



A recent photo of pedestrians at an improved intersection in the Memphis Medical District. Courtesy MMDC

HEALTH

Investing in a city health district during the pandemic

Memphis, Tennessee, shows the benefits of having community investment and social infrastructure, supported by philanthropy and institutions, in place during a pandemic.

[ROBERT STEUTEVILLE](#) OCT. 12, 2020



During Covid-19, the Memphis Medical District Collaborative (MMDC) has worked to keep local businesses afloat while pursuing its long-term goals of revitalization of an underserved community.

The collaborative's 2020 activities have included a Small Business Emergency Assistant Fund, streetscape improvements, planning for a bus rapid transit *and* a streetcar line through the District, a range of development assistance, jobs programs, and adapting its "Clean and Green" program to the pandemic.

I've written about the MMDC [before](#)—regarding the unique way that it has combined new urbanist placemaking and redevelopment with social programs aimed at lifting the community up. It operates like a business improvement district (BID) and community development corporation with a strong social focus. It's a model for health and hospital districts,

which are job centers in most cities.

MMDC is funded by seven anchor health institutions— St. Jude Children’s Research Hospital/ALSAC; Baptist College of Health Sciences; Methodist Le Bonheur Healthcare; Regional One Health; Southern College of Optometry; Southwest Tennessee Community College; and the University of Tennessee Health Science Center. The organization also is funded through philanthropy.

Although the area has plenty of health care related jobs, the 2.6-square-mile District has languished in the last half century and it has lost most of its population. The built environment is plagued by too many parking lots and automobile-oriented thoroughfares where the workforce mostly commutes in by car. The goal is to change the physical dynamic while supporting legacy residents—so that economic and living conditions can improve with minimal displacement.



Led by CNU member Tommy Pacello, MMDC was poised to respond to the economic impacts of the pandemic. In the initial part of the Covid shutdown, MMDC pivoted to supporting small businesses that were in danger. This program has included three parts:

1. **Emergency relief.** The aforementioned small business fund was created in March, and by the end of April had disbursed \$145,000 to more than 20 businesses. Of the recipients, 70 percent of the businesses are minority-owned and 33 percent are women-owned. This program, generally helping with rent and payroll expenses, was aimed at keeping businesses afloat during the early stages of the pandemic. Also, during this time, MMDC helped to connect businesses to the institutions, where employees were working long hours to deal with Covid. Health workers needed products like boxed meals but the usual channels of sales were disrupted—so the collaborative operated as a go-between, allowing firms to get revenues while serving institutions.
2. **Technical assistance.** Small businesses needed help in applying for Small Business Administration funds, and MMDC stepped in.
3. **Remobilization.** Businesses needed cash to start back up again—for example to purchase inventory. MMDC set up a Remobilization Fund that would cover 30 percent of the costs as a grant, and that leverages microloans through local Community Development Financial Institutions at a low interest rate (4-4.5 percent).

One example of a business that has been helped through by MMDC is Riko's Kickin' Chicken, run by Mariko and Tiffany Wiley on Madison Avenue, one of the major east-west thoroughfares through the District. They received emergency relief and remobilization funds, plus technical assistance, and collaborative is “exploring how they can take advantage of an outdoor dining incentive.” Another is Sundara Wellness, a relatively new yoga/acupuncture studio that is getting help around remobilization and promotions. In addition to the small business work, MMDC focused on a broad range of short- and long-term community programs—all related to the revitalization mission.



Meriko and Tiffany Wiley in January 2020. Source: MBJ

- **Streets and streetscapes.** MMDC is one of the most active nongovernmental organizations in the US improving streetscapes in a limited geographical area. The work provides some of the most visible signs of investment in the

District, while making the streets safer for pedestrians and bicyclists. As of late last year, the collaborative had completed 13 streetscape improvements in a few years, and several more were initiated this year. MMDC partners with the city, so when streets are repaved, new streetscapes and traffic calming projects are planned and implemented. Without changing the curbs or rebuilding the street (to save time and money), wide streets are narrowed, using materials like concrete wheel stops, planters, bollards, and surface materials. Bicycle lanes and/or pedestrian space are created.

- **Work on transit lines.** This year, MMDC is partnering on two significant transit lines under development through the District. One is an 8-mile bus rapid transit line that the Memphis Area Transit Authority (MATA) is implementing on Union Avenue. The collaborative is focusing development efforts around the station areas and figuring out ways to tie the surrounding neighborhoods to the new infrastructure. In September, MATA authorized the purchase of a modern streetcar to test on existing rails on Madison Avenue, another east-west artery that in recent decades had a streetcar. For this line, MMDC is taking an active role in planning and implementing a new streetscape.
- **Events.** During Covid, MMDC moved most of its events (concerts, exercise classes, other gatherings) online, but began to initiate some outdoor events in September. Musicians recently performed in a park with food trucks and social distancing rules. Events are designed to build community and activate the many public spaces MMDC has built and improved in recent years.
- **Real Estate.** To bring population back to the District and help workers live locally, MMDC has been active in promoting incremental and mixed-use development. “We didn’t see any projects die but everything has slowed down” since Covid hit, says Pacello. Because the City of Memphis is a slow market, MMDC uses equity and debt investments strategically to promote projects that otherwise would not obtain capital from private lenders. On the equity side, MMDC acquires historic buildings and parcels with significant potential—but that may not be ready for development today. It also funds pre-development costs like site planning, due diligence, and entitlement. Those investments are married to a fund that provides non-recourse debt to developers, limiting their liability in moving forward. The financial incentives are based on a program in Detroit called the Woodward Corridor Investment Fund. That program catalyzed redevelopment in Midtown, Detroit.



Single Family Cottage

Duplex

Fourplex



1 acre

vacant land turned to productive use

27 new homes

high-quality workforce rental housing

\$1.3 million

added to the Memphis-Shelby tax rolls over the course of 20 years

Project Cost: \$3.6M

Developer: Artifex Development

Start Date: Q1 2020

Completion Date: Q2 2020

- **Incremental development.** An Incremental Development team called Artifex—consisting of urbanists Will Bergin, John Anderson, Bruce Tolar, and David Kim—is working with MMDC on a 75-unit project called North Poplar. This project has slowed but is still making progress in 2020. Pre-development work is mostly complete on a wide range of missing middle housing types. Artifex is now training a team of local builders for construction to begin in 2021.
- **Hire Local.** The collaborative initiated a cohort training class sponsored by specific hospitals. “We have now graduated 2 cohorts of neighborhood residents (all on-line classes) and they are now interviewing or have had placements at the institutions,” says Pacello.
- **Clean and Green Program.** The program employs 10 “ambassadors” working in the District. Their ongoing work has focused on cleaning public areas and maintaining landscaping, and has expanded during Covid to include sanitation of push buttons and bus stops.

MMDC’s work during the pandemic shows the importance of having this kind of community investment infrastructure, supported by philanthropy and well-funded institutions, in place in during a public health crisis. The collaborative was able to reduce the risk of small businesses disappearing from the District. At a time when many city sectors are

experiencing a lack of investment, new programs are being put in place to keep revitalization going. “We try to do is figure out where are the Zen points in the deal, where MMDC can play a role in speeding up projects,” says Pacello.



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