



DOWNTOWN COMMITTEE OF SYRACUSE, INC.

ANNUAL REPORT
JULY 1, 2003 -
JUNE 30, 2004

OFFICERS

Judith M. Sayles, Chair
James V. Breuer, Vice Chair
Christopher P. Papayanakos, Treasurer
Irwin L. Davis, Secretary

MEMBERS

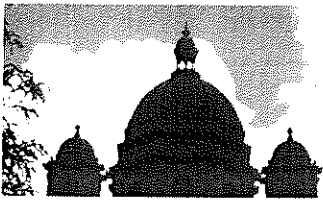
Robert Doucette
Judith B. Dunn
Charles Everett, Jr.
Anthony F. Fiorito
John M. Frantz
Edward C. Koolakian
Theodore H. Limpert
Kenneth Mokrzycki
Robert A. Romeo
Mark A. Russell
James R. Smith
David W. Stoner

STAFF

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David A. Mankiewicz, Deputy Director
Thomas J. Blanchard, Economic Development
Laurie Reed, Marketing
Ema Hudson, Marketing
Timothy Carroil, Communications
Nancy Martone, Administration
Charles J. McFadden, Operations
Dale Bowles, Operations
Dennis Lightfoot, Jr., Operations
John Marcon, Security
Robert Waskiewicz, Security

MISSION STATEMENT

The Downtown Committee is a private, not-for-profit, professional downtown management organization, representing all property owners and tenants within the central business district. The organization was created by the City of Syracuse in 1975 at the request of the private-sector leadership. A special assessment district was created to provide the financial resources necessary to ensure the proper management of the area bound by Interstate 81, Interstate 690, Onondaga Creek, and Adams Street. The Downtown Committee undertakes programs to improve downtown's image, strengthen its economic base, increase its attractiveness, and assure that it's clean, safe, and accessible.



MESSAGE FROM THE CHAIR



Judith M. Sayles

"Necessity Is the Mother of Invention." Downtown Syracuse is often pressed by necessity to reinvent itself. Communities unwilling or unable to accept the demand for change lose momentum and a sense of purpose.

For example, this year National Grid made a decision to reintegrate Niagara Mohawk's call center onto its main campus on Erie Boulevard. While that decision meant vacating Dey's Centennial Plaza, it opened the door to perhaps the year's most positive news — the announcement by Bank of New York that, based on a national search, it had selected the Dey's building as the site for its expanded processing center, bringing 350 new jobs downtown within two years.

Consider other examples of reinvention. Currently the historic Donohue building on South Clinton Street, originally built to house residential and retail space, is undergoing rehabilitation. In its new form it will connect to the adjacent Neil & Hyde building to accommodate the expansion of the telecommunications firm, USA Datanet.

Across the street, developer Peter Rich and restaurant entrepreneur John Crowley are planning to convert the Butler building, from office and retail space to new residential apartments and a 250-seat Italian restaurant.

The Amos Block, the last historic structure in Clinton Square in need of renovation, will be expanded by CRS Properties to house 78 market-rate apartments and 10,000 square feet of commercial space. Sure to bring new vibrancy to Clinton Square, Congressman Walsh is working to secure \$500,000 in HUD funds to advance the project.

The former Powelson building, adrift for years, had a boarded up façade which was a blight on Columbus Circle. This year, the building was demolished and the site saw rebirth as a temporary park. It would be desirable to have a building erected on the site, so now it is open to new possibilities.

The Hotel Syracuse, once a vibrant city asset, closed its doors after serving our community well for over 75 years. Lacking the required new investment, the hotel's fate now seems uncertain. Out of necessity, Onondaga County moved forward with its plan to build a \$60-million, 350-room hotel for the Convention Center at Oncenter. That six major local and national development teams responded to the County's request for proposals is testimony to the confidence in the market potential.

The former Jefferson Clinton Hotel, which stood vacant for years in Armory Square, has become the symbol of successful historic preservation and hotel development. In fact, its success earned it the Hotel of the Year designation by the Hawthorn Suites chain.

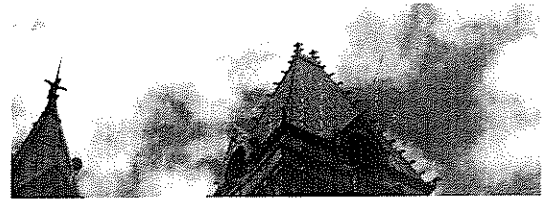
Mayor Driscoll continues to work with the MDA and the Downtown Committee to reinvent parking downtown. New parking resources must be created to meet corporate and retail needs. With corporate growth, there is also concern as firms consider their options in other cities and suburban locations. The good news is that these "problems" are being driven by growth and change, as successful companies seek to expand. We need to accommodate this growth and keep our downtown employment base strong and vital. At the same time, pending changes in Empire Zone legislation force us to plan in an environment of uncertainty.

