suburbs intact, functioning much as they had in the past. It also preserved existing levels of taxes.

As a result of the consolidation, Louisville was able to claim a large jump in population and preserved its status as the largest city in Kentucky and one of the larger cities in the U.S. Since its population base now includes suburban areas, its population is growing. Job growth has also increased throughout the metropolitan areas.

The consolidation has also drawn a great deal of positive attention to Louisville. It broadened the leadership base for the city and decreased city-suburban tensions, since all the citizens of the county vote on the elected leadership of the county.

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**Streamlining government allowed the community to execute solutions to projects that had long been stalemated because of divisions between city and county governments.**

<sup>8</sup> National League of Cities, *Consolidation 101*, <https://www.nlc.org/resource/cities-101-consolidations>

**Figure 18.** Louisville’s Metro Government was able to jumpstart projects, like this \$2.6 billion two-bridge solution, that had been stalemated for decades by disagreements between governments.



## INTERGOVERNMENTAL COOPERATION

Because the merger of political bodies often opposed by voters, alternative ways of decreasing duplication and improving the efficiency of services is through interlocal agreement between cities or between cities and counties. Through interlocal agreements, the governmental body in the best position to carry out a particular function of government can provide that service for other parties. In some cases, joint bodies are formed.

Charlotte, North Carolina, is considered a national model for this approach to decreasing duplication and countering fragmentation. Charlotte and its home

county, Mecklenburg, effectively divide responsibilities for many major government functions, with the county taking the lead in some areas—such as the collection of taxes, the operation and development of parks, and building inspection—and the city taking the lead on law enforcement, mass transit, and fire protection.

Charlotte’s drive for efficient and effective service was championed by the business community there, which was interested in keeping the overhead and cost of government low, streamlining compliance with regulations, and maintaining a broad base of support for development.

**Figure 19.** The City of Charlotte and Mecklenburg County share office buildings, including this one-stop permitting center.



## COUNTY LEADERSHIP

County governments can play a crucial role in providing or coordinating services that cut across municipal boundaries. As the role of counties has grown, increasing attention is being paid to effectively structure counties for accountability, effectiveness, and responsiveness.

In PARCA’s look at using county government as the vehicle for increasing cooperation, Pittsburgh’s modernization of its county government was examined as a model.

Allegheny County, home to Pittsburgh, is one of the most governmentally fragmented regions of the country, with 137 municipal governments in that single county. While there has long been civic conversation about merging governments there, none of those proposals gained adequate traction.

Instead, the county has become the vehicle for increasing regional unity. In 2000, Allegheny County voters voted for a new home rule charter for the county. It replaced an archaic three-commissioner form of county government with a countywide elected CEO and a county council, creating discrete executive and legislative branches. The charter and subsequent changes decreased the number of county elected officials and consolidated accountability for operations under the elected CEO. The county also employs a professional manager. The airport, mass transit, regional parks, and cultural, sports and regional amenities are now supported and led by the county. The County CEO heads economic development efforts for the entire county.

Pittsburgh and Allegheny County have been able to replace and build new regional sports facilities and museums and expand and modernize transportation.

**Figure 20.** With countywide support for regional improvements, Pittsburgh has been able to create parks and greenway trails along its waterfront and build new sports venues.



## REGIONAL AUTHORITIES AND ORGANIZATIONS

A fourth format for cooperation is the formation of regional authorities or organizations that can cross city and county boundaries. PARCA research identified Denver's regional approach as an exemplar of this model.

In the 1980s, the City of Denver had been hard hit by a crash in the oil and gas industry. Though Denver had consolidated its city and county governments in the early 20<sup>th</sup> century, subsequent expansion of satellite communities around Denver had created a sprawling metro area that stretched over multiple counties. Cities in the region competed with each other for local business relocations rather than competing collectively to bring new businesses to the area. In an effort to decrease competition and to create a coherent regional strategy for business recruitment, an effort was launched to pull the region together. With strong backing from the business community, the Metro Denver Economic Development Corporation (EDC) began pulling together cities and counties into a cohesive competitive unit. The organization required governments who joined to abide by a [Code of Ethics](#),<sup>9</sup> in which participating governments pledged not to poach businesses from neighbors and to compete for outside prospects as a unit. Metro Denver EDC served as the umbrella recruiting agency and the point of contact for prospects. Information about recruitment targets was shared with members, who could provide prospective sites and packages for recruiting businesses, but all those proposals were presented together by EDC to the prospect.

As the economic development efforts were being pulled together, so were other regional joint efforts.

An initial cooperative agreement with Denver and neighbors to build a new international airport formed a base out of which grew a multi-county effort to support an advanced system of mass transit, combining bus, streetcar, and rail. Counties opted into the Regional Transit District through voter approval of a sales tax. The Transit District is governed by a board of directors, elected by the voters in the participating region. A similar regional district was formed, also with sales tax support, to pay for museums, arts groups, and cultural attractions across the metro area.

Governmental officials from across the region were also drawn together for cooperative purposes. The Denver Regional Council of Governments (DRCOG), similar to the Northwest Alabama Council of Local Governments (NACOLG), serves as the planning agency for the region. Through DRCOG, the governments developed and signed the Mile-High Compact, a set of development guidelines that helps manage sustainable regional growth.

In addition, the mayors in the region meet regularly, drawn together in the Metro Mayors Caucus, a group of 40 mayors who meet regularly to address regional problems not effectively dealt with jurisdiction by-jurisdiction. The Metro Mayors Caucus is governed by consensus and serves as a vehicle for forging a united front among cities in pursuing issues that matter to all. A small staff provides organizational and research support, allowing the mayors to keep meetings focused and productive.

<sup>9</sup> Metro Denver Economic Development Corporation, <http://www.metrodenver.org/about/partners/code-of-ethics/>

**Figure 21.** Through regional support for arts and museums, Denver has built or expanded museums and performance art spaces.



