

PLACEMAKING ACTION PLAN

# BAY MINETTE, ALABAMA

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# ACKNOWLEDGMENTS

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## **City of Bay Minette**

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Mayor Robert A. "Bob" Wills  
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William Taylor, City Council - District 4  
Shannon Clemmons, City Council - District 5

## **PPM Consultants Inc.**

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Keith Pyron, President  
Greg Stover, Senior Project Geologist

## **Steering Committee**

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Ashley Davis	Kris Angelone	Todd Stewart
Ben Hansert	Martha Ryan	Tripp Ward
Clair Dorough	Matt Franklin	Tucker Clay
Jason Padgett	Sara Davis	Vinson Bradley
Jeb Ball	Tammy Smith	Wayne Dyess
Josh Hodge	Tina Covington	

And special thanks to every individual and organization that lent their time and input in supporting the development of this action plan.

# ABOUT US

## **About Alchemy Community Transformations**

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McClure was founded in 1956 as McClure Engineering Company. McClure added Alchemy Community Transformations, their creative placemaking division, in 2017 after years of working in small towns across the Midwest with declining populations and aging infrastructure. With a vision of “making lives better,” McClure’s mission is to build relationships to help its clients be successful. We pride ourselves on providing people-driven solutions, redefining boundaries, and being trusted advisors to our clients.

## **About PPM Consultants**

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PPM is an environmental and engineering consulting firm providing services to industrial, commercial, and governmental clients. PPM has achieved steady growth and success by providing common sense and cost-effective solutions to our clients’ environmental issues. Founded in 1994, PPM now operates eight offices and eight service centers in the United States. PPM began as a firm specializing in soil and groundwater assessment and remediation to the petroleum marketing industry, but their services have expanded over the years to include a full range of air, water, and waste compliance consulting; due diligence, and other related environmental services. PPM provides these services to the petroleum marketing, industrial, commercial real estate, legal, and oil and gas/mining sectors, as well as local, state and federal government.

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# BACKGROUND

In 2017, the City of Bay Minette was awarded a \$300,000 Community-wide Petroleum and Hazardous Substances Assessment Grant from the U.S. Environmental Protection Agency (EPA). The purpose of the program is to help redevelop abandoned, idle, or underutilized properties where expansion or redevelopment is hindered by actual or perceived environmental conditions. Examples include abandoned gas stations, industrial plants, former dry cleaners, and other private and commercial properties.

The goals of EPA's Brownfields Program include:

## **Protecting the Environment**

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Addressing brownfields to promote the health and wellbeing of America's people and environment

## **Promoting Partnerships**

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Enhancing collaboration and communication essential to facilitate brownfields cleanup and reuse

## **Strengthening the Marketplace**

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Providing financial and technical assistance to bolster the private market

## **Sustaining Reuse**

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Redeveloping brownfields to enhance a community's long-term quality of life

## **What is a Brownfield?**

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A brownfield is a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. It is estimated that there are more than 450,000 brownfields in the United States. Cleaning up and reinvesting in these properties increases local tax bases, facilitates job growth, utilizes existing infrastructure, takes development pressures off of undeveloped, open land, and both improves and protects the environment.

## PROGRAM ACTIVITIES

### **Assessment**

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EPA provides funding to inventory, characterize, assess, and conduct planning and community involvement related to brownfields. An eligible entity may apply for up to \$200,000 to assess a site contaminated by hazardous substances, pollutants, or other contaminants and up to \$200,000 to address a site contaminated by petroleum. Three or more eligible entities may apply together as a coalition for up to \$1 million to assess a minimum of five sites.

#### ***Phase I - Environmental Site Assessments (ESA)***

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Includes a site inspection, interviews with persons knowledgeable about the history of the property, and a review of environmental records to determine if potential environmental conditions exist. Like title searches, surveys and appraisals, such assessments are now routine on commercial real estate transactions.

#### ***Phase II - Environmental Site Assessments (ESA)***

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If the Phase I ESA identifies potential environmental conditions, additional investigation may be needed to determine if adverse environmental conditions actually exist. Phase II ESAs can include soil, surface water, and groundwater testing; asbestos surveys; lead-based paint surveys, endangered species studies, etc.

## PROGRAM ACTIVITIES, CONTINUED

### Cleanup

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EPA provides funding to carry out cleanup activities for brownfields sites. An eligible entity may apply for up to \$200,000 per site, which may be used to address sites contaminated by petroleum and hazardous substances, pollutants, or other contaminants. For impacted sites, EPA will provide funding for certain engineering and consulting services to plan for redevelopment. This can include remedial alternatives analysis and meeting with regulatory agencies.

Through the Brownfields Program, EPA also provides funding for the creation of revolving loan funds, job training, technical assistance, state and tribal response programs, and target brownfields assessments. For more information, visit [www.epa.gov/brownfields](http://www.epa.gov/brownfields).

### Benefits

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1. Can make property more attractive by removing potential concerns regarding the environmental condition of the site
2. Will cover the costs of environmental studies, thus reducing capital expenditures associated with due diligence prior to sell or purchase
3. No contractual obligation required with the city or firm(s) conducting the studies

### Community Engagement

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A crucial component of Bay Minette's work plan through the \$300,000 Assessment Grant included a strategic planning process in partnership with [Alchemy Community Transformations, A McClure Team](#). The following details the planning process, project priorities, and implementation strategies to achieve the desired results including economic development, talent attraction/retention, and community revitalization.

# VISIONING

The foundation of this plan stems from the needs and desires of the people residing in the City of Bay Minette. To ensure Bay Minette's Placemaking Action Plan resonated with the community and has the necessary support and momentum to be implemented, Alchemy engaged local stakeholders in a variety of ways. These included:

## **Steering Committee and Public Input Meetings**

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To begin the strategic planning process, Alchemy conducted its first 90-minute visioning session with the Steering Committee followed by two public visioning sessions with a diverse group of local residents in May 2019. The Steering Committee consisted of a group of 27 community leaders representing public, private, and non-profit organizations. The two public visioning sessions were attended by more than 75 residents who provided their input and feedback about the opportunities and challenges facing their community. Additionally, Alchemy visited with more than 25 individuals representing the largest employers in Bay Minette and the surrounding area.

The key topics discussed during the visioning sessions and targeted outreach meetings included:

- Arts and Culture
- Housing
- Parks and Recreation
- Retail and Social Attractions
- Workforce and Education
- Available/Underutilized Buildings and Land

For each of these topics, Alchemy and local residents identified existing assets, opportunities for growth, as well as barriers and challenges preventing new and improved development in Bay Minette.

A complete record of visioning session results is available for review in **Appendix A**.



## Online Survey Assessments

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In addition to the public visioning sessions, Alchemy published two online surveys to collect anonymous feedback from local residents. The first survey was based on similar questions posed at the public visioning sessions, and the second survey was designed to solicit targeted feedback about housing and cultural amenities in Bay Minette. Both surveys included quantitative and qualitative questions. In total, 363 individuals participated in the online survey assessments.

A complete record of online survey results is available for review in **Appendix B**.

## Focus Groups

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Alchemy facilitated discussions with the Steering Committee, public officials, large employers, and college students to learn more about the region and help clarify and confirm input received from the visioning sessions, online survey assessments, and other stakeholder outreach.

## One-on-One Interviews

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More than 25 one-on-one interviews were held in person or over the phone during the strategic planning process. These interviews with community leaders, entrepreneurs, and potential project partners were designed to provide Alchemy with diverse perspectives on the opportunities and challenges faced by Bay Minette, but also helped confirm and hone the project priorities and strategies in the action plan.

## Existing Plans

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The City of Bay Minette has a comprehensive plan adopted in 2013, through 2030; Alchemy reviewed South Alabama Regional Planning Commission's [Comprehensive Economic Development Strategy \(CEDS\) Annual Report](#) published in September 2019 and the North Baldwin Chamber of Commerce's Regional Trade Area Report (as of July 2019) to ensure Bay Minette's Placemaking Action Plan pursued and achieved goals, strategies, and catalytic projects consistent with local and regional partners.

The entirety of the stakeholder input along with a review of previous and ongoing planning and development efforts helped inform the projects and strategies that emerged as priorities for Bay Minette's Placemaking Action Plan.

# THE ACTION PLAN

As a result of the full breadth of stakeholder engagement, Steering Committee feedback, and quantitative assessment conducted for the City of Bay Minette, Alchemy Community Transformations discovered numerous opportunities to enhance the region's competitiveness through catalytic projects. These priority projects are designed to incentivize redevelopment and capital investment, attract and retain talent, and make north Baldwin County a better place for industry to grow and thrive.

The priority projects included in the action plan are the following:

- Housing Needs Assessment & Workforce Housing
- Restaurant: The Royal Tiger Sports Grill
- Strike City Lanes 2.0
- Opportunity Zones & Brownfields
- Workforce Development & Talent Incentives

Additionally, the action plan includes information about funding opportunities, capital and operating costs, and implementation timeline to guide the development of the priority projects in Bay Minette.

# HOUSING NEEDS ASSESSMENT & WORKFORCE HOUSING

## OVERVIEW

The challenges faced by Bay Minette are similar to most rural communities. There is still a notable gap between the cost to develop housing and the purchase prices and rental rates developers can expect to receive for new or redeveloped units. Lack of quality entry-level and mid-priced housing is an impediment to attracting and retaining a local workforce, thus affecting the growth potential for business and the community as a whole.

