



A FRAMEWORK FOR THE FUTURE OF BEALE STREET

**Presented to A C Wharton, Jr., Mayor, The City of Memphis
by the Beale Street Strategic Planning Committee**

September 2011

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INTRODUCTION

Mayor A C Wharton concluded that there were at least four compelling reasons to create the Beale Street Strategic Planning Committee, the 31-member blue-ribbon task force he charged with taking stock of the 28 year-old entertainment district. First, the City of Memphis owns the properties that make up most of the Beale Street Historic District. Second, Beale Street is the single largest tourist attraction in the region, the lynchpin of the local tourism industry and an economic engine that is generating jobs and millions of dollars a year in taxes — and consumer spending that ripples through the Memphis economy several times over.

Third, there is the matter of Beale Street's historical importance. Beale Street was the center of African American commerce and culture and its 170-year history is a community treasure that the mayor strongly believes needs to be preserved and presented to Memphians and visitors alike. And fourth, Mayor Wharton recognized that a settlement in the city's long-standing lawsuit with John Elkington — founder of today's entertainment district — and his Performa Entertainment Real Estate management company would be the perfect time for a complete review of Beale Street's operations past and present, and to carefully plan its future.

Mayor Wharton asked former Center City Commission president Jeff Sanford to coordinate the work of the Beale Street Strategic Planning Committee under the direction of city attorney Herman Morris. That work began in earnest in March 2011. The 31-member task force was divided into six subcommittees. A cadre of outside subject experts was engaged on a volunteer basis to advise and counsel various subcommittees. Many meetings and hours of thought-provoking discussion took place

over the months. One-on-one interviews with stakeholders were conducted, as was a special online customer survey.

The result? The Beale Street Strategic Planning Committee is pleased to present its observations and suggestions to Mayor Wharton in the form of this report: **A Framework for the Future of Beale Street**. The committee sincerely hopes that its thoughts and ideas will help the mayor chart a course of continued growth and greatness for the Beale Street Entertainment District, and that it will be a shining example for many years to come of why Memphis truly is our City of Choice.



BEALE STREET STRATEGIC PLANNING COMMITTEE MEMBERS

Ward Archer.....	Archer Records
Ron Belz.....	Belz Enterprises
Scott Bomar.....	Electraphonic Recording
Willie Brooks.....	FedEx
Sam Cantor.....	Sam Cantor & Company
Wei Chen.....	Sunshine International
James Clark.....	Eel Etc. Fashions
Harold Collins.....	Memphis City Councilman
Kemp Conrad.....	Memphis City Councilman
Loyal Featherstone.....	Featherstone Realtors
J.W. Gibson.....	Gibson Companies
Pat Halloran.....	Orpheum Theater (Memphis Development Foundation)
Kenya Hooks.....	Brittenum Bruce, PLLC
Fred Jones.....	SMC Entertainment
Jim Kyle.....	Tennessee State Senator
Preston Lamm.....	River City Management
Paul Morris.....	Downtown Memphis Commission
John Oros.....	Memphis Convention & Visitors Bureau
Deanie Parker.....	South Memphis Music, Inc.
Elliott Perry.....	
David Porter.....	D.P.E. Inc.
Gayle Rose.....	EVS. Corporation
Sid Selvidge.....	Beale Street Caravan
Jay Sielman.....	Blues Foundation



SUBCOMMITTEES

VISION & MISSION

Ward Archer
 Scott Bomar
 James Clark
 Deanie Parker
 Elliott Perry

Gayle Rose
 Sid Selvidge
 Jack Soden
 Pat Mitchell Worley, *Chair*

Subject Expert Advisor: Dr. Janann Sherman, Chair, University of Memphis Department of History and co-author with Dr. Beverly G. Bond of *Images of America's Beale Street*.

LEGAL & FINANCE

Ron Belz, *Chair*
 Sam Cantor
 Kemp Conrad
 Loyal Featherstone

J.W. Gibson
 Kenya Hooks
 Preston Lamm
 Paul Morris

Subject Expert Advisors: John Ryder, Court-appointed receiver for Performa Entertainment; Marc Rosenberg, Court-appointed accountant for Performa Entertainment; Jim Street, CFO, Downtown Memphis Commission

GOVERNANCE & MANAGEMENT

Ron Belz
 Sam Cantor
 J.W. Gibson
 Preston Lamm

Paul Morris, *Chair*
 John Oros
 Jay Sieleman
 Wayne Tabor

PROGRAMMING, GROWTH & DEVELOPMENT

Ward Archer
 Scott Bomar, *Chair*
 Willie Brooks
 Sam Cantor
 James Clark
 J.W. Gibson

Paul Morris
 Deanie Parker
 Sid Selvidge
 Jay Sieleman
 Jack Soden

**BRANDING &
MARKETING**

Ward Archer
Scott Bomar
James Clark, *Chair*
Loyal Featherstone
Kenya Hooks

Deanie Parker
Elliott Perry
Jack Soden
Pat Mitchell Worley

Subject Expert Advisors: Regena Bearden, VP of Marketing, Memphis Convention & Visitors Bureau; Leslie Gower, VP of Marketing, Downtown Memphis Commission; Cynthia Ham, Principal and Chief Public Relations Officer, archer>malmo

CUSTOMER EXPERIENCE

Willie Brooks
Kenya Hooks, *Chair*

Sid Selvidge
Wayne Tabor

Subject Expert Advisors: Jerome Rubin, VP of Operations, Downtown Memphis Commission; Larry Bloom, Manager of Public Safety & Code Enforcement, Downtown Memphis Commission; Gaston Davis, Manager of Brigadiers, Environment & Parking, Downtown Memphis Commission



EXECUTIVE SUMMARY

Knowing the importance of Beale Street historically, economically and as a Memphis icon, Mayor Wharton named a 31-member blue-ribbon citizen task force, the Beale Street Strategic Planning Committee (BSSPC), to advise him on its future. He did so in advance of an anticipated settlement of a long-standing lawsuit with John Elkington and Performa Entertainment Real Estate, managers of the Beale Street Entertainment District since Elkington founded it 28 years ago. He reasoned that as soon as the lawsuit was settled, the City, which owns most of the properties in the District, needed to be immediately ready to consider a new management structure to replace Performa, and in fact ready to consider BSSPC's full range of suggestions to insure Beale Street's future.

In March 2011, the 31-member BSSPC was divided into six subcommittees: Vision & Mission; Legal & Finance; Governance & Management; Programming, Growth & Development; Branding & Marketing; and Customer Experience. Outside subject experts were assigned to the various subcommittees. Information and opinions gleaned from 42 one-on-one interviews with key stakeholders and best-practice experts, and from a special online Beale Street consumer survey, also enlightened subcommittee discussions of the past, present and future of the region's No. 1 tourist attraction.

The six subcommittees completed their deliberations at the end of July. Their suggestions have been combined into this report for Mayor Wharton titled: **A Framework for the Future of Beale Street**. Abbreviated descriptions of key subcommittee observations and suggestions follow. See the body of this report for details and to gain a more complete understanding of the work of the subcommittees.

Vision & Mission Subcommittee

The subcommittee searched for the right balance between the old and the new so that Beale Street can stay true to its past but at the same time remain a best-selling tourist attraction and a Memphis music icon.

- The entire history of the Beale Street community, not just its music, is a treasure that should be preserved and presented; that a new 501(c)(3) organization should be created for the sole purpose of telling Beale Street's wonderful story to the public.
- Obviously the clubs are playing music their customers want to hear, but in addition there is a growth opportunity in presenting a more historically pure form of the blues and its derivatives to an audience not regularly frequenting Beale Street.
- Mindful that historically the Beale Street community was a majority African American community, the new managers of Beale Street should strengthen efforts to gain more W/MBE participation in all aspects of the District's operations.

Legal & Finance Subcommittee

The subcommittee reviewed the City's complex contractual relationships with Beale Street and its finances as background for strengthening the management and operations of the District in the future.

- No matter what future governance structure is put in place, the City should increase its oversight of Beale Street's management, operations and finances.
- More needs to be done to maintain Beale Street's historic buildings — inside and out.
- The City should view its Beale Street return-on-investment in terms of the District's substantial positive impact on the local economy — not on net annual operating revenues returned to it.
- All appropriate steps should be taken to protect the Beale Street brand, the uniqueness that distinguishes Beale Street from other entertainment districts.

- If another for-profit manager is selected to manage Beale Street, the City should agree to an initial lease or contract term of no more than five years.

Governance & Management Subcommittee

This subcommittee reviewed the current structure, finances and operational history of Beale Street's management and examined options for the future governance of the District that would best serve its multiple interests.

The subcommittee reviewed a range of governance options, but in the end it is suggesting the Mayor's consideration of just two models. These two options are presented in the body of this report in considerable comparative detail. They are summarized here, but not in any order of preference:

- **Beale Street Business Improvement District (BSBID)**
A Beale Street Business Improvement District could be enabled by existing State statute and established by City ordinance, much like the current Downtown Memphis Commission (formerly the Center City Commission), but specifically for the Beale Street Historic District. A board appointed by the City would oversee the BSBID; the board would hire a fulltime executive director who in turn would employ a small staff. Many of the basic operational and management responsibilities would be bid out to private providers. Funding for the BSBID would come primarily from business rent revenues. The BSBID would manage the City's properties through a lease or other appropriate agreement. It is contemplated that a separate but related 501(c)(3) would be established for the purpose of protecting and presenting Beale Street's history, and would be housed and administered within the BSBID.
- **For-Profit Developer/Management Company (DMC)**
The City would select a for-profit Developer/Manager Company (DMC) through its regular request-for-proposal process. The DMC would operate through a lease from the City, or this model — absent lease transfer — could be applied to a management-fee-only arrangement. DMC policies, practices and operations would be subject to review by the City as its lease or fee management contract required. The DMC would establish its own management and employee

complement. Funding for the DMC would come primarily from business rent revenues. It is contemplated that the DMC would be encouraged to work closely with a 501(c)(3) established for the purpose of protecting and presenting Beale Street's history.

