Hickory Hill box?

The area is moving to adapt as population and retail changes put a new face on the community

By Jerome Wright (Contact)
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Ask people about the Winchester Road commercial corridor through Hickory Hill, and most will say its verve has veered eastward, never to return.

But Dr. Stacy Spencer, senior pastor of New Direction Christian Church in the heart of the corridor, doesn't see "a crisis. I see opportunity."

The Best Buy store at 7771 Winchester (top), which moved from its former location about a mile and a half west as Hickory Hill demographics changed, is an example of how retail outlets are followers. "What difference does a mile and a half make?" asked Gary Myers, principal in The Gary Myers Co. real estate firm. "If you're Best Buy, would you rather be next to a live Target or a dark Kmart?"
Construction is under way on the $18 million, 256-unit Centennial Gardens apartment complex, located behind the relocated Best Buy on Winchester. It's an example of the type of development in the area, fueled in part by businesses leaving the once-thriving Hickory Hill area.

Boarded-up doors at a former Kmart store in Hickory Hill at The Market of Riverdale Bend on Winchester are among the signs of decay along the once-bustling retail strip.
Which side is right? They both are.

Developers say Tier 1 retail outlets, such as Target, which sprouted around Hickory Ridge Mall, have been lured east on Winchester by the construction of Tenn. 385 (Bill Morris Parkway) and the influx of higher-income families in myriad new upscale subdivisions around and, especially, east of Hacks Cross Road. Collierville's open-air shopping mecca, The Avenue Carriage Crossing, also pulled retail businesses away from Hickory Ridge Mall, including one of the mall's key anchors, Dillard's.

Attracting that kind of retail back to the Hickory Hill stretch of the Winchester corridor will be tough.

But Spencer, whose church is one of the fastest growing in Memphis, sees opportunity in the situation, and a host of urban studies back him up.

"The potential is there. We need to anchor down and start owning our community," he said. "That ownership includes African-Americans having opportunities to become entrepreneurs serving niche markets with quality retail."

Other cities that are trying to regenerate their own declining retail corridors have come to the same conclusion.

Twenty-five business owners, community leaders, researchers and Southeast Memphis residents recently united to form the Winchester Commercial Revitalization Initiative. Their goal is to breathe new life into the 3-mile Winchester corridor, which stretches from Mendenhall on the west to Riverdale on the east. Traditionally, Hickory Hill Road and Riverdale are considered the western and eastern boundaries of Hickory Hill. That stretch once included stores like Best Buy, Target, Kmart, Pier 1 Imports and Stein Mart.

Real estate developer Nick Clark, a member of the group, said an informal 2003 survey found that the city was losing $5 million in tax revenue because of 800,000 square feet of vacant big-box stores in the Hickory Hill area.

That vacant space, the area's changing demographics, and perceptions that residential neighborhoods of Hickory Hill are deteriorating and that crime is high have stoked the belief among many in Memphis that Hickory Hill is not the place to be for homeowners or retailers.
**Hickory Hill**

Hickory Hill is generally composed of Zip codes 38115 and 38141 and a western sliver of 38125. Its boundaries basically are Hickory Hill Road on the west, Riverdale on the east, Mt. Moriah Extended on the north and the Mississippi state line on the south.

The area is heavily residential and many of its subdivisions are well maintained. It includes smaller commercial corridors, office parks, distribution centers and a heavy dose of apartments.

According to U.S. Census Bureau statistics for 2000, the latest Zip code breakdowns available show these numbers.

Zip code 38115 had 40,401 residents, of whom 59.9 percent were African-American, 31 percent white and 6.4 percent Hispanic. The median family income was $44,143. The Zip code contained 5,370 single-family homes, which had a median value of $88,000 and a median monthly mortgage of $937.

By comparison, for the same census period, Memphis' median family income was $37,767. The median value of a home in Memphis was $72,800 and the median monthly mortgage was $838.

Zip code 38141 had 21,922 residents, of whom 60.8 percent were African-American, 34.7 percent white and 3.1 percent Hispanic. The median family income was $56,508. The area contained 6,661 single-family homes with a median value of $91,400 and a median monthly mortgage of $963.

Most of the Hickory Hill area, then majority white, was annexed by the city in 1987. However, a protracted legal battle by residents opposed to the city's move delayed the area from officially becoming part of Memphis until 1997.

When that happened, many white residents -- concerned about their property taxes doubling and fearing that, because the area had few schools, their children would be bused into Memphis' inner-city schools -- headed east or south into DeSoto County.

In the usual way demographics work in Memphis, as white residents abandoned the area, African-American residents moved in. Whitehaven, Westwood and Parkway Village offer other, earlier examples of this process.

And, as neighborhoods become blacker, the perception is that they are no longer desirable.

For example, Clark said his competitors used the Hickory Hill location of his company's Lenox Park office campus as a way to try to lure potential tenants to their facilities. Lenox Park, at Tenn. 385 and Kirby, is considered by many people in the real estate industry to be the premier office park in Memphis. Clark & Clark recently sold the complex to a California investment group for $90.5 million.
Clark said last week the office park's location was not the reason for the sale. Earlier, he told business reporter Amos Maki of The Commercial Appeal that the transaction "allows for the recycling of capital into other projects." Santa Ana, Calif.-based Triple Net Properties LLC, which bought the campus, was not concerned about the location, a member of the sales team told Maki.

