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**2019
GOLD
MEDALIST**



Crosstown Concourse

Memphis, Tennessee

Rehabilitation of an abandoned Sears, Roebuck and Co.
distribution center into a vertical mixed-use village



Chad Melton

Overview

Submitted by: Crosstown Arts
Completed: 2017
Total Development Cost: \$210 million

Once home to Memphis, Tennessee's leading employer, the 1.5-million-square-foot Sears, Roebuck and Co. warehouse was abandoned in 1993 and stood vacant for more than 20 years, despite being one of the city's largest structures. Reopened in 2017 as Crosstown Concourse, the 16-acre complex is now a vibrant community anchor that goes "beyond mixed use" and includes housing, commercial and nonprofit offices, restaurants, and retail, as well as arts and culture, health and wellness, and educational tenants. The biggest adaptive reuse initiative in Tennessee and the largest LEED Platinum Certified historic adaptive reuse project in the world, the \$210 million complex was nearly a decade in the making.

In 2010, Todd Richardson, an art history professor at the University of Memphis, and Christopher Miner, a video artist, founded Crosstown Arts, a nonprofit arts organization, to create a plan for the building's redevelopment that would cultivate Memphis' creative community through "an open and inclusive place designed to dissolve barriers to access." Over the next three years, guided by a philosophy of "better together," Richardson and Miner engaged development partners in the community to explore the feasibility

“Crosstown Concourse is simultaneously bold and sensible, reinventing an outmoded retail warehouse into a community asset that addresses basic needs and common urban problems.”

— 2019 Selection Committee

of their plan and enlisted eight other organizations as founding tenants. The City of Memphis, Shelby County, and financing from federal Historic and New Market Tax Credits provided additional support for the project’s realization.

Designed by Memphis-based architects Looney Ricks Kiss and the Vancouver-based firm Dialog, in association with the Richmond-based Spatial Affairs Bureau, the award-winning restoration/renovation maintains the historic building’s rugged industrial character while introducing contemporary features and uses. Now home to 48 diverse tenants including Crosstown High, Memphis Teacher Residency, Church Health, and Global Café, the project also includes 265 apartments housing over 500 residents.

“On a massive project like this, there are more red lights than green ones,” said former Memphis Mayor A. C. Wharton Jr. “This is why Sears Crosstown is not only ‘Exhibit A’ for rebuilding the core of our city, but also a model for how to creatively overcome the obstacles to it.”



Chad Mellon

Crosstown Concourse transformed an abandoned 1.5 million-square-foot former Sears, Roebuck and Co. warehouse into an inclusive, vertical mixed-use village.



WOMEN

MUSEUM

LEAVING ON THE RUBBER ROAD TO FREEDOM
BOMB SHELTER ROAD
DREAM BABY DREAM FOREVER

WOMEN
MUSEUM

WET FLOOR

NO

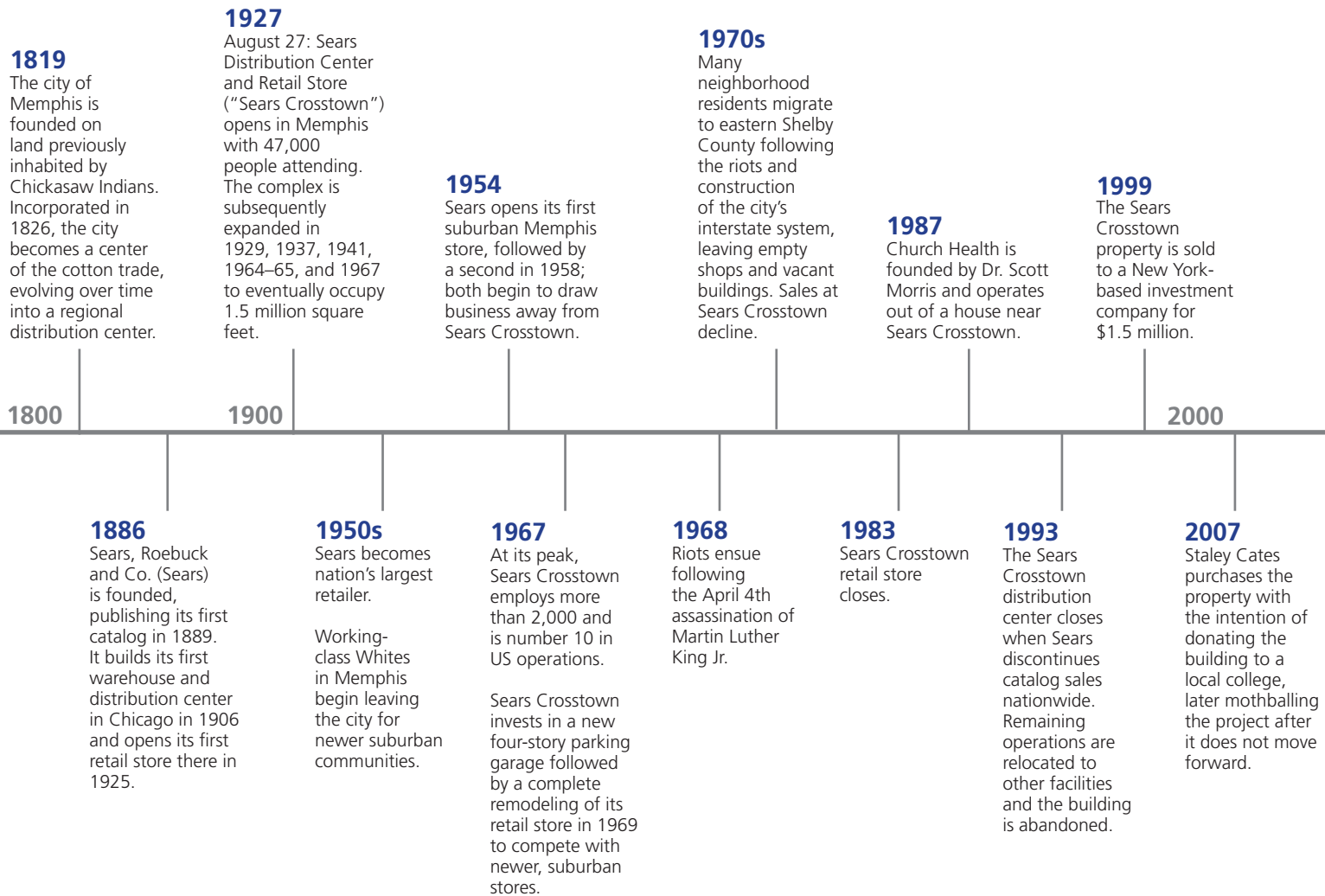
Project at a Glance

- Redevelopment of a vacant, historic 1.5-million-square-foot former Sears, Roebuck and Co. distribution center and retail store into a mixed-use “vertical village.”
- A new community anchor that integrates arts venues, commercial and nonprofit offices, health and wellness facilities, a high school, restaurants and retail, and 265 apartments housing over 500 residents.
- An inclusive development that builds upon the creativity of Memphis by using arts as a catalyst for community engagement and building civic pride.
- A \$210 million collaborative development financed in part through commitments from eight founding partner organizations in the arts, education, and health care that lease nearly 50% of the building and help govern its operations.

Project Goals

- Create an open, inclusive, and animated place designed to dissolve barriers to access and serve Memphians of every socioeconomic status.
- Promote openness, connection, learning, and exchange by offering regular programming that encourages spontaneity, cultivates curiosity, and inspires imagination.
- Recognize, embrace, and amplify the iconic industrial character and Art Deco style of Sears Crosstown and its historical context.
- Establish a flexible and adaptable vertical “micro-city” within the building by incorporating key components of “urban magnets” including retail, education, production, programming and events, and a unique sense of place.
- Merge the development with its surrounding neighborhood to allow a seamless connection between the activities within and around the building.

Chronology



2010

Richardson and Miner found Crosstown Arts as a nonprofit and begin hosting arts-focused events to generate interest in the property and its redevelopment.

Richardson, Miner, and Cates engage a team of design, development, and communications experts including Bologna Consultants and Spatial Affairs Bureau to study the feasibility of developing Sears Crosstown and complete a concept design.

2011

September: McLean Wilson from Kemmons Wilson Co. joins the Crosstown team, contributing additional development expertise.

October: Church Health agrees to consolidate its operations into a 150,000-square-foot space in the building, becoming a founding tenant along with Crosstown Arts and Memphis Teacher Residency.

2013

October: Downtown Memphis Commission approves a 20-year PILOT (Payment in Lieu of Taxes) for Crosstown Concourse.

December: Sears Crosstown is listed on the National Register of Historic Places.

Memphis City Council approves \$15 million in funding for public infrastructure upgrades at Crosstown Concourse.

2015

February: Construction begins.

July: After a charter school management organization committed to starting a new public high school in the building pulls out of the development, Ginger Spickler spearheads the creation of Crosstown High.

2018

Crosstown Brewing Company opens in a new building on the property in February, Crosstown High welcomes its first class of 150 ninth graders in August, and the 420-seat black box Crosstown Theater opens in October.

2009

Cates, Todd Richardson, and Christopher Miner connect over a shared interest in reactivating the Sears Crosstown property with a focus on arts and music as catalysts for community development.

2012

August: Nine founding partner organizations commit to leasing a total of over 400,000 square feet.

Crosstown Arts, Kemmons Wilson Co., and Bologna Consultants partner to redevelop Sears Crosstown. Memphis-based Looney Ricks Kiss and Vancouver-based Dialog are hired as the architectural team and Grinder Taber Grinder as the general contractor.

October: Crosstown Arts moves into storefront space on North Cleveland Street, across from Sears Crosstown, to incubate components of a contemporary arts center.

December: A full-time community relations coordinator is hired to more intentionally engage residents from the surrounding neighborhoods.

2014

April: Shelby County Commission approves \$5 million in funding for additional public infrastructure upgrades at Crosstown Concourse.

December 30: Development financing, including 30 sources of funding, closes hours before the December 31 deadline.

2017

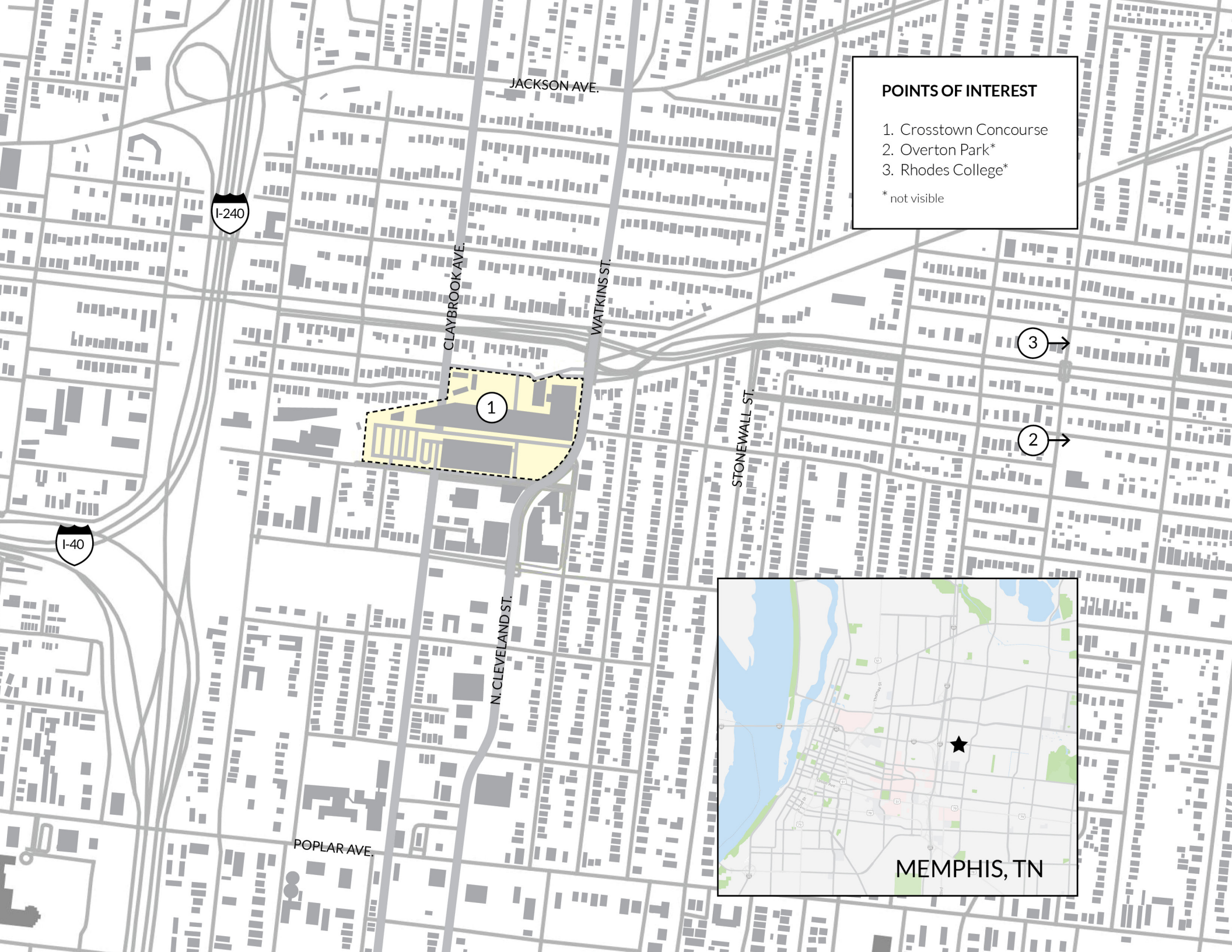
April: The development team hosts a Sears Crosstown former employee reunion at the building.

August 19: Crosstown Concourse celebrates its grand opening, 90 years to the day after the original 1927 grand opening, with the majority of the building leased.

December: The complex is certified LEED Platinum for building design and construction.

2019

The Crosstown High gymnasium opens in March, followed by the Church Health YMCA outdoor swimming pool in August.



JACKSON AVE.

I-240

CLAYBROOK AVE.

WATKINS ST.

1

3

2

STONEWALL ST.

I-40

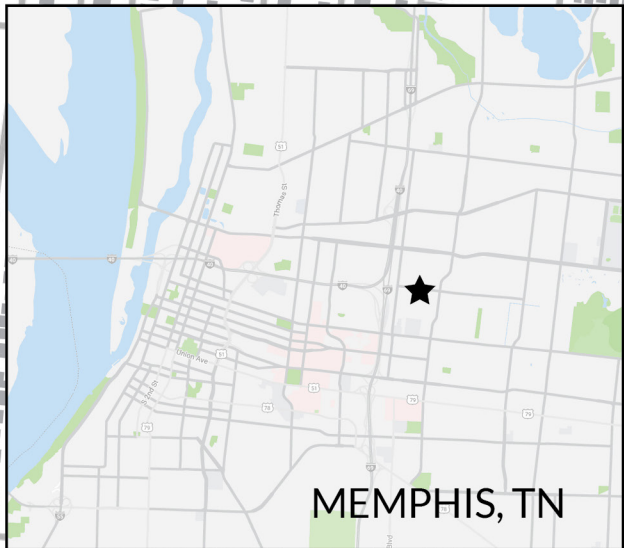
N. CLEVELAND ST.

POPLAR AVE.

POINTS OF INTEREST

- 1. Crosstown Concourse
- 2. Overton Park*
- 3. Rhodes College*

* not visible



MEMPHIS, TN

Project Description

INTRODUCTION

Crosstown Concourse is the renovation of a massive 1.5-million-square-foot former Sears, Roebuck and Co. distribution center and retail store into a mixed-use, vertical urban village. Constructed in 1927 and expanded five times over the next four decades, the landmark structure had long been a vital economic and community anchor in the city of Memphis until it was closed and abandoned by the company in 1993.

After sitting empty for nearly 20 years, the historic building was rediscovered by an artist, an art history professor, and a local businessman with a collective vision for creating a community arts center and redeveloped by a local team passionate about Memphis and investing in its unique history and culture. The \$210 million development was made possible in part by commitments from eight community-based founding tenants dedicated to the arts, education, and health care who together leased over 400,000 square feet in the building. Designed to be open and inclusive, the ten-story building integrates arts and culture organizations, a high school, a gym, health clinics, commercial offices, retail and restaurants, and 265 apartments.

Crosstown Concourse attracts over 3,000 people a day and has been a catalyst for new activity and development in Memphis and the surrounding community since its opening. Once a beacon for manufacturing and production, the building now signals renewed interest and investment in the city and its citizens.

