

City leaders debate use of eminent domain

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Some of the landowners want to sell their property to the city, but their ownership papers are in such disarray that it would be easier to use eminent domain than to complete a normal sale, said John Olszewski, the city's real estate director.

Other property owners wanted far more than the city's offer, which was based on an independent appraisal of the land, Olszewski said.

Some owners weren't interested in selling at all, he said. One man wanted to keep his parcel so he could eventually give it to his daughter when she was ready to build a house. One woman wanted to

open a small business on her lot, Olszewski said.

Eddie Avery owns three of the lots the city wants, including the two with buildings on them. The city offered him \$18,500 for all three tracts. He said that's not even half what he paid for it.

Regardless, he said, he doesn't want to sell the property right now because he might need it for his church, which is located on Moffett Road. If the congregation decides to move in the future, Avery said he wants to be able to offer his property in Mobile Terrace.

"I'm not gonna accept that," he said. "We're not going to take that sitting down because we have a

right."

The city promised a new park to the residents of Mobile Terrace last year when it offered to let them vote to annex into the city. The city drew up the lines so that rich commercial districts along Schillinger Road and Airport Boulevard were also brought into the city by Terrace residents' votes.

City officials selected the proposed site of the park based on resident feedback and current land use. Unless the city puts the park far away from the neighborhood, no location will come without opposition from some of the parcel owners, he said.

Jones told council members Tuesday that they can

expect to see more eminent domain requests in the future because the city will need to acquire land for things like road improvements.

"Any time the city expands, you're going to see this," he said.

Olszewski said eminent domain has only been used once in his 13 years with the city. In that case, about six years ago, the council voted to take 20-foot stretches from the back of three parcels for a drainage ditch.

Eminent domain became a controversial topic in 2005, after the U.S. Supreme Court ruled that a city government could seize private property for use by another private developer. The court reasoned

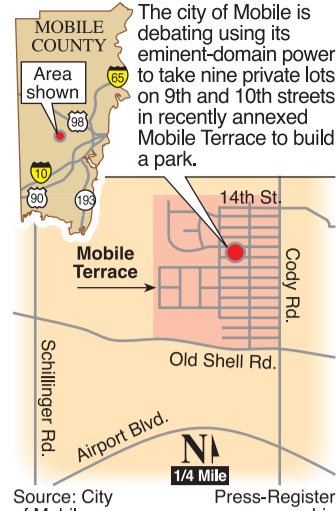
the increased tax revenues and overall economic growth met the intentions of "public use" spelled out in the U.S. Constitution.

Soon thereafter, Alabama's state Legislature adopted a law making it illegal to use eminent domain to obtain property for industrial, commercial, office, retail or residential development. It could still be used to get land for roads, public buildings and utilities, as well as to remove blighted areas.

