CITY OF BIRMINGHAM
The Opportunity Zone Guide

DRAFT

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With support of

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THIS IS BHM

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Surprised? So was the New York Times. And the Wall Street Journal. And Barron’s.

But after you’re done reading this Guide, you won’t be.

The Birmingham you’re about to encounter is an economic powerhouse that constitutes 31% of Alabama’s GDP, 20% of statewide new job announcements and 25% of statewide capital investment.

We’re one of America’s most livable cities, with a live-work-play downtown that has seen over $2 billion in private investment over the last three years.

We have a world-class, James Beard award-winning culinary scene.

Oh – and we have more green space per capita than any other city in the nation.

There is opportunity in Birmingham. Will you be here to seize it?
Using a community asset-based model, Birmingham secured 24 Opportunity Zones that touch 77 of our 99 neighborhoods. From the moment Opportunity Zones were announced in the 2017 Tax Cuts and Jobs Act, the Woodfin Administration convened a coalition that combined neighborhood-level expertise and the voices of small business owners with the perspectives of real estate developers and the logic of investors. Together, we co-created a proposal for Governor Ivey to prioritize Birmingham’s Opportunity Zones, balancing poverty and need with community and economic development assets that could absorb capital: commercial business districts, post-secondary education institutions, incubators, accelerators & co-working spaces, city-owned assets, bus rapid transit lines and foreign trade zones. Our fundamental, public-private approach obtained 28 letters of support from the community and it has made investing in Birmingham’s Opportunity Zones a compelling prospect.
BIRMINGHAM INCLUSIVE GROWTH PARTNERSHIP  
PRIVATELY-LED, CITY-INSPIRED, COMMUNITY-FOCUSED

The BIG Partnership is focused on identifying and funding Opportunity Zone projects that enhance the quality of life for our residents by offering goods and services that are needed in our community, including housing, healthcare, food, education and transportation. Projects that foster equitable community and economic development, through quality job creation, financial inclusion and innovation will be prioritized.

The City of Birmingham sits at the perfect nexus to drive alignment across the private, civic, academic and public sectors. Alongside neighborhood leadership and with investor expertise, the partnership will facilitate catalytic developments, identify transformational projects and mitigate the distance between developers and residents that occurs when neighborhoods are gentrified.

THE INNOVATIVE PUBLIC-PRIVATE PARTNERSHIP WAS FORMED TO LEVERAGE OUR 24 ZONES, WITH THE GOAL TO (1) ENHANCE THE QUALITY OF LIFE OF OUR RESIDENTS AND (2) PRODUCE TANGIBLE RETURNS TO INVESTORS

PRIVATELY-LED  
The linchpin of the partnership is the BIG Fund. It is managed by a Public Benefit Corporation; privately led by a world-class Investment Board (IB) of experienced institutional investors and Opportunity Zone experts who love Birmingham. The IB will leverage its expertise and network to help market Birmingham’s Opportunity Zone project.

CITY-INSPIRED  
The City of Birmingham is uniquely positioned to convene key stakeholders and facilitate the relationships between the private, philanthropic, academic and civic sectors, as well as neighborhood leadership. Through a constellation of resources, the City also brings a competitive advantage to investors to accelerate projects.

COMMUNITY-FOCUSED  
Our Community Investment Board promotes inclusive growth for all community residents. Made up of local civic leaders, this Board ensures that the community’s needs and priorities are addressed, identifies projects and safeguards our neighborhoods’ cultural heritage by bringing resident voices to the table.

LEARN MORE AT WWW.BIRMINGHAMOZ.ORG
WHY COMMIT TO BIRMINGHAM?

Our Opportunity Zones

- BHM is one of the largest urban airports wholly within an OZ – with 440 acres of land poised for development.
- All of downtown – including UAB, the Innovation District, and the new stadium – is included in the OZ.
- Our Civil Rights District is a National Monument and a UNESCO World Heritage Site, drawing tens of thousands of visitors per year.

