



Photo by Howard Register

Lee Morrissey of New Haven places her tax return in the mailbox at the Brewery Street post office in New Haven Tuesday, the tax filing deadline. She joined many other last-minute tax filers, as the Internal Revenue Service estimates that 19 percent of taxpayers nationwide file their returns in the final week leading up to the annual April 15 deadline. The Brewery Street post office stayed open for extended hours Tuesday, until 10 p.m., to handle an anticipated influx of last-minute customers.

Office space rentals holding steady

By Cara Baruzzi
Register Business Editor

NEW HAVEN — The vacancy rate among the city's office space was 15.3 percent in the first quarter of the year, up slightly from 14.7 percent a year ago, with area experts saying the region's commercial real estate market is faring the current economic slowdown better than the residential market.

"Things are pretty much status quo," said John Keogh, senior broker at Colliers Dow & Condon, which compiles quarterly office market statistics and tracks occupancy levels in 52 properties throughout the city. "There's been virtually no change."

Vacancy in the city's central business district was less than half that of the city's periphery. The central business district had a first quarter vacancy rate of 9.2 percent among office space, compared with a vacancy rate of 22.9 percent in the rest of

the city, according to the report.

Despite a shaky economy, no office tenants closed their doors last quarter, although several did in late 2007, Keogh said.

Any small increases in the city's vacancy rate will be outweighed by a much larger-scale lease currently being negotiated by Yale University at 25 Science Park, he said.

Though Yale and the building's owner, Massachusetts-based Winstanley Enterprises LLC, have not yet commented on the deal, Keogh said the university likely will soon finalize a lease for a large amount of space — perhaps as much as 150,000 square feet — in the Science Park building.

"There is very little chance that (the deal) will not happen," Keogh said.

Carter Winstanley of Winstanley Enterprises and Yale officials did not return calls seeking comment Tuesday.

Elsewhere in the city, Keogh said, the office market will remain stable, as usu-

al, going forward. A prolonged economic slump, though, could eventually take its toll on area law firms — long viewed as some of the city's most reliable tenants — and perhaps caused them to contract, he said.

Leasing activity remains strong in New Haven as well as the suburbs, said Chris Nicotra, managing principal at New Haven-based Olympia Properties LLC. His firm owns 25 commercial properties, including three sites acquired during the first quarter of the year in Cheshire, North Haven and Milford.

"The market is in great shape," he said, adding that all of his first quarter purchases have received multiple inquiries from perspective tenants. "There's demand for space."

Attractive interest rates that remain historically low, a shortage of inventory and rising rents are driving the activity, Nicotra said, noting the trends likely will continue.

"The market fundamentals are all very positive," he said.

infinitely larger. Secured area for the Tweed New Haven Airport Authority.

However, East Haven Mayor April Capone Almon, who opposes the FAA-mandated runway safety area project because she believes it's about runway expansion, not safety, warned that nothing has been resolved.

East Haven still believes the project — which the state Department of Environmental Protection approved a year ago — also requires Inland Wetlands Commission approval, and "We will revisit the original cease and desist if need be," said Capone Almon.

Tweed and East Haven have a fundamental disagreement over the project.

East Haven issued its cease-and-desist order after neighbors on Roses Farm Road complained about a contractor beginning work to clear out brush in advance of the project.

Tweed officials, including authority Chairman Mark Volchek, have said that previous case law is clear that DEP approval takes the place of local wetlands approval.

Capone Almon said "the DEP permit specifically states that they do need the approval from the local authorities."

She did not rule out legal action. East Haven already is a party to a citizens group's lawsuit appealing the DEP action.

"Unfortunately, nothing's really been resolved, and at this point I don't see the town of East

See Tweed, C3

Airline merger strategy fuels investors' fears

Associated Press

Delta and Northwest executives want to smoothly complete their deal to create the world's largest airline by the end of the year. But investors reacted negatively Tuesday, amid word there are no plans for further domestic flight cuts as well as the challenges of integrating companies with contrasting cultures, planes and labor relations.

west ground workers pledged to fight it.

Northwest is heavily unionized, while Delta's pilots are the only major work group at Delta to be part of a union. Delta flight attendants begin voting April 23 whether to join a union.

"Sometimes, they're a little overly optimistic," industry expert Terry Trippler said of the airlines' executives.

Airline consultant Darryl Jen-

The unions can't kill the deal, but they can put pressure on other groups that have a say — like shareholders and regulators — to stop it.

Investors already appeared nervous, punishing the stocks of both airlines Tuesday and shaving \$400 million off the value to Northwest shareholders if the agreement to be acquired by Delta were to close now.

Delta shares fell \$1.32, or

airlines could reap from the deal. Delta and Northwest also don't plan to close any of their hubs. They didn't rule out further capacity cuts in the future if fuel prices continue to rise.

Executives said they are confident they will be able to consummate the deal and integrate the two carriers.

"Bottom line is, we think it's a really good fit," Delta Chief Executive Richard Anderson, who will head the combined airline



Some of the lowest regular unleaded prices in Greater New Haven, excluding membership retailers such as Costco, Sam's Club:

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