To determine development solutions to support new and renovated housing development, Alchemy Community Transformations reviewed and leveraged existing reports and conducted new research to create assumptions for total number of units. Analysis assessing blighted properties helped identify potential sites for redevelopment in existing neighborhoods and new development surrounding the community. The resulting housing action plan will include recommendations for how best to use existing development tools and create new options to achieve Bay Minette's goals.

## Background

Population in Bay Minette has experienced stable growth since 1950 with only a slight decline between 1980 and 1990. In the past decade population growth has grown by 1,247 people or 15.5%. That's an increase in population of 2,123 people or nearly 30% since 1990.

CENSUS	POPULATION	% CHANGE
1950	3,732	
1960	5,197	39.3%
1970	6,727	29.4%
1980	7,455	10.8%
1990	7,168	-3.8%
2000	7,820	9.1%
2010	8,044	2.9%
2018*	9,291	15.5%

\*Population estimate provided by US Census.  
SOURCE: US Census Bureau, Decennial Census

When a community experiences population growth, new housing will follow. When comparing Bay Minette’s housing growth to Baldwin County and the state of Alabama, it appears to have fallen short with “new house” starts. Since 1990, an estimated 1,031 housing units were constructed in Bay Minette accounting for 32.4% of all housing units. These figures are slightly lower than what was experienced at the state level with 866,240 housing units built in that 30-year period accounting for 38.8% of all housing units. However, Baldwin County as a total produced 65,941 units in that period since accounting for 60.0% of all housing units. More recently, fewer than 100 housing units have been built in Bay Minette since 2010, considerably lower than Baldwin County or the state overall. The lack of new housing units coupled with a continued population growth of Bay Minette results in a tight housing market.

**Table 2 - Age of Housing Units**

YEAR BUILT	Bay Minette		Baldwin County		State of Alabama	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
2010 to later	86	2.7%	5,512	5.0%	91,630	4.1%
2000 to 2009	369	11.6%	32,970	30.0%	365,930	16.4%
1990 to 1999	577	18.1%	27,459	25.0%	408,680	18.3%
1980 to 1989	575	18.0%	19,413	17.6%	329,162	14.8%
1970 to 1979	666	20.9%	11,167	10.1%	373,677	16.7%
1960 to 1969	381	11.9%	5,744	5.2%	253,565	11.4%
1950 to 1959	274	8.6%	3,581	3.3%	195,444	8.8%
1940 to 1949	149	4.7%	2,035	1.8%	94,744	4.2%
1939 or earlier	116	3.6%	2,142	1.9%	118,294	5.3%
<b>TOTAL HOUSING UNITS</b>	<b>3,193</b>		<b>110,023</b>		<b>2,231,126</b>	

*SOURCE: US Census via American Community Survey, Five-Year Estimates (2017)*

Reviewing the housing occupancy and tenure data help explain where much of Bay Minette’s residents lived. For instance, Bay Minette has a vacant housing rate of 13.4% which is lower than the county or at the state level with 30.8% and 16.8%, respectively. Furthermore, Bay Minette’s vacancy rate for both owner-occupied (2.2%) and rental (8.8%) units is relatively lower. These factors together signal a need for new housing.

Another factor to consider is the ratio of owner-occupied versus renter-occupied units. The rate at the national level is estimated at 65% owner-occupied to 35% renter-occupied which is similar to the ratio at the state level, 68.6% owner-occupied to 31.4% renter-occupied. However, Bay Minette's housing market is nearly equal with 49.2% owner-occupied to 50.8% renter-occupied. A portion of this can be attributed to student population of Coastal Alabama Community College. However, financial barriers to home ownership may be a larger issue that needs to be addressed in Bay Minette.

Table 3 - Housing Tenure & Occupancy						
	Bay Minette		Baldwin County		State of Alabama	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
<b>TOTAL HOUSING UNITS</b>	3,193		110,023		2,231,126	
Vacant housing units	429	13.4%	33,890	30.8%	374,431	16.8%
Homeowner vacancy rate		2.2%		4.9%		2.2%
Rental vacancy rate		8.8%		41.0%		10.0%
Occupied housing units	2,764		76,133		1,856,695	
Owner-occupied	1,361	49.2%	55,470	72.9%	1,273,217	68.6%
Renter-occupied	1,403	50.8%	20,663	27.1%	583,478	31.4%
AVERAGE HOUSEHOLD SIZE						
Owner-occupied	2.95		2.69		2.59	
Renter-occupied	2.75		2.48		2.46	

SOURCE: US Census via American Community Survey, Five-Year Estimates (2017)

The table below outlines the median and mean household incomes. The median describes the middle of a set of data to reduce outliers or extremes. For instance, if 100 people lived in a town and Nick Saban was a resident, his \$8 million salary would not be typical of other residents. The mean household income would be dramatically skewed due to this single outlier. To correct for this outlier, household incomes would be tallied, sorted in ascending order, and then the 50th household income would be selected for the median household income for this fictitious community.

Bay Minette's median household income is nearly half of Baldwin County and nearly 25% less than the state overall. While the mean household income skews positively for all three regions, Bay Minette still has considerably less buying power. As a result of lower than average household income, Bay Minette suffers due to issues such as a lack of down payment funds or being priced out of the local market.

Table 4 - Median & Mean Household Income			
	Bay Minette	Baldwin County	State of Alabama
Median Household Income	\$31,310	\$52,562	\$46,472
Mean Household Income	\$47,790	\$73,061	\$64,476

## HOUSING CHALLENGES

The list of challenges below was developed through a thorough review of past studies and extensive interviews with key stakeholders in Bay Minette. While not exhaustive, these are the top issues that can be addressed through intervention by the city and other local partners.

### **1) Barriers to Developers/Investors**

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The problem lies in the cost gap; in other words, the cost to build new housing does not equal the return on investment to sell or rent this product. For this reason, a majority of new development is being built in communities much larger than Bay Minette further south toward Mobile and the gulf coast. Another barrier that may impact a developer's ability or desire to build in a community is the local permitting process. A community that seeks growth needs to make the process of investing in the local housing market as transparent, predictable, and competitive as possible. The alternative is these developers will follow the path of least resistance to unincorporated Baldwin County or nearby cities that may be more challenging to get permitted but result in a higher return on investment.

### **2) Buyers' purchasing challenges**

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Stakeholder feedback and statistical analysis have identified challenges Bay Minette buyers face in affording for-purchase housing. Whether it is insufficient resources to afford a down payment, difficulty qualifying for traditional housing loans, or becoming cost-burdened by mortgage payments requiring more than 30% of their monthly income, these issues cause weaknesses in Bay Minette's ability to transition residents from rental units to owner-occupied housing.

The National Association of Homebuilders conducted a study in 2017 to determine the average construction cost for a single-family home across the country. Their study looked at 4,267 home builders. The study found that the average home size was 2,776 square feet with an average lot size of 11,186 square feet. The study found that the average cost of a new construction home is estimated to be \$237,760 or a cost of \$88 per square foot of finished construction. If a buyer chooses to make a 5% down payment (typically the minimum amount allowable), a home at this price would require an upfront investment of \$11,888. The remaining mortgage balance would be \$225,872. A mortgage with the dynamics listed below would cost the Bay Minette buyer \$1,481 per month.

<b>Table 5: Estimated Monthly Payment (PITI)* New Construction</b>	
Principal & Interest	\$1,111
Property Taxes <i>Calculated for Bay Minette, Baldwin County property taxes</i>	\$78
Homeowners Insurance	\$198
PMI insurance <i>Required for down payment less than 20%</i>	\$94
<b>Total Monthly Payment</b>	<b>\$1,481</b>

*\*30-year fixed loan at 4.25% w/ 5% down payment  
Source: Nerdwallet mortgage calculator and Navy Federal Mortgage Loan  
Calculator*

The \$1,481 monthly housing payment estimate helps to understand the cost of a new home, but who can afford a house at this price point? Housing costs that account for more than 30% of a household's overall income, is considered cost burdened. To avoid this issue, household incomes should be at least \$59,259 to afford a new home priced at \$237,760 with the current dynamics (i.e. down payment, interest rates).

<b>Table 6: Gross Income Required to Afford New Construction</b>	
Home Price	\$237,760
Monthly Payment (PITI)	\$1,481
Monthly Household Income Required	\$4,938
Annual Household Income Required	\$59,259

As seen in the following table, the annual cost of a new construction home is beyond the reach of the average Bay Minette household. In fact, 66.9% of Bay Minette households earn less than \$50,000 per year and would be cost burdened if they attempted to finance a newly constructed home.

<b>Table 7: Median Household Income (2017)</b>			
	Bay Minette	Baldwin County	State of Alabama
Median household income:	\$31,310	\$52,562	\$46,472
Mean household income:	\$47,790	\$73,061	\$64,476

*Source: American Community Survey via US Census*

Let's compare the scenario for new construction homes to the purchase of existing homes in Bay Minette sold in the same ten-year period. The estimated average sale price was \$121,400. A home at this price in Bay Minette would require a minimum 5% cash down payment which is an investment of \$6,070. The remaining mortgage balance would be \$115,330. A mortgage with the dynamics listed below would cost the Bay Minette buyer \$756 in total monthly outlays.

Table 8: Estimated Monthly Payment (PITI)* - Existing Home	
Principal & Interest	\$567
Property Taxes <i>Calculated for Bay Minette, Baldwin County property taxes</i>	\$40
Homeowners Insurance	\$101
PMI insurance	
Required for down payment less than 20%	\$48
<b>Total Monthly Payment</b>	<b>\$756</b>

*\*30-year fixed loan at 4.25% w/ 5% down payment  
Source: Nerdwallet mortgage calculator and Navy Federal Mortgage Loan Calculator*

Based on both mean and median household incomes, the average Bay Minette household would be able to afford an existing house, but the challenge stakeholders reported is that many existing homes require major renovation work or else do not have the features and amenities that appeal to a modern buyer. Additional financing may be necessary to make the required improvements.

