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By Drew Ruble

NFL stars like Peyton Manning and Chad Pennington are laying the groundwork for real estate empires in East Tennessee

Future BTN magazine listings of the most relevant commercial real estate players in Tennessee could one day include two professional athletes now plying their wares on Sundays.

Former University of Tennessee star and current Indianapolis Colts quarterback Peyton Manning is increasingly involved in business and real estate deals in the Volunteer State, the place he played college football and where he remains a cultural icon. Meanwhile, Knoxville native and New York Jets quarterback Chad Pennington is steadily growing his investments in real estate and commerce across scenic areas of East Tennessee.

Manning, 30, is the highest paid player in professional football history. Not long ago he signed a nine-year, \$99.2 million contract. The deal included a whopping (and record-setting) \$34.5 million signing bonus. Manning's annual salary averages out to \$14.1 million. But that's just the half of it. One of the most marketable endorsers in recent history, Manning has sponsorship deals with companies as diverse as Bill Estes Automotive Group and DirecTV. Sports Illustrated recently reported that this year alone Manning would rake in an estimated \$11.5 million in endorsement money. That's tops among NFL players, and ninth among all active U.S. athletes. (Tiger Woods dwarfs all at \$87 million).

Increasingly, Manning is sinking some of that personal wealth into Tennessee ventures. Manning is an equity partner with his former teammate at the University of Tennessee, Will Bartholomew, on several locations of Bartholomew's fast-growing athletic training facilities business called [D1 Sports Training](#). (D1, named a [BTN Fast50 company in 2006](#), specializes in providing professional-level sports training to scholastic athletes aspiring to participate in Division I college athletics.) The two former Vols have partnered on Cool Springs, Knoxville and Chattanooga locations. And, according to Manning's financial advisor, John Palguta of Cleveland, Ohio-based McCormick Advisors, Manning also co-owns and is developing the parcels of land surrounding both the Cool Springs and Knoxville locations.

Manning's biggest splash in Tennessee commercial real estate, however, came to fruition last October when the [Cumberland House Hotel](#), Knoxville's first full-service hotel in three decades, celebrated its grand opening. Manning partnered on the hotel's development with Memphis-based real estate developer Gary Prosterman. Other investors included FedEx founder, chairman and CEO Fred Smith. Located adjacent to the Knoxville Convention Center, UT campus and Fort Sanders Historic District, the hotel boasts nine room types (130 in all), including suites with balconies overlooking the World's Fair Park. Amenities include a first-class restaurant, 400-thread count sheets, and a pillow library for guests.

The Cumberland House Hotel gives Knoxville an independent boutique hotel that is unique to the city. It is something akin to the Peabody in Memphis, the Hermitage in Nashville and the Chattanooga in Chattanooga. Knoxville had been without such a property since the Andrew Johnson Hotel closed. Manning's comments at the time of the grand opening reflected his understanding of the distinctive hotel's relevance from a Knoxville perspective. "I have such strong ties to this region, especially the University of Tennessee, that I wanted to get involved with a Knoxville project that would benefit the university and the community," Manning said. "I have great memories of my time spent in Knoxville, and this opportunity was a great way for me to make an investment in a project that we hope will provide benefits to UT and Knoxville."

Palguta says his client is only "getting his feet wet in these markets," adding that continued and more aggressive investment in Tennessee real estate ventures "is an option for him." According to Palguta, Manning's "obvious other priorities right now" make him unavailable for comment; but he added that "in the off season, after the Super

Bowl" Manning would be open to discussing with BTN future plans for business and commercial real estate investment in Tennessee.

Prosterman, who met Manning through a mutual friend a few years ago, says the star quarterback's decision to become involved with the Cumberland House Hotel project was in part due to the fact that the hotel provides jobs, internships and training opportunities for students enrolled in the Hotel Management program at UT. Prosterman adds that Manning "agreed with us that Knoxville needed a first-class hotel in this part of the city."

"He is a great partner in every respect," Prosterman says, highlighting as an example that Manning attended the hotel's Grand Opening on his off week last year. "He is an amazingly down-to-earth guy to be in the position he is in."

While Manning is investing in his adopted state of Tennessee, Pennington is a Knoxville native and 1995 graduate of the Webb School of Knoxville, a private prep school. He later played his college ball at Marshall University in West Virginia. The 18th overall pick in the 2000 draft by New York Jets, Pennington recently signed a seven-year, \$64 million contract.

