

Regional Adjustment Bureau signs largest lease deal

Goodlett Farms space top office lease this year

BY ANDY ASHBY

Regional Adjustment Bureau Inc. Accounts receivable recover operations
President: Steve Smith
Founded: 1971
New address: 1900 Charles Bryan Road
Phone: (901) 382-0250
Website: www.rabinc.com

One of Memphis' largest privately held companies has inked the market's largest office lease so far this year. Regional Adjustment Bureau Inc. has signed a lease at Goodlett Farms Business Campus, taking 47,830 square feet at 1900 Charles Bryan Road. The company handles accounts receivable recovery for lenders, credit card issuers and lending agencies worldwide.

Regional Adjustment Bureau's relocation to a more efficient space won't be far, as it will be moving from 50,248 square feet in nearby 7000 Goodlett Farms Parkway in July.

With Smith & Nephew investing \$42 million in the acquisition and renovation of 7216 Goodlett Farms Parkway and with WKNO opening a digital media center nearby, Regional Adjustment Bureau president Steve Smith thinks the area will remain a good office environment for the foreseeable future.



Smith

"The secure, park-like

atmosphere, combined with the power redundancy and great parking, were all factors that led to our decision to move to Goodlett Farms Business Campus," he says.

Regional Adjustment Bureau will occupy the north end of the building's ground floor.

The company is building out the currently open floor plan to its specifications.

Grinder Taber & Grinder Inc. filed a \$726,986 building permit for tenant renovations. The Crump Firm Inc. designed the space.

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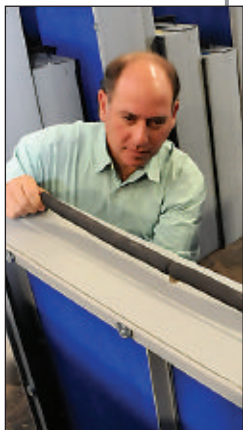
TABLE SPACE

Tasha Leach is new owner of Petra Cafe. **Page 5**



JOIN FORCES

Trying to match skills, industries. **Emphasis / Page 11**



COOL PRODUCT

Refined HVAC system sees growth. **Strategies / Page 18**



ALAN HOWELL | MBJ

Brothers Ryan and Trip Miller got into the investment game early, and now operate their own value investor hedge fund.

The investment brothers

Gullane Capital Partners touts solid returns for investors

BY CHRISTOPHER SHEFFIELD

Gullane Capital Partners LLC Hedge fund managers
Managing partner: Trip Miller
Address: 640 S. Perkins Road
Phone: (901) 766-1969

Some 9-year-old boys remember getting their first pet or perhaps their first big hit in a little league game.

Trip Miller clearly remembers a day in August 1985 when he first learned from his father what the stock market was all about. It changed his life.

Now 25 years later, Miller, 34, is managing partner of Gullane Capital Partners LLC and runs his own value investor hedge fund along with his

younger brother, Ryan Miller, 29.

The Millers manage about \$30 million for 29 clients that include high net worth individuals and wealth management firms around the Southeast.

The Millers tout a return that's two times the Standard & Poor's 500 since Trip Miller started the fund nine years ago.

Its most recent letter to investors notes the fund finished 2010 up 14.2

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Research Consortium starts with \$10 million

BY MICHAEL SHEFFIELD

The Memphis Research Consortium, a collaborative organization started last year, has landed \$10 million in state funding and now is preparing to get to work.

MRC is the brainchild of University of Memphis president Shirley Raines and a group of local researchers who approached then-Gov. Phil Bredesen last year to address the disparity in funding for research initiatives in West Tennessee when compared to work going on at the University of Tennessee-Knoxville and Oak Ridge National Laboratory. Bredesen allotted \$500,000 in startup funding to the group, which was used for planning and pilot projects.

Current Gov. Bill Haslam recently allotted \$10 million of the state's \$50 million Innovation, Commercialization, Investment, Technology and Entrepreneurship program

Memphis Research Consortium Independent non-profit collaborative research organization
Funding: \$10 million from the state of Tennessee
Executive director: Russell Ingram

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Small business shines

See profiles of the winners in the 2011 Small Business Awards presented by *Memphis Business Journal*.



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Lisa Rossmeyer Wade

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RAB: Lease lifts Goodlett Farms property to 93 percent occupancy

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Chris Brown, senior vice president with Grubb & Ellis Memphis, worked with project manager Greg Eberly in finding the new space.

"The new space will be more efficient, and will combine their operation from two floors to one contiguous floor," Brown says. "This type of consolidation always yields positive, and sometimes unexpected dividends in enhanced communication between departments and employees."

