

Peabody Place

Memphis, Tennessee

Project Type:
Mixed-Use / Multi-Use

Case No:
C032004

Year:
2002



SUMMARY

A multiphase, mixed-use development in the heart of downtown Memphis that, when completed, will feature 565,000 square feet (52,488 square meters) of office space, 430,000 square feet (39,947 square meters) of retail space, 201 mixed-income apartments, 764 hotel rooms, 3,300 on-site parking spaces, and a 22-screen multiplex cinema. Widely recognized as a cornerstone for the revitalization of downtown Memphis, the project covers eight city blocks and includes restored historic buildings, a 15-story modern office tower, an entertainment/retail center, and three parking garages connected by skywalks, corridors, and trolley stations.

FEATURES

- Mixed-use development
 - Urban infill
 - Renovation of *National Register* listed historic properties
 - Redevelopment
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SPECIAL FEATURES

- Mixed-use development
- Urban infill
- Renovation of *National Register*–listed historic properties
- Redevelopment

PROJECT ADDRESS

150 Peabody Place
(Third Street and Peabody Place)
Memphis, Tennessee 28103

MASTER DEVELOPER / OWNER

Belz Enterprises
100 Peabody Place, Suite 1400
Memphis, Tennessee 38103
901-767-4780
Fax: 901-260-7378
www.belz.com

HISTORIC BLOCK

(Retail, Office, and Residential)

ARCHITECT

Hnedak Bobo Group, Inc.
104 South Front Street
Memphis, Tennessee 38103
901-525-2557
Fax: 901-525-2570
www.hbginc.com

LANDSCAPE ARCHITECT (Office)

Jackson Person & Associates
66 Monroe Avenue, Suite 104
Memphis, Tennessee 38103
901-526-8386
Fax: 901-526-8289

STRUCTURAL ENGINEER

Jamnu H. Tahlani & Associates
474 Perkins Road Ext., Suite 211

Memphis, Tennessee 38117

901-767-5373

Fax: 901-767-2510

www.tahilani.com

MECHANICAL ENGINEER

Gala Engineering

7975 Stage Hills Boulevard, Suite 5

Bartlett, Tennessee 39133-4010

901-384-8400

Fax: 901-373-2255

ELECTRICAL ENGINEER

DePouw Engineering, LLC (formerly Metz/Depouw, Inc.)

Electrical Design Consultants

5118 Park Avenue

Memphis, Tennessee 38117-5713

901-685-2834

Fax: 901-682-7785

www.depouw.com

GENERAL CONTRACTOR

Metro Consulting, LLC

1936 Vanderhorn Drive

Memphis, Tennessee 38134

901-386-0094

Fax: 901-372-3339

www.metrollc.com

OFFICE & RETAIL/ENTERTAINMENT

ARCHITECTS

RTKL Associates Inc.

One South Street, Suite 1000

Baltimore, Maryland 21202

410-528-8600

Fax: 410-385-2455

www.rtkl.com

JMGR, Inc.

100 Peabody Place

Memphis, Tennessee 38103

901-260-9600

Fax: 901-521-1337

www.jmgr.com

LANDSCAPE ARCHITECT (Office)

Jackson Person & Associates

66 Monroe Avenue, Suite 104

Memphis, Tennessee 38103

901-526-8386

Fax: 901-526-8289

LANDSCAPE ARCHITECT (Retail/Entertainment)

Scott Rykiel

Mahan Rykiel Associates, Inc.

The Stieff Silver Building

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Baltimore, Maryland 21211

410-235-6001

Fax: 410-235-6002

www.mahanrykiel.com

ENGINEER

JMGR ([See Architect](#))

GENERAL CONTRACTOR

Tri-Tech Management Services

50 Peabody Place, Suite 210
Memphis, Tennessee 38103
901-432-4300
Fax: 901-432-4303

GENERAL DESCRIPTION

Peabody Place, located in the heart of downtown Memphis, is one of the largest mixed-use developments in the country. The total project area covers about 2 million square feet (185,800 square meters) in several buildings and contains space for retail, commercial, office, residential, and entertainment uses, as well as four parking garages with 3,300 spaces. The redevelopment of the urban area to create Peabody Place has included the restoration of several historic buildings in the Gayoso-Peabody Historic District (listed on the *National Register of Historic Places*), the construction of a new 15-story, Class A office tower, and a 320,000-square-foot (29,728-square-meter) entertainment/retail center with a 22-screen movie theater. From the restoration and reopening of the historic Peabody Hotel in 1981 to the 2001 grand opening of the Peabody Place Entertainment and Retail Center, the project serves as a cornerstone for the revitalization of downtown Memphis.

Belz Enterprises is a family-owned real estate development company based in Memphis, with interests throughout the South and much of the country. The firm develops, owns, and manages over 25 million square feet (2.3 million square meters) of industrial/warehouse/distribution centers, shopping centers, office buildings, mixed-use centers, and corporate campuses. Belz also is one of the nation's largest factory outlet mall developers. Moreover, the company owns and manages convention centers and hotels, including the Peabody Hotels in Memphis and Orlando. While urban infill projects have not been typical of the Belz Enterprises' real estate developments, the family was especially interested in the revitalization of downtown in its home base of Memphis.

