

# Making a Move(ment)

By Christy Wheeler

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It's been a long, drawn-out process for Myron Hughes of the Center City Commission. As vice president of planning and development for CCC, he's been focused on the lack of development on the Main Street Mall between Union and Gayoso for the past year and a half. Eighteen properties fill the near-vacant block—cornered by Smooth Moves on the northwest and Cook and Love on the southeast—and CCC wants those property owners to develop their space. Negotiations about doing just that have gone on for more than a year, ever since the CCC put together the Memphis Main Street Development Plan in fall of 2000.

That plan sets the stage for the development of a new Downtown neighborhood with improved public spaces, renovated historic properties, and newly constructed buildings. It was designed to create a world class urban neighborhood that will draw visitors based simply on its uniqueness, functionality, and charm.

“We wanted to see development plans from everyone on that block at this time last year,” says Hughes. “We actually gave them until September to get their plans back to us. A few people did, and a few didn't. We had to give them the equivalent of an ultimatum to do something, or we were going to attempt to move things forward a lot more aggressively.”

“More aggressively” meant CCC offering to buy out the property owners, which was done this May, followed by a call to developers for RFPs (requests for proposals), which will be done as soon as the properties are obtained. “Most of the owners are in the process of negotiating purchase option agreements with us now,” says Jeff Sanford, president of CCC. “I anticipate that negotiations will be complete by early fall. I also anticipate that most of the development will be undertaken by local developers, and it is entirely possible that national retailers will show interest in the commercial space. We would love to see that.”

Proper use of the buildings in the vacant block, according to CCC, is to put residential on the top floors and commercial/retail on the street level. CCC estimates that means approximately 100,000 square feet of commercial space and potentially 300 units of housing.

“We really need to have the block developed,” says Hughes. “It's a real eyesore down there, and with almost one million people riding the trolley annually, they see it constantly. I'm not sure what the problem is in motivations—whether it's price or wherewithal. But, you have a lot of people on this particular block who don't necessarily have a lot of expertise in development. It's our job to help them.”

Some owners, however, like Allan Long, owner of 107-109 South Main, don't see CCC's negotiations as a help. "I didn't buy this to sit on it," says Long of Long Development, LLC. "They (CCC) are impatient with me, but what I've tried to explain to them is that no one is more impatient than I am. I can also appreciate their position. But I've got a plan and am putting it into action. I don't plan to sell my property to them. I'm attempting to make my four-story, 25-foot-wide building into a residential rental building on the top three floors with 14 upscale units."

On the first floor and in the basement, Long has almost 10,000 square feet available for a commercial tenant. Archimania Architects is already working on the building layout, and others have been contacted for interior, roof, and deck design, so the project is on its way. Another consideration in the plan mix is that residential and commercial properties in that block need adequate amounts of parking space, and while there are no direct parking lots on the street, there are some surrounding possibilities.

"I'm not interested in developing any of the properties, but I've told the CCC that I'd help them with parking," says local developer Henry Turley. "I have a garage right down on Union, Parking Can Be Fun. We would love to work with them on parking for residents in the area. I'm glad the CCC is involved in renovating that block. The restoration of those properties is important. Visitors think ill of us. If we don't clean up that block to the extent needed, we're not going to get anywhere."

Sam Salky, owner of 101-105 South Main, would like to see some movement in the area as well and is currently negotiating with CCC for the sale of his property. He says Downtown is changing for the better, and the Main Street block is a prime location to continue the change. "I think it's very positive for the city of Memphis," says Salky. "Economically, the only way those properties can be developed is to do a multiple building project. Currently, because they are owned by so many different people, it is difficult to develop the block. One piece of property is not rewarding enough for a developer. It's when they see 200-foot by 100-foot blocks of property that they have ideas."

Salky says CCC is being fair in their process by paying a fair market value for the properties. "It's a way for owners to get a return on their investment if the right numbers are put together to make it work," he says. "This block is just one more piece of the puzzle developers have been trying to put together Downtown for years."

However, CCC is not a development organization. They can only entice development by using incentives such as the payment-in-lieu-of-taxes (PILOT) fund and subsidizing the development. They do plan to underwrite as much as they can in order to entice developers to show interest in the block. That's their role. And they've been playing that role all along to help aid various other projects Downtown.

"All up and down Main Street from that block, things are being developed and filling in the gaps: The Madison Hotel, 10 North Main Apartments, the SpringHill Suites, and the progress being made in Court Square," Hughes says. "But in these South Main properties,

we're walking softly, because when you start trying to force people to do things, they get a little upset. We're trying to work with these owners and be sensitive to their needs. We'd like to have some kind of RFP going out this fall. It just takes getting a few things nailed down first."

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