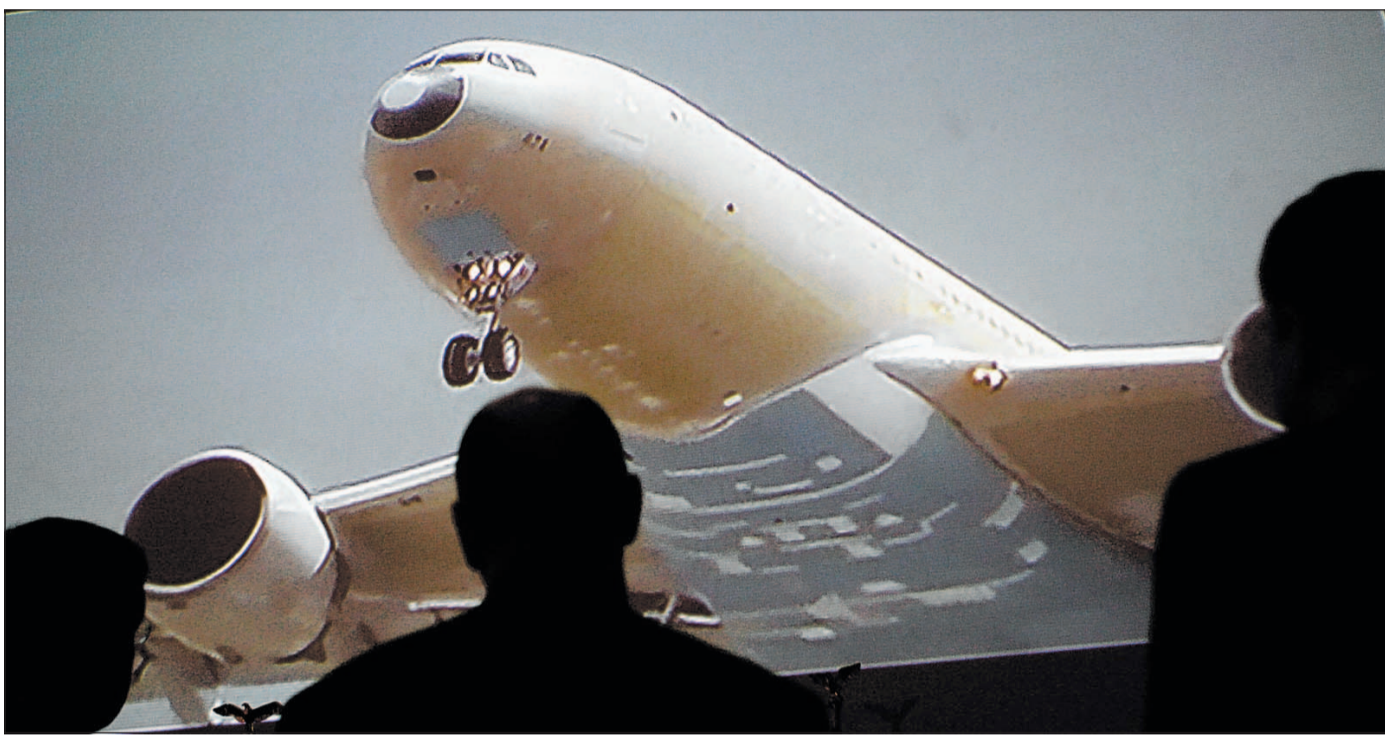
City Attorney Larry Wettermark said a park clearly falls in the allowable category.

"This is a pure, classic use of eminent domain for a purely public purpose," Wettermark said.

Eminent domain imminent?



Source: City of Mobile Press-Register graphic



JOHN DAVID MERCER/Staff Photographer

Officials with Northrop Grumman Corp., Airbus, EADS North America and the city of Mobile watch a video of the KC-45 refueling tanker last month in Mobile after the Air Force announced it had selected the plane over the Boeing entry. Boeing has been trying to get the Air Force decision overturned, but an analyst says he doubts that will happen.

Analyst doubts reversal of tanker deal

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longer to phase out the fleet.

Aboulafia said there is at least a 50 percent chance the contract will be delayed by a year or two "due to politics or a successful GAO protest." But he said Teal Group was forecasting that the deal will go forward on schedule once GAO completes its review.

The Northrop team "did a superb job of promoting their product, and in communicating the virtues of their product to the customer," Aboulafia said.

He said there is a 35 percent chance that the Air Force will end up buying both the Northrop and Boeing planes, though military

officials have insisted they have neither the money nor the desire to do so. A split would require Congress to add money to the Air Force's tanker budget, a move that would not reduce funding for Northrop's plane, Aboulafia said.

Northrop's KC-45 is based on a French-made Airbus A330 commercial jet, a newer and larger aircraft than the 767 that is the basis for Boeing's tanker. Northrop and its bidding partner, EADS North America, plan to assemble and modify their tankers in a pair of new plants at the Brookley Field Industrial Complex in Mobile, creating 1,500 jobs. The \$600 million factory could be expanded to include production of Airbus

A330 commercial freighters, the companies have announced.

Boeing would assemble its KC-767 tankers in Everett, Wash., and modify them for military use in Wichita, Kan.

Boeing said Friday its protest was "motivated by a demand for fairness and our conviction that the KC-767 is the better aircraft to meet the Air Force's mission."

"As Americans pay their taxes next week, they have the right to know why the less capable, oversized KC-30 will cost them billions of additional dollars to maintain and operate compared to selecting the Boeing KC-767," said Bill Barksdale, a spokesman for Boeing.

Northrop defended the Air

Force's selection process, saying its KC-45 was clearly superior to the competition.