Programming, Growth & Development Subcommittee

The subcommittee looked at the current mix of offerings on Beale Street with an eye toward finding the right combinations to attract even more visitors. It also looked at ways to strengthen the Street's weaker blocks, identify growth opportunities and better connect Beale Street with the rest of Downtown and community-wide attractions.

- New managers should use special incentives to lease vacant space in the eastern end of the District.
- New management is encouraged to create long-term growth plans that radiate out from the center of the current district; Beale Street should be an integral part of larger Downtown growth and development plans.
- Improved connectivity between Beale Street and the rest of Downtown's and the community's attractions would be mutually beneficial.
- New managers should be open-minded about Beale Street's appropriate role as an entertainment venue, and about the music that is, or should be played on its stages.
- Creation of an additional entertainment tract could appeal to the large segment of consumers over 45 years old who are not currently regular customers.
- Development of a 200-500-seat venue is an immediate growth opportunity.

Branding & Marketing Subcommittee

The subcommittee worked to answer the question: "What will it take from a marketing and communications standpoint to strengthen the brand in an increasingly competitive marketplace?"

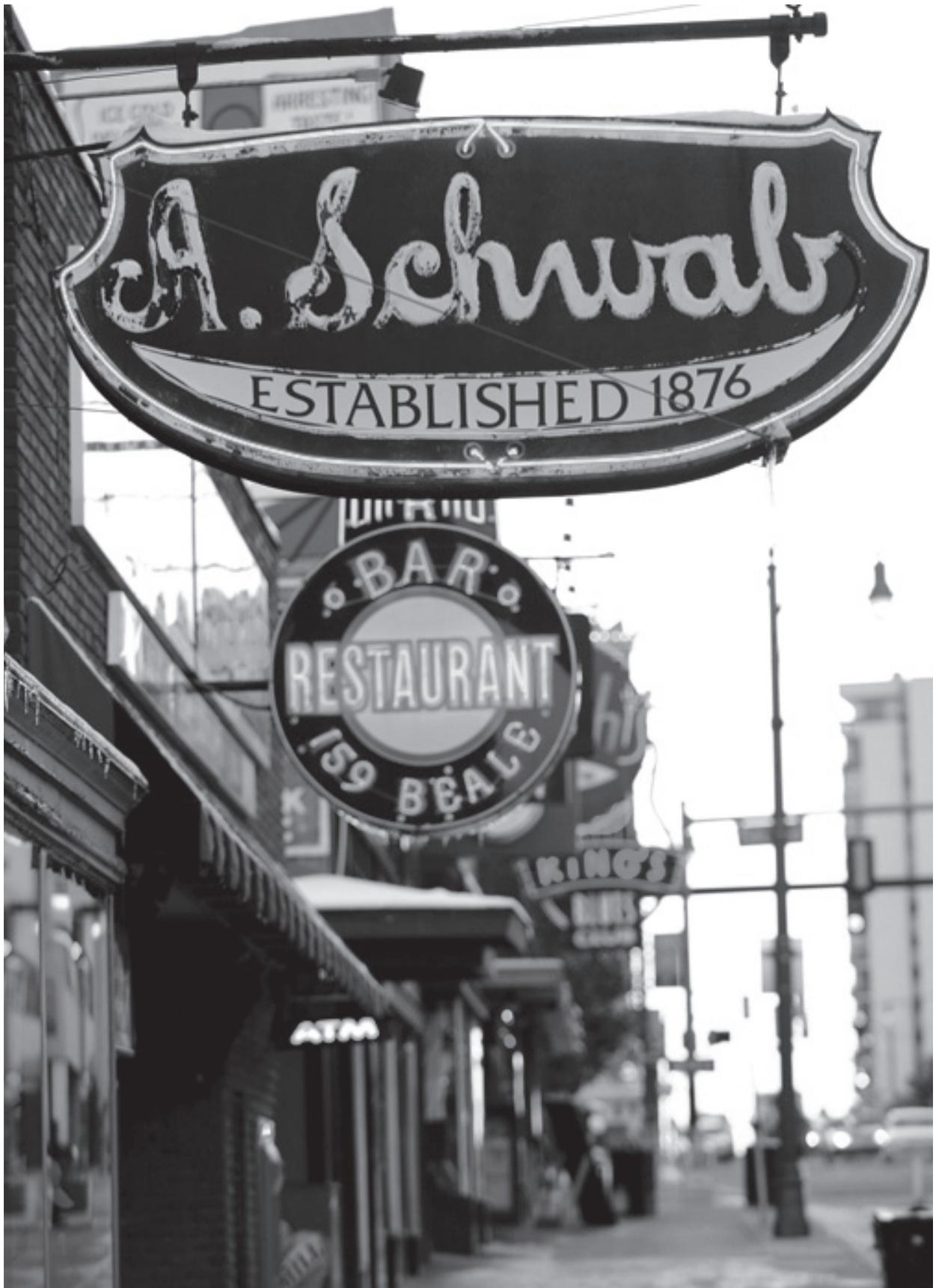
- Market research should be regularly conducted so that Beale Street managers and merchants will know more precisely who their customers are and what they want.

- New managers should develop an ongoing, budgeted marketing and communications program.
- Merchants and managers should remember that the “right” special events can boost the District’s image and the “wrong” events can tarnish its brand.
- Cross-promotion and marketing with other Downtown and area-wide attractions should be a part of the District’s new marketing program.

Customer Experience Subcommittee

The subcommittee observed current conditions on Beale Street and arrived at suggestions for making the customer’s experience an even better one in the future.

- Beale Street isn’t Disneyworld, but it could be cleaner.
- Beale Street’s security is satisfactory, but it needs to be continually reassessed.
- Age identification and security screening after 10 P.M. is important, but the process is slow and cumbersome and needs to be improved.
- Work to create increased awareness of convenient public parking in the area.
- A corps of uniformed on-the-street ambassadors would make a visit to Beale Street more enjoyable particularly for tourists.
- Handy Park and Church Park are in need of immediate attention from both a physical and programming standpoint.
- The customer experience would be greatly enhanced by the addition of more daytime activities.



VISION & MISSION SUBCOMMITTEE

What did you like most about Beale Street?

History – 54%

What would make your next trip to Beale Street more enjoyable?

More about Beale's history – 30%

Source: Beale Street Online Survey, 2011

The Vision & Mission Subcommittee took part in a broad, far-ranging discussion of Beale Street's historical and cultural importance in juxtaposition with Beale Street, the modern-day entertainment Mecca. The subcommittee searched for the right balance between the old and the new so that Beale Street can stay true to its past, but at the same time remain a best-selling tourist attraction and a Memphis music icon known around the world.

With guidance from Dr. Janann Sherman, head of the history department at the University of Memphis, and coauthor of a book on Beale Street's history, input from stakeholder interviews, and respondents to an online survey, the subcommittee makes four key suggestions to Beale Street's new managers:

SUGGESTION 1

Remember that Beale Street, for years the center of African American culture and commerce in Memphis, has an incredibly rich history that encompasses its renowned musical heritage — and much more.

The Mission & Vision Subcommittee was reminded from the beginning of its discussions that, while most people think of music when they think of Beale Street, the facts are as written in the introduction to the book *Beale Street* coauthored by Drs. Beverly G. Bond and Janann Sherman:

“For the first three or four decades of the 20th century, Beale Street was widely known as “the Main Street of Negro America,” the center for business, politics, and social and religious life, a vibrant collection of pool halls, saloons, banks, barbershops, dry goods and clothing stores, theaters, drugstores,

gambling dens, jewelers, fraternal clubs, churches, entertainment agencies, beauty salons, hotels, pawn shops, blues halls and juke joints. Above the street-level storefronts were offices for African American business and professional men: dentists, doctors, lawyers, tailors, photographers, undertakers, teachers, and real estate and insurance brokers. Many whites, particularly recent immigrants, also lived and owned businesses in the neighborhood.”

Memphis music as the world knows and loves it has roots deeply planted on Beale Street. But the “other” history of Beale Street is equally important. Important because it is the story of a community and several generations of predominately black Memphians who shaped not only their own times, but helped shape that of later generations as well. The rich and vibrant Beale Street experience is inexorably woven into the business, political, cultural and social fabric of contemporary Memphis.

SUGGESTION 2

The entire history of the Beale Street community is a Memphis treasure — a national treasure — that should be preserved and presented. But it is not realistic to put the full burden of presenting that history on the businesses that make up what is now essentially an entertainment district. Instead, the subcommittee suggests that a 501(c)(3) organization should be created for the sole purpose of preserving and presenting Beale Street’s history.

All agree though for differing reasons that the Beale Street Development Corporation (BSDC), which has been an integral part of the City’s Beale Street presence since its creation as an entertainment district in 1982, has failed to live up to its potential as the protector and presenter of the District’s history. City leaders envisioned that role for BSDC, but BSDC simply hasn’t met anyone’s expectations — including the organization’s own.