THE SITE

Peabody Place occupies an eight-block area in downtown Memphis on the city's west side, a few blocks from the Mississippi River and Beale Street, an area renowned for its blues clubs. The site is anchored to the east by the historic Peabody Hotel, to the south by Beale Street, to the east by the Peabody Place Entertainment and Retail Center, and to the west by the corporate headquarters of AutoZone, an auto parts chain based in Memphis. In this city of 1.1 million residents, more than 220,000 people live within ten minutes of downtown Memphis. Downtown is home to 10,000 residents, 80,000 workers, and hosts 6 million visitors each year. Annual visitor retail spending totals \$1.7 billion.

In addition to Peabody Place, other attractions and developments contributing to the revitalization of downtown Memphis include the Beale Street Entertainment District, the Orpheum Theatre, the Pyramid Arena, AutoZone Park (home to the Memphis Redbirds baseball team), the Gibson Guitar Factory and Museum, the Mud Island Mississippi River Park, the Main Street Pedestrian Mall and Trolley Line, and the National Civil Rights Museum. Also forthcoming in downtown Memphis are the Cannon Center for Performing Arts and the renovated and expanded Cook Convention Center.

PLANNING AND DEVELOPMENT PROCESS

Downtown Memphis experienced significant deterioration and blight in the late 1960s and 1970s: neglect and vacant buildings permeated large swaths of downtown. In 1976, the city of Memphis sought to rebuild downtown with the construction of a pedestrian mall on Main Street linking downtown points of interest. (In 1993, this pedestrian mall was turned into a transit mall, home to the 2.5-mile (four-kilometer) Main Street Trolley line that connects the central business district, the Main Street Mall, and several Memphis landmarks.) In 1977, the city of Memphis and Shelby County governments established the Center City Commission (CCC) to direct the comprehensive redevelopment of downtown Memphis and to serve as the official partnership between private business and government in the revitalization effort.

The reopening 20 years ago of the historic Peabody Hotel, built in 1925, is widely credited with launching the renewal of downtown Memphis. In 1975, Belz Enterprises purchased the Peabody Hotel property in foreclosure for \$410,000 and has invested nearly \$35 million in its restoration. At the same time, the company acquired the land immediately south of the hotel and three-fourths of a block parcel south of Gayoso Avenue, bounded by McCall (now Peabody Place) to the south, Third Street to the east, and Second Street to the west. After much debate, the city of Memphis agreed to close Gayoso Avenue, allowing adjacent parking for the Peabody Hotel.

In 1981, the Peabody opened its doors again as a premier hotel, complete with the famous Peabody ducks. (In the 1930s, general manager and hunter Frank Schutt began a practice of placing live duck decoys in the lobby's marble fountain. Today, the tradition continues as the Peabody ducks descend from their "Duck Palace" on the hotel's rooftop each morning at 11:00, march out of the elevator and down a red carpet to inhabit the fountain by day, ascending back to the rooftop each evening.)

Since then, Belz Enterprises has developed Peabody Place in several phases. After the refurbishment of the Peabody Hotel, the firm sought to persuade AutoZone to choose downtown Memphis for the relocation of its corporate headquarters. After more than two years of negotiations, AutoZone agreed to the deal. The \$30 million, eight-story, 270,000-square-foot (25,083-square-meter) office building on a bluff overlooking the Mississippi River opened in 1995, bringing nearly 1,000 employees downtown.

Across Front Street from the site of the AutoZone corporate headquarters, Belz Enterprises acquired six historic buildings in 1994—in a real estate auction in which there were no other bidders—to develop the next phase of Peabody Place, and the largest historic preservation project in the history of the state of Tennessee. This block of buildings included the former Gayoso Hotel, the city's first luxury hotel, built in 1842, and in later years was the location of the Goldsmith's department store.

The original plan for the block had been to build a regional shopping mall with department store anchors. However, the closing of Goldsmith's department store, as a result of the consolidation of Federated Department Stores in the early 1990s, derailed this effort. Belz Enterprises decided instead to pursue a mixed-use development with entertainment anchors. In 1995, Belz renovated the former Gayoso Hotel to become the Gayoso House Apartments, the first residential component of Peabody Place. Other components in this historic block include 50 Peabody Place, which houses office space and street-level retail shops, and Pembroke Square, with apartments as well as office and retail space.

On the four square blocks just east of the historic block and south of the Peabody Hotel, Belz Enterprises proceeded with the next phases of Peabody Place: the 185,000-square-foot (17,187-square-meter) Tower at Peabody Place (opened 1997), the 320,000-square-foot (29,728-square-meter) Peabody Place Entertainment and Retail Center and a Hampton Inn (opened 2001), and parking structures. Construction of the last hotel in the development, an Embassy Suites, is scheduled to start in 2002. The project included a unique finance partnership among Belz Enterprises, the city of Memphis, Shelby County, and the federal government.