"It is incredulous that Boeing continues to assert that the Air Force suddenly has no ability to determine either what is best for its men and women in uniform or the best value for the American taxpayer," said Northrop spokesman Randy Belote. "We can help them with the answers — the Northrop Grumman KC-45 tanker."

Aboulafia said Northrop's win should give it an edge over Boeing in the international market. Industry officials have estimated up to 100 additional tankers could be sold to foreign customers, possibly boosting production in Mobile.

Experts see positive outlook for state

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percent for the whole year. Baldwin's growth was also slower than in 2006, when the county economy expanded by a red-hot 5.93 percent.

Nationwide, gross domestic product grew 0.6 percent in the fourth quarter and 2.2 percent for the year, according to the U.S. Bureau of Economic Analysis.

Epley said Baldwin's decrease at the end of 2007 mainly stemmed from a drop in construction employment, possibly a side effect of the distress that gripped parts of the county's key real estate sector for much of the year.

"I don't consider this to be significant," said Epley, who downplays changes from quarter to quarter. Instead, he points to an average of economic activity in the previous three quarters. By that measure, both Baldwin and Mobile remain at their highest levels ever.

Baldwin's numbers have shown clear seasonality in the past — the county's economy is usually strongest from March through September, and weakest in the fall and winter, an illustration of the summer high season in tourism.

Mobile County's economy is much less seasonal. Its main story had been a long downturn that began in 2001 and didn't hit bottom until early 2004, by Epley's calculations. Much of the period since then has consisted of digging out from the rubble, with the county finally surpassing its former highs in the middle of 2007. The key to the Mobile downturn was a collapse in manufacturing employment, spurred by the closure of local paper mills. Manufacturing employment closed 2007 at its highest level since 2002.

In 2005, Mobile County had a \$11.21 billion economy,

according to figures from the Bureau of Economic Analysis. Epley's figures indicate that amount grew to \$11.68 billion by the end of 2007. No comparable figures are available for the size of the smaller Baldwin economy.

The number of people who have jobs, and how much each earns, are the crucial figures in figuring out the size of a local economy. Broadly higher wages can make a big difference. For example, Huntsville's metro area, which has slightly fewer people than Mobile County, had an economy one-third larger in 2005, according to the government statistics. That's mainly because workers there earn more than those in Mobile.

Both Epley and Bob Allbrook, an economist for Regions Bank in Birmingham, predict that Alabama will do fine in 2008, despite national troubles.

"Alabama has the best

state economy story in the whole country today," Allbrook said. "The best part of the state, in terms of the future, is Mobile."

Epley projected that Mobile County would grow by 1.4 percent in the first quarter, while Baldwin would grow by 1.5 percent.

"The coast is doing well on its own resources," he said. "We don't need ThyssenKrupp and EADS for the economy to continue to diversify and for us to continue doing all right."

While shipyards are hiring now, and port employment will pick up when the Alabama Container Terminal opens later this year, bigger impacts should begin to filter through Mobile County. The impact of the ThyssenKrupp AG steel mill in Calvert may not be fully felt until 2012, Epley said, predicting several boom quarters as the \$3.7 billion plant gears up.

House considers major tax change

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increasing and the economy is in a downturn, I can't think of a better time to give a tax break to the families of the state."

His amendment would:
 ■ Eliminate the 4 percent state sales tax on groceries. Local sales taxes would not be affected. In Mobile and Baldwin counties, the cut would amount to a savings of \$208 a year for families that buy \$100 of groceries each week.
 ■ Raise personal exemptions for single tax filers from \$1,500 to \$2,200, and for those filing jointly from \$3,000 to \$4,400. The deduction for children, now ranging from \$300 to \$1,000 depending on income level, would be set at \$2,000 per child. These changes would raise Alabama's threshold for taxing income from \$12,500 to \$19,900.

■ Do away with the state deduction of federal taxes paid by Alabama filers.
 The bill aims to move Alabama's regressive tax system, which critics say heavily taxes the incomes of the poor, to a more progressive structure.

The Department of Revenue estimates that 63 percent of taxpayers would see their income taxes drop, while all would benefit from removing the state sales tax on food. Those making \$50,000 or less in adjusted gross income — the majority of state taxpayers — would see their income tax bills fall \$30 to \$315 a year under Knight's amendment. Those with an adjusted gross income of \$60,000 or more would see state income taxes increase by at least \$207 a year because of the change on claiming the federal deduction, according to the revenue agency.