CONTEXT

Memphis

Located in southwestern Tennessee in Shelby County near the borders of Arkansas and Mississippi, the city of Memphis was founded in 1819 by General Andrew Jackson on land previously inhabited by Chickasaw Indians on a bluff overlooking the Mississippi River. With ready access to water and rail transportation, the city became a center of trade for the cotton industry. Today Memphis is one of America's largest distribution centers, with the world's second busiest cargo airport along with a major river port, rail freight center, and trucking corridor. It is the birthplace of Piggly-Wiggly, the first self-service grocery store (1916); Holiday Inn (1952); Autozone (1979); and Federal Express (1971), currently the city's largest employer.

Memphis has a rich history of arts, music, and creative collaboration that helps draw 11.5 million visitors each year. Often referred to as the birthplace of blues and rock 'n' roll, the city is home to the Beale Street music district, Elvis Presley's Graceland, and Sam Phillip's Sun Studio, credited with discovering Presley, B.B. King, Jerry Lee Lewis, Johnny Cash, and Roy Orbison. This history is celebrated at the Stax Museum of American Soul Music and the Rock 'n' Soul Museum (a Smithsonian affiliate). Notable Memphis natives include photographers William Eggleston (hailed as the "father of color photography") and Dr. Ernest C. Withers as well as writers Shelby Foote and Alan Lightman.

Demographics and Disinvestment

Tennessee's second most populous city, Memphis had a population of 646,889 according to the 2010 census, with a regional metropolitan statistical area population of 1.3 million. The city's population has remained steady in recent years, hovering around 650,000 over the past three decades. Memphis is a majority minority city, with approximately 64% residents Black



Memphis' rich history of arts and music is celebrated at the Stax Museum of American Soul Music.

or African American, 26% White alone, 7% Hispanic or Latinx, and 3% Asian or two or more races.¹ According to the *New American Economy*, in 2016, there were more than 70,300 immigrants (about 11% of the population) living in Memphis, home to one of 20 World Relief offices in the United States.

Although Memphis has one of the lowest costs of living for a large metropolitan area, the city struggles with poverty and, like many areas in the South, racial and economic segregation. Although the overall poverty rate has decreased since 2016, Memphis was the second poorest metropolitan statistical area with a population of more than a million people in the US in 2018, according to the Memphis Poverty Fact Sheet. Its unemployment rate is double the national average, with non-Hispanic Black unemployment double that of non-Hispanic Whites. The median household income is \$37,072, compared to \$46,102 in Shelby County and \$51,324 nationally. According to the US Census Bureau's 2011 American Community Survey, "the wealthiest, best-educated households live clustered among the best job opportunities east of the city, while the least educated, most impoverished households live near

low-skill, low-wage jobs." The economic and racial disparity has played out in the school system, which remains largely segregated. And although much of the city's distinctive food, music, and culture has been shaped by African Americans, Memphis has been slow to embrace its identity as a hub of African-American talent.

As in many American cities, working-class White families began moving out of Memphis into adjoining suburbs following the development of the interstate highway system. Interstate 240, the highway loop around the city, was initially planned in the 1950s and completed in 1984. The riots that followed the 1968 assassination of Martin Luther King Jr. at the Lorraine Motel and court-ordered busing in 1973 further exacerbated the loss of residents and businesses to outlying areas. According to Tom Jones from SmartCity Memphis, what began as White flight became middle-class flight in the 1990s as African-American families moved across the state border to neighboring communities in Mississippi. In an effort to capture its fleeing tax base, the city annexed adjacent land. According to *Modern Cities'* article "Memphis Wants to Shrink," between 1960 and 2010, the city expanded its footprint by 240% to encompass 324 square miles (larger than New York City, Atlanta, or Chicago). Although the city expanded, its population remained steady at about 650,000, straining its ability to maintain municipal services as population per square mile dropped by 53%.

Recent Development and Investment

After decades of White and middle-class flight to the suburbs and slow recovery from the Great Recession, the city is seeing reinvestment in downtown. According to the *New York Times* ("From Blight to Bright Lights in Memphis"), Cushman & Wakefield/Commercial Advisors report over \$13 billion invested in 250 revitalization projects in downtown over the past four years. According to locals, Memphians, unlike the residents of Nashville, are more likely to renovate old buildings than build new. Major businesses investing in existing

¹ Unless otherwise noted, references to race, ethnicity, and nationality throughout this case study reflect the terminology used by the source. In instances where there is no direct source, we have attempted to use the most inclusive, accurate, and appropriate language possible.



Crosstown Concourse dominates Cleveland Street, a major artery connecting eastern neighborhoods with downtown Memphis.



Cleveland Street in Crosstown was once a bustling commercial district.

buildings include Service Master, which converted a former downtown mall into an office building; St. Jude Children's Research Hospital, which is expanding; and FedEx, which is moving into a former Gibson Guitar factory downtown.

In early 2019, city leaders identified Memphis' three key assets as arts, education, and health care. The city's economic base includes FedEx (which employs 30,000), hospitality and tourism, service industries, logistics, and transportation. The city is home to over a dozen colleges and universities, including Christian Brothers University, Rhodes College, the University of Memphis, LeMoyne Owen College, and the Memphis College of Art. The health-care industry, including St. Jude Children's Research Hospital, Methodist Le Bonheur Healthcare, and the University of Tennessee Health Science Center, is one of the region's largest employers.

Memphis has been experiencing a renaissance since its bicentennial year, with growing civic pride and a renewed interest in and enthusiasm for the city's unique identity. In December of 2019, the Memphis City Council officially adopted "Memphis 3.0," the city's first comprehensive plan since 1981, which is focused on strengthening neighborhoods and "right-sizing"—reducing the city's footprint through the de-annexation of land to increase density and improve the quality of government services.

Crosstown

Crosstown Concourse is located two miles east of downtown Memphis, along Cleveland Street, the city's most active transportation corridor. The neighborhood of Crosstown is defined by Jackson Avenue to the north, Interstate 240 to the west, Poplar Avenue to the south, and Stonewall Street to the east. Cleveland Street, which runs through the center, is a major transportation artery and was once a thriving commercial corridor. Crosstown gained its name following the city's construction of a north-south streetcar line in 1927 to serve the new Sears Crosstown store. The new line, which opened the same day as the store, connected two other existing lines "across town," hence the name "Crosstown."

According to its Rudy Bruner Award application, Crosstown Concourse lies at the intersection of three "socially distinct neighborhoods where the median



The residential neighborhoods surrounding Crosstown Concourse include houses dating from the 1890s to 1930s.



Today the neighborhood is home to working-class families, artists, and small businesses.

household income ranges from \$15,426 to \$60,799.” They include historic Evergreen to the east, North Memphis to the northwest, and the Medical District a half-mile to the southwest. The Crosstown neighborhood itself is comprised of two census tracks: Vollintine-Evergreen (population 38,112) and Klondike/Smokey City (38,107). The population of Vollintine-Evergreen is 53% Black or African American, 36% White, 5% Hispanic, and 6% Asian and other, with a median household income of \$31,647. Klondike/Smokey City is predominantly Black or African American (82%) with a median income of \$28,281. Both census tracks have mostly early twentieth-century housing stock dating from the 1890s to 1930s. According to 2015 census data, these neighborhoods experienced a decline in housing values after Sears Crosstown closed, with Klondike and Smokey City, among the oldest Black communities, being hit the hardest.

The Crosstown neighborhood is located on the northern edge of the Memphis Parkway System, a 12-mile-long rectangular boulevard system completed in 1906 with Overton Park and Memphis Zoo (ranked one of the top five zoos in the United States) just to the east. In 1971, the US Supreme Court ruled in favor of *Citizens to Preserve Overton Park v. Volpe*, an effort that overturned plans for the construction of Interstate 40 through the heart of the community (resulting in the construction of the Interstate 240 loop), preserving the 342-acre park and community. Also nearby, across from Overton Park and the Memphis Parkway, is Rhodes College, a private four-year college with 2,100 students focused on liberal arts and sciences. Founded in 1848, the college has been at its present location since 1925.

Today, Crosstown is home to working-class families, artists, small business owners, and ethnic restaurants. Median household income within a one-mile radius (as reported by the City of Memphis in 2011) is scarcely half the national average. Almost one in three households lived below the poverty level in 2010, more than double the national average of 13%.

Sears Crosstown

Founded in 1886 in Minnesota by Richard W. Sears and Alvah C. Roebuck, Sears, Roebuck and Co. (Sears) initially served rural farm households with limited access to retail shops and services. The company published its first

catalog in 1889 and built its first headquarters, warehouse, and distribution center in Chicago in 1906. Sears opened its first retail store in the city in 1925 in response to a growing urban market. The success of its catalog and retail stores prompted the creation of new combined retail/warehouse/mail order distribution centers beginning in 1926. These were located outside central business districts to avoid competition from other retailers and accommodated automobiles with paved parking lots and service stations. By the mid-1950s, Sears was America's largest retail merchant and became one of the world's largest companies in the 1970s.

Sears Crosstown was constructed in the midst of the development of Memphis's early eastern suburbs, adjacent to the Louisville and Nashville Railroad line. One of four regional distribution centers (the others were in Chicago, Philadelphia, and Seattle), the facility was one of the last of the distribution centers to open before the Great Depression and served smaller centers in Kansas City, Missouri; Atlanta; and Dallas, providing catalog service to Arkansas, Louisiana, eastern Texas, Mississippi, Tennessee, western Alabama, and Kentucky.

The building was designed by Chicago architect George Nimmons, who also designed Sears distribution centers in Boston, Los Angeles, and Minneapolis. The four regional distribution centers are similar in design, using a reinforced concrete grid of structural piers spaced 20 feet on center that enabled a consistent and efficient approach to movement and sorting of merchandise by company personnel. The standardized approach also enabled the integration of new additions with minimal disruption to ongoing operations. All of the Sears distribution centers featured a distinctive central tower as part of the main entrance façade. The tower housed a large water tank for the building's gravity-fed sprinkler and plumbing systems.

The initial 10-story, 650,000-square-foot Crosstown building was built in 180 days for \$5 million, with construction taking place 24 hours a day except for midnight Saturday to Sunday. It included a retail store, mail order catalog fulfillment, a hospital for store employees, a farm store, a filling/service station, and a 1,500-car parking lot. A reported 47,000 people attended the opening on Saturday, August 27, 1927.



Memphis Public Library Archive

Sears Crosstown was constructed in the heart of Crosstown, a growing eastern suburb.



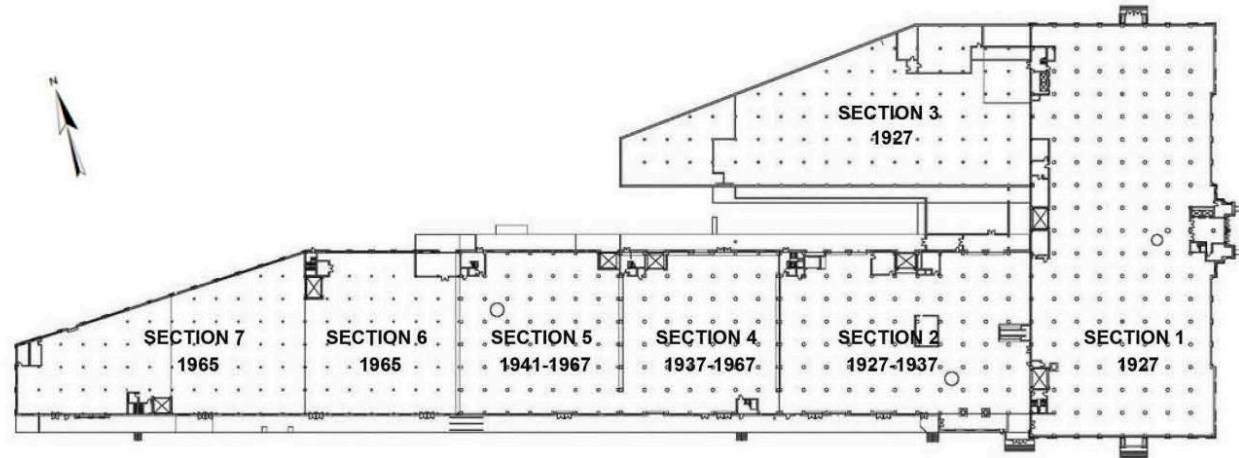
Arnold Prather

The building followed a standardized design that used a grid of reinforced concrete piers.

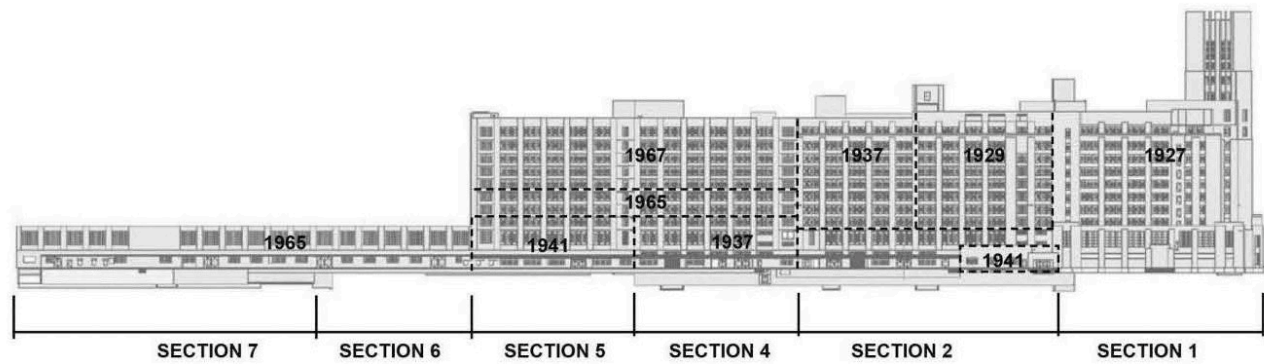
Memphis Public Library Archive



Sears Crosstown was constructed between 1927 and 1967 and totaled over 1.5 million square feet.



Schematic First Floor Plan of Additions 1929 to 1964-65



Schematic South Elevation of Additions 1929-1967

The initial 650,000-square-foot 1927 building was expanded several times between 1927 and 1967.

Crosstown Arts



Sears Crosstown was abandoned after the distribution center closed in 1993 and stood empty for 20 years.

Sears' innovative retail distribution model spurred the growth of Sears Crosstown and the surrounding neighborhood. The facility was expanded five times between 1927 and 1967, bringing the total square footage to just over 1.5 million. The final building addition bisected Claybrook Avenue, a public street, and was followed by a separate, four-story parking garage constructed in 1967. Four years later, in 1969, the retail store was completely remodeled. At its peak, Sears Crosstown ranked tenth among the company's US operations, employing 2,000 workers and processing 45,000 catalog orders daily. The largest single employer and one of the most important buildings in Memphis, it became a central character in the social fabric of the city. As Ann Langston, a local resident, explained in her Rudy Bruner Award perspective submission, "Thousands of people had worked, shopped, met their spouses, filled Santa's toy bag and much more in Sears Crosstown. Most everyone who had lived in Memphis before 1995 had a memory story about this Sears."

Sears' retail business followed the migration of Memphis residents to newer suburbs after World War II, opening its first suburban store in the Memphis area in 1957 followed by a new suburban distribution center in 1961. Over time, continued suburban expansion and competition from other retailers drew business away from the Crosstown complex, despite the construction of the parking garage and renovation of the retail store. The retail store closed in 1983, and the distribution center shut down 10 years later when the company discontinued catalog sales nationwide. Remaining operations were relocated to other sites and the Crosstown building abandoned, leaving the massive, vacant structure towering over the surrounding neighborhood.

PROJECT HISTORY AND LEADERSHIP

Nearly 10 years in the making, the redevelopment of Sears Crosstown is a collaborative partnership between a group of community-minded people

and organizations working at the intersection of arts, education, and health care. The vision was initiated by a local businessman, an artist, and an academic, and it was realized through the collective energy and talent of people who share a deep passion for Memphis.

Vision and Leadership

The initial arts-inspired vision was developed by Todd Richardson, an art history professor; Staley Cates, the owner of the building and passionate supporter of Memphis music past and present; and Christopher Miner, a video artist, musician, and writer. All three share the belief that Memphis is full of creative activity but needs more spaces, venues, and resources to nurture it.

