



Background

With a foundation as a sophisticated mail-order operation that began in 1889, Sears Roebuck & Company successfully created the role of “buyer for the American farm” by connecting rural people to retail goods. Sears started developing retail stores in 1925. Its goals were to reach communities in rural areas that had limited access to retail stores and to provide affordable and quality goods that might otherwise only be found in the largest cities.

The company’s growth was supported by regional distribution centers that could receive and process tens of thousands of daily orders. On August 8, 1927, Memphis Mayor Rowlett Paine officially opened the Memphis Sears distribution center and retail store in the Crosstown neighborhood. As one of ten nationwide distribution centers, the Crosstown facility was one of the last three catalog centers to be opened prior to the Great Depression.

The scale of the building and its operations were immense. The initial 650,000 square-foot facility was built in only 180 days. Eventually growing to a 1.5 million square-foot complex, Crosstown included a 14-story tower with a 1,150-car attached parking garage. By far the largest building in Memphis, the center effectively operated as a company town, spurring housing and retail development all around it.

After World War II, the demographics of Memphis changed and the residential areas that originally attracted Sears to its Crosstown site shifted resulting in the closure of the ground floor retail operations. The catalog distribution function of the building remained in use until 1993, when all catalog sales nationwide at Sears were discontinued. Partial operations were also relocated to newer warehouse facilities in other parts of Memphis, and the building was abandoned. In 2011, Memphis Heritage, Inc. identified the Sears Crosstown building as one of the 12 most endangered historic buildings in Tennessee.



Total Development Cost:
\$56.9 million



NTCIC Financing:
\$5 million in New Markets Tax Credit allocation



Other Key Financing:
\$51 million in New Markets Tax Credit allocation from CDEs

\$34.6 million in Historic Tax Credit equity



Project Partner:
Crosstown Arts



Project Impacts
900 jobs created

\$37 million in wages earned annually



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THE PROJECT

Vacant for over 20 years, this building has now been saved and repurposed with a new community-serving purpose. Thanks to the vision of nonprofit Crosstown Arts, in partnership with Kemmons Wilson Companies and a group of community stakeholders and founding tenants with roots in arts, education, and healthcare, the new Crosstown Concourse has emerged as a mixed-use, “vertical urban village.”

Reopened on August 18, 2017 (on the building’s 90th birthday), Crosstown Concourse now contains 269 residential mixed-income housing units and commercial, retail, education and healthcare space. Tenants include a charter high school for arts and sciences, a teacher residency/graduate urban education program, a wellness and fitness center, primary and urgent healthcare clinics, contemporary art exhibition space, shared art-making facilities, a comprehensive cancer treatment center, and a retail mix that includes a fresh market, pharmacy and restaurants.

COMMUNITY IMPACT

Crosstown Concourse is the largest historic adaptive reuse project in the state of Tennessee and is already serving as an anchor and catalyst for revitalization and economic development in Memphis as well as the surrounding communities. Over 6,500 construction workers provided over 2.5 million hours of labor in the 2014-2017 rehabilitation to result in this adaptive reuse; 95% of the contracts were managed by local Memphis-owned businesses and 32% of the construction contracts were awarded to minority-owned companies.

This new “vertical urban village” is expected to serve 125,000 healthcare patients and 2,500 students and teachers per year. An additional 500 new permanent jobs are estimated to be created.

Crosstown Concourse is projected to attract approximately 3,000 students, retail customers, residents, and patients every day. These visitors will have the opportunity to explore retail and dining options such as Area 51, where handmade artisan ice cream is made from scratch; Mama Gaia, a fast-casual restaurant that offers affordable vegetarian and organic menu options; and The Curb Market, Memphis’ only full-service market where fresh food harvested from community farms is available. Community members may also take advantage of health and wellness services at Church Health, one of the project’s tenants seeking to improve health and well-being in the community. For educational resources, tenants such as Teach for America, Temple Israel, and Crosstown Arts all offer services that are dedicated to further cultivating the creative community in Memphis.

Crosstown Concourse offers 269 apartments consisting of 12 micro-units, 24 studios, 64 one-bedroom, 155 two-bedroom, and 8 three-bedroom apartments. The units are offered to residents at a range of income levels; 20% of these units are available to households at 80% or below of area median income.

“I can name multiple real estate projects that have happened in the past few years, as well as ones that are in the works, that have moved forward as a direct result of the momentum that Crosstown created back in 2014,” said Todd Richardson, head of development of the Crosstown Concourse.