The CCC has been an important player throughout the progress of Peabody Place. It is an unusual combination of separate development interests providing funding, tax incentives, and other benefits to attract new development to downtown Memphis. These investments have paid off, and since the 1990s downtown Memphis has seen a marked upswing, with more than \$2 billion invested in current developments. This new construction and renovation are a blend of public and private development projects, but the great majority represents private investment. Strategically allocated public funds and the Center City Commission's awarding of tax abatements and development loans have encouraged private development and raised public confidence in the development in downtown Memphis.

ARCHITECTURE AND DESIGN

Historic preservation of downtown Memphis and elegant new construction characterize the multiple components of Peabody Place.

In 1935, historian David Cohn proclaimed, "The Mississippi Delta begins in the lobby of the Peabody Hotel." The 468-room hotel is a 14-story Italian Renaissance Revival building, built in 1925, during the era of the grand hotel. The masonry building has a terra-cotta and limestone base with terra-cotta cornices, pilasters, balustrades, and window surrounds on the upper levels. The two-story main lobby, which provides a dramatic entrance to the hotel, features marble columns and an ornate beamed ceiling. The renovation of the Peabody sought to restore, refurbish, and reequip the building as a first-class hotel. In 1994, the Peabody Hotel completed the final phases of a multimillion-dollar renovation that included the complete refurbishment of every guest room, the addition of an exclusive concierge-service level, the addition of new carpeting and paint in the mezzanine-level meeting rooms and ballrooms, and the demolition and renovation of the Grand Lobby Bar.

Nearby, the block of historic structures at the heart of Peabody Place, containing more than 500,000 square feet (46,450 square meters) of buildings built in the late 1800s and the early 1900s, has undergone renovation and restoration to its original grandeur. The project consisted of four major building renovations and the addition of an edifice, called the "Grand Lobby," that internally ties the existing structures together. These buildings have been transformed into modern apartments, offices, restaurants, and retail establishments. Many of the historic architectural details have been carefully preserved, including high ceilings, oversized windows, elegant limestone columns, and original ceramic tile floors. The apartments range in size from 557 to 1,380 square feet (52 to 128 square meters) and some include loft-style bedrooms or bay windows that offer views of the city or the Mississippi River. The convenient downtown location places residents close to shops and restaurants, and retail shopping on the ground floor, and a Main Street Trolley stop right outside.

Local, state, and national historic preservation groups have applauded the restoration in the Gayoso-Peabody Historic District that includes the block with the Gayoso House Apartments, Pembroke Square, and 50 Peabody Place, as well as the Peabody Hotel.

The preservation of this historic block has earned 16 local, regional, and national design awards, including its selection as the Design of the Decade (1990–1999) by the Memphis Chapter of the American Institute of Architects, which recognizes the project as one of the most significant pieces of architecture in Memphis in the 1990s.

Across the street, the AutoZone corporate headquarters, perched on a bluff overlooking the Mississippi River, takes advantage of the site's attributes and views. The river side of the structure features a modern, curved glass facade, while the side facing the city is more in keeping with the historical buildings in the old Cotton Row. Also located in an earthquake zone—just 30 miles (48.2 kilometers) from the New Madrid fault—the building is the first seismic

base-isolated structure to be built in the central Mississippi Valley. This state-of-the-art engineering design reduces damage by cushioning buildings against earthquake shaking. The AutoZone building has won several architecture awards, including the AIA Memphis Award of Honor in New Construction Architecture.

The Tower at Peabody Place, considered by some to be the signature office address for downtown Memphis, features a polished granite base; glass towers with bay windows at all four corners; and marble, granite, and wood finishes in lobby areas. The 15 stories include eight levels of Class A office space, six levels of parking, and one level of retail shops and commercial space.

The heritage of Memphis music and the legacy of the grand movie palaces constitute the theme of the Peabody Place Entertainment and Retail Center. It covers more than 300,000 square feet (27,870 square meters) in a unique "streetscape" environment, and is accessible from any one of three connected, indoor parking garages. The three-story retail/entertainment center's varied and smaller-scale streetscape is organized along a multilevel atrium courtyard. The first-floor retail space faces both the street and the courtyard, while the multiplex cinema occupies the top floor.

The 22-screen cinema anchor, Muvico Theaters, boasts a 110,000-square-foot (10,219-square-meter) "turn-of-the-century train station" theme, welcoming moviegoers into an expansive, picturesque railway yard, complete with model trains, stone walls, and train trestles.