Richardson grew up in Tupelo, Mississippi. He moved to Memphis in 1995 after college to work in youth ministry, then started graduate school in art history in Berkeley, California. He then moved to the Netherlands, where he earned a PhD in art history from Universiteit Leiden, focusing on the intersection of art, architecture, and religion in early modern Northern Europe. He returned to Memphis with his wife and family in 2008 to become a professor of Renaissance art history in the Department of Art at the University of Memphis.

Miner grew up in Jackson, Mississippi. After college, he lived in Memphis briefly and worked as an art teacher in an urban public high school. While there, he would drive through the city's neighborhoods admiring the inventory of interesting old buildings. During one drive, he encountered the abandoned Sears Crosstown building and was brought to tears by its scale and overwhelming potential. However, like Richardson, he left the South, earning an MFA in photography at Yale University, then living and teaching in New York City. He returned after establishing an internationally recognized art practice, settling in Jackson with his wife (also an artist) and family, where the low cost of living allowed them to focus on their studio practice.

While in Jackson, Miner had the idea of starting a community-minded contemporary arts center and residency program in Mississippi, but he wasn't sure how to move forward. Knowing about Richardson's experience in nonprofit youth ministry, he asked for advice. Richardson introduced Miner

to Memphis contacts doing similar work, and they encouraged him to think about embarking on his project in Memphis.

Soon after, in August 2009, Richardson had his first conversation about the Sears Crosstown building with Staley and Elizabeth Cates, friends whom he knew from his previous chapter in Memphis and who owned the building. Staley Cates is a local businessman known for his "huge civic and philanthropic heart." He is vice-chairman of Southeastern Asset Management Inc., a global investment management firm founded by O. Mason Hawkins, and chairman of the Poplar Foundation, which is primarily focused on improving urban education and teacher training. Cates and the Poplar Foundation, one of the largest nonprofits in Memphis, have invested heavily in local education and the arts, including the Stax Museum of American Soul Music and several Crosstown tenant organizations in arts, education, and health care. Although active in local philanthropy, Cates prefers to keep a low profile.

Cates, as Crosstown LLC, purchased the Sears Crosstown building in 2007 from a New York investment firm (which purchased it from Sears in 1999 for \$1.5 million) with the goal of donating it to a local college (name withheld) for development of an urban campus. With that vision in mind, initial feasibility, environmental, and design work was completed. When that project did not move forward, Cates approached national developers about the property; they all declined. As the Great Recession slowed development, Cates mothballed the project, waiting for the right person to come along, and his ownership of the property remained a well-guarded secret.

The first conversations between Cates and Richardson centered around Cates' dual passions for education and the arts and, more specifically, the future of Memphis music. Cates had been instrumental in resurrecting the Stax Museum and reestablishing its history as central to the city's identity. He was also a driving force behind establishing the Stax Charter School and Stax Music Academy to ensure that the history of soul music is infused in young scholars and musicians training for future careers in music. He imagined developing a creative hub for local musicians that included supportive resources such as access to instruments and recording equipment, performance space, and health care.



The development team included (left to right) Christopher Miner, Staley Cates, Todd Richardson, and McClean Wilson.

After hearing about Cates' interests, Richardson and Miner began dreaming about the possibility of incorporating the creative hub idea and Miner's concept for a residency program into a larger vision for a contemporary arts center at the abandoned Sears Crosstown site. Together with Cates, they began to develop preliminary concepts for redeveloping the building with a multidisciplinary arts focus, looking to other developments like MASS MoCA in western Massachusetts and the Distillery District in Toronto as successful examples. In October 2009, the three joined forces, and Miner and his family moved to Memphis in May 2010. The idea to create an intentional community organized around the arts became the foundation for the redevelopment and programming of the building.

Development

The development team describes the process of creating Crosstown Concourse as taking place over four key phases: feasibility, research, and vision; tenant recruitment and design; financing; and construction.

Feasibility, Research, and Vision: 2010–2011

The first year focused on exploring the feasibility of redeveloping the building. According to Richardson, the team gave themselves "about a 2% chance of success, so we decided we were going to think outside the box from the beginning and have a good time doing it."

In May 2010, with financial support from Cates, Miner and Richardson enlisted a team of development experts, including architecture, design, engineering, and communications consultants, to help them evaluate the feasibility of redeveloping the building. The team included Tony Bologna and Amy Carkuff. Bologna, an architect and developer, has been instrumental in major urban projects in Memphis, including downtown development and historic adaptive reuse. Carkuff is a commercial interior designer with experience in hospitality and real estate and has partnered with Bologna in consulting on a number of adaptive reuse projects. Both brought considerable expertise in the renovation of historic properties. The team also included legal experts from Bass Berry Sims, who became involved with Cates during the purchase of the building and participated throughout the project's development.

The team proceeded to explore three development options: rehabilitation of the full building, partial demolition, and a phased approach. The primary goal was to identify costs and confirm that there were no significant barriers, such as structural or environmental issues, to prevent redevelopment. According to the team, much of the first year involved understanding the building's volume and how it could be used. They considered a variety of scenarios with different mixes of uses, all the while keeping arts as a core component.

A major challenge was sorting out the mix of uses that would meet the community-oriented goals and vision of the project, fit within the building, and generate the income necessary to finance the project. They sought to create a place that was open and inclusive and would promote connection and exchange between Memphians of every economic status. Early on, the team realized a mix of retail, office, and residential uses was needed to fill the immense structure, which is 100 feet longer than New York City's Chrysler Building turned on its side. They looked at the building as an opportunity to create a new neighborhood and considered the components that make

up vibrant neighborhoods: housing, education, food and entertainment, and health care. They also focused on incorporating components identified in the “urban magnets” theory: local retail, education, production, ongoing events and programming, and a unique built environment. Over time, this idea took form as a “vertical urban village” that would be “beyond mixed use,” where tenants, benefiting from close proximity to each other, would be better, both physically and missionally.

As the team explored options, they quickly realized that a primary design challenge to achieving a vertical urban village was finding the right mix of uses and the placement of the residential component. As the team observed, isolating the residential component in one block or tower would defeat that purpose by reducing the opportunity for chance encounters, one of the non-negotiables. Early scenarios included a hospitality (hotel) component, but the team was unable to secure a viable tenant. In the end, they identified the top four floors as the best location for the 265 apartments.

The development team concluded that the most promising scheme was the rehabilitation of the full building. The feasibility process reinforced the idea of developing a “collective of neighborhood-scale uses” that would utilize the space and create a sense of place anchored in arts and creativity. The team also realized that creating a strong identity for the new development that reinforced its role as a creative community commons would be important.

Engaging the community was an important part of the development process. As Richardson often says, “It’s about using the word ‘building’ both as a verb and a noun: the goal is to both renovate a building and also build community.” In May 2010, Miner and Richardson founded Crosstown Arts, a nonprofit organization with two goals in mind: (1) to establish a vision for the redevelopment of the historic Sears Crosstown building, and (2) to help cultivate Memphis’ creative community. Crosstown Arts initiated pilot programs to activate the site, organizing activities and events with the goal of providing opportunities for people across the city to meet and engage with the development site and Crosstown neighborhood. The organization offered venues for artists and performers by renting spaces across the street



Crosstown Arts

Miner and Richardson founded the nonprofit Crosstown Arts and hosted on-site events to engage the community.

from the former Sears building for art and music programming in advance of the development, in part to establish and highlight the role of the creative community in the overall development project. In 2013, Crosstown Arts moved into a formerly abandoned storefront space across from the former Sears building on Cleveland Street. The space includes a gallery with 10 exhibitions a year for local and visiting artists, a performance space, an artist studio, and a music venue.

During the second year of the planning process, the team added a full-time community relations coordinator to build relationships with local residents, businesses, and organizations. According to Richardson, the team took the approach of a political campaign. Over a 12-month period, the development team hosted over 300 events, including building tours, town hall meetings, workshops, and smaller gatherings with established neighborhood organizations to reach as many people as possible and solicit support for the project. Events took place on-site in the building, in the parking lot and garage, and

Crosstown Arts



Crosstown Arts moved into a vacant storefront space across the street from the development site.

Crosstown Arts



The space provided venues for events and for artists to perform and display their work.

in adjacent buildings and sites in the neighborhood. The team convened meetings with the Evergreen Historic District Association, Klondike Smokey City Community Development Corporation, Vollintine Evergreen Community Association, Midtown Memphis Development Corporation, Central Gardens Neighborhood Association, and many others. Team members also went door to door introducing the project to residents and businesses and hosted MemFIX and MemFEAST, events that raised neighborhood awareness of what was possible as well as money to support art installations that activated the development site and surrounding neighborhood.

From Richardson's perspective, the campaign was critical to getting people back to the Crosstown neighborhood and helping them see beyond the vacant Sears building and embrace the vision of what could be. The team was surprised by the amount of interest in the project, with the first ticketed MemFEAST event selling out. The positive reception to the idea of a vertical urban village led them to realize the importance of making the building as open and "porous" as possible, with multiple entries that allowed people to come and go at any hour of the day without passing by a security desk. Hospitality and programming would be key. It was important to create an environment that felt equally welcoming to a resident, a high school student, a patient seeking health care services, and a CEO. With this in mind, the development team commissioned a design concept study from Peter Culley and the Spatial Affairs Bureau. Culley's vision, particularly related to the spaces of Crosstown Arts and creating bold, attractive common areas in the form of multiple atria and outdoor plazas, solidified the concept of creating a place that would promote a "mixing of people" and offer common areas for gatherings. This foundation informed the building design and programming as the project evolved.

Meanwhile, Cates urged the team to bring on someone with expertise in real estate lending and financing. McLean Wilson from Kemmons Wilson Companies was recruited by Richardson and came on board in September 2011, bringing valuable knowledge of development financing and experience in putting deals together. Wilson and Richardson were introduced by a mutual friend as the Crosstown development team was completing its initial feasibility study. Wilson is a private developer and grandson of Kemmons

Wilson, the founder of the Holiday Inn chain of hotels. Like Miner and Richardson, he grew up in the South (Memphis) and moved away for college, spending the first part of his career working with national developers and doing real estate development in Raleigh, North Carolina, before returning to his hometown around the same time as Richardson and Miner.

Tenant Recruitment and Design: 2012–2013

Through the process of research and analysis, the team concluded that it would cost about \$200 million to renovate the building. Wilson considered financing options, drawing upon his experience working with banks to anticipate how much money they could borrow. He concluded that the project would require a mix of funding sources and a large majority of space to be pre-leased in order to garner the credibility to secure necessary financing.

The development team began to assemble tenants, which initially included Crosstown Arts and Memphis Teacher Residency, a local teacher training organization similar to Teach for America. They sought local organizations and businesses rather than traditional anchor tenants, turning away national retailers like Kroger and Walgreens. As they approached each potential partner, they asked: would this tenant be open and inclusive about service and excited about participating in the proposed community?

Education, especially a high school, was an essential component of the vision for Crosstown. Gestalt Community Schools, a local charter school management organization, was one of the first institutions to commit to leasing space in Crosstown for a public charter high school. As the local newspaper *The Commercial Appeal* observed in “Crosstown Concourse Recruiting a ‘Crosstown High,’” “a high school would help to make Crosstown Concourse multigenerational, and also provide students with exposure to and mentoring from the medical professionals, scientists, artists, and other educators who will work and live in the building.” Gestalt was founded by Derwin Sisnett and Yetta Lewis with the vision of “building better communities through education” and operates K-12 college preparatory charter schools in targeted Memphis communities. The development team worked to ensure that the renovated building would accommodate a 500-student school and meet

necessary code requirements, including a separate building entry and elevator as mandated by the state.

In July 2011, at the urging of Cates, Richardson approached Dr. Scott Morris at Church Health about opening a satellite office at Crosstown. Morris, a primary care physician and ordained Methodist minister, founded Church Health in 1987 to provide health care to the working uninsured, operating at first out of a small house a few blocks from Sears Crosstown. By the time Richardson approached Morris, the organization was treating an average of 60,000 people a year and operating out of 14 different buildings in the neighborhood. To Richardson’s surprise, a central component of Church Health’s strategic plan was the dream to consolidate all of its facilities into one location to improve patient care and operational efficiencies. After commissioning the local architecture firm Looney Ricks Kiss (LRK) to complete a test-fit analysis to ensure they could fit all their programming into the existing Crosstown structure, Church Health signed on in October as an anchor tenant, committing to 150,000 square feet over three floors.



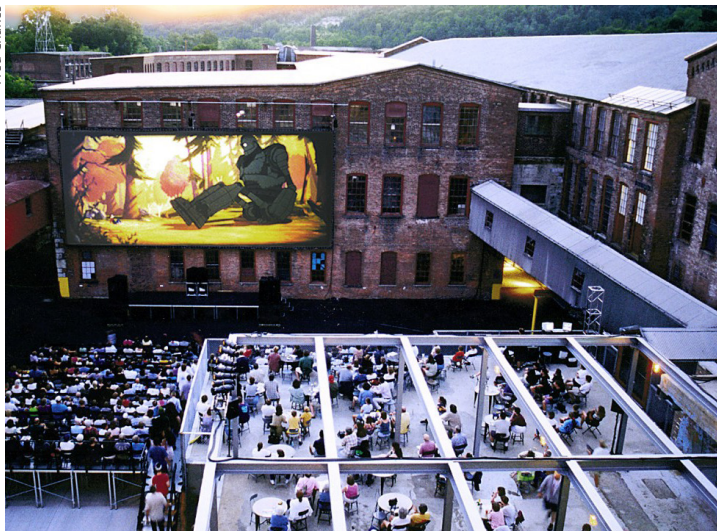
Church Health, founded by Dr. Scott Morris (left), became a one of the first founding partner tenants.

Warren Parterson Photography courtesy of Bruner/Cott Architects



The development team visited other repurposed Sears distribution centers, including the Landmark Center in Boston.

Fred Charles



The team drew inspiration from notable historic rehabilitation projects like MassMoCA in North Adams, Massachusetts.

As the process continued, the development team asked committed partners to help identify other potential tenants. Morris and Church Health leveraged their relationships with other health care institutions to help bring on board Methodist Healthcare, St. Jude Children’s Research Hospital, and ALSAC/St. Jude, the fundraising arm of St. Jude. As these partners signed on, the concept of “better together” emerged: that a group of like-minded, community-serving tenants would be invaluable not only to securing financing, but also to filling and successfully activating the space to create a vertical neighborhood anchored in arts, education, and health care.

Throughout the feasibility planning and recruitment process, members of the development team travelled to other cities to look at similar projects for inspiration. They visited other former Sears distribution facilities from the 1920s that had been renovated into mixed-use developments including Ponce City Market in Atlanta, the Landmark Center in Boston (designed by Bruner/Cott Associates), and Midtown Exchange in Minneapolis. They also checked out other notable historic rehabilitation projects such as ArtsSpace developments in Minneapolis, Granville Island in Vancouver, the Distillery District in Toronto, and MassMoCA (designed by Bruner/Cott Associates) in North Adams, Massachusetts. They were encouraged and inspired by what they saw. In March 2012, members of the development team and founding partner organizations, as well as Memphis Mayor A. C. Wharton, took a one-day trip to Midtown Exchange in Minneapolis (made possible by prospective anchor tenants and Cates), where they met with Mayor R. T. Rybak and representatives from Ryan Companies, the developer. Visiting another redeveloped distribution center with a surrounding neighborhood that was very similar to Sears Crosstown reinforced the group’s vision for Crosstown and the value of anchoring that vision in the unique culture of Memphis, as well as the belief that they could do something different—creating a true community rather than a typical mixed-use development focused on office and retail. At the conclusion of the meeting, the participants affirmed their commitment to the project and the vision.

By August 2012, the team had secured commitments from nine “founding partner” anchor tenants dedicated to arts, education, and health and wellness who together committed to leasing over 400,000 square feet (nearly 50%)

of the space. They included Crosstown Arts, Church Health, Gestalt Community Schools, Memphis Teacher Residency, Methodist Le Bonheur Healthcare, Rhodes College, St. Jude Children’s Research Hospital, St. Jude/ALSAC, and the West Clinic Cancer Center and Research Institute.

With founding partner commitments in place, the development team went public with its plans and engaged the design team of Memphis-based Looney Ricks Kiss (LRK) and Vancouver-based DIALOG Design. The team was one of six that responded to a national request for proposal that encouraged teams to include a local firm. DIALOG, the design lead for the Granville Island development in Vancouver, enlisted LRK, which was familiar with the project from its work with Cates and doing test fits for Church Health and other founding partners. The development team also brought on Memphis-based Grinder Taber Grinder as the general contractor.

