

## Konover's westward land rush is in swing

BY GREG SEAY

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PHOTO / STEVE LASCHEVER

James Wakim, president of Simon Konover Development Corp., is deepening the West Hartford developer's Midwest footprint by snapping up medical office and retail properties in partnership with an upstart Milwaukee developer. Next for the pair: erecting a downtown Chicago grocery.

For decades, Simon Konover Development Corp. made an imprint — and profits — building, owning, managing and selling office and retail properties in Connecticut.

Now, the eponymous firm's second-generation managers are eagerly making their own mark, with eyes squarely set on fresh development turf in the Midwest, where it already has a portfolio of hotel properties in Indiana, Kansas and Michigan. But its home turf remains very much in its sights.

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Partnering 50-50 with a young, up-and-coming Wisconsin developer, Simon Konover Development (SKDC) has acquired a handful of medical-office and retail properties in that state within the past year, shelling out at least \$3.8 million so far.

But likely before year's end, Konover and partner Outlook Development Group LLC will break ground on their most ambitious venture — a supermarket with overhead parking wedged into downtown Chicago's landmark South Loop. Pricetag: More than \$20 million; \$3.5 million for the ½-acre parcel alone, officials say.

It's a familiar call from SKDC's playbook, one that President James Wakim, a lawyer, knows inside out: Scout properties with rock-solid tenants; buy as cheaply as possible; spruce them up; then tuck them into a sprawling realty portfolio and reap steady cash flows and a hefty return come sale time.

"Being in the Midwest isn't new territory for us," said Wakim, a lawyer on his second stint at Konover. "We find it's another place for us to get a foothold."

Wakim's opposite at the partnership table is Outlook co-founder Matt Stamborski, a 32-year-old developer whose mile-long list of contacts, officials say, has enabled him and his team to rapidly assemble an impressive portfolio of commercial properties.

Indeed, both parties' bona fides as dealmakers are what brought them together, officials say.

Stamborski says he coveted the opportunity to use SKDC's key to unlock the door to markets on the East Coast, from New England to Florida, where SKDC is rooted.

"It's a reciprocal kind of arrangement," he said.

After college, the son of a schoolteacher and steam fitter interned at a commercial brokerage in his Milwaukee hometown, recruiting retail tenants such as eatery Cusi and Roundy's supermarkets to fill vacancies.

Later, Stamborski branched into investment-property deals, before striking out on his own in 2005 and creating Outlook to pursue more deals. That was three years before the economies in the U.S. and globally turned upside down.

"We adjusted accordingly," Stamborski said.

Outlook went on a buying spree, picking up shopping centers just as they were falling out of favor with most investors. But not just any centers: Outlook sought out properties with tenants.

In 2008, Stamborski paid \$35 million for five shopping centers, financed with equity, bank loans or cash. Since then, Outlook has picked up another \$80 million in industrial, office and medical buildings, he said.

Stamborski has built Outlook into a vertically integrated realty firm that also is a building contractor and a property manager.

Konover officials see parallels in the way Stamborski operates and how Simon Konover got his start building his enterprise from scratch more than a half century ago.

Despite the attention on its Midwest venture, SKDC isn't overlooking opportunities at home.

In June 2011, it finished its \$20 million conversion of a blighted former Manchester silk mill into the 57-unit Dye House Apartments at 190 Pine St. Konover manages the fully leased property, Wakim says.

It is adjacent to two other SKDC housing redevelopments from the '80s — Clocktower Mills and Velvet Mills apartments. In all, the trio offers 450 units of affordable housing.

Later this year, SKDC hopes to break ground in New Britain to transform Corbin Heights/Pinnacle Heights — public-housing projects dating to World War II — into 300 units of low- and moderate-income shelter next door to The Hospital for Special Care.

The Connecticut Housing Finance Authority (CHFA) is SKDC's partner in the conversion of all four complexes and has worked with the firm on 17 other projects. The quasi-state agency also provides funding by allocating tax credits to certain projects, authorities say.

CHFA Chief Housing Officer Dara Kovel hails the Konover team for their professionalism and doing a good job of fulfilling responsibilities as property developers and managers.

Wakim started at SKDC in 1995 as counsel but left as general counsel in 2003 to return to private practice. In May 2008, he was invited to rejoin SKDC as chief operating officer. In October 2009, Wakim became president, a transitional bridge between two generations of Konovers. Jane Konover Coffa has assumed reins as CEO and brother, Steven, is a principal of the company begun in 1959 by their father, Simon Konover.

Wakim declined to state the value of SKDC's realty portfolio.

Last year, SKDC added another member to its team — Bradford "Brad" Wainman, a former People's United banker who for more than a quarter century has been founder Simon Konover's commercial-finance liaison.

Today, Wainman is SKDC's "eyes and ears" on its Midwest partnership as well as helping the developer spot other opportunities closer to home base, Wakim says.

"One thing we learned is time kills deals," he said. "So, if we see something, we like to move on them."