This process of reinvention takes place in a very public and a very competitive environment. Reinvention can be a very stressful and risky process. Certainly we all can be very comfortable with the status quo; we all look back with fond memories of things that once were. But, successful downtowns must constantly adapt and evolve if they are to survive and thrive. Challenge, innovation and creativity are the watchwords.

We look forward to working with you to bring these changes to a successful outcome.

Judith M. Sayles, Chair

**STATEMENT OF ASSETS, LIABILITIES and
FUND BALANCE** as of June 30, 2004



**FINANCIAL
REPORT**

ASSETS	
Checking Account	\$114,689
Petty Cash	300
Reserve	349,247
Accounts Receivable	46,017
Fixed Assets (Net Book Value)	63,879
Other Assets	<u>41,299</u>
TOTAL	\$615,431

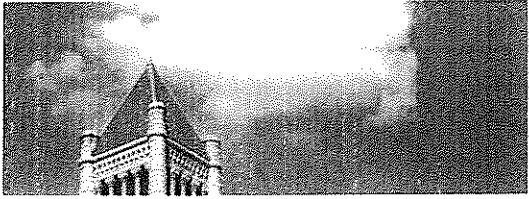
LIABILITIES	
Beginning Fund Balance 7/1/00	\$496,790
Year-to-Date Income over Expense	(18,004)
Accounts Payable	33,868
Other Liabilities	<u>102,777</u>
TOTAL	\$615,431

**STATEMENT OF INCOME, EXPENSE and
FUND BALANCE** July 1, 2003 through June 30, 2004

INCOME	
Special Assessment	\$758,756
Interest Income	5,393
Community Development	25,000
Farmers' Market	7,302
Transportation	39,373
State Grant	25,000
Marketing, Miscellaneous	<u>4,300</u>
TOTAL	\$865,124

EXPENSE	
Administration	\$209,105
Environmental Maintenance	179,059
Marketing	221,810
Security	116,302
Economic Development	84,977
Transportation	40,017
Community Development	25,000
Farmers' Market	6,513
Kiosk Expense	<u>345</u>

TOTAL	\$883,128
INCOME OVER EXPENSE	(\$18,004)



ECONOMIC DEVELOPMENT

The demand for space downtown - office, retail and residential - remains strong.

Downtown Syracuse saw increased employment opportunities over the past year. The Galleries announced an expansion by Travelers and the Bank of New York released plans to locate several hundred jobs in Dey's Centennial Plaza. Following AXA's acquisition of MONY, the Downtown Committee worked closely with the city, MONY and AXA to retain and possibly grow the insurance anchor's presence in downtown Syracuse.

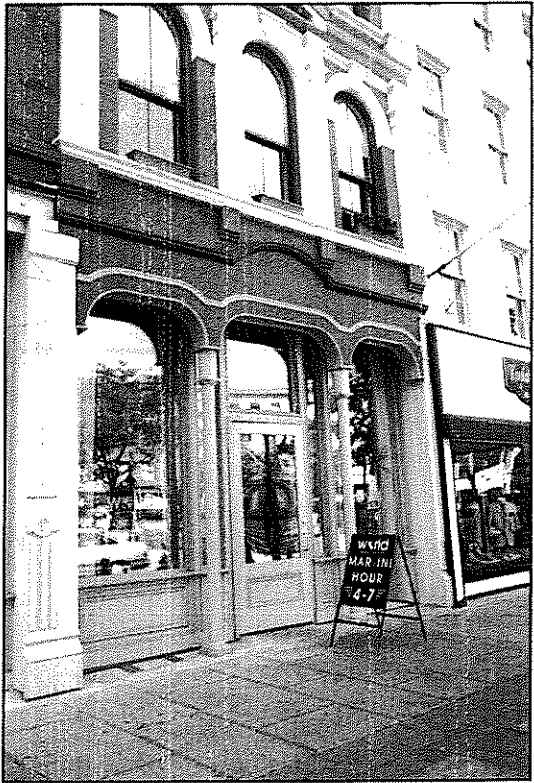
On the historic renovation front, the longtime vacant Donohue building in Armory Square is in the process of being renovated into office space. The Downtown Committee worked with more than a dozen potential new tenants in its efforts to generate more employment opportunities.