Financing: 2013–2014

During the feasibility phase, the team concluded that the renovation would require \$200 million. Securing leasing commitments from the nine founding partners enabled them to proceed with assembling financing sources. The team determined that it would be comfortable with a maximum of \$85 million in debt financing, requiring \$115 to be raised from other sources.

The team focused first on raising the \$115 million, securing a lead gift of \$25 million in philanthropic support. They raised approximately \$40 million in Historic Tax Credits (a federal subsidy to incentivize the rehabilitation of historic buildings) and approximately \$18 million in New Market Tax Credits (a federal subsidy to incentivize development in low-income census tracts) from six different Community Development Enterprises or CDEs (corporations or partnerships that serve as financial intermediaries for the provision of loans and investments in low-income communities through the Community Development Financial Institutions Fund, a federal agency that promotes economic revitalization in distressed communities). Drawing upon Bologna’s experience with historic rehabilitation, the team secured National Register of Historic Places designation to support the work of the design team. Crosstown Arts acted as the developer, its 501(c)3 nonprofit status providing access to public funding that would otherwise not be available to the project. The remaining

funds were provided by a combination of funding from the City of Memphis, Shelby County, the State of Tennessee, and federal sources, such as Qualified Energy Conservation Bonds, that flowed through the city.

In January 2013, RKG Associates completed an economic impact study (*Economic Impact Analysis of the Proposed Redevelopment of Sears Crosstown*) projecting 1,317 new and retained jobs, including 600 provided by the founding partners.

On October 3, 2013, Richardson and Wilson submitted an application to the Downtown Memphis Commission (DMC) for a 20-year PILOT or Payment in Lieu of Taxes, a temporary abatement of future property taxes. In exchange for the abatement, the applicant commits to a series of conditions, including contracting local minority/women-owned firms and small businesses, creating and/or retaining jobs, and, in cases where there are 51 or more residential units, reserving at least 20% of those units for low- and moderate-income individuals and families. In its recommendation, DMC staff considered the project to be a “paramount example of a catalytic development project that could redefine a neighborhood and result in substantial economic development and growth ... and advance all of Memphis and Shelby County.” The City of Memphis granted a 20-year PILOT, the longest ever for a project outside the downtown area.

Securing direct funding from the City of Memphis was the last part of the puzzle. The developers held off approaching the city until the end given the lack of public resources for funding development. In December, Memphis City Council approved \$15 million in funding for public infrastructure improvements connected with the development. In April 2014, Shelby County Commissioners voted to provide \$5 million in county funds for the same purpose.

With the \$115 million committed, the development team pursued debt financing. Raising the financing required convincing lenders from outside Memphis to invest in the city, which was not considered an attractive market at the time; to invest in the project, which was both complex and unusual; and to invest in a development team that included an artist, an art history professor, and a young real estate guy “without any grey hair.” As SunTrust

Crosstown Arts



Construction began in 2015 and included extensive community outreach to recruit local contractors and workers.

CEO and Memphis native Johnny Moore observed in his perspective for the Rudy Bruner Award application, it was a “great deal and good for the city but a humongous task, not your average deal, largest private development in the City of Memphis.” Getting bank representatives to Memphis and winning their confidence was key. For example, Wilson met with a representative from Goldman Sachs on the same day his beloved vintage VW camper bus caught on fire. He impressed her with his poise “under fire” and secured Goldman Sachs’ financing commitment to purchase the Historic Tax Credits.

In the end, the team secured 30 sources of funding, including a senior loan of \$86.5 million from Suntrust Bank, which then syndicated the loan to include six other banks.

Construction financing closed in December 2014. Like many complex projects, the process entailed many challenges. Negotiating the deal required weekly conference calls over a six-month period with representatives from all the financial institutions and their legal counsels, entailing as many as 80 people on the calls. In December 2014, days before the year-end closing deadline, the team learned that a 40% gap between two bank appraisals threatened to cancel the deal. The team acted quickly, leveraging personal connections and tracking down and corresponding with bank representatives over the holidays (including texting each other during a Christmas Eve service and tracking down a bank representative working on Christmas Day) to resolve the issue, completing the closing just hours shy of the deadline. Had they missed the deadline, the project would have had to be rebid, likely resulting in a 15% increase in construction costs and thereby causing the deal to fall through.

Construction: 2015–2017

Construction began with a groundbreaking ceremony in February 2015. Negotiating and managing construction, like the development and financing process leading up to it, was complex. A risk assessment done prior to construction identified communication as the greatest challenge due to the large number of people, businesses, and financing sources involved. As a result, weekly job meetings were held between the legal team, development team, engineers, and general contractor.

Several funding entities, including New Market Tax Credit financing and the City of Memphis, required meeting minimum women- and/or minority-owned business enterprises and local employment goals. To meet these requirements and facilitate the participation of smaller contractors, the team created nine smaller bid packages, necessitating nine different contract negotiations. They separated out the exterior envelope; mechanical, electrical, plumbing, and fire protection; sitework; and the parking garage, then divided the remaining work vertically, roughly following the five phases of the Sears Crosstown building expansion. The team also conducted extensive outreach, including multiple job fairs, to reach out to the community and local contractors to recruit local workers.

Throughout the process, Crosstown Arts hosted on-site music and art events and performances and building tours, including a tour and reunion for former Sears employees in April 2017. The organization produced videos highlighting the story of the project and construction progress, using footage shot by Justin Thompson, Crosstown Arts' video production manager, and monthly drone flights the contractor used to monitor progress.

The grand opening for Crosstown Concourse was held on August 19, 2017. When it opened, the majority of the building was leased: 80% of residential space, 95% of commercial office, and 75% of retail.

FOUNDING PARTNER ORGANIZATIONS

Between 2013 and 2015, three of the organizations that had signed on as founding tenants in 2012—Rhodes College, the West Clinic Cancer Center and Research Institute, and Gestalt Community Schools—withdraw from the development for different reasons. While planning was underway, Rhodes College, a nearby private liberal arts college that planned to lease space in the building for its education and health-care related programs, took advantage of the opportunity to purchase a property across the street from its campus and expand there, rather than into Crosstown. Planning for the West Clinic Cancer Center and Research Institute revealed logistical challenges related to locating a linear accelerator for the radiation oncology department within a building with apartments, and the clinic opted to locate its facilities at the nearby Methodist University Hospital. Gestalt, which had started three

TABLE 1: FOUNDING PARTNERS

ORGANIZATION	SQUARE FEET	APARTMENTS
Christian Brothers University	4,000	
Church Health	150,000	6
Crosstown Arts	40,000	14
Crosstown High	70,000	
Methodist Le Bonheur Healthcare	105,000	
Memphis Teacher Residency	25,000	40
St. Jude/ALSAC	55,000	
St. Jude Children's Research Hospital		40
	449,000	100

successful schools within a relatively short period of time, decided to focus its resources on existing facilities rather than open a new school. Two other founding tenants, Methodist Le Bonheur Healthcare and St. Jude Children's Research Hospital, increased their space commitments, helping to offset the loss of Rhodes and the West Clinic. A grassroots effort initiated by a community member in 2015 led to the creation of Crosstown High, which took over the space allotted for the Gestalt school.

By the time Crosstown Concourse opened in 2017, there were eight founding partner organizations serving as anchor tenants. All are mission-driven nonprofit arts, education, and health-care organizations rooted in Memphis and committed to serving the local community. Five of the eight are faith-

based organizations: Christian Brothers University, Church Health, Methodist Le Bonheur Healthcare, Memphis Teacher Residency, and St. Jude Children's Research Hospital.

Arts

Crosstown Arts, founded by Miner and Richardson, is a founding partner, project developer, and current tenant of Crosstown Concourse. Its marketing materials describe it as "a contemporary arts organization dedicated to further cultivating the creative community of Memphis." To do so, it "provides resources and creates opportunities and experiences to inspire, support, and connect a diverse range of creative people, projects, and audiences."

Crosstown Arts occupies 40,000 square feet on the first and second floors of the building. It also operates an adjacent, newly built 420-seat performing arts theater on the site and leases 14 apartments for visiting artists/artist residencies. LRK was the architect of record, in association with Peter Culley and Spatial Affairs Bureau for both the Crosstown Arts space and the new theater.

Key program spaces include:

- 8,000 square feet of exhibition space in two galleries that are free and open to the public and host 6-10 shows a year of varying lengths, depending on the size and scale of the exhibition.
- Artist Residencies, on-site, 3- to 10-month residencies for Memphis-based and visiting artists that include housing, workspace, meals, and access to fabrication and production resources. Over 50 artists, musicians, and writers working in various media are hosted annually.
- The Café at Crosstown Arts, which serves pastries, coffee, and beer/wine.
- The Art Bar at Crosstown Arts, a full-service bar.
- Shared Art Making, a membership-based production facility for artists and musicians that includes access to a communal workshop, digital lab, print shop, recording studio, and other digital printing and fabrication tools. It offers \$80/month memberships with optional childcare for an additional \$15/month.
- The Green Room, a lounge-style space for intimate live music performances adjacent to the Art Bar and Crosstown Arts' cafe and galleries.
- Crosstown Theater, a 420-seat black box theatre completed in early

2019. Used for film, live music, and other performing arts, the theatre includes a sprung-wood floor stage; a modular open floor; retractable seating; and a state-of-the-art lighting, sound, and Digital Cinema Package projection system.

Early 2019 programming included:

- Music shows: three to five live music performances per week in three different venues on site.
- Youth Arts: Programs targeted at helping youth ages 10-18 develop their voices through creative activities including writing, film, music, theater, culinary arts, and visual arts; afternoon and in-school workshops with professional artists and trained volunteers; and partnerships with Crosstown High School and other nearby middle and high schools.
- Moonpie Project: A rotating mural series where artists paint murals in the main plaza of Crosstown Concourse. After a few weeks on display, the murals are permanently installed in the building.



Crosstown Arts occupies 40,000 square feet on the first and second floors.

Crosstown Arts



The organization hosts artists, exhibitions, and events in its facilities which include a membership-based production facility (left), galleries, and 420-seat black box theater (lower right).



Memphis resident Ginger Spickler organized a local effort that led to the creation of Crosstown High.



The “learner-centered” charter school leases 70,000 square feet on the fourth and fifth floors.

- Open Crit: A free, three-hour monthly critique group for up to four local visual artists.
- Micro Cinema: A monthly short film screening series with pay-what-you-can-admission and free food and drinks.
- Shoot and Splice: A monthly filmmaking forum presented by Crosstown Arts and Indie Memphis.
- Wish Book: A series focused on nontraditional approaches to film as a medium.
- Pecha Kucha Nights: Informal gatherings where artists share samples of their work with concise slide presentations.

Crosstown Arts owns 124 apartments in the neighborhood in four multifamily buildings that were acquired by Cates with his purchase of Sears Crosstown for the proposed college campus. When that project did not move forward, the properties were donated to Crosstown Arts. Crosstown Arts rents the buildings, which generates revenue to support its arts programming. The organization also holds long-term leases on 40,000 square feet of additional space in buildings in the neighborhood which it renovated and sublets at affordable rates for artists, arts-related businesses, and nonprofit organizations.

Crosstown Arts has a \$4.5 million annual budget. One third of the organization’s operating expenses are supported by revenue generated from ticket sales, food and beverage sales, Shared Art Making memberships, subleases and residential properties, space rental for events, and fees for serving as the event coordinator for the Crosstown Concourse building as a whole.

Education

Crosstown High is a “learner-centered” charter school that focuses on project-based learning for grades 9 through 12. The school opened in 2018 with 150 ninth graders with the plan to expand the student body by adding one grade each year over the next three years. Any student in Shelby County is eligible to apply. Selection is lottery-based (if there are more applications than there are spots), although state law allows for children of charter school employees and board members to be given priority. The school received 308 applications for 150 spots its first year and received 230-240 for 140 seats in the next round.

The idea for the high school was inspired by a call for submissions by the XQ Super School Project, an initiative launched in 2015 to rethink and redesign the American high school. Led by co-founders Russlynn Ali, former assistant secretary of education for civil rights under President Obama, and Laurene Powell Jobs, president of the Emerson Collective, the initiative has committed more than \$130 million to create “Super Schools” that offer innovative, student-centered education.

In 2015, Memphis resident Ginger Spickler saw an ad for the XQ initiative, which offered five \$10 million awards to support design thinking for a new school. Spickler, a mother of two who was running Memphis School Guide, a website created by Memphis parents with information on local schools, knew about the Crosstown project and the interest in opening a high school in the building after Gestalt dropped out of the development plans. Spickler followed up with people she knew and assembled a group of over 100 parents, students, and community leaders to complete an application for the November deadline. Of over 700 applications, Crosstown High was one of 50 finalists. Although Crosstown High was not selected for an award, subsequent conversations with XQ, as well as Spickler’s passion and commitment, led to a series of later awards that now total \$8 million, enabling the launch of the school which became part of the Super School network.

Crosstown High seeks teachers with a desire to “do something different” and an average of three years of experience. The school focuses on real-world, interdisciplinary project-based learning that integrates traditional subject matter and content knowledge with problem solving, collaboration, relationship, and communication skills. Crosstown High uses 12 competencies that incorporate state mandates used to measure student performance:

- lead one’s learning
- reason quantitatively
- read critically
- lead inquiry
- design solutions
- express oneself boldly
- develop self-knowledge
- collaborate on teams
- sustain wellness
- build community
- learn from the past
- engage as a citizen



Crosstown High focuses on real-world, project-based, interdisciplinary learning for grades 9 through 12.

Looney Ricks Kiss



Church Health offers an integrated one-stop shop for health care for people in low-wage jobs without health insurance.



Facilities include a teaching kitchen that provides classes for adults, children, and high school students.

Crosstown High leases 70,000 square feet on the fourth and fifth floors of the building. Designed by Memphis-based ANF Architects, the architect of record, and Wonder by Design, the unique design incorporates a variety of spaces for different types of learning, including individual and collaborative workspaces and traditional classroom settings. The school space functions as a kind of home base for students, as engagement with Crosstown Concourse tenants in arts, education, and health care is woven into the curriculum of the school, such that the site becomes the school campus.

Memphis Teacher Residency (MTR), founded in 2012, is modeled on traditional physician residency programs. Each year, MTR hosts 60 to 80 resident teachers who receive free housing in Crosstown Concourse (two per apartment), a modest stipend, and a tuition-free accredited master's degree in urban education in exchange for a four-year commitment to teach in Memphis' highest need schools. Its "Christian Community Education" training program focuses on the "spiritual, social, and instructional needs of teachers." The organization receives funding from the Poplar Foundation as well as other philanthropic and public sources. MTR occupies 25,000 square feet of office space on the third floor designed by the Memphis-based architectural firm archimania and leases 40 apartments. MTR has been the highest ranked teacher preparation program in the state for many years.

Christian Brothers University (CBU), with 1,892 students, is a four-year private university founded in 1871 and affiliated with the Catholic Church. The university's main 75-acre campus is located a short distance away in Midtown. CBU leases 4,000 square feet on the fourth floor at Crosstown, located off the central atrium and designed by archimania, and uses it for its MBA in Healthcare Management, College of Adult and Professional Studies corporate training programs, and special events. As of May 2019, CBU President John Smarrelli Jr. was the board chair of Crosstown High.

Health Care

Church Health provides health-care services to people in low-wage jobs without health insurance, delivering over 62,000 patient encounters a year. Church Health was founded in 1987 by Dr. Scott Morris, a family practice physician and ordained United Methodist minister. The faith-based

organization offers an affordable health-care plan for the self-employed and those uninsured through small businesses. In early 2019, Church Health had 24 medical providers on staff and 1,000 volunteer providers.

Church Health offers an integrated “one-stop shop” for health and wellness. Services and facilities include.

- primary care, including internal and family medicine clinics
- on-site specialty care, including 62 sub-specialty clinics staffed by retired volunteer doctors
- an urgent care facility
- physical rehabilitation
- behavioral health offered on-site in partnership with other practitioners in the area
- a 12,000-square-foot dental facility, one of the largest nonprofit dental clinics in the United States, with 24 dental chairs
- an eye clinic provided in partnership with the Southern College of Optometry
- a teaching kitchen operated in partnership with the Tulane College of Medicine’s Culinary Medicine curriculum that provides training for medical residents and offers free community classes for adults, as well as other classes for families, children, and high school students
- a 25,000-square-foot fitness facility operated in partnership with the YMCA, serving 5,000 members
- an outdoor pool (opened in August 2019) that will be used, in part, to teach swimming to neighborhood youth.

