

Memphis Business Journal - July 28, 2008
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Memphis Business Journal

Friday, July 25, 2008

Diversity Developer Incubator hatches three real estate building projects

Memphis Business Journal - by [Michael Sheffield](#)

Diversity Developer Incubator, a city-sponsored program designed to train women and minorities to develop significant real estate projects in the city, has resulted in three projects that could give lower-income families or senior citizens new housing options.

Two of the projects, Leath Homes, which consists of six affordable LEED-certified homes, and The View, a 36-unit, two-story senior living development, will be designed by Self Tucker Architects.

Carlee McCullough, contract compliance officer with the City of Memphis, says the idea for DDI came from goals city officials set for the redevelopment of the Memphis Fairgrounds due to the void of minority and women real estate developers in the city. The Center City Commission was already preparing two instructional courses on development, but it focused on Downtown.

"We wanted to effect change all over the city," McCullough says. "We folded those two classes into a bigger and more comprehensive program called The Incubator."

The Incubator included classes on real estate law, financing and city new market tax credits, expanding the two classes into 14 and lasting from March to July. Stakes were raised with the inclusion of the three projects.

Jimmie Tucker, a principal with Self Tucker who presented the architectural and engineering portion of the program to 117 participants, says DDI had three RFPs for participants to bid on. The RFPs were located on Leath near Chelsea, Tchulahoma and Winchester near Medal of Honor Park and another project on Tillman, near the new police precinct.

Self Tucker won the Leath Street project, while Live Life Developments LLC, a company owned by developers Cheron Corbett and Faith Shipp, will develop The View at Tchulahoma and Winchester. Self Tucker is also designing that project. The third project, an \$8.5 million, 100-unit senior living development on Tillman, was won by developers Darrell Cobbins and Cardell Orrin.

Orrin heard about DDI through the Center City Commission. He and a group had unsuccessfully bid on a project at Main and Gayoso, but they committed to move forward.

"We had done RFPs for other projects and DDI was perfect," Orrin says. "We're appreciative that the city put this together and hope this spurs the diversity in development that is needed in our community."

Tucker says the winning bidders will have two years to develop the properties or the rights revert back to the city.

"It was designed to give people experience in responding to RFPs the city might issue for different projects," Tucker says. "We were pretty experienced, but some people never had to put one together, so people were looking at how they could team with each other and pursue these sites."

The Leath Homes project is budgeted at \$1 million, while The View is budgeted at \$3 million. Tucker and Corbett say the projects will pursue funds from the Affordable Housing Program from the Federal Home Loan Bank in Cincinnati and supplemental financing from other sources.

Corbett says The View will also apply for a payment-in-lieu-of-taxes benefit and low-income housing credits. She says the project will include one- and two-bedroom apartments ranging in size from 500-580 square feet.

"We did comparisons to Magnolia Terrace in Uptown, University Place and Latham Terrace," Corbett says. "We found a need for affordable senior housing because a lot of people in that area are paying \$395 in rent. Senior citizens are growing at a rate of 30.9% (per year) and they'll need a place to go."

Corbett says construction could start in January or February and should be completed in 10 months.

McCullough says the city is planning on another DDI next year. Although there were only three projects awarded, there are now more people who know how to develop in under-served parts of the city, she says.

"We were able to change a mindset," she says. "They no longer look at blight as the responsibility of government to handle. We've got 114 people going back to their communities looking for projects. We'll see some great, great developers come out of the incubator."

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