



ADVISOR



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SERVING OVER 300,000 MEMBERS

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55 Water Street TWO AWARDS IN TWO MONTHS

One of RSA's real estate investments, if not its best, is a New York City office building called 55 Water Street. It has a capacity of 3.6 million square feet (the second largest privately owned building in the U.S.) and 17,000 people who have access to 78 elevators. When the building was built decades ago, the city required the original owners to maintain its two plazas. Unfortunately, both were neglected and fell into total disrepair.

After acquiring ownership, the RSA made it a point to refurbish these two plazas and enhance the quality of life in Lower Manhattan. The RSA's efforts have been rewarded. In April, the Municipal Art Society of New York at its MASTerwork Awards recognized "The Elevated Acre" plaza as the *Best Privately Owned Public Space* in New York.

A week before Memorial Day, the "Friends of the Vietnam Veterans Plaza" awarded the other 55 Water Street plaza with the "Honoree of the Year Award" for the rehabilitation of the official New York City Vietnam Veterans Memorial.



Almost Unbelievable, But True

By David G. Bronner

I have spoken for years about the positive impact of the Robert Trent Jones Trail on business and tourism in Alabama. It is interesting that golfers from 45 states visited the Trail during April—one of the best months ever on the Trail.

The top five states in revenue were: 1) **Illinois**, 2) **Texas**, 3) **Georgia**, 4) **Florida**, and 5) **California!** **Alabama** was number 10 behind 6) **Ohio**, 7) **Indiana**, 8) **Tennessee**, and 9) **New York**.

Last month's *Advisor* referenced an exceptionally positive, full-page story about the Trail featured in the *Los Angeles Times*.

The excitement was still in the air when the *Boston Herald* printed a full page story entitled "Tee Time in 'Bama," by Greg Gatlin.

The writer states, "...the experience was unforgettable...world-class golf and luxurious inexpensive lodging...at The Shoals... Ross Bridge...and the Grand Hotel."

If you would like to read the full article from the *L.A. Times* or *Boston Herald*, visit our website at www.rsa.state.al.us and click on "What's New." Or write or email us at mikep@rsa.state.al.us and we will send you the complete story.



Never Ending Federal Lawsuits

Editorial

State funds that are critically needed for state services that benefit Alabamians of every race, creed and social and financial status are being diverted to pay the continuous costs of seemingly never ending federal lawsuits that began in the 1970s. Millions of dollars annually needed for healthcare, police protection, highways, education and other essential state services have been and are being paid to lawyers, consultants and the federal court. Much of it is without there having

been a judicial determination that the state has committed a violation of any law or even that the plaintiffs' attorneys have the right to maintain their lawsuit.

The most recent of these cases, the *Crum* case, has been pending in court for over a decade and has cost the state of Alabama more than \$13 million in direct litigation expenses since 2002. These costs continue to grow as the state maintains its readiness to litigate the case. The plaintiffs' attorneys want the case to proceed as a class action, claiming dis-

crimination by the state in its hiring practices. The issue of whether the case can proceed as a class action has been pending before the court for several years. The state disputes the underlying claims and does not believe the case should be certified as a class action, but the state desperately wants the court to rule on this matter so that the litigation can move forward. The state, in a motion filed with the federal court in March 2006, has begged the court to take some action on this and other important issues

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ROSS BRIDGE

Resort and Spa on The Robert Trent Jones Golf Trail

A WINNER

Regions Bank

By Kevin Scarbinsky, *Birmingham News*

"They changed the name.
They moved the game.
They did something you're never supposed to do.
They fixed what wasn't broken.
They messed with success.
And they didn't make a mess of things.

On the last day of what used to be the Bruno's Memorial Classic at Greystone, the first Regions Charity Classic at Ross Bridge went back to the beginning.

Jim Thorpe shot a 63 to set the course record, just as Jack Kiefer did on the first day of this event's first year in 1992.

There's a moral there somewhere in that parallel.

The more things change, the more the local organizers, volunteers, and spectators prove one thing. They know how to do a golf tournament.

With or without a five-star resort hotel in the middle of the property. With or without a big name at the top of the leader board. With or without Chamber of Commerce weather....

You also have to hand it to the Bruno Event Team and the Robert Trent Jones Golf Trail and the Champions Tour. They worked together—a unique concept around here—to change a lot of the details surrounding this tournament without altering the bottom line.

They did it right for 14 years over there off Highway 280, and they did it right the first year here off I-459.

John Cannon is president of SunBelt Golf, which manages the Trail, the newcomer to this event's equation. He said some changes will be made to the golf course—hey, they're still tweaking Augusta National—but it's hard to argue with a tournament that's decided on the final two holes....

The week was a successful pairing of the old and the new, from the old pros who went low to the new course, which stood tall in the end. After Thorpe eagled 16 to get to 9-under for the day, his caddie got a little excited and started chattering about making birdie on 17 and 18.