Church Health occupies 150,000 square feet on the first three floors of the building and leases six apartments. It raised over \$20 million, mostly from foundations, for tenant build-out designed by LRK.

Methodist Le Bonheur Healthcare is a Memphis-based, integrated, not-for-profit system of health-care facilities affiliated with the United Methodist Church. The organization leases 105,000 square feet on the sixth floor, housing 550 people in its corporate offices for its departments of central business, billing, scheduling, corporate facilities management, innovation technologies, and patient financial services.



Church Health operates a 25,000-square-foot fitness facility and outdoor pool in partnership with the YMCA.



Looney Ricks Kiss

The redevelopment of Sears Crosstown into Crosstown Concourse was completed in 2017.

St. Jude Children's Research Hospital has been a Memphis institution since 1962 and an international leader in the research and treatment of childhood cancer (ranked the number one pediatric cancer hospital in *US News & World Report's* eighteenth annual "Best Hospitals" list). The vision for the hospital and funding for its development came from the entertainer Danny Thomas, who sought to create a place that would treat children "regardless of race, color, creed or their family's ability to pay." St. Jude leases 40 apartments, 20 of which are used by PhD residents and 20 by visiting families with children being treated at the hospital.

ALSAC (American Lebanese Syrian Associated Charities)/St. Jude is the global fundraising and awareness arm of St. Jude Children's Research Hospital and the nation's largest health-care charity. It was formed in 1957 in response to Danny Thomas' appeal to fellow Americans of Arabic-speaking descent to honor their immigrant parents and give back to the United States for the opportunity it provided to their families. The organization leases 55,000 square feet on the fifth floor for its "contact center," where 250 employees assist individuals and organizations around the world who hold fundraisers for St. Jude.



The completed project includes the renovated building and parking garage, a public plaza, and three new structures housing the Crosstown Arts Theater, Crosstown High gymnasium, and Crosstown Brewing.

Looney Ricks Kiss



The interior of the building is organized around three new 10-story atria that admit light, connect programmatic elements, and promote a sense of community.

DESIGN AND DEVELOPMENT

Sears Crosstown

The 10-story (14 including the tower) Art Modern/Art Deco style Sears Crosstown structure was listed on the National Register of Historic Places in 2013. According to the National Register nomination, the yellow brick and concrete building has floors designed to hold 250 pounds per square foot (compared to 150 for a typical building) and a simple, stepped-back façade with “stylized geometric and foliated patterns.” The designation includes the original 1927 structure and the later additions, including the adjacent four-story steel and concrete garage constructed in 1967. The original 1927 building totaled 640,000 square feet with subsequent additions in 1929, 1937, 1941, 1965, and 1967, bringing the total to 1.5 million square feet (equivalent to 25 football fields).

The building’s 192,723-square-foot footprint is L-shaped, with the bottom of the L running parallel with Watkins Avenue, the main artery that becomes

Cleveland Avenue, and the long edge running west along a new interior drive, Concourse Avenue. The original building entrance was located below the tower on Watkins Avenue, with loading docks spanning most of the southern and northern edges. A one-story service station and surface parking lot occupied much of what is now the entry plaza.

The renovated building includes 1,321,853 gross feet and was developed using the 2012 International Existing Building Code and the requirements for the preservation of a historic structure in accordance with the code. In 2019, it was the biggest adaptive reuse project in Tennessee’s history and the largest LEED Platinum Certified historic adaptive reuse project in the world.

Building Design

The renovation of Sears Crosstown into Crosstown Concourse was designed by Memphis-based Looney Ricks Kiss (LRK) and Vancouver-based Dialog, in association with Oakland, California landscape architecture firm Walter

Hood Studio and Spatial Affairs Bureau, based in Richmond, Virginia. LRK also designed all the residential units and 50% of the office tenant and commercial fit-outs.

The architectural team balanced the restoration of the building with the desire to open it up to admit light into the center. A key design challenge was addressing the massive scale of the 1.5-million-square-foot building and creating connected spaces within it that not only served tenants' needs but also promoted a sense of community. Members of the architectural team described the process of aligning tenant needs and adjacencies as being like a game of Tetris, with the evolution of the design and programming informing each other. Throughout the process, the development team pushed the design team to take nontraditional approaches, such as positioning the apartments on the top four floors rather than in one wing of the building to promote a greater sense of community and interaction with other tenants.

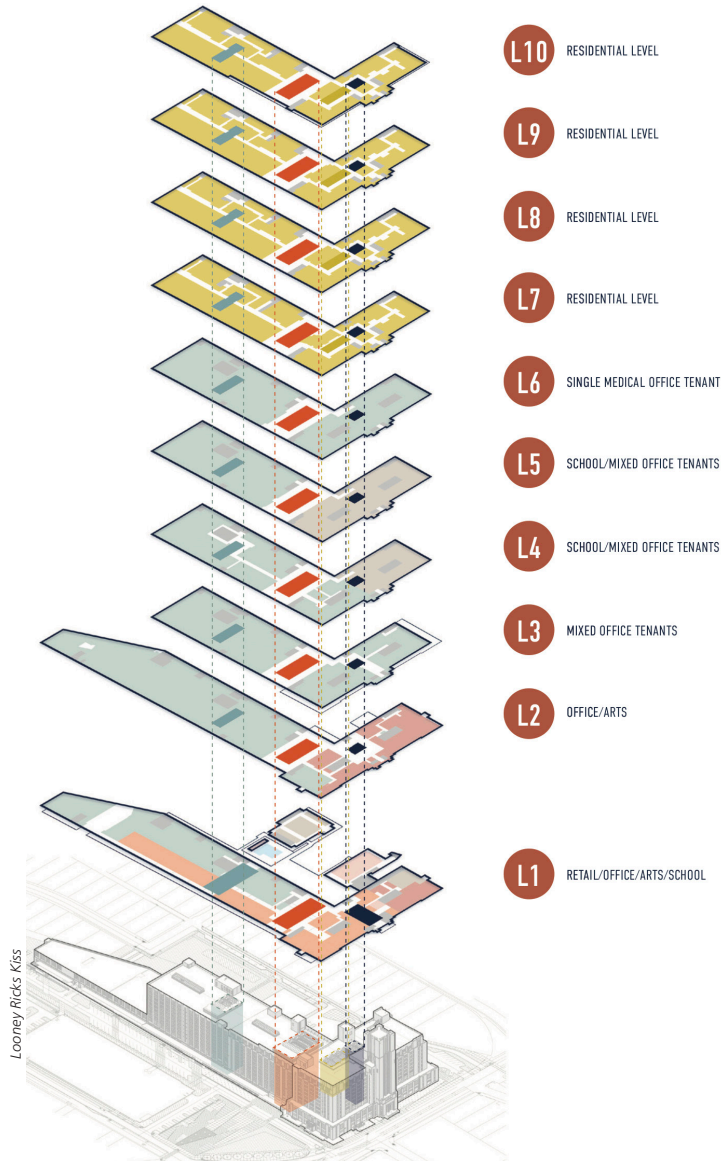
Key design strategies included adding three new 10-story atria, creating a new main entrance with an outdoor drop-off opposite the outdoor plaza, opening up the façade at the ground floor with multiple building entries to promote a sense of openness and porosity, and providing flexible common areas throughout the building. The overall design aesthetic of the common areas of the building is minimalist and restrained. The architects sought to maintain the "raw steel, conveyor-like aesthetic" of the warehouse, maintaining existing finishes where possible and using a simple palette of new finishes such as stained concrete floors and wood and steel stairways and railings.

The interior is organized around the three atria: central, east, and west. Ranging in size from 33 feet square to 52 feet by 90 feet, they were cut through the existing building to introduce light, create common areas, and help provide a sense of orientation and wayfinding. Distinctive, monumental stairways and adjacent elevators provide vertical access between the publicly accessible floors of each atrium, contribute to each atrium's unique identity, and aid in the wellness mission by encouraging people to take the stairs instead of elevators. Wide, street-like corridors provide critical horizontal connections between the atria and throughout the building.



Looney Ricks Kiss

The design maintains the existing warehouse aesthetic with a simple palette of new finishes.



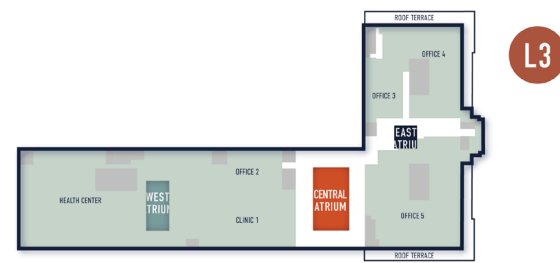
Uses are distributed among the ten floors of the building with apartments spanning the top four levels.

- L10** RESIDENTIAL LEVEL
- L9** RESIDENTIAL LEVEL
- L8** RESIDENTIAL LEVEL
- L7** RESIDENTIAL LEVEL
- L6** SINGLE MEDICAL OFFICE TENANT
- L5** SCHOOL/MIXED OFFICE TENANTS
- L4** SCHOOL/MIXED OFFICE TENANTS
- L3** MIXED OFFICE TENANTS
- L2** OFFICE/ARTS
- L1** RETAIL/OFFICE/ARTS/SCHOOL



PLAN LEGEND

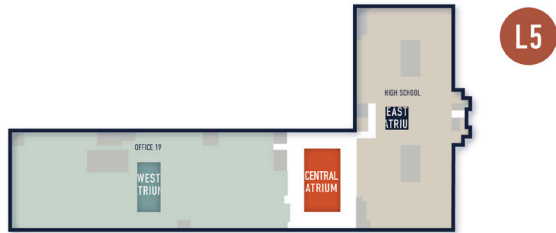
- RETAIL/RESTAURANT
- OFFICE
- COMMUNITY
- ARTS
- SCHOOL
- RESIDENTIAL
- SERVICE CORE



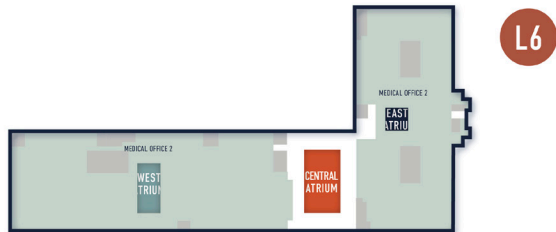
CROSTOWN CONCOURSE



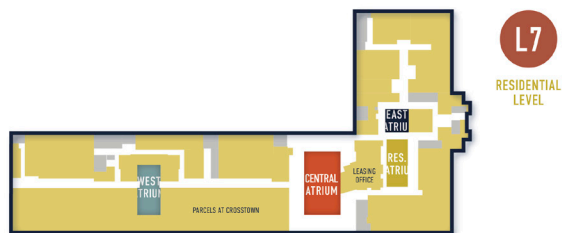
L4



L5

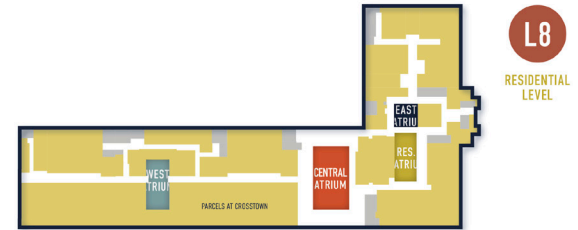


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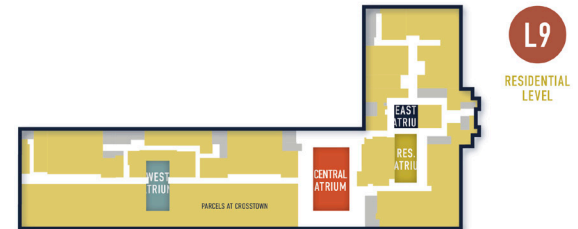
L7

RESIDENTIAL LEVEL



L8

RESIDENTIAL LEVEL



L9

RESIDENTIAL LEVEL



L10

RESIDENTIAL LEVEL



Each atrium features a distinctive, monumental staircase connecting the publicly accessible levels.

Looney Ricks Kiss



Built-in countertops along the seventh-floor railings of the Central Atrium provide informal work and study surfaces.

The main building entrance leads directly into the Central Atrium, which serves as the heart of the facility. It has a desk staffed 24/7 and retail businesses including a popular coffee shop, food market, and ice cream store. A wide, weathered steel “Theater Stair” leads up from the entrance to the next two floors. Between the second and third floors, large wood platform steps with orange cushions provide casual, amphitheater-like seating for public presentations and informal gatherings. Midway up, a broad landing offers a kid-friendly play space alongside shelves lined with books. A simple steel staircase enclosed with vertical metal rods continues up to the seventh floor. Floors 8 through 10 are accessible to residential tenants only.

Generous, open corridors with railings wrap all of the upper floors of the Central Atrium. Built-in countertops with outlets along the railings on the seventh floor (made with reused wood from shelving in the former warehouse) offer space for working, and areas surrounding the atrium are furnished with seating for informal gatherings. Upper levels include entrances to founding tenants ALSAC/St. Jude and Methodist Le Bonheur Healthcare, as well as the leasing office for The Parcels, the 265 rental apartments. Free public Wi-Fi is provided in all common areas as well as the plazas.

Inside the original 1927 section of the building, the East Atrium includes a large, bright red, spiral steel staircase that winds between the first two levels, referencing the chutes that once used to move merchandise between floors. The first floor of the atrium houses restaurants, Crosstown Arts’ Shared Art Making workspace, and educational areas while the second floor includes Crosstown Arts’ galleries and café, the Green Room and Art Bar, resident artist studios, and offices. Glass-lined atrium walls on floors 3 through 10 provide views of activity in adjoining offices and Crosstown High on the fourth and fifth floors. The upper levels house residential units.

In the West Atrium, a ribbon stair, painted the same green of the original Sears conveyor systems, wraps up around the perimeter from the first to the sixth floor. The ground floor of the atrium includes the main entrance to Church Health and its Community Teaching Kitchen, which, in addition to classes and workshops, offers its commercial kitchen for hourly rentals to small businesses. The entrance to the 25,000-square-foot YMCA is a short

climb up the stairs on the second floor. The walls of the atrium on the second through sixth floors are lined with glass, offering glimpses of activity inside office spaces. Several wood-enclosed balconies on upper levels provide “outdoor” patio seating for tenants. As in the East Atrium, the upper levels house residential units, which are enclosed with a white textured facade of painted, fire-rated drywall and feature two shallow bays and a variety of punched openings. On the north side of the West Atrium is the entrance to the Church Health YMCA pool and Crosstown High gymnasium.

On the southern edge of the building, the architects opened up the first floor along the former loading docks to create a retail arcade which houses a mix of food and service businesses. The arcade terminates at Claybrook Pass, a city street once bisected by the last addition to Sears Crosstown that has now been extended through the building. It allows cars to travel between the site and adjacent neighborhoods and includes a covered drop-off for Church Health patients and its urgent care clinic.

Apartments are located on the top four floors of the building (7 through 10). Organized around the Central, East, and West Atria, they offer views overlooking the adjoining neighborhoods, midtown, and downtown. A seventh floor “porch” extends over a portion of the Central Atrium, marking the entry to the leasing office. The seventh level has a raised interstitial floor, creating space underneath to transition mechanical, electrical, and plumbing infrastructure from the apartments to core chases that run through floors below.

The 265 apartments include 38 different layouts ranging in size from 540-square-foot studios to 1,800-square-foot three bedrooms. The spacious, loft-style apartments are laid out with open living areas (kitchen/living/dining) with windows looking out over the surrounding neighborhood or into interior atria, with bedrooms and bathrooms to the interior (the 2009 International Building Code allows interior bedrooms). Bedrooms adjacent to living areas have an interior, non-operable window that admits light from the adjoining space. The majority of the units feature concrete floors, high ceilings, brick walls, and columns, many of which retain remnants of original painted finishes. Each apartment has individually controlled central heat and air and its own washer and dryer. Amenities include 24/7 security, bike storage,



Looney Ricks Kiss

Upper floors of the West Atrium are lined with glass and include balconies offering “outdoor” seating for tenants.



Looney Ricks Kiss

Residential apartments on the upper four floors offer loft-like open spaces.

terrace access, a dog park, and free covered parking in the garage (limited indoor parking is available for lease).

The basement level includes the central heating and cooling plant for the building and 110 parking spaces, 90 of which are available for lease to apartment residents and 20 to office tenants.