FINANCING

A package of public incentives was incorporated into the financing program for the Peabody Place project in order to make it feasible. Approximately 23 percent of the nearly \$285 million cost of the Peabody Place was funded through a series of low-interest loans, grants, and direct public improvement investments. Peabody Place was one of the latter projects to receive Urban Development Action Grant funds from the U.S. Department of Housing and Urban Development (HUD), with a total of \$14.95 million allocated in two separate funding rounds. In addition, \$6.45 million was made available to the Community Development Block Grant program. These funds were provided by 0 percent, 30-year loans made through the city of Memphis, with the city participating in net annual cash flow proceeds. Other HUD funds involved in the Peabody Place Project included a Section 108 loan for \$12 million and a CD float loan for \$4 million. The U.S. Economic Development Administration provided a loan guarantee to finance the Peabody Hotel for approximately \$2.7 million in the form of sidewalks, streets, and other public infrastructure improvements in the vicinity of Peabody Place. City general obligation bond funding for \$9.92 million was used to finance the Tower Parking Garage. Shelby County (where Memphis is located) issued a general obligation bond for \$9.7 million to finance a portion of the parking garage for the Entertainment and Retail Center and Peabody Hotel, with the remaining \$5.12 million for the parking expense provided through city of Memphis general obligation bonds.

In addition to the loans and grants mentioned above, the city of Memphis and Shelby County provided property tax freezes on the various components of Peabody Place. These freezes ranged from ten to 25 years, depending on the particular component of the project. In addition, incentives were provided through federal tax law in the form of investment tax credits for historic properties, including the Peabody Hotel, the Pembroke Square building, Gayoso House, and 50 Peabody Place, as well as for low-income housing, which comprised a portion of the Gayoso House Apartments.

The tax credits assisted the developer in raising equity for the development. A number of local and national lenders provided construction financing and long-term financing for the various components of Peabody Place, including a consortium of nine banks that assisted in financing the Peabody Hotel. Total private funding was in excess of \$200 million.

TENANTS AND MANAGEMENT

Belz Enterprises markets and oversees the management of the Peabody Place properties, subcontracting for the day-to-day management of the residences and office space, with a general manager for the entire retail portion of the project. In its management, Belz emphasizes cleanliness, security, and responding to customer requests. The Peabody Hotel is managed by the Peabody Hotel Group (PHG), a subsidiary of Belz Enterprises that owns and operates another Peabody Hotel in Orlando, Florida, and nine other hotels throughout the country.

Overall, performance for each use within the Peabody Place development is above average for downtown, and in line with or slightly above that of the greater Memphis metropolitan area.

In the historic block, the Gayoso House, Pembroke Square, and 50 Peabody Place are home to mixed-income apartments, luxury townhouses, a food court and dining facilities, a grocery store, a bakery, a card shop, luxury office space, and specialty retail. While the Grand Lobby serves as the ground-level main entrance for the retail, office, and residential users of each building in the block, there are separate elevator banks to reach the apartments and the offices in the buildings' upper levels. The alternate entrances to the block for apartments and offices are also separate.

Typical apartment residents include upper-income people, young professional singles, tourism- and service-related

employees, families, empty nesters, and college students. Exceeding expectations, the apartments have maintained a near-capacity occupancy rate, often as high as 99 percent. Rents in the Peabody Place development's apartments range from \$550 to \$1,400. At \$0.90 per square foot (\$9.68 per square meter), and with an average of \$804 per month, the rents are above the average downtown apartment rental of \$0.82 per square foot (\$8.81 per square meter) or \$733 per month. Average apartment rentals in the greater metropolitan Memphis area are \$0.58 per square foot (\$6.23 per square meter) or \$635 per month.

Pembroke Square houses two unique cultural attractions as well: the Center for Southern Folklore, and the Peabody Place Museum and Gallery. The Center for Southern Folklore is a private, nonprofit organization dedicated to preserving Southern culture, with an emphasis on music and art. The interior, decorated by local artists, is eclectic and includes a gift shop and a coffee bar with books and albums featuring Memphis and local artists. The center hosts live music at lunch each day, and on Friday and Saturday evenings.

The Peabody Place Museum and Gallery offers a permanent display of Chinese art from the personal collection of Jack Belz, chairman and CEO of Belz Enterprises, and his wife, Marilyn. In addition to Chinese art and sculpture extending back as far as 2,000 years, the collection contains Judaica, European contemporary art glass, a mineral collection including a 75 million-year-old bird fossil from the Liaoning province of China, a petrified dinosaur egg, and Italian mosaics, boxes, and obelisks.

The Tower at Peabody Place is occupied by tenants such as Andersen, law firms, an engineering firm, as well as serving as the headquarters for Belz Enterprises. The office and retail occupancy rates for Peabody Place buildings (50 Peabody Place: 85 percent; Pembroke Square: 90.5 percent; Tower at Peabody Place: 84.5 percent) have been at or above the average for downtown Memphis (82.8 percent for office and 86 percent for retail). Rental rates for the office and retail space in the historic block have been consistent with, or slightly above, the downtown average of \$15.51 per square foot (\$167 per square meter), while the Tower at Peabody Place commands the highest rents, at \$20.50 per square foot (\$220 per square meter), compared with the downtown average for Class A office space, which is \$17 per square foot (\$183 per square meter).