# Cooperative Opportunities in The Shoals

How do the models outlined apply in The Shoals? Cities mix and match approaches that are suitable and practical in their particular context. The Shoals can, and already does, cooperate. Those cooperative efforts should be valued, supported, and strengthened. And new cooperative arrangements should be explored.

## CONSOLIDATION

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As noted, municipal merger is rare and difficult. Though it is often proposed and studied, it is rarely executed. One of the few municipal merger proposals receiving attention recently was a multi-year effort in Lewistown and Auburn, Maine. When the proposal finally went to the ballot in 2017, voters there soundly rejected the proposal by a 3 to 1 margin.

One of the few mergers that has succeeded in recent years came in 2011, where voters approved the creation of the City of Princeton, New Jersey, through the merger of Princeton Township (population 16,200) and Princeton Borough (population 12,300). That merger came on the fourth attempt over a span of nearly 60 years. It succeeded in part because the communities were already tightly integrated. Before the merger, the two collaborated to provide 13 shared services, including a library and school district. Still, the consolidation is widely viewed as a success, and according to estimates, is saving \$3 million annually.<sup>10</sup> As with most consolidations, Princeton's was a result of an evolutionary process rather than a sudden move.

The alternative model, city-county consolidation, that Louisville employed is also rare and is frequently

rejected by voters. And that model has limited applicability in The Shoals. The communities that comprise The Shoals lie in two different counties. Thus the consolidation of Florence with Lauderdale County would not pull together the communities of The Shoals. Louisville also had a single pre-existing school system, removing an obstacle that would be present in The Shoals.

Princeton and Louisville's experiences can be instructive to The Shoals in that greater cooperation can be an incremental process fostered over decades of effort, in developing cooperative agreements to share services.

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**Surveying the national track record of merger proposals and considering the circumstances in The Shoals, a multi-city merger would be unlikely to succeed, in the near-term, and would involve a multitude of complexities.**

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<sup>10</sup> New Jersey Monthly, September 2017.  
<https://njmonthly.com/articles/towns-schools/steve-adubato-only-in-nj/the-merger-revisited-consolidation-princeton/>

It is generally accepted that residents of Muscle Shoals, with their relative advantage in tax base and level of services, would not be interested in a merger. Historically, leaders in Florence have expressed interest in exploring merger with cities across the river. However, facts on the ground complicate a potential merger and could interfere with realizing gains from merger.

Florence’s per capita advantage in sales tax collections over Tuscumbia and Muscle Shoals allows it to spend more local dollars on city services and education. The cities are separated by the river, making advantages in inter-connecting utilities and services harder to achieve. Florence serves as the county seat of Lauderdale County and Tuscumbia of Colbert. Differences in how cities and county governments relate to one another and differences in how the various cities raise revenue, particularly for schools raise more thorny issues that would be difficult to resolve.

Sheffield and Tuscumbia are better positioned to explore the benefits of a potential merger. Together, the combined cities would be more populous than Muscle Shoals. They operate in the same county with very similar tax rates. They are demographically similar.

**Table 15.** Source: PARCA research.

**Tax Rates**

MSA TOTALS	SHEFFIELD	TUSCUMBIA
Sales	3.5%	3.5%
Property	Millage rate	Millage rate
State	6.50	6.50
County	8.50	8.50
County Wide for Schools	4.00	4.00
School District	10.00	13.50
City	12.50	12.50
City School	10.00	3.00
Total	51.50	48.00
Total for City	12.50	12.50
Total for Schools	24.00	20.50

They are adjacent, with contiguous service areas with connecting street systems, creating possibilities for gains in efficiency in fire coverage, police patrol, garbage and debris collection, and municipal utility service.

While Sheffield is for the most part land-locked, bordered by the river and municipal neighbors, Tuscumbia has the potential to grow in size and further develop highway frontage on U.S. 72.

Sheffield, on the other hand, brings development opportunities in the form of river frontage on the Tennessee River. The proposed Inspiration Landing project on that riverfront has the potential to create further interconnection between the two cities.

While Tuscumbia has a higher sales tax base, Sheffield brings in more in utility taxes. Their municipal revenues per capita are close to equivalent, though it should be noted the property tax and total taxes include ten mills collected for the schools in Sheffield’s total and three mills collected in Tuscumbia for its schools.

**Table 16.** Source: PARCA research.

REVENUES PER CAPITA, 2016	SHEFFIELD	TUSCUMBIA
Population	8,398	8,930
Total Sales Taxes	\$320	\$692
Property Taxes*	\$159	\$150
Intergov. Rev & Utilities	\$395	\$202
Licenses & Permits	\$93	\$61
Fees	\$122	\$148
Garbage Fees	\$96	\$115
Other Fees	\$26	\$33
Fines	\$67	\$10
Interest	\$10	\$9
Miscellaneous	\$52	\$0
Total	\$1,220	\$1,272

\*Property tax revenues include millage for schools, ten mills in Sheffield and three mills in Tuscumbia.

When it comes to expenditures, Sheffield has higher spending on public safety on a per capita basis, while Tuscumbia spends more on public works, parks and recreation and health. As a bottom line, their municipal spending levels are similar.

Both cities have school systems that are among the smallest in enrollment in the state. Both systems devote a higher than average percentage of their budgets to operations and maintenance, likely a function of older buildings and smaller school populations which make it difficult to generate economies of scale in operations.

**Table 17.** Source: PARCA comparison of municipal finances.

REVENUES PER CAPITA, 2016	SHEFFIELD	TUSCUMBIA
Total Municipal Operations*	\$903	\$844
<b>PUBLIC SAFETY</b>	<b>\$404</b>	<b>\$276</b>
Police	\$255	\$163
Fire	\$136	\$103
Other	\$13	\$9
<b>PUBLIC WORKS</b>	<b>\$105</b>	<b>\$192</b>
Sanitation	\$56	\$107
<b>GENERAL GOVERNMENT</b>	<b>\$127</b>	<b>\$128</b>
LIBRARIES	\$32	\$20
HEALTH & WELFARE	\$13	\$31
PARKS, RECREATION & CULTURE	\$107	\$154
Debt Service	\$116	\$45
School Support from City	\$80	\$71
*Excludes Education and Capital Projects.		