The subcommittee feels that the mission of educating the public about Beale Street’s history is still of the highest importance. It believes that a special non-profit organization would still be best suited to assume the responsibility of raising necessary

funds to promote, produce, sponsor and otherwise support activities designed to tell Beale Street's wonderful story.

The subcommittee discussed some tactical ideas that could be employed to help showcase Beale Street's past:

- Organized tours of Beale Street's historic sites;
- Production of a documentary film on the history of the Beale Street community;
- Special events highlighting Beale's past, and special tie-ins to existing festivals and organizations (e.g. Memphis in May's Beale Street Music Festival, Africa in April, the Rock 'n' Soul Museum, National Civil Rights Museum, Hattiloo Theater, the Center for Southern Folkloreits festival and its substantial Beale Street archive, the Stax Museum and the Stax Music Academy, etc.);
- An active website filled with historical information;
- Use of social networking and the Internet.

But the members of the subcommittee caution that these and other ideas will remain only ideas without a strong entity with the means, the leadership and the commitment to bring Beale Street's history back to life.

SUGGESTION 3

The clubs on Beale are obviously playing music their customers want to hear as is evidenced by the large number of visitors to the District. However, the subcommittee suggests that in addition there is a growth opportunity on the Street and in its adjoining neighborhoods to present a more historically pure form of the blues and its derivatives.

Overlapping with conclusions reached by the Programming, Growth & Development Subcommittee and opinions expressed by respondents to this project's special online survey, there may be an opportunity for the presentation of more "real blues music" and in a way that attracts even more visitors to Beale Street. This idea is more fully described in the Programming, Growth & Development section of this report.

SUGGESTION 4

While notable efforts have been made to include more African Americans in the ownership of clubs and businesses since the founding of the Beale Street Entertainment District, the subcommittee suggests that new management should strengthen the efforts to achieve greater W/MBE participation in all aspects of the District's operations.

Historically Beale Street was a predominately African American community. Since the current incarnation of Beale Street as an entertainment district, sincere efforts have been made to include more African Americans as investors and owners of businesses in the District. While there are some notable successes, the goal of fuller participation hasn't been achieved. Some have pointed out that businesses — no matter the race, gender or nationality of their owners — can only be successful if they are carefully planned, well capitalized and efficiently run. True, but the subcommittee strongly believes that the new management of Beale Street, whatever its nature or configuration, should formally and forcefully commit to increasing W/MBE participation in the business of this historically African American neighborhood.



LEGAL & FINANCE SUBCOMMITTEE

The Legal & Finance Subcommittee reviewed the City's complex contractual relationships with Beale Street and its finances as it looked for ways to strengthen the management and operations of the District in the future.

The Legal & Finance Subcommittee believes the impending transition in the management of Beale Street affords an opportunity to fine-tune the City's role in what is easily the largest single tourist attraction in Memphis now drawing a million or more paying customers a year. The subcommittee has analyzed the strengths and weaknesses of the City's third-party management agreements and understandings, and has taken a snapshot look at more recent operating finances. From this analysis and with input from individual stakeholder interviews the subcommittee makes five primary suggestions:

SUGGESTION 1

No matter what future governance structure is put in place, the City should increase its oversight — directly or indirectly — of Beale Street's management, operations and finances.

As the largest property owner in the Beale Street Historic District, and as the lessor of its properties, the City has always had good reason to pay attention to its Beale Street relationships. Now that Beale Street is an indelible part of the Memphis image to people around the world — and a powerful engine in the local economy — the City has an even greater responsibility to be attentive.

Beale Street is a big operation, and hopefully it will grow even larger and more important as a historic treasure, community venue, tourist attraction and economic contributor. Good business practice suggests that the City should keep close tabs on

its asset through regular reviews and audits. Such oversight could be exercised directly by the City, or delegated to a City appointed board of a non-profit governance entity if one is formed (such an entity is one of the future options being suggested by the Governance & Management Subcommittee in this report). But under any and all circumstances, as long as the City retains ownership of its Beale Street properties, the City should plan to ramp up its oversight.

SUGGESTION 2**Beale Street’s historic buildings create the District’s unique visual personality, and more should be done to maintain them — inside and out.**

If the buildings on Beale Street were new, the District would obviously lose a key ingredient of its uniqueness. The old buildings create the “stage set” for the visitor’s one-of-a-kind experience, and so maintaining them is of the utmost importance. Obviously, that is more challenging as the historic properties age. And deferring maintenance, while a cost-saving measure in the short-run, only adds to the cost in the long-term. The subcommittee makes two suggestions:

- That regularly scheduled physical property inspections be conducted by professionals to assess the exterior and interior condition of each City owned building, and to determine what repairs need to be made in order of urgency;
- That an annual maintenance and capital improvement reserve be required as some percentage of rents collected by the Street’s future managers. A 5% reserve was required under the past management agreement, but management represented that sufficient funds were never available to fund the reserve. The subcommittee passes no judgment in that regard, but simply believes that in the face of aging infrastructure some level of reserve must be maintained.

SUGGESTION 3**The City should view its Beale Street return-on-investment in terms of the District’s positive impact on the local economy.**

Gross annual sales on Beale Street are estimated to be in the \$30M to \$40M range. In addition to the state, local and federal

taxes paid (estimated to be more than \$50M over the past 15 years), every dollar spent on Beale Street turns over several times in the Memphis economy. As the “lynchpin” of the local tourism business (“We couldn’t sell Memphis without Beale Street,” said one tourism industry spokesperson interviewed for this project), Beale Street is responsible, directly or indirectly, for an outsized share of the local tourism market. It has an impact in dollars and jobs that extends far beyond the colorful blinking lights that illuminate the clubs on Beale Street itself. In sum total, the subcommittee believes this is the real net value of Beale Street, not the relatively small amount of money that might be returned to the City annually by the District’s managers.

And a small amount of net return it would be. The math is fairly simple. On gross annual sales estimated to be in the \$30M-\$40M range, rents paid by Beale Street businesses occupying City owned properties amount to approximately \$1.4M a year. Out of that all of Beale Street’s expenses have to be paid (excluding common area maintenance and security which are funded through a separate budget) including cost of operations, capital costs, building maintenance and repair, etc. Going forward it is being suggested by this project’s Branding & Marketing Subcommittee that a sufficient marketing budget also be established, as none currently exists. The marketing funds, too, would have to come out of the \$1.4M in net revenues.

Additionally, the settlement agreement between the City and Performa’s John Elkington contains a requirement to pay Elkington 5% percent of rents collected until 2032, or until leases expire. That expense is estimated to be approximately \$50K a year, and also will have to be deducted from the \$1.4M in total rents received. The subcommittee believes that if Beale Street is managed and marketed properly, and when all fixed expenses are accounted for, net profits — and in turn the City’s share of net profits — will be minimal. The Legal & Finance Subcommittee sees one important dynamic that could positively affect this equation in the future: more business in the District. If vacancies on the Street are filled and more people visit Beale Street businesses in general, then rental income will increase accordingly because many of the leases are based on a percentage-of-sales formula.

SUGGESTION 4

All appropriate steps should be taken in the future to protect the Beale Street brand, the uniqueness that distinguishes Beale Street from other entertainment districts.

Through the sensitivity of Beale Street’s managers (John Elkington and Performa Entertainment) and the power of master leasing, the District’s uniqueness and special Memphis personality have been largely protected and maintained. With a few exceptions, the majority of Beale Street businesses are locally owned. The subcommittee suggests that the same philosophy of leasing should continue, and the new managers should protect the Beale Street brand by making sure that most of the businesses remain “made in Memphis.”

SUGGESTION 5

If a private, for-profit manager is selected to manage Beale Street in the future, the City should only agree to a short initial lease or contract term, a period of no more than five years.

To protect the City against being stuck with an underperforming for-profit District manager, the subcommittee suggests that, in addition to conducting regular reviews and audits, the City should not sign an agreement with the new entity for more than an initial five-year period. The subcommittee assumes that any agreement with a new private sector manager would contain normal “out clauses” whereupon the manager could be removed after notice for serious underperformance. But the Legal & Finance Subcommittee also believes it would be a good idea to limit the initial agreement to no more than five years even if options to renew were made a part of the original understanding. At least in the event of unsatisfactory performance or differences of opinion relating to management and operations, the managing entity could be replaced at the end of the initial agreement.



GOVERNANCE & MANAGEMENT SUBCOMMITTEE

The Governance & Management Subcommittee reviewed the current structure, finances and operational history of Beale Street's management, and examined options for the future governance of the District that would best serve its multiple interests of preservation, customer experience, profitability, growth and development, etc.

Perhaps nothing is more important to the future of the Beale Street Historic District than the governance structure that will be put in place in the months ahead. It is that management entity and the people who will direct it that will have the weighty responsibility of strengthening Beale Street's weaknesses and building on its strengths. It is the District's new managers who will be held accountable for ensuring that the city's No. 1 visitor attraction grows and prospers in the difficult, delicate balance between Beale Street's rich history and its reincarnation as an iconic entertainment center. No small challenge.

Entertainment districts are fragile enterprises under the best of circumstances. Beale Street is no exception. Bad decisions, unfortunate incidents, misguided businesses; any one of these has the power to devalue the brand and turn good fortune into misfortune — overnight! The subcommittee believes that sound management of the District is an obvious necessity not only to protect the District from peril, but to take full advantage of the tremendous opportunities for District improvement and growth.

The Governance & Management Subcommittee explored various governance structures including models employed to manage and develop entertainment districts in other cities. The subcommittee discarded management scenarios that it felt were for one reason or another not the right fit, or just not in the best interest of Beale Street.

