

Memphis: Downtown Boomtown!

Fueled by \$3.8 billion in investments — and counting — the city's core is blossoming.

by [Toby Sells](#) | August 11, 2016



Photographs by Brandon Dill

Nashville gives Memphis "crane envy."

That's the well-worn joke, anyway. So many construction projects are rising all over Music City that there are calls to make the crane Nashville's municipal bird.

Heh. Good one.

Construction projects there total \$2.5 billion, according to the Nashville Downtown Partnership. **The Downtown Memphis Commission (DMC) says projects here total around \$3.8 billion.** Feel the burn, Nashville?



The Emerge Memphis building, visible below, is suggestive of the theme of this story: With creative solutions for old spaces, downtown is on the way back in.

Cranes don't dot our skyline, though. Some of the projects in our \$3.8 billion figure are built already, like Beale Street Landing. Also, a ton of our projects haven't gotten started yet. The expansion of St.

Jude Children's Research Hospital, for example, has been promised to total more than \$1 billion, but no dirt has been moved.



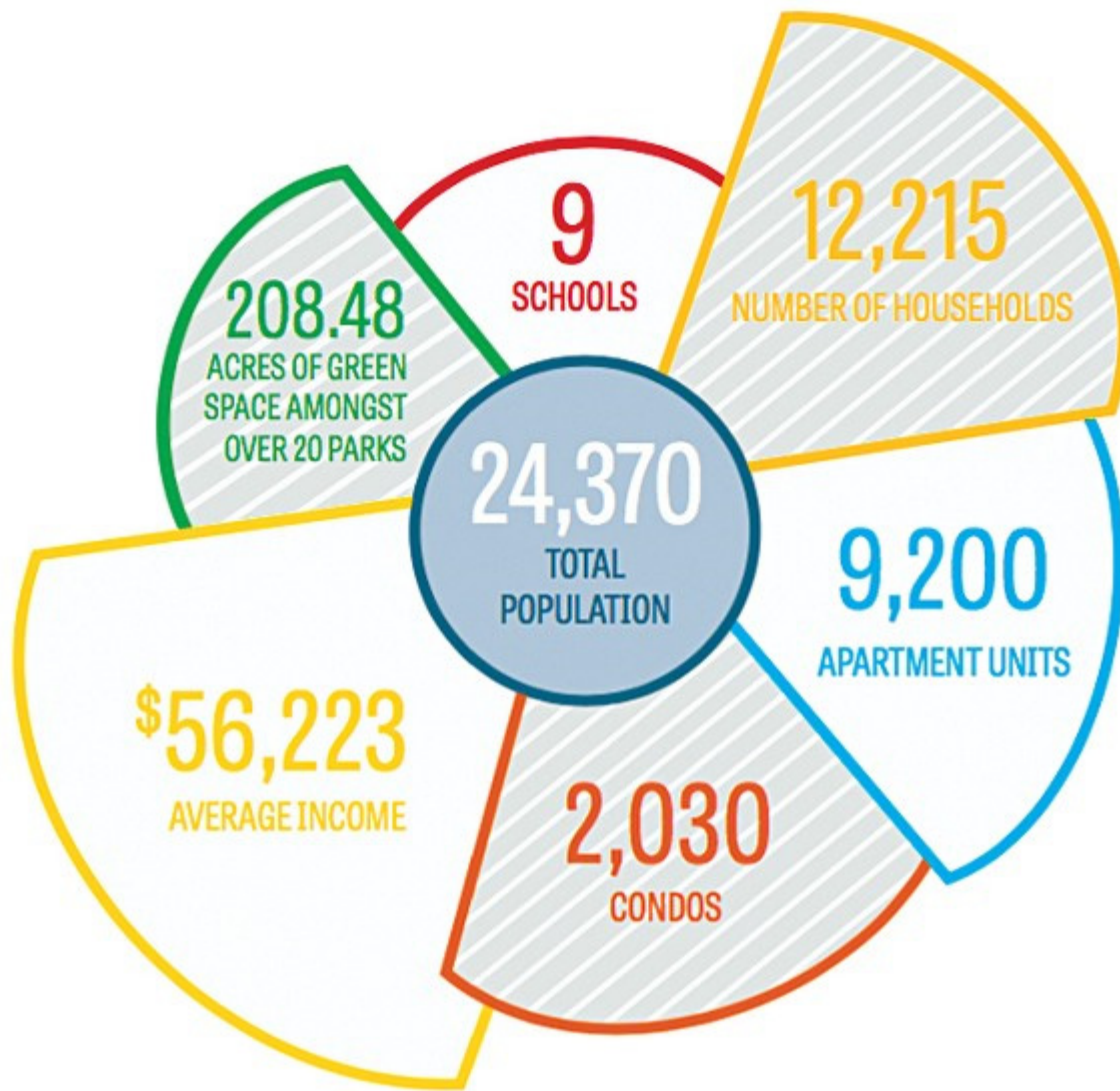
The Horizon building stands tall on Riverside Drive.

