

Opportunity Zone Investment Profile



Building 100 at Regional East Alabama Logistics (REAL) Park

Location: **Macon County, AL**
Congressional District: **AL - 3rd**
Opportunity Fund Name: **OPAL Fund**
Opportunity Fund Manager: **OPAL Advisory (a subsidiary of Opportunity Alabama)**
Investment Date: **Q2 2022**
Project Details: **New industrial park in rural AL**

New Industrial Park in Alabama’s Black Belt Will Create Jobs and Boost Local Economy

In 2022, The [OPAL Fund](#) (managed by a subsidiary of Opportunity Alabama) made an Opportunity Zone (OZ) investment in the development of Building 100 at the [Regional East Alabama Logistics \(REAL\) Park](#). REAL Park will be a 6.2 million-square-foot industrial park in Macon County — a rural, underserved county in Alabama’s Black Belt region. The park is a catalytic project that is part of a broader effort to boost economic growth in Macon County, and Building 100 is the first project to be completed in the multi-phase build-out of the park.

Building 100’s first tenant, [TrendCo. USA](#) (TrendCo.) plans to invest \$43 million to launch a manufacturing operation at REAL Park and has committed to creating 292 jobs over the next five years. TrendCo. is a minority-owned company that has been certified for federal contracting opportunities through the Small Business Administration’s 8(a) Business Development program. The company was drawn to REAL Park given its location along the I-85 corridor and proximity to major universities and automotive manufacturing plants, as well as the potential to positively impact Macon County’s local economy.

Home to the historic Tuskegee University, Macon County is a majority-minority county where 80 percent of residents identify as African American. While neighboring Lee County has experienced double-digit population growth, fueled by Auburn University and new advanced manufacturing plants, Macon County has struggled to diversify its economy, reduce poverty, and stabilize its population, which (like many rural places) has seen decline.

Joe Turnham, Director of MCEDA, describes REAL Park as a game-changing project for Macon County. According to MCEDA, Building 100 is the only available class “A” warehouse/manufacturing building available for lease within a 40-mile radius. The full build-out of REAL Park is expected to be completed in five to seven years. Ultimately, Turnham says he hopes this site becomes one of the best places to work in the region, and they are actively exploring the potential for a range of services for workers including on-site career technical training, child care, and transportation.

Projected Impact

Industrial space created:	168,000 square feet
Full-time jobs (projected):	300 new jobs by 2028

Community Stats

	Census Tract 2315:	Montgomery Alabama MSA:
Median Family Income:	\$46,369	\$66,367
Poverty Rate:	18.2%	17.3%
Adults Not Working:	23.3%	27.8%
Minority Population:	45.9%	51.8%
Bachelor’s Degree or Higher:	10.0%	30.0%
Housing Vacancy:	10.9%	11.6%

“As its footprint expands, REAL Park can put Macon County in the driver’s seat to capitalize on the increasingly robust levels of economic activity along the I-85 corridor. The logistics park will position the area for opportunities that can add new dimensions to the county’s economy.”

– Secretary Greg Canfield,
Alabama Department of Commerce

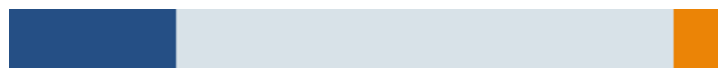
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Capital Stack

OPAL Fund made a \$4 million OZ investment to support Building 100, becoming the lead investor in the first phase of the catalytic REAL Park development. Regions Bank's community development corporation provided a Community Reinvestment Act eligible construction loan totaling \$11.8 million.

Total development cost: \$17 million

Key sources of financing:



- \$4 million - OZ equity from OPAL Fund
- \$11.8 million - Construction loan from Regions Community Development Corporation
- \$1.2 million - Residual from sponsor investment

As the project looks to move from construction to permanent financing, the team is exploring utilizing New Markets Tax Credits as part of the permanent capital structure to buy down the debt load on the project. This will allow TrendCo. to benefit through the favorable lease rates created by that transaction.

About the Investment

The groundwork for this investment began in 2020, when Opportunity Alabama (OPAL) began working with the Macon County Economic Development Authority (MCEDA) and the project developer, [Farpoint Development](#), through its Community Growth Accelerator program. OPAL helped MCEDA and Farpoint Development create a roadmap for the development and capitalization of Building 100 at REAL Park — a catalytic project that is part of a broader effort to boost economic growth in Macon County.

OPAL Fund's \$4 million OZ investment was the first capital committed to the development of Building 100. The OZ investment served to attract additional sources of private investment in Building 100, which will be catalytic in the full build-out of the multi-phase REAL Park complex.

In 2020, Opportunity Alabama began the formation of OPAL Investments, a wholly-owned for profit benefit corporation subsidiary dedicated to driving capital to OZs throughout Alabama. OPAL Investments (through a registered investment adviser subsidiary) launched its OPAL Fund in 2021. The OPAL Fund is an \$18.5 million Qualified Opportunity Fund with a dual mandate for investing in projects with attractive risk-adjusted returns and positive impact on communities. One of the fund's first investments was in REAL Park, which is being developed by an impact-oriented commercial real estate development firm, Farpoint Development.

The Impact of Opportunity Zone Financing

REAL Park is a unique example of how OZ investment paired with local, state, and federal investment is delivering a transformative job creation project to an underserved rural county that has consistently lost population and jobs for decades. MCEDA estimates that approximately 3,000 of Macon County's 18,800 residents leave the county daily for work. By developing this park, MCEDA, and its partners hope to see thousands of jobs created over the next decade in one dense location. This will generate new employment opportunities for local residents and a significant tax base to support a range of local public services.

About Opportunity Zones

Opportunity Zones are a new national investment tool designed to spur economic growth and community development by encouraging long-term private equity investment in distressed urban, suburban, and rural communities across America. In 2018, local leaders in every state, U.S. territory, and Washington, D.C. supported the nomination of more than 8,700 low-income census tracts for Opportunity Zone designation. Individuals and companies can receive a series of graduated tax benefits based on the amount of time invested in a Qualified Opportunity Fund, which must have 90 percent of assets invested in real property or operating businesses located in Opportunity Zones. The Opportunity Zones policy is based on the bipartisan Investing in Opportunity Act, which was championed by a regionally and politically diverse coalition of congressional cosponsors.

About The Economic Innovation Group (EIG)

EIG is a bipartisan ideas laboratory and advocacy organization whose mission is to advance solutions that empower entrepreneurs and investors to forge a more dynamic American economy. Headquartered in Washington, D.C., EIG convenes leading experts from the public and private sectors, produces original research, and works to advance creative legislative proposals that will bring new jobs, investment, and economic growth to communities across the nation.

EIG leads a coalition of stakeholders as part of its efforts to support the formation of a robust Opportunity Zones ecosystem. For more information, contact info@eig.org