One such scenario was the idea of the City selling its Beale Street properties. Frequently discussed over the years as a way for the City to extricate itself from the entertainment district business, the subcommittee ultimately decided that the sale of the City's properties was not in the best long-term interest of District. That it has become much too important to the local tourism economy, and the City's economy in general to risk the possible side effects or aftereffects of a sale or sales. The subcommittee reasoned that:

- There would be no way the City could be assured of the future ownership of its properties given its legal requirement to take public bids on the sale of its properties individually or in sum total;
- That based on the public bidding requirement, the City could not preselect a buyer or buyers (e.g. current business occupants of the City's properties, a favored development firm, etc.);
- That because many of the current businesses operating in City owned buildings on Beale Street have long-term leases, the perceived value of the properties could be diminished because lease rates, terms and conditions are fixed — for better or worse — into the future;
- That the sale of Beale Street properties to multiple buyers could destroy the ability to master lease, the key tool used by the District's leasing managers to protect the Street against incompatible, or thematically undesirable property uses (e.g. tattoo parlors, fast-food chain restaurants, etc.), and to preserve the Street's popular, "homegrown" personality.

The subcommittee narrowed its suggestions for the future governance of Beale Street to two basic options. It believes that either has the potential to safeguard Beale Street's history and uniqueness, and to provide the kind of management that it will take to strategically guide the District's growth. With a cautionary note applied to both – that in the end employing the right people spells the difference between the success and failure of any management structure – the subcommittee offers these two governance options, but not in any order of preference.

OPTION A**Beale Street Business Improvement District (BSBID)****Structure:**

- A Beale Street Business Improvement District (BSBID) would be enabled by existing State statute and established by City ordinance much like the existing Downtown Memphis Commission (formerly the Center City Commission), but only for the area within the boundaries of the Beale Street Historic District;
- A separate, but related 501(c)(3) (much as the Downtown Memphis Commission is made up of five separate, but closely related entities) would be formed for several purposes including the raising of public and private funds (e.g. grants, contributions, etc.) to produce, sponsor or otherwise support programs to preserve and present Beale Street's history;
- The related 501(c)(3) would have its own volunteer board but would be administratively supported by the staff of the BSBID;
- The BSBID would be directed by a nine-member board appointed by the City (its members nominated by the Mayor and confirmed by the Council) with designated seats for Beale Street merchants, the CVB, etc.);
- BSBID's operating authority would be granted through City ordinance and by supporting leases and contractual agreements with the City.

Management:

- A CEO would be hired by and report to the BSBID board of directors.
- A small number of additional employees would be hired by and report to the CEO.

Operational Responsibilities:

The CEO would submit an annual operating plan and budget to the board for its approval. The proposed plan would spell out the basic services to be rendered and the responsibilities to be assumed during the coming year and by whom (e.g. staff, third party contractors, City, etc.). Such services and responsibilities would include, but not be limited to:

- All leasing and management services including accounting and auditing functions;
- Marketing including advertising, public relations and special events (in cooperation with the Beale Street Merchants Association);
- General maintenance of the District including sanitation services, property repairs and capital improvements;
- Security;
- Plans and initiatives designed to promote District growth; development and connectivity with the rest of Downtown and area-wide attractions;
- Programs to promote increased W/MBE participation in all aspects of the District's activities.

Funding:

BSBID's annual funding would be derived from six primary sources:

- Business rents (currently \$1.4M);
- Common area maintenance fees (currently \$400K);
- Security fees (currently \$200K from the merchants);
- Any in-kind City services;
- Sponsorships;
- Grants and donations to the new 501(c)(3).

In addition, the BSBID would work aggressively to attract new customers and new businesses to the District thus increasing rental income. ***Note: Many of the existing leases on Beale Street are based on a percent of sales.***

Strengths:

- Public oversight through City appointed board of directors;
- Major stakeholder representation on board of directors through designated seats;
- Impartial management through a board-appointed CEO;
- Financial and operational transparency as a public agency.
- Commitment to W/MBE participation;

- Commitment to preserving and presenting the history of the larger Beale Street community;
- Operationally — and growth and development — focused;
- Local management could be more sensitive to and protective of Beale Street’s unique character and authenticity.

Weaknesses:

- Public agency potentially without the drive, ambition, entrepreneurial spirit, and know-how of for-profit District management;
- City appointed board could be subject to politics;
- Local governance could be provincial, narrow in its perspective;
- Limited net operating revenues; limited hard dollar contributions to the City.

OPTION B

**For-Profit Developer/
Manager Company
(DMC)**

Structure:

- The City, through a formal request-for-proposal process, would select a for-profit Developer/Manager Company (DMC);
- The DMC would operate through a lease from the City, or this model — absent lease transfer — could be applied to a management-fee-only arrangement;
- DMC policies, practices, and operations would be subject to review by the City as its lease or fee-management contract required.

Management:

- The DMC would establish its own management and employee complement.

Operational Responsibilities:

Subject to the specific requirements in its lease (or fee management contract) with the City, and any additional agreements or understandings attached thereto, the DMC would be responsible for providing services (by itself or through third-party contractors) that would include, but not be limited to:

- All leasing and management services including accounting and auditing functions;
- Marketing including advertising, public relations and special events (in cooperation with the Beale Street Merchants Association);
- General maintenance of the District including sanitation services, property repairs and capital improvements;
- Security.

In addition, and as a part of lease or lease-related requirements (or fee management contract), the DMC would be asked to:

- Promote and support programs to preserve and present the rich and diverse heritage of the historic Beale Street community through a 501(c)(3) established specifically for that purpose;
- Establish an ongoing program to promote W/MBE participation in all aspects of the District's activities;
- Make economic growth and development of the District, and its connectivity with the rest of Downtown and area-wide attractions a formal part of its assignment.

Funding:

The DMC's annual funding would be derived from five primary sources:

- Business rents (currently \$1.4M);
- Common area maintenance fees (currently \$400K);
- Security fees (paid by the merchants);
- Any in-kind City services;
- Sponsorships.

In addition, the DMC might be challenged by an incentive arrangement in their lease or management agreement with the City to attract new customers and new businesses to the District (thus increasing rental income and City and County sales taxes). ***Note: many of the existing leases on Beale Street are based on a percent-of-sales.***

Strengths:

- Public oversight through lease requirements (or fee management contract);
- Financial and operational transparency assuming City's right to review and audit under lease terms and conditions (or fee management contract);
- Commitment to W/MBE participation assuming lease requirements (or fee management contract);
- The drive, ambition, entrepreneurial spirit, and know-how of a private, for-profit company.

Weaknesses:

- No such thing as an airtight lease or contract;
- Requires very close, direct City oversight;
- First priority of a private company is to be responsible for its own profitability;
- Private company is its own counsel; no required input from stakeholders; management style might not value the close historical relationship between management and merchants;
- Limited net operating revenues; limited hard dollar contributions to the City;
- If structure is a fee-only management contract, the fee contractor might not be "fully invested" in Beale Street's future;
- A local DMC could be provincial, narrow in its approach;
- A national DMC could be "cookie-cutter" in its approach, and insensitive to the District's history and uniqueness.



PROGRAMMING, GROWTH & DEVELOPMENT SUBCOMMITTEE

What would make your next trip to Beale Street more enjoyable?

More blues music – 39%

Source: Beale Street Online Survey, 2011

The Programming, Growth & Development Subcommittee took a street-level look at the current mix of entertainment, dining, retail, cultural, etc., offerings on Beale Street with an eye toward finding the right combinations to attract even more visitors. The subcommittee also looked for ways to strengthen weaker blocks along the Street, for District growth opportunities and for ways to better connect Beale Street with the rest of Downtown and communitywide attractions.

That Beale Street is the most visited entertainment venue in Memphis is testimony to the managers and merchants whose years of hard work have elevated the Street to star-attraction status. And as one stakeholder put it, Beale Street is now the “lynchpin of the local tourism industry.” Aided by the opinions of respondents to an online survey (see complete survey in the Appendix) and individual interviews with stakeholders, the subcommittee’s observations and suggestions follow on how the District can build on its success.

SUGGESTION 1

There is still plenty of short-term growth potential within the District considering that Beale Street’s clubs and businesses are concentrated along a one-and-a-half block stretch of the Street on the western end of what is a three-block-long District. Beale Street’s new management — armed with special incentives if necessary — should redouble efforts to lease the vacant buildings that dot the eastern and weaker end of the District.

There are various opinions as to why the eastern end of Beale Street is not as successful as the western end. Some say it is because the east block — from approximately Rufus Thomas to Fourth Street — is in the shadow of the Plush Club (on the

northeast corner of Beale & Fourth), a theater-turned-nightclub that has an ominous reputation born of multiple criminal incidents over the years. Others suggest that businesses don't fare as well on the east end because it is now hard to compete with the vitality and popularity that has been built up by the successful businesses on the west end. As one interviewee put it: "People just gravitate to the west end of Beale Street because that's where all the fun is."

Knowing that previous Beale Street managers made a concerted effort to attract businesses to the eastern block vacant properties, the subcommittee understands that leasing properties on that end of the Street is very difficult. However, the group believes that the obstacles must be overcome in the interest of Beale Street's competitive stance in an increasingly crowded entertainment marketplace. New management should make a strong effort to fill vacancies using whatever special short-term incentives are appropriate to getting the job done.

SUGGESTION 2

Long-term, Beale Street can grow through compatible development along the District's adjoining streets and in its adjacent neighborhoods. New management is encouraged to create long-term growth plans that radiate out from the center of the current District.

