

# COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

CEDS Mission:

*“To serve as a catalyst for regional leadership,  
cooperation, and sustainability for Blount, Chilton,  
Jefferson, Shelby, St. Clair, and Walker Counties in 1009*

2018  
ANNUAL  
UPDATE

**THE REGIONAL PLANNING COMMISSION OF  
GREATER BIRMINGHAM**

**COMPREHENSIVE ECONOMIC DEVELOPMENT  
STRATEGY UPDATE  
2018**

This document is posted at:

<http://www.rpcgb.org/economic-development/comprehensive-economic-development-strategy>

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## I. THE CENTRAL ALABAMA REGION: A YEAR IN REVIEW

The Economic Development District (EDD) staff at the Regional Planning Commission of Greater Birmingham (RPCGB) continues to work towards the goals outlined in the 2017 Comprehensive Economic Development Strategy (CEDS). This annual update summarizes the progress our region, which includes Blount, Chilton, Jefferson, Shelby, St. Clair, and Walker Counties in Central Alabama, has made towards combatting area challenges and fulfilling regional needs. The entire CEDS document can be found on the RPCGB [website](http://www.rpcgb.org/economic-development/comprehensive-economic-development-strategy) (<http://www.rpcgb.org/economic-development/comprehensive-economic-development-strategy>).

### EMPLOYMENT & GROWTH TRENDS: 2017-2018

Alabama's unemployment rate was 4.0% in August 2018, down from 4.1% in August 2017 and hitting a record low in February 2018 with a rate of 3.7%.<sup>1</sup> Similarly, the unemployment rate in the Birmingham-Hoover Metropolitan Area has also continued to decrease, from 3.8% in August 2017 to 3.7% in August 2018.<sup>2</sup> A reflection of this unemployment reduction is shown in the region's labor force, increasing by over 12,000 workers in August 2018, and a total labor force of over 544,300, a record-breaking indicator for the area.<sup>3</sup> The main employment sectors laid out in the CEDS, including manufacturing, healthcare, and technology, have all experienced growth except for construction. This sector has decreased marginally within the Birmingham-Hoover Metropolitan Area and statewide by 1.2 percent points in the last year.

Regarding the EDD six-county service area, all counties within the region have experienced lower unemployment rates since July 2017. Most notably, however, is Walker County, which currently has a 4.5% unemployment rate compared to 5.0% last summer. The weekly wage gap divides the counties in the region. Jefferson and Shelby counties placed in the top half of the national ranking of largest counties with the highest average weekly wages, averaging \$1,008 and \$948 respectively, compared to the national mean of \$1,020. Blount, Chilton, St. Clair, and Walker counties all averaged \$699 or less.<sup>4</sup>

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<sup>1</sup> <https://www.bls.gov/web/laus/lauhsthl.htm>

<sup>2</sup> <https://www.bls.gov/web/laus/lauhsthl.htm>

<sup>3</sup> <https://www.birminghambusinessalliance.com/regional-news-1/labormarket>

<sup>4</sup> [https://www.bls.gov/regions/southeast/news-release/pdf/countyemploymentandwages\\_alabama.pdf](https://www.bls.gov/regions/southeast/news-release/pdf/countyemploymentandwages_alabama.pdf)

## RECENT DEVELOPMENTS: 2017-2018

During the last year, several new developments have occurred in the Birmingham-Hoover Metropolitan area. The region experienced a 1.4 percent growth in Gross Domestic Product (GDP) from 2016 to 2017, according to the latest geographic breakdown by the U.S Department of Economic Analysis, which places the region as the second-highest percentage growth in GDP in the last five years. This growth ranks the region 221 of 383 metropolitan areas in the United States.<sup>5</sup>

In July 2018, Shipt, a company that was founded in Birmingham and recently acquired by Target for \$550 million, confirmed that it has plans to maintain and expand its headquarters in Birmingham. The company projects adding over 880 new jobs in the area, expanding its current staff of more than 300 employees. These jobs would be high-skilled positions working in technological areas such as data and software development, averaging \$50,000 a year. These employment opportunities will help elevate the already growing technology base that has been thriving in the Birmingham area. To help develop a workforce that is prepared for these high-skilled jobs, the City of Birmingham has approved over \$1.7 million in incentives for its talent development programs.<sup>6</sup>

