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KEEPING WITH UP PACE

LIFELONG MEMPHIAN PACE COOPER FLIES UNDER THE RADAR, BUT HE'S A POWER BROKER: HOTEL MAGNATE, ONE OF THE GRIZZLIES' LOCAL OWNERS AND CHAIR OF THE AIRPORT'S GOVERNING BOARD.

BY MICHELLE CORBET, PAGES 14-17



RANDON DILL FOR MEMPHIS BUSINESS JOURNAL/MBJ PHOTO ILLUSTRATION

COVER STORY

CONTINUED FROM PAGE 15

GRIT AND GRIND

In the spring of 2012, Cooper was following rumors that Heisley, the Memphis Grizzlies' majority owner, was selling the team.

When billionaire founder and CEO of Ubiquiti Networks Inc. – and potential buyer – Pera surfaced in town, so did sports executive Levien.

Levien is credited with sealing the deal for Pera by connecting him to the local investors who would make up a crucial portion of the team's ownership group.

"Of all things, [Levien] was roommates with Harold Ford Jr., our former congressman, at Michigan Law School," Cooper said. "When [Levien] came to Memphis, I was one of the first people he met with, to try to guide him on how to put local involvement of the Grizzlies together with Robert Pera's interest in the team."

As Pera was trying to close the deal, several Memphians, including Cooper, suggested ways he and Levien could make the buy more attractive to local investors.

Cooper has been a season ticket holder since the team moved to Memphis, buying seats with his brother, David Cooper, Cooper Hotels' executive vice president.

The seats are often filled by Pace Cooper's six children, which include two sets of twins. On big games, his wife, Aileen, joins him.

As a fan of the team from day one, Cooper already supported the franchise. But, as Pera pitched a stake in the team to local investors, Cooper became hooked.

"There's something really special going on here when you see people like Pitt Hyde, Duncan Williams, Staley Cates, Billy Orgel – just an incredible cross section of business leaders in Memphis – who want to be part of this. I wanted to be, also," Cooper said.

In 2012, Cooper decided to diversify and invested \$2 million in the Grizzlies, for a 1.14 percent stake in the team.

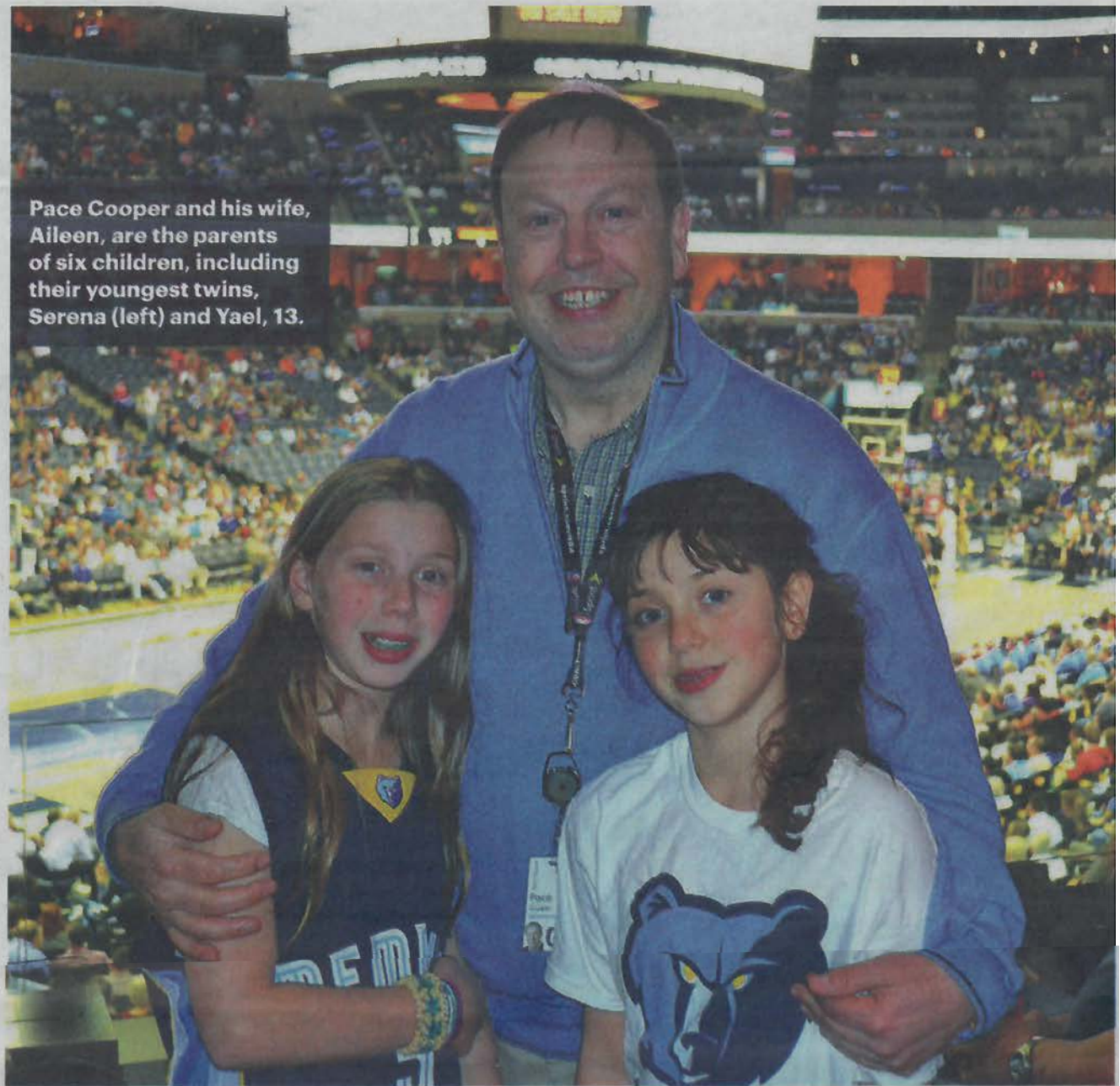
"It's one of the few things I've ever done that really raised the eyebrows of my children," Cooper said. "That's the kind of thing that really impresses young boys."