The Downtown Committee's Retail Development Committee, chaired by board member and developer Bob Doucette, utilized a retail grant program to attract new retailers to downtown Syracuse. Oleander at Armory Square, a woman's clothing shop, was awarded a retail grant to improve its store. The arrival of stores featuring home furnishings and accessories, original jewelry, women's clothing and handbags, and lingerie have made Armory Square a prime destination for women seeking a unique shopping experience. The Retail Development Committee is also working to recruit a bookstore and grocery store to downtown Syracuse, drawing prospects from New Jersey to California. Talks are ongoing with several prospective tenants.

The Downtown Committee's Economic Development Committee, chaired by board member and property owner Tony Fiorito, met with many of downtown's property owners and leasing agents to identify priorities, update information, and to provide support for projects. The committee updated records for the more than 250 buildings in downtown Syracuse and worked with parties interested in purchasing and renovating buildings. The content of the Economic Development portion of the Downtown Committee's website was finalized, making it simple for potential developers to find information about development opportunities in downtown Syracuse.

The demand for market-rate housing in downtown Syracuse continued to exceed supply and the creation of more residential units is a top priority for the Residential Development Committee, chaired by Downtown Committee Vice Chair and Hueber-Breuer Vice President Jim Breuer. To meet this goal, the committee met with representatives from Condren Realty to discuss the status of their high-rise apartment buildings. The committee also supported projects such as the proposed Amos Block project and the conversion of the upper floors of the Butler building into residential units. Members of the Housing Committee worked with the City of Syracuse to find a 24-hour parking garage for residents of the Hanover Square Lofts. The State Tower Parking Garage owner, Tony Fiorito, has agreed to provide parking for these residents.

As a result of the work of F.O.C.U.S. Greater Syracuse, with the support of the Downtown Committee and other groups, the Common Council declared downtown Syracuse a Cultural District and created a Cultural Commission. The Downtown Committee will staff the Cultural Commission, which will work to highlight downtown culture, encourage tourism, foster economic growth, and continue to revitalize downtown. The Downtown Committee continued to work with the Landmark Theatre in their effort to renovate the theater and expand the stage to accommodate large productions.



With the opening of World Lounge, Hanover Square's retail space is close to being fully occupied.

A premise of the Essential New York Initiative is that creative people stimulate innovation and generate regional economic growth.

City's "quality of place," cultural diversity, vibrant street life and a cutting-edge music scene are compelling features in luring the nation's most creative and educated workers. Enhancing downtown's street life and providing visibility to arts were priorities of the downtown marketing effort.

Downtown welcomed several new events during the year, including two that put downtown Syracuse on the international map. The Downtown Committee sponsored the opening ceremony for the Syracuse International Film & Video Festival presented by Point of Contact, which featured 140 film screenings at venues all over downtown in April. Over 500 entries for this first-time event were received from 21 countries. Another successful new event was the Syracuse Invitational Sport Horse Tournament, which featured 221 competing participants and thousands of visitors from all over the world, generating an economic impact of about \$4 million.

The Downtown Committee worked with the City of Syracuse, neighborhood groups and event organizers to assure that downtown's street life was alive with activity, particularly during the summer months. From June through August, visitors to downtown could participate in a special outdoor event nearly every day. The roster of events included Block Parties and Dancing in the Square in Hanover Square; Candelight Concerts, Art in the Park and Fat Thursdays in Armory Square; Ice Cream Socials in Fayette Park; Native American, Latino, Irish, Polish, Blues, Jazz, and Winter fests in Clinton Square. The Downtown Committee presented its popular Downtown Farmers' Market on Tuesdays from June through October. Many of these events are supported by Community Event Program grants through Senator John A. DeFrancisco, which are administered by the Downtown Committee staff.

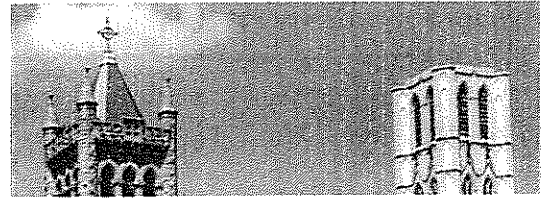
Progress was made on two initiatives to keep downtown patrons informed of all this activity. Based on criteria and objectives for a new downtown website established by the Downtown Committee's marketing subcommittee, Mark Russell & Associates developed a detailed blue print for the site. ACC has nearly completed construction on a new, state-of-the-art, user-friendly website. The site will provide information on shopping, dining, arts & culture, parks, historic buildings, available commercial and residential space, parking, and more. Through the new website, the Downtown Calendar of Events and the "Inside Downtown" newsletter will be distributed through email. The anticipated launch date is August, 2004.