Taxpayers reporting adjusted gross income between \$50,000 and \$60,000 would pay \$48 more. Those making \$60,000 to \$100,000 would pay \$207 more, and those making \$100,000 to \$200,000 would pay \$694 more.

House Minority Leader Mike Hubbard, R-Auburn, said the GOP caucus has not

taken a position on the amendment, but that he expects fewer than "half a dozen" of the House's 43 Republican members to vote for it.

Hubbard said he would vote against the amendment, because it would shift the tax burden and create pressure for local communities to also repeal their sales tax on food.

"A lot of cities and counties, it would put a serious hurting on them to do that financially," he said.

Speaker of the House Seth Hammett, D-Andalusia, who supports the bill, said he expects Tuesday's vote to generally follow party lines, with a few defections on both sides.

"We think it will be fairly close," he said. "It appears the preliminary vote (allowing the bill to proceed) will count most."

Alabama and Mississippi are the only states that have not abolished or reduced sales taxes on groceries, according to the Center for Budget and Policy Priorities, a Washington, D.C.-based group that studies income and poverty issues.

Alabama, Louisiana and Iowa are the only three states to allow all taxpayers to deduct all federal personal income taxes paid, while six other states allow limited deductions of federal income taxes, according to the Center for Tax Justice, a Washington, D.C., based advocacy group.

Knight has introduced similar proposals in previous years, but not gotten them out of committee for floor votes. If this year's version passes the House, it would still need Senate approval before being submitted to voters in the fall.

Forrister said the amendment would create more equitable tax policy, particularly in the elimination of sales taxes on food.

"It's a tax on the necessities of life," he said. "Good tax policy offers homestead exemptions for basic housing costs, grocery tax exemptions for the cost of food, and medicine exemptions. We try not to tax the essentials of life."

Earthquake swarm puzzles scientists

Associated Press

GRANTS PASS, Ore. — Scientists listening to underwater microphones have detected an unusual swarm of earthquakes off central Oregon, something that often happens before a volcanic eruption — except there are no volcanoes in the area.

Scientists don't know exactly what the earthquakes mean, but they could be the result of molten rock rumbling away from the recognized earthquake faults off Oregon, said Robert Dziak, a geophysicist for the National Oceanic and Atmospheric Administration and Oregon State University.

There have been more than 600 quakes over the past 10 days in a basin 150 miles southwest of Newport. The biggest was magnitude 5.4, and two others were more than magnitude 5.0, OSU reported.

On the hydrophones, the

quakes sound like low thunder and are unlike anything scientists have heard in 17 years of listening, Dziak said. Some of the quakes have also been detected by earthquake instruments on land.

The hydrophones are left over from a network the Navy used to listen for submarines during the Cold War. They can detect passing ships, earthquakes under the ocean and whales calling to one another.

Scientists hope to send out an OSU research ship to take water samples, looking for evidence that sediment has been stirred up and chemicals that would indicate magma is moving up through the Juan de Fuca Plate, Dziak said.

The quakes have not followed the typical pattern of a major shock followed by a series of diminishing aftershocks, and few have been strong enough to be felt on shore.

Associated Press

ROCHESTER, Wash. — A woman bought rats as food for her pet snakes but eventually came to think of them as "friends" and allowed them to breed and overrun her house, which will need to be razed, officials said Friday.

The rats have gnawed

through wiring, walls, cupboards and drawers, "so there's no lights or heat or sewage" disposal, said Susanne Beaugard, Thurston County animal services director, on Friday.

Michele Diller, 64, who had rebuffed agencies' efforts to help her, agreed to move into an assisted living center to get her cat back, Beaugard said. The cat had been con-

fiscated along with 11 caged animals — four severely malnourished snakes, five mice and two rats.

"I told her I would let her have her cat back if she agreed to move," Beaugard told The Associated Press.

Agencies were seeking housing for Diller on Friday and considering what to do about the rats, which have begun turning up in neigh-

bors' yards on the outskirts of Rochester, south of Olympia. They were apparently the progeny of a few that escaped after Diller bought them as snake food, Beaugard said.

"Initially she was saying, 'You can't hurt them; they're my friends,'" Beaugard said.

Diller told KOMO-TV of Seattle: "I don't have a problem with any animal."