GOING WORLDWIDE

A lifelong Memphian, Cooper is the son of Irby Cooper, who founded Cooper Hotels in 1959 and ran it with his own father, Louis Cooper.

Like many Memphis entrepreneurs, Irby Cooper was a self-made man. He started his career as a reporter. But, when Irby Cooper wasn't covering sports for *The Commercial Appeal* and the former *Memphis Press-Scimitar*, he moonlighted in commercial real estate.

By the late 1950s, Irby Cooper established Cooper Realty Co. and was building affordable housing when Holiday Inn founder Kemmons Wilson, who was also



Pace Cooper and his wife, Aileen, are the parents of six children, including their youngest twins, Serena (left) and Yael, 13.

COURTESY PACE COOPER

"We work with literally tens of thousands of partners and owners around the world, and Pace is at the top of the list as far as having a tremendously strong partnership."

CHRISTOPHER J. NASSETTA,
President and
CEO, Hilton

one of Memphis' top homebuilders at the time, became one of his mentors.

That mentorship led Cooper Realty to buy a Holiday Inn franchise, opening the first Holiday Inn Resort, which differed from the brand's typical roadside hotel, in Gatlinburg in 1962.

For a while, the company diversified its interests, working on office and multifamily as well as hotel projects, but focused on hospitality exclusively about the same time Pace Cooper was graduating from Columbia University in 1985. Cooper also holds an MBA from Harvard Business School.

Cooper Hotels' portfolio gradually migrated from having more Holiday Inn properties to having more Hilton properties. Cooper opened its first Hilton in 1982; the transformation really took off around 1999 when Hilton acquired Promus Hotel Corp., a spin-off of Holiday Corp.

By 2008, Cooper Hotels was the only hotel portfolio firm to own a property representing each one of Hilton's brands at the time including Hilton, DoubleTree,

Embassy Suites, Hilton Garden Inn, Hampton Inn and Homewood Suites.

Today, Cooper Hotels owns 15 Hilton franchises in its 20-hotel portfolio across Tennessee, Alabama, Florida, Michigan and New York.

"We work with literally tens of thousands of partners and owners around the world, and Pace is at the top of the list as far as having a tremendously strong partnership," Nassetta said.

While Hilton's world headquarters is in northern Virginia, Nassetta sees Cooper regularly. The two were recently together at a national hospitality conference in New York.

"The first thing I do when I see Pace is give him a big hug," Nassetta said. "I've got a tremendous amount of respect for Pace, the businessman – and Pace, the man."

A MAN OF FAITH

Faith plays a major role in Cooper's life.

