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Mass Mutual expanding First Mercantile office

Memphis Business Journal - by [Andy Ashby](#)

Massachusetts Mutual Life Insurance Co., which recently purchased **First Mercantile** Trust Co., is expanding its office by almost 20,000 square feet in Germantown Park, formerly known as The Koger Center.

First Mercantile has been in the space for 10 years and is currently leasing 30,000 square feet. It has renewed its lease and is adding 19,000 square feet for a Mass Mutual call center.

Mass Mutual purchased First Mercantile from **SunTrust Banks, Inc.**, earlier this year for \$59 million.

"Mass Mutual thought it would be a good fit for them from a strategic standpoint because we serve segments of the market that they're not in and we also have a collective trust service that they don't have," says Alan Dunaway, president and CEO of First Mercantile. "This really rounds out their service offerings as well."

First Mercantile will keep its name and business structure separate from Mass Mutual, operating as a wholly owned subsidiary. Before the acquisition, First Mercantile was a wholly owned subsidiary of SunTrust.

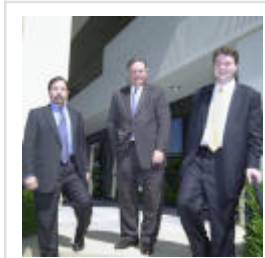
"There's a lot of merger and acquisition activity right now that's going on in the retirement plan and 401(k) space," Dunaway says. "There's been a lot of consolidation."

Mass Mutual's business lines include insurance, investment management and retirement planning.

The company has a concentration of service centers and employees in the Northeast, specifically in Springfield, Mass., and Enfield, Conn.

Mass Mutual has been looking for a secondary service center location for about a year to allow the company to expand its business outside that immediate area.

"I think the concern is that all their facilities in the Northeast are on basically the same power grid," Dunaway says. "So if there was some sort of blackout or natural disaster, it might knock out all their call centers."



ALAN HOWELL | MBJ

First Mercantile CEO Alan Dunaway, center, with Anthony Lopes and Michael Donahoe

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The additional 19,000 square feet will house the secondary call center.

Investec Realty Services LLC principal broker Anthony Lopes and senior leasing associate Michael Donahoe represented the landlord.

Cushman & Wakefield's New York office represented Mass Mutual, with Commercial Advisors LLC president and CEO Larry Jensen and associate broker Matt Weathersby coordinating locally.

Mass Mutual's 15-year lease in the 107,000-square-foot Kimbrough Building brings it to 100% occupancy.

Ricoh Business Solutions, Amerisure Insurance, Sun Microsystems, Inc., and Cisco Systems are the some of the other tenants in the building. This year, Sun Microsystems renewed for 4,270 square feet in Kimbrough Building.

Mass Mutual is putting its name on the building.

"I think the economy has something to do with companies like Mass Mutual looking for a lower cost of occupancy in a city like Memphis," Lopes says. "That's where Memphis will have to benefit, having a lower cost than other markets."

Germantown Park is 536,000 square feet total. The Mass Mutual expansion brings the park's total occupancy to 92%.

Last year, **Ford Motor Co.** renewed in 11,000 square feet in the park. In the past few months, Service U, a college technology firm, expanded from 3,500 to 6,000 square feet.

Investec has continued to see relatively steady leasing activity during the recent economic slowdown.

"I don't think the economy is going to hurt too much since we're not overbuilt," Lopes says. "The good news is Memphis is small and the bad news is that Memphis is small. Right now, it's good news because we've never had the terrible overbuilding they've had in some of these other cities."

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