7

ECONOMIC DEVELOPMENT

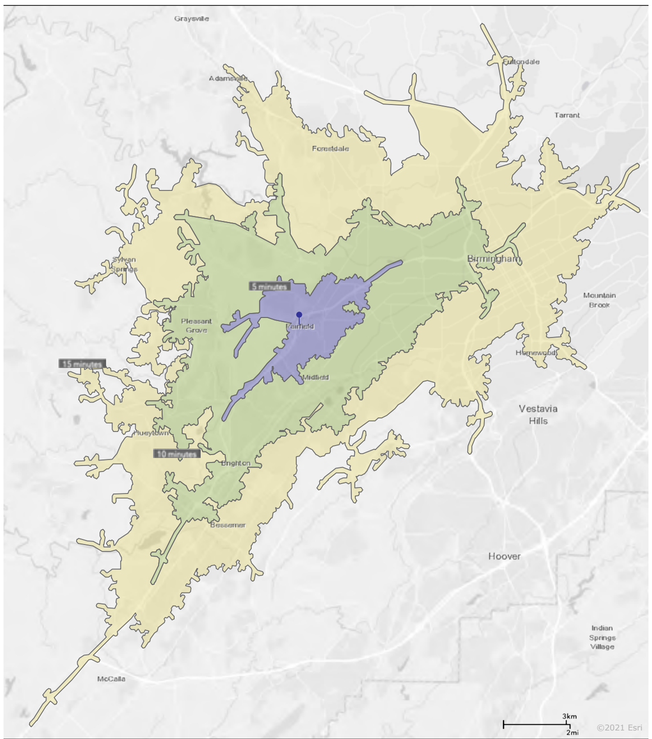
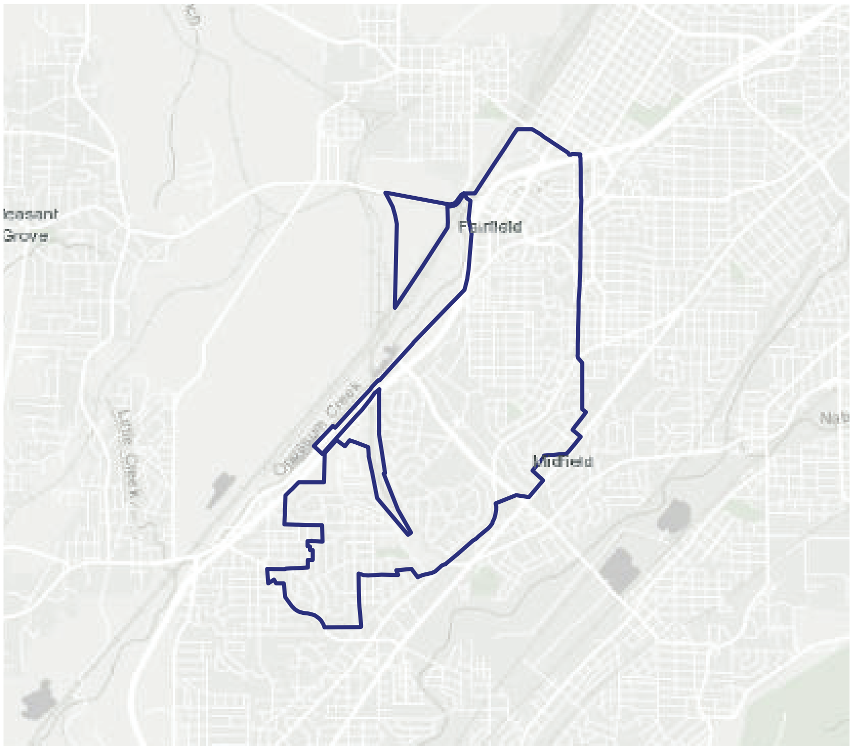