In 1985, a study of potential Sheffield and Tuscumbia consolidation was commissioned by the Northwest Alabama Council of Local Governments. The study was performed by House Consultants, Inc. of Birmingham.<sup>11</sup>

At the time of the report, Sheffield's tax base and level of municipal services were far higher than Tuscumbia's, which led to the conclusion on the part of the authors that consolidation between the two cities was not feasible in the short term. Since that time, the two cities have come much closer to parity in tax base and level of services. The House study went on to recommend a gradual process of integrating the two cities by adopting one municipal code with regard to law enforcement, privilege licenses, building codes, zoning ordinance, and subdivision regulations and eventually move toward the consolidation of the departments charged with the administration and enforcement of those regulations. The report also advised consolidation of sanitation departments and unification of recreational programs and activities.

This phased approach toward consolidation still has merit. A deeper department-by-department study of the costs and benefits of merging operations under current conditions should be undertaken.

The process for full municipal consolidation is spelled out in the Code of Alabama, Chapter 42, Article 4 of the Alabama Constitution. In the case of a merger between Sheffield and Tuscumbia, an important consideration is to understand this procedure's applicability in this context. Tuscumbia's utilities are controlled by an authority that is a creation of state law and is in certain respects separate from the city. If it is the desire of the communities to pursue full municipal consolidation, this important question needs to be understood and may require legislation to address.

For those considering a process for initiating consolidation, it would be instructive to study the experience of Princeton, New Jersey. A [detailed report](#) on that process has been compiled by Princeton University's Woodrow Wilson School Graduate Consulting Group.<sup>12</sup>

<sup>11</sup> Tuscumbia-Sheffield Consolidation Study. House Consultants, Birmingham, Alabama. 1985.

<sup>12</sup> Municipal Consolidation Case Study: An Examination of the Princeton Borough-Township Consolidation Transition Process. Woodrow Wilson School of International and Public Affairs, [http://archive.cgr.org/princeton/transition/docs/PrincetonWWSConsolidationReview\\_FinalReport.pdf](http://archive.cgr.org/princeton/transition/docs/PrincetonWWSConsolidationReview_FinalReport.pdf)

## INTERGOVERNMENTAL COOPERATION

All four cities of The Shoals can follow Charlotte's model of increased cooperation and decreased duplication of services by pursuing interlocal agreements between governments.

Shared services through interlocal agreements already exist in The Shoals. A particularly noteworthy example is the consolidated E-911 and Emergency Management Agencies that operate in both Colbert and Lauderdale counties.

[Alabama law](http://parcalabama.org/wp-content/uploads/2018/09/Alabama-Code-Sections-Related-to-Intergovernmental-Cooperation.docx)<sup>13</sup> (§ 11-102-1) allows for cities and counties to come together to provide services through contract. The law allows a variety of options for formation of intergovernmental agreements. One city or county may provide the service for one or more client cities or a separate jointly operated entity. Such agreements allow for "the joint exercise of any power or service that state or local law authorizes each of the contracting entities to exercise individually." Thus, any service currently provided by one city could, through one of these agreements, be offered to or in conjunction with another city.

As was suggested in the House report, the formation of joint services could serve as a stepping stone to eventual consolidation or can be considered on a case-by-case basis to address specific areas where a shared service might be optimal.

A current example of possible shared service is being evaluated in Sheffield and Tuscumbia. Tuscumbia's wastewater treatment plant needs upgrades. One possible solution would be to contract with Sheffield for wastewater treatment. According to utility officials in Sheffield, their existing plant could potentially handle the flow from Tuscumbia. While the proposal needs more study, it is an encouraging sign that the two cities are exploring projects that could be mutually beneficial.

In all projects requiring capital investments, a joint-operating approach should be considered as an option.

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**The construction and operation of jails and justice centers, the administration and permitting of municipal stormwater systems, tax collection, planning, building, inspection, and code enforcement could all potentially benefit from a shared approach.**

The viability of interlocal agreements is increased in situations where stable long-term professional management is in place. In Charlotte's experience, the presence of both a city and county manager was seen as important to the smooth functioning of such agreements. In North Carolina, all counties employ a professional manager, as do the vast majority of cities. At last count, 124 of 132 North Carolina cities with populations exceeding 5,000 had an appointed professional manager.<sup>14</sup> Managers are also much more common in Tennessee, Georgia, and Florida.

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**Only 16 of Alabama's 460 incorporated cities currently have a manager. Considering the complexity of the governmental operations in The Shoals due to the presence of municipal utilities, cities should consider a municipal government form that includes a professional manager.**

<sup>13</sup> <http://parcalabama.org/wp-content/uploads/2018/09/Alabama-Code-Sections-Related-to-Intergovernmental-Cooperation.docx>

<sup>14</sup> University of North Carolina School of Government, <https://www.sog.unc.edu/forms-of-government-paged>

## COUNTY LEADERSHIP

As with city-county consolidation, turning county government into the leadership structure for the region is not a perfect fit for The Shoals, since two counties are involved. Also, in the case of the example of Pittsburgh, its county, Allegheny County, is significantly more urbanized. County government there has a much more expansive role than it does in Colbert or Lauderdale County.

However, the general lesson of making sure the county is a high-functioning, modern arm of government is applicable, since both Colbert and Lauderdale county governments are key players in cooperative ventures.

One area of attention mentioned in discussions with leaders in The Shoals is the structure of Colbert County government. While Lauderdale County has an executive officer elected countywide, Colbert does not. The chairmanship of the county commission rotates between the district-elected commissioners. Colbert County could find advantages to having a chief official, elected countywide.

