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Done Deals: \$88M worth of new investment in just a few transactions

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Commercial real estate activity seems to have risen with the mercury in Memphis' thermometer. Here's a rundown of some of the biggest transactions and new investments — totaling \$88 million — that have recently caught our eye.

Industrial portfolio: \$57 million

Rye Brook, New York-based LRC Properties acquired three South Memphis buildings in mid-July for a combined \$57 million.

Those properties — 3530 E. Raines Rd., 5510 E. Holmes Rd., and 5540 E. Holmes Rd. — fit in with LRC's larger industrial real estate strategy targeting Southeast U.S. markets with key logistics drivers and high growth ceilings, according to company exec [Karie Nero](#). And, even among those places that fit the bill, Memphis sticks out.

"Memphis of late has really caught our attention," Nero told MBJ in a July 21 interview. "There is a lot going on there. It's a major logistics hub, and large companies are making serious investments there."

Among those "serious investments" Nero cited are FedEx's [\\$1.5 billion commitment to modernize its Memphis World Hub](#) over the next several years and [United Parcel Service's \\$216 million expansion](#), also at Memphis International Airport.

The purchases were made by Memphis Portfolio LLC, a joint venture between LRC and a fund managed by Miami-based [Rialto Capital Management](#).

LRC paid \$36.6 million for 5510 and 5540 Holmes; the seller, Los Angeles-based Ares Management LLC, had bought the parcels as AP Holmes Road LLC for \$22.9 million in 2016. And, LRC paid \$20.3 million for the Raines property, which was also owned by Ares, as AP Raines Road.

The 400,000-square-foot Raines property is 100% occupied by Dayco. [Geodis Logistics LLC](#) fully occupies the 440,000-square-foot building at 5510 Holmes and the 280,000 square feet at 5540 Holmes.

"We like to get into a market before it's reached its potential," Nero said.

On that count, LRC actually entered Memphis prior to these purchases. The company bought a 640,000-square-foot warehouse at 4926 Southridge Blvd. back in December



LRC PROPERTIES

The facility at 5540 E. Holmes Road, bought by LRC Properties in July 2021.

2020, paying \$23 million. That property is 100% occupied by Technicolor.

LRC may not be done yet. Though there are no deals imminent, Nero said the company has a deep pipeline of possible investments it works on, and they're "constantly seeking new opportunities."

"We have several industrial strategies we are looking to execute, and Memphis fits right in with those," she said.

AeroSafe: \$2.5 million

A cold chain logistics company has chosen Olive Branch to place its new manufacturing operation.

Rochester, New York's AeroSafe Global said it expects to invest \$2.5 million at the I-22 Logistics Park, according to a release. The operation will create 100 jobs and plans to start hiring in August.

AeroSafe works with biopharmaceutical firms, providing cold chain distribution services for temperature-sensitive medicines, including the COVID-19 vaccine. The company utilizes a proprietary cold chain system, called AeroChain, for its services. Among the biopharm entities it works with, according to AeroSafe's website, are Lilly, Merck, Gilead, Pfizer, Amgen, Allergan, and Edwards.

The company's Olive Branch location will manufacture components needed to protect medical and clinical shipments in its cold chain, the release said.

The Mississippi Development Authority certified AeroSafe through its Advantage Jobs Rebate Program, an incentive that encourages businesses to create jobs that pay higher than the average annual wage of the state or county in question. The program rebates a percentage of state payroll to the employer for up to 10 years.

The DeSoto County Economic Development Council, DeSoto County Board of Supervisors, and City of Olive Branch all worked with the state to bring AeroSafe to the area. The I-22 Logistics Park is located at U.S. 78/I-22, near Craft Road. The industrial site was built as a series of spec buildings beginning in 2017 by South Carolina-based [Johnson Development Associates](#) and Denver-based Huntington Industrial Partners.

PILOTS: \$28.5 million

To no one's surprise, the two PILOT proposals being considered by the EDGE board were approved on Wednesday.

The Economic Development Growth Engine for Memphis & Shelby County signed off on incentives for both Sylvamo Corp. and Atlantic Track & Turnout Co. at the July 28 meeting.

Sylvamo's PILOT covers its choice for a new headquarters, at 6077 Primacy Pkwy. in East Memphis. The International Paper spinoff was awarded a 15-year Jobs PILOT (payment-in-lieu-of-taxes) to house 300 employees, with an average salary of \$179,000. Sylvamo is planning a \$14.5 million capital investment for the HQ.

New Jersey-based Atlantic Track plans to invest \$14 million to purchase and renovate the vacant facility at 391 E. Mallory Rd. The project would create 26 jobs, with an average wage of \$41,202. EDGE awarded it a six-year Jobs PILOT.

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