The subcommittee suggests that the new management team should create long-term growth plans that take advantage of the opportunities for corollary development in all directions surrounding the existing entertainment blocks. With or without officially expanding the Beale Street Historic District's boundaries, incremental, compatible development in adjacent neighborhoods would result in an enhanced customer experience and actually strengthen Beale Street's core businesses. One interviewee described it as the "rising tide lifts all boats" theory.

For example, from Second Street west along Beale Street to Riverside Drive there are opportunities to connect the current entertainment blocks to the river, and in ways that would be sensitive to and compatible with current property uses including existing residential. Complementary ways to connect the entertainment blocks to the river, and provide some of the customer amenities that respondents to this project's online

survey suggest currently are lacking (e.g. daytime activities, shopping, etc.). Development west to the river would create increased pedestrian traffic to and from the District and the Orpheum Theater, the shops and businesses along Main Street and the new Beale Street Landing. And in the middle of this enhanced east-west corridor: an existing north-south trolley connection to the South Main Arts District just a few minutes away.

SUGGESTION 3**Beale Street should be an integral part of larger Downtown growth plans.**

Particularly as it relates to larger Downtown development plans (e.g. the Center City Commission's South Forum Redevelopment Plan and the City's Triangle Noir Plan, etc.), Beale Street's new management should be "at the table" as those plans are discussed. Their participation will insure compatibility with Beale Street's own planning interests and that the District is a contributing partner in Downtown master planning initiatives.

SUGGESTION 4**Improved connectivity between Beale Street and the rest of Downtown's and the community's attractions would be mutually beneficial.**

Understandably, Beale Street's managers and merchants have had a fulltime job just building the District and its businesses into profitability. There has been little time to reach out and establish formal, ongoing relationships with other Downtown attractions, or attractions in the larger community. The subcommittee suggests that a formal program to connect Beale Street with the rest of Downtown's attractions — and attractions in the greater community — should be undertaken by the Street's new managers. The result: more business for all.

The subcommittee discussed some tactical ideas for bringing about ongoing connectivity and communication:

- Erecting directional, or wayfinding signage would help to show visitors how to get to and from Beale Street, and the attractions in its immediately adjoining neighborhoods (e.g. the Orpheum, the river and Beale Street Landing,

Church Park, AutoZone Park, Lee's Landing, the Peabody Place Historic Block on Main St., Rock 'n' Soul Museum, Gibson Guitar, etc.);

- Supporting the renaming of Third Street (Highway 61) as the Blues Trail;
- Regular meetings should be held between Beale Street and other attractions;
- New Beale Street management should join the Metro Memphis Attractions Association;
- A representative of Beale Street's new management should be seriously considered to serve on the board of the Memphis Convention & Visitor's Bureau (CVB);
- In cooperation with the CVB, a mobile visitor information kiosk on Beale Street should be considered to distribute community wide attraction and visitor information in hardcopy form, apps and website connections for smart phones.

And the City's recent confirmation of the Bass Pro project in the Pyramid represents a great opportunity for Beale Street to connect to another Downtown attraction. Bass Pro will build a huge retail center in an entertaining and educational setting that is expected to draw millions of visitors a year. Visitors who will be prime candidates for a side trip to Beale Street. Conversely Beale Street's customers, ever in search of more daytime activities, will be attracted by the exciting and unique shopping experience that Bass Pro will offer. Beale Street and Bass Pro are natural partners and the Street's new managers need to establish the connection early on.

SUGGESTION 5

Beale Street's history and unique personality should be highly valued and protected.

Subcommittee members, interviewees and respondents to the project's online survey were unanimous in placing a high value on Beale Street's uniqueness. That what distinguishes Beale Street from other entertainment districts is its history and its particular Memphis orientation. Through the power of master leasing and strong will, its managers have been able to largely

populate the District with homegrown businesses, and avoid the temptation to turn the Street over to national chains of “me-too” establishments. The subcommittee hopes the new managers will follow suit.

However, these conclusions about authenticity and the need to sustain it were not reached without dissent. The subcommittee noted that there are some in the community who raise questions about the historical authenticity of today’s Beale Street. Committee members agree that those questions should be taken seriously and should serve as a challenge to the Street’s new managers to be ever vigilant in keeping the District as close as possible to its roots.

The idea of a special 501(c)(3) as envisioned by the Vision & Mission Subcommittee also resonates with the Programming, Growth & Development Subcommittee. No matter the overall governance structure selected for the future management of the District, the subcommittee agrees that a separate but related non-profit entity should be established with the sole purpose of preserving and presenting the history of the Beale Street community.

SUGGESTION 6

There are strong differences of opinion regarding Beale Street’s appropriate role as an entertainment venue, and about the music that is, or should be played on its stages. The subcommittee urges Beale Street’s new management to be open-minded.

There are conflicting opinions within the community regarding the proper role of Beale Street as an entertainment venue. There are some highly respected stakeholders who were interviewed for this project who believe that Beale Street, today’s tourist attraction, has totally deserted its roots, and has become a venue for the presentation of all kinds of unacceptable, historically impure events and music. That Beale Street — with its “bike nights,” and “country nights,” and Liberty Bowl parades, etc. — has become a kind of all-purpose-no-purpose community entertainment venue that has, in relation to its history, become something of a sacrilege. And the dissenters hasten to add that the music being played in Beale Street’s clubs is a far cry from “the real thing.”

But there are other equally strong voices in the city, which while agreeing that the programming on Beale Street needs to be righted occasionally, espouse the belief that Beale Street can never be what it was. That time marches on and it is perfectly okay to redefine Beale Street 's role in the community. That such realism in fact honors Beale Street's past assuming the quality of the redefinition. And those who subscribe to this idea see today's Beale Street as a primary community entertainment venue for the presentation of "Memphis Music" whatever that has been and whatever it will be. Subcommittee members, while admitting there are no absolutes, decidedly lean in this direction, and urge the Street's new management to be sensitive to Beale Street's past, but not prisoners to it.

SUGGESTION 7

Beale Street's new managers should explore the creation of an additional entertainment tract that could appeal to a large segment of consumers who are not currently regular Beale Street customers.

The subcommittee believes that, in addition to the existing venues and the popular performances they present, there is room on Beale Street (perhaps in some of the vacant properties on the eastern end of the Street) for the development of a new entertainment tract that would appeal to consumers who are not currently regular customers of the District. Data from the online survey conducted for this project (see the complete survey in the Appendix) and onsite observations suggest that Beale Street is currently most popular with consumers who are 45 years old and younger. The untapped market is made up of consumers who are 45+ and whom the subcommittee thinks would be attracted to a quieter, more upscale dining and entertainment experience. Itta Bena, a successful Beale Street restaurant and nightclub, and Blues Alley, a popular blues club on Front Street in the late 70s and early 80s, were often cited in subcommittee discussions and interviews as examples of what this new second entertainment tract would be like. One in which customers could dine and drink, but also sit comfortably and listen to "real" blues, and other music that has given Memphis its signature sound.

And specifically relative to blues music, the subcommittee heard from blues aficionados who were quick to point out that

what is now offered in Beale Street's clubs may be crowd-pleasing, but it is rarely the "real thing." They suggest an opportunity to hear authentic blues in the type of establishments described above would attract a new audience to Beale Street. And likely they suggest that these new venues would attract some of the better-known blues musicians who haven't been invited to play on Beale Street in recent years.

SUGGESTION 8

Development of a 200-500-seat venue would be another immediate growth opportunity for Beale Street.

The subcommittee believes that a 200-500-seat venue on or near Beale Street could meet an existing multipurpose demand that could generate immediate additional business for the District. The subcommittee believes that there are several buildings on or near the Street that could be renovated for such uses as:

- A home for the Beale Street Caravan, a weekly radio show featuring Memphis music (now heard on hundreds of radio stations around the world) and open to the public much as the Grand Old Opry is in Nashville; Preservation Hall is in New Orleans, etc.;
- A place for occasional concerts by well-known Memphis musician's like Kirk Whalum who normally performs in venues of this size all over the world;
- A place to showcase young and upcoming Memphis talent much as the Memphis Music Commission presents in its Memphis Music Monday series at the Hard Rock on Beale;
- Beale Street historical presentations, exhibits and live concerts produced under the auspices of the 501(c)(3) historical preservation entity that is being suggested by several of this project's subcommittees — in cooperation with groups like the Center for Southern Folklore, etc.
- Special performances by community performing arts groups (e.g. Hattiloo Theater, musical ensembles from the Stax Academy and other schools, dance troupes, etc.);
- A venue for after-business social events of visiting meetings and convention groups that could be catered by Beale Street's restaurants.



BRANDING & MARKETING

What did you like most about Beale Street?

On-street activities – 54%

History – 54%

Source: Beale Street Online Survey, 2011

The Branding & Marketing Subcommittee examined the current Beale Street brand and the marketing and communications programs in place to support and enhance it. The subcommittee then worked to answer the question: “What will it take from a marketing and communications standpoint to strengthen the brand in an increasingly competitive marketplace?”

The subcommittee points out that modern-day Beale Street’s brand is not one-dimensional. It is the sum total of its characteristics, but mainly it is defined by the relationships the District has with its customers. And it is its customers — not its minders — who judge the worthiness of the brand. Maintaining and strengthening Beale Street’s good name is not a simple case of designing an eye-catching logo or creating a memorable print ad. It takes a relentless effort on the part of the District’s managers, merchants and employees to insure the quality of the visitor’s experience as well as their continued endorsement of the brand.