Branding, signage, way finding, and select artwork were designed by the local firm Loaded for Bear and embody the building's industrial design aesthetic. Artifacts and photographs from the building's days as a Sears distribution center and retail store reference its deep history as an important economic and social hub in Memphis. Colorful boxes on historic warehouse carts with directional signage offer wayfinding support. Seating and furniture are scattered along walkways surrounding the Central Atrium, offering places to eat, work, and gather for informal meetings.



Looney Ricks Kiss

The renovated parking garage faces a new internal street and public plaza.

Site Design

Primary access to the 16-acre site is via Concourse Avenue, an internal L-shaped drive that leads from North Watkins Street past the main building entrance and plaza to parking in on-street spaces, a four-story garage, and adjacent surface parking lots.

A large entry plaza at the intersection of Concourse Avenue and North Watkins Street, designed by Walter Hood Studio, serves as the "front porch" of the development. Once the parking lot of Sears Auto Center, it includes a 60,000-square-foot lawn, entry signage, seasonal water fountains, and large canopy shade structures with fans. Like the building, the plaza provides free public Wi-Fi.

The parking garage offers free public parking for 1,150 cars. The garage's concrete floors and diamond-shaped concrete façade panels were cleaned and repaired and replaced as needed. A new illuminated sign spelling "YOURS" replaces the original "SEARS" sign in the same location. The "Y" blinks on and off to signal, according to the developers, "what's ours is yours and what's yours is ours."

Another internal street, Tower Avenue, provides access to the northern perimeter of the site including loading and service areas, the YMCA pool (opened July 2019), the theater, the Crosstown High gym (opened March 2019), and the school's student drop-off and entrance (required by code/law).

Claybrook Avenue connects Concourse Avenue through the building to Tower Avenue and the adjacent residential community. The sidewalk running parallel to the building turns as it approaches Claybrook, preventing pedestrians from walking directly into the street and reducing the likelihood of pedestrian-vehicle accidents.

The site includes three new buildings constructed by tenants and separate from the Crosstown Concourse development: a one-story trapezoidal structure just west of the main building housing the Crosstown Brewing Company and tasting room, a two-story performing arts theater just to the north of the Central Atrium, and the Crosstown High gymnasium, as well as an

adjacent outdoor pool for the Church Health YMCA just to the west of the theater on the other side of the loading and service area. Due to the column grid of the Crosstown Concourse building, with columns 20 feet apart on center, these uses could not be accommodated in the existing building.

Historic Preservation

The renovation was completed in accordance with the National Park Service Secretary of the Interior's Guidelines for Historic Rehabilitation. LRK and Bologna Consultants worked closely with the Park Service to update an existing National Register nomination from 2008 (dating from the first project after the building was initially purchased) to extend the period of significance to 1967 to include the garage. They secured the designation in December 2013.

According to the design team, the Park Service was most protective of the original 1927 structure. Key points of negotiation included convincing the Park Service to include the garage as a contributing structure and to agree to remove six courses of brick from the parapet (to allow views from inside top floor apartments) and replacing 3,200 windows. Bologna Consultants prepared a report on every window in the building, making the case that more than half were beyond repair and needed to be replaced. The team reviewed mock-ups of windows by seven different manufacturers before selecting the new double-pane insulated model.

Sustainability

Crosstown Concourse is the largest LEED Platinum Certified historic adaptive reuse project in the world. The project scored 81 out of 110 points. According to LRK, the design and development team sought to make an "eco-conscious statement in the community" and to focus on conventional technologies that they knew would work in Memphis, rather than use more expensive means such as a biomass generation plant, solar panel arrays, and windmills.

According to LEED documentation, key project goals and sustainable features include:

- connecting health and wellness, arts, and education
- enhancing social inclusiveness
- revitalizing the area with business activity

- enhancing long-term asset value
- creating an easily maintained and secure facility
- access to mass transit
- improved accessibility
- enhanced landscaping and site lighting
- high-efficiency mechanical systems
- responsible waste management
- a new teaching kitchen, reflective white roof, LED lighting throughout the building and site, elevator cabs and controls, and energy-efficient windows.

Seismic Design

Crosstown Concourse is located in the New Madrid Seismic Zone, which stretches over a 5,000-square-mile area at the juncture of Arkansas, Illinois, Indiana, Kentucky, Mississippi, Missouri, and Tennessee, with Memphis at its center. The area was shaken by three major earthquakes within a two-month period in the early 1800s and is considered at risk for significant damage if struck again. Building codes in Memphis and Shelby County require seismic-resistant construction.

Since Crosstown is listed on the National Register of Historic Places, the renovation was designed to meet the seismic requirements of the building code for existing historic buildings. The design team included professional engineers and building envelope consultants retained by the federal government to evaluate the damage to the Washington Monument following the 2011 earthquake in Washington, DC. The most significant seismic retrofits included removing, rebuilding, and bracing the building's roof parapets and anchoring precast concrete roof planks to the structure.

Design Challenges and Value Engineering

The design process entailed numerous challenges associated with navigating building codes, fire safety, and cost concerns. The team cut \$33 million in design to bring the project within budget. Changes included eliminating a 2,500-square-foot greenhouse on the roof and bridge-like walkways spanning the light wells as well as enclosing portions of the East and West Atria walls with glass, rather than leaving them open, to save money on smoke evacuation.

TENANTS, ACTIVITIES, AND PROGRAMS

The building is open 24/7 and is actively used throughout the day and evening. Regular programming and special events curated by Crosstown Arts and other founding tenants draw the public in and promote interaction between building occupants and visitors. Free Wi-Fi is available in all common areas, attracting students and freelance workers who use the countertops and furnished spaces adjacent to the main atrium.

Commercial Tenants

The Crosstown development team sought to curate a mix of locally owned businesses. In early 2019, the development housed a total of 48 tenants, including commercial and nonprofit organizations, retail, and restaurants. In addition to the founding tenants, these include:

Education, Office, and Service Provider Tenants

- A Step Ahead Foundation: empowers women by providing access to long-acting, reversible contraception
- Church Health YMCA
- City Leadership: leadership recruitment and development
- Crosstown Back & Pain Institute
- Crosstown Dental Group
- Focal Point at Crosstown Concourse: eye and vision care
- Forever Ready Productions: storytellers and video content creators
- G4S Security Solutions: local headquarters and also provides security for the building
- Hope Credit Union: financial education, products, and services
- Innovative Dental Technologies: dental training and consulting
- Layover at Crosstown: short-term stay apartments
- Memphis Education Fund: attracts, supports, and retains high-quality teachers and education partners
- nexAir: headquarters for national distributor of atmospheric gas and welding supplies
- OAM Network: independent podcast network broadcasting
- Suntrust Financial Confidence Center: free financial literacy information and classes and individual credit and money management counseling
- Tanenbaum Dermatology Center: Memphis-based practice

- Teach for America: Memphis office of the national organization
- Tech901: launches new careers through technology certification job training
- Temple Israel Crosstown: offers opportunities to connect with the Jewish community

Food Tenants

- Area 51 Ice Cream: small-batch, hand-made ice creams and sorbets
- Art Bar: full-service bar serving curated wines, craft beers, and cocktails
- Crosstown Arts café: coffee and pastries
- Crosstown Brewing Co.: craft brewery
- Farm Burger: burgers made from grass-fed, humanely raised cattle
- French Truck Coffee: small-batch coffee
- Elemento Neapolitan Pizza: pizza, salads
- Global Café: international food hall hosting three immigrant/refugee food entrepreneurs
- I Love Juice Bar: vegetarian, gluten-free juices and foods
- Lucy J's Bakery: full-service bakery
- MempoPs: handcrafted frozen popsicles
- Next Door American Eatery: casual American eatery
- Poparoos: gourmet popcorn
- Saucy Chicken: antibiotic-free chicken

Retail Tenants

- AT&T
- Cheryl Pesce®: The Lifestyle Store: luxury handcrafted jewelry and home goods
- The Curb Market: food market
- FedEx Office: shipping, printing, and office supplies
- Focal Point at Crosstown Concourse: eyeglasses
- Gloss Nail Bar: nail salon
- Hero & Sage: hair salon
- Madison Pharmacy: independently owned pharmacy

Rental Apartments

Crosstown includes 265 rental apartments called The Parcels, a reference to



Food tenants are frequented by residents, office workers, and visitors.



Retail tenants line the corridor facing the former loading dock.

both a parcel of land and the thousands of parcels that were distributed by Sears Crosstown daily. LEDIC, which manages The Parcels, uses software with algorithms to help manage the leasing, occupancy, and rents. Three- to 13-month leases are available and a maximum of two pets are allowed per unit.

One hundred apartments are leased by founding tenants: 40 by MTR, 40 by St. Jude (20 for residents, 20 for visiting families), 14 by Crosstown Arts for visiting artists/artist residents, and 6 by Church Health (used for participants in its Scholars Program, which provides the opportunity for future doctors taking a gap year between college and medical school to train in the organization's holistic medicine practice). Fifty-three apartments (20%) are designated affordable.

Eight units are reserved for an in-house version of Airbnb, called Layover at Concourse, operated by Amy Carkuff. Furnished apartments can be rented like hotel rooms with prices beginning at \$185 per night for one-bedroom and \$230 for two-bedroom units. Carkuff's primary sources of guests are commercial and residential building tenants, neighboring nonprofit organizations, and Airbnb. Thus far, occupancy has ranged from 75–80%.

Governance and Management

Crosstown Concourse is owned by Crosstown Building Owner, LLC, which is a QUALICB (qualified active low-income community-based entity), a requirement for New Market Tax Credit financing. Crosstown Building Owner, in turn, is owned by Crosstown Redevelopment Cooperative Association, Inc., a Tennessee nonprofit corporation (approximately 1%); Crosstown, LLC (approximately 60%); and C Investor, LLC (approximately 39%).

Crosstown Concourse is governed by Crosstown Redevelopment Cooperative Association (CRCA) with a board composed of representatives from tenant organizations and the property owner(s). The board has nine members, with five appointed by managing member Crosstown, LLC and four appointed by a tenant advisory board composed of representatives from tenants occupying 35,000 square feet or more and two community members.

After the tax credit compliance period is completed (anticipated within the next five to seven years), the owners intend to donate the property to the CRCA. When this occurs, the tenant advisory board will appoint five members to the CRCA board, and Crosstown, LLC will retain four seats.

The property is managed by Cushman Wakefield/Commercial Advisors under the direction of the CRCA board. Management takes care to cultivate interest in and respect for the building's history and programming and to promote access and inclusivity. Building management, in collaboration with Crosstown Arts, provides an orientation for new staff every six months, including an introduction to the building and its history. While the building is open to everyone, loitering is discouraged. Crosstown has also partnered with the City of Memphis and Memphis Public Libraries to deploy an application that helps people in need access resources and services within a 10-mile radius, including clothing, food, shelters, job placement, substance abuse and mental health support, and health care. Security and management personnel have tablet computers with the application as well as cards listing resources and referral information.

As part of their lease agreements, all building tenants must report information regarding low-income employment and job creation to CRCA.

FINANCING

At the completion of construction in January 2017, the total cost for Crosstown Concourse was \$205,193,156. This amount does not include the additional funds (above tenant improvement allowances) invested by tenants to fit-out their spaces. Subsequent capital investments by tenants to build the new performing arts theater, high school gymnasium, and pool (not included in the following development budget) bring the total to over \$222 million.

Development

Financing for the development included 30 sources involving eight lenders, a bridge loan, and owner equity. They included philanthropic contributions, New Market and Historic Tax Credit equity, and City of Memphis and Shelby County financing.

Financing included \$86.5 million in senior debt led by SunTrust. Other syndicated participants in the senior loan included Bancorp South, Cadence Bank, Financial Federal Bank, Independent Bank, Magna Bank, Metropolitan Bank, and Renasant Bank. The project was recently refinanced with a 20-year fully amortizing term loan from JP Morgan. Philanthropic contributions included \$25 million as well as the value of the building and land, which was approximately \$6 million.

Operating Costs

At 98% leased, the building is profitable. The majority of operating revenue is generated by rents and covers expenses associated with building management, maintenance, and debt service. Profits are reinvested into the building.

The development team worked with the Tennessee State Legislature to pass a new law exempting buildings that are on the National Register for Historic Places, receive more than \$100 million in tax credit investment, and are located in a low-income census tract from franchise and excise tax, saving the development thousands of dollars per year.

The development team also secured a 20-year PILOT or Payment in Lieu of Taxes, a temporary abatement of future property taxes, from the Downtown Memphis Commission. In exchange for the abatement, recipients commit to a series of conditions, including contracting local minority- and women-owned firms and small businesses, creating and/or retaining jobs, and, in cases where there are 51 or more residential units, reserving at least 20% for low- and moderate-income individuals and families.

PROJECT EVALUATION

By most reports, Crosstown Concourse has been an outstanding success. One year after it opened, the building achieved 96% occupancy—99% residential, 97% commercial, and 85% retail. Richardson and Wilson have defined success not as breaking ground, nor opening day, but rather looking 10 years ahead to a future in which the Crosstown neighborhood is thriving and tenants want to renew leases. While at less than two years out it is premature to assess the project's long-term sustainability and community impact, early indications suggest that Crosstown Concourse

TABLE 2: DEVELOPMENT BUDGET

SOURCES

Senior debt with syndication led by SunTrust (8 banks total)	\$86,500,000
Contributions and philanthropic equity (includes building)	\$31,179,267
Historic Tax Credit equity (Goldman Sachs Urban Investment Group)	\$36,461,845
New Market Tax Credit equity (SunTrust Community Capital including 6 Community Development Entities)	\$16,682,200
"Mezzanine" financing/bridge loan	\$13,969,844
City of Memphis (Brownfields Economic Development Investment, HUD Section 108, and capital improvement plan)	\$7,000,000
Shelby County (public infrastructure capital improvement plan)	\$5,000,000
Qualified Energy Conservation Bonds	\$8,150,000
Delta Regional Authority grant	\$250,000
Total	\$205,193,156

USES

Acquisition and hard costs	\$20,804,076
Building	\$90,469,329
Tenant improvements/finishes	\$49,829,675
Other costs (low voltage, signage, wayfinding, etc.)	\$5,325,000
Soft costs (legal, architecture, engineering, landscaping, and other consultants)	\$22,640,152
Closing costs/fees	\$9,900,298
Construction interest/reserves	\$6,224,626
Total	\$205,193,156

Crosstown Arts



The former Sears Crosstown building remained vacant for 20 years.

Chad Mellon



Crosstown Concourse transformed the massive structure into an inclusive and creative community.

is already making a difference and promises to play an important role in the city's future.

IMPACT

Creating an Inclusive and Creative Community Hub

At the grand opening, Richardson described looking into the crowd and seeing all of Memphis represented in the range of ages, races, and incomes. The developers report that 3,000 people—a combination of residents, workers, students, and visitors—pass through the building daily.

Public areas are active throughout the day and into the evening with a variety of people of different ages and cultures from the surrounding community and greater Memphis. The building comes alive early on weekday mornings as workers and students enter the building and people of all ages and fitness levels head to the YMCA. As the day goes on, others enter the building for appointments at Church Health, Crosstown Dental, and Focal Point, as well as other organizations. People gather at the coffee shop and cafés for meetings and presentations. MTR teachers, Rhodes College students, and other individuals are seated at the work surfaces along the railings of the upper levels of the Central Atrium while others gather in adjacent seating areas. High school students frequent ground-floor food vendors and study alongside college students in the atria. Families with children wander through, pausing to take in the space and artwork and to climb the Theater Stair to play alongside the bookshelves. Throughout the day and evening, apartment residents come and go, running errands, bringing in groceries, and walking dogs. Parents with young children entrust them to ride their tricycles and visit friends down the halls.

The building is active with formal and informal creative programming and activities. In 2018, Crosstown Arts hosted 65 artists-in-residence and produced over 300 arts and community-related events and live music performances, drawing approximately 100,000 participants. In May 2019, the organization launched a series of weekly movie screenings in its newly completed theater. Church Health hosts cooking classes in its teaching kitchen next to the West Atrium. Crosstown High students engage in project-based learning in their maker lab and video production studio. Crosstown Brewing Co. has live music three nights a week.

A recent two-part news story on “Memphis’ Underground Economy” highlighted Crosstown Concourse’s role in supporting the city’s freelance and remote workers. It referred to the building as “a perfect place for dreamers and risk takers,” offering creative inspiration and amenities such as coffee, food, and other services. Their presence is evident during the day, when they can be seen working alone and in small groups at café tables or in the corridors surrounding the Central Atrium. According to Richardson, 30 to 40 freelancers regularly use the building as their office.