Table 9: Gross Income Required to Afford - Existing Home	
Home Price	\$121,400
Monthly Payment (PITI)	\$756
Monthly Household Income Required	\$2,521
Annual Household Income Required	\$30,257




## HOUSING RECOMMENDATIONS

A variety of housing needs persist in Bay Minette from attainable single-family housing (\$150,000-\$250,000) to multi-family housing to serve workforce and student housing needs. As such, the focus of these recommendations is creating a model project for rental, multi-family housing, one of the top issues highlighted in the visioning sessions. Further evidence of this need was provided by Coastal Alabama Community College whose dormitory facilities are filled and have a waiting list of 100 students. Furthermore, there are surely other commuting students that would live in Bay Minette, but don't even attempt to find housing due to the tight housing market.

The survey made available through the visioning process helped to identify the type of rental units most sought after by renters seeking new housing. Some survey participants were single person households looking for a one-bedroom unit while others requested two- or three-bedroom units with roommates to help share the cost. A number of survey participants also included families seeking units with three-bedrooms or more. As a result of this input, a mix of one-bedroom, two-bedroom, and three-bedroom units was determined for this pilot project:

- One-bedroom                      5 units @ \$700/month
- Two-bedroom                      6 units @ \$950/month
- Three-bedroom                    4 units @ 1,200/month
- Total units                         15 units



The Steering Committee identified a total of seven sites (11 parcels) as potential development options for the proposed multi-family / restaurant project. Figure 1 displays the varied locations primarily adjacent to US Highway 31/ State Highway 39. Only two sites are within a designated Opportunity Zone Census Tract. However, the remaining parcels are adjacent to and eligible candidates for investment by Opportunity Zone funders. The tax incentives for investors through the Opportunity Zone program will help make this proposed real property viable. Also, the site location north of Baldwin County High School (one site, three parcels) were designated as brownfields sites and would be eligible for additional financial support to clean up and reuse the site.

When developing the pro forma, there is a challenge since these sites vary in size and assessed value. The seven sites overall have an average assessed value \$15,267.64 per acre and an average of 21.2 acres. Utilizing these figures, the estimated site cost would be \$323,674.

In addition to housing, the proposed project will include a ground level 3,850 square foot restaurant space (see Sports Bar business plan). The tenants will likely patron the restaurant as well as provide an opportunity for employment. Any of the selected development options would be very accessible to the larger community and passersby with its location on US Highway 31.

Figure 1: Development Options - Multi-Family Development Sites



Table 10: Development Options - Site Details							
ID	PIN	OWNER	ADDRESS / LOCATION	VALUE	ACRE	OZ	BROWN-FIELD
0	378518	Slate And Stone LLC	708 HWY 31 S	\$90,000	10.0	NO	YES
1	378519	Dempsey, Hampton Eugene etal Dempsey, Ve	Highway 59 and Jaycee Rd	\$90,000	10.0	NO	YES
2	10580	Dempsey, Hampton Eugene etal Dempsey, Ve	Highway 59 and Jaycee Rd	\$54,800	10.0	NO	YES
3	47723	Young, Virginia Lee	46611 ST HWY 59	\$172,600	39.0	NO	NO
4	61953	Bay Minette Land Co	DOBSON AVE N	\$122,000	6.1	NO	NO
5	61945	Bay Minette Land Co	DOBSON AVE N	\$201,600	11.2	NO	NO
6	61936	Bay Minette Land Co	Tiger Drive and McCleans Ave	\$252,000	11.2	NO	NO
7	67848	McDill, L Vermelle etal Gibson, Maxine;	McCleans Ave and McMillian Ave	\$455,000	13.0	YES	NO
8	20751	Stevens Automotive LC	US Hwy 51 and Stevens Parkway (East)	\$156,400	17.0	YES	NO
9	102327	Bay Minette Land Company	US Hwy 51 and Stevens Parkway (West, South)	\$135,200	12.4	NO	NO
10	42490	Thompson, Albert M Iii	US Hwy 51 and Stevens Parkway (West, North)	\$162,300	8.4	NO	NO

### *Development Incentives*

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Building a market rate apartment at these rents will require incentives to make this a reality. Most state and federal loan and grant programs targeted at addressing “affordable” housing could help fulfill the housing needs but would restrict renters to incomes of 80% of the area median income or about \$25,000. These programs also come typically come with other restrictions and requirements that is not appealing to some developers. The intent of this proposed project is to provide housing targeted at people earning at or above the median household income (\$31,310).

A long-term tax abatement agreement is one such tool that could help make this project possible. Granting a 10-year tax abatement on a project of this scale could save nearly \$200,000 over a 10-year period which equates to nearly a 30% savings of the projected monthly operating fees (\$1,600/month). This savings would be taken into consideration by a bank or other investor when making a decision to finance this proposed project.

Even with this tax abatement incentive, the project at these lease rates are require additional incentives to work financially. Other incentives could include:

- Special Financing: lower interest rate to lower monthly payments
- Rental Assistance: employers provide a monthly payment of \$100+ to help offset high rents
- Free Land: local municipality or development group donate the land to reduce financing costs

# ACTION STEPS

## 1. Identify city-owned/attainable land parcels located in an Opportunity Zone and New Market Tax Credit (NMTC) low income census tract(s)

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**WHO:** City of Bay Minette

**HOW:** Using city/county GIS mapping resources and CDFI Fund, identify all city-owned/attainable (financially feasible for purchase/lease) land parcels to be considered for new housing development.

**WHEN:** Q1 2020

## 2. Create and approve incentives for housing development

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**WHO:** City of Bay Minette

**HOW:** Position the project locations in areas eligible for Opportunity Zone investment and NMTC. Layer these federal programs with local incentives such as tax abatement (for 10 years) or tax exemption.

**WHEN:** Q2 2020

## 3. Publish Request for Proposals (RFP) for development of city-owned property (if applicable)

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**WHO:** City of Bay Minette

**HOW:** If the city chooses to maintain ownership of the identified land parcels for new development then it should publish an RFP for developers to respond to, including but not limited to, a description of the proposed project, developer's experience, timeline, and benefits (e.g., property tax revenues, sales tax revenues, projected job creation, etc.) of the proposed project.

**WHEN:** Q3 2020

#### **4. Meet and negotiate incentives with prospective developers**

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**WHO:** City of Bay Minette

**HOW:** Based on the vision and proposals provided by prospective developers, offer incentives equal to the economic impact of the proposed development (especially if more than one developer responds to the RFP).

**WHEN:** Q4 2020

#### **5. Select and approve developer(s) to begin the housing development process**

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**WHO:** City of Bay Minette

**HOW:** Depending on the procurement policy for the city, this will likely require a city council vote for final approval.

**WHEN:** Q1 2020

# THE ROYAL TIGER SPORTS GRILL

## INTRO TO CONCEPT

In their efforts to attract the younger demographic groups necessary to sustain population, small communities across the country have made hospitality establishments a central part of their community revitalization efforts. Unfortunately, limited dining options in Bay Minette have pushed many residents to leave their community regularly to eat in Daphne, Spanish Fort, and Mobile. For some families, working professionals and college students, this means leaving their community daily to spend their time and money elsewhere. To fill this void, Bay Minette should recruit an owner/operator to open a sports bar and grill off of Highway 31 near Coastal Alabama Community College. This location is prime for investment and redevelopment because it is vacant land right off the major highway coming into town and is also located in a federally designated Opportunity Zone. Ideally located on the first floor in a mixed-use building including market-rate apartment units, the appropriate restaurant concept - well executed and reflecting the local cuisine and sports culture - stands to serve as both a cornerstone for the Bay Minette community with potential draw from the rest of Baldwin County and beyond (e.g. "beach goers").

## THE ROYAL TIGER SPORTS GRILL

Based on community demographics, regional tastes, restaurant industry trends and overall economic development in Baldwin County, the new restaurant in Bay Minette should be designed as a family-friendly sports grill. Confirmed by results in two community surveys and three public input sessions, the sports grill concept should be well-received by residents and visitors alike. The “sports grill” verbiage is intentional and speaks to an emphasis on food rather than alcohol sales. Given the potential location of a new restaurant in a mixed-use building, as well as the desire to keep the restaurant family-friendly, this plan focuses on an “eatertainment” model – a growing trend for the 18-54 age demographic who are frequently seeking out engaging eat and play environments in restaurants across the country.

Paying homage to the community’s local public high school, the working name for the restaurant in this plan is The Royal Tiger Sports Grill. The primary dining area for The Royal Tiger should seat 100+ people with a mix of high top and low top tables for four that can be easily configured to accommodate groups. Additionally, the restaurant should feature a sleek minimalistic décor boasting 8 to 12 flat screen televisions with Direct TV and NFL ticket subscriptions – ensuring everyone’s favorite team and/or sport can be seen on a screen. If the proposed facility can accommodate it, a private space for parties and group events for up to 50 people is highly recommended.

The Royal Tiger Sports Grill should focus on creating a profitable menu which leverages local sourcing and provides Alabama bar and grill favorites. It should debut a well-conceived, two dozen item regular menu to meet the growing demand for an on-premise restaurant experience with the value pricing, large portions and emphasis on protein Alabamians expect.