Your Competitive Advantage

- Construction costs are 86% of the national average.
- The average price of rent per square foot is $19 compared to $32 nationwide.
- The median income of a software developer in Birmingham is ~80% of NY, SF, Boston

It has momentum

- Birmingham was designated as both a “Smart City” and a “Rise of the Rest City” in 2018.
- Birmingham and The Brookings Institute just announced a multi-year collaboration to drive innovation and economic growth.
- The World Games are coming to Birmingham in 2021 – and bringing $250 million in economic impact along with them.
- The Central Business District has seen almost $1.6 billion in private investment over the last 3 years.
It’s young and vibrant

- 7th among 150 largest US metros for percent increase in millennial residents (ages 25-34).
- 20,000 prospective employees graduate annually from Birmingham’s 20 regional colleges and universities.
- Named best city in the country for millennial entrepreneurs by Thumbtack.

It’s got incredible quality of life

- According to Forbes, a dollar stretches further in Birmingham than it does in any other metro area in the U.S.
- Red Rock Trail System, once complete, will give Birmingham more green space per capita than any other city in the country – all of which will be accessible via the world’s first electric assist bike share system.
- Birmingham is the “hottest small food city in America,” according to Andrew Zimmern – and the James Beard Foundation agrees.

It has a thriving entrepreneurial ecosystem

- INC. thinks it’s a great place to start a business.
- Birmingham is home to the Southeast’s largest tech incubator – Innovation Depot – whose 100+ startups have created over $1.6 billion in local economic impact.
- Birmingham was named a TechHire city, posting the second fastest IT job growth in the country as a percentage of its IT workforce.

It’s well-connected regionally and nationally

- 114 daily flights to 18 cities. Click here for a map of daily nonstops.
- 80% of US population is accessible within a two day drive.
- It is served by 5 interstates and 3 Class One railroads, and Port Birmingham offers accessibility to global customers via the Gulf of Mexico.
WHAT DRIVES BIRMINGHAM’S ECONOMY?

Healthcare and Biotechnology

- 21 hospitals that collectively care for over 1 million patients per day.
- Highest per-capita concentration of healthcare jobs nationwide.
- 1,550 active clinical trials and over 60 bioscience startups.
- Top 25 City for NIH Funding in the nation, 4th among peer cities (thanks to UAB and Southern Research).

Largest Healthcare Employers:
- UAB (23,000)*
- St. Vincent’s Health System (5,100)
- Children’s of Alabama (5,000)
- Brookwood Baptist Health (4,459)
- Grandview Medical Center (2,172)

Largest Biotechnology Employers:
- UAB (23,000)*
- Laboratory Corporation of America (450)
- Southern Research (383)
- STERIS Corporation (300)
- Oxford Pharmaceuticals (200)
- Evonik Industries (200)
Advanced Manufacturing

- Birmingham has 18,000 skilled automotive workers – twice the US national average – and 20,000 skilled metals and machinery workers.
- Three OEMS - Mercedes-Benz, Honda, and Autocar - produce over 600,000 cars and trucks annually just outside Birmingham.
- The “Pittsburgh of the South” is still home to dozens of metal fabricators, including one of largest ductile iron pipe manufacturers in the world (ACIPCO).

Largest Employers:
- Honda Manufacturing (4,500)
- Mercedes Benz International (3,600)
- Alabama Cast Iron Pipe Company (1,400)

Information Technology

- Fastest city in the nation to fill tech-based engineering jobs.
- Strong startup scene has created more than 2,200 jobs and $200 million in capital investment.
- Largest home-grown startup (Shipt – acquired for $550 million by Target) is keeping headquarters downtown and creating hundreds of new jobs.
- 16% more affordable on average than the top 100 metros in tech talent.
- 52% increase in software developers since 2010.
- 4th largest number of current fellows out of 14 Venture for America (VFA) Cities.
- Over $1 billion in tech exits in 2018.

Largest Employers:
- DST Solutions (693)
- FIS Global (668)
- McLeod Software (380)

Finance & Insurance

- 12th largest banking center in the nation (3rd in Southeast),
- Over 2,000 finance and insurance companies
- Two Fortune 500 banks (Regions and BBVA Compass) headquartered downtown

Largest Employers:
- Regions Financial (9,000)
- Blue Cross-Blue Shield (3,100)
- BBVA Compass (2,285)
- Cadence (383)
WHAT’S HAPPENING IN BIRMINGHAM?

