

## Downtown: Despite recession, city gears for big plans

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Illustration by SCOTT SHEILS staff artist

The rebirth of downtown is continuing. But the recession has made the pace even slower.

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Change is happening.

Not the kind of incremental change that has inched downtown forward as the suburbs, corporate downsizing and a recession drained its core. Extraordinary change — the kind that promises to reshape downtown on a magnitude not seen since urban renewal in the 1950s and 1960s.

Had it not been for the recession, city and development officials say, cranes would have populated the city skyline by now.

Web Extras [Interactive map: Downtown Rochester](#)

Instead, this change remains largely unseen. And, in a city of many failed promises, seeing is believing.

Stand at the corner of Main Street and Clinton Avenue, and you see Midtown, its eight-plus acres and 1 million square feet of concrete and steel fenced off with no visible activity. The Sibley building and tower appears as it has for years — stately but largely vacant. And on another corner, tired or boarded-up storefronts display faded going-out-of-

business signs or a billboard-sized photograph of a bike race that was canceled last year.

But 220 workers are busy inside Midtown, prepping for demolition to be followed by new streets, new corporate offices, housing and possibly a performing arts theater. A \$200 million deal is being negotiated to renovate Sibley for commercial and housing uses. Talks are ongoing to raze those tired storefronts in favor of a transit center and more.

**Heidi Zimmer-Meyer** president, Rochester Downtown Development: “For the first time, we are starting to see the retail curve turn ... We are very close.”

“In five years, if you walk to Main and Clinton, you won’t recognize the landscape,” said Heidi Zimmer-Meyer, president of [Rochester Downtown Development Corp.](#) “We’ll see that whole area transform.”

And not just that area.

Throughout downtown, there are more housing developments in the works than ever before. In two or three years, as those projects are finished and filled with people, downtown’s population should tip into the 5,000- to 10,000-range that Zimmer-Meyer said is the “sweet spot” to begin attracting retail and restaurants. Meantime, 11 corporate headquarters have either expanded, moved or plan to move to the center city, bolstering the 50,000-plus who work downtown.

“Rochester’s downtown seems ready and poised to have its third wind right now,” said Larry Glazer, CEO of [Buckingham Properties LLC](#) and one of downtown’s biggest landlords.

But he added: “Big ships turn slowly.” **Larry Glazer**, CEO, Buckingham Properties LLC: “In Rochester, if you don’t build it, they won’t come.”

The \$752 million in announced downtown projects could grow this week, if a city/county selection committee meeting Tuesday recommends acting on a proposed \$20 million, 74-unit housing and commercial project near [Eastman Theatre](#).

Rochester is hardly a unique American story. Plenty of downtowns — from Pittsburgh to San Antonio, Texas, to Nashville — [have made comebacks](#).

Growth will feed upon growth, downtown leaders of other cities say.

“The cranes are contagious,” said Tom Turner, president of the [Nashville](#)

[Downtown Partnership](#), the Tennessee capital's downtown advocacy agency. "Once you get one in the air, the likelihood of getting another is stronger."

Arunas Chesonis, CEO of [PAETEC Holding Corp.](#) of Perinton, whose proposed business headquarters is Midtown's centerpiece, expects that visible progress is needed to not only energize downtown's believers but also silence its naysayers.

"It's tough (for a region) to be healthy when your core is not healthy," Chesonis said. "It's just tough for me to envision Rochester being a vibrant region when people are embarrassed to take people downtown."

But he is among the believers. **Arunas Chesonis, CEO, PAETEC:** "A healthy Rochester means a healthy PAETEC."

"Show me the cranes," he said. `brightcove.createExperiences();`

## Changing times

The scope of work now under way or planned — the \$752 million and rising — eclipses the \$516 million in the works five years ago (nearly half of which was tied up in Renaissance Square). Roughly half the current total is private projects, with varying degree of public subsidy. But the pace of development is faster and deeper than years past.

"Huge blockbuster projects," Zimmer-Meyer said, "that's the biggest change of what is happening down here."

None is bigger than razing Midtown, or potentially more transformative than knocking down the tired storefronts on the other side of the street, one block west.

When historians trace the evolution of downtown, they highlight the large-scale demolition and rebuilding that followed the great Sibley fire of 1904, which reshaped the north side of East Main Street between St. Paul Street and East Avenue.

Even greater demolition during urban renewal tore through neighborhoods ringing downtown, cut off streets and knocked down buildings, for Interstate 490, the Inner Loop, Civic Center Plaza. Much of the present-day riverfront development occurred at this time. Midtown Plaza opened.

Today, development continues to redefine downtown's boundaries. And there is a visible difference between the newer east side of downtown with its corporate towers, and the more historic west. Areas east of the river continue to draw more investor interest, though not all. High Falls is one

exception. And there is considerable work begun or planned at both ends of Broad Street — creating a boulevard entrance from the west, building the county crime lab and renovating 44 Exchange Blvd. into the largest downtown condominium project to date.

Downtown never had a large residential base. Rather, the city's moderate size allowed people to live in nearby neighborhoods such as Corn Hill that were within walking distance of the center city.