The newly opened Peabody Place Entertainment and Retail Center beckons people to "come downtown and play," offering a range of lifestyle-oriented tenants, including music stores, specialty retailers, and restaurants. Entertainment anchors include the Muvico Peabody Place 22 Theater and Jillian's, occupying 100,000 square feet (9,290 square meters) and 55,000 square feet (5,109 square meters), respectively, of the development. The 22-screen movie megaplex offers stadium seating, a six-story-high screen, concessions ranging from popcorn to quesadillas and popcorn shrimp, and a child-care center for parents in need of a babysitter.

Jillian's is a three-story multidimensional food and entertainment retailer with a sports video café, a dance club, a bowling alley, tournament-quality pool tables, and more than 150 electronic simulation games all under one roof.

Other tenants include Tower Records and Video, Kidder Entertainment, Memphis Motor Sports, Ann Taylor Loft, Gap and Gap Kids, Victoria's Secret, Starbucks coffee, the Isaac Hayes restaurant "Music~Food~Passion," Mrs. Field's Bakery Café, Texas de Brazil, A&W All American Food/Long John Silver's, and Rocky Mountain Chocolate Factory.

The mixed-use character of the development benefits multiple users of the parking garages. For example, in the 700-car parking garage attached to the Tower at Peabody Place, where the office tenants rent parking (\$90/month), apartment residents of the Gayoso House and Pembroke Square also may lease parking spaces (\$35/month).

EXPERIENCE GAINED

It is important to have a large contingency factored into a historic restoration project, since certain conditions in an older structure may be unknown or unpredictable until actual construction begins. In the Peabody Place historic block, for example, the renovation cost 30 percent more than the original estimate calculated. While it can be more expensive to reuse historic features, the results do provide added value to the final product.

Infill construction on a tighter downtown site is more expensive to stage and build. The higher costs demand the construction of premium-rate office and retail space to pay for itself. It is possible to command premium rents, based on the uniqueness of the development and the downtown market, but customers need to be willing to pay more for that kind of environment.

Having multiple levels in an entertainment/retail center can create challenges for putting retailers in a prime location. However, the connected parking garages ease that difficulty, since they bring people into the building on various levels.

A variety of available local, state, and federal government tax incentives, loans, grants, and subsidies were key to making the investment financially feasible.

Mixed-use developments can be quite complicated, which makes them more expensive to build. However, urban mixed use can be a very rewarding type of development, and the attractiveness of the product offers a higher value.

PROJECT DATA			
Historic Block Pembroke Square			
LAND USE INFORMATION			
Site area (acres/hectares): 0.86/0.35			
LAND USE PLAN			
Use	Existing (Square Feet / Square Meters)		
Buildings	37,489/3,483		
GROSS BUILDING AREA			
Use	Existing (Square Feet / Square Meters)		
Office	139,946/13,001		
Retail	34,275/3,184		
Residential	44,000/3,866		
Concourse	27,169/2,524		
Total	245,390/22,797		
LEASABLE AREA			
Use	Existing (Square Feet / Square Meters)		
Office net rentable area	109,495/1,017		
Retail gross leasable area	34,275/3,184		
Residential	41,620/3,866		
Concourse	27,169/2,524		
Total	212,559/19,747		
RESIDENTIAL UNIT INFORMATION			
Unit Type	Area (Square Feet / Square Meters)	Number Leased	Range of Initial Monthly Rents
One-bedroom apartment	630-712/54-66	8	660-700
Two-bedroom apartment	821-1,032/76-96	31	800-1,000
One-bedroom loft	989-1,129/92-105	4	950-975
Two-bedroom loft	1,381/128	2	1,400-1,425
OFFICE INFORMATION			
Percentage of NRA occupied: 92 Number of tenants: 14 Average tenant size (square feet/square meters): 5,000/465 Annual rents (per square foot/per square meter): \$16-20/\$172-215 Average length of lease: 5 to 10 years Typical term of lease: 7 years			
RETAIL INFORMATION			
Tenant Classification	Number of Stores	Total GLA (Square Feet / Square Meters)	
General merchandise	3	10,283/955	
Food service	3	17,872/1,660	
Hobby/special interest	1	1,000/93	
Gift/specialty	1	1,800/167	
Personal services	1	1,500/139	
Financial	1	18,000/1,672	
Total	10	34,275/3,184	

Percentage of GLA occupied: 70
 Annual rents (per square foot/per square meter): \$15-19/\$161-204
 Average annual sales (per square foot/per square meter): \$300/\$3,226
 Average length of lease: 5 to 10 years
 Typical term of lease: 7 years

DEVELOPMENT SCHEDULE

Site purchased: 1993
 Planning started: 1993
 Sales/leasing started: 1994
 Construction started: 1995
 First phase completed: 1996
 Project completed: 1997

PROJECT DATA

Historic Block Gayoso House

LAND USE INFORMATION

Site area (acres/hectares): 0.75/0.30
 Parking spaces (residential): 45

LAND USE PLAN

Use	Existing (Square Feet / Square Meters)
Buildings	29,946/2,782
Streets/surface parking	2,604/242
Total	32,550/3,019

GROSS BUILDING AREA

Use	Existing (Square Feet / Square Meters)
Retail	10,543/979
Residential	152,821/14,197
Parking	12,000/1,115
Other*	20,914/1,943
Total	196,278/12,516

*Concourse, health club, leasing office, and storage.