Figure 7.1 Gary Avenue Trade Area

Today's largest employer, Miles College, was founded in 1898 and moved to Fairfield in 1907, two years before the city was developed and well before 1919 when it was incorporated. Tennessee Coal & Iron plant was built in 1905 and when Birmingham investors developed Fairfield in 1909, it was a model industrial town seeking to improve living conditions for workers and set precedents for industrial communities. (Morris & White, 1989) Regional mining of pig iron and coke fueled the steel-making Fairfield economy for a century. However, closures of steel blast furnaces have dampened the local economy for decades. U.S. Steel's Fairfield Works and Tubular are the only U.S. Steel facilities that remain in production in the region, although both properties have de-annexed to outside city limits. The city's population topped out at 15,816 people in the 1960's, and is about 10,000 today. (U.S. Census Bureau, 2020)

African Americans comprised half of the region's industrial workers by 1880. (Lewis, 2008) Racial strife no longer disrupts the regional economy, thanks to many hard-won victories during the civil rights movement when Miles College "was the intellectual nerve center for the Black community during Birmingham's racial unrest." (Moss & Paul, 2019) Miles College remains a strong voice regionally and notable alumni include former Birmingham mayors Richard Arrington and Bernard Kincaid, civil rights activist Autherine Lucy, and U.S. District Court Judge U.W. Clemon, Alabama's first black federal judge. (Yoo, 2010) The Fairfield economy leans on the strength of Miles College and Black-owned businesses, with current economic development goals leveraging this historic strength.



POPULATION

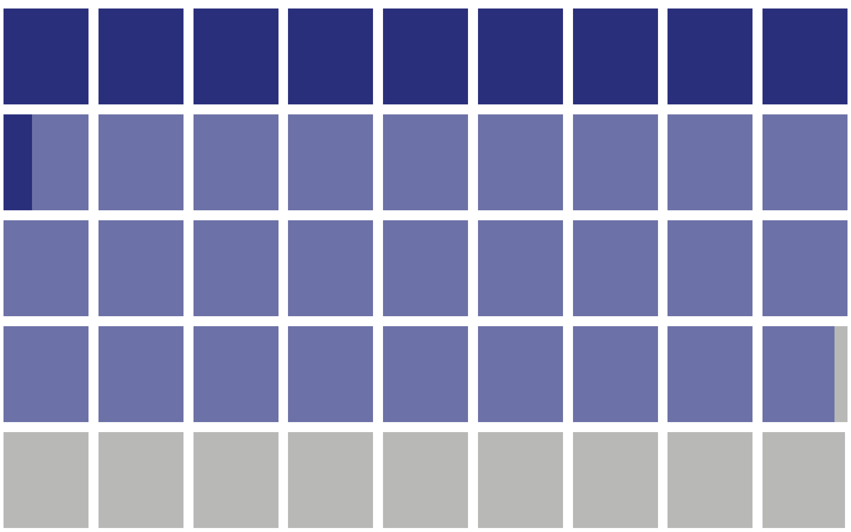
10,000	4,041	2.44	37.2
Population	Households	Avg Size Household	Median Age

MORTGAGE INDICATORS

$4,961
Avg Spent on Mortgage & Basics

14.0%
Percent of Income for Mortgage

POPULATION BY AGE



POPULATION BY GENERATION

6.3%
Greatest Gen: Born 1945/Earlier

25.1%
Baby Boomer: Born 1946 to 1964

15.7%
Generation X: Born 1965 to 1980

21.6%
Millennial: Born 1981 to 1998

26.0%
Generation Z: Born 1999 to 2016

5.4%
Alpha: Born 2017 to Present

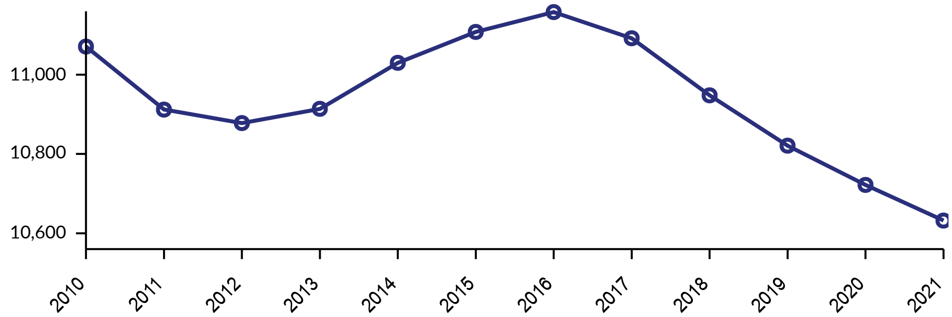
Source: This infographic contains data provided by Esri, Esri, Esri and Bureau of Labor Statistics, American Community Survey (ACS).

