



# MARION, ALABAMA

## GRANT-FUNDED REVOLVING LOAN FUND

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Marion, AL  
Population: 3,178  
County: Perry

- Project Details: \$150,000 grant from USDA to create revolving loan fund
  - Impact: Accessible lending for rural small businesses; revitalization of historic business district
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The county seat of Perry County, Marion is a rural community that was once a center of education for central Alabama. No fewer than four institutions of higher education originated in Marion including the Lincoln Normal School, a groundbreaking school for African American students that eventually became Alabama State University in Montgomery. The Marion Military Institute continues to operate in the community as the nation's oldest military junior college. Marion's historic main street district, which is listed on the National Register of Historic Places, centers on one of just four antebellum courthouses still in use in the state of Alabama. This area was the site of protests and advocacy for black voter rights during the civil rights movement. The murder of Jimmie Lee Jackson by state troopers in Marion is frequently cited as the impetus for the Selma-to-Montgomery marches. Today, Marion is the largest community in Perry County, a rural county where one third of persons are in poverty and the median household income is \$27,000.

In 2021, a local team led by the Main Street Marion (MSM) organization partnered with Opportunity Alabama (OPAL) to strategize revitalization of the historic downtown area. After decades of disinvestment and population loss, limited local capital exists to fund revitalization of its historic buildings and support local entrepreneurship. Despite these challenges, Marion was seeing active small business entrepreneurship and growing interest in restoration of its unique architectural heritage. Main Street Marion had purchased two buildings with the hope of restoring them, but the high cost of redevelopment was a significant barrier. As construction costs rose during the pandemic, the focus of this partnership shifted towards identifying creative ways to encourage small business development.



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To that end, OPAL and MSM worked closely with the Marion Community Bank to design a new revolving loan fund that could provide flexible low-interest capital for local businesses to make small but impactful investments, like improving their physical footprint, purchasing inventory and equipment, and hiring staff. Subject to less stringent underwriting criteria and lower-interest rates than loans offered by traditional lenders, the Main Street Marion Revolving Loan Fund will make growth capital available to more types of small business owners in this underserved community.

In 2022, OPAL helped Main Street Marion write and submit a successful \$150,000 grant request to USDA to capitalize this revolving loan fund. The program builds on Main Street Marion's prior success in executing a facade grant program, which translated into greater sales tax revenue and a more inviting and attractive downtown. The Main Street Marion Revolving Loan Fund is a more sustainable way to provide direct financial assistance to small businesses in perpetuity. With the help of the Marion Community Bank, Main Street Marion will launch the program with a series of educational finance programs for small businesses, and distribute the first loans in 2024 and beyond.