He attends the Memphis modern Orthodox Zionist synagogue, Baron Hirsch

Congregation, every Shabbat, the Jewish day of rest; he doesn't travel, do business or go to Grizzlies games on Shabbat.

"Even on playoff games, Shabbat is Shabbat, from sundown to sundown," said David Fleischhacker, executive director of Baron Hirsch. "If there's a game Friday night, [Pace] is not there, even if it's game seven."

"Much to his chagrin," added Baron Hirsch Senior Rabbi, Binyamin Lehrfield.

In 2014, Cooper applied his business acumen to the congregation when he was named president of Baron Hirsch for a two-year term. In that role, Cooper worked hand-in-hand with the professional staff and was instrumental in the search for a new rabbi. He even continued to lead the search committee after his term as president was supposed to be over.

"He's very hands-on and committed to seeing a project through. He does not leave loose ends," Fleischhacker said. "When he undertakes a project, he never looks to do the bare minimum."

While he was president, Cooper made sure the synagogue raised enough money to pay down some of its operating debt.

"His religion really drives even his business decisions," Lehrfield said. "He's been close to every rabbi who has been here. ... He lets his faith guide him in the decisions that he makes, and that's what leads him to be a good, ethical person."

A CALL TO SERVICE

Former Memphis Mayor A C Wharton Jr. was also impressed with Cooper and wanted him to serve on one of the city's public boards.

"He's raising a family here. He has sons who are off at college, and he wants them to come back here," Wharton said. "When you find people who not only want to make this a better place for themselves but succeeding generations, that stacks up well with me."

But, none of the city's public boards piqued Cooper's interest until Wharton mentioned the Memphis-Shelby County Airport Authority (MSCAA).

When Memphis International Airport included a Northwest Airlines Corp. hub operation, Cooper Hotels had a nonstop connection to virtually anywhere in the country. But, after the Northwest/Delta Air Lines merger in 2008, the air carrier began to cut flights from Memphis, ultimately ending the city's hub status in 2013.

The move put the airport authority in flux, and Cooper wanted to be part of its reinvention. Cooper Hotels' portfolio includes six airport-centric hotel developments, and he knows how important an airport is to a local economy.

After Wharton's nomination of Cooper to join the MSCAA was approved by the Memphis City Council, the mayor needed to swear Cooper in for his first board meeting. Wharton was about to go out of town and Cooper was on his way to a Grizzlies game

NEW FLIGHT PLAN SMOOTHS OUT POST-DELTA TURBULENCE

As more local passengers took advantage of lower airfares, the origin and destination traffic at Memphis International helped the airport recover from its 2013 dehubbing by Delta. As more locals departed and arrived from Memphis, the airport's revenue also climbed from \$409 million in 2013 to \$426 million in 2016 — close to the same figures the airport was seeing before the dehubbing.

ORIGIN & DESTINATION PASSENGERS (YEAR-END)



