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SOMERA ROAD + ORGEL FAMILY LP ANNOUNCE EXPANSIVE NEW CLASS-A OFFICE AND FULL-SERVICE HOTEL DEVELOPMENT ADJACENT TO FUTURE DOWNTOWN FEDEX LOGISTICS HEADQUARTERS

MEMPHIS (February 12, 2019) — New York-based real estate investment firm Somera Road Inc., its affiliate **Somera Gibson Holdings** (“Somera”) and local partner **Orgel Family LP** have announced [The Clipper](#), a significant new mixed-use development at 0 Pontotoc Avenue, adjacent to **FedEx Logistics’** anticipated global headquarters at the former Gibson Guitar Factory building in Downtown Memphis.

Somera’s Tennessee portfolio includes a handful of assets in Downtown Memphis and the Nashville Gulch, acquired from the now-restructured Gibson Brands, Inc. in late 2017. The ~200,000 square-foot former Gibson Guitar Factory building in Downtown Memphis was announced today by FedEx Logistics President and CEO Richard W. Smith to become the company’s future headquarters. The adjacent 385-space surface parking lot at 0 Pontotoc Avenue will now be reimagined as ‘The Clipper.’

“A strong Downtown Memphis is critical, and we wanted to be a part of its momentum,” said Ian Ross, managing director of Somera Road, Inc. “We are thrilled to welcome the FedEx family to the Gibson building, and we’re grateful for the vision and support of the State of Tennessee, Mayor Strickland and City of Memphis, the late Phil Trenary and the Greater Memphis Chamber, EDGE, Jennifer Oswald and the Downtown Memphis Commission, among others who have made this milestone possible. We would also like to thank City Councilman Berlin Boyd, who was a constant cheerleader for Downtown throughout our efforts and a visionary as to the creation and significance of a FedEx campus within the Memphis urban core. The Orgels, my team, and I look forward to further contributing to this vibrant neighborhood through The Clipper.”

“I am thrilled about this development project, which along with the FedEx Logistics headquarters at the former Gibson Guitar Factory building, will unlock massive opportunity for our business community and transform this southwest area of downtown Memphis into a thriving campus for our growing company,” said Richard W. Smith, President and CEO, FedEx Logistics. “This is an ideal location for a global business like ours, which will benefit tremendously from the talent we will be able to attract to downtown Memphis.”

The Clipper will include a 250,000-square foot, 8-story Class-A modern office tower, the first such new office product built in the downtown in over 20 years. The building will include 50,000 square feet of ground-floor space for potential restaurants, boutiques, and other retailers, multi-level parking, and activated public greenspaces and streetscapes. Additionally, the project will include a state-of-the-art approximate 250-key full-service hotel, flush with best-in-class food and beverage amenities, a rooftop



deck, and conferencing center. The hotel will be built in partnership with Senate Hospitality, owners of the highly successful Westin Beale Street.

“The FedEx tenancy at the former Gibson site, our market research of the supply and demand dynamic Downtown, and the continued support and commitment from our investment committee have affirmed that we truly can reimagine a block of Downtown Memphis by strategically activating and bridging this valuable corridor between Beale Street and South Main,” continued Ian Ross. “The project will be a dynamic mixed-use, transformational connector.”

Somera Road engaged father-and-son Billy and Benjamin Orgel, Orgel Family LP, in April 2018 as local partner on the development.

“The Orgels have an innate sense for the needs and desires of a vibrant Downtown, and their partnership through this process has been instrumental,” said Ian Ross. “The Orgel’s civic-minded consciousness, the leadership of the Memphian public sector, and the larger community’s engagement overall have been especially welcoming, transparent, and inventive.”

“The Clipper represents the cutting edge of a live/work/play environment,” said Benjamin Orgel. “This is the next wave of energy that Memphis’ residents, employees, and visitors need.”

From a hospitality perspective, Nashville-based Senate Hospitality could not be in a better position to understand the Memphis market’s demand for full-service hospitality product, as they have seen tremendous success over the years at their Westin Beale Street hotel and look forward to delivering a new product that builds on such success.

“Senate is the perfect hotel development partner for us and Somera to bring to the table to join The Clipper’s vision,” continued Benjamin Orgel.

Glenn Malone, President & CEO of Senate Hospitality stated, “Downtown Memphis is a dynamic destination attracting leisure and corporate travelers as well as meeting planners and their groups from the mid-south and nationally. We are currently reviewing franchise brands and evaluating the amenities for this new full-service hotel that fit with this dynamic destination and its broad appeal. Senate looks forward to developing and operating this element of The Clipper.” Malone added, “We are pleased that Somera Road chose Senate Hospitality as its partner in this new hotel after evaluating other hotel development and management companies.” More details regarding the hotel will be announced in coming months.

Somera Road continues to work with partnering agencies including the Downtown Memphis Commission (DMC), who granted a PILOT lease transfer in December 2017.

“We love the enthusiasm that’s growing in Downtown Memphis,” said DMC President & CEO Jennifer Oswalt. “New development and density are always exciting and replacing surface parking lots with mixed-use development aligns well with the mission of the DMC. We look forward to this project furthering the Downtown momentum.”



“Today is another great day for the City of Memphis,” said Mayor Jim Strickland. “Having two projects of this magnitude happening across the street from each other along with everything else happening downtown—St. Jude, Union Row, the Riverfront—shows the strength of our momentum. I said during my State of the City address that we’re going to ‘build up, not out’, and this project is a prime example of that.”

Cushman & Wakefield/Commercial Advisors will manage commercial leasing services of The Clipper.

“Memphis is experiencing remarkable growth, and we’re particularly proud to represent visionary new construction developments such as The Clipper,” said Phil Dagastino, Jr., Senior Vice President at Cushman & Wakefield/Commercial Advisors. “We look forward to welcoming a mix of commercial, residential, retail and hospitality brands to this prime real estate opportunity.”

All information on The Clipper, including 3D renderings and videos, may be found at clippermemo.com.

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