MANUFACTURING & LOGISTICS

Over 4,900 MFG/Logistics jobs have been announced in the last two years, including those listed below with $1.3 billion of capital investment

- Amazon opens a mega-fulfillment center (2 m sq. ft. creating 1500 jobs and adding $123 million to Jefferson County’s GDP).
- Autocar opens a manufacturing plant (creating 750 new jobs and $640 million in economic impact).
- Mercedes Benz announces its Global Logistics Center just down the road.
- Various suppliers (including Grupo Antolin, SAS Automotive, MollerTech, and Kamtek) announce almost 1,000 new jobs.

PUBLIC INFRASTRUCTURE

- Birmingham announced a new $175 million stadium in the heart of its Entertainment District.
- Department of Transportation awarded Birmingham a TIGER grant to build a state-of-the-art $40 million bus rapid transit corridor.
- Birmingham won the 2018 Smart Cities Readiness Challenge on the strength of its transformation plan - including ShotSpotter crime prevention technology and a City-wide open data portal.
- Birmingham is getting $475 million worth of bridges through downtown over the next year.
EDUCATION

- Birmingham is named second city in US (behind Chicago) to roll out Apple’s Everyone Can Code program district-wide.
- UAB named #1 Young University in US & #10 worldwide.
- UAB announces record-breaking enrollment in 2018 (20,902).

CULTURAL

- Birmingham will host the **2021 World Games** - the quadrennial international event for all non-Olympic sports - with over 500,000 attendees generating over **$250 million** in economic impact.
- The epicenter of Birmingham’s Civil Rights Movement - centered around 16th Street Baptist Church - is now a National Monument
- Southern Living opens national test kitchen in Birmingham.
- **Food & Wine Magazine moves from New York to Birmingham.**

HEALTHCARE & RESEARCH

- $561M in UAB research expenditures, predominately biotech and health-related.
- 64,000+ local jobs supported by research.
- Healthcare & research generates $7.15 billion in local economic impact.
- 18 services at Children’s Hospital and UAB ranked among the best in the nation by US News.
Birmingham’s Startup Scene

National commentators – like Inc - have recognized Birmingham as a great place to start a business. The low cost of living, combined with Innovation Depot and strong industry clusters in healthcare, tech, and manufacturing, gives Birmingham the perfect foundation on which to build a thriving entrepreneurial ecosystem.

Birmingham was named a Tech-Hire city, posting the second fastest IT job growth in the country as a percentage of its IT workforce. Out of this designation emerged Innovate Birmingham, a workforce training program preparing almost a thousand students for high-demand, high-wage IT jobs.

Shipt – local app-based mobile delivery service – acquired by Target for $550 million. It committed to creating almost 1,000 new jobs and keeping headquarters downtown, and is rapidly expanding.

Several major local businesses came together with Charles Barkley to create the Alabama Futures Fund, a $25 million VC fund specifically designed to bring new companies to Alabama.

Birmingham startups have raised over $1.3 billion in seed through Series B funding from dozens of investment groups regionally and nationally over the last few years.

Venture for America doubled its Birmingham presence. Today, there are 30 fellows working at 25 companies.
The Innovation Depot

The Depot is the largest tech incubator in the Southeast. In 2017 alone, the Depot’s 112 companies created over 1,000 jobs, had over $150 million in gross sales, and raised almost $60 million – all creating an economic impact of almost $1.6 billion in the greater Birmingham area. The Depot is more than just an incubator – it offers an acclaimed accelerator program, a co-working program, and a tech training program through local partners. It anchors Birmingham’s startup ecosystem and will be the driver of its continued growth.

WHAT THEY’RE SAYING NATIONALLY

- Inc. Birmingham is one of the 50 best places to start a business
- Barron’s Added Birmingham to Tech’s List of Hubs
- Forbes Birmingham’s Bid to Become the Southern Silicon Valley
- OZY Birmingham is becoming a startup mecca.
- Rise of the Rest City Designation
Spotlight on Our Innovators

Access to Capital

The Alabama Capital Network bridges the funding gap faced by Alabama companies in the early growth phase of business. ACN supports Alabama’s most promising innovators through its member network of entrepreneurs, investors, advisors, service providers, and some of the largest and most successful corporations in the Southeast. In addition to growth capital, ACN members offer support through mentorship and valuable connections.