Pennington owns Knoxville-based [#10 Marine Inc.](#) (where his father, Elwood, is president), a shareholders' company focused mainly on lake property management in freshwater areas around East Tennessee. Among its holdings is Pennington 33 Bridge Marina in Maynardsville, a 300-slip marina that also offers luxury houseboat and vacation home rentals, cabins, campground facilities, pontoon and wave runner rentals, a store and on-site restaurant. In addition, Pennington owns LaFollette-based Anchor Marine, a boat dealership. Last but not least, he is slowly building the Pennington Team, a business in development that will one day offer quality homes, lots and acreage. Specializing in lakefront property, the development company already owns significant land holdings in LaFollette where it plans to develop condos. Chris Acuff, who runs Pennington 33 Bridge Marina, says Chad Pennington is in the process of piecing together all the parcels on Cliffside Road in LaFollette on Norris Lake. "He's not pressing anybody or throwing any money around," Acuff says, stressing that Pennington's plan is 10-year in nature and requires no great urgency. "He's just asking people to call him first when they decide to sell."

According to Acuff, Pennington's eventual goal is to be quite active in real estate development in East Tennessee. So, might he some day crack the BTN CRE 101? "We're hoping," says Acuff (who, incidentally, is no relation to Maynardsville native and Opry legend Roy Acuff).

Due to his similar current focus on the NFL season at hand, Pennington, like Manning, also could not be reached to discuss his future in Tennessee real estate prior to the publication of this article.

Manning and Pennington aren't the first NFL quarterbacks with Knoxville area ties to delve in to the real estate business in Tennessee. Former UT star quarterback Heath Shuler, who had a disappointing professional career after being the third overall pick in the 1994 NFL draft and signing a nine-year, \$19.25 million contract with the Washington Redskins, moved back to Knoxville when his playing days were over and started Heath Shuler Real Estate. The company's logo incorporates the orange and white checkerboard pattern painted in the end zones at Neyland Stadium.

Shuler founded the company in 1998. Five years later, he sold the company (retaining 20%, according to a recent AP article) and moved to western North Carolina. That company, which today is one of the largest independent firms in East Tennessee, recently made national news when the AP went public with questions about \$69,000 in unpaid back taxes the company owed to Knox County. That information became an issue because Shuler is currently a candidate in a high-profile political campaign in western North Carolina. Shuler, a Democrat, is striving to take a congressional seat away from the GOP and eight-term Republican Charles Taylor on Nov. 7. The race has drawn national attention as one where a Democrat has a chance to win and upset the current balance of power in the U.S. Congress. Under pressure from Shuler's attorneys following the AP's questions, HSRE paid its tax bill. But Shuler is reportedly now threatening to sue the firm unless its current principal owners remove his name from the business.

Finally, no analysis of current or former NFL quarterbacks active in commercial real estate in Tennessee would be complete without at least a brief look at the work of Hall of Fame Dallas Cowboys quarterback (and NASCAR owner and [blogger](#)) Roger Staubach. Staubach is also the founder, majority owner, chairman and CEO of The Staubach Co., a global real estate advisory firm with 1,400 employees in more than 60 offices throughout North America. Staubach completed 6,750 transactions totaling \$26 billion and 835 million square feet during the fiscal year ending June 2006. Worldwide, the DTZ Staubach Tie Leung partnership has more than 11,800 professionals serving multinational clients that include Time Warner, O'Melveny & Myers, and Exxon Mobil.

[BlueCross BlueShield of Tennessee](#) recently hired Staubach as project manager for the \$226-million Cameron

Hill project, a multi-building headquarters project encompassing 800,000 square feet of office space, which will house BlueCross' 3,800 Chattanooga employees. Staubach's role as project manager encompasses assisting BCBS in finalizing the timeline and budget for the project, selecting the lead architect, design team and general contractor, and in fact helping BCBS oversee all aspects of the project including community input. In other words, Staubach will quarterback.

Hall of Fame NFL quarterback (and successful businessman) Fran Tarkenton once said, "Running a business is a lot like quarterbacking a football team. I know. During eighteen hard-scrambling years with the Minnesota Vikings and the New York Giants, I managed dozens of oversize madmen in shoulder pads feverishly trying to put points on a scoreboard. My job was getting high performance out of these talented, single-minded people who—as one of them told me—didn't have to punch in, but always punched out. I led hundreds of tense business meetings—kindly known as huddles—to improve our bottom line: our score. I learned ways to confront the onrush of competitive forces: usually 250-pound tackles, ends and linebackers."

For professional quarterbacks like Manning, Pennington and Shuler, it would appear their playing days do indeed have the potential to serve them well in becoming budding stars in the world of Tennessee commercial real estate.

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