Beale Street’s success as an entertainment district over the last 28 years — and the awareness and value of its brand — is testimony to the hard work of its merchants and managers. But the Branding & Marketing Subcommittee believes it will take more than old-fashioned ingenuity and sweat equity to propel the District forward in a crowded marketplace. The fact is that consumers are becoming more discriminating in their entertainment spending and Beale Street has plenty of competition for consumers’ business.

The subcommittee makes the following suggestions for the new managers as they begin their work to keep the Beale Street brand on top:

SUGGESTION 1

Market research should be regularly conducted so that Beale Street managers and merchants will know more precisely who their customers are and what they want.

Currently no regularly scheduled market or consumer research is conducted for the District. Consequently, customer profile information is largely anecdotal. Some argue that the business proprietors know who their customers are and don't need surveys to tell them. But the subcommittee believes that regular surveying would add certainty to their understanding and aid Beale Street's new managers in focusing strategies in an enhanced marketing and communications program.

For purposes of this project and under the guidance of the Branding & Marketing Subcommittee, a special Beale Street online survey was conducted to obtain basic customer information. The results of the survey were both confirming and enlightening relative to customers' past Beale Street experiences, and their suggestions for making future visits more enjoyable. As the market for the entertainment dollar tightens, this is exactly the kind of data that the subcommittee thinks should be gathered on a regular basis to guide programming and marketing. See the complete Beale Street Online Survey in the Appendix section of this report.

SUGGESTION 2

Beale Street's new managers should develop an ongoing, budgeted marketing and communications program directed at local and out-of-town consumers.

Beale Street has implemented various traditional marketing and communications programs in the past, but not on a consistent basis largely for lack of budget. At times Beale Street management has taken the responsibility. At other times over the years, the Merchants Association has taken the lead. At present, little if any institutional marketing and promotion of the District is being done. In its place, the subcommittee observes what it judges to be an overreliance on events and free image promotion in the form of mentions and background camera shots for various on-air media productions (e.g. Grizzlies playoff games on TV, etc.). The free mentions and imagery are wonderful and should be encouraged, but they alone can't take

the place of a strategically targeted program designed to attract more local and out-of-town customers.

If Beale Street is to hold its own, let alone grow and become more successful, the subcommittee thinks the time is now to put a formal marketing program in place and commit the funds to support it. The basic elements of the initiative should include advertising, public relations and event management, and sophisticated use of the Internet and social media along with traditional mediums, to carry the messages. Inherent in this strategy is centralizing the brand management of Beale Street in the offices of the new District manager. The merchants and management should be in constant touch, and allies in the tactics employed. However, the subcommittee strongly believes that it is Beale Street's new managers who should take the marketing and communications lead and provide the District with what it doesn't have now: a strong, clear voice in the marketplace.

SUGGESTION 3

Special events have been — and should continue to be — an integral part of the promotion of Beale Street, but merchants and managers should always remember that the “right” events can boost the District’s image and the “wrong” events can tarnish its brand.

Special events have always been important in boosting Beale Street's popularity. There are great examples of events, some produced by the merchants and the managers, some by outside organizations, that have increased the entire District's business and have been a credit to its image. But out of subcommittee discussions and from individual stakeholder interviews conducted for this project, the group learned that there are those who believe more caution needs to be exercised in the future to make sure that the events staged accrue to the benefit of all of the Street's businesses, and are in keeping with its unique history and personality. True, Beale Street has become a community venue for the presentation of many forms of entertainment, but nonetheless these voices of caution believe that more discretion is advisable to insure that future events fall within some to-be-established new guidelines. The subcommittee earnestly agrees.

SUGGESTION 4

Cross-promotion and marketing with other Downtown and area-wide attractions should be a part of the District's new overall marketing and promotion program.

The Programming, Growth & Development Subcommittee discussed the many benefits of Beale Street doing a better job of connecting with its Downtown neighbors and with attractions throughout the community. Their suggestions are detailed in the Programming, Growth & Development section of this report. In addition, the Branding & Marketing Subcommittee specifically discussed the potential value to Beale Street and its partners of cross promotion and marketing. The subcommittee believes as others have said “a rising tide lifts all boats,” and that such collaborations could yield real benefits for all including economies of scale at a time when promotional dollars are in short supply. The subcommittee realizes that not every partnership opportunity is the right match, but it believes that Beale Street could profit by co-promoting in the future on a selective basis.



CUSTOMER EXPERIENCE SUBCOMMITTEE

What would make your next trip to Beale Street more enjoyable?

More to do during the day – 46%

Cleaner – 38%

Source: Beale Street Online Survey, 2011

No one would advocate doing anything to change Beale Street's unique character and personality. But all would agree that visitors to the District have a right to expect a clean and safe environment and an enjoyable experience. It is from this viewpoint that the Customer Experience Subcommittee observed current conditions, and arrived at suggestions for making the customer's experience an even better one in the future.

SUGGESTION 1

Beale Street isn't Disney World, but it could be cleaner.

Go to Beale Street early on a Saturday or Sunday morning. Cleanup operations are in full swing clearing away thousands of plastic cups and mounds of debris left behind by the previous night's revelers. The job is well done. In a relatively short time, the Street is swept clean; the overflowing trash receptacles that dot the sidewalks up and down Beale are emptied. The Street is made ready for another day of visitors.

But the subcommittee believes even more can be done to keep the Beale Street area clean. Their specific suggestions:

- Empty the trash receptacles throughout the day, or at least during the height of weekend and special event evenings. Full trash bins leave customers no alternative but to throw their empty cups and refuse on the ground. Obviously there would be an additional cost to providing this extended private contract cleanup service, but the new managers of Beale Street should weigh that expense against the value of a better customer experience.
- Beale Street businesses must operate in the tight, narrow physical confines that characterize the Street. Every inch of available space from the street back to the alleys is used for

servicing the businesses. There is almost no way customers can be shielded from back-of-the-house operations. But more careful dumpster use (e.g. putting refuse in the dumpsters and compacters, not next to them, closing dumpster crib gates, frequently cleaning up and hosing down dumpster areas, etc.), and more frequent dumpster pickups, would go a long way in making the customer's experience a more pleasant one.

- The areas adjacent to but outside the boundaries of the Beale Street Historic District do not receive the same level of sanitation services as the District itself which uses private contract services. Therefore, those areas — the areas that visitors traverse going to and from Beale Street — are not always as clean or as well maintained. For example, Beale Street from Second Street westbound to Main (just outside of the District) is often still littered after Beale Street within the Historic District has been cleaned up. And the north and southbound trolley stops at Beale and Main — the stops from which many out-of-town visitors to Beale Street arrive and depart — are often strewn with trash, planter pots are filled with weeds and trash, etc. The subcommittee suggests that Beale Street's new managers meet with representatives of the City, MATA and the Downtown Memphis Commission to create a plan to insure better servicing of the areas adjacent to the Historic District.

SUGGESTION 2

Beale Street security is satisfactory, but it needs to be continually reassessed.

The job of entertainment district policing is a challenging one. As the Downtown sports and entertainment district has grown — with Beale Street at its core — keeping millions of visitors safe has become a subset specialty within the Memphis Police Department, and a special consideration of Beale Street managers. As one security professional said: “Providing security for thousands of people who are having a good time is a special challenge requiring a different set of tactics, and some very tolerant, understanding people to implement them.”

John Thayer, a nationally known entertainment district security consultant who twice analyzed Downtown Memphis' security environment in past years, recently shared a few thoughts

about the special challenges of entertainment district policing in general:

- Entertainment districts are ever changing. Even within the same 24 hours, the look, the feel, the crowd can be entirely different from one end of the day to the other. This phenomenon requires great flexibility on the part of those providing security, and lots of patience.
- Entertainment district policing is a balancing act. Enough visible security to insure safety, but not so much as to make people wonder if they've entered a crime scene. It's the difference between uniformed presence and a show of force.

The continuing and unacceptable presence of aggressive pan-handlers and occasional late-night unruliness notwithstanding, the subcommittee observes that the combination of private contract security and Memphis police is providing satisfactory security for Beale Street. However the subcommittee recommends that the District's security be continually re-evaluated to insure that the most appropriate and effective tactics are being used as changing circumstances dictate.

SUGGESTION 3

Age identification and security screening after 10 P.M. is important, but the process is slow and cumbersome and needs to be improved.

Insuring that only people who are 21 years and older are on the Street after 10 P.M. makes good sense. Otherwise, the street would be overly crowded with young people who by age couldn't be admitted to Beale Street clubs. Screening people after 10 P.M. for weapons is also a good idea for obvious reasons. But the subcommittee observes that the screening process is slow and cumbersome and results in long lines and delays. Translated: customers have to wait — sometimes as long as 45 minutes to an hour — to spend their money. Not good for the District's businesses. The subcommittee suggests that perhaps additional screening stations could solve the problem, and it encourages Beale Street's new management to review this situation and weigh the additional costs involved against the value of increased customer satisfaction — and spending.

SUGGESTION 4

Several steps should be considered to create greater awareness of public parking in the Beale Street area, and to make public parking as convenient as possible for District visitors.

There seems to be a perception, based on results from the online survey and random interviews with Beale Street patrons, that nearby parking is limited and inconvenient. The fact that there are actually thousands of public parking spaces available in the immediate area suggests to the subcommittee that Beale Street's new managers need to take steps to improve the public's perception and awareness. That consideration should be given to improved signage on parking facilities, and to more visible signage directing drivers to nearby parking.