LEASABLE AREA

Use	Existing (Square Feet / Square Meters)
Retail gross leasable area	10,543/979
Residential	109,089/10,134
Concourse	15,101/1,403
Total	134,733/12,516

RESIDENTIAL UNIT INFORMATION

Unit Type	Area (Square Feet / Square Meters)	Number Leased	Range of Initial Monthly Rents
One-bedroom apartment	557-765/52-71	127	\$550-675
Two-bedroom apartment	700-979/65-91	25	\$670-925
One-bedroom loft	968-1,151/90-107	3	\$900-1,100
Two-bedroom loft	1,007/93.5	1	\$1,050

RETAIL INFORMATION

Tenant Classification	Number of Stores	Total GLA (Square Feet / Square Meters)
Food service	1	8,743/812
Gift/specialty	2	1,800/167
Total	3	10,543/979

Percentage of GLA occupied: 91
Annual rents (per square foot/per square meter): \$15-18/\$161-193
Average annual sales (per square foot/per square meter): \$300/\$3,226
Average length of lease: 5 to 10 years
Typical term of lease: 10 years

DEVELOPMENT SCHEDULE

Site purchased: 1993
Planning started: 1993
Construction started: 1994
Sales/leasing started: 1994
Project completed: 1995

PROJECT DATA

Historic Block 50 Peabody Place

LAND USE INFORMATION

Site area (acres/hectares): 0.26/0.10

LAND USE PLAN

Use	Existing (Square Feet / Square Meters)
Buildings	11,250/1,045

GROSS BUILDING AREA

Use	Existing (Square Feet / Square Meters)
Office	50,570/4,698
Retail	8,900/827
Concourse	8,400/780
Total	67,870/6,305

LEASABLE AREA

Use	Existing (Square Feet / Square Meters)
Office net rentable area	41,320/3,839
Retail gross leasable area	8,900/827
Concourse	8,400/780
Total	58,620/5,446

OFFICE INFORMATION

Percentage of NRA occupied: 90
Number of tenants: 7
Average tenant size (square feet/square meters): 2,500/232
Annual rents (per square foot/per square meter): \$15-17/\$161-183
Average length of lease: 5 to 10 years
Typical term of lease: 7 years

RETAIL INFORMATION

Tenant Classification	Number of Stores	Total GLA (Square Feet / Square Meters)
General merchandise	1	3,000/279
Personal services	2	5,900/548
Total	3	8,900/827

Percentage of GLA occupied: 100
Annual rents (per square foot/per square meter): \$16-20/\$172-215
Average annual sales (per square foot/per square meter): \$300/\$3,226
Average length of lease: 5 to 10 years
Typical term of lease: 7 years

DEVELOPMENT SCHEDULE

Site purchased: 1993
Planning started: 1993
Construction started: 1994
Sales/leasing started: 1994
Project completed: 1996

PROJECT DATA		
Historic Block Majestic		
LAND USE INFORMATION		
Site area (acres/hectares): 0.14/0.05		
LAND USE PLAN		
Use	Existing (Square Feet / Square Meters)	
Buildings	6,187/575	
GROSS BUILDING AREA		
Use	Existing (Square Feet / Square Meters)	
Retail	6,187/575	
LEASABLE AREA		
Use	Existing (Square Feet / Square Meters)	
Retail gross leasable area	6,187/575	
RETAIL INFORMATION		
Tenant Classification	Number of Stores	Total GLA (Square Feet / Square Meters)
Food service	1	6,187/575
Percentage of GLA occupied: 100 Annual rents (per square foot/per square meter): \$15-17/\$161-183 Average annual sales (per square foot/per square meter): \$300/\$3,226 Average length of lease: 5 to 10 years Typical term of lease: 7 years		
DEVELOPMENT SCHEDULE		
Planning started: 1993 Site purchased: 1994 Sales/leasing started: 1994 Construction started: 1995 Project completed: 1997		
PROJECT DATA		
Historic Block Grand Lobby		
LAND USE INFORMATION		
Site area (acres/hectares): 0.126/0.05		
LAND USE PLAN		
Use	Existing (Square Feet / Square Meters)	
Buildings	7,103/660	
GROSS BUILDING AREA		
Use	Existing (Square Feet / Square Meters)	
Office	2,239/208	
Retail	2,455/228	
Lobby	2,409/224	
Total	7,103/660	
LEASABLE AREA		
Use	Existing (Square Feet / Square Meters)	
Office net rentable area	2,239/208	
Retail gross leasable area	2,455/228	
Total	4,694/436	