Advanced Manufacturing

Hardware Park is a hands on community of engineers, innovative problem-solvers, and manufacturers who work together to create and empower positive change in the Downtown West Opportunity Zone. It provides over 140,000 square feet of space, equipment, and resources for new businesses to create new processes and engineer Birmingham’s next generation of businesses. It has the capacity and team to host and develop everything from robotics to hardware to software development, all with the chief goal of building a better future for Birmingham and the rest of the world.

Social Innovation

Jones Valley Teaching Farm is vibrant, student-centered Teaching Farm program located on 7 school campuses across Birmingham. Jones Valley uses the power of growing food to transform and improve a young person’s pre-K-12 educational experience. The hands-on food education model connects students to food, farming, and the culinary arts through standards-based, cross-curricular lessons during the school day. The farm provides an environment where young people can learn, create, explore, and grow a healthy future for themselves and their community. Since its launch, Jones Valley has engaged with +4,600 students, providing 1,000 lessons a year, 1910 student internship hours for course credit, 35,000 seeds sown and 380 varieties of fruits and vegetables grown.
A SAMPLING OF ACCOLADES

WALL STREET JOURNAL
Top 10 Cities with Fastest Growing Incomes

smartasset™
One of Top 10 Fastest-Growing Incomes

glassdoor®
Best Cities for Jobs #13 Nationally

trulia
Cities Where Your Paycheck Goes a Long Way #1 Nationally

U.S. NEWS
Named a Top 10 City Where Gig Workers Can Flourish

lendingtree
Best Cities for First-Time Homebuyers

Forbes
One of Top 10 Cities for Employee Engagement

ZAGAT
30 Most Exciting Food Cities of 2017 (3 years in a row)

The Washington Post
One of Best Alternative Vacation Destinations in US – Washington Post

Outside
Top 25 cities in U.S. for overall quality of life

CONDE NAST
One of 18 Most Underrated Cities in US

The New York Times
One of Top 52 Places to Visit in 2017 – New York Times
MEET THE ECOSYSTEM

Below are a few examples of the kinds of companies Birmingham’s startup ecosystem produces each year.

**SHIPT**
- **Founder/CEO:** Bill Smith
- **Year founded:** 2014
- **Funding:** Acquired by Target for $550M
- **About:** Shipt is an app-based same-day grocery delivery service.

**FLEETIO**
- **Founder/CEO:** Tony Summerville
- **Year founded:** 2012
- **Funding:** Raised $750k Seed Round
- **About:** Fleetio is a Software as a Service (SaaS) company that helps organizations track, analyze and improve their fleet operations.

**ATLAS RFID**
- **Founder/CEO:** Robert Fuqua
- **Year founded:** 2007
- **Funding:** Raised $10M in funding from Kanye Partners, an LA-based VC fund
- **About:** Atlas RFID Solutions provides mobile technology automation solutions for industry construction firms and employs over 125 workers in downtown Birmingham.

**HOSPICELINK**
- **Founder/CEO:** Chad Trull
- **Year founded:** 2011
- **Funding:** Acquired by StateServ Holdings
- **About:** Hospicelink is a hospice-focused DME benefit manager (DBM) that uses DME technology, network distribution, spend analytics, and an expert consulting team.

**PACKHEALTH**
- **Founder/CEO:** Mazi Rasulnia
- **Year founded:** 2014
- **Funding:** $6M (Angels and Strategics)
- **About:** Pack Health is a digital health coaching company that integrates evidence-based content, metrics, and devices to deliver highly personalized, human-to-human support.

**THERANEST**
- **Founder/CEO:** Shegun Otulana
- **Year founded:** 2013
- **Funding:** Private Equity Investment
- **About:** TheraNest produces software allowing behavioral health providers of any size to seamlessly manage all aspects of their practice.
TICKETBISCUIT

Founder/CEO: Jeff Gale
Year founded: 2001
Funding: Acquired by Etix
About: TicketBiscuit is a ticketing company that provides a proprietary, Web-based event management system to help small and midsize entertainment venues sell their own tickets online.

ICEBOX COFFEE

Founder/CEO: Bebe Goodrich
Year founded: 2012
Funding: Acquired by Royal Cup
About: Icebox Coffee makes a New Orleans-style line of cold-brew coffees available in ready-to-drink and concentrated forms.