Of Alabama's 67 counties, 29 have an official that is elected countywide who serves as chairman of the county commission.<sup>15</sup> Executive leadership is helpful in the ability to forge and maintain cooperative agreements with cities and other counties and to ensure the government is speaking with one voice, albeit with adequate checks and balances from a legislative body.

## REGIONAL AUTHORITIES AND ORGANIZATIONS

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Despite a local perception that The Shoals is intractably divided, the facts on the ground point to a region that has been much more willing than most to embrace cooperation. Some of the steps taken by

other communities to form greater regional unity have already been taken in The Shoals.

In 1986, Colbert and Lauderdale County came together to present a united front to counter drastic industrial job loss in the area with the formation of the forerunner of the Shoals Economic Development Authority (SEDA). Still today, there is no other two-county economic development authority in Alabama. The two-county partnership was further strengthened in 2007 with the addition of a half-cent sales tax in both counties that feeds an economic development fund administered by the 24-member, two-county board.

By pooling resources, the two counties have created a powerful cooperative, unique in Alabama, for the recruitment and expansion of industry in the highly interconnected economies of The Shoals.

Also in 1986, multiple chambers of commerce were drawn together into The Shoals Chamber of Commerce, which now draws together the business energy of both counties.

In the early 2000s, the two counties worked with Retirement Systems of Alabama (RSA) to develop the Shoals Marriott with its conference center and tower in Florence and a Robert Trent Jones Golf Course across the river in Colbert County. The partnership with RSA and The Shoals also secured the development of the Barton Riverfront Industrial Park, which today employs more than 1,000 people.

Both Colbert and Lauderdale County have unified 911 and EMA boards, both of which provide most dispatch services for most emergency responders in each county. The two countywide organizations also have a cooperative working relationship with each other that allows for integrated communications and backup.

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<sup>15</sup> Alabama Association of County Commissions, Comparative Data on Alabama Counties.

The City of Florence's electric system serves all of Lauderdale County. Meanwhile, Sheffield's electric utility serves all of Colbert County, except for the smaller, independent municipal systems serving Muscle Shoals and Tuscumbia.

Government leaders in The Shoals are open to continuing to find additional opportunities to work together, exhibiting a much less defensive posture than is seen elsewhere in the state.

What should they be collaborating on? Writing in the most recent edition of the *Alabama Municipal Journal*, Joe Summers, the executive director of the Government and Economic Development Institute at Auburn University, cites a recent survey of corporate executives in *Area Development* magazine's 2017 Executive Survey, which ranks the top factors site selectors consider when deciding where to locate and expand.

While traditional assets like highway access, available sites, and incentives remain high on the list, workforce quality and local quality of life are now top concerns. According to Summers, local leaders in Alabama tend to overemphasize industrial marketing and recruiting without providing adequate attention to product development, improving the quality of the community.

Summers writes,

*"Industrial development may be an appropriate strategy, especially if done in partnership with*

*regional neighbors; however, it should not be the only strategy." Communities, Summers continues, need to concentrate on building local assets—high-quality education and training programs, locally unique lifestyle assets, and a climate that support local business and entrepreneurship.*

*"These inherent quality-of-life advantages—physical, human, and civic—make the place more attractive to both existing and potential residents and employers." <sup>16</sup>*

Similarly, The University of Alabama's Economic Development Academy has developed a Community Vitality Index that it uses to evaluate a community's competitiveness in economic development. While the Vitality Index's Five Pillars for Economic Competitiveness includes site availability and infrastructure, the three remaining pillars are education and workforce, population and demographics, and community charm and quality of life.

### **Regional Collaboration on Education and Workforce**

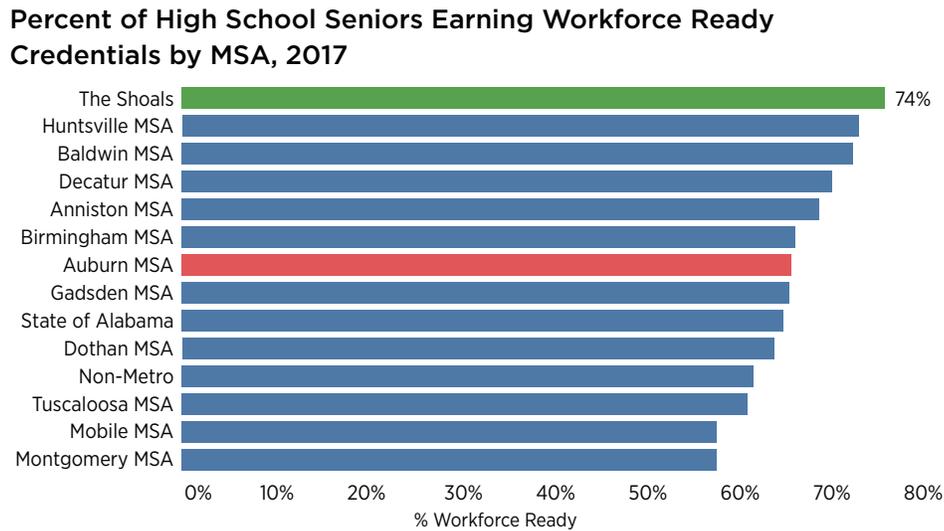
The Shoals can make an argument that its K-12 schools do a better job producing college-and-career-ready graduates than any other metropolitan area in the state. Moreover, beyond high school, an exceptionally high percentage of those students go on to either two- or four-year colleges, creating a powerful engine for providing a high-quality workforce for the region.

<sup>16</sup> Summers, Joe. "Rural Resilience: Surviving and Thriving in a Changed Economy." *Alabama Municipal Journal* 76, no. 2 (September/October 2018), 7-10. <http://www.alalm.org/images/Publications/JournalPDFs/2018/SeptOct-2018-for-Web3.compressed.pdf>

**Work-Ready Communities**

A regional effort to document and advertise the quality of The Shoals workforce is an obvious place to start. The schools in The Shoals do a better job than systems in any other MSA producing students who earn work-ready credentials through their performance on the ACT WorkKeys assessment.

