

# Fortune 500 company signs massive lease in Memphis

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A Fortune 500 company has leased the last industrial spec building in Memphis.

**MBJ has learned that TJX Cos. Inc. (NYSE: TJX), the parent company of TJ Maxx, Marshalls and HomeGoods, has secured the largest industrial lease of the quarter, leasing 800,000 square feet of Panattoni Development Co.'s Memphis Oaks III at 3860 E. Holmes Road.**

CB Richard Ellis Memphis listed TJ Maxx as a top lease transaction for the 3rd quarter on its Q3 industrial market report.

"We are pleased to have Memphis Oaks III fully leased," said Whitfield Hamilton, regional director of Panattoni, though he would not confirm the tenant's identity. "Memphis Oaks was the last spec building built in Memphis, and we have worked hard and waited a long time to find the right customer to fully utilize this great asset."

However, Doreen Thompson, vice president of global communications for the TJX companies, could not confirm the lease, saying, "At this time, TJX has not announced plans for a new facility in this area."

In 2013, TJX received a five-year PILOT for spending \$6.9 million to establish a distribution center at 6100 E. Holmes Road. MBJ has not confirmed at this time if the new facility will affect TJX's existing operation.

According to the Shelby County Property Assessor, the 1.025 million-square-foot distribution center was delivered in 2005. The building includes 32-foot clear ceiling height, 148 dock doors, early suppression fast response (ESFR) sprinklers and a fenced truck court as well as a 5,500-square-foot office.

The recent 800,000-square-foot lease is made up of a combination of 500,000 square feet that Sharp Electronics is vacating at year's end and an existing 300,000-square-foot vacancy, according to CoStar Group Inc., a commercial real estate information and marketing provider.

"This significant, 800,000-square-foot lease with a stellar Fortune 500 company is an example of the fuel that is powering the record industrial year we are having in the Memphis region," said Patrick Walton, vice president for Cushman & Wakefield/Commercial Advisors, who represented Panattoni along with Kemp Conrad, president of asset services for Cushman & Wakefield/Commercial Advisors. Neither Walton nor Conrad would confirm the tenant's identity.

**Memphis Oaks III is also occupied by Fortune 500 company General Electric (NTSE: GE), which leases about 225,000 square feet.**

"Our firm was honored to arrange the largest transaction to date in 2015 in this Panattoni-owned building with over 18 acres under roof," Conrad said. "We are also excited about the community impact of the hundreds of jobs and millions in capital investment that this transaction will represent."

Michael Reid and Tim O'Callaghan of international real estate services provider Binswanger represented the tenant.

# Fortune 500 company signs largest lease of year in Memphis

By [Thomas Bailey Jr.](#) of *The Commercial Appeal*, Oct. 20, 2015

The largest industrial lease of the year - 800,000 square feet - has been signed at the Memphis Oaks III distribution park in Southeast Memphis and will create hundreds of jobs, brokers with Cushman & Wakefield/Commercial Advisors said Tuesday.

Confidentiality agreements prevented them from revealing what company will use the space at the northeast corner of Holmes Road and Getwell.

However, public records show that a building permit was pulled Oct. 14 to renovate 800,000 square feet of interior space for tenant TJX Companies, which operates TJ Maxx, Marshalls and HomeGoods stores. The document values the renovation at 3860 E. Holmes Road at \$5 million for the company that describes itself as the nation's largest off-price retailer of apparel and home furnishings.

A spokeswoman for TJX Companies would not confirm the expansion.

"TJX has not announced plans for a new facility in this area," Doreen Thompson, vice president for TJX's global communications, told *The Commercial Appeal* in an email late Tuesday afternoon.

Brokers cited the deal as a significant win for Memphis.

"This significant 800,000-square-foot lease with a stellar Fortune 500 company is an example of the fuel that is powering the record industrial year we are having in the Memphis region," Commercial Advisors broker Patrick Walton said in prepared remarks. He and broker Kemp Conrad, also a Memphis city councilman, represented the landlord, Panattoni Development Co.

"Our firm was honored to arrange the largest transaction to date in 2015 in this Panattoni-owned building with over 18 acres under roof," Conrad said. "We are also excited about the community impact of the hundreds of jobs and millions in capital investment that this transaction will represent."

Michael Reid and Tim O'Callaghan of Binswanger commercial real estate firm represented tenant.

Reid also said Tuesday he was not free to reveal the tenant.

Memphis Oaks III is now fully leased, Whitfield Hamilton of Panattoni said.

"Memphis Oaks was the last spec building built in Memphis and we have worked hard and waited a long time to find the right customer to fully utilize this great asset," Hamilton said.

"We appreciate the confidence of our new customer in Panattoni, and are glad to take our Memphis portfolio to 100 percent leased," he said. "This deal represents good growth and investment in process and people for the Memphis market, and demonstrates that there is sustained absorption in Shelby County."

TJX Companies received a tax incentive two years ago to establish a smaller distribution center at 6100 E. Holmes, which is about four miles east of the Memphis Oaks III site.

**The company committed to lease 207,024 square feet for the first 18 months at that location and employ 40 people. But TJX Companies also said it would lease at least 414,504 square feet "during the remainder of operations."**

The tax incentive documents, dated December 2013 and filed with the Economic Development Growth Engine (EDGE), did not indicate that TJX Companies may move to a different facility.