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COURTESY ART

A renovation project will restore the SC Telcom Building's signature scrolling message board.

SC Telcom Building slated for facelift as Real Development starts marketing

BY CHRIS MOON

Real Development Corp. next year plans extensive facade renovations to the SC Telcom and Sutton Place buildings as part of its evolving effort to bolster occupancy in its vast office holdings downtown.

The Minnesota-based real estate firm wouldn't disclose how much it would spend on the improvements to the two high-rise buildings, other than it would be several million dollars. But the company says the project will begin early in 2008.

"It's enormous," says Michael Elzufon, a partner in the real estate company. "Doing these iconic buildings as a whole was to really create momentum and change. It comes back to the



Elzufon

overall perception of downtown."

The project comes as Real Development enters what it calls "Phase 2" of its development plan in downtown Wichita. The firm says in 2008 it will put more emphasis on its leasing activities.

"We really are going to actively pursue entering the leasing market and forge ahead with — the layman's way of saying it — filling our buildings," Elzufon says.

Real Development two years ago made a splash in Wichita when it began buying up large amounts

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REAL DEVELOPMENT: Minnesota company will focus in 2008 on office leasing

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of downtown commercial space, pledging to revive the city core with more competitive office space and additional residential units.

So far, the company's efforts have been centered on purchasing buildings and renovating them. The company spent \$2.5 million renovating the Broadway Plaza building, for instance.

Next year's facade improvements at Sutton Place and SC Telcom — which has

been renamed Wichita Executive Center — will be part of that effort. But it also will make up a sizable portion of Real Development's marketing and leasing campaign.

The 19-story SC Telcom Building is the company's "flagship" downtown property with 214,000 square feet and a presence on the skyline, Elzufon says. At one time, the building's most noticeable feature was the electronic sign at its top, proclaiming the day's temperature and other news.

But the 1963 building is drab now, Elzufon

says. Real Development will apply for a loan from the city's facade improvement program to complete the improvements. Spangenberg Phillips Architecture and Key Construction will do the work.

LEASING PROGRESS

Cities are judged by their downtown skylines, Elzufon says.

"It says a million words about the health and vitality of the downtown core," he says.

At the same time the company is updating those structures, Real Development will plunge into the leasing market in a more meaningful way.

The company in January will open a large leasing office in the Broadway Plaza Building. Three people will work there full time. Previously, Elzufon says the company relied heavily upon "48- to 72-hour" trips he and partner David Lundberg have been making to Wichita from Minneapolis.

Real Development also will begin television and other marketing efforts to increase awareness of downtown office space.

Already, Real Development has reported progress.

Last month, the company secured a lease from Allison Data in the SC Telcom Building of more than 20,000 square feet. All told since June, Real Development says, it has signed 28 new leases in its eight office buildings for 83,203 square feet.

Old Town developer Dave Burk says Real Development's leasing numbers are significant. The firm has impacted the downtown market thanks to its sheer size, controlling some 30 percent of the office space there.

"They're a major player. There's no one else that even comes close," he says.

Tony Utter, owner of Utter Commercial Real Estate Inc., says Real Development recently has kept in closer contact with local agents about its vacancies.

"People can see they are getting something done down there," Utter says.



THE SKEPTICS

A subtheme of Real Development's marketing campaign is one of vindication.

"We'll be able to show the community we're open for business down here," Elzufon says.

The company, since it began operating in Wichita, has faced subtle skepticism. Some Wichita business leaders privately have questioned the out-of-town firm's ability to fulfill its goals.

Elzufon says part of that was the result of the company's style — "We talked a big game." But much of Real Development's renovation work has been on the interior of its buildings and not immediately noticeable.

Burk noted Real Development has undertaken projects with the city's help, something that can slow progress.

Exchange Place is one example. The building will be converted to condominiums, but Real Development sought tax-increment financing from the city for assistance. The company hopes to start construction in spring 2008, more than a year after the project was announced.

"The general public doesn't understand that. The process is much longer," Burk says. "The skepticism is when you announce a project, they want to see you on site with shovels the next day."

Elzufon isn't worried. "The level of skepticism was at 100 percent (at the beginning), and it's been diminishing ever since," he says. "The naysayers — it's a component of life."