**Figure 22.** Source: Alabama Department of Education, PARCA calculations.



The WorkKeys assessment tests for knowledge of math and reading as it is applied in the workplace. Jobs are profiled by the level of skill needed, and employers and individuals can better match job seekers to jobs available according to the level of skill required.

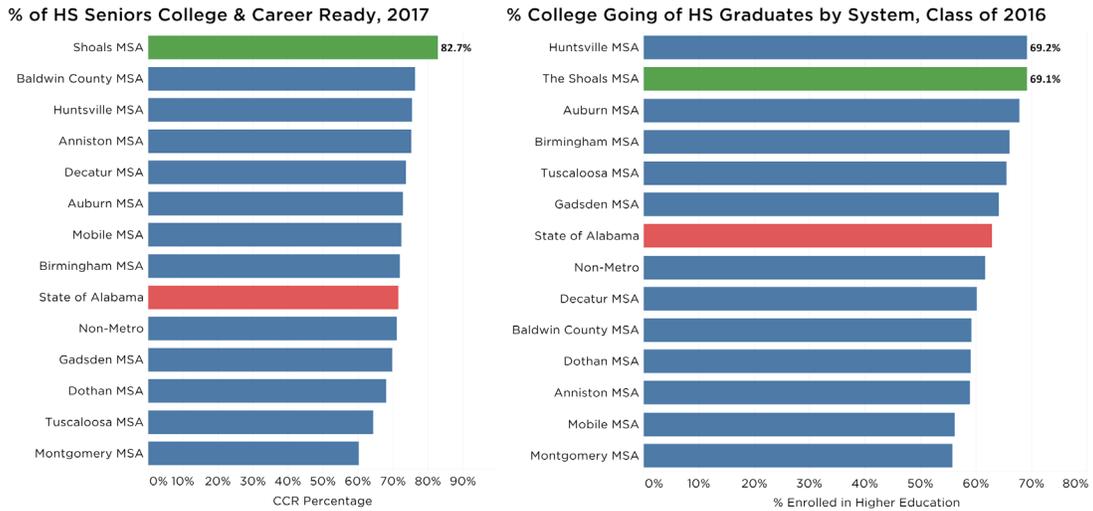
[ACT’s Work Ready Communities](#) program provides a system for documenting the supply and quality of the workforce for counties. To document, the community as work ready, multiple partners are involved, including K-12 schools, community colleges, local employers, and the local economic recruiting community. Several areas in the state, particularly counties around Tuscaloosa and West Alabama, have emphasized connecting employers and potential employees, both high school and adult, with the WorkKeys assessment tool. It appears that The Shoals would do well to explore this platform for documenting its exceptional performance.

The Shoals’ high college-and-career readiness rates and high college-going rate should also be a building block for demonstrating the exceptional quality of life offered in The Shoals.

Success in this arena is a testament to the work of the school systems, and it is also likely influenced by the exceptional generosity of the people of The Shoals, who have come together to support a college promise program that is unique in the state: the Shoals Scholar Dollars program.

**— Launched in 2011, by the Florence and Sheffield Rotary Clubs, Shoals Scholar Dollars raises \$800,000 a year to provide students in The Shoals scholarship support to attend community college for two years, with transfer scholarship to the University of North Alabama available after that.**

**Figure 23.** Source: Alabama Department of Education, PARCA calculations.

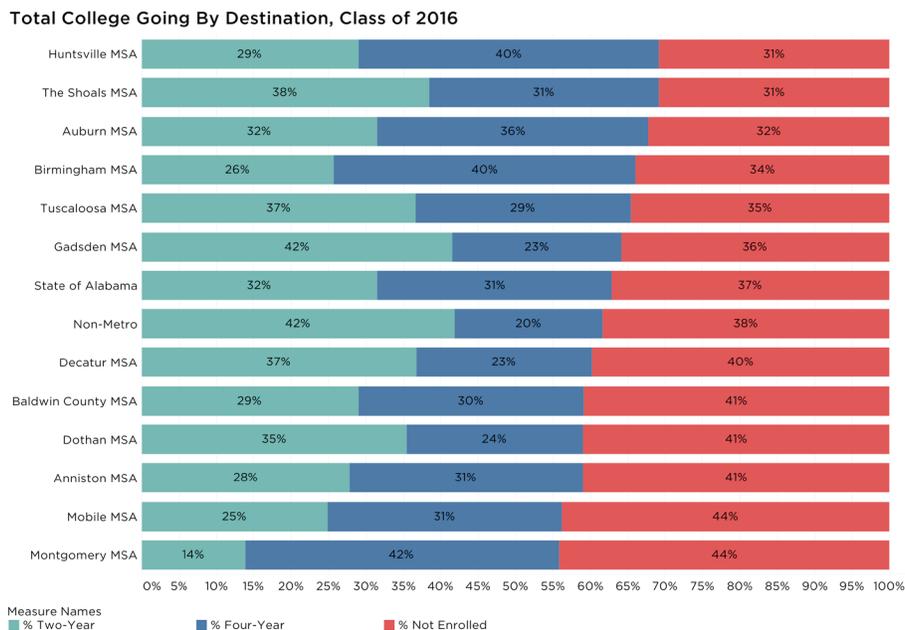


This cooperative effort should be treasured and celebrated. Moreover, every effort should be made to ensure that it is sustainable.

One secret to The Shoals' success is the high percentage of students taking advantage of the two-year college option.

A higher percentage of students from The Shoals go to two-year college than any other Alabama metro area, except for Gadsden. That is due in part to the proximity and central location of Northwest-Shoals but is also likely helped by the Scholar Dollars program.

