

New Orleans CITYBUSINESS

North Shore shuns high rises — for now

by Deon Roberts Online Editor

St. Tammany Parish is known for good schools, greenery and recreation — but not high-rises. But as the “fastest growing parish in Louisiana,” as the St. Tammany Parish Economic Development Foundation proclaims on its Web site, officials may one day face proposals to build towering office buildings.

Experts say it could be a while before that day comes.

“I don’t foresee a high-rise in the next five years on the North Shore. I think it would be beyond five years,” said Bruce Sossaman, leasing director for Equity Office in New Orleans.

There is room for more tenants on the South Shore with occupancy in Metairie and New Orleans Central Business District office buildings at 90 percent, he said.

Another factor Sossaman lists is rising construction costs. To build a Class A or B office building on the North Shore, tenants would have to pay \$30 or more a square foot, Sossaman said, versus about \$23.75 and about \$18.25 for the Metairie and CBD Class A markets, respectively.

Quentin Dastugue, CEO of Property One, predicts St. Tammany will see high-rise office buildings in five to 10 years. His company is building a \$22 million, 108,000-square-foot, four-story Class A office building in Covington. LLOG Exploration is moving from Metairie and will take up 52,000 square feet when tenants begin occupying the building in March. Lease rates are \$28 a square foot.

Cres Gardner, marketing director for Transwestern New Orleans, who defines a high-rise building as at least 10 stories, said the construction of a high-rise on the North Shore will be driven by a tenant who wants the space.

“You’d have to kind of scratch your head and say, ‘What user would drive that?’” Gardner said.

Gardner said the North Shore is not likely to become home to 50- to 60-story buildings. He projects no larger than 20-story buildings on a campus setting such as Covington’s North Park Corporate Center, where Chevron relocated from New Orleans following Hurricane Katrina.

North Park serves a desire “to get away from the concentrated, high-rise effect,” Dastugue said. High-rise buildings like those in New Orleans and Metairie are “out of sync with what attracts people to the North Shore,” he said.

Marty Mayer, president and CEO of Covington-based Stirling Properties, is in a five-story building in North Park. Like Gardner, he envisions future high-rises on the North Shore in office parks.

“Do I ever foresee a 6-story building? Yes, I do,” he said. “I don’t see high-rise buildings like I’d see in Metairie.”

But before taller buildings are built in St. Tammany, height restrictions will have to be changed. The parish is currently going through a comprehensive rezoning process.

Dastugue said if leaders don’t plan for high-rises, “the demand will force it to happen.”

"There's a lot of discussion going on over here with the new comprehensive zoning ordinance to address the various issues like (high-rises)," Mayer said. "St. Tammany Parish really up until now has been operating under zoning from 40 years ago when it was a rural parish."

Mayer said the area along Interstate 12 is the likely place for a high-rise building. Height restrictions would be an issue for anyone wanting to build a high-rise by Lake Pontchartrain, because of visibility, he said.

Debbi Caraway, Mandeville city planner, said there is a 35-foot height restriction for buildings in the city limits. The only way to build higher would be to propose a special commercial district, she said.

Mayer foresees continued office growth on the North Shore.

"Many types of businesses are going to feel more comfortable in the North Shore surroundings than in the South Shore," he said. "There's definitely a need to build more office buildings. The demand for office users over here is easily going to outstrip what's available now."•