TRENDS AND KEY INDICATORS

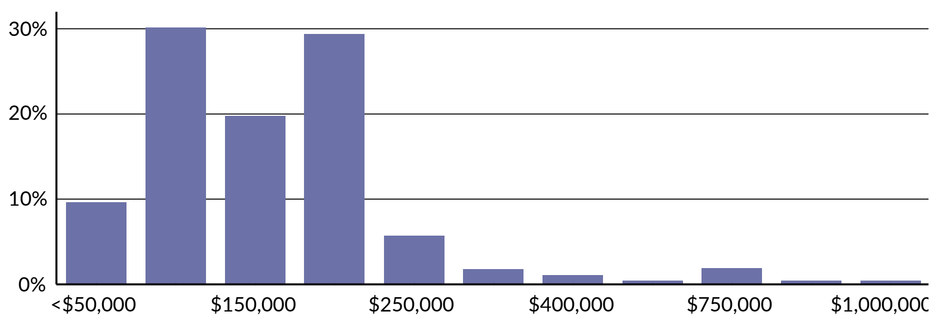
Fairfield City, AL

$125,725	36	175	13
Median Home Value	Wealth Index	Housing Affordability	Diversity Index

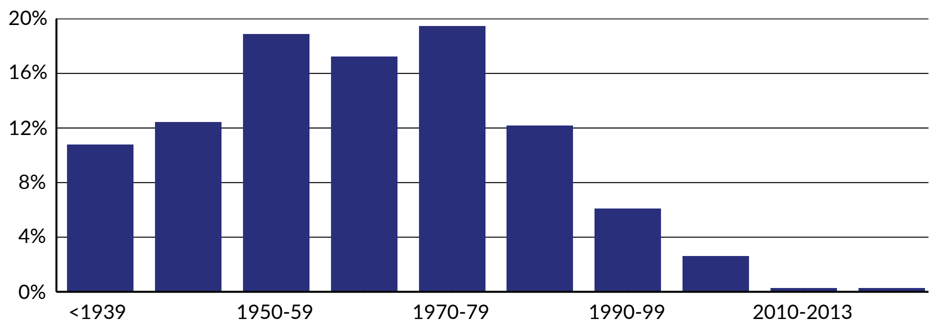
Historical Trends: Population



Home Value



Housing: Year Built



The vintage of the data is 2021, 2026, 2021, 2015-2019.

Figure 7.2 Population Trends

A number of economic opportunities for Fairfield are clear:

- **A SIGNIFICANT TRADE AREA**, Figure 7.1 Gary Avenue Trade Area on page 101, within a 5, 10, and 15 minute drive, due to Fairfield's location within the Birmingham Metro Region, provides a significant market potential. 18,983 people live within a 5-minute drive, 72,562 more within 10 minutes, and 122,089 more within 15 minutes, all with a similar median household income and age as Fairfield.
- **A HOUSING AFFORDABILITY INDEX OF 175**, Figure 7.2 Population Trends, 100 means that homes are well priced for the average earner in the area. A score of more than 100 means the average earner is likely to be able to buy with ease, providing the opportunity to attract new homeowners once other goals in this plan are realized.
- **A DIVERSITY INDEX OF 13**, Figure 7.2 Population Trends, 0 means no diversity and to 100 means complete diversity. The strength of the African American community provides opportunities to incubate and accelerate Black-owned businesses with a financial stack support that prioritizes dismantling systemic racism and supporting racial equity and justice.

PLAN TO LEVERAGE ECONOMIC ASSETS WITHIN THE FAIRFIELD TRADE AREA.