**Figure 24.** Source: Alabama Commission on Higher Education PARCA calculations.



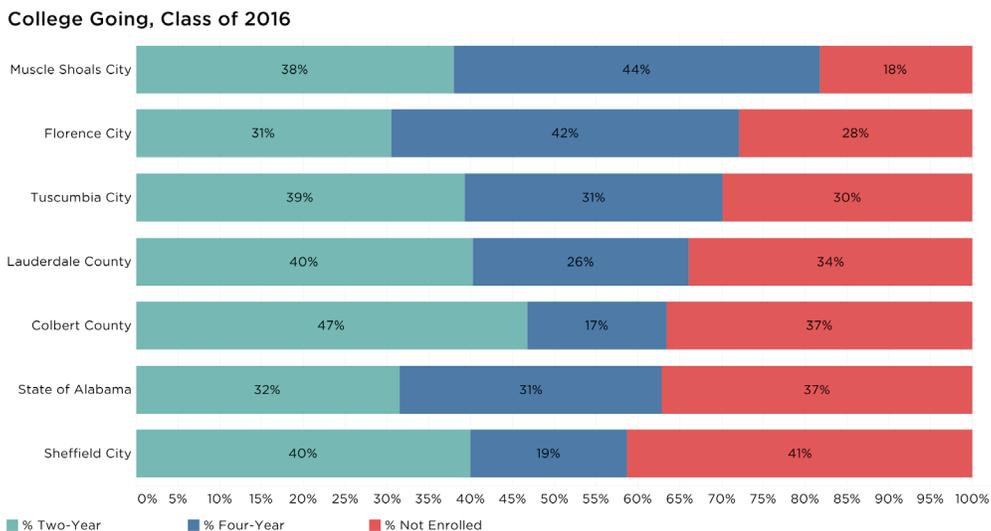
Continuing to build the relationship between local employers and Northwest-Shoals Community College is essential.

**The offerings and opportunities provided by access to two-year college will only be fully realized if the community college is producing graduates and trainees equipped with the skills needed by local employers.**

And while The Shoals has a high college-going rate overall, there is still room for improvement. **Figure 22** shows that not all systems in The Shoals perform at the same level. The system results should be viewed in context, of course. Like test scores, college-going rates tend to be lower in schools where there is a higher poverty rate. But school systems can learn from one another about strategies that are producing successes in college readiness and college placement.

For instance, though Sheffield trailed on this metric in 2016, the system is expected to see progress on this measure in future years. Sheffield's current rate is well above its rate two years ago, a period during which it showed the most improvement of any system in the state. Sheffield's efforts to improve its college and career readiness and its college-going rate were featured in *Leadership Matters*,<sup>17</sup> a report commissioned by the Business Education Alliance, authored by PARCA. In *the report*, Sheffield's multi-faceted efforts to raise its students' post-secondary expectations is highlighted. Sheffield has greatly expanded its offerings of Advanced Placement classes, providing support for teachers to instruct at a higher level. The system has increased student exposure to college and career options and increased the number of students accessing federal financial aid. Working with Northwest-Shoals and the University of North Alabama, Sheffield improved its college fair and counseling opportunities and provided additional incentives and recognition for pursuing college.

**Figure 25.** Source: Alabama Commission on Higher Education, PARCA calculations.



The six school systems in The Shoals, Northwest-Shoals Community College, the University of North Alabama, The Shoals Chamber of Commerce, local employers and civic groups should increase their level of engagement and collaboration.

<sup>17</sup> Leadership Matters, The Business Education Alliance, August 2018, [http://parcalabama.org/wp-content/uploads/2018/08/Leadership-Matters-Report.pdf?utm\\_source=2018+BEA+Report+-+Leadership+Matters&utm\\_campaign=PARCA+2018&utm\\_medium=email](http://parcalabama.org/wp-content/uploads/2018/08/Leadership-Matters-Report.pdf?utm_source=2018+BEA+Report+-+Leadership+Matters&utm_campaign=PARCA+2018&utm_medium=email)

A model to look to is the work of West Alabama Works in Tuscaloosa and the surrounding area. West Alabama Works has created an Educator Workforce Academy that brings together K-12 school leadership with the employers in the region, giving educators a closer look at the workplaces that students will enter, providing a deeper understanding of the knowledge and skills required in the modern workplace. West Alabama Works has also brought school systems, higher education, and employers together at Worlds of Work, a reinvention of the traditional school-by-school career fair and recruiting events. West Alabama Works has also created an employer-driven model for launching and operating training programs for high school and adult learners in cooperation with local school systems.<sup>18</sup>

The Shoals is taking a step in Tuscaloosa’s direction. In October, the Regional Workforce Council, North Alabama Works!, is launching its first [Worlds of Work](#) at Northwest-Shoals Community College.

**The University of North Alabama**

The numbers also suggest that The Shoals has an opportunity to help more students enter four-year colleges in general, and the University of North Alabama in particular.

The University of North Alabama offers exceptional programs, including business, teaching, and nursing. It

has a college town setting and campus that has exceptional appeal. Currently, though, its enrollment total is lower than its two most similar public universities in Alabama: Jacksonville State and Troy University.

UNA’s entry into Division I athletics offers an opportunity for the school to increase its profile and its enrollment, and it has goals to grow. Adding students to the rolls translates into not only additional tuition revenue for the college, but also more dollars being spent in the local community.

However, to be successful in pursuit of its goals, the school is fighting against headwinds. Because of demographic trends, the number of college-age students entering higher education is shrinking. The University of North Alabama has also historically received less per student from the state of Alabama to support its mission.

UNA and its backers should continue to make their case for increased support from Montgomery. UNA’s ambitions should also be recognized as a regional priority for The Shoals.

A regional partnership should examine the needs of both the college and The Shoals community to determine whether cooperative ventures can be formed to build replacement facilities that will address UNA’s need to upgrade, while also answering needs in the community for event spaces.