Crosstown High leaders are intentional about shaping the diversity of the student body, seeking to mirror the racial and economic demographics of the City of Memphis. The state of Tennessee does not allow schools to set aside seats for specific populations, so Crosstown High targets specific neighborhoods for recruitment. The 2018 inaugural class of freshmen came from 28 middle schools and was 46% African American, 34% White, 10% multiracial, 4% Latinx, and 6% other. The freshman class arriving in 2019 was 54% African American, 33% White, 6% Latinx, 1% Asian, 1% American Indian, and 6% other. According to “Eating, Shopping, and Project-Based Learning: A View from Memphis’ Mall-Based Crosstown High” in *The 74 Million* (a nonprofit, nonpartisan news site covering education in America), Crosstown High leaders are “pleased with those numbers, along with the proportion of low-income students served.”

According to the Church Health website, more than 80% of its patients “live at or below the poverty line, equivalent to less than \$12,000 for a single individual per year.” At 6 a.m. on a weekday morning, the YMCA gym was filled with people who appeared to be socially, economically, and racially diverse.

Putting Memphis on the Map

Local leaders credit Crosstown Concourse as the catalyst for recent investment in Memphis. The project proved that large, mixed-use development is possible in Memphis. It also opened the door for the city to access national funding. Major mixed-use projects in development in early 2019 included One Beale (\$225 million development), Central Station (\$55 million), Wonder Bread Factory and Edge District Redevelopment (over \$100 million), and



The building’s atria are popular gathering spaces for families with children and Crosstown High students.



The building is active throughout the day with informal gatherings and formal programming.



Local freelancers and college students use the building's many public spaces for meetings and work.



The move to Crosstown Concourse enabled Church Health to consolidate and improve services.

Union Row (\$950 million). According to the article “5 Things to Know about Union Row, a \$950 Million Development in Downtown Memphis,” the developer of the project, considered to be the largest in the city’s history, cited the success of Crosstown Concourse with making it easier for his team to secure outside capital. LRK has toured developers from across the world through the Crosstown building, converting several of them into clients.

Improved Service Delivery, Increased Impact, and New Partnerships

Moving into new space in the building has increased the quality of services and impact of anchor tenants, including Church Health and MTR. Co-location, proximity, and the sense of community have facilitated new partnerships between tenant organizations.

The consolidation of Church Health from 14 separate facilities into one location at Crosstown enabled the organization to increase the number of patients served and the quality of its services. The organization reported a 17% increase in the number of patients seen between fiscal years 2017 and 2018 and a decrease in overall operating costs due to its consolidation. The new facilities enable Church Health to focus on its integrated approach to patient care by offering a one-stop shop for comprehensive health-care services. Church Health increased the number of chairs in its dental clinic from 10 to 24 and added new equipment and technology donated by Delta Dental of Tennessee. In 2018, the organization earned a “Patient-Centered Medical Home” designation by the National Committee for Quality Assurance, an independent nonprofit that works to improve health care quality through the administration of evidence-based standards, measures, programs, and accreditation. In July 2019, Church Health and the YMCA opened a pool next to the building where they plan to offer swimming classes as well as other wellness and community activities.

Memphis Teacher Residency was one of the first three office tenants to move into Crosstown in March 2017, relocating from its former space in a church basement. The Crosstown space offers offices, larger training rooms, and community areas, as well as on-site apartments for teachers. Moving into the new space has enabled the organization to expand its on-site programs and resources for teachers and launch a new executive program. The nonprofit



The proximity of organizations has fostered new partnerships, collaborations, and businesses.

reports that 80%–85% of teachers who complete the program remain in Memphis after their residency is completed, with some staying in the building.

Co-location and proximity of organizations have fostered new partnerships and collaborations. The high school is an active collaborator, inviting building tenants and local partners to faculty meetings to plan projects that engage students with the Crosstown community and the outside world. A recent example involved architects, engineers, contractors, and LEED consultants in the development of a geometry project to learn how to design sustainable housing. Another project engaged students in interviewing refugees from five different continents, including Global Kitchen operators, and developing projects to share their experiences to increase empathy and understanding.

Creating Jobs and Incubating New Businesses and Investment

Less than two years after its completion, Crosstown Concourse had created 1,290 construction jobs and 409 new permanent jobs and hosted 13 new business ventures. It has fostered a modest uptick in neighboring commercial

investment, and residential property values have increased significantly in the surrounding community. One neighborhood resident cited an almost 20% increase in values since 2015.

The Crosstown development team worked with Allworld Project Management to host three job fairs in 2016, 2017, and 2018, targeting low-income communities, women, and minorities. The effort included reaching out to job placement centers, government agencies, health departments, libraries and community centers, nonprofits, religious institutions, schools, and the media through in-person meetings, email correspondence, and social media. The 2016 fair drew 570 participants, 59% from communities surrounding Crosstown Concourse, 76% of whom indicated they were low-income, and included 308 jobs advertised by 12 employers. The third job fair drew 450 job fair registrations, and the exhibitor list included 60 organizations with job openings across Memphis.

The 1,290 construction jobs generated by Crosstown Concourse (as of late 2018) exceeds the 1,000 projected in the RKG study. Ninety-five percent were managed by local Memphis-owned businesses, and 32% were awarded to minority- and women-owned companies, exceeding the goal of 20%. The development team began tracking permanent job creation by building tenants (in addition to construction) in 2016; 409 full-time jobs were created as of December 31, 2018, with 62% filled by women, 57% by minorities, and 48% by people who qualified as low income.

The building itself is home to four new social entrepreneurship ventures, including:

- Global Café, an international food hall offering global cuisine, job opportunities for refugees, and healthy, sustainably sourced food. The cafeteria-style restaurant offers authentic, affordable dishes prepared by refugee food entrepreneurs from Nepal, Sudan, and Syria.
- Lucy J's Bakery, a 1,000-square-foot bakery serving pay-what-you-can coffee with proceeds benefiting Dorothy Day House, a transitional shelter for families experiencing homelessness. The organization pays a living wage of at least \$15 per hour and provides health insurance via Church Health Center.



Global Kitchen offers affordable ethnic cuisine prepared by refugee entrepreneurs.



Amurica, a local business, operates a photobooth housed in a trailer inside the main lobby.

- Tech901, a mission-driven nonprofit seeking to increase the home-grown technology workforce in Memphis. The organization offers six daytime or evening courses leading to certifications in information technology hardware, user support, data security, coding, and software. Students range from 15 to 63 years old; 70% are non-White and 38% female.

New businesses have also opened on-site and across the street. As of early 2019, they included:

- Amurica, a photography studio once located on N. Cleveland Street that now operates a photobooth trailer inside Crosstown Concourse.
- Black Lodge, an art house cinema, video rental store, and music performance space.
- Brg3s Architects, a local firm specializing in health care, civic, retail, commercial, and hospitality design with an office at 396 N. Cleveland Street.
- Bubble Bistro, a store specializing in handmade soaps, body oils, and scrubs.
- CrossFit Hit & Run, a Memphis-based CrossFit training facility with four locations, including one at 439 N. Cleveland Street.
- Crosstown Brewing, an on-site brewing company and taproom owned by a nearby resident.
- The Doghouzz, a gourmet hotdog restaurant and bar.
- Dragonfly Collective, a community development organization.
- Hi Tone, a performance venue for local and traveling up-and-coming musicians and bands.
- Levitt Shell, a nonprofit presenting 50 free outdoor concerts a year at the 1936 Overton Park Shell, with an office at 420 N. Cleveland Street.
- Mardi Gras Memphis, a locally owned and operated restaurant serving Louisiana Cajun cuisine.
- Midtown Crossing Grill, a locally owned and operated pizzeria.
- Mortgage Financial Services, a full-service mortgage banker on N. Cleveland Street.
- My City Rides, a nonprofit offering a three-year lease-to-own scooter for \$3/day along with training, licensure, vehicle, tags, insurance, scheduled maintenance, helmet, and lock.

- Proud Mary, a retailer that sells vintage clothing and handmade goods by emerging artists at 433 N. Cleveland Street.
- Saucy Chicken, a Southern-inspired fast-casual restaurant featuring antibiotic-free chicken and locally sourced ingredients. The business replaced Mama Gaia, a vegetarian restaurant.
- Urban Art Commission, a nonprofit that connects artists and neighborhoods through public art, located at 422 N. Cleveland Street.

In 2016, Alzheimer’s and Dementia Services of Memphis purchased 445 N. Watkins Avenue, a 7,300-square-foot former laundromat across the street from Crosstown for a new facility (its third in Memphis), where it plans to create a new dementia day center that will employ 40 to 45 people and serve about 50 adults.

While there is some new investment in the community surrounding Crosstown Concourse and residents in the neighboring community report that property values are increasing, there are a few commercial buildings along Cleveland Street that remain vacant. As local real estate brokers observed in the *Daily News* article “Crosstown Crossroads: With Crosstown Concourse open, it’s only a matter of time before the Cleveland corridor is rejuvenated,” some owners have unreasonable expectations about the market value of their properties while others are not willing or financially able to invest in their buildings to make them appealing to potential tenants.

Gentrification and Displacement

According to Richardson, there are constant conversations about displacement. During the development process, the Crosstown Concourse team was intentional about limiting the amount of retail in the building, with the goal of encouraging new development in the business district. Retail comprises 65,000 square feet (compared to 350,000 square feet in Ponce City Market in Atlanta) or less than 6% of the building and is designed to serve other activities rather than be an attraction itself. For example, FedEx serves business tenants with shipping services and office supplies, the Curb Market offers fresh and prepared foods for residents and office workers, and Madison Pharmacy provides over-the-counter and prescription medications for residents, office workers, and Church Health patients.



New businesses in the neighborhood include the Urban Art Commission on N. Cleveland Street.

The development team also targeted locally owned businesses rather than national chains. With office tenants, the team was careful to avoid causing displacement from other city districts by recruiting organizations located outside the city center or those seeking to consolidate or expand, like ALSAC, Methodist Le Bonheur Healthcare, and Church Health.

Community leaders, including representatives from Crosstown Memphis CDC, a newly created local nonprofit community-based organization, agree that investment is needed and view Crosstown Concourse as an opportunity to strengthen surrounding neighborhoods while remaining cautious about the possibility of gentrification and displacement. As Darrell Cobbins, president and founder of Universal Commercial Real Estate, observed in the *Daily News* article, it is important that “community stakeholders, developers, and city leaders all work together to mitigate the possible unintended consequences of gentrification.”

OBSERVATIONS AND LESSONS LEARNED

“Better Together”

Crosstown Concourse is the product of a robust collaboration among a group of people and organizations deeply committed to the project’s vision and values, to place-based investment, and to Memphis. The development leveraged individual and organizational relationships and skills to realize what many considered an impossible vision.

As one person described it, Memphis is “a big small town.” This helped Richardson and Miner find help when and where they needed it, tapping friends and families for ideas and contacts. These relationships opened the door at key points in the process: Miner and Richardson’s conversations with Cates about their vision for repurposing Sears Crosstown as a community-oriented contemporary arts center; Richardson connecting with McLean Wilson as he was searching for financing expertise; and Richardson approaching Scott Morris to secure Church Health as a founding tenant. It also helped to leverage buy-in and resources, such as getting the CEOs of major stakeholders to visit Midtown Exchange in Minneapolis.

The development team brought substantial expertise, and the eight founding partners brought essential credibility and funding to the process. The project would not have been possible without Cates, the progressive and open-minded building owner, who contributed essential, patient capital.

Development team members referred to their process of working together as “collaborative iteration” and “group ideation”—as Miner observed, “the way art projects are made.” Throughout the process, the team took a consensus-based approach to decisions, ensuring that all team members were heard and responded to. Everyone pitched in when needed. As one person said, a colleague “closed one of the most difficult deals in the country while carrying the trash out.”

The Benefits of “Not Knowing What You Don’t Know”

The Crosstown development team undertook an ambitious task that others thought—and even they readily acknowledged—might be impossible: renovating an abandoned 1.5-million-square-foot warehouse into a vertical

community with the arts at the center of the development plan. Throughout the process and up until the closing, the biggest challenge of the project was believability. According to Richardson and other members of the team, because no one took them seriously, the team was willing and able to try different, out-of-the-box ideas, such as anchoring the building with a mix of locally grown arts, education, and health-care organizations rather than national retailers. Rather than feel bound by traditional development approaches, they felt free and emboldened to test different ideas, continuing to iterate and adapt them over time.

Even so, the team’s work was grounded by substantial professional expertise and extensive research. Although no one on the team had completed a project comparable to Crosstown Concourse, the members leveraged past experience and considerable personal tenacity. The findings from the feasibility studies and visits to Sears buildings that had been redeveloped in other cities provided critical information that informed their thinking and the overall development strategy.

The Power of Inclusion and Diversity

During the planning of Crosstown Concourse, Christopher Miner wrote a short story to capture the team’s vision for Crosstown as a place that encourages people who may or may not know each other to come together. As Richardson describes it, “the culmination of that visioning session was Chris reading a story he wrote about a fictional character named Allison Ray who visited the building after renovation. The story provided a tangible, real-life vision for what we were collectively committing to work towards and left everyone in tears.”

Central to the success of Crosstown is the strength of the vision of an inclusive, vertical, mixed-use village. This guided decisions at key points in the development process, including tenant recruitment and building design. The careful curation of tenants resulted in a collection of civic institutions and nonprofit organizations with shared values that contribute to a sense of community. The open design of the building, including the large, light-filled atria and interweaving of uses, creates a welcoming environment that provides opportunities for mixing and chance encounters. During the day, the diversity

of users within the building reflect this goal with high school students from across the city mixing with college students, office workers and their clients, Church Health doctors and patients, YMCA members, neighborhood and buildings residents, and visitors from other parts of Memphis and beyond.

The purpose and importance of the Crosstown Concourse vision and values are reflected in the building's governance structure, which reinforces shared, community ownership and accountability. That said, some building users observed that the majority of the building's governing board are White and suggested that increasing diversity so that it is more representative of Memphis would be valued by the community.

Early on, according to Richardson, the Crosstown Concourse development team decided to document the project with a visual journal, creating videos to capture the entire process from its inception. These videos provide insight into past and present activities—open houses and building tours, Crosstown Arts' arts and music programming, special events, etc.—including the people attending. Overall, the people in the videos are diverse, appearing to mirror the demographics of Memphis. This diversity was noted during the site visit and is visible in the photos taken on opening day. Several people, including Richardson, shared the story of a young Black woman who approached Richardson at the opening event and told him that Crosstown was a place in Memphis where there is a community of people who look like her.

Even so, while many people familiar with the project agree that building users are very diverse, some Memphians noted that lower-income residents from adjoining neighborhoods like Klondike and Smokey City did not feel that Crosstown was for them.

Changing the Narrative of Memphis

The rebirth of Sears Crosstown as Crosstown Concourse appears to be a pivotal turning point for the city of Memphis. Sears Crosstown was an important part of Memphians' retail experience and economy, and its closure became a symbol of the city's decline and urban sprawl. Its renewal reflects characteristics of Memphis that Memphians value: a passion for arts and culture, old buildings, and their city.



Crosstown Arts

Crosstown Concourse's design and programming creates an inclusive, welcoming environment.



Looney Ricks Kiss

The renewal of the historic building reflects Memphis' artistic and creative identity.



The design of the building and its many public areas foster a sense of openness and community.

Crosstown Arts



Crosstown Concourse tenants and programming draw a diversity of people from across the city.

Arts and creativity have long been tied to Memphis's identity. At Crosstown Concourse, they are central to the building's redevelopment. They serve as catalysts for new activity, drawing upon Memphis's rich cultural history while fostering inclusivity and diversity. In this way, Crosstown has become a symbol of the city's future.

MEETING PROJECT GOALS

GOAL: Create an open, inclusive, and animated place designed to dissolve barriers to access and serve Memphians of all socioeconomic statuses.

Crosstown Concourse offers a welcoming environment. The mix and placement of tenants, interweaving of uses and programming, and thoughtful building design create many opportunities for interaction. The light-filled atria, generous corridors, and many interior windows and glass partitions create a sense of openness, transparency, and connectedness.

Apartment residents reported a feeling of ownership and being part of a broader community. Some are able to look out their kitchen windows across the atria and see neighbors in theirs, as one might look across a garden fence in a traditional neighborhood.