OFFICE INFORMATION

Percentage of NRA occupied: 100
Number of tenants: 1
Average tenant size (per square foot/per square meter): 2,400/223
Annual rents (per square foot/per square meter): \$15-17/\$161-183
Average length of lease: 5 to 10 years
Typical term of lease: 7 years

RETAIL INFORMATION

Tenant Classification	Number of Stores	Total GLA (Square Feet / Square Meters)
Food service	1	1,705/158
Gift/specialty	2	750/70
Total	3	2,455/228

Percentage of GLA occupied: 70
Annual rents (per square foot/per square meter): \$15-22/\$161-237
Average annual sales (per square foot/per square meter): \$300/\$3,226
Average length of lease: 5 to 10 years
Typical term of lease: 7 years

DEVELOPMENT SCHEDULE

Site purchased: 1993
Planning started: 1993
Sales/leasing started: 1994
Construction started: 1995
Project completed: 1996

PROJECT DATA

Tower at Peabody Place

LAND USE INFORMATION

Site area (acres/hectares): 0.706/0.28
Parking spaces (public): 700

LAND USE PLAN

Use	Existing (Square Feet / Square Meters)
Buildings	42,500/3,948
Landscaping/open space	3,500/325
Total	46,000/427

GROSS BUILDING AREA

Use	Existing (Square Feet / Square Meters)
Office	152,000/14,120
Retail	18,409/1,710
Parking	270,500/25,129
Concourse	16,600/1,542
Total	457,509/42,503

LEASABLE AREA

Use	Existing (Square Feet / Square Meters)
Office net rentable area	140,929/13,092
Retail gross leasable area	18,409/1,170
Concourse	8,500/790
Total	167,838/15,592

OFFICE INFORMATION

Percentage of NRA occupied: 84
Number of tenants: 8
Average tenant size (square feet/square meters): 5,000/465
Average length of lease: 5 to 15 years
Typical term of lease: 10 years

RETAIL INFORMATION

Tenant Classification	Number of Stores	Total GLA (Square Feet/Square Meters)
General merchandise	2	8,522/792
Food service	1	6,000/557
Financial	1	3,887/361
Total	4	18,409/1,710

Percentage of GLA occupied: 54
Annual rents (per square foot/per square meter): \$18-25/\$191-269
Average annual sales (per square foot/per square meter): \$300/\$3,226
Average length of lease: 5 to 15 years
Typical term of lease: 10 years

DEVELOPMENT SCHEDULE

Site purchased: 1980
Planning started: 1992
Sales/leasing started: 1995
Construction started: 1996
Project completed: 1997

PROJECT DATA

Peabody Place
Entertainment/Retail Center

LAND USE INFORMATION

Site area (acres/hectares): 6.5/2.6
Parking spaces (public): 1,600

LAND USE PLAN

Use	Existing (Square Feet/Square Meters)
Buildings	268,000/24,897

GROSS BUILDING AREA

Use	Existing (Square Feet/Square Meters)
Retail	531,950/49,418
Parking	584,500/54,393
Total	1,116,450/103,718

LEASABLE AREA

Use	Existing (Square Feet/Square Meters)
Retail gross leasable area	313,000/29,077

RETAIL INFORMATION

Tenant Classification	Number of Stores	Total GLA (Square Feet/Square Meters)
General merchandise	4	32,410/3,011
Food service	11	47,380/4,402
Clothing and accessories	8	31,430/2,290
Gift/specialty	6	6,780/630
Jewelry	1	1,000/93
Entertainment	5	194,000/18,022
Total	35	312,950/29,073

Percentage of GLA occupied: 82
Annual rents (per square foot/per square meter): \$30-50/\$323-538
Average annual sales (per square foot/per square meter): \$300/\$3,226
Average length of lease: 5 to 10 years
Typical term of lease: 10 years

DEVELOPMENT SCHEDULE

Site purchased: 1979
Planning started: 1990
Construction started: 1997
Sales/leasing started: 1998
First phase completed: 2001
Project completed: 2001

DIRECTIONS

From Memphis International Airport: Leave airport on Winchester Road (west). Bear right onto Plough Boulevard. Plough Boulevard becomes Airways Boulevard heading north. Bear right onto I-240 ramp. Bear left onto I-240 west, and travel approximately two miles (3.2 kilometers). Bear right onto I-240 heading north. Pass three exits (Norris Road, South Parkway, and Lamar Avenue). Bear right to take Union Avenue exit. Bear left to go west on Union Avenue. Follow Union Avenue to Second Street, turning left onto Second. From Second Street, take a right onto Peabody Place. Parking is available in the Peabody Place Parking Garage.

Distance: 12.5 miles (20.1 kilometers).

Driving time: 20 minutes in nonpeak traffic.

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This Development Case Study is intended as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI-the Urban Land Institute.