Menu offerings can include:

- Fried Catfish
- Gourmet Burgers with premium add-ons
- BBQ Shrimp
- Pulled Pork, Po Boys and other local feature sandwiches
- Seasonal and local feature chowders and salads
- Brick Oven Pizza

As a starting point, the target average table check for on-premise patrons should be \$15/person. This assumes a 70/30 percent food and alcohol mix. The average entrée will be \$9 to \$12. The price of the average appetizer will be \$5, domestic draughts \$4, craft beers \$6, and signature cocktails \$6 to \$8.

Delivery is not recommended, however an easily accessible online order strategy, with convenient carry-out is important.



## OPERATIONS

Because of the size of the community, the owner/operator will likely need to fulfill many operational roles. Staffing will be one of the most challenging issues and may well drive more than its fair share of key operational decisions including hours. It is for this reason a lunch/dinner emphasis is initially recommended. Weekends, particularly game weekends and post-school events, will be revenue sweet spots. A Sunday brunch offering is also recommended. While alcohol service is legal until 2:00am, The Royal Tiger should maintain restaurant, not bar, hours.

HOURS OF OPERATION:	
Monday	11AM-10PM
Tuesday	11AM-10PM
Wednesday	11AM-10PM
Thursday	11AM-10PM
Friday	11AM-Midnight
Saturday	11AM-Midnight
Sunday	10AM to 2PM brunch menu 3PM to 9PM regular menu

Many successful restaurants still operate with razor thin profit margins and most consider themselves doing well if they post a net profit of 5%. Alabama's 8,600+ eating and drinking establishments represent \$9 billion dollars in annual sales, but if one extrapolates that down to daily net profit, the average Alabama-based eating or drinking establishment (with a 5% profit margin) is netting just under \$143 per day in profit. That's not much margin for error, so knowing the profit margin on every menu item is imperative when creating a menu. To increase chances for long term success, The Royal Tiger Sports Grill team should work hand-in-glove with an established food distributor to develop the initial menu and continually take advantage of all menu engineering tools. It is imperative to know the profit on every menu item all the time and to recalibrate as necessary.

ESTIMATES			
Square Footage	Capital Costs	Projected Annual Sales	Net Profit
3,850	\$475,500	\$1,380,000	5.5%

A full concept business plan is available for review in **Appendix D**.

# ACTION STEPS

## 1. Secure developer for mixed-use building

---

**WHO:** City of Bay Minette, Steering Committee

**HOW:** The City of Bay Minette and the Steering Committee should pitch prospective project (including incentives) to local developers to gauge interest. Secure developer to begin creating buildout concept for mixed-use building.

**WHEN:** Q2 2020

## 2. Recruit owner & operator

---

**WHO:** Steering Committee

**HOW:** Partner with Alabama Restaurant and Hospitality Association to recruit experienced owner/operator. Work with city, local foundation(s) to secure incentive package. If owner is not the operator, negotiate favorable deal structure.

**WHEN:** Q3 2020

## 3. Customize business plan

---

**WHO:** Owner(s)/operator, local financing institution

**HOW:** Begin with business plan included in Appendix D. Refine based on restaurant ownership, investment options, and estimated construction costs.

**WHEN:** Q4 2020

#### 4. Develop restaurant buildout concept

---

**WHO:** Owner(s)/operator, developer, architect, engineers, local financing institution

**HOW:** Restaurant owner/operator should negotiate long-term lease (at least 10 years) with building owner. Address interior recommendations for sports grill. Work with local bank to assist with gap financing to retrofit restaurant space.

**WHEN:** Q1 2021

#### 5. Secure capital to complete buildout

---

**WHO:** Owner(s)/operator, Opportunity Alabama, local financing institution

**HOW:** For the mixed-use building (including multi-family units and commercial space for the restaurant), the project overall could be structured as a qualified Opportunity Zone investment. The owner should partner with Opportunity Alabama and local financing institution to structure this deal, especially if the project ends up being in a low income census tract and is eligible for both Opportunity Zone investment and New Market Tax Credits.

**WHEN:** Q2 2021

#### 6. Develop marketing strategy, hire/train staff, and open doors

---

**WHO:** Owner(s)/operator, Coastal Alabama Community College (e.g., culinary program)

**HOW:** Design all marketing materials, using preliminary business plan as a starting point. Share photos and videos of construction progress to generate excitement. Hire staff (some can likely be recruited from Coastal Alabama Community College). Hold soft opening events. Celebrate with grand opening.

**WHEN:** Q4 2021

# STRIKE CITY LANES 2.0

## INTRO TO CONCEPT

Located at 613 McMeans Avenue, Strike City Lanes is a city-owned recreation center featuring a 14-lane bowling alley, special event facilities, and the Spare Time Diner. On average, more than 10,000 visit Strike City Lanes annually and many residents view the facility as an asset. As evidenced throughout the visioning sessions, stakeholder interviews and online survey results, residents of all ages want to see Strike City Lanes evolve into a modernized community amenity to make better use of the facility and support its financial sustainability.

Moving forward with this new vision for Strike City Lanes 2.0, the City of Bay Minette should consider:

- Rebranding the center with a new, fresh look
- Creating a contemporary menu for the Spare Time Diner
- Hosting weekly specials for people of all ages
- Developing partnerships with local schools, non-profit organizations, and businesses

## SURVEY RESULTS

68% ENJOY THE FOOD & DRINK OFFERED AT STRIKE CITY LANES

41% WOULD GO TO STRIKE CITY LANES ONCE PER MONTH IF MORE ACTIVITIES WERE OFFERED

64% WANT FAMILY NIGHTS (10% OFF) OFFERED AT STRIKE CITY LANES

35% WANT STUDENT NIGHTS (\$1 BOWLING) OFFERED AT STRIKE CITY LANES

31% WANT BUY ONE PIZZA, GET ONE 1/2 OFF AT THE SPARE TIME DINER

26% WANT HAPPY HOUR SPECIALS OFFERED AT THE SPARE TIME DINER

## REBRANDING

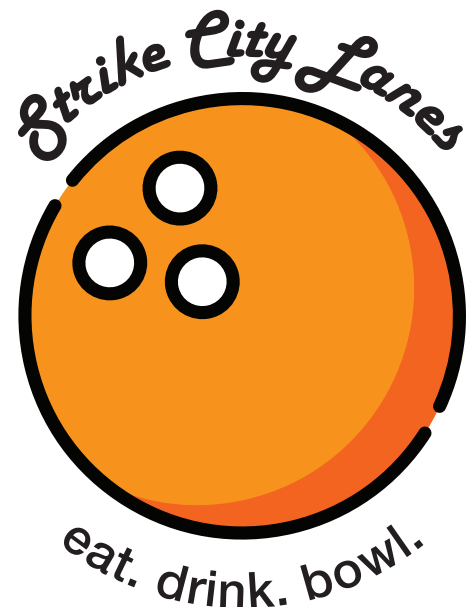
A vital component to evolving Strike City Lanes is rebranding the logo and tagline of the facility to help community members think of the space as more than just a bowling alley: a space for food, drinks, fun, *and* bowling.

TopGolf, a national chain of golf bays with food and drink, uses the slogan: "Eat, drink, and play," to communicate with their audience that even non-golf lovers can find a fun time there. Using this idea, a simple and effective slogan for Strike City Lanes 2.0 might be: "Eat. Drink. Bowl."

A logo is the first point of interaction a company has with a potential consumer. A strong logo that invokes an immediate reaction from the viewer can go a long way. Capitalizing on nostalgia for the 90's (and late 80's) which is at an all time high, even amongst college students born in the early 2000's, Alchemy created the following potential logo:

**STRIKE CITY**  
**EAT. DRINK. BOWL.** *Lanes*

Other logo design options include an art-deco inspired logo (right) and a classic bowling alley logo (left):



Along with the new brand, the decor of the bowling alley should match the tone of the chosen logo. For example, with the first presented logo, 90s-themed decor and neon signs would be prevalent around the interior. The alley could easily host 80's and 90's-themed costume events. This option would prove easy for the existing Strike City lanes, the interior of which is already slightly dated toward this era.

Strike City Lanes 2.0 should launch a stand-alone website to coincide with its rebranding. Websites including an online version of the menu are of the utmost importance to consumers. A [study in 2019](#) concluded that nearly "60% of restaurant guests viewed restaurant website before deciding where to dine." Depending on staffing and capabilities, it is also recommended that Strike City launches an Instagram page featuring its food and drink specials, as well as photos from events such as College Night or themed parties; the same study concluded that "86% of millennials will try a new restaurant after seeing food-related content online."



*Artistic Rendering of 90's logo with 90's patterned carpet decor; Photo Source: [City of Bay Minette](#)*

## MENU OFFERINGS

Currently, the Spare Time Diner offers a large variety of food, snacks and drinks, and a notable number of residents expressed admiration for the food offered during lunch and dinner at Strike City Lanes. The recommendations that follow favor a more limited menu; however, these changes will help enhance the quality of the menu offerings and increase the profitability to support the recreational center’s financial sustainability.