Memphis isn't building shiny new towers on every vacant lot. Developers are doing a lot of adaptive reuse — re-purposing old stuff into new stuff. Like turning an old arena like the Pyramid into an outdoor store with restaurants and a hotel. Or turning old cotton warehouses into apartments, condos, restaurants, and retail.

But the promise is still there, a promise made right before the recession, that is now being kept in a frenzy of construction projects big and small that promise a more vibrant downtown, packed with more people (and more places for them to live), more things to do, more places to eat, more places to work, and, if all goes as planned, more opportunities for Memphians.

Reborn Again

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But that would be plagiarism. *Memphis* magazine, our sister publication, used that line first. It was a cover story headline in (wait for it) 1997.

"There's a new confidence and pride in downtown Memphis, and with good reason," Edmund Armentrout, president of the Center City Commission (now the DMC) said in that issue of *Memphis*.



The Pyramid gained new life thanks to Bass Pro.

The Pyramid was about six years old. Construction had begun on a baseball park at Union and 3rd. Gibson Guitar was building a tourist-friendly factory. Pat O'Brien's and a Hard Rock Cafe were promised for Beale Street.

Even then, there were nods to the fact that downtowns across America were revitalizing. And, the same is true now.

"Places once shunned as empty and unsafe at night are being redeveloped at higher density and are thriving after dark," reads a 2015 report from the International Downtown Association. "They have become preferred places for work, entertainment, and living."

The statement isn't just about downtown Memphis. It's about downtowns in the country's 150 largest cities, from Juneau to Miami. For the last 30 years, cities have been investing in their downtowns, "adding arts, culture, dining, education, medical, and research institutions, along with hospitality, leisure, and sports venues," the report says.

All of it, though, rides the boom-and-bust cycles of the economy. It makes urban revitalization feel like a series of start-and-stop rebirths, instead of a constant flow of change.

So, it's certainly possible that this "rebirth" of downtown could be stymied by market forces at some point. But jobs, homes, hard work, and billions of dollars are at stake, making it harder for downtown to ever be left for a ghost town again.



Five Years, Two Leaders

Downtown was pretty quiet (development-wise) when Paul Morris took the reins of the Downtown Memphis Commission in 2010. The economy had shuttered the Horizon project at Riverside and Georgia and completely halted the One Beale development. One Commerce Square was in foreclosure.

So, Morris focused on things he could control: preventing aggressive panhandling, adding Memphis Police Department security, cleaning up trash, greening up the neighborhoods, cutting parking on the Main Street Mall, eliminating blight, and changing the organization's name from the Center City Commission to the DMC.

Then, downtown scored a homerun. One Commerce Square was saved with a \$25 million deal to bring in Pinnacle Airlines. Of course, that success was short-lived, as Pinnacle shares plummeted and the company moved out of the building. Morris said this was "easily the biggest disappointment I've had in the last five years," of his term as DMC president.

But downtown also scored some base hits: Le Bonheur Children's Hospital moved some office employees in, as did ServiceMaster. Smaller companies began moving downtown,

and numerous start-ups settled into 38103. The DMC redeveloped the James Lee House in Victorian Village into a bed and breakfast.

The DMC also worked with attorneys at Brewer & Barlow, contacting property owners about their blighted buildings. These moves eventually brought the redevelopment of the Toof building on Madison — into the Pressbox Lofts — and the old Chisca Hotel became a complex of apartments and restaurants.



The Chisca Hotel is now a complex of apartments and restaurants.

South Main was a constant focus for the DMC on Morris' watch. His group poured time and money into the area, and it paid off, as private investment in the neighborhood rose from \$100 million in 2014 to over \$500 million, currently. Morris calls the DMC's work in South Main

"easily one of the best things we've done."

All of Morris' comments were given in an interview late last year, as he was readying to leave his DMC post. He steeped his positivity with a dose of reality.

"I don't want to imply that today [downtown is going] gangbusters and I'm riding out in a blaze of glorious success," Morris said. "We are not nearly at the velocity of investment and progress that we need to have to make a downtown that reaches its potential."

And into that fray stepped current DMC president Terrence Patterson. He recognizes downtown's current momentum and recognizes that his challenge will be to maintain that momentum, and he recognizes that Memphis is, and wants to remain, unique.

"We don't aspire to be Charlotte or Nashville or Austin or Atlanta," Patterson said. "We aspire to be a better Memphis. What that means is we want to take Beale Street, and the Orpheum, and our Main Street, and our Brinkley Plaza, and our Sterick Building, and all those assets and keep the Memphis culture and heritage in place."

Patterson said he's keeping a watch on the action in the Pinch, especially with St. Jude's plans. He said he'll work to fill the retail gaps in the core, especially along the Main Street

Mall. Down the road, he has eyes on "larger, aspirational" projects like finding new uses for 100 N. Main and the Sterick Building.