More of the retailers in the Hickory Hill Winchester corridor are following the new homes and higher incomes elsewhere, knowing that the African-Americans left behind will find their stores at their new locations, since comparable retail options in their own area are lacking.

Gary Myers, principal in The Gary Myers Co., a retail real estate firm in Memphis, said the only thing wrong with the Winchester corridor is that it was developed with too much commercial property.

Because of changing shopping habits, "the big department stores haven't done their jobs" in attracting and anchoring retailers to the area, he said.

As for the belief that Hickory Hill is dying, Myers points out that from a density and income standpoint, Hickory Hill is as "good as any place in Memphis."

So, what happened to the Winchester corridor?

"It was overbuilt. That happens to a lot of places. You can't count on a regional shopping mall to hold things in place," Myers said.

Also, he said, retailers are followers. For example, when Best Buy moved its store from Winchester and Riverdale about a mile and half east on Winchester, it was because the Target store there, next to Tenn. 385, was a ready-made draw.

"What difference does a mile and a half make? If you're Best Buy, would you rather be next to a live Target or a dark Kmart?" Myers asked.

That logic applies to other retailers that have fled east on Winchester, as well as new retailers like Gordmans, Costco, Lowe's and Wal-Mart that have decided to open near or east of Tenn. 385.

Does the fact that Hickory Hill is majority African-American play into the equation? "I hate to admit it," Myers said, "but it's a big part. Most of them (retailers) know that they can still get the African-American customer" with stores farther away.

Michael Lightman, owner of Michael Lightman Realty, a major developer along the Winchester corridor east of Hickory Hill, said Tenn. 385 had a major impact on the corridor.

"Winchester used to have a tremendous amount of traffic (that carried potential customers along the corridor). The parkway made it easier and more desirable to travel east. That caused a lot of that traffic to bypass Hickory Hill."
"So, a lot of your large retailers like to be around interchanges. That gives them a regional customer draw," Lightman said.

Southwind and the FedEx World Headquarters near Winchester and Hacks Cross created a need for more development east of Hickory Hill, such as restaurants, he explained, saying retailers follow demographics.

"Winchester and 385 is such a convenient spot. It has good visibility and the development there blends together. It's not hodgepodge.

"Luckily, I control a lot of that land and I've worked with the Land Use Control Board and neighbors to keep things uniform."

As for revitalizing the corridor through Hickory Hill, Lightman said it'll be tough.

"National retailers will probably not come back. You'll see more mom-and-pop businesses. Landlords will need to figure out how to get people into their vacant properties and still make a profit. . . .

"Property managers and renters will have to be diligent about keeping the property up and keeping a clean, safe environment," Lightman said.

Will the Winchester corridor around and east of Tenn. 385 remain hot? "I think this area will be good for a long time because of FedEx and Southwind, 385 and its proximity to Olive Branch."

**Memphis' crystal ball**

Beanie Self, executive director of the Southeast Memphis Community Development Corporation, thinks the future of Hickory Hill is the future of Memphis. Its mission statement describes SMCDC as a "non-profit organization that strives to improve quality of life and foster a sense of community." SMCDC accomplishes its mission by working diligently to re-establish "neighborhoods of choice" in southeast Memphis, linking shareholders to economic opportunities through home ownership and secure rental options, commercial stabilization, and greater economic development.

The nonprofit's coverage area stretches beyond the traditional Hickory Hill boundaries -- from Mt. Moriah/385 on the north, the state line on the south, Mendenhall on the west and Hacks Cross on the east.

Hickory Hill is more than the Winchester corridor, Self said. It has 200 subdivisions and is a major employment center, if you include the area's distribution centers.

Hickory Hill's employment centers, home ownership and income demographics, Self said, are not those of a dying area.
"Shopping habits have changed, so what can we do with the buildings that are left? We can turn them into learning centers, health centers and light industry, for example. Its north-south roads give it a strong connection to DeSoto County, which creates a regional flavor."

**Seeing the potential**

Mississippi Boulevard Christian Church's Senior Servant, Dr. Frank A. Thomas, saw potential in Hickory Hill and asked Spencer to plant a church in the area. That was done in 2001 with about 60 members. The seed church was on Winchester west of Hickory Hill Road. Membership soared, forcing the congregation to seek a larger facility. They chose the old Service Merchandise building on Winchester at Ridgeway, moving in 2004.

Spencer said New Direction has about 11,000 members on its rolls. About 4,000 attend Sunday services.

"I think we were called to the Hickory Hill community. We saw the growth and the change in demographics, especially in the number of young African-Americans," he said.

"This corner store was a good location and spoke to us as the heart of Hickory Hill. A lot of business owners, including (Hickory Ridge) Mall officials came over to congratulate us for investing in Hickory Hill.

"Our goal is to be an oasis to create economic, education and spiritual opportunities here. This still is a good community."

Spencer and the church are putting their resources to work to make that happen.

New Direction created the nonprofit Power Center Community Development Corporation, which is designed to "restore the economic, educational and social foundation of Hickory Hill through empowering initiatives designed to instill hope, pride and sense of community."

Spencer and his brother Shawn Spencer have personally invested in the revitalization of an abandoned local business. The Shyne Express car wash on Hickory Hill employs 13 full-time employees and some 30 seasonal employees.

"Hickory Hill can be a viable community again if we can remain strong," he said.