This master plan supports leveraging these opportunities to address a number of challenges highlighted in Figure 7.2 Population Trends that can be met through economic development:

- Declining population
- Low wealth index of 36 (100 is national average)
- Aging housing stock
- Business startup success rate
- Retail economic leakage
- Low tax base
- Changing demographics
- Low returns on public investment

Several industry groups have significantly more retail potential within Fairfield's retail demand than current local retail sales supply. Notably Motor Vehicle & Parts Dealers, Furniture & Home Furnishings Stores, Electronics & Appliance Stores, Grocery Stores, Health & Personal Care Stores, Book, Periodical & Music Stores, General Merchandise Stores, Office Supplies, Stationery & Gift Stores, Miscellaneous Store Retailers, as can be seen in Table 7.1 ESRI Retail MarketPlace Profile 105.

The Retail Gap presents a snapshot of retail opportunity and represents the difference between Retail Potential and Retail Sales. A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity.

This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017. (US Retail Marketplace Data 2014 Methodology Statement, 2014)

Earlier chapters in this plan identified several capital projects for their potential to enhance Fairfield's economic vitality, which are identified as "motivators." While these are the biggest single physical moves for the economy, earlier chapters also address essential strategies to generate economic development, such as establishing a land bank, enabling pop-up markets and food trucks, and establishing a facade improvement program.

Together, these projects should have a direct, significant and positive economic impact on the City of Fairfield through job creation, improved access and transportation, additional housing opportunities, blight reduction, and enhanced quality-of-life that all will add to the long-term value to the tax base. Earlier goals and actions of the master plan collectively aim at supporting the local economy, in addition to the following additional goals.

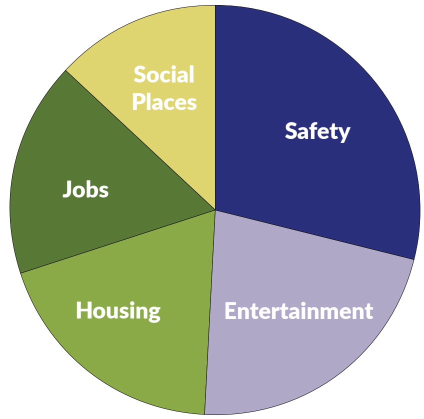
Table 7.1 ESRI Retail MarketPlace Profile

INDUSTRY GROUP	NAICS	DEMAND (Retail Potential)	SUPPLY (Retail Sales)	RETAIL GAP
Motor Vehicle & Parts Dealers	441	$19,994,283	$1,133,329	$18,860,954
Furniture & Home Furnishings Stores	442	$3,283,806	$1,614,702	$1,669,104
Electronics & Appliance Stores	443	$2,714,863	$0	$2,714,863
Bldg Materials, Garden Equip. & Supply Stores	444	$5,564,941	$24,225,945	-$18,661,004
Food & Beverage Stores	445	$14,428,043	$3,555,174	$10,872,869
Grocery Stores	4451	$13,286,002	$1,380,923	$11,905,079
Specialty Food Stores	4452	$523,748	$0	$523,748
Beer, Wine & Liquor Stores	4453	$618,294	$2,174,251	-$1,555,957
Health & Personal Care Stores	446,4461	$5,725,416	$3,759,185	$1,966,231
Gasoline Stations	447,4471	$11,408,678	$16,811,026	-$5,402,348
Clothing & Clothing Accessories Stores	448	$3,150,898	$10,704,160	-$7,553,262
Sporting Goods, Hobby, Book & Music Stores	451	$2,865,030	$4,624,820	-$1,759,790
General Merchandise Stores	452	$17,493,739	$16,898,604	$595,135
Miscellaneous Store Retailers	453	$3,827,400	$9,447,167	-$5,619,767
Florists	4531	$159,323	$158,646	$677
Office Supplies, Stationery & Gift Stores	4532	$721,441	$117,075	$604,366
Used Merchandise Stores	4533	$658,155	$8,810,284	-$8,152,129
Other Miscellaneous Store Retailers	4539	$2,288,482	$361,162	$1,927,320
Nonstore Retailers	454	$575,639	$0	$575,639
Electronic Shopping & Mail-Order Houses	4541	$205,530	$0	$205,530
Vending Machine Operators	4542	$114,800	$0	$114,800
Direct Selling Establishments	4543	$255,309	$0	$255,309
Food Services & Drinking Places	722	$9,442,904	$12,487,641	-$3,044,737
Special Food Services	7223	$52,238	$0	$52,238
Drinking Places - Alcoholic Beverages	7224	$212,918	$174,566	$38,352
Restaurants/Other Eating Places	7225	$9,177,748	$12,313,075	-$3,135,327

