

# CITY OF DOTHAN COMMERCIAL DEVELOPMENT RESOURCE GUIDE





Dothan offers a variety of locations and types of commercial development, including traditional downtown opportunities, commercial corridors and regional commercial centers. Dothan is the largest city in the Dothan Metropolitan Statistical Area and serves as the commercial hub for the tri-state area.

Economic indicators show that the City of Dothan / Houston County have one of the highest retail sales per capita with \$30,027 compared to the state of Alabama average at \$13,076. The area's retail sales have steadily grown from \$1.85 billion in 2018 to \$2.134 billion in 2020. Based on the latest US Census Bureau, the City of Dothan's population is 71,072 persons; however, the daytime population shows a population in the City of 167,019 persons.

Downtown Dothan and the Commercial Corridors in the City of Dothan have seen significant growth in recent years, attracting local and regional investment, award-winning restaurants and new retail space. Notable downtown developments in the past three years include:

- Five Star Credit Union branch office located on N. Oates Street, which is part of a revitalization effort where the property was once a dairy processing center and will also be home to a future Farmer's market development;
- A housing development at 193 S. St. Andrews St., which was once home to the Malone Motor Co., St. Andrews Market and will be home to downtown living. This redevelopment was one location in the 1920s that actually produced the Ford Model T, but will now accommodate condominium units for downtown living. This project utilized state and federal historic tax credits to redevelop this property;
- The former Howell School was recently converted to Senior Housing units.;
- A recently renovated bakery building is now home to Dothan's Downtown Books, LLC; and
- Honey Bee Tees, LLC has recently remodeled a former nightclub building.

Additional developments include:

- The US Highway 84 East Main Street Corridor has seen significant growth with the addition of Chick-fil-A locating in this section of the community and supporting the growth of Southeast Health and the Alabama College of Osteopathic Medicine;
- A former auto repair store located at 1210 W. Main St. has recently been renovated to provide and now houses Ceramic Pro Wiregrass (Sunbelt Auto Pros);
- The former Wells Tractor Supply building on Kinsey Road was renovated and became the home of Atlantic and Southern Co. with renovations and new construction to serve the community in agriculture, tractor, sales and servicing;
- Other redevelopment projects have seen former gas station sites on Ross Clark Circle and Main Street become home to Friend Bank;
- Hanger 38; and
- Simply 10.

The above are just a few projects that have brought new life and opportunity to the community.

## City of Dothan Commercial Corridor Development & Redevelopment Program

Redevelopment of abandoned, vacant, blighted, environmentally comprised sites/buildings and under utilized commercial property along and within older commercial corridors in the City of Dothan have been identified as a means of stimulating economic development and promoting sustainable growth and development patterns. The urban

core along with older commercial corridors such as Main Street (US Highway 84) within Ross Clark Circle; Montgomery Highway (US Highway 231) within Ross Clark Circle; Reeves Street, N. Oates Street and S. Oates Street (US Highway 431 Business) within Ross Clark Circle.

The City of Dothan has implemented a major infrastructure and upgrade improvement program on essentially all of the City's major commercial corridors to show the commitment to stimulating community and economic development in this focused and intentional effort. These improvements include transportation improvements, reconstruction and streetscape, i.e., reconstructing sidewalks, curb/gutter, storm drainage, utility upgrades, resurfacing/restriping, access management, lighting and intersection improvements efforts the City is undertaking to enhance the community and create new economic development opportunities.

There is an array of different resources to assist with new projects and reinvestment in the City of Dothan corridors. Projects mentioned and showcased in this information brochure have used an array of the Business Development Resources to help make redevelopment and reinvestment in the City's downtown area and commercial corridors possible. Realizing that each property and site is unique and has varying conditions that may need to be overcome, the City of Dothan Planning Department, Dothan Downtown Redevelopment Authority, City of Dothan Commercial Development Authority and the Dothan Area Chamber of Commerce/ Grow Dothan economic development team will work closely with clients and interested parties to tailor-make support and answer those questions that are essential to supporting new and existing development.

Below is an overview of potential resources that may be available to assist in redeveloping:

- **ADEM Brownfield Redevelopment and Voluntary Cleanup Program**

This program provides oversight for the voluntary assessment and cleanup of contaminated brownfield sites. It is a fee-driven program and its greatest benefits are the significant liability protections afforded during and after assessment and cleanup activities. Properties accepted into the program also receive property tax abatements (non-education portion) for 20-years on state and local ad valorem taxes on real and personal property and sales and use tax abatements (non-education portion) for the local county and city taxes during the construction and redevelopment phase of the project. This program is a statutory program passed and approved by the Alabama Legislature and administered by the Alabama Department of Environmental Management. This program must make an application and pay the applicant fee, but upon approval assists the client with developing the site. Once the application is approved, the project is ready for tax abatement approval by the local governing bodies. The incentive for this program is for all business uses and is not tied to a specific business sector.