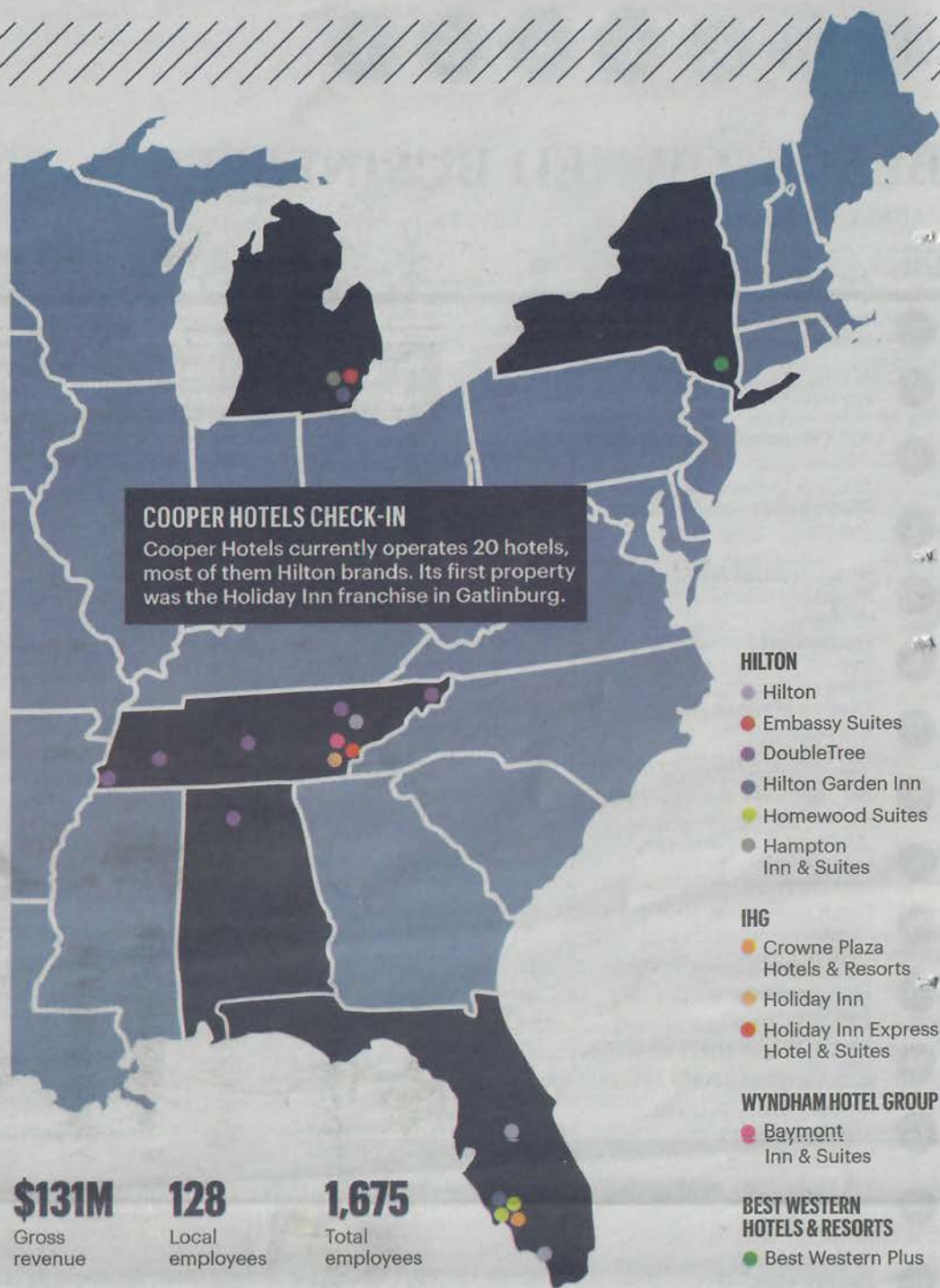
SCHEDULED FLIGHTS PER DAY (MAY OF EACH YEAR)



AVERAGE AIRFARE



SOURCE: U.S. Bureau of Transportation Statistics. Figures adjusted for inflation.



SOURCE: MBJ research, Cooper Hotels

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— so the mayor, Cooper and Cooper's family met in front of McEwen's Downtown.

"Even on something that informal, Cooper did not want to proceed without [his family] there," Wharton said. "He raised his right hand, and I administered the oath right there on the street."

Cooper joined the board in 2013 and took over as chair of MSCAA's development committee as the airport was hitting "rock bottom" with Delta. The airport had dropped from more than 5 million boarded passengers in 2009 to 2.78 million in 2013, when Delta dehubbed the city.

"It still hurts badly to look back at the access to the nation we had and see it so constrained," Cooper said. "That was a tough reality. We didn't just take it on the chin and pout but created a conscientious strategy."

The airport focused on attracting new carriers and growing origin and destination (O&D) passengers rather than relying on connector traffic.

As a result, O&D traffic is tracking to be up 20 percent by the end of 2017 from its historic low when Delta left.

Cooper was elected chairman of

MSCAA in 201; just since then, 15 service announcements have been made.

Airport leaders are implementing a \$214 million modernization project, after scrapping other renovation plans that they felt didn't do enough to position the airport for the future.

"We started discussing in terms of — we have a 55- to 60-year old building — what do we want for the next 55 years as opposed to some rendering of what can be done within a certain framework of costs?" said Memphis International Airport CEO Scott Brockman. "And we ended up with a different project."

The new vision will create an airport that is more open than first envisioned, with more natural light, larger open areas and higher ceilings over the moving walkways. The new plans increased the project's initial costs by \$100 million.

"We've got to put a front door on this community that we can all be proud of," Cooper said. "[One that is] considered modern, with-it and hip and can be part of a new generation that's here for the next 100 years."

Spoken like a true team player.