**Table 18.** Source: Alabama Commission on Higher Education.

UNIVERSITIES	2017 FALL ENROLLMENT	2017-2018 APPROPRIATION	STATE APPROPRIATION PER STUDENT
University of Montevallo	2,717	\$19,778,151	\$7,279
Auburn University-Montgomery	4,889	\$22,994,919	\$4,703
Jacksonville State University	8,452	\$38,358,892	\$4,538
University of West Alabama	3,963	\$16,146,820	\$4,074
Troy University	12,499	\$49,303,360	\$3,945
University of North Alabama	7,236	\$28,186,242	\$3,895

<sup>18</sup> Leadership Matters, page 35.

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**While the scale might be different, an example might be found in Birmingham. The revival of the University of Alabama at Birmingham’s football team has sparked cooperative effort involving the school, Jefferson County, the City of Birmingham and corporate leaders to launch construction of a long-desired \$175 million downtown municipal stadium.**

#### **Regional Agreement on Economic Development**

The Shoals sets an example for regional cooperation for the rest of the state in forming a two-county economic development authority and later funding that authority with a half-cent sales tax in both counties.

The money generated by that half-cent tax is deposited in The Shoals Economic Development. The language of [Act No. 2007-212](#) makes clear that the central purpose of the fund is to attract new, job-providing in non-retail industries, providing inducements for those new industries, and developing industrial parks and buildings for the attraction of those industries. The act also allows the economic development fund to be spent “to foster activities and policies conducive to the expansion of existing industries within either of the Counties or any city or town therein.”

The board, made up of representatives from both counties, has been appropriately conservative in seeing that money from the fund is spent only for the purposes specified in the legislation.

However, as the fund has grown, its unspent balance has been increasingly eyed as a resource for supporting projects beyond the development of industrial sites and the recruitment of industrial prospects.

The availability of sites and financial incentives continue to be crucial factors in economic development. However, surveys of site selectors and corporate executives show that the quality of the local workforce now often ranks as the leading factor in decisions about where to locate or expand. A January 2018 report by [Site Selection](#) magazine ranked workforce the number one factor driving the selection process.<sup>19</sup> A [2017 Area Development](#)<sup>20</sup> magazine survey of site consultants ranked the availability of skilled labor as the most important factor and a survey of corporate executives ranked the availability of skilled labor No. 3 (behind highway accessibility and labor costs) with quality of life ranking close behind at No. 4.<sup>20</sup>

There are signs that under the existing framework, there is room to support workforce improvement initiatives. The state Legislature approved shifting \$5 million from The Shoals Economic Development Fund to support the development of a new workforce training center in Lauderdale County, a cooperative venture between Northwest-Shoals Community College, Lauderdale County Schools, and the University of North Alabama.

However, the directors of the fund turned down a \$200,000 request from The Shoals Scholar Dollars for direct support. Scholar Dollars supporters are continuing to seek the support needed to keep that successful program viable.

SEDA and the development fund are key cooperative mechanisms for the region and should continue to be protected. At the same time, whether through policy or legislation, the best strategic investment for those funds should continue to be refined. Site availability is still important, but investments in the quality of

<sup>19</sup> Site Selection magazine, January 2018. <https://siteselection.com/issues/2018/jan/site-selectors-survey-more-than-some-like-it-hot.cfm>

<sup>20</sup> Area Development magazine, Q1 2018, <http://www.areadevelopment.com/Corporate-Consultants-Survey-Results/Q1-2018/32nd-annual-corporate-survey-14th-annual-consultants-survey.shtml>

life have risen in importance as factors influencing firms' decisions on where to locate. The Shoals already has advantages in these areas that can be built upon to further strengthen its competitive position.

### **Regional Investment in Improving Quality of Life and Connections to the River**

Across the country, rivers that were once commercial arteries have been reborn as lifestyle enhancing amenities, with riverwalks and greenways providing recreational and commercial development opportunities.

### **There are a few places in Alabama with greater potential to make better use of a central natural feature: the Tennessee River.**

On both sides of the river, there are developed amenities: McFarland Park in Florence and Riverfront Park in Sheffield. The TVA reservation also offers trails and riverfront access, including a connection to the Old Railroad Bridge. However, in most cases, those riverfront recreation areas are drive-to destinations, not easily or intuitively accessible.

Improving access to the river and developing connections between the river and downtowns should be a regional priority. There are existing plans, like the River Heritage Trail in Florence, and proposed projects, like Inspiration Landing in Sheffield, that should be examined, and, where deemed appropriate, stimulated with private or public funding. The Northwest Alabama Regional Council of Government has recently updated The [Shoals Area Bicycle and Pedestrian Plan](#),<sup>21</sup> which identifies corridors in each city where there are plans for improving connectivity. A cooperative approach between governments in The Shoals prioritizing connections between the cities offers the opportunity for each city to maximize its investment in interconnected pedestrian and bicycle corridors.

Throughout the country, parks and greenspace initiatives have been central elements of area improvement plans, and they are often funded on a regional basis. Louisville's Metro Government is collaborating with private philanthropic interests to create a 100-mile bike and pedestrian loop around Louisville. In Pittsburgh, a countywide 1 cent sales tax provides funding for regional parks and greenways, along with museums and sports venues. Charlotte's park master plan for developing parks and greenways is overseen and funded by Mecklenburg County.

### **A Regional Approach to Tourism**

Perhaps no place in Alabama has the variety of unique and varied tourist draws as those located in The Shoals. Watersports and fishing. Native American history. Architectural landmarks. Food and fashion attractions. And the music; of course, the music.

The Shoals has two separate tourism boards, one centered in and supported by Florence, the other in Colbert County. Both advertise the region's attractions on both sides of the river. Both have impressive websites, Florence's [visitflorenceal.com](http://visitflorenceal.com) and Colbert County's [www.colbertcountytourism.org](http://www.colbertcountytourism.org). Those guides to the region are also augmented by the work of the [Muscle Shoals National Heritage Area](#), which also serves as an informational and tourism gateway to the wider region and its attractions.