- **Microloan Program**

The Dothan-Houston County Microloan Program will provide direct and/or gap financing to small businesses and individuals that are sound and growing, but cannot obtain adequate financing to carry out a new or expanding project. Loans will be available from \$4,000 to \$20,000, or up to a maximum of 90 percent of the project cost. Working capital loans will be limited to 50 percent of the Microloan portfolio and must be repaid within five years. Eligible uses: land, building, equipment and working capital.

- **Revolving Loan Program**

The Southeast Alabama Revolving Loan Fund is a locally-controlled source of capital used to finance start-up and expanding businesses whose projects will create permanent jobs and leverage private sector investment. As borrowers repay their RLF loans, the principal and interest payments are returned to the fund for lending to other

businesses to create more jobs and investment opportunities. This program works hand-in-hand with private lending institutions and fills the “gap” of a project by taking a subordinated position to that of the bank to help a project happen. There is flexibility with the amount of participation on this program, but usually participates at \$125,000 or 33⅓ percent of a project cost. Higher participation may be available depending on project. Eligible uses: land, building, equipment and working capital.

#### **Amendment 772 (429)**

One of the more immediate programs to assist with reinvestment and redevelopment is The City of Dothan Commercial Development Incentive Program under Amendment 772 (429) of the Alabama Constitution. Through Amendment 772/429, sales tax rebates are available for qualifying projects for new commercial projects on vacant properties or existing properties that are adding to the City’s tax base to recruit new business and revitalize existing retail space that would contribute to the City’s redevelopment and revitalizing initiatives. Through the 772/429 Amendment, the City will entertain project agreements and share a portion of the 4 percent Dothan sales tax generated from retail sales taxes generated by the project and split this on a 50/50 basis to support and incentivize the project based on the economics of the project. This type of agreement must undergo thorough economic analysis and then have City Commission approval. Once the project is approved and validated, the City will rebate a portion of the sales taxes generated by the project and assist the development by filling “gaps” the project may have to support the project. These types of agreements can be implemented on a multi-year basis depending on project needs.

#### **Tax Abatements on Sales Taxes and Ad Valorem Taxes**

Statutory incentives provided by the state and local community include sales/use and ad valorem abatements for qualifying projects based on a qualifying NAICS code. This incentive is mainly available for those projects that are involved with distribution, manufacturing, inbound call centers, computer system design, publishing, data processing/hosting, testing laboratories and scientific research and development. This incentive will abate non-education sales/use taxes at state and local levels on materials used for construction of new buildings and renovations, new and equipment while abating non-educational ad valorem taxes on real and personal property for 10 years at the state and local level. Depending on the scale of the project, ad valorem savings may be extended up to 20 years.