Thorpe, who called them "the best finishing holes on the Champions Tour," countered with the wisdom of the aged.

"I'm thinking, 'Let me par 17 and 18.'"

From his mouth to McNulty's clubs.

Bryant, gracious in victory after a stellar final-round 64, called the ending "bittersweet." Not so his review of the event's new beginning.

When you move from a place as beloved as Greystone, Bryant said, 'generally, you have a letdown. The people here, they did as great a job as they always do. And that's a pretty high standard.'"

The South is Rising

By William M. Gardner, *Mobile Register*

"...the South may be leading the nation into the 21st century. The data seem to say so, even though most Americans haven't seemed to notice.

The United States can be divided into four cultural/geographic regions: the Northeast with 11 states, the Midwest (12 states), the Pacific/Mountain West (13 states) and the South (14 states).

This division excludes Washington D.C., puts Alaska and Hawaii in the West and divides the border states as follows: Kansas and Missouri in the Midwest, West Virginia and Kentucky in the South and Maryland in the Northeast.

The Northeast enjoys a rich history of cultural, educational and economic leadership. The Midwest is known for fertile farmlands and great industrial cities. The West has spectacular natural beauty and is home to many high-tech industries. And the South is best known for racial strife, conservative politics and rural poverty.

Which of the four regions has the smallest population? Which has the smallest percent of the country's gross domestic product? And which has the least influence on presidential elections?

Well, if you accept the common wisdom, you might be surprised. In percentage of U.S. population, as of 2003, the regions rank as follows: South (33.64 percent), West (22 percent), Midwest (22 percent) and Northeast (20.92 percent).

The percentage of U.S. Gross Domestic Product in 2001 was distributed as follows: South (30.41 percent), Northeast (24.13 percent), West (23.77 percent) and Midwest (21.69 percent).

On the political front, from 1952 to 2004 the regions ranked as follows in number of presidents elected from each: South (5), West (2), Midwest (1) and Northeast (1). That is, five of the last nine men elected president established their political identities in the South.

In population, production and political clout the South leads the nation, and the lead has been increasing
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Federal Lawsuits... *continued from page one*

before it, pointing out that continued delay simply wastes the state's resources.

In the *Reynolds* case which involved claims similar to those in *Crum* and cost the state more than \$112 million in litigation costs, the 11th Circuit Court of Appeals recognized the harm that these delays cause. Judge Ed Carnes stated, "This unwieldy litigation has been afflicting the judicial system and draining huge amounts of public funds from the state of Alabama for much too long."

The state and its citizens deserve the court's attention and deserve timely rulings on the matters before it.

State Travel Industry Up 3 Percent, Exceeds \$7.6 Billion

13 YEARS AGO TOURISM GENERATED \$1.8 BILLION

Alabama's travel industry grew by 3.3 percent to \$7.6 billion during 2005 despite hurricane activity along the Alabama Gulf Coast, the state's primary vacation destination, according to a report released by the Alabama Bureau of Tourism & Travel.

Fifty-five of the state's 67 counties showed increases over the previous year, State Tourism Director Lee Sentell said. The number of direct and indirect jobs attributed to the travel industry grew by 3,121 to 159,659.

Sentell noted that five of the six counties with hotels affiliated with the Robert Trent Jones Golf Trail showed impressive gains. The "Trail hotel" counties averaged a gain of more than 15 percent, even factoring a 17 percent drop in coastal Baldwin County. "The Trail's

hotel counties grew jobs at five times the state average," he said.

Lauderdale County, home to the new Marriott Shoals Hotel and Spa, gained 37 percent in travel expenditures to \$87.5 million, highest rate of increase among urban counties statewide.

The opening of the Renaissance Ross Bridge Golf Resort & Spa in Hoover helped lift Jefferson County's travel expenditures by 11 percent to a record \$1.26 billion.

The four months following Hurricane Katrina, Alabama hotels housed construction workers and emergency management personnel. Mobile County benefited the most, with travel expenditures up 18 percent to \$661 million at year's end. Evacuees from coastal areas of Mississippi, Alabama and

Florida were not counted in the travel study, Sentell said.

Despite relatively minor damage to the beaches at Gulf Shores and Orange Beach, travel dropped there by 17 percent, reducing Baldwin County's travel income to \$1.65 billion from nearly \$2 billion the previous year.

"Baldwin County was recovering from Hurricane Ivan from 2004 when Katrina hit. The news about damage to the Gulf Coast discouraged travelers from vacationing in areas that escaped major damage," Sentell said.

Nevertheless, Baldwin County could still claim the largest number of travel-related jobs, with 35,262 versus 27,067 in second-place Jefferson County.

Source: Alabama Bureau of Tourism

Think "The Feds Rip Us Off?" Think Again.