**There is something to be said for this division of labor and effort. Having multiple organizations gathering and presenting information from particular perspectives creates more content and more opportunities to gain attention. However, at the root, a conflict exists.**

<sup>21</sup> Shoals Area Bicycle and Pedestrian Plan, <http://nacolg.org/images/pdf/Shoals%20Bike%20Ped%20Plan.pdf>

Both the Florence and the Colbert County tourism boards are supported by lodging taxes. Each is motivated to steer visitors to its own side of the river for overnight stays. Florence, with its larger base of hotels, has a larger budget and a competitive advantage. The two entities are sometimes pitted against one another by event promoters seeking the best deal. They sometimes duplicate efforts when traveling to shows to promote the region.

From an outside perspective, it seems obvious that the two groups should be realigned in a way that removes the competitive pressures and creates a unified front in selling the attractions and accommodations on both sides of the river.

#### **Regional Cooperation through Communication and Coordination**

Regional cooperation thrives where there is deliberate, regular intercommunication between government leaders.

In Denver, the formation of the Metro Mayor's Caucus has helped regional leadership coalesce around regional goals and identify opportunities to cooperate. A similar organization promoting regional collaboration and coordination was formed in Pittsburgh, The Congress of Neighboring Communities (CONNECT). In an attempt to foster greater regional cooperation in the Birmingham area, the Jefferson County Mayor's Association is examining ways to turn its regular informal networking meetings in more substantial agenda-driven interactions.

With the smaller number of local mayors and existing interactions between the mayors through The Shoals Economic Development Authority, The Shoals Chamber of Commerce, and the Northwest Alabama Council of Local Governments (NACOLG), mayors in The Shoals may already be in regular contact. However, regular, issue-oriented gathering of the four mayors and other appropriate decisions-makers might be warranted.

To provide structure and substance to these meeting groups, the larger metro groups have hired or contracted with a small staff for scheduling and research support. If such a regular working group is formed in The Shoals, NACOLG could be a logical partner.

# Conclusion

The Shoals is at a moment of great opportunity, one that will require cross-community cooperation to capitalize on.

In regional cooperation efforts throughout the country, the essential driver is the business community. Elected leaders come and go, but ultimately, it is businesses, concerned with the economic vitality of the region, that provide the consistent leadership and resource base that allow communities to reach higher. However, private businesses need public partners to support and drive change. Public universities often play a major role, lending institutional support, leadership, and technical advice. Civic groups and foundations can also form that cross-community bridge and non-governmental support to drive toward goals.

**The Shoals has a spirit of courage, creativity, and openness to innovation that will serve it well at this moment.**

The Shoals has pulled together at critical points in the past and has already built a model for regional cooperation that's present nowhere else in the state.

**PARCA recommends that The Shoals:**

- 1 |** Protect and build upon the cooperation established through The Shoals Economic Development Authority and the two-county Shoals Economic Development Fund by expanding the definition of “economic development” to embrace the investments in workforce development and quality of life.
- 2 |** Build on The Shoals success in K-12 education and maximize its investment in higher education.
- 3 |** Make regional investments in cultivating and promoting The Shoals’ unique assets.
- 4 |** Improve cooperation between existing governments, and streamline government with the aim of providing coordinated, efficient, and cost-efficient government.

More specifically:

**1 | Regional Investments**

Clarify and expand the purposes for which The Shoals Economic Development Fund can be spent and leave the decision-making on its allocation to the locally representative body charged with its administration.

- Ensure there is an adequate site development and incentive pool to meet current obligations and capitalize on emerging opportunities.
- Authorize investment in training and education that will produce an unmatched workforce.
- Authorize investment in regionally important quality of life enhancements that build on The Shoals’ unique attributes.

**2 | Workforce**

Create a cradle-to-career collaborative that ensures every child in The Shoals has access to the highest quality education and training.

- Ensure that Shoals Scholar Dollars is sustainable and is supportive of maximum student opportunity aligned with regional needs.
- Tighten the alignment of the offerings at Northwest-Shoals with the needs of local employers with an eye toward the advancing technology.

- Support the ambitions of the University of North Alabama’s entry into Division I and plans to grow enrollment. Recognize the need to increase bachelor’s degree educational attainment in The Shoals and UNA’s role in producing those graduates.

### 3 | Quality of Life/Place

Continue and amplify efforts to promote and enhance The Shoals’ unique cultural and natural assets.

- Merge the revenue streams of Lauderdale and Colbert county tourism efforts to eliminate inter-regional competition. Develop a coordinated, complementary, and cooperative promotion effort.
- Inventory the needs for civic spaces and performance venues needed to host musical and cultural events.
- Identify a regional planning and investment plan to improve and connect parks trails and greenways to take advantage of the Tennessee River and other natural attractions. Form a public-private partnership to advance this goal.

### 4 | Governmental Cooperation

Streamline government, increase cooperation, and consider consolidation of duplicative services.

- Form a Mayors’ Council with regular agenda-driven meetings aimed at addressing issues of joint concern and exploring collaborative projects. Consider the adoption of anti-poaching agreements to prevent self-defeating, inter-local competition.

- Consider a joint planning initiative so that municipal comprehensive plans are aligned and complementary. Connections and way-finding between cities should be improved.
- Identify a regional planning and investment plan to improve and connect parks trails and greenways to take advantage of the Tennessee River and other natural attractions. Form a public-private partnership to advance this goal.
- Examine the consolidation of utilities, services, and even municipalities.
  - a. Tuscumbia and Sheffield should jointly form three separate study groups to examine the potential benefits and obstacles to increased cooperation or consolidation.
    1. Utilities
    2. Municipal Departments
    3. School Systems
  - b. Explore the inclusion of Florence and Muscle Shoals in service-sharing and utility provision discussions.
  - c. Consider the adoption of a city manager form of government for Florence and other municipalities in The Shoals.





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