GOAL 12
NURTURE AN ECONOMY THAT IS DIVERSE AND ADAPTIVE.

Of the people who responded to the Fairfield Insights Survey, almost three-quarters felt that the lack of local jobs is the biggest challenge today and 58% felt economic development should be the highest priority. While large-scale employers like the steel industry have contracted, today's best opportunities to rebuild focus on incremental wins.

In a slightly contrasting view, Miles College students shared what would need to change in Fairfield to consider making the city their permanent home after graduation. Approximately 150 students gave input, hailing from big cities like Los Angeles, Detroit, Atlanta and Birmingham as well as smaller markets such as Opelika and rural communities. Most students ranked safety as their top priority (29%) followed by entertainment (22%), housing (19%), jobs (17%) and cool hang-out places (13%).



One of the most difficult challenges for older urban neighborhoods that have seen decades of disinvestment is how do you get the economic engine running again? Many of the other actions in earlier chapters of this plan are essential first steps to bring the economic momentum back to the area, like demolition of unsafe structures to make way for community gardens that can revitalize the neighborhoods. In actions like this, community members can lead the work. Then abatement of buildings with good bones can deal with health risks from asbestos and lead, to get these structures back into productive use. Finally infill and redevelopment can bolster economic opportunity.

"NEW IDEAS NEED OLD BUILDINGS."

~Jane Jacobs

ACTION 40

Develop opportunities for business incubators, accelerators and small-scale, privately-owned incremental development.

See Action 12 on page 27, Action 14 on page 28, and Action 13 on page 27.

Much of this plan relies on residents becoming their own developers and re-crafting the community to help realize the vision of this plan. One such idea is a business incubator at Gary Ave and 51st utilizing a city-owned building, with design by students. Other opportunities include replacing buildings that are beyond their useful life with community gardens, which may be designed, built and maintained by residents. The master plan also envisions less obvious methods for economic development, such as non-typical financing structures.

Many of the building types envisioned in this plan, including commercial types, can be funded with a traditional mortgage. The government's definition of a house is residential that is one to four units. So a four-plex residential building or a row house of four dwellings, can be funded under a standard mortgage over 15, 20, or 30 years, making incremental development possible to new local developers.

The cost of a 20' by 20' granny flat in the rear lane requires significantly less financial Isupport than retrofitting a Main Street building, so the range of interventions require a range of financial capacity. Local hustle from citizens will be an important part of the near term actions that will be the first steps to help realize this vision. Detroit, Atlanta, and Memphis have many similar examples.

ACTION 41

Develop a marketing plan to proclaim and promote Fairfield to the region.

The Fairfield Marketing Plan should market land bank properties (see Action 1 on page 9) to potential local and regional developers, businesses, and residents.

Additionally, from a retail perspective, the marketing plan should focus initially on downtown to increase its marketability (Action 11 on page 27, and Action 12 on page 27), and the thirteen points on this and the following four pages.

The Fairfield Marketing Plan goals are to:

- Announce to the Birmingham Metro Region the adaptive reuse, infill, and redevelopment opportunities newly available in Fairfield as enabled by this master plan.
- Help downtown be as well managed as a shopping mall with standardized hours, wayfinding, and shared marketing by downtown businesses, pop-up markets, and food truck pods.
- Strengthen existing businesses by upgrading the retail and hospitality environment on Gary Avenue with the following strategies, largely informed by retail thought leader, Robert Gibbs, in his seminal book, Urban Retail Planning and Development. (Gibbs, 2012).

