

NY firm under contract to purchase One Commerce Square from Memphis-based investors



By [Jacob Steimer](#) – Staff Reporter, Memphis Business Journal
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A Memphis investment group featuring a prominent local philanthropist is under contract to sell the iconic One Commerce Square office tower to a New York-based real estate firm.

Memphis Commerce Square Partners is set to sell the 508,000-square-foot tower to Group RMC Corp., according to an application filed with the Downtown Memphis Commission's Center City Revenue Finance Corp. (CCRFC).

Memphis Commerce Square Partners consisted of Memphians J.R. "Pitt" Hyde, [John Pontius](#), [Robert Worthington](#), Terry Lynch, [Karl Schledwitz](#), [Gail Schledwitz](#) and Gary Prosterman [when it purchased the building for \\$7.5 million in late 2010](#).

At that time, Lynch said the following: “We’re excited to have the opportunity to reposition this property and get it back into Memphians’ hands after a couple of years of absentee ownership.”

Since purchasing the building, almost \$19 million has been invested into it, according to building permits listed by the Shelby County Assessor of Property. It's current appraisal is \$18.5 million.

This investment includes the recent preparation of space for Wunderlich Securities/B. Riley's new offices in the building, which can be viewed in the slideshow below.

Group RMC is a firm headquartered in New York City's One World Trade Center tower. Headed up by investor Ray Massa, Group RMC owns \$1.6 billion worth of office buildings across North America, according to its website. Its lone holding locally is the 493,000-square-foot Southwind Office Center on Tournament Drive in southeast Memphis.

Massa will control and operate the One Commerce Square project, according to a letter to the CCRFC from Terence Gallagher, a partner with Columbus, Ohio-based law firm Gallagher Kavinsky & Burkhart, who is counsel representing the prospective buyer.

The sale requires the CCRFC's approval because that body currently technically owns the tower as part of a PILOT (payment-in-lieu-of-taxes) tax break. The CCRFC will vote on the PILOT's lease reassignment at its Aug. 14 meeting.

<https://www.bizjournals.com/memphis/news/2018/08/08/new-york-based-firm-under-contract-to-purchase-one.html>