SAMPLE MENU				
Appetizers	Main	Snacks & Sides	Dessert	Drinks
Nachos <i>(regular or loaded)</i>	Burgers <i>(3 variations)</i>	Fries	Ice cream scoop	Soda <i>(foundain or canned)</i>
Wings <i>(variety of flavors)</i>	Sandwiches <i>(3 variations)</i>	Onion rings	Ice cream sundae	Water <i>(bottle)</i>
Smothered fries/ tots <i>(3 variations)</i>	Salad <i>(3 variations)</i>	Mozarella sticks	Cookies/ brownies	Slushies
Chips & dip <i>(variety of dips; pita bread wedges offered as substitute)</i>	Pizza <i>(5 variations; by the slice)</i>	Soup of the day	Pie/cake of the day	Beer <i>(draught or bottle)</i>
Sample platter <i>(include one variation of all of the above)</i>	Fried chicken <i>(2 variations, tenders or nuggets)</i>	Hotdog		Wine <i>(red or white)</i>

In addition to these menu changes, Spare Time Diner should adopt weekly specials and creating a marketing strategy for social media to promote the specials regularly. This strategy will not only expand the consumer base for Strike City Lanes but will also help build the new brand for Strike City Lanes.

Example Weekly Specials	
Monday	Buy One, Get One Burgers
Tuesday	Buy One, Get One Pizza Slices + Beers
Wednesday	3 for \$10 menu
Thursday	Extended Happy Hour until 8:00pm
	<i>Happy Hour (50% beer and wine): Monday - Thursday 4:00-6:00pm</i>

## PROGRAMMING

When it comes to programming, Strike City Lanes offers a variety of offerings for people of all ages including league play, tournaments, cosmic bowling, birthday parties and other special events. In addition to this programming, Strike City Lanes should also offer regular weekday and weekend specials and promote these to complement the food and drink specials.

Example Weekday Specials	
Monday	Live Trivia
Tuesday	Family Night (1/2 off bowling - two games maximum)
Wednesday	Student Night (\$1 per person/game)
Thursday	Karaoke
Friday & Saturday	Live music

These weekday specials can be changed once, maybe twice per year but no more than that to build up a consumer base who chooses to visit Strike City Lanes regularly to reap the deals and new amenity features.

Additionally, it is important for Strike City Lanes to continue evolving its programming and amenity offerings such as more flat screen TVs (to feature popular sports or music videos), new arcade games, rental board games/pool/darts, live trivia and karaoke nights, live music and even a DJ with a temporary dance floor for weekend evenings. Offering a variety of activities will reach a broader audience and will revamp the perception of Strike City Lanes as the place to hang out in Bay Minette.



## PARTNERSHIPS

To support ongoing programming and special events, Strike City Lanes should continue to bolster its partnerships with local schools, non-profit organizations, and businesses. Special events should target as many of these organizations as possible to expand the consumer base for the recreation center, but more importantly, to bring together a diversified crowd from the broader region. Special events for these groups can include school field trips, company outings, holiday parties, etc. It is also important to engage the business community, especially through annual sponsorships of each bowling lane. Annual sponsorships should be roughly \$1,500 for a sign with a logo to hang on each bowling lane for the year. Not only would a business be able to advertise to thousands of people for approximately \$4/day, but Strike City Lanes would also increase its gross revenue by \$21,000/year to reinvest in the recreation center and improve amenity offerings.

Lastly, since Bay Minette is home to Coastal Alabama Community College, Strike City Lanes should use some of the facility to show off some fanfare for the Sun Chiefs. This is especially important if Strike City Lanes wants to see more buy-in from the students at the community college. To promote "Student Night," it would be best to hire (e.g., \$20/week to post once per day on each social media platform) a few influencers from CACC to create and share content on Facebook, Instagram, and Snapchat to promote the weekly specials and events occurring at Strike City Lanes.

A concept business model is available for review in **Appendix E.**

# ACTION STEPS

## 1. Identify capital improvements at Strike City Lanes

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**WHO:** City of Bay Minette, Strike City Lanes staff

**HOW:** First, staff at Strike City Lanes should take a full audit of the amenities at the facility to ensure everything is still functional. Second, staff should work with the city to determine capital improvements that modernize the facility (e.g., exterior façade, interior wall paint, various lighting features, lounge couches with low dining tables, large TVs or projection screens, trendy wall art, etc.). Lastly, create a strategy to finance these improvements over time (ideally, between 1-3 years).

**WHEN:** Q1 2020

## 2. Determine weekly specials for programming

---

**WHO:** City of Bay Minette, Strike City Lanes staff

**HOW:** Survey residents at local schools, churches, businesses, and Coastal Alabama Community College to determine which weekly specials will attract more consumers on a regular basis.

**WHEN:** Q2 2020

## 3. Determine new menu offerings at Spare Time Diner

---

**WHO:** Strike City Lanes/Spare Time Diner staff

**HOW:** Analyze the revenue stream for the Spare Time Diner and determine the biggest sellers and most profitable items (often, these are not the same). Condense the menu to include the most profitable items and biggest sellers (if they are profitable) but do so in a way that modernizes the food being offered at Strike City Lanes. This limited menu should offer plenty of variety and capitalize on being able to use many of the same ingredients for multiple items on the menu to reduce waste.

**WHEN:** Q2 2020

#### 4. Implement new branding and marketing strategy

---

**WHO:** City of Bay Minette, Strike City Lanes staff

**HOW:** Create a stand-alone website for Strike City Lanes, update social media accounts, and recruit college students and young professionals to become influencers for the new brand. Build momentum for the improvements to be made at Strike City Lanes.

**WHEN:** Q3 2020

#### 5. Begin capital improvements at Strike City Lanes

---

**WHO:** City of Bay Minette

**HOW:** Based on the improvements and implementation strategy identified in Step 1, begin to make interior and exterior improvements to the facility as is financially feasible. Implementing the annual business sponsorships is one way to bring in immediate funding and will continue to be a resource for facility enhancements each year.

**WHEN:** Q4 2021

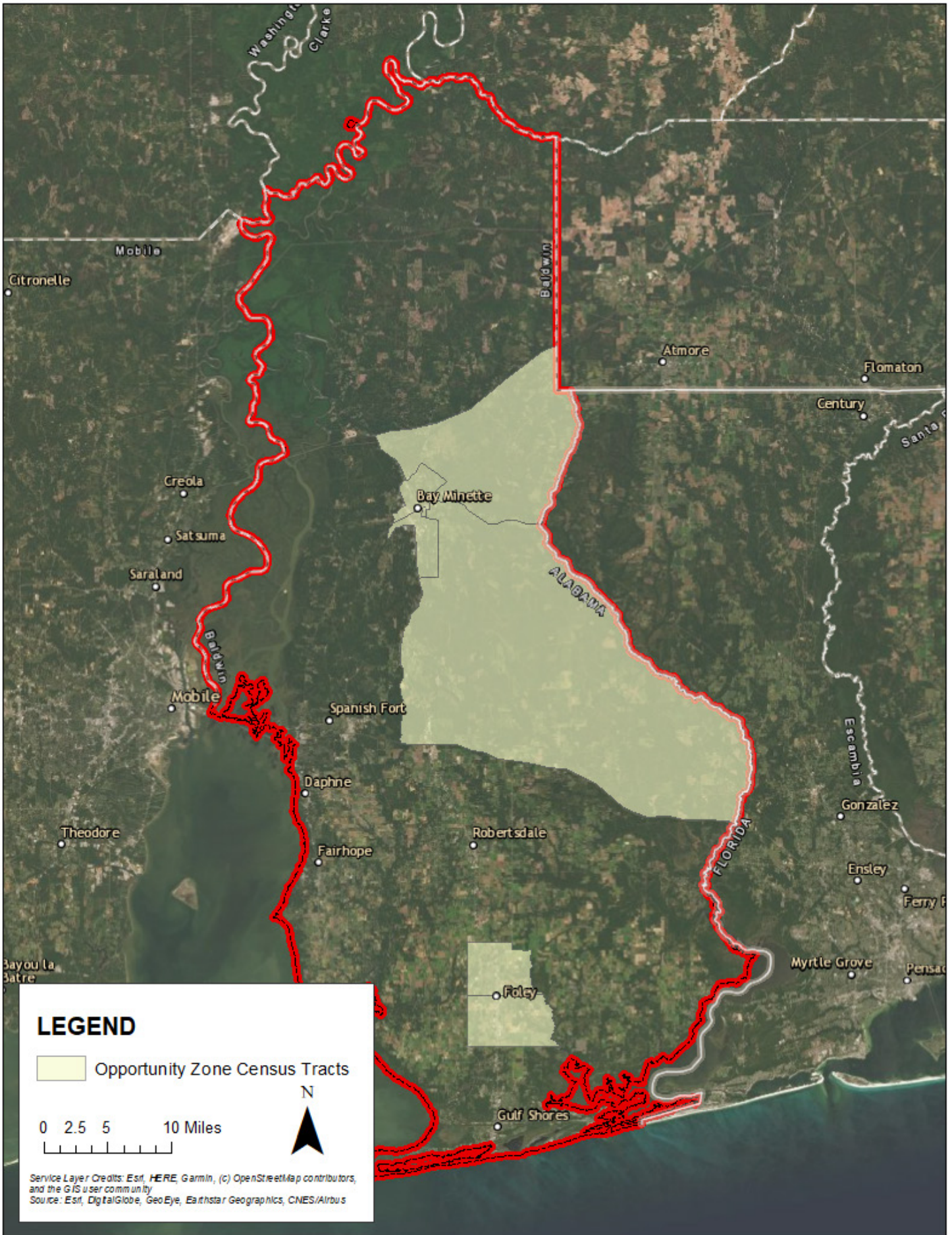
# OPPORTUNITY ZONES AND BROWNFIELDS REDEVELOPMENT

## INTRO TO CONCEPT

Established by the U.S. Congress in the Tax Cuts and Jobs Act of 2017, Opportunity Zones are economically distressed census tracts, designated by states and territories and certified by the U.S. Treasury Department, in which certain types of investments may be eligible for preferential tax treatment. The tax incentive is designed to spur economic development and job creation in distressed communities by providing these tax benefits to investors.