Another effective means of marketing downtown's attractions took shape during the year. Filming began on a series of new television advertisements, which feature people, representing diverse market segments, using the new website to facilitate their visit downtown. The theme, "Downtown Is Just A Click Away," is incorporated into the ads in which young women, a mom and two children, professional men, and empty nesters all negotiate through the website to activities downtown.

The Essential New York Initiative also calls for an effort to integrate Syracuse University students into community life. In support of this, the Downtown Committee heavily advertised and promoted a shuttle system that transported students from several locations on the campus to Armory Square on weekends during the spring semester.

Supporting downtown's neighborhood groups is another key function of the Downtown Committee. Both the Armory Square Association and the Hanover Square Association underwent changes in their board structures during the year as a result of membership elections. Staff compiled historical records and documents for the new Armory Square leadership to ease the transition. Staff worked closely with the Hanover Square group to file the necessary paperwork to incorporate as a not-for-profit entity and begin collecting dues. A new Hanover Square promotional brochure was published by the Committee.

Because the holiday season is so important for downtown businesses, the Downtown Committee conducted a number of efforts to encourage patronage. Television advertising featured downtown shops and restaurants, and a co-op advertising promotion was taken advantage of by 15 downtown businesses. A Post-Standard newspaper insert listed all downtown activities during the holidays. The Committee also provided financial support for the First Night New Year's Eve event.



MARKETING & COMMUNICATIONS

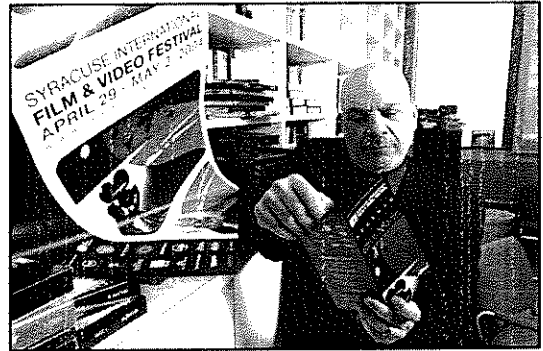
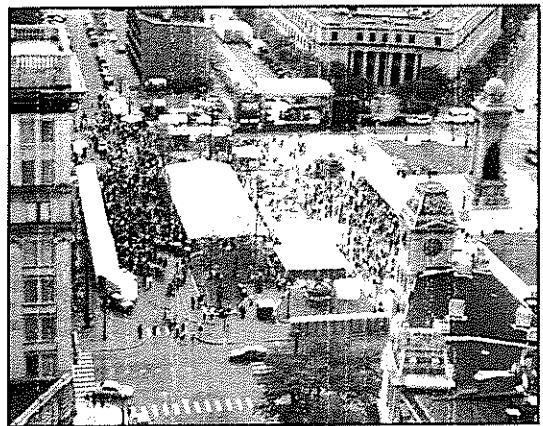
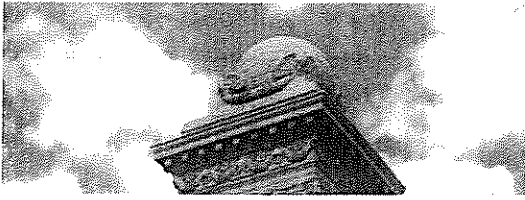


Photo by Post-Standard Photographer David Lassman

Owen Shapiro, director of the film program at S.U.'s College of Visual and Performing Arts, conceived and directed the first annual Syracuse International Film & Video Festival.



Another successful new event was the Empire Brewing and Music Festival held in Clinton Square in July, which drew thousands of people downtown.



ENVIRONMENTAL MAINTENANCE

If Downtown is to have a prosperous future, it must be an exciting, attractive, interesting and a convenient place to shop, dine, work and live.

The environmental maintenance department's broad-based revitalization program includes an active effort to enhance downtown's physical appearance.

Maintenance efforts provided include:

- Sidewalk snow removal
- Sidewalk sweeping and flushing
- Gum removal
- Street furniture repair and painting
- Flower planting and maintenance
- Tree maintenance program
- Graffiti removal
- Grass and weed cutting
- Kiosk installations

The Downtown Committee's successful program of watering and fertilizing trees is contracted to a local landscaping firm and has continued to keep our trees thriving and beautiful.