Those who did live downtown from the 1830s through the 1930s and '40s typically owned their residences — the butchers, fish market and shop owners who lived above or behind their businesses along River and St. Paul streets, and the former Front Street.

“A few flimsy rookeries had appeared in the central area during boom days,” the late City Historian Blake McKelvey wrote in 1950, “but their crowded residents had moved out as soon as the shortage of houses was overcome.”

### **Attracting residents**

More than 2,700 residential units are sprinkled across downtown today, with almost 4,000 people. Another 600-plus units are in the pipeline, expected to add another 900 residents.

The city's downtown population has doubled in the past 20 years, following a national trend of young professionals and empty nesters seeking trendy downtown lofts or downsizing to live near theaters and museums. In addition to new construction — of [Corn Hill Landing](#), the [Mills at High Falls](#) and [The Sagamore on East](#) — 21 structures were renovated for apartments since 2000.

Today, by comparison, 15 building renovations are proposed or under way. Add to that a second phase of the Mills project, and other new housing construction being considered near Eastman Theatre and at North Plymouth Avenue and West Main Street. The Josh Lofton building near West Main and Broad streets also could be renovated.

“By redeveloping and reusing so much of downtown at one time, it brings life to the city,” said David Christa, whose [Christa Companies](#) is a partner in renovating Midtown Tower as well as in proposals to build a downtown theater and to develop the lot near Eastman Theatre.

Midtown Tower accounts for more than half of the 45 condos in the pipeline, a total that would nearly double what is now available. Homeownership is such a priority downtown that Mayor Robert Duffy picked the Christa/Morgan Management plan over a less-pricey, apartments-only proposal his staff preferred.

About 97 percent of existing downtown housing is rental.

Mark Tortarella, 28, and his fiancée are buying a condo in the new [Capron Street Lofts](#), just south of Woodbury Boulevard and visible from Interstate 490. Developer Patrick Dutton has sold six of the planned 19 units, and needs to sell one more to satisfy lenders and begin construction.

The [Irondequoit](#) couple is getting married in October, and Tortarella said they chose Capron because of its proximity to [Geva Theatre](#) and the South Wedge, and after finding downtown rents equal or higher than mortgage payments.

“I know friends who live in lofts,” Tortarella said. “I just love the set-up with the open floor plans, wood exposed, brick exposed. And we figured if we are going to do it, now is the time.”

### **Not an easy path**

Downtown development is not immune from challenges, however. The recession has delayed some projects, scaled down others and led some to collapse. City Council President Lovely Warren said the city must find innovative ways to keep the momentum going. And, in instances where the city controls the land, to make sure the right development occurs.

“(Downtown) is clearly an entity in transition,” Duffy said. “There has been progress, but the progress has been slowed by the recession.”

Consider 67 Chestnut St., just south of Cadillac Hotel, overlooking the Midtown site. Developer Matthew Wood bought the building at an auction in 2007, days after officials announced that Midtown would be razed and PAETEC would build. But Wood can't say when he'll start converting the building to 50 market-rate apartments.

“The banks are frozen,” he said, estimating the project will cost up to \$5 million. “They are not lending, plain and simple, unless you are filthy rich.” But in the St. Paul Quarter, work is finally progressing on the \$4 million overhaul of the Kirstein Building on Andrews Street, after being discussed for a decade and passing through a few developers.

Kirstein is one of five current building renovations in the neighborhood that will add 191 apartments. Kirstein should begin renting in March, with tenants moving in come May or June.

The historic six-story commercial mill circa 1900 still shows the wear and neglect from sitting vacant. Fogged or boarded-up windows shed little light into a gutted first floor and a web of framed-out walls. On the sixth floor, however, developer Pawel Efraimov moves from apartment to apartment,

pointing to the 10-foot ceilings, expansive windows and, in one, an opening that leads to a skylight easily 20 feet overhead.

His business has been hotels worldwide. A broker showed him the Kirstein listing, his first-ever investment in Rochester.

“I got in love with this building,” he said.

### **The toughest part**

With residents and workers will come retail, experts say — not the major department stores of bygone days, maybe not even a grocery store on the scale of the former Midtown Wegmans store, but smaller shops. Crate & Barrel, Target, Home Depot, even Wal-Mart has created new store models for resurgent downtowns.

The retail and nightlife issues are considered the toughest pieces of the puzzle. Just ask Christa, who opened Sagamore in 2006, quickly sold all the condos but only filled out the commercial space last summer.

At the time, Zimmer-Meyer, who has monitored downtown development since the mid-1980s, said that “for the first time, we are starting to see the retail curve turn ... we are very close.”

Sandy Parker, CEO of the Rochester Business Alliance, said downtown leaders need to change the status of Rochester at night. She said parts of the downtown, especially the Four Corners, are “desolate.”

Creating more restaurants and residences near or along Main Street could change that, she said.

And those are the things likely to attract more people, like Tortarella and his fiancée.

“We want to be part of the up and coming downtown,” Tortarella said. “The passion that people have to bring Rochester back, with the amount of people who want to do it, hopefully in no time that will happen.”

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