In Alabama, 629 of the state's 1,181 census tracts qualified as low-income. Of those 629 eligible tracts, Governor Kay Ivey was authorized to select 158 as Opportunity Zones. The following census tracts were identified by Gov. Ivey as Opportunity Zones in Baldwin County:

- 01003010200 (Highway 31 between Perdido and Bay Minette)
- 01003010400 (Parts of Bay Minette, Pine Grove, Stapleton, all of Gateswood)
- 01003010500 (Bay Minette)
- 01003010600 (Coastal Alabama Community College)
- 01003011501 (Foley, north of Highway 98 and east of Foley Beach Express)
- 01003011502 (Foley, south of Highway 98)



## How do Opportunity Zones work? The simplified explanation.



Graphic courtesy of [Opportunity Alabama](#).

Much of the City of Bay Minette is located in a designated OZ and the time is now to take advantage of this powerful tool and leverage private capital to invest in catalytic projects that stimulate the local economy and improve quality of life.

## PARTNERSHIPS, PROJECTS, AND INVESTMENT OPPORTUNITIES

Since Opportunity Zones were established, the State of Alabama has become a national leader in the implementation of the legislation. Much of this can be attributed to the creation of [Opportunity Alabama](#) (OPAL). OPAL is a nonprofit initiative dedicated to connecting investors with investable assets in Alabama's Opportunity Zones. By using a data-driven approach, OPAL brings investors, opportunities, communities and key institutional supporters together to generate real returns while improving economic vitality and quality of life.

Baldwin County is fortunate to have the largest Opportunity Zone footprint in Alabama and has immense investment opportunity being home to a 3,000-acre mega site. The Baldwin County Economic Development Alliance is the current owner of the mega site and has made strategic site enhancements to position the region for targeted industrial recruitment of high-growth industries. Depending on the deal structure, this major project along with others in the region could be eligible to receive monies from Qualified Opportunity Fund and increase the amount of private capital being invested in the area.

To be eligible for Opportunity Zone investment, projects must fall under at least one of the following categories: real estate and active businesses. Opportunity Alabama provides a helpful resource on their website to determine if a project qualifies.

### **Real Estate**

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Just about any real estate investment could qualify for Opportunity Zone investment, but only if the project meets certain statutory tests:

- Was the project acquired after December 31, 2017?
- Is the project located in an Opportunity Zone?
- Will the investment create a "substantial improvement"?
- Can the cash raised be spent within 31 months?

## Active Businesses

Under existing guidance, raising capital for active businesses is trickier than raising capital for real estate. Questions to consider include:

- When did a business acquire most of its tangible property? 70% or more must have been acquired after December 31, 2017.
- Where was the tangible property owned by the business used? 70% or more must be used in the Opportunity Zone.
- How much of the business's revenue comes from its operations within the Opportunity Zone?
- How much of the business's intangible property is used in the Opportunity Zone?
- How much cash does the business typically keep in reserves?

To date, most Opportunity Zone investments are being realized in larger markets across the country, but Opportunity Alabama has made great strides in helping communities throughout the state market their assets and opportunities to regional and national Qualified Opportunity Funds. Since Opportunity has already visited Baldwin County a number of times and has developed familiarity with the area, the City of Bay Minette and the Steering Committee should continue to strengthen this partnership and solicit their assistance in setting up a regional Qualified Opportunity Fund to target private investment in Bay Minette and the surrounding areas. This would be a win-win situation for all parties involved allowing residents with capital gains to invest in their own community through a financial vehicle that provides them with preferential tax treatment so they can realize short- and long-term gains.



## What is a Qualified Opportunity Fund (QOF) and how do I find one or set one up?

A Qualified Opportunity Fund (QOF) is a legal vehicle – like an LLC – taxed as a corporation or a partnership and organized specifically to invest in Qualified Opportunity Zone Businesses/Property. Setting up a QOF requires nothing more than a lawyer and an accountant to draft the documents and demonstrate that the investment meets the tests in the Internal Revenue Service’s (IRS) regulations. You can use your independent gain event to create your own fund (that you 100% control) and invest in your own projects, if you so choose. Or you can find an already existing QOF and invest in that entity. You can also find a third-party fund manager to invest your money for you, so that the investment is deployed in locations/projects that you would like to focus on.

Source: [Opportunity Alabama](#)

To begin, Bay Minette should consider the mixed-use building (including multi-family units and a restaurant) proposed in this plan as a potential Opportunity Zone investment should the region elect to create a Qualified Opportunity Fund to target local projects. Contact Opportunity Alabama to learn more about pursuing this strategy.

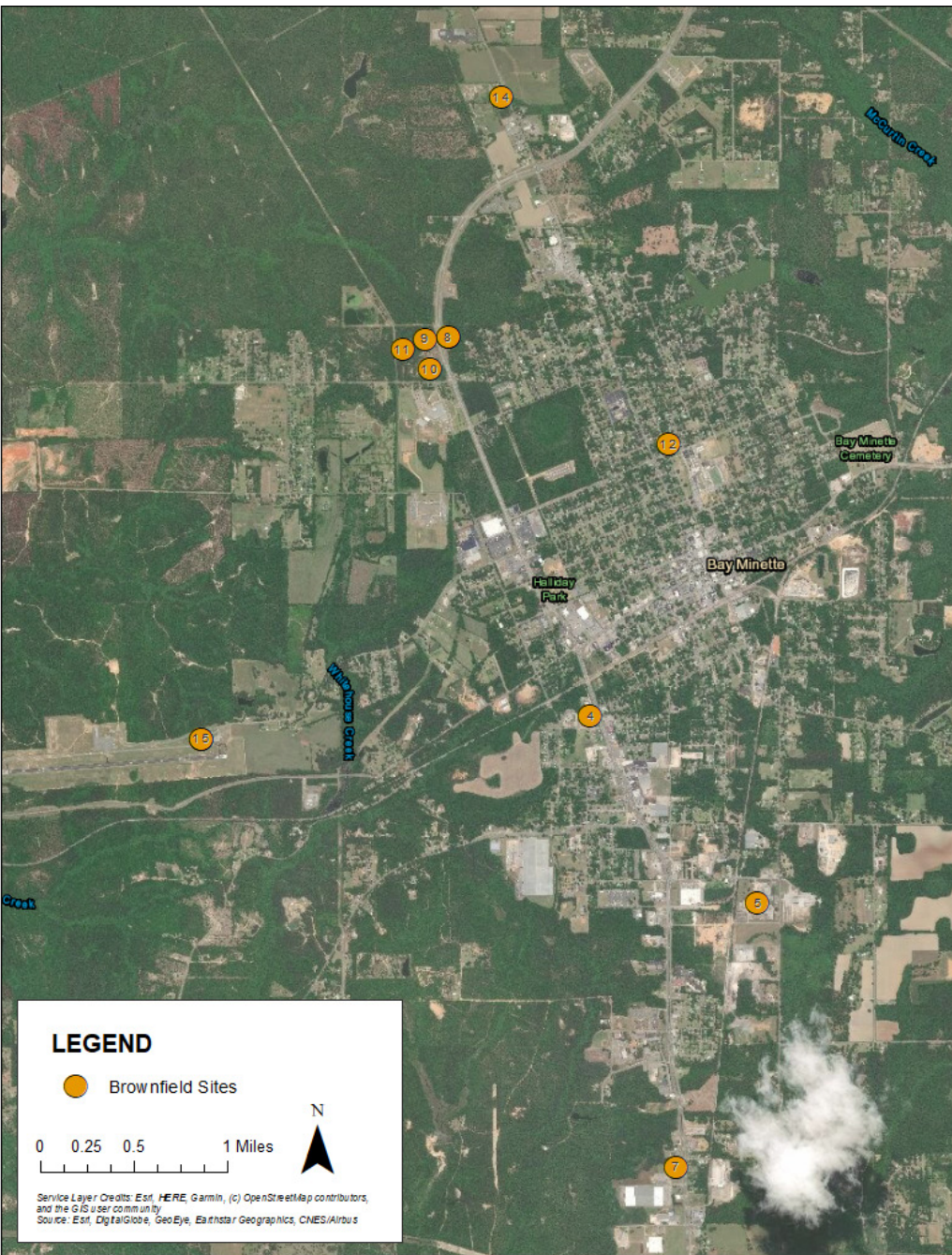
To pitch projects to Qualified Opportunity Funds or third-party fund managers, review the PowerPoint slide deck provided by Opportunity Alabama in **Appendix F**.

For more resources visit:

- [Alabama Department of Economic and Community Affairs](#)
- [Economic Innovation Group](#)
- [Local Initiatives Support Corporation](#)
- [Novogradac](#)
- [Opportunity Now](#)

## **BROWNFIELDS REDEVELOPMENT**

In 2017, the City of Bay Minette requested \$300,000 from the U.S. Environmental Protection Agency (EPA) to perform community-wide hazardous substance and petroleum assessments on brownfield sites throughout the city. According to the EPA, a brownfield is a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. The purpose of the brownfields assessment funding is to support the City of Bay Minette's long term vision to improve the current cycle of socioeconomic suppression and community disinvestment, and move towards a community that stimulates business development, job creation, and an expanded tax base. Fortunately, several brownfield sites located throughout the city have been assessed by PPM Consultants and can be eligible for additional funding to support the redevelopment of these sites. Utilizing federal and state dollars, the assessed sites that are approved for redevelopment can become new sites for housing, industry, cultural amenities, etc. Coupling these public dollars with private capital investment through the Opportunity Zones program and other state and local incentives will be crucial for the city in achieving its goals to spur economic development and revitalization at these sites and throughout north Baldwin County.