Management policies and programming support a sense of community and openness and inclusiveness. Employee orientations introduce new staff to the building and its history. Regular events and programming draw a variety of people from within the building and across the city.

GOAL: Promote openness, connection, learning, and exchange by offering regular programming that encourages spontaneity, cultivates curiosity, and inspires imagination.

The mix of carefully curated tenants and programming attracts visitors to Crosstown Concourse and fosters formal and informal interaction between members of the public and building occupants. Crosstown Arts hosts a broad variety of programs each week, many of which are free, including artist talks, concerts, exhibitions, films, and workshops as well as seasonal and special events. Church Health offers cooking classes and Crosstown High teachers partner with businesses inside the building to engage students in project-based learning outside the classroom.



Events take place throughout the year, including a traditional Vietnamese Mid-Autumn Festival.

The building, especially the Central Atrium, is also used for special events, such as an 880-person ticketed event for the Civil Rights Museum. Regular programming and special events attract a wide, diverse audience and provide valuable exposure to building tenants, including retail, restaurants, and nonprofits. Artwork and artifacts installed throughout public areas connect building users to both its history and its current role as a creative hub. Creative wayfinding signage and furnishings scattered along walkways invite exploration and interaction. The building is frequently used for photo and video shoots, informal meetings, working, and studying.

GOAL: Recognize, embrace, and amplify the iconic industrial character and Art Deco style of Sears Crosstown and its historical context.

Crosstown Concourse restored and reactivated an important architectural, economic, and social landmark in Memphis and the surrounding community. The developers rehabilitated the historic structure, preserving original architectural features while inserting new uses and contemporary features and finishes that complement its industrial character. Photographs and artifacts from the building's past remind current users of its rich legacy and contributions to Memphis and the surrounding community.

GOAL: Establish a flexible and adaptable vertical “micro-city” within the building by incorporating key components of “urban magnets” including retail, education, production, programming and events, and a unique sense of place.

The developers have succeeded in creating a strong sense of community via the building design and a carefully curated mix of tenants and programming that incorporates the key components of “urban magnets.” As of June 2019, the project had been in operation for less than two years, so it is difficult to evaluate its capacity to adapt to changing conditions over time. That said, one could imagine that the simplicity of the original warehouse design and more recent renovation will enable it to evolve and adapt to changes in uses and tenants over time.

GOAL: Merge the development with its surrounding neighborhood to allow a seamless connection between the activities within and around the building.

Crosstown is centrally located in the city along a major artery served by public transit. Three bus lines pass near the building, although most people who live and work in the building drive. Crosstown High has a separate drop-off and entrance on the north side of the building.

Developers were careful to include businesses and programming that complement rather than compete with what already existed in the surrounding neighborhood. However, despite efforts to open up the building with a ground floor arcade along the former loading dock and connect it to the surrounding neighborhood via the new plaza, entrances, and extension of Claybrook Avenue, the development feels physically disconnected from the surrounding community. This is due, in part, to the substantial difference in scale between Crosstown Concourse and the adjacent residential neighborhoods and the absence of a thriving business district. Even so, the building was actively used throughout the site visit.

SELECTION COMMITTEE DISCUSSION

The Selection Committee agreed that Crosstown Concourse offers a compelling story about the ability of an unlikely team to take on a large, difficult endeavor with audacious goals. They praised the project as experimental and

innovative and commended its determination to foster diversity, access, and sustainability, especially in a smaller, “slow growth” city like Memphis.

The project’s eclectic mix of socially minded tenants contributes to a vibrant and inclusive environment. The committee acknowledged the efforts of the developers to curate a broad mix of founding tenants with shared values including arts, education, and health and wellness organizations in addition to the more typical housing, office, and restaurant and retail space. The inclusion of the high school brought students into the mix and created the opportunity for teachers to live and work in the same building, something no one recalled seeing in another project.



The mix of uses and preservation of the building’s architecture contribute to a unique sense of place.

“Crosstown Concourse offers a compelling story about the ability of an unlikely team to take on a large, difficult endeavor with audacious goals.”

Committee members praised the developers' attention to design, balancing the preservation of the historic structure with thoughtful architectural interventions that enhance connectivity and interaction. Their design decisions and the intentional arrangement of uses resulted in richly layered spaces that contribute to the considerable energy and diversity of activity in the space. However, the committee expressed disappointment in the way the development seemed physically disconnected from the adjoining neighborhood. They recognized that it was due, in part, to the way the original Sears Crosstown was constructed and acknowledged the team's efforts to introduce new connections through the new plaza, re-introduction of a city street, creation of multiple building entrances, and opening up of the facade at ground level along Concourse Avenue. The committee was hopeful that continued efforts to enhance outdoor spaces and community-oriented programming will help to further integrate the project into the fabric of the neighborhood.

While enthusiastic about the project and the efforts its unusual development team have made to create an inclusive and welcoming place, the Selection Committee acknowledged that the development of the project was top-down. They encouraged the leadership team to be vigilant about their intention to cultivate community ownership and further diversify the governing board so that it becomes more representative of Memphis and surrounding neighborhoods. The committee remained concerned about Crosstown Concourse drawing businesses and investment away from



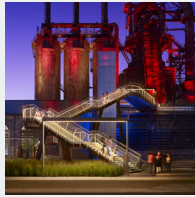
The building design and curation of tenants contribute to a vibrant and inclusive environment.

downtown and surrounding neighborhoods, even though the developers have made an effort to avoid such displacement and new development is occurring in downtown and other areas. The committee also observed that, like 2019 Silver Medalist Buffalo Bayou Park, the project entailed a significant amount of gifted, philanthropic support. Some expressed concern about the faith-based overlay among founding tenants, including Church Health, Memphis Teacher Residency, and Christian Brothers University, while others pointed out the significant supportive role of such organizations within communities, especially those in the South that often lack public resources.

While the committee concurred that the project is impressive and inspiring, there was some concern that it was unusual and would be difficult to replicate. Even so, the committee observed that many other cities are wrestling with similar underutilized and vacant retail, warehouse, and storage structures and that Crosstown Concourse offered a “unique solution to a widespread problem.”

RELATED RBA WINNERS

The following RBA winners involve the preservation and adaptive reuse of large-scale historic structures into community-oriented, mixed-use developments with ambitious social agendas. Like Crosstown Concourse, each entailed redeveloping and reknitting a well-known civic anchor that once defined its community and was threatened by demolition back into the social and physical fabric of the city.



STEELSTACKS ARTS & CULTURAL CAMPUS in Bethlehem, Pennsylvania (2017 Gold Medalist) transformed a historic steel mill into a cultural entertainment district. Envisioned as a 21st-century town square, the 9.5-acre campus was developed in partnership with an arts organization and public broadcasting station and hosts community-oriented facilities along with outdoor performance space, a park, and a visitor center.



CHILDREN'S MUSEUM OF PITTSBURGH in Pittsburgh, Pennsylvania (2007 Gold Medalist) is comprised of three National Register historic structures in the heart of a neighborhood devastated by 1960's-era urban renewal. Once abandoned, the renovated structures now form a collaborative campus and community hub housing the museum, arts- and education-related nonprofit partners, theaters, and a park.

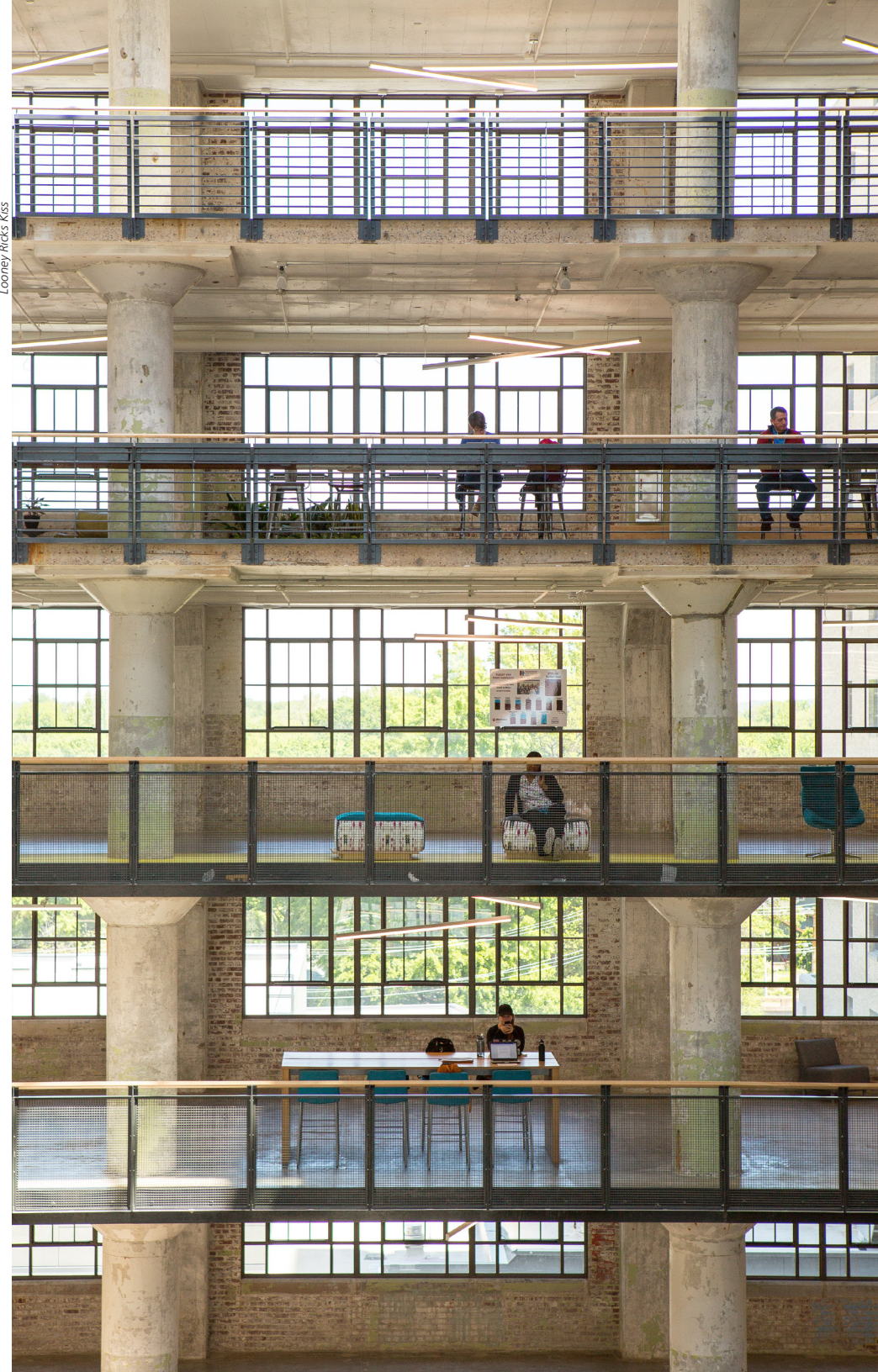


PIKE PLACE MARKET in Seattle, Washington (1987 Gold Medalist) is the preservation and expansion of a historic public market into a mixed-use development combining retail, residential, and community-oriented social services. The seven-acre project includes 300 businesses and 750 subsidized housing units along with a health clinic, food bank, childcare center, and senior center.

Other related RBA winners that involve the redevelopment of large-scale historic structures and sites into mixed-use campuses include Miller's Court in Baltimore, Maryland (2015 Gold Medalist); Santa Fe Railyard in Santa Fe, New Mexico (2011 Silver Medalist); and Swan's Marketplace in Oakland, California (2001 Silver Medalist).

More information about these and other RBA winners can be found at www.rudybruneraward.org.

Looney/Ricks Kiss



Resources

This report was compiled from information gathered from the project application; an extensive site visit by Simeon Bruner, Robert Shibley, and Anne-Marie Lubenau (lead author) in March 2019; and research and interviews conducted during those processes and throughout the writing of this report. Titles and positions of interviewees and URLs listed below were effective as of the site visit unless otherwise noted.

INTERVIEWS

Building Users

- **Mercedes Burch**, A&M Creative Partners
- **Bill Ganus**, local entrepreneur and consultant
- **Luther Mercer**, Director of Development, Whole Child Strategies
- **Averell Mundy**, A&M Creative Partners
- **Cardell Orrin**, Memphis City Director, Stand for Children

City of Memphis

- **Jennifer Oswalt**, President, Downtown Memphis Commission
- **Jim Strickland**, Mayor, City of Memphis

Community

- **Justin Gillis**, Board Member, Crosstown CDC
- **Tom Jones**, Smart City Memphis
- **Clark Ortkiese**, Co-founder, Crosstown Brewing, LLC
- **Bianca Phillips**, Board Member, Crosstown CDC and Communications Coordinator, Crosstown Arts
- **Porsche Stevens**, Board Member, Crosstown CDC and Community Relations Coordinator, Crosstown Arts
- **Kelvin Walters**, local resident and musician

Design

- **Alan Boniface**, Principal, Dialog Design
- **Tony Pellicciotti**, Principal, Looney Ricks Kiss
- **Jim Prillaman**, Vice President, OGCB, Inc.
- **Frank Ricks**, Founding Principal, Looney Ricks Kiss

Development and Management

- **Tony Bologna**, Bologna Consultants
- **Amelia (Amy) Carkuff**, Carkuff Interior Design
- **G. Staley Cates**, Chairman, The Poplar Foundation; Vice-Chairman, Southeastern Asset Management, Inc.
- **Taylor Gray**, Bass Berry Simms
- **Christopher Miner**, Director/Co-Founder, Crosstown Arts
- **Todd Richardson**, President, Crosstown Redevelopment Cooperative; Co-Founder, Crosstown Arts; Associate Professor, Renaissance Art History, University of Memphis
- **Richard Spore**, Bass Berry Sims
- **T. Gaillard (Gil) Uhlhorn**, Bass Berry Sims
- **Bradley Wilford**, Vice President of Asset Management, Cushman & Wakefield Commercial Advisors
- **McLean Wilson**, Kemmons Wilson Companies

Tenants

- **Ann Langston**, Senior Director of Strategic Partnerships and Opportunities, Church Health
- **David Montague**, Executive Director, Memphis Teacher Residency (MTR)
- **G. Scott Morris**, Founder and CEO, Church Health
- **MTR Teachers in Residence**, Faith, Grace, May, and Trey
- **Ginger Spickler**, Opportunity Wrangler, Crosstown High
- **Chris Terrill**, Executive Director, Crosstown High

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OTHER AWARDS

2019

- American Council of Engineering Companies Engineering Excellence Awards, National Recognition Award
- American Institute of Architects (AIA) National Honor Award
- *Memphis Business Journal* Building Memphis Awards, Best New Construction (Crosstown Theater)
- Pillars of Multifamily Industry Award Program, Best Mixed-use Community Award and Multifamily Community of the Year Award
- Urban Land Institute Global Awards for Excellence, Finalist

2018

- AIA Memphis Honor Award of Excellence

- American Society of Civil Engineers Outstanding Project of the Year for Tennessee
- American Council of Engineering Companies Tennessee Chapter Grand Award
- *Architectural Review* Shortlist, Adaptive Reuse
- *Building Design + Construction* 35th Annual Reconstruction Awards, Platinum Award
- Congress for the New Urbanism Charter Awards Grand Prize
- International Parking Institute Awards Award of Merit
- *Memphis Business Journal* Building Memphis Awards, Project of the Year
- *Multifamily Executive* Adaptive Reuse Grand Award and Editor's Choice (The Parcels)
- *Multi-Housing News* Excellence Award
- National Association of Home Builders Multifamily Pillars of the Industry Award, Finalist
- National Trust for Historic Preservation Richard H. Driehaus Foundation National Preservation Award
- Tennessee Governor's Environmental Stewardship Award, Building Green
- US Green Building Council Tennessee Exceptional Leadership Award
- World Architecture Festival Shortlist, New and Old

2017

- *Architecture Review* New into Old Awards, Shortlist
- Thomas W. Briggs Foundation Community Impact Award
- Trane National Energy Efficiency Leader Award

2015

- John S. Wilder Rebuild Tennessee Award
- Memphis Area Association of Realtors Community Impact Award
- *Novogradac Journal of Tax Credits* Community Development Qualified Low-Income Community Investment of the Year Award

2013

- *Inside Memphis Business* Innovation Award

This is an excerpt of:

Changing the Narrative

The 2019 Rudy Bruner Award for Urban Excellence



**RUDY
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FOR URBAN EXCELLENCE

BRUNER FOUNDATION, INC.

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