

**OCL Downtown Study Committee**  
**Panel Discussion – Downtown Office Market Trends**  
**5/11/06**

**Study Committee members present:** Linda Henley, Russ Andrews, Tom Letham, Steve Kearney, Sarah McIlvain, Merike Treier, Karen Kitney, Clyde Ohl, Dave Mankiewicz, Louis Fournier, Jessica Crawford, Greg Threatte, Mick Mather, Doug Sutherland, Carol Boll, Sandra Barrett

**Panelists:** Joe Lewis (The Sutton Companies); Bill Colucci (Pyramid Brokerage); Kerry Mannion (COR Brokerage)

Panelists were invited to offer their perspectives on the state of downtown office space today and ideas for revitalization.

Panelists agreed that overall, the downtown Class A office buildings (newest and best, top-quality rental space; or newly renovated office space, such as Franklin Square) have a high occupancy rate. However, there is little growth in office demand (a result of the region's "flat demographics"), and rents (before adjusting for inflation) are essentially unchanged from those being quoted in 1990. With inflation adjustments, rents have declined significantly over the last 15 years. Not surprisingly the last major downtown office building was built 16 years ago.

A second problem with downtown office space is the number of Class C (aging, outdated, in need of investment money to bring mechanical systems up to date) office buildings that sit empty or largely vacant. Empty Class C buildings project a bad impression, and detract from better properties nearby. Downtown would benefit if these Class C buildings were either renovated or replaced.

An improved physical environment and new downtown residential development could be important factors in regenerating a healthy downtown office market. Retail and office markets are reactionary -- they follow the residents and an attractive environment. When eastern and northern suburbs boomed, nearby office parks began to spring up too. If the quality of life issues downtown improve, and the downtown residential market grows and thrives, retail and office market also will thrive. Many blighted Class C office buildings may be better suited to loft residential conversions, rather than being renovated for office space given the limited demand for new office product.

Much of corporate culture today still focuses on suburban office parks. But that's starting to change. Many are beginning to miss downtown environment and amenities such as restaurants, etc.

All three panelists expressed concern the City of Syracuse moves too slowly. Need elected officials with private-sector background. Lack of coordination, paperwork delays.

Historic-status approval delays. We've had a lot of consulting and visions for revitalization, but little gets done.

One idea: Create a downtown "plan" (similar to an office park plan) to make downtown more competitive with suburban office space. Acquire and set aside a piece of downtown property to be designated as a new, "shovel-ready" corporate address for new office tenants. Such a project would cut down on bureaucratic delays and perhaps make downtown more successful in competing against the planned suburban office parks.

Syracuse also would benefit by planning first for parking and parking garages rather than developing them haphazardly. Then office space could be built up around those areas.

Next forum: The Cool Factor, scheduled for May 17 at Hotel Syracuse.

A future public forum will be scheduled to address the issue of downtown retail trends.

###