ID	PIN	OWNER	ADDRESS / LOCATION	VALUE	ACRE	OZ	BROWN-FIELD
0	378518	Slate And Stone LLC	708 HWY 31 S	\$90,000	10.0	NO	YES
1	378519	Dempsey, Hampton Eugene etal Dempsey, Ve	Highway 59 and Jaycee Rd	\$90,000	10.0	NO	YES
2	10580	Dempsey, Hampton Eugene etal Dempsey, Ve	Highway 59 and Jaycee Rd	\$54,800	10.0	NO	YES
3	47723	Young, Virginia Lee	46611 ST HWY 59	\$172,600	39.0	NO	NO
4	61953	Bay Minette Land Co	DOBSON AVE N	\$122,000	6.1	NO	NO
5	61945	Bay Minette Land Co	DOBSON AVE N	\$201,600	11.2	NO	NO
6	61936	Bay Minette Land Co	Tiger Drive and McCleans Ave	\$252,000	11.2	NO	NO
7	67848	McDill, L Vermelle etal Gibson, Maxine;	McCleans Ave and Mc-Millian Ave	\$455,000	13.0	YES	NO
8	20751	Stevens Automotive LC	US Hwy 51 and Stevens Parkway (East)	\$156,400	17.0	YES	NO
9	102327	Bay Minette Land Company	US Hwy 51 and Stevens Parkway (West, South)	\$135,200	12.4	NO	NO
10	42490	Thompson, Albert M Iii	US Hwy 51 and Stevens Parkway (West, North)	\$162,300	8.4	NO	NO

# ACTION STEPS

## 1. Partner with Opportunity Alabama

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**WHO:** City of Bay Minette, North Baldwin Chamber of Commerce, local financing institution(s)

**HOW:** Reach out to Opportunity Alabama to discuss partnership opportunities to support the creation of an investment prospectus and technical assistance workshops for community leaders to build awareness for the benefits of the Opportunity Zone program at the federal and state level.

**WHEN:** Q1 2020

## 2. Identify community assets and eligible investment opportunities

---

**WHO:** Opportunity Alabama, City of Bay Minette

**HOW:** Create an investment prospectus of the region to highlight socioeconomic data, physical and cultural assets, and investment opportunities for local, regional, and external investors.

**WHEN:** Q2 2020

### 3. Create Qualified Opportunity Fund (QOF)

---

**WHO:** City of Bay Minette, Opportunity Alabama, attorney, accountant

**HOW:** Determine the appropriate existing or new entity to manage the fund on behalf of local/regional investors. Working with an attorney and accountant, file the required documentation with the Internal Revenue Service to create a QOF.

**WHEN:** Q3 2020

### 4. Identify potential projects for the brownfield sites

---

**WHO:** City of Bay Minette, Opportunity Alabama, QOF manager, PPM Consultants

**HOW:** Partner with property owners and prospective developers to determine how the brownfield sites can be reutilized. Review the potential projects with PPM Consultants, Opportunity Alabama, and the QOF manager to ensure the reuse options are appropriate and investable opportunities through the Opportunity Zone program.

**WHEN:** Q3 2020

# WORKFORCE DEVELOPMENT AND TALENT INCENTIVES

## INTRO TO CONCEPT

For employers and local economies alike, talent is the new currency. In the global economy, communities seeking to spur economic development cannot fixate solely on industry relocation and expansion because companies need skilled labor; therefore, companies will go where they believe they can attract and retain talent. Place-based workforce development initiatives that serve the needs of both employers and job seekers are becoming increasingly important for communities to compete, grow, and thrive in the 21st century. Broad community engagement, proactive program development, and innovative incentives are essential for success in Bay Minette and throughout the Heartland.

In north Baldwin County, the following programs and initiatives should be considered:

- Bay Minette Forward
- Stay in the Bay Incentive

*“Cities exert a great deal of effort trying to replace the employers they have lost rather than evolving to attract new kinds of jobs and workers.”*

– W.E. Upjohn Institute for Employment Research

## **State and Regional Assets**

Although the following list is not conclusive, Bay Minette is fortunate to have many statewide and regional assets/resources contributing to the development and long-term sustainability of their workforce ecosystem, including:

### ***Coastal Alabama Community College (CACC):***

[CACC](#) is a public two-year institution, a member of the Alabama Community College System and governed by the Alabama Community College System Board of Trustees. The Alabama Community College System consists of twenty-three comprehensive community colleges, and technical colleges; Marion Military Institute; and the Alabama Technology Network, an extensive workforce development initiative. CACC is located in Baldwin, Monroe, Clarke, Choctaw, and Escambia Counties in south Alabama, has locations in Bay Minette, Atmore, the Academy at the Fairhope Airport, Brewton, Fairhope, Gulf Shores, Monroeville, Thomasville, Gilbertown, Jackson, the North Baldwin Center for Technology, the South Baldwin Center for Technology, and Fountain. The Bay Minette campus serves as CACC's regional administrative facility and is their largest campus in the system enrolling nearly 5,000 students annually.

### ***Baldwin County Public School System (BCPS):***

[BCPS](#) is an award-winning, accredited public school system serving more than 31,000 students across Baldwin County. In the Fall 2019, the \$17.4 million [Bay Minette Elementary School](#) opened its doors to students K-6th grade, featuring 49 "smart" classrooms, dedicated space for STEAM (Science, Technology, Engineering, Arts, and Mathematics) learning, a fully-equipped media center and more.

### ***Southwest Alabama Workforce Development Council (SAWDC):***

[SAWDC Alabama Works](#) is an employer-established and employer-led non-profit organization whose mission is to develop strategic partnerships which attract, educate and train students and workers to better meet employer needs and foster economic growth in a global marketplace. One of the premier workforce development coalitions in the southeastern United States, SAWDC is comprised of over 40 business leaders, 6 community college presidents, 12 school system superintendents supported by a full-time staff of professionals working together to ensure a steady supply of qualified workers. The organization focuses on four key industry clusters for recruiting and training including aerospace, advanced manufacturing, maritime, healthcare, and other related industries.

### ***Alabama Career Centers:***

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Alabama's network of ["one-stop centers"](#) and satellites are strategically located throughout the state. Job development, occupational and educational training, vocational rehabilitation, veterans' services and unemployment insurance information are offered. Employers work with local centers to locate employees with specific skills, and the goal is to consolidate the delivery of services at a single location. Many centers are electronically linked with partner agencies, such as the Alabama Department of Commerce, Human Resources, Rehabilitation Services, and Education, two-year colleges, and others. Two career centers are located in Baldwin County including the: [Bay Minette Career Center](#) and Foley Career Center.

### ***Alabama Industrial Development Training (AIDT):***

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[AIDT](#) was established to build a healthy state economy by recruiting and training a skilled workforce to attract new industries to the state and to expand existing industries. Job-specific pre-employment and on-the-job training programs are provided. AIDT offers a full range of customized technical training and leadership development programs at no cost to employers and trainees. In addition to training, AIDT offers services such as trainee recruitment and screening, safety assistance, industrial maintenance assessments and continuous improvement/ process improvement assessments. Training is conducted by AIDT staff or contracted instructors and delivered through classrooms or Mobile Training Units (MTUs) that go directly to the employer site and provide classroom and hands-on training customized to meet specific industry needs.

### ***Apprenticeship Alabama:***

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In January 2017, the Alabama Department of Commerce officially launched [Apprenticeship Alabama](#), a program committed to ensuring employers in Alabama have the tools needed to develop an industry-driven, Registered Apprenticeship (RA) program. The program offers [tax credits](#) to companies that hire qualified apprentices who receive classroom or industry-specific instruction and on-the-job training. For workers, RAs offer opportunities to earn a salary while learning the skill trade necessary to succeed in high-demand careers. Apprenticeship Alabama follows the U.S. Department of Labor guidelines for apprenticeships and focuses on five industry sectors targeted in the state's strategic plan for growth, Accelerate Alabama, including: healthcare, construction/carpentry, information technology, distribution/transportation/logistics, and advanced manufacturing/ industrial maintenance. As of November 2019, there were no RA programs in Bay Minette.



## BAY MINETTE FORWARD

By embracing a holistic approach to economic and community development, north Baldwin County can and will attract and retain the next generation of workforce. In order to do this, it is important to first take into account what talented candidates consider when it comes to a new job opportunity and location decisions.

<b>Top Factors: Considering a New Job Opportunity</b>	
Salary	8.7
Work-life balance	8.4
Company benefits	8.4
Advancement opportunities	8.0
Meaningful or innovative work	7.9
<b>Location of new opportunity</b>	<b>7.8</b>
Company culture	7.6

1 = Not important, 10 = Very important

<b>Top Factors: Location Decisions</b>	
<b>Cost of living</b>	<b>8.4</b>
<b>Housing cost</b>	<b>8.2</b>
<b>Housing availability</b>	<b>8.0</b>
Healthcare	7.9
Job opportunity for spouse/partner	7.1
Climate	7.0
Proximity to family	7.0
<b>Alternative job opportunities in new location</b>	<b>6.8</b>
Proximity to friends and others in same demographic/age	6.5
<b>Outdoor recreational amenities</b>	<b>6.5</b>
<b>Quality of K-12 education</b>	<b>6.2</b>
<b>Arts/cultural amenities</b>	<b>6.0</b>
<b>Post-secondary educational opportunities</b>	<b>5.7</b>

1 = Not important, 10 = Very important

To capitalize on this potential for talent attraction, north Baldwin County should form a partnership team to launch Bay Minette Forward. At a minimum, this team should include representatives from:

- City of Bay Minette
- Baldwin County
- Baldwin County Economic Development Alliance
- Coastal Alabama Community College
- Baldwin County Public School System
- South Alabama Workforce Development Council
- Alabama Career Center
- Local businesses (at least 5 - small, medium, and large)
- Etc.