Shipt is not the only company offering new opportunities for the Birmingham region. DC Blox, a flagship data center based in Atlanta, announced in July 2018 that Birmingham will be the home of their next expansion. With sites in Chattanooga and Huntsville, DC Blox is projecting to invest over \$785 million in the region over the next ten years. The company is expecting to hire 20 employees to start, but it expects that number to grow as the center progresses. The construction and operation phases alone are estimated to have a \$94 million economic impact on the area.<sup>7</sup>

Another exciting development in our region is the Amazon fulfillment center. Located on more than 100 acres in the City of Bessemer, the state-of-the-art center will employ at least 1,500 people. The center's employees will be responsible for picking up, packing, and shipping small items to

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<sup>5</sup> <https://www.bizjournals.com/birmingham/news/2018/09/20/metro-birmingham-has-second-highest-growth-in-gdp.html>

<sup>6</sup> <https://www.bizjournals.com/birmingham/news/2018/07/12/shipt-unveils-plan-to-keep-hq-in-birmingham-add.html>

<sup>7</sup> [https://www.al.com/business/index.ssf/2018/07/dc\\_blox\\_announces\\_785\\_million.html](https://www.al.com/business/index.ssf/2018/07/dc_blox_announces_785_million.html)

Amazon customers. It is expected that the facility will have a \$202.7 million economic impact on Jefferson County and a \$232.1 million impact on the state of Alabama.<sup>8</sup>

In addition to technology and manufacturing, the food industry has also taken off in the Birmingham Metro area. In 2018, 18 new restaurants were predicted to open by the end of the year.<sup>9</sup> These included a variety of cuisine options, as well as a new local brewery. Brick and mortar restaurants are not the only food options that are doing well in the area. Nontraditional vendors like food trucks continue to gain popularity as a popular choice for both residents and visitors.

### **FEDERAL FUNDING AWARDS: 2017-2018**

During the last fiscal year, the six-county region has sought funding for development grants from several federal funding sources. Below is a list of each funding application with a description of the project it is being used to fund:

#### **APPALACHIAN REGIONAL COMMISSION**

- Capstone Rural Health Center, Walker County: \$200,000 for Healthcare Access
- Health Science Program, Blount County Career & Technical Center: \$96,906 for Career & Technical Education
- Expansion of the Nursing & Allied Health Programs in St. Clair County: \$116,100 for Career & Technical Education

#### **COMMUNITY DEVELOPMENT BLOCK GRANTS**

- SMALL CITY APPLICATIONS:
  - City of Jemison, Chilton County: \$350,000 for Sewer System Project- Awarded
  - City of Oakman, Walker County: \$350,000 for Sewer System Project- Awarded
- LARGE CITY APPLICATIONS:
  - Pell City, St. Clair County: \$450,000 for Street Improvements Project- Awarded
- COUNTY APPLICATIONS:
  - St. Clair County: \$350,000 for Street Improvements Project- Not Awarded

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<sup>8</sup> <https://www.birminghambusinessalliance.com/regional-news-1/2018/10/2/amazon-breaks-ground-on-325-million-fulfillment-center-in-birmingham>

<sup>9</sup> [https://www.al.com/entertainment/index.ssf/2018/01/18\\_new\\_birmingham\\_restaurants.html](https://www.al.com/entertainment/index.ssf/2018/01/18_new_birmingham_restaurants.html)

- COMMUNITY ENHANCEMENT FUND APPLICATIONS:
  - o City of Susan Moore, Blount County: \$250,000 for Water System Project- Awarded
  - o City of Thorsby, Chilton County: \$250,000 for Demolition and Clearance Project- Awarded
  - o City of Snead, St. Clair County: \$250,000 for Sewer System Projects- Not Awarded
- PLANNING FUND:
  - o Town of Ragland, St. Clair County: \$28,000 for Planning

### **ECONOMIC DEVELOPMENT ADMINISTRATION**

- Southern Research Institute, Birmingham, Jefferson County: \$397,665 for the renovation of the Institute's Cancer Cause and Prevention Facility; Creation of 17 new jobs

With these new developments, the Birmingham-Hoover area will continue to expand and grow the opportunities for its citizens to work, live, and play within the region.

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## II. GROWTH STRATEGY UPDATES

The vision of this strategy is for a well-marketed region that fosters partnerships that promote growth and stability, while retaining an ample employment-ready workforce, heavily invested leadership, and an infrastructure network that is both highly connective and visible. The growth strategies outlined in the plan of action reflect goals and projects the region has undertaken that contribute to attaining the vision. Growth strategies are listed below, along with the projects occurring within the region that relate to each goal.