Goodlett Farms Business Campus is made up of two Class A buildings: 7130 Goodlett Farms, which was built in 1991, and 1900 Charles Bryan Road, which was built in 1998.

The two properties consist of 389,000 square feet and sit on 52 acres.

JP Realty Partners purchased the buildings from Regions Bank in 2008 as



ALAN HOWELL | MBJ

Chris Brown, Bob Pugh, Bentley Pembroke, Dan Payne and Stephen Smith gather around plans for Regional Adjustment Bureau's new office space at Goodlett Farms Business Campus.

'You're not seeing as many lease concessions as you did 12 months ago.'

Bentley Pembroke

Cushman & Wakefield/Commercial Advisors Asset Services

part of a portfolio. It paid \$32 million for the portfolio, which consisted of 13 office buildings with 1.4 million square feet across the Southeast.

At the time of the purchase, Goodlett Farms Business Campus transitioned from single tenant to multi-tenant and was only 45 percent leased.

Since then, it has attracted Hunter Fan Co. (60,000 square feet), NYK Logistics Americas Inc. (35,000 square feet) and State Farm Mutual Automobile Insurance Co. (5,289 square feet) as tenants and now sits at 93 percent occupancy.

Mark Jordan, a partner with JP Realty Partners, believes Regional Adjustment Bureau is a strong addition to the building.

Cushman & Wakefield/Commercial Advisors Asset Services has completed 201,713 square feet of leasing transac-

tions at Goodlett Farms Business Campus since November of 2008, according to vice president Bentley Pembroke.

"I believe that this speaks volumes for the property given the economic environment that we have been working with over the last 29 months," he says.

The campus is located in the Northeast Memphis submarket, which consists of 1.76 million square feet of office space.

The submarket had a 19.5 percent direct vacancy rate at year-end 2010, ac-

ording to the fourth quarter Cushman & Wakefield/Commercial Advisors Asset Services market report. This included 12,312 square feet of positive absorption in the fourth quarter.

The overall Memphis market of 19.7 million square feet of office space had a 19.6 percent direct vacancy rate at year-end 2010 after losing 120,145 square feet of absorption in the fourth quarter.

"Overall activity is pretty good," Pembroke says. "Sublease space is starting to

be occupied."

It should get better on the landlord side with no new speculative office construction in the past two years, the economy improving and rental rates tightening, according to Pembroke.

"It appears to me that landlords are starting to be more confident," he says. "You're not seeing as many lease concessions as you did 12 months ago."

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MRC: Memphis Research Consortium designed to create jobs, intellectual property

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funding for MRC. In addition to a collaboration between the University of Memphis, UT Health Science Center and St. Jude Children's Research Hospital, MRC has relationships with Wright Medical Technology Inc., Smith & Nephew Orthopaedics, Medtronic, FedEx Corp. and Memphis Bioworks Foundation.

MRC's primary focus areas will include genomics and population health; informatics and bioinformatics; and medical device and musculoskeletal research. The goal, Raines says, is job creation and the growth of new companies in the state. The funding will be used to further existing research projects and lure new researchers to the city. When projects are completed, the home organization and research groups would have intellectual property to leverage



Raines

into patents or new companies.

"By 2020, we want to grow 4,000 jobs," Raines says. "That's a while from now, but we're three major employers (U of M, St. Jude and UTHSC) and if you combine the device companies, FedEx and the hospitals, the consortium grows."

Russell Ingram, executive director of MRC, says state Sen. Mark Norris, R-Memphis, was instrumental in securing the governor's commitment.

"He acted as a mentor and agreed to sell the idea to the state," Ingram says. "The governor's economic policy is about investing in homegrown businesses and innovation. So everybody involved gives everyone something they need."



Silver

For her part, Raines says she was seeking acknowledgment for research that had been going on in Memphis for years without widespread recognition.

Brad Silver, CEO of Computable Genomix, which specializes in genetic biomarker tests to determine how individuals are affected by illnesses or drugs, says Memphis is competing on a national and global stage with established research areas like Boston, Cambridge or the Research Triangle in North Carolina. The city's capabilities were always here, but they needed to be united.

Computable Genomix received \$50,000 in research funding for its work in biomarker testing from MRC.

"Medical diagnostics are headed to-

ward genomics and personalized medicine," Silver says. "They require centralized laboratory testing that feeds into the biologics side. FedEx is interested in enhancing those opportunities, so this gives us another weapon to recruit with."

Norris says Haslam and the Tennessee Department of Economic and Community Development understand the work won't have a definite end point, but they also understand the potential for business and job creation through MRC.

"It takes time to bear fruit, but you have to find partners to nurture and cultivate what's going on," Norris says. "If you find the right segments, they'll put skin in the game. And that draws other types of investments. This is intriguing and inviting."

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