Nursing the Medical District

Billions of those new downtown development dollars will land in the Medical District — to build huge structures for patient care and research. But it's Tommy Pacello's job to rebuild the neighborhood outside those walls.

Pacello is president of the brand-new Memphis Medical District Collaborative (MMDC), a group of the Medical District's major stakeholders, which includes the University of Tennessee Health Science Center (UTHSC), Methodist Le Bonheur Healthcare, Regional One Health, and others.

"They've been focused on healing, teaching, and research, not on what's happening in the neighborhoods around them," Pacello said. "That's what's changing."



Crane sighting at UT Medical

Population in the Medical District had shrunk by about 26,000 residents since the 1970s, Pacello said. To help flip the trend, his group surveyed UTHSC students and district employees about what they'd need in order to live in the Medical District. Walkable neighborhoods, green space, jobs, and more amenities were the answers, enough to tell MMDC their goal would have to include community building.

Pacello and his team are also eyeing an interesting, new-to-Memphis tool to help them. Residential incentives have been deployed in Midtown Detroit to help attract and maintain residents there. That program gives new homeowners \$20,000 in forgivable loans, new renters \$2,500 toward their first apartment, and \$1,000 if they renew their leases for a second year, and it gives existing homeowners \$5,000 in matching funds for exterior projects.

Pacello said MMDC's numbers won't look like those in Detroit. But his team is exploring the idea and will likely launch a pilot program in late summer or fall.



- St. Jude expansion spurs construction.

At Home in Downtown

Any media account about downtown revitalization anywhere in America will have a lot of verbiage about millennials. That generation, born between 1981 and 1997, wants to live and work amid authentic, walkable environs. Most of them don't have kids. They do have money (some of them), and they largely eschew the previous generations' longing for a suburban paradise.

That holds true in Memphis, as well. DMC statistics say nearly 30 percent of downtown residents in 2015 were between the ages of 21 and 34. Perhaps surprisingly, 37 percent of downtowners were between the ages of 35 and 64.

Fortunately, thanks to decades of market forces, anyone looking to live downtown now has their choice of historic structures to call home, said Josh Whitehead, director of the Memphis and Shelby County Office of Planning and Development.

But there is also a phenomenal amount of new residential construction. In the South End, the Henry Turley Co. has built hundreds of new apartment units in developments like South Junction. The booming growth of that area is proof that a sizeable number of Memphians are craving downtown living.

"When I was in high school, I never would've thought in a million years that Florida and Carolina and Georgia would be a residential area," Whitehead said. "It was one-story,

kind-of-cool brick warehouses. But at night, it was, you know, spooky. The street lights were always out, and it was all these dark brick warehouses from a thousand years ago."

Alex Turley, vice president of real estate with Henry Turley Co., said the development started with the same question asked before embarking on any project: "Will this make our city better?"

"Our company has been driven by that civic purpose since Henry [Turley] began developing downtown in the late 1970s, at a time when almost no residential existed here," Alex Turley said.

Farewell, Foote Homes

Foote Homes is the last public housing project in Memphis. Now it's slated for the wrecking ball, and the space will be filled with a \$210 million new development called South City. The massive project will replace the crumbling, institutional compound with suburban-looking apartment complexes, green space, common areas, and some retail.

Archie Willis III, president of Community Capital, said he hopes South City will be a shot in the arm for the area and that its revitalization will reach far beyond Foote Home. Developers envision a grocery store, parks, child-care centers, business centers, and more.

"[The initial development] can start creating some job opportunities for residents and just making it a better place," Willis said, "taking advantage of the fact that it is literally right on the southern edge of downtown and, literally, two or three blocks from Beale Street and the FedExForum and, really, the heart of downtown."

Eyes on the Pinch

Patterson and Whitehead predict that the Pinch is the next area to watch. The biggest change-maker there will undoubtedly be St. Jude.

The world-renowned research hospital announced in November that it would soon launch a six-year, \$1.2 billion expansion for its campus in the Pinch. The plan would make space for more patients to the hospital, about 2,000 new employees, new treatments, and new programs.

St. Jude owns most of the land in the Pinch District, and its plans likely include transforming the areas around its campus into neighborhoods aimed at attracting

employees to live in the area. The plans remain mostly conceptual at the moment, but public planning sessions earlier this year yielded some goals: to retain the character of the city's oldest neighborhood, make it walkable, connect it to Bass Pro and the rest of downtown, and attract a mix of housing, retail, restaurants, offices, and more.

Work to Do

There's no doubt promise lies ahead for downtown Memphis, but, as Morris said last year, there is still plenty of work left to do.

"We need to get to a place where there isn't blight downtown, where there aren't big empty towers in our city," Morris said. "We need to get to a place where downtown is the preeminent and most prestigious place to have your office, instead of the least expensive."

"We need to have a trolley and a better public transportation system — not only a trolley but a trolley that actually functions as transportation. "We need to be a lot better than we are, but we are a lot better than we were."