

Tower Revival

New tenants signal improved outlook for One Commerce Square

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The reversal of fortune for the Downtown tower at the intersection of Main Street and Monroe Avenue, until recently plagued by falling occupancy and an uncertain future, was set in motion in a private meeting one year ago this month.

A cadre of the city's business and political elite assembled on the 29th floor of One Commerce Square, [40 S. Main St.](#) They were there to sell board members of [Pinnacle Airlines Corp.](#) on the merits of making the 38103 ZIP code the company's new home – and One Commerce its new corporate headquarters.

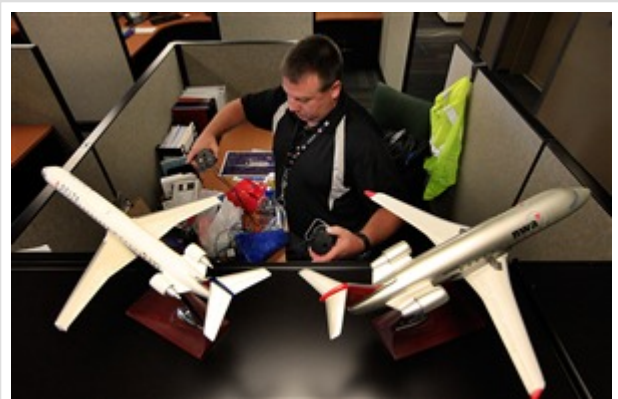
The sales job worked. But not only did Pinnacle ink a 13-year lease in December for up to 13 floors at One Commerce – that lease also has arguably had a slingshot effect, inspiring a wave of additional leasing activity at the tower, including a flurry of deals within the past several days.

The new local, well-capitalized group of investors - who bought One Commerce from US Bancorp hoping to keep the struggling building alive - is a key competitive advantage, said Commercial Advisors' Phil Dagastino, leasing agent for the building.

"They're going to take already vibrant and viable space, invest \$20 million in it, and return it to, unquestionably, its rightful position as the preeminent place to do business in Memphis," Dagastino said.

In one year, the occupancy of the 411,892-square-foot building matured from sub-par to 80 percent, bringing it back to its glory days in 1972 when Roy Harrover designed it, said [Dan Conaway](#), advertising professional and creative consultant behind the building's "ONE" rebranding campaign.

"If you design one building that changes things, that moves people to use space in different ways, that alters views and offers vision, that building becomes an icon," the building's brochure reads. "Roy Harrover is iconic. And One Commerce Square is his soaring Downtown business statement."



Pinnacle Airlines employee Paul Mroz moves into his cubicle at One Commerce Square as the company completes phase two of its transition to Downtown.

(Photo: Lance Murphey)

Also boosting to the building's corporate tenant appeal is the up-and-coming contemporary signage of [Independent Bank](#), joining First Tennessee's landmark logo in Downtown Memphis' historic skyline.

Independent, the second-largest bank based in Memphis, signed a 3,800-square-foot lease to open a bank branch in the tower's lobby in addition to 2,700 square feet of space for the bank's financial planning division on the tower's 23rd floor.

Work on the lobby is expected to wrap around the end of the year.

Another deal recently announced is [Great American Steamboat Co.](#)'s new 7,000-square-foot lease. Earlier this year, Swedish appliance maker Electrolux also signed a 14,000-square-foot lease at One Commerce for the entire 24th floor.

Another deal is expected to close in the next two weeks – a new restaurant to fill the space formerly occupied by McAlister's Deli, along with a new coffee and beverage kiosk.

One Commerce has space available from 500 to 100,000 square feet, according to marketing literature. But aside from collateral sales materials and the launch of the building's new website, www.onecommercesquare.com, revitalizing the building was a matter of tapping into its culture.

"It was starting to slide in terms of its image because people had moved out of it, it hadn't been updated, but the heart and soul of it was still there, and all we had to do was remind people of it," Conaway said. "The rebranding was taking it back to where it once was and reminding people of that."

The first 120 of Pinnacle's 650 employees moved in Aug. 8. More employees moved in Monday, Aug. 22, and they'll keep coming in waves for the next several months.

The plaza in the front of the building will soon be named "Pinnacle Plaza." It marks the dawning of a new era that was established last fall when the Downtown business community held a pep rally for employees of the Memphis-based airline company.

"We had a party. You don't see many parties that are the result of an office lease," Conaway said. "It was because a Downtown headquarters was taking place. It serves as a great big, multistory exclamation point for economic development."

This was what Downtown boosters and the city's business elite hoped to accomplish during that private meeting atop the tower last year on the same night a gala was thrown in Pinnacle's honor in the tower's lobby.

Among those assembled for the meeting with Pinnacle's board was Memphis Mayor A C Wharton Jr.; Shelby County Mayor [Mark Luttrell](#); and representatives of the Center City Commission (now known as Downtown Memphis Commission), the [LRK Inc.](#) architecture and design firm, and the building's new local ownership group.

Pinnacle's then-potential arrival represented a much-needed boost for the tower, which saw two high-profile large tenants – [SunTrust Banks Inc.](#) and [Glankler Brown PLLC](#) – leave within the last few years.

Also at that meeting was one of Memphis' most celebrated corporate leaders, AutoZone founder J.R. "Pitt" Hyde, who told Pinnacle's board he could personally understand the factors they were weighing. He and his company made a similar move Downtown in the 1990s.

DMC president [Paul Morris](#) walked board members through a slide presentation. At one point, Morris compared the same distance (about 1,000 feet) from parking lot to office door between Pinnacle's potential new home Downtown at One Commerce with office space near the airport, its previous headquarters home.

Morris told the Pinnacle board members that parking lot-to-office walk Downtown would be completely covered and air-conditioned. Meanwhile, the same distance near the airport would be almost entirely on asphalt.

It was at the tail end of a long stretch of hot summer days for Memphis. To drive the point home, noted on one of the slides in that presentation was that day's heat index for the city: 110 degrees.