The purpose of Bay Minette Forward is to assess and enhance the local workforce system in the region then identify and implement strategies to better promote the economic opportunities and quality of life in the region. This initiative also provides an opportunity for cross-sector partners to meet regularly and collaborate more effectively to strengthen the economic and workforce development efforts in north Baldwin County. This strategic partnership will prove to be an invaluable resource to local employers and job seekers and will also enhance industry expansion and recruitment efforts for regional economic development firms.

**To address workforce sustainability, the partnership team should consider the following questions:**

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- How has our population grown and changed?
- How has our economy and workforce changed?
- What issues are our employers facing today in terms of workforce availability?
- What economic development can we expect in the next decade?
- Are we developing sufficient talent to meet demand?
- Are we utilizing all of the workforce programs and resources at our disposal (e.g., pre-apprenticeship, registered apprenticeship, work-based learning, federal and state funding, tax credits, etc.)?
- How are we promoting our community and region to both internal and external audiences?

Most rural communities have two major challenges: human capital and perception. Bay Minette Forward will address both of these challenges through a strategic marketing campaign and incentive program to attract and retain talent and fill the available jobs (and future openings) in high-growth sectors. To do this effectively, it is important to formulate our message for both an internal audience (e.g., current residents, company recruiters, “influencers” in the relocation process such as real estate agents, local businesses and educators, students attending local and regional colleges and universities, and private and public leaders) and an external audience (e.g., prospective “boomerangs” who previously lived in the region but moved away, prospective talent in target markets and target industries, etc.).

*It is less important to communicate all points and more important that Bay Minette communicates its most important points well.*

Presented below is an example of a Bay Minette Forward advertisement.



Several marketing tactics can and should be deployed such as:

### **Bay Minette Talent Training Day**

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- Engage local employers and influencers in a “talent training day”
- Provide regular updates to existing and new groups
- Incorporate Bay Minette Forward (aka “why Bay Minette”) key messages on company websites

### **Collateral**

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- Focus on creating digital content
- Capitalize on existing collateral
- Print selectively:
  - » “A Perfect Day in Bay Minette” (or north Baldwin County)
  - » Launch your career in Bay Minette
  - » Make your dream home a reality in Bay Minette

### **Website**

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- Create a digital gateway for Bay Minette jobs, employers, relocation and lifestyle information
  - » This can include an area map, geotargeted content, jobs portal, blog, success stories, real estate, events calendar, form submissions, gallery, etc.
- Provide links to relevant websites and social media accounts

### **Ambassadors Program**

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- Connect employers, working professionals, and other influencers with high school and community college students
  - » In some cases, local community college students can be ambassadors for transient students and external talent
- Leverage ambassadors for content creation, especially on social media networks
- Host ambassador gatherings with new and future students, residents

### **Social Media**

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- Leverage local influencers (e.g., local college and high school students, working professionals, local businesses, etc.)
- Stay consistent by posting interesting content regularly
- Collaborate with local and regional partners

### **Tell Your Story**

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- Promote Bay Minette via digital advertising
- Be proactive with outreach to local and national media
- Pitch attractive storylines to use the press to change perceptions

Using one, some, or all of these strategies will payoff huge dividends for talent attraction and retention, but more importantly, these tactics – if implemented effectively – will develop an enticing narrative for Bay Minette and north Baldwin County, building an even stronger foundation for economic development in the months and years to come.

## STAY IN THE BAY INCENTIVE

In addition to Bay Minette Forward, the city should launch a cooperative effort in the Stay in the Bay Incentive (SBI) program. The purpose of SBI is to not only incentivize talent with specific skills and expertise to move to Bay Minette, but also to remain in north Baldwin County long-term to support the growth of industry, increase local tax revenue, and contribute socially and culturally to the community. There are a variety of ways Bay Minette can lure working professionals to the area, but with a large community college based in the area, even more focus should be placed on immediate talent retention so long as the CACC graduates are meeting real time needs of industry. SBI can target a specific type(s) of working professional (e.g. soft and hard skills or trade) or can open up the incentive to include a wider net of people willing to move to the region. Regardless of who is recruited and why, there are a number of ways to encourage these individuals to move to or stay in the area including:

- Student debt forgiveness
- Housing assistance (e.g. monthly stipend)
- Relocation expenses
- Office space
- Etc.

The type of incentive(s) offered and the amount allocated per person will vary based on the number of participants, type of working professional and funding availability, among other things. For the purpose of SBI, the consultant team recommends the following model to be adopted and customized based on industry needs and risk tolerance.

### **SBI should offer:**

- Up to \$7,500 in student debt forgiveness; and
- Up to \$200 in monthly housing assistance (e.g. for rent or mortgage).

The student debt forgiveness should be paid in thirds at a rate of \$2,500 each year the individual is employed at a participating organization. The monthly housing assistance should be provided to each participant for up to 36 months so long as they continue to live and work in the community. If a participant does not have student debt, this money can be used for additional housing assistance or relocation expenses.

In 2021, SBI should publish an application for qualified working professionals and approve five of them to receive the incentive offerings for up to three years. Beginning in 2022, SBI should recruit five new participants each year using a revolving fund model. After year three, the incentive will expire for each participant.

## BUDGET SNAPSHOT

Year	# of Participants*	Student Debt Forgiveness	Housing Assistance	Total
2022	5	\$12,500	\$12,000	\$24,500
2023	10	\$25,000	\$24,000	\$49,000
2024	15	\$37,500	\$36,000	\$73,500

*\*This category reflects the number of participants receiving the incentive offerings each year SBI is offered. Each year, SBI will provide incentives to five new participants.*

### How is SBI funded?

Talent incentive programs can be funded in a variety of ways. Based on an assessment of industry needs and community engagement, SBI should be collaboratively funded by at least 20 participating employers, the City of Bay Minette, Baldwin County, North Baldwin Chamber of Commerce, Baldwin County Economic Development Alliance, Coastal Alabama Community College, and Baldwin County Public Schools. This, however, can and likely will change as local/regional needs evolve and partnerships develop. For the purpose of the proposed financial model, each of the aforementioned organizations should contribute at least \$3,500 per year and each employer should contribute at least \$2,500 per year. These contributions will allow Bay Minette to support five new people every year and will expand the workforce pipeline for targeted industry sectors. While not every contributing business will hire each year, pooling resources will – in the long run – result in cost savings for each employer recruiting employees on their own timeline. In fact, each business would only have to tap into SBI every 5.5 years to see a one-for-one return on investment.

The businesses can also benefit from the program if it is administered by a single entity such as the North Baldwin Chamber of Commerce or Baldwin County Economic Development Alliance. This will reduce the amount of overhead each organization needs to commit to SBI and ensure all 20 participating businesses reap the benefits of the program, including a skilled workforce that will likely bring with them families, creating a multiplier effect across the regional economy. The administering organization should have fiscal management responsibility for SBI, ensure that all businesses have a chance to tap into the talent incentive as needed, and continue to recruit local employers so the incentive program's revolving fund can continue to grow and recruit/retain more talent in Bay Minette.

In the initial years of the program, there might not be five participants taking advantage of the incentives. Regardless of this, it is important to utilize a portion of the revolving fund for administration and marketing of the program. It will take time to grow awareness about the program, but recent press indicates talent incentive programs are becoming more and more sought after by young talent. Ideally, SBI will sunset at a time to be determined by the organizing entity based on local employers' ability to fill jobs and retain talent in the region.

## Why should Bay Minette consider offering talent incentives?

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Rural communities are more susceptible to declining populations compared to their urban counterparts. Typically, people abandon rural communities because they lack big city amenities and quality of life offerings. But urban areas are expensive and crowded, and many people who move to urban places are willing to move back to rural communities given the right circumstances. Sometimes people who come from small communities just want to experience life in a big city but don't necessarily want to live there for the rest of their lives. Offering an enticing incentive package to these types of people will play a major role when making their decision to move or stay put. Not only will this support the needs of local employers, SBI will also help increase local tax revenue and create (potentially) nationally recognized buzz around an innovative talent incentive program.

### Remote Shoals

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In June 2019, the Shoals Chamber of Commerce and the Shoals Economic Development Authority (SEDA) implemented Remote Shoals – a remote worker incentive program designed to bring remote tech workers to the cities of Florence, Muscle Shoals, Tuscumbia, and Sheffield located in northwest Alabama.

#### Benefits

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- » \$10,000 cash
- » Low cost of living
- » Welcoming community
- » Creative culture

#### Eligibility

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- » Minimum annual income: \$52,000
- » Able to move to the Shoals within 6 mos.
- » Full-time remote employment or self-employed outside of Colbert and Lauderdale counties
- » 18+ and eligible to work in the U.S.

### Examples

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- [Remote Shoals](#) (Alabama)
- [Remote Worker Grant Program](#) (Vermont)
- [Tulsa Remote](#) (Oklahoma)
- [Choose Topeka](#) (Kansas)
- [Newton Housing Initiative](#) (Iowa)