MIXTROZ

Founder/CEO: Ashlee Ammons and Kerry Schrader
Year founded: 2014
Funding: Raised $1M in Seed Funding
About: Mixtroz is an app that helps people connect and engage at networking events by matching attendees.

INFLCR

Founder/CEO: Jim Cavale
Year founded: 2017
Funding: Raised $1M in Seed Funding
About: INFLCR is a software company that helps sports teams, leagues, and athletes store and track the audience performance of their content assets.

STRATEGYWISE

Founder/CEO: Josh Jones
Year founded: 2013
Funding: Raised $1M in Seed Funding
About: StrategyWise helps companies and governmental entities create value by capturing, analyzing, and applying data insights to drive policy formation, business process improvement, and game-changing innovation.

WYNDY

Founder/CEO: Tommy Mayfield
Year founded: 2017
Funding: Raised $1M in Seed Funding
About: Wyndy is a app-based solution that streamlines the process of finding, booking and paying a college-student as a babysitter.
Birmingham & its Opportunity Zones

What follows are the highlights of our eight Opportunity Zone communities, each with its own unique potential. Visit [www.imaginebham.com](http://www.imaginebham.com) to get the full introduction - and read on to find out where you can invest!

What are Opportunity Zones?

Opportunity Zones are a tax incentive that came from the Tax Cuts and Jobs Act of 2017. Partnerships, corporations, and individuals that re-invest capital gains in Opportunity Zones get three big benefits:

- Tax deferral on gains rolled into an Opportunity Fund (until 2026 at the latest)
- Tax reduction (of up to 15%) on gains rolled into an Opportunity Fund
- No tax on the appreciation of an investment in an Opportunity Fund if that investment is held for 10 years or longer

Investors can invest in anything from real estate projects and site development to startups and manufacturing companies. For more information about how the program works, visit [www.opportunityalabama.com/resources](http://www.opportunityalabama.com/resources).
Downtown: With $1.6 billion in construction activity since 2015, hundreds of net new businesses created, the lowest median age in all of Birmingham and key anchors like Railroad Park, UAB, and Innovation Depot, Downtown Birmingham is the engine driving growth in Birmingham.

Downtown East: Home to Birmingham’s brewery cluster, these Opportunity Zones incorporate some of the trendier spots in Birmingham and young people are flocking to the new live-work-play environment that has been created here over the last five years.

Downtown West: A primarily residential area with substantial housing stock in need of renovation, Downtown West is a short walk or bike ride away downtown locales like the Innovation District, Parkside, and UAB - and from DC Blox’s recent announcement of a flagship data center to the Blazer Home initiative, Downtown West is poised for rapid growth in the next decade.

North Birmingham: This neighborhood is an advanced manufacturing powerhouse with one of the largest concentration of employees anywhere outside of downtown and is internationally recognized for its role in the civil rights and environmental justice movements.

Eastlake: This primarily residential Opportunity Zone boasts its own central business district and hundreds of acres of potentially developable land controlled by the Birmingham Airport Authority - with patient capital, there is tremendous potential for long-term business and residential growth.

West Birmingham: Home of Birmingham Southern College, historic Ensley, and the Crossplex (a national destination for indoor sports from track to swimming and home of the 2021 World Games), West Birmingham has ample commercial and residential growth opportunities.

East Birmingham / Airport: Birmingham boasts one of the few airports in the Southeast that is entirely included within an Opportunity Zone, and - with ample development sites for logistics facilities, office space, hotels and new housing stock, most of which are controlled by the Birmingham Airport Authority - East Birmingham is poised for long-term growth.

Woodlawn / Crestwood: Thanks to the Woodlawn Foundation, REV Birmingham’s SocialVenture, and the hard work of local residents, historic Woodlawn’s beautiful, historic neighborhood commercial district is coming back to life - and with new residents pouring into Crestwood (where one of Birmingham’s largest shopping malls sits vacant), commercial redevelopment opportunities abound.
THE BIRMINGHAM INVESTMENT PIPELINE

If you want to become a part of Birmingham’s future, we’ve found some opportunities for you. But because we want you to always have the latest, we’re hosting our pipeline on The Opportunity Exchange - the nation’s leading portal for impactful, community-oriented Opportunity Zone projects.

To see the latest, visit http://bit.ly/bhmpipeline
For General Questions

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