### EMPOWERMENT AND IMPLEMENTATION

This strategy focuses on empowering local communities through increasing community education, leadership development, access and education regarding federal funding sources and regional collaboration. The RPCGB, as the designated EDD by the Economic Development Administration (EDA), has continued to work towards this initiative with the following tasks:

- The agency began updating their 5-year strategic plan, focusing on continuing to improve communication, education, and outreach initiatives, as well as enhancing opportunities for regional collaboration.
- The RPCGB is currently redeveloping its organizational website to aid in transparency and communication between the RPCGB and its member governments.

### INFRASTRUCTURE

The focus on improving infrastructure involves pursuing projects that expand upon finding ways to make existing infrastructure work better. In addition, the region is striving to rethink the way service delivery operates, as well as ways to strategically invest to maximize resources and mitigate issues such as congestion. The following projects have been undertaken to work towards this strategy:

- The 2045 Regional Transportation Plan serves as the long-range transportation plan for the Birmingham metropolitan area and is currently in the last stages of development. This process has involved extensive citizen engagement, as well as input from stakeholders and the

Metropolitan Planning Organization's (MPO) Citizen, Technical, Policy, and Advisory committees.

- The RPCGB has also completed the Regional Freight Plan, which provides the basis by which future funding priorities of the MPO are established for freight-related accommodations.
- The RPCGB Economic Development Department completed an Incubator Feasibility Scope of Work for the City of Center Point.
- The CommuteSmart Initiative at the RPCGB, which collaborates with the Alabama Partnership for Clean Air, reduced over 13 million vehicle miles and saved over 375,000 gallons of fuel by incentivizing and providing alternative means of transportation to residents within Blount, Jefferson, Shelby, and St. Clair counties.
- The RPCGB Economic Development Department is currently in the process of developing a Brownfield Redevelopment Program. This program would consist of collaborating with agencies like the Alabama Department of Environmental Management and applying for an Environmental Protection Agency Assessment grant.
- The RPCGB's Revolving Loan Fund (RLF) is thriving. The agency is partnered with a local Community Development Financial Institution (CDFI), Sabre Finance, to develop a small business microlending program for our region. In the last year, the agency has made 36 loans to small and start-up businesses totaling \$1,712,300. With the assistance of RLF financing, these businesses have been successful and have created nearly 70 jobs in the region.
- The Transportation Division of the Planning Department is responsible for managing the Advanced Planning, Programming, and Logical Engineering (APPLE) program. This program is designed to educate local governments about the project development process, assist in the decision-making process, and provide resources to develop and advance transportation projects. Twenty of these projects have been completed since the program's inception in 2013, and 7 of those projects have been completed since September 2017.

## IMPROVING ACCESS TO OPPORTUNITIES

This goal focuses on improving access to opportunities by cultivating competitive economic assets within the six-county area. This includes attracting a diverse array of businesses and increasing the livability of communities, thereby enhancing the quality of life for their residents. The Planning

Department at the RPCGB is currently working on or is about to undertake several projects that implement the walkability, sustainability, and convenience of local communities:

- The City of Birmingham Framework Plans: These plans focus on the City's overall vision and expectations for future growth and development and provides a framework for guiding public and private investments. There are nine framework plans for the city of Birmingham; five have been adopted, two are nearing completion, and the last two will begin within the next two years.
- The City of Center Point Zoning Update is expected to be adopted in October 2018.
- The City of Homewood Central Business District Master Plan was developed to help guide the development of Homewood's business area and is expected to be adopted in October 2018.
- The City of Chelsea Highway 280 Overlay District Master Plan, adopted in September 2018, was developed to establish land development standards that are placed over the current zoning district for the corridor.

In addition to comprehensive and master planning, the Planning Department at the RPCGB is also working on the following initiatives:

- Shape Birmingham is an ongoing initiative that merges city planning and public health professionals to develop a uniform health assessment tool to measure the quality of life in Birmingham neighborhoods. The RPCGB is collaborating with the City of Birmingham and the University of Alabama at Birmingham (UAB) Schools of Health and Sociology and UAB's Edge of Chaos.
- The Birmingham Regional Active Plan (or B-Active Plan) was developed by the Birmingham Metropolitan Planning Organization (MPO) in collaboration with regional partners to provide and plan for a network of safe, connected, and accessible roads and off-street trails for bicyclists.
- The RPCGB also collaborates with local co-starter firms such as Innovation Depot and Create Birmingham to partner in initiatives to attract small businesses and startups to the Birmingham Metro Area.