As it relates to the largest public parking garage in the immediate area — Downtown Parking Authority's (DPA) 1,000-car 250 Peabody Place Garage on Peabody Place Avenue directly across from Handy Park — the subcommittee suggests that DPA review the garage's pedestrian entrances and exits to determine if the garage could become more easily accessible to customers, particularly for Beale Street patrons frequenting the east blocks of the District.

SUGGESTION 5

A corps of uniformed, on-the-street ambassadors would make a visit to Beale Street more enjoyable, particularly for tourists.

Modeled after the Downtown Memphis Commission's (formerly the Center City Commission) very popular and successful Blue Suede Brigade, a corps of uniformed, on-the-street ambassadors would, in the subcommittee's opinion, serve several purposes:

- Additional uniformed presence on the Street, intermingling with the crowds, would add to a visitor's comfort level;
- The ambassadors would be an approachable, immediate source of information and directions;
- The ambassadors could staff the mobile tourist information kiosk referenced in the Programming section of this report.

SUGGESTION 6**Handy Park and Church Park are in need of immediate attention from both a physical and programming perspective.**

The subcommittee believes Beale Street's new management needs to seriously consider improvements to Handy Park and Church Park. In the opinion of the subcommittee both are in danger of becoming liabilities to the growth and vitality of the District if left in their present states.

Handy Park, a perfect centerpiece and outdoor performance venue within the District, has been allowed — apparently for lack of resources — to physically deteriorate. The subcommittee observed that it is not well maintained, that its day-to-day programming as a performance space leaves much room for improvement and its vendor program does little to add to the quality of the Beale Street experience, and possibly takes away business from the District's regular rent-paying retailers.

Church Park, which has been scheduled for an upgrade in the City's CIP budget for several years, could be a real asset to Beale Street. But it needs to be substantially redesigned, and the subcommittee suggests that new management review the unfunded plans for what is now essentially a foreboding open field.

SUGGESTION 7**The customer experience on Beale Street would be greatly enhanced by the addition of more daytime activities.**

The subcommittee expresses concern about the lack of daytime activities in the District. Customers responding to this project's online survey indicated that more daytime activities would make their Beale Street experience a better one. The subcommittee makes three suggestions to Beale Street's new managers that could at least begin to address the problem of limited daytime activities.

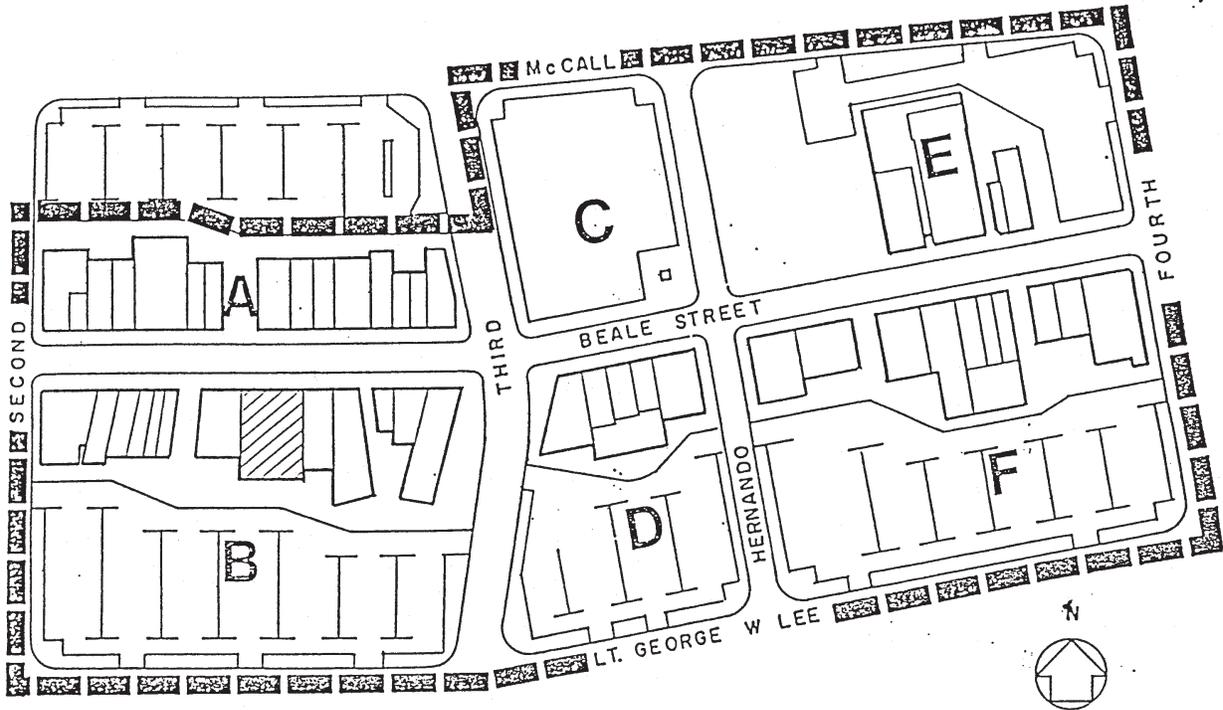
- The establishment of a strong 501(c)(3) as suggested in the Vision & Mission, Programming, Growth & Development and Governance & Management sections of this report should produce a popular range of daytime programs and activities tied to the history of the Beale Street community.

- The development of a 200-500-seat gathering, performance and presentation venue as suggested in the Programming, Growth & Development section of this report would add a place to stage many interesting daytime programs (e.g. concerts by young musical groups, programs and concerts produced by organizations like the Hattiloo Theater, the Center for Southern Folklore, etc.).
- Reaching out and connecting with other Downtown neighborhoods and attractions could produce daytime activities for visitors of all ages (e.g. museums, Mud Island, riverboat rides, Redbirds games, shopping opportunities all along Main Street including Peabody Place and the South Main Arts District, the Bass Pro and related Pinch District experiences when they come on line, etc.).

SUGGESTION 8

The Customer Experience Subcommittee agrees with the suggestion of the Programming, Growth & Development Subcommittee that Beale Street’s new managers should work toward creating a second entertainment-programming tract for the 45+ age consumers who are not currently regular customers of the District.

BEALE STREET HISTORIC DISTRICT BOUNDARIES



NOT IN PROJECT

BEALE STREET HISTORIC DISTRICT
INCLUDING PARCELS A, B, C, D, E
& F

EXHIBIT A: BOUNDARIES
BEALE STREET HISTORIC DISTRICT



BEALE STREET ONLINE SURVEY

An online survey was conducted to capture basic information about and the opinions of a random sample of Beale Street's customers. The survey was offered through the City's database and Elvis Presley Enterprises also posted it on behalf of the project. The survey received a strong voluntary response, and provided the subcommittees with a better idea of who the Street's customers are, their likes, dislikes and thoughts on improving the Beale Street Entertainment District experience.

SURVEY PAGE 1

1. Before we get started, please indicate your zip code if you live in the United States.			
		Response Percent	Response Count
ZIP:		100.0%	1,815
Show Responses			
		answered question	1,815
		skipped question	130
2. If you live outside of the United States, please indicate in which country you reside.			
		Response Percent	Response Count
Country:		100.0%	188
Hide Responses			
Responses (188) Text Analysis My Categories (0)			
Cloud View List View			
Showing 14 Most Important Words and Phrases			
Canada		10%	19
England		9%	17
United Kingdom		5%	11
Australia		4%	9
Scotland		4%	8
Shelby		4%	8
Germany		3%	6
Netherlands		2%	5
New Zealand		2%	4
Norway		1%	3
South Africa		1%	2
Belgium		1%	2
Brazil		1%	2
Ireland		1%	2
America		1%	2
		answered question	188
		skipped question	1,757

3. Have you visited Beale Street in Downtown Memphis?			
		Response Percent	Response Count
Yes		97.8%	1,902
No		2.2%	43
answered question			1,945
skipped question			0

SURVEY PAGE 2

1. What was the primary reason you were in Memphis when you went to Beale Street?			
		Response Percent	Response Count
Live in Memphis		71.4%	1,165
Visiting friends in Memphis		3.6%	58
Business		2.3%	37
Special Event		6.5%	106
Beale Street		9.1%	148
Other Attraction		7.2%	118
Other (please specify) Show Responses			244
answered question			1,632
skipped question			313

2. How often have you visited Beale Street in the last year?			
		Response Percent	Response Count
Once or twice in the last year		29.3%	507
More than twice in the last year		58.4%	1,010
Not been to Beale Street in the last year		12.2%	211
answered question			1,728
skipped question			217

3. How often have you visited Beale Street in the last five years?			
		Response Percent	Response Count
Once or twice in the last five years		15.5%	267
More than twice in the last five years		81.5%	1,404
Not been to Beale Street in the last five years		3.0%	51
answered question			1,722
skipped question			223

4. When did you visit Beale Street - day or night or both?			
		Response Percent	Response Count
Day		6.5%	113
Night		17.0%	293
Both day and night		76.5%	1,321
answered question			1,727
skipped question			218

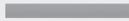
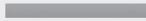
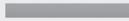
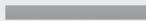
5. Please rate your experience in the clubs on Beale Street: (1 = poor, 6 = excellent)									
	1	2	3	4	5	6	Didn't go in the clubs	Rating Average	Response Count
Clubs:	2.8% (48)	5.8% (100)	12.3% (212)	23.7% (409)	23.0% (397)	11.5% (199)	21.0% (362)	4.18	1,727
answered question									1,727
skipped question									218

6. Please rate your dining experience on Beale Street: (1 = poor, 6 = excellent)									
	1	2	3	4	5	6	Didn't eat	Rating Average	Response Count
Dining:	2.6% (45)	6.9% (119)	13.7% (236)	22.8% (393)	26.9% (464)	16.4% (282)	10.7% (185)	4.27	1,724
answered question									1,724
skipped question									221

