

From the Memphis Business Journal:

<https://www.bizjournals.com/memphis/news/2020/10/06/additional-details-of-u-of-m-apartment-development.html>

## Additional details of U of M/Stella Group apartment development revealed

Oct 6, 2020, 11:41am CDT

The University of Memphis withdrew its [August application](#) to the Memphis & Shelby County Board of Adjustment (BOA) for a 135-unit, 520-bed apartment development along Deloach Street and is now planning to bring it before the Land Use Control Board.

The BOA application proved contentious because the university thought it didn't have to abide by local zoning codes, but local planning officials and Memphis Mayor [Jim Strickland](#) disagreed because it's partnering with a private developer.

Strickland even sent a letter to the board, as was first reported by the *Daily Memphian*.

"I do think it should be reviewed and processed in the same manner as other private developments in and around the University of Memphis," Strickland wrote.

The Land Use application shows the project in greater detail than the BOA application did, as can be seen in the slideshow above.

The new application — officially submitted by the city's [new top business recruiter, Ted Townsend](#) — includes a letter from University of Memphis CFO [Raaj Kurapati](#), that said, in part:



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"The University and developer are taking steps to ensure the project is designed, arranged, and operated in order to limit impact to neighboring properties. By creating a student housing facility that will only be occupied exclusively by University of Memphis students, faculty, and staff, the University will be able to control all aspects of the environment inside the property. ... The addition of the proposed student housing units is absolutely imperative to the growth and sustained success of the University of Memphis, especially as it continues to pursue Carnegie R1 research status. Existing University housing stock cannot adequately accommodate the needs of the modern college student."

In March, the university had agreed to a land swap with the developer, Stella Group, that would give it access to the Deloach property in return for property behind the University of Memphis Research Foundation's research park.

The university will maintain ownership of the property and lease it — on a long-term basis — to a new nonprofit entity set up so the development can be financed through a tax-exempt bond issuance, according to the now-withdrawn BOA application.

This new nonprofit will enter an "affiliation agreement" with the university, allowing the U of M to place students in it — like a dorm — and to provide security and other services. The university will also get to approve the complex's rules, maintenance budget, and rental rates.

**Jacob Steimer**

Lead Reporter

*Memphis Business Journal*

