

CityPlex sitting pretty: Expansions boost office towers

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Expanded leases have moved CityPlex closer to its historic occupancy high. (Rip Stell)

TULSA – Two expanding companies and one steady growth engine have boosted operational results for CityPlex Towers, the once-embattled home of Oral Roberts' City of Faith hospital.

These gains have allowed the 2-million-square-foot office complex owned by Oral Roberts University to outweigh the more fluid gains and losses many towers charted since the 2008 recession began.

"We've had a significantly higher number of expansions than any building I'm aware of," said Michael A. Predovic, a principal in Trinity Commercial Properties. "I don't know of any other building in town that's had expansions like we have."

One of the more high-profile improvements came a year ago with Bill Bartmann's relaunch of Commercial Financial Services. Predovic said the resurgent debt collection company has now filled up 55,000 square feet at CityPlex.

In September the 175-employee CFS II predicted it would add 40 or more workers per month at its CityPlex headquarters through the beginning of 2012 and perhaps beyond. The company has more than met that prediction, Bartmann said earlier this month.

"They anticipate growing a floor every four months," said Predovic, who with Trinity Principal Larry Hollingsworth oversees management of CityPlex.

That would equal 54,000 square feet a year.

MarkWest Energy Partners is expanding its Tulsa administrative office to 22,000 square feet across two floors, Predovic said.

"They don't quite have the whole second floor, but they will," Hollingsworth said.

A third source of stability comes from stalwart Oklahoma Surgical Hospitals, which has quietly expanded to 230,000 square feet.

"They have systematically grown 10 to 15 percent a year," Predovic said.

He credited these firms for allowing CityPlex to draw near 80-percent occupancies, which would mark the towers' historic high when it was home to the original CFS and Cancer Treatment Centers of America.

The center may also claim expansions in tenant personnel. One of the most visible came last month, when Toronto-based Direct Energy announced it would add 115 jobs at its CityPlex office.

Hollingsworth said that would allow the company to fill in its existing 36,000-square-foot lease.

Predovic estimated the complex's worker and visitor traffic has grown from 2,100 to 3,000 under their tenure, spurring the addition of a Subway, replacing Pizza Hut with Mama DeLuca's Pizza, and the reorganization of its coffee shop.

Through all of this growth, the vast expanse of available space within those three staggered towers still leaves tremendous opportunity. With some 500,000 square feet still in its original, 30-year-old shell form, Trinity charts CityPlex at 1.5 million square feet of rentable space.

With 30 percent of the 2488 E. 81st St. tower occupied by medical firms, and the shell space made to accommodate health care companies, the partners see that as their long-term foundation.

"If the market demand is there, we can easily convert that space to useable space, but right now it's not a priority," said Predovic.

Since they've managed the place, Hollingsworth said operations became revenue-neutral in October 2006.

"We've operated cash-flow positive ever since," he said.

Helping along that line, CityPlex just completed a three-year, \$7.5 million energy upgrade that ranged from installing a new chiller and cooling towers to adding a heat exchanger and replacing the lighting system.

"It has accomplished all of our goals related to energy consumption, tenant comfort," he said. "It was a good project."

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