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Hallbrook lands Ascend Learning as tenant, almost fills building

Premium content from Kansas City Business Journal by Steve Vockrodt, Reporter

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Two Hallbrook Place in Leawood has its second office tenant, and this time it's a big one.

Ascend Learning, a parent company for several technology providers in the health care and vocational education sectors, signed a lease to have 300 local employees take up about 83,000 square feet at the high-priced Leawood office building.

The company will occupy three of the building's four floors, with an option to expand into the fourth floor, which the building's first tenant, law firm Davis Ketchmark McCreight & Ivers PC, will partially occupy.

That means Two Hallbrook Place, which was slow to get tenants two years after it was finished at 11161 Overbrook Road, now has about 90 percent of the 110,000-square-foot building leased up in about two months' time.

Ascend CFO **Bill Aliber** said the company was eager to consolidate its employees — spread throughout offices in the Sprint Campus in Overland Park and in Stilwell — into one building.

"It's basically a warm shell," Aliber said of the building's current state. "We've got to get the whole tenant improvement process and have that done, so we can move in around the beginning of May."

Listed for about \$28 a square foot, Two Hallbrook Place is one of the higher-priced office buildings in Kansas City, and that has slowed its tenancy.

"I know it's very strategically placed, location-wise, for easy access to the highway, so I

would think that would be a real plus," Leawood Mayor **Peggy Dunn** said. "I think probably there's a certain quality and standard that's desired by the Hallbrook owners in that they can be patient and wait for the right tenant."

Various Hall Family trusts own Two Hallbrook Place.

Neither the landlord nor the tenant would discuss the lease terms.

"Obviously, there was a bid and an ask, and we negotiated to where we thought we were in a good place," Aliber said. "The advantage of this building was for us a place where we could get everyone into a good place and where we could grow."

Ascend Learning leaves behind about 16,000 square feet at the Sprint Campus and 45,000 square feet at its offices in Stilwell.

The company is banking on growing, justifying the need for the excess space. It employs 250 but plans to be at 300 at the time of its move in May.

"We're in an industry where 75 percent of our business comes from health care, health care education and wellness-related areas," Aliber said. "Those are all areas that are growing and will continue to do so."

A Rhode Island-based private equity group called **Providence Equity Partners** also supports the company.

Larry Glaze, managing director of **Jones Lang LaSalle's** Kansas City office, represented Ascend. He said the company looked at several locations in Kansas.

"It's a great building, good location," Glaze said. "We did a thorough analysis of the market, and at the end of the day, we felt all things considered, subjectively and objectively, this was the best for their employee base."

Greg Swetnam of **Kessinger/Hunter & Co. LC** represented Two Hallbrook Place; he could not be reached for comment.

Aliber said incentives weren't a significant component in Ascend's decision-making; the only ones involved were Kansas job growth incentives through the Kansas High Performing Incentive Program.

Aliber said the value of that incentive was not crucial to the company's decision.

"The decision to go to this building had nothing to do with that," Aliber said. "That tax angle was No. 12 on my list."

Steve reports about real estate and development.