

Exclusive: FedEx nears lease of new Downtown tower



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FedEx Logistics is in advanced negotiations to lease part of the Clipper office building, which could also become home to some FedEx Express and FedEx Services employees.

“Hopefully, we will finalize [the lease] in the next few months, and then they can break ground,” FedEx Logistics CEO [Richard Smith](#) said. “My desire is that the Clipper becomes an exciting mixed-use FedEx building housing not only Logistics employees, but also some floors with Express and Services leasing there, as well.”

The Clipper is the 340,000-square-foot building developers have proposed just across Dr. [Martin Luther King Jr. Ave.](#) from the former Gibson Guitar factory. The factory is currently being transformed into office space for more than 650 FedEx Logistics employees.

Between the Gibson and the Clipper, Smith said that Express, Logistics, and Services could have more than 1,500 employees located Downtown by 2023.

“Of course, we are still negotiating the lease right now, so nothing is set in stone,” Smith said. “But, assuming all goes as planned, it would make us a major employer Downtown and a vibrant part of the skyline.”

The Clipper is set to include nine stories of office space above a 10-floor parking garage and 20,000 square feet of retail. New York-based Somera Road Inc. is the primary owner of the properties, and Memphians Billy and Benjamin Orgel have a minority stake.

A 250-room hotel was being planned next door to the office tower, but those plans have been put on hold, Somera managing director [Ian Ross](#) said.

Logistics is set to start moving its headquarters into the Gibson building next May.

Smith said he hopes Express and Services join his operating company at the Clipper because it would allow them to “establish a foothold Downtown and help them to recruit young talent.”

“The number one thing I get asked by folks under 35 ... is, ‘Can I come work for you in the new Downtown campus?’” Smith said. “It’s very exciting.”

Ross declined to comment on the lease negotiations with Logistics. Adam Slovis of Slovis Commercial is the leasing agent for the retail piece of the Clipper and any office space Logistics doesn’t occupy.