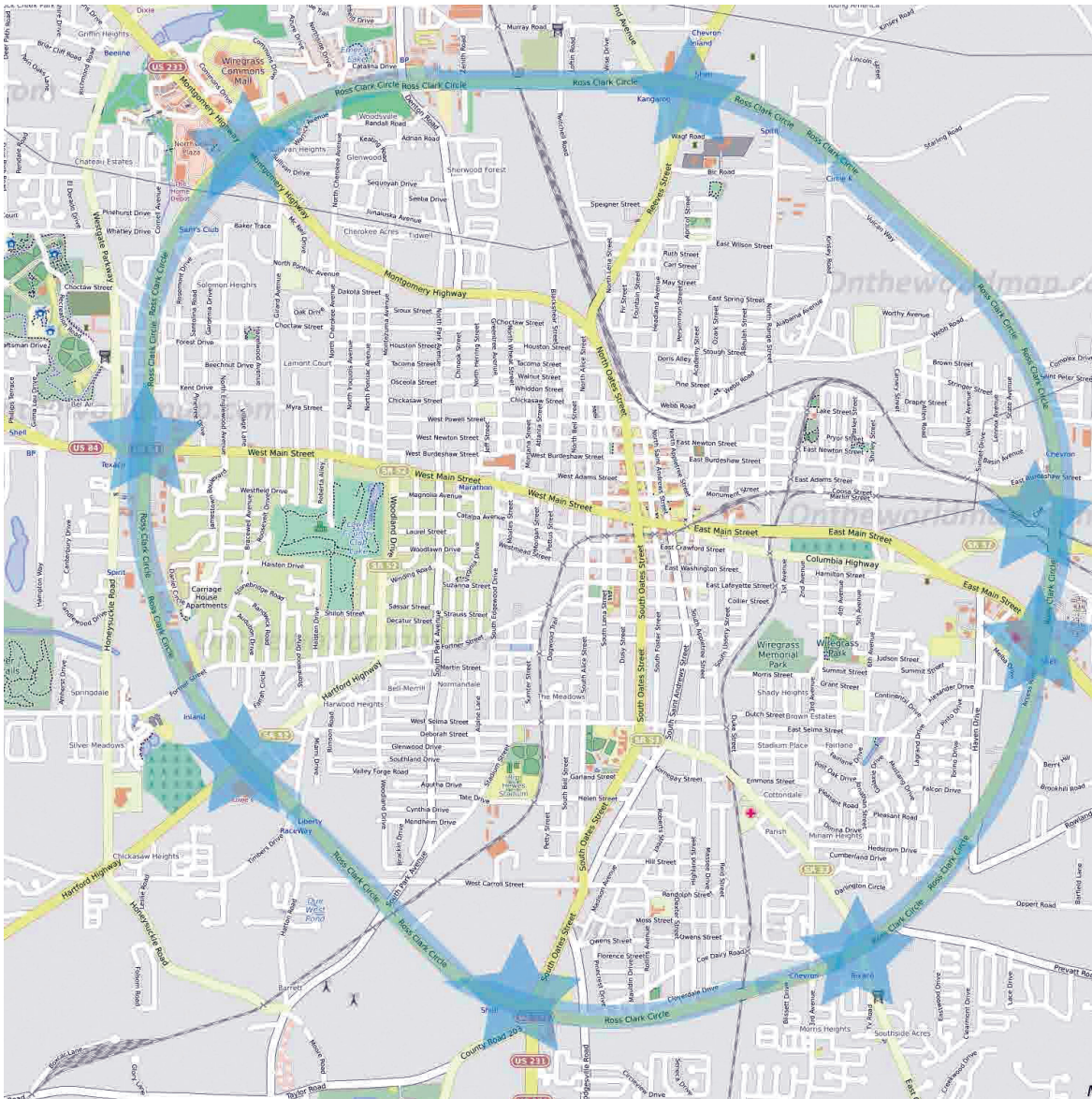
### **Other Development Resources**

*The resources discussed below are available on an as-needed and qualifying basis.*

- **Alabama Industrial Development Training (AIDT)**  
Depending on the NAICS Code, the State of Alabama can provide training support for new and expanding companies seeking to hire new employees. This program will screen, train and provide on the job reimbursement for qualifying companies hiring 10 or more employees for companies that qualify for the traditional statutory incentives for distribution, manufacturing, publishing, testing laboratories, inbound call centers, data processing, computer system design and scientific research and development.
- **Small Business Administration 504 Financing**  
Fixed-rate, long-term financing below conventional market rates for real estate acquisition, construction, expansion, renovation and equipment. Source of funds is 50 percent bank loan, 40 percent SBA and 10 to 20 percent cash or equity from the company. Terms are from 10 to 15 years from bank and 15 to 20 years from the SBA portion.

- **Small Business Administration 7A Financing**  
Long-term financing for fixed assets, inventory and working capital by guarantee or direct loan. Terms range from 10 years for equipment, 25 years on real estate and buildings, and seven years on inventory and working capital.
- **Small Business Development Center**  
Working with Troy University Small Business Development Center this resource is provided to help with business planning, getting qualified for federal contracting opportunities, and helping grow your business. This service is provided free of charge and the only thing needed is your time.
- **Southeast AlabamaWorks**  
This is a regional workforce development program to help companies recruit, train and staff your company. Through Southeast AlabamaWorks, staff can determine eligibility with other state and federal training support and tailor-make assistance to meet the needs of your project for any businesses. This is a free and available training support program to market your company to the area for staffing.
- **City of Dothan - Business Services**  
Through Dothan’s Business Service Office under the City of Dothan Planning and Development Department, staff can be your one-stop source for questions regarding permitting, licensing, zoning and utilities at (334) 615-4463.
- **Other Local Discretionary Incentives**  
Based on project needs and scale, other available incentives to assist with development may also incorporate waiving of construction permit fees, and based on the specific needs of a project, The City of Dothan will evaluate and determine other ways to assist projects for the benefit of revitalizing and reinvesting in the downtown and commercial corridors of the community.
- **Processing/Hosting, Testing Laboratories and Scientific Research and Development**  
This incentive will abate non-education sales/use taxes at state and local levels on materials used for construction of new buildings and renovations, new and equipment while abating non-educational ad valorem taxes on real and personal property for 10 years at the state and local level. Depending on the scale of the project, ad valorem savings may be extended up to 20 years.





P.O. Box 638, Dothan, AL 36302  
 www.dothan.com  
 334.792.5138 • 800.221.1027 • ccureton@dothan.com