With a small fleet of equipment, including trucks, tractors and snow blowers, the Downtown Committee has been able to meet a commitment to remove snow from all sidewalks in the central business district and make it easier for property owners to meet their responsibilities.

Chaired by board member Edward Koolakian, the Environmental Improvement Committee continued with its efforts to upgrade and maintain the appearance of downtown.

E.I.C. projects include:

- Earth Day Clean-Up - Seventy-five volunteers teamed up with downtown merchants and employees as well as Downtown Committee staff to participate in the annual clean-up program.
- Gateway Project - The E.I.C. has hired local landscape architect Edward M. Basta to design another "Welcome to Downtown" gateway similar to that on the Clinton Street off ramp from I-81.
- Cigarette Urns - New York State's ban on smoking in restaurants and bars has forced patrons outside to smoke. The result is a drastic increase in unsightly litter on sidewalks and streets in front of taverns and restaurants in downtown Syracuse. In an effort to combat this ongoing litter issue, the Downtown Committee has purchased forty new urns for the disposal of cigarette butts. Businesses already using similar urns report a marked decrease in litter around their property.



New ash urns purchased by the Downtown Committee provide restaurant patrons an alternative to littering sidewalks with cigarette butts.

The Downtown Committee and the City of Syracuse share the cost of holiday decorations, which are installed on Salina, Warren, Clinton and Montgomery streets as well as the east side business district, Armory and Hanover Squares.

A successful partnership with the Syracuse University arts department again displayed original works of art in the kiosk on Salina and Warren streets to enhance and beautify the downtown streetscape.

Experience helps Downtown Committee security personnel balance the many needs of downtown.

The Downtown Committee's security patrol is an effective deterrent to crime downtown. As in any metropolitan area, however, nuisance or quality-of-life issues must be addressed on a daily basis. Officers Marcon and Waskiewicz are seasoned former SPD officers whose experience and knowledge of social issues qualify them to deal with the diverse street life in downtown Syracuse.

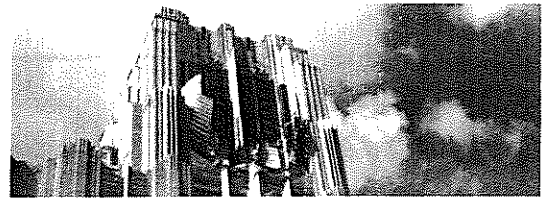
Within existing laws and ordinances, preserving the safety and security of downtown and protecting the rights of all individuals must be delicately balanced. It requires a keen understanding of the law and its subtleties, the expertise to assess each situation individually, the insight to anticipate and identify potential risks, the skill to calm threatening situations, and sensitivity. By employing a soft-handed "Officer Friendly" approach, these two officers are adept at handling all situations. Their daily presence gives merchants, visitors and residents a genuine sense of security.

A great deal of effort is placed on curbing teen violence on the corner of East Fayette and South Salina streets, the location where city school students wait for buses. The Downtown Committee officers work closely with the city administration and the Syracuse Police Department to address the problem. With SPD officers and the Downtown Security Patrol stationed there daily, many potential situations have been diffused. The Downtown Patrol's practice of videotaping and documenting incidents is a non-aggressive means of curbing violence. As a result of this vigilance, the number of incidents were reduced significantly compared to previous years.

Working out of the Security & Information Center on South Salina Street, the downtown security patrol supplements the SPD detail assigned to the central business district. This effective partnership has been credited with preventing and solving crime. The Downtown Committee has equipped the patrol with cellular phones, radios, computers, a fax machine, and a highly visible security vehicle.

Expeditious communication is often the key to a successful outcome in a security situation. All downtown business owners and employees are notified of a direct phone line (**423-HELP**) to the Security Center, which enables them to get immediate assistance for non-emergency calls. Both SPD and Downtown Committee personnel are dispatched. Unlike the SPD, the downtown security patrol is dedicated to the boundaries of the special assessment district and are often first on the scene. For this reason, the downtown patrol has a direct link to the 911 Emergency Center to relay important information.