7. Please rate your shopping experience on Beale Street: (1 = poor, 6 = excellent)									
	1	2	3	4	5	6	Didn't shop	Rating Average	Response Count
Shopping:	11.2% (193)	11.8% (204)	13.0% (224)	13.9% (239)	10.8% (186)	7.8% (134)	31.5% (542)	3.36	1,722
answered question									1,722
skipped question									223

8. How clean was Beale Street? (1 = poor, 6 = excellent)									
	1	2	3	4	5	6	Rating Average	Response Count	
Cleanliness:	6.7% (116)	13.5% (232)	22.7% (391)	26.2% (450)	22.0% (379)	8.8% (152)	3.70	1,720	
answered question									1,720
skipped question									225

9. Please rate how safe you felt on Beale Street: (1 = Not Safe, 6 = Very Safe)									
	1	2	3	4	5	6	Rating Average	Response Count	
Safety:	5.4% (93)	9.8% (167)	15.0% (257)	21.5% (368)	29.4% (503)	18.9% (323)	4.16	1,711	
answered question									1,711
skipped question									234

10. What did you like most about Beale Street? (check all that apply)			
		Response Percent	Response Count
Clubs		46.3%	750
On-Street Activities		54.3%	879
Dining		46.4%	752
Shopping		13.9%	225
Handy Park		22.8%	370
History		54.0%	875
		Other (please specify) Show Responses	217
		answered question	1,620
		skipped question	325

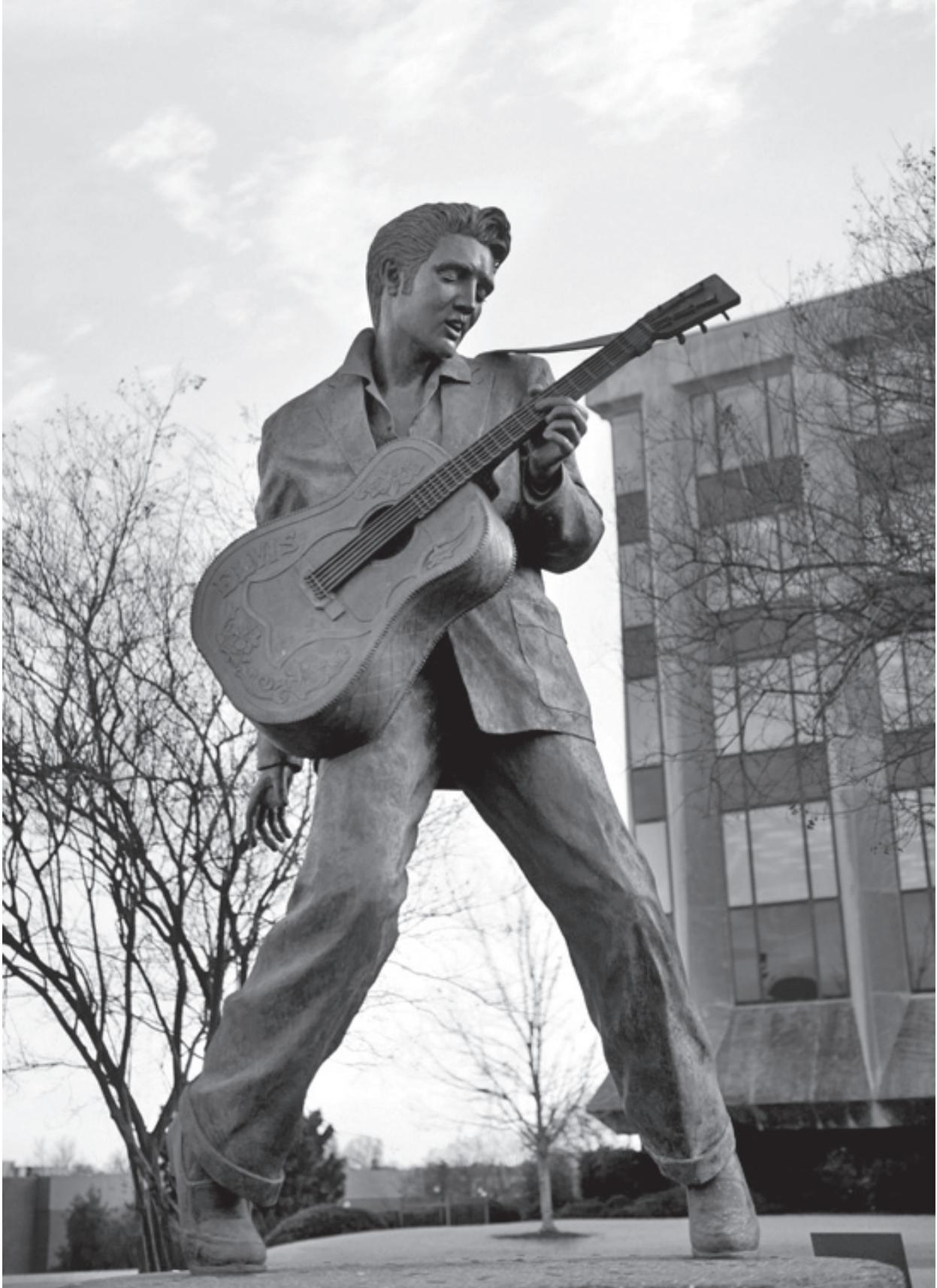
11. Please tell us what would make your next trip to Beale Street more enjoyable. (check all that apply)			
		Response Percent	Response Count
More blues music		37.9%	632
More old-time rock n' roll		26.7%	445
More "new" music		16.7%	279
Better food		32.6%	543
More about Beale's history		29.6%	493
One-price ticket to all clubs		32.5%	541
More family activities		22.6%	376
More shopping		28.9%	482
Cleaner		38.2%	636
Safer		36.5%	608
More parking		33.1%	551
More on-street activities		34.1%	568
More to do during the day		46.7%	778
More affordable entertainment options		24.0%	400
More information about other Memphis attractions		12.6%	210
		Other (please specify) Show Responses	227
		answered question	1,666
		skipped question	279

12. What is your age group?			
		Response Percent	Response Count
18-24		7.7%	135
25-30		18.6%	324
31-45		35.8%	624
46-55		19.8%	345
56-65		14.3%	249
Over 65		3.8%	67
		answered question	1,744
		skipped question	201

SURVEY PAGE 3

1. If no, why not? (check all that apply)			
		Response Percent	Response Count
Don't know about it		38.5%	20
Doesn't appeal to me		11.5%	6
Have safety concerns		23.1%	12
Have parking concerns		21.2%	11
Don't like crowds		17.3%	9
Too expensive		19.2%	10
		answered question	52
		skipped question	1,893

2. What is your age group?			
		Response Percent	Response Count
18-24		2.3%	3
25-30		18.3%	24
31-45		34.4%	45
46-55		26.7%	35
56-65		12.2%	16
Over 65		6.1%	8
		answered question	131
		skipped question	1,814



INTERVIEW PARTICIPANTS

Project consultant Jeff Sanford conducted 42 confidential one-on-one interviews with key Beale Street stakeholders and entertainment district subject experts. The information and opinions gained from the interviews, shared without attribution, proved invaluable to the subcommittees in their understanding of the real and perceived issues confronting Beale Street, and very helpful in shaping subcommittee suggestions for the District's future. The following are the individuals who were interviewed for this project.

Ty Agee	Beale Street Merchants Association
Ron Belz.....	Belz Enterprises
Bill Boyd	Memphis City Councilman
Cindy Brewer.....	Destination King
Kevin Brewer.....	Destination King
Randall Catron	Beale Street Development Corp.
Bud Chittom.....	Bud Chittom & Associates
Harold Collins	Memphis City Councilman
Kemp Conrad.....	Memphis City Councilman
Dean Dayo.....	Memphis Music Foundation
John Doyle.....	Memphis Rock n' Soul Museum
John Elkington (twice).....	Performa Entertainment Real Estate
Edmund Ford, Jr.....	Memphis City Councilman
Janis Fullilove	Memphis City Councilwoman
Jeff Goss	Blues City Cafe
Pat Halloran.....	Orpheum Theater (Memphis Development Foundation)
Reid Hedgepeth.....	Memphis City Councilman

Al James Performa Entertainment Real Estate
Fred Jones SMC Entertainment
Kevin Kane Memphis Convention &
Visitors Bureau
Andy Kitsinger Downtown Memphis Commission
Preston Lamm River City Management
Myron Lowery Chairman, Memphis City Council
Glen Malone Senate Hospitality/Westin Hotel
Craig Marshall Beale Street Hampton Inn
Paul Morris Downtown Memphis Commission
John Oros Memphis Convention &
Visitors Bureau
Judy Peiser Center for Southern Folklore
Tommy Peters BB King's Blues Clubs
David Porter D.P.E. Inc.
John Pugliese Memphis Grizzlies
Kim Rosenberg French Quarter Management
District, New Orleans, LA
Robert Shemwell Commander, Downtown Police
Precinct (Ret.)
Jack Soden Elvis Presley Enterprises
Wayne Tabor Holiday Inn Select (Downtown)
John Thayer Entertain. Dist. Security
Consultant, Santa Barbara, CA
Henry Turley Henry Turley Company
Johnny Walker Memphis Music Commission
Kirk Whalum Soulsville Foundation/
Stax Academy
A C Wharton (twice) Mayor, City of Memphis