1. ANCHOR DOWNTOWN

Downtown Fairfield has the potential to be a vibrant shopping district, thanks to historic commercial stock available for adaptive reuse and location within the Birmingham Metro Region. Fairfield has a strong primary trade area of over 90,000 people within a 10 minute drive, but needs additional anchors in addition to the city hall and churches in order to reduce retail leakage. See Figure 7.1 Gary Avenue Trade Area.

2. INCREASE MARKET SHARE

For downtown to have a critical mass, the goal is to capture 20% of the retail market share. That is 10 times the current average of the 2% that most downtowns in the U.S. capture today. Significant pent-up demand exists today for new shops and restaurants in a walkable urban format. Focus on expanding existing businesses or attracting new business to fill the Retail Gap indicated in Table 7.1 ESRI Retail MarketPlace Profile 105.

3. PERCEPTION AND ZONING

There are many reasons for the current imbalance that has created dark and under-performing storefronts in smaller cities, and some of it has to do with perception. Retailers are biased against locating in middle income areas, even though the spending power per acre is usually significantly greater than the suburbs because of greater density. Zoning and building codes also create barriers, which are addressed in 6 Code Reform.

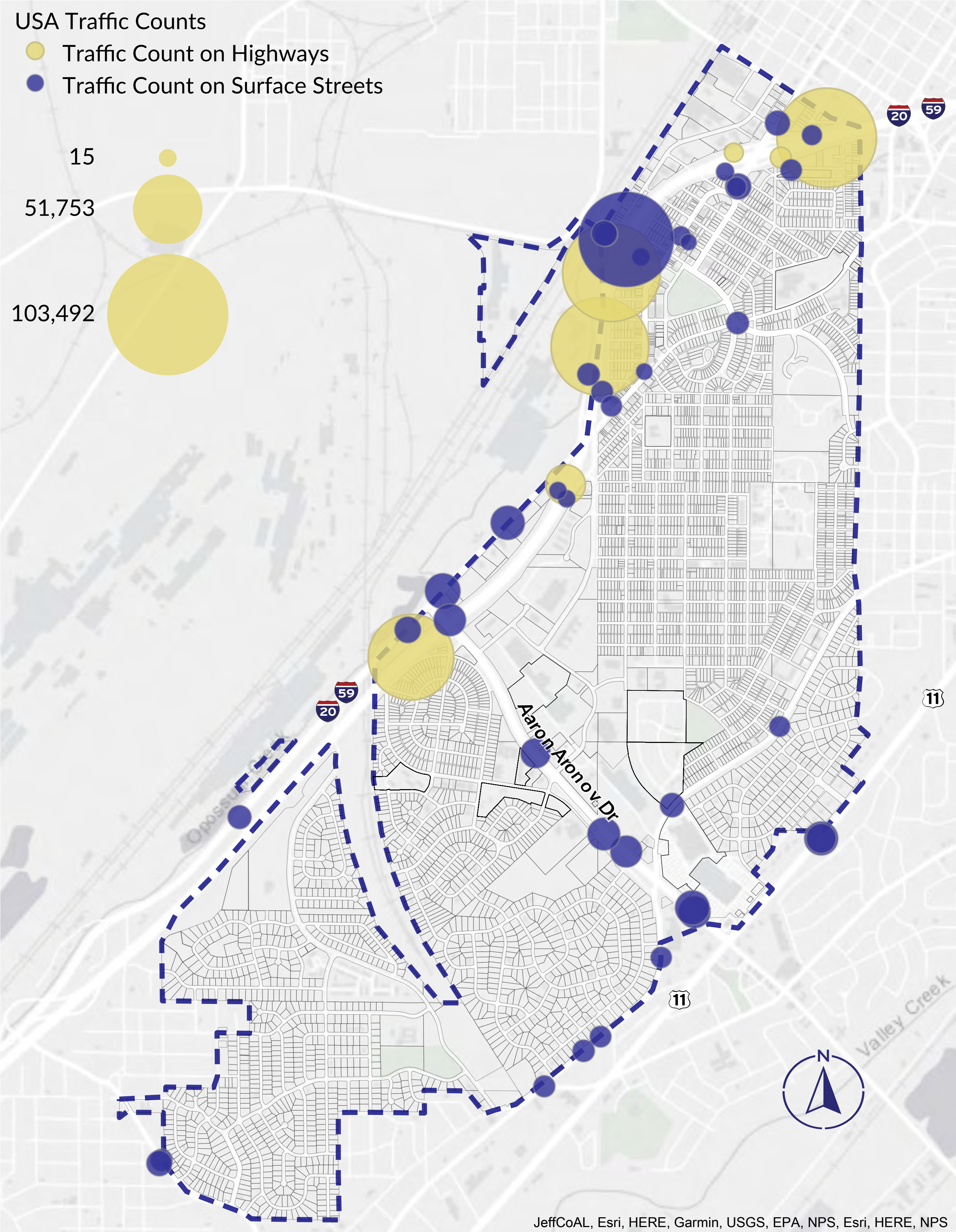


Figure 7.3 Traffic Counts

Image 7.1 Provo, Utah, Downtown

4. WALKABILITY

All national retailers pay attention to Walk Score, often requiring a score of 80 or higher to consider adding a new store downtown. Fairfield has a Walk Score of 54. (See Action 11 on page 27) However, in the 51 largest U.S. metro areas, only 12% of neighborhoods are walkable, which is down from 19% in 1970. The 50/50/50 rule says that Main Street retail's ideal sweet spot enjoys either at least 50,000 people earning at least $50,000 per year, or 50,000 cars going by a store. The vehicle count on Interstates 20/59 at downtown Fairfield was 82,030, per Kalibrate Technologies via Esri, see Figure 7.3 Traffic Counts. While these cars are not on Gary Avenue, there is an elevated view of downtown Fairfield from the interstate that is compelling.

5. ANCHORS