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peabody place Entertainment and Retail Center. The heritage of Memphis music and the legacy of the grand movie palaces constitute the theme of the peabody place Entertainment and Retail Center.



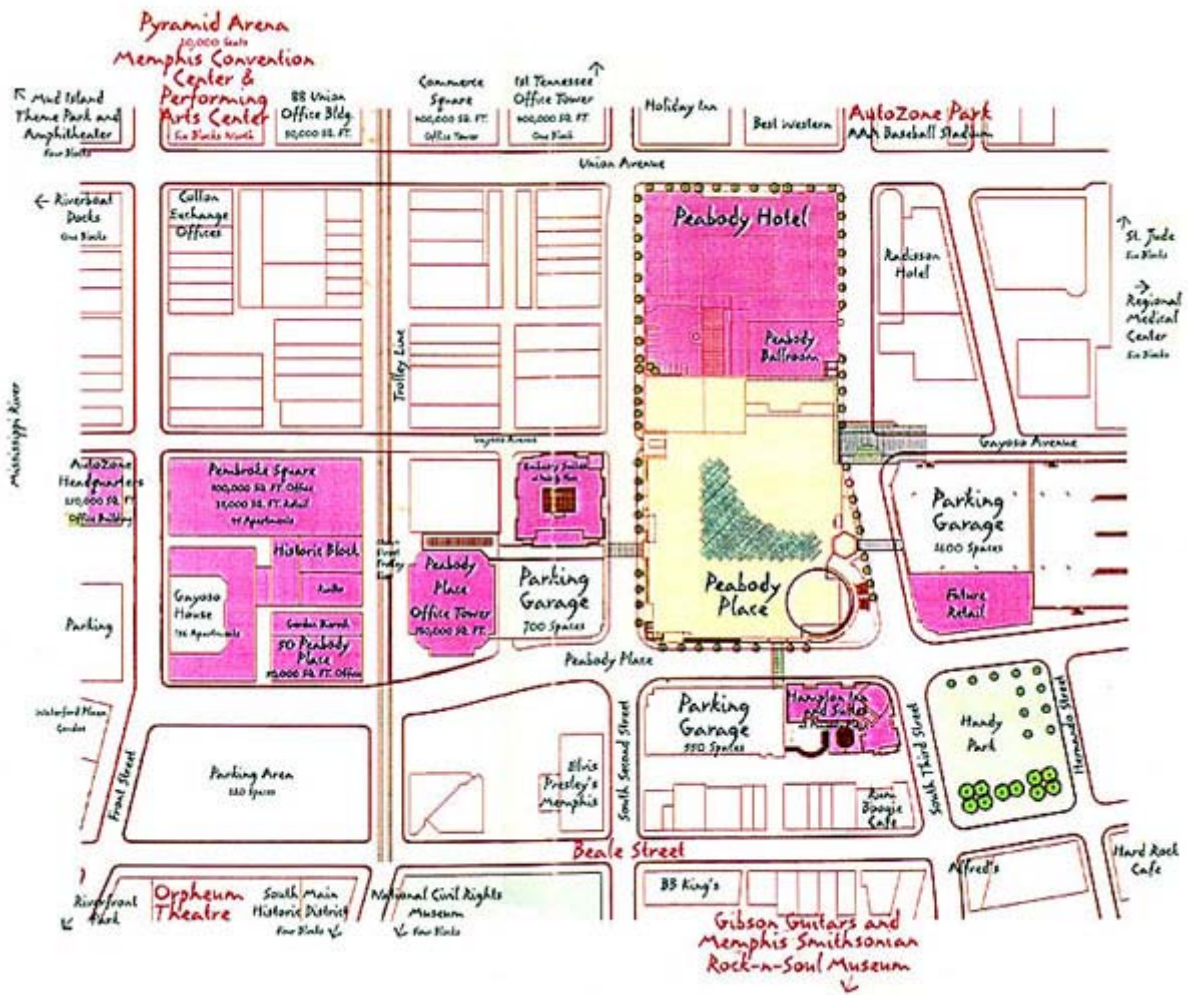
peabody place Entertainment and Retail Center. The peabody place Entertainment and Retail Center covers more than 300,000 square feet in a 'streetscape' environment. The three-story retail/entertainment center's varied and smaller-scale streetscape is organized along a multilevel atrium courtyard. The first-floor retail space faces both the street and the courtyard, while the 22-screen cinema anchor occupies the top floor.



peabody Hotel. The 468-room peabody Hotel is a 14-story Italian Renaissance Revival building, built in 1925 during the era of the grand hotel. The masonry building has a terra-cotta and limestone base with terra-cotta cornices, pilasters, balustrades, and window surrounds on the upper levels.



AutoZone Headquarters. The AutoZone corporate headquarters, perched on a bluff overlooking the Mississippi River, takes advantage of the site's attributes and views. The river side of the structure features a modern, curved glass facade, while the side facing the city is more in keeping with the historical buildings in the old Cotton Row.



Site plan.