

As Businesses Exit, Old Office Parks Get a Reboot

By MIRANDA S. SPIVACK

The aging office park is getting a face-lift.

Once a proud symbol of suburban working life now suffering from high vacancy rates in many parts of the country, corporate office parks are being reimagined as sports domes, upscale townhouses, retail shops and green gathering spaces, among other possibilities.

“It’s an obsolete model for an office,” said Robert Youngentob of the Maryland-based developer EYA, which has begun constructing upscale townhouses in sections of an office park in suburban Bethesda, Md., including some that are selling for about \$1 million.

That office park, called Rock Spring Park, is at the junction of the Capital Beltway and Interstate 270 and is home to Lockheed Martin and Marriott International. Marriott is planning to move in the next few years to a downtown Bethesda location, citing the desires of its 3,500 employees for a more urban setting with easy access to restaurants, retail and public transit.

“In today’s world, most office tenants want access to public transportation in more walkable areas with retail amenities,” Mr. Youngentob said. “It’s about recruiting employees and creating an attractive work environment. Many of these older buildings do not meet the needs of today’s office workers.”

That has opened the way for EYA and several other developers around the country to consider new uses for the car-centric office and industrial parks, which are often lifeless spaces far from restaurants and retail but frequently near major highway interchanges.

The Urban Land Institute, which has been studying new uses for office parks and other commercial and industrial areas, found that in the Washington metropolitan area, about 16 percent of suburban office space had been deemed obsolete because of outdated buildings and limited access to amenities. In suburban Montgomery County, Md.,



An aerial view of a former Colgate office park and manufacturing site in New Jersey, which is currently being developed into a mixed-use “town center.” Christopher Occhicone for The New York Times

site of Rock Spring Park, a recent Urban Land Institute study found that the office vacancy rate in two office parks near major highways was higher than 21 percent, compared with an overall office vacancy rate in the county — which includes urban centers such as Bethesda and Silver Spring — of about 14 percent. In the Rock Spring area, the study found, the office park’s proximity to highly rated public schools, and a prime location even without easy access to the Metro system, made it desirable for other kinds of uses.

Office parks, said Rich Forslund, executive vice president for Colliers International in Indianapolis, are finding success when they are either modernized or repurposed. Most important, he said, is that they offer “a sense of place, creating areas where people can create somewhat of a community.” He said that some office parks in and around

Indianapolis were remaining all office, but trying new looks, including installing central green spaces for outdoor dining and retooling buildings to provide internal spaces that encourage workplace collaboration.

The potential to convert office and industrial space into something else is also driving redevelopment in East Fishkill, N.Y., where IBM for decades employed thousands but began to consolidate operations in the last several years. In one of the two 700-acre former IBM campuses, Dan Fraioli, president and owner of Air Structures American Technologies, is planning to build what he said would be one of the largest indoor sports domes in North America. Mr. Fraioli said he was expecting it to open next year to provide a place for young athletes to hone their craft.

“Youth sports has exploded,” Mr.

Fraioli, the father of three boys who spent many years on the baseball diamond. In the northeastern United States, he said, those trying to excel can be disadvantaged by “weather conditions that are not conducive to the demand of youth sports.” As a result, he said, “we can’t bring these kids to their full potential as they do down south.”

The sports dome, being built on about 30 acres at the former IBM site, will have climate-controlled indoor turf fields for baseball, field hockey, lacrosse and soccer.

“Our hope is that we become a Southern state — without the heat,” Mr. Fraioli said.

Ronald Hicks, assistant county executive in Dutchess County, said the indoor sports facility should be a boon for high school teams, adult leagues and others who compete for limited public fields and are hampered by cold weather.

“We don’t have a lot of land available, or a lot of open parks,” he said.

Not every approach is successful. In Hopkinton, Mass., Steven Zieff, a developer, struck out after several years of trying to persuade town officials to approve his proposal for a “new town” in an underused office park near Interstate 495, southwest of Framingham in the outer ring surrounding Boston.

Mr. Zieff and a partner had proposed that the town allow them to build a hotel and apartments and create retail spaces.

“It was a full-on mixed use development,” Mr. Zieff said. But in retrospect, he thinks his big-picture approach may have scared off local officials. “We should have taken it in bite-sized pieces.”

Hopkinton, a town of about 15,000, claims several buildings on the National Register of Historic Places. At public meetings to discuss the project, residents offered a litany of worries, including concerns about building heights and traffic.

“People were agitated that we were going to gentrify the downtown,” Mr. Zieff said.

But other projects have gained local approval. In October, officials in the Township of Morris in New Jersey, near Morristown and Hanover, approved the outlines of a proposal from JMF Properties and RD Management to redevelop an industrial and office site where Colgate once made liquid hand soap, body wash, antiperspirant and deodorant. The plans include retail space and market-rate and affordable housing.

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In Tempe, Ariz., the Wentworth Prop-



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erty Company acquired an aging office park and modernized it by adding high-tech infrastructure for internet access and incorporating some urban amenities, such as restaurants, walking paths, workout stations and bike rentals, as well as a shuttle bus system to connect with nearby retail. Another developer has added two hotels.

“It was a very rundown, industrial office campus that used to be occupied by Motorola,” said Steve Butterfield, a Wentworth spokesman. “We came in with a new vision and transformed it from a single tenant to multiple tenants.”

Deborah K. Bilek, who has studied office parks for the Urban Land Institute, said there was no one solution for adapting corporate parks to new uses. She points to some highly successful models, such as some of the Silicon Valley tech campuses, which have brought amenities — gyms, restaurants and other perks — directly to employees, and provide transportation to and from work.

She also sees reuse of office and industrial parks as a way to resolve one of the most vexing problems that urban areas face: the high cost of housing. “Different types of housing products could be offered,” Ms. Bilek said.

Mr. Youngentob of EYA agreed. “The greatest challenge for millennials is the affordability issue,” he said. “They would like much the same location as the empty nester, close in, convenient to retail amenities, access to transit and good schools.” Large tracts of land occupied by office parks and former industrial sites could provide some of those opportunities, he said.