Trying to reinvigorate a downtown out of just specialty shops does not work without strong anchors. Only about 30,000 square feet of retail is supportable without an anchor, such as a baby box retailer as well as non-retail amenities. Fairfield is fortunate to have a library, a post office, and city hall downtown – all strong civic anchors. In most places, the anchor's lease rate is half the rent of in-line stores to reflect the value they bring to Main Street. Current market demand outstrips supply in one retail category that may be an appropriate anchor for Gary Avenue: Grocery Stores, per Table 7.1 ESRI Retail MarketPlace Profile 105. The other significant retail leakage happens in the category of Motor Vehicle & Parts Dealers, which would be more appropriate in the auto-oriented parts of the city, instead of on Gary Avenue.

6. THE MIX

The strategy of all downtowns should start with providing the goods and services that the community wants to buy. Downtowns that are the most successful at competing with the suburbs have a healthy mix of local, regional, and national brands. Current market demand outstrips supply in a number of retail categories that may be appropriate stores for Gary Avenue, including Furniture & Home Furnishings Stores, Electronics & Appliance Stores, Health & Personal Care Stores, Book, Periodical & Music Stores, General Merchandise Stores, Office Supplies, Stationery & Gift Stores, Miscellaneous Store Retailers, per Table 7.1.

Image 7.2 Excelsior, MN sidewalk sale

Image 7.3 New Orleans storefront

Image 7.4 Cedar Falls, IA storefronts

7. RISING TIDE

Retail is not the only use that benefits from walkable, compact places. Hotels are seeking urban environments because they sell more rooms at higher rates if their guests can walk to restaurants and shops. Universities find they can attract more students and better faculty if there is a vibrant Main Street retail and restaurants.

8. PROFITABILITY

The average U.S. mall sells about $275 per square foot per year. The average U.S. downtown independent retailer earns $80 per square foot per year. About $200 per square foot per year is needed to support a family, so to make downtown retail provide quality jobs, the collective policies of this master plan must be followed to improve the economy in general for Fairfield, resulting in downtown retail profitability.