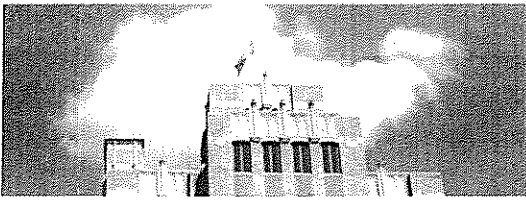
In addition to responding to calls for assistance, the officers provide a wide range of services to the downtown constituency. Seminars are offered to business owners on personal safety, violence in the workplace, and reducing internal theft and shoplifting. They also work to facilitate solutions to parking and loading zone issues. To provide a safer environment downtown, an effort is currently underway to restrict beverage and food deliveries to certain hours of the day.



SECURITY



Downtown Security Officers Marcon (center) and Waskiewicz (right) assist with all issues related to public safety in the downtown area.



PARKING & ACCESS

The Downtown Committee directed its focus on a number of important transportation and parking projects during the 2003-2004 program year, some of which will have far-reaching and long-term impacts.

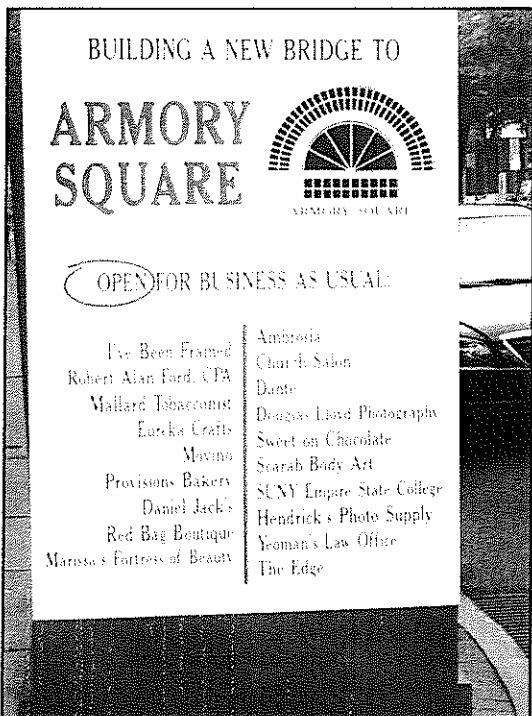
The Downtown Committee was involved in planning and pre-construction activities associated with new parking garages to address the needs of two major downtown employers – Excellus and The Hartford. In partnership with Mayor Driscoll, the Downtown Committee assembled a multi-disciplinary team of professionals to address site selection, real estate acquisition, and financing matters. These complex issues, in combination with other factors, including potential changes in the State's Empire Zone program, have caused unavoidable delays in advancing these two projects. Both projects are directly tied to economic development, new jobs and significant private sector investment. In the case of Excellus, the parking issue is related to the retention of 1,000 jobs and \$10 million in facility improvements. The Hartford, which employs 500 people at One Park Place, has indicated their interest in remaining downtown and adding jobs if their parking needs are addressed. \$7 million in State Empire Opportunity Fund monies are available for the two garage projects and efforts will continue to bring these projects to reality.

The Downtown Committee worked closely with the City of Syracuse and the Central New York Regional Transportation Authority to develop preliminary plans for a new indoor, climate-controlled transit center. This project will provide Centro's ridership with a comfortable indoor facility conveniently located within the central business district. Next steps will include site selection, development of a more detailed building and site plan and budget, and aggressive efforts to secure project funding.

Another major capital project that began in the 2003-2004 program year was the replacement of the Walton Street Bridge in Armory Square. The Downtown Committee took the lead in working with the city and the Armory Square Association, to ensure that input from businesses and residents in the area was taken into account as plans were developed. The Walton Street Bridge Task Force was formed to work in concert with the city and their engineer to accommodate and respond to the concerns of the Armory Square neighborhood. The work of the Task Force in a true partnership with the City of Syracuse, serves as a model for project planning and implementation in an important urban neighborhood. Through the work of the Task Force, plans were put in place to maintain two-way vehicular operation at all times along Walton Street, maintain pedestrian access, minimize parking displacement, and institute a regular and effective means of communication and information sharing.

In addition to work on major capital initiatives, the Downtown Committee also continued to address day-to-day parking and access issues by:

- Publishing and distributing brochures and written information on downtown parking locations, availability and pricing.
- Operating a Niagara Mohawk parking lot on North Franklin Street on nights and weekends to provide low-cost spaces to accommodate parking demand generated by events at Clinton Square and at local restaurants such as the Dinosaur Bar-B-Que.
- Responding to questions, issues or concerns regarding parking posed by downtown businesses, companies interested in a downtown location, visitors to the city and area residents.



The Downtown Committee installed signage on Walton Street to support businesses affected by the bridge construction.