By Jeanne Sahid, *CNN Money*

Do you live in a "donor" state? Residents of New Jersey do. For every \$1 in federal taxes they get back just 55 cents in federal spending per capita. Residents of New Mexico, on the other hand, double their money—for every \$1, they get back \$2.

The Tax Foundation, a nonprofit policy research group that advocates for a flat tax, calculated the discrepancies between states in their bang-for-the-federal-buck using data from the Census Bureau for fiscal year 2004.

For every \$1 to Uncle Sam, the state got back:

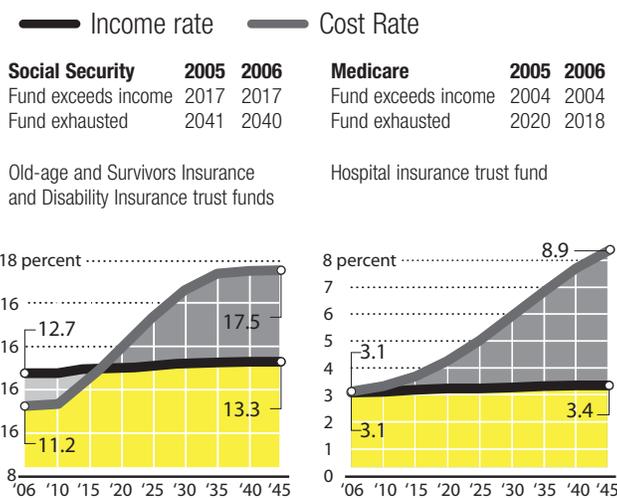
| Least Bang | | Big Bang | |
|---------------|----------|---------------|--------|
| New Jersey | 55 cents | New Mexico | \$2.00 |
| Connecticut | 66 cents | Alaska | \$1.87 |
| New Hampshire | 67 cents | West Virginia | \$1.83 |
| Minnesota | 69 cents | Mississippi | \$1.77 |
| Illinois and | | North Dakota | \$1.73 |
| Nevada | 73 cents | Alabama | \$1.71 |

Source: Tax Foundation

Reasonable Modifications Of Social Security Are Needed

The Social Security trust fund will exhaust one year earlier than predicted while the Medicare fund loses two years.

Estimated income and cost rates, 2005-2045 (as percentage of taxable payroll*)



NOTE: Estimates past 2010 were made in five year increments.

* A weighted average that yields the total amount of taxes incurred by employers, employees and the self-employed.

Sources: Social Security Administration; Centers for Medicare and Medicaid

The South is Rising *continued from page 2*

in all three categories.

Do the data surprise you?

After all, in the middle of the 20th century, Southerners were leaving the South in record numbers to find jobs in the Midwest.

Southern economic planners realized that for the South to catch up with other regions, it had to attract more industry. Initially, progress was slow as the South struggled to escape its past, but decades of planning finally paid off.

South Carolina brought in BMW, Tennessee got Nissan, and Alabama attracted Mercedes, Honda, Toyota and Hyundai. Critics complained that these automotive giants went south to find cheap labor, but in fact the wages paid at the new factories were very good—and are looking even better as GM and Ford plan more U.S. plant closings.

And it wasn't just automobile manufacturing that came south. As Joe Hollingsworth pointed out in 2003 in "The Southern Advantage," the South not only has more business startups than any other region, but a larger percentage of them succeed.

Entrepreneur.com listed America's "hot" entrepreneurial large and mid-sized cities for 2005. Six of the top 10 large cities and eight of the top mid-sized cities were in the South.

In other words, 60 percent to 80 percent of the nation's top entrepreneurial cities are in the South.

If you still have "Yes, but..." on your lips and are loathe to miss an opportunity to assert that the South trails the nation in education, per-capita wealth, productivity

and average standard of living, then you have missed the point.

The South is leading in population, production and presidential politics in spite of its historical problems and handicaps.

The stereotype of a red-state South may lead conservatives to take heart in the South's political power, but in fact, the South has often supported liberal presidents. John F. Kennedy, Lyndon Johnson, Jimmy Carter and Bill Clinton did well in the South.

The South rejected Hubert Humphrey, George McGovern, Walter Mondale and Michael Dukakis as too liberal, but so did most states outside the South.

The core of the national conservative movement is still centered in the Midwest and West, not the South.

Alaska, Indiana, Kansas, Nebraska, North Dakota, Wyoming, Idaho, Utah, Arizona, Oklahoma and Virginia are the only states that voted against Kennedy in 1960, Carter in 1976 and Clinton in 1992. Only the last two of these states are in the South.

People who still cling to the stereotype of a rural, backward, divided and conservative South that is slipping further and further behind in an otherwise productive and progressive nation, are missing one of the biggest stories of our day: An industrial and culturally diverse South has emerged as the nation's economic and political engine.

The voices of the South may still be slow and soft, but Southern progress is not."



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