9. STOREFRONTS

People do what they see rather than what they read. Signals of storefronts are more important than signage. An open front door is much more welcoming than multiple signs that state the store is open. Rents are about 10% of sales, so landowners should work with retailers to get storefronts to send the right signals. (See Action 15 on page 28) This topic acknowledges many shops downtown are empty at the moment, but provides a strategy for new businesses as they locate downtown in the future. See Motivators on page 40 for the sequence of downtown redevelopment.

10. SHOW THE GOODS

Retail thrives when the storefront consists of 70% clear glass, so people can “read” the offerings. When the glass has zero tint this reading is easier. Retailers should wash windows once a day and wash doors once an hour. When storefront systems require replacement, do it with clear glass rather than tinted.

11. KEEP IT CLEAN

Rodeo Drive, one of the most expensive shopping streets in America, has concrete sidewalks, but they power wash them once a week. Do not gold plate the urbanism with fancy materials, but keep it clean and welcoming. Keep sidewalks and landscape simple and well designed, so shoppers can focus on the storefronts. The city should continue to maintain Memorial City Park, the flowers planted there, and any other landscaping downtown. Consider developing a system of downtown stewards who volunteer to pick up trash. Focus on involving the churches located downtown.

12. WINDOWS

Visual merchandising drives higher sales per square foot. A shopper should be able to understand the store organization in two to three seconds. It takes about eight seconds to walk by an average storefront, and most people decide in two seconds whether or not to walk in. This means having products in the windows that are arranged in an attractive manner. Or for cafes and coffee shops it means having tables located by the windows.

13. PARKING

Getting parking right is essential to downtown viability. This plan discourages store owners and workers from parking in front of their stores, as this practice causes them to give up 25-30 customers every day. At the moment there is an abundance of parking except during church services, so that timing does not conflict with retail. Working toward a program of coffee shops and more cafes to attract parishioners should be a priority of the city. Urban Hope Community Church is planning to open a coffee shop and that will be a great asset downtown. Assuring no more parking is required for the use will also be an important step in successful implementation.

ACTION 42

Support economic gardening of medium sized regional businesses.

Most conventional economic development strategies predominantly focus on attracting companies to move into the city. However, just as transplanting a full-grown tree often has insurmountable challenges, so does this strategy since cities often pay too much in incentives with little or no returns. Instead, an economic gardening approach values the stability of homegrown businesses since they are solving local problems with local resources. Incremental support can often grow these local businesses with smaller incentives and bigger results. (Marohn & Herriges, 2021)

Companies generally fall into three stages:

STAGE 1: Startups, sole proprietors, and non-scalable businesses.

STAGE 2: Companies with over 10 employees, generating $1 million or more in annual revenue, with potential to sell goods or services more than locally.

STAGE 3: Mature business with over 100 employees.

Almost 80% of companies are Stage 1 and will never grow beyond that. Stage 2 companies have proof of concept, are reaching viable markets, and their management has passed the initial tests of competency. They are primed to grow.

Most economic development programs focus on Stage 1 or Stage 3 companies, but an economic gardening approach recognizes that Stage 2 companies create more jobs, more quickly, than either of the other two stages of business maturing. And these Stage 2 jobs tend to pay more and provide greater options for advancement than similar positions in other organizations.

ACTION 43

Work with U.S. Steel and HarbisonWalker International to train local workers.

While the U.S. Steel Fairfield Works property de-annexed from the City of Fairfield a number of years ago, it is a major contributor to local jobs. In 2020, Fairfield Works employed 700 workers a day with one EAF. (Bonior, 2020) In addition, HarbisonWalker International is returning to Fairfield with Alabama One (AL1), a manufacturing, service and distribution hub for steel customers in the southern United States. AL1 will become one of HWI's most technologically advanced and modernized facilities and contribute to HWI's environmental and sustainability goals through energy-efficient operations.

HarbisonWalker is partnering with Lawson State Community College to provide electricians and other technical positions. The city should consider partnerships with these local employers and educators to assure residents are prepared for the workforce.

Image 7.5 U.S. Steel Fairfield Works