

# Alabama

## NMTC Allocatee

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## Community Profile

### Birmingham, AL

<b>Poverty Rate</b>	44.6%
<b>Median Income Compared to AMI</b>	74.3%
<b>Unemployment Rate</b>	17.5%

## Project Highlights

- Investor: U.S. Bancorp Community Development Corporation
- Total Project Cost: \$67.5M
- NMTC: \$34.4M
- Jobs: 300 construction jobs, 270 full-time jobs
- Appalachian Regional Commission distressed area, Alabama Enterprise Zone, FEMA disaster area, Food Desert



## The Pizitz Department Store

For decades, the Pizitz Department Store served as the central hub of downtown Birmingham. Designed and constructed in 1923 by renowned local architect Henry B. Wheelock, the store closed in 1985. The flagship building sat vacant for nearly 30 years, a glaring reminder of hard times and lack of investment in downtown Birmingham. In 1999, a developer attempted to fund the project, but was unsuccessful due to difficulty securing traditional financing. Finally, in 2014, the developer was able to succeed in funding the \$67.5 million project through a number of innovative financing sources, including \$34.4 million in New Markets Tax Credit (NMTC) financing.

The Pizitz will serve as a cornerstone to the redevelopment of both the historic Theatre District and greater Downtown Birmingham. The project will rehabilitate the 7-story, 253,810 sq. ft. historic landmark into a LEED-certified mixed-use building that will contain: 143 residential units, with 20 percent (29 units) set aside as affordable housing; a 20,000 sq. ft. Food Hall serving the surrounding food desert; a 10,000 sq. ft. film center and a 12,000 sq. ft. shared office space for local entrepreneurs and small businesses.

The Pizitz received a total of \$8 million in state and federal Historic Tax Credits; utilized two Department of Housing and Urban Development (HUD) loan programs to fund the project, including a \$27.4 million HUD 220 loan for multifamily and a \$3.2 million HUD 108 loan for economic development projects; but the linchpin that made the redevelopment possible was the inclusion of NMTC. Pizitz received a \$24 million NMTC allocation from National New Markets Fund, representing \$6.6 million of equity into the project.

The 18-month construction of the building will create 300 construction jobs. Once operational, the project will create an estimated 270 direct full-time jobs for local food-production tenants of the ground-floor food hall and small business tenants of the shared workspace facility. The Food Hall will lease stalls to independent, local food producers. Moreover, 10 percent of the office space will be set aside and charged at a discounted rate for local nonprofit organizations.

The Pizitz will not only provide affordable housing, food, office space, and artistic engagement, but it will also provide a flourishing social environment for the local community and reestablish Downtown Birmingham as a booming social hub for surrounding areas.