

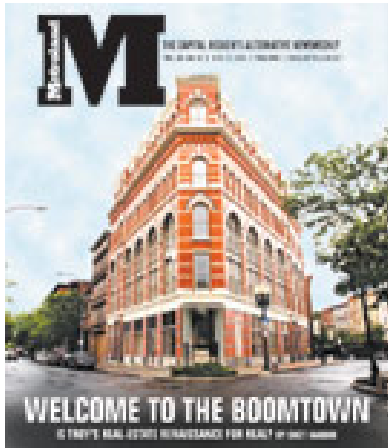
## ▶FEATURE

### Can It Happen Here?

By Chet Hardin

photos by Joe Putrock

*Ready or not, Troy welcomes an influx of developers' high-end visions of downtown*



People started noticing them last fall, popping up all around town, in restaurants and coffee shops, on light posts and bulletin boards, bathroom walls and shop windows, on bicycles and even on the backs of cars: white, oval stickers that read, in simple black lettering, “enjoy troy.” These understated adhesive suggestions caught on quickly among a certain crowd of locals who are notable for their fierce pleasure in all things Troy. But few people, even those in the know, had the lowdown on just who was making and distributing the stickers, and it became a fun guessing game for a couple of days.



Now, the stickers can be purchased around town, and what Linda Passaretti, the stickers' creator, wants to do next is put a big 'enjoy' over the stone Troy sign on the hillside of Prospect Park. “I just haven't quite figured out how to do that without getting caught,” she laughs. As for the stickers, those started out as funky party invites. “Whenever we throw parties, I make these quick, low-budget invitations. That's what they were. And everybody loved them. So then, I started making stickers at work, giving them out to my friends. And from there on, they took on a life of their own.” She even had the logo trademarked.

Passaretti digs Troy, that's easy to see. Beside creating the stickers, she works at Emma Willard School; bought a house in 2002 in downtown Troy; sits on the board of the Farmers' Market; and shares a widespread optimism about the city's future. “The community is awesome,” she says. “All these neighborhoods are coming back to life: Washington Park and the Pottery District, Little Italy. . . . There is so much going on.” One particularly blustery January night, Jim Scully, an owner of the restaurant Daisy Baker's, had gotten a hold of a handful of the stickers. It was late, or early, and everybody at the restaurant's bar seemed to be feeling the love. “Do you live in Troy?” he asked. “Do you like Troy? Do you *enjoy Troy*?” Correct responses were rewarded with stickers.

It's no wonder Scully enjoys Troy: The city has been good to him. He has lived downtown for 15 years, and six years ago, in 2000, he bought 33 Second St. for what, he says, so many other buildings were going for back then: a steal. The four-story brownstone sits across the street from the world-class Troy Savings Bank Music Hall. It has room for two restaurants—one, of course, being Daisy Baker's—and plenty of commercial space on its upper floors. U.S. Rep. Michael McNulty (D-N.Y.) rents from him. Unity House operates its headquarters out of his building. And as other restaurants come and go, Daisy Baker's is doing so well, he says, he plans on opening a beer-and-pizza place in the basement.



“Everybody thought I was crazy when I bought a building in Troy,” Scully says. “But I love it. I live right down the street. I don’t have to drive. I can walk to work. You know, for me, the quality of life in the city is far better than in the suburbs.” Nowadays, he says he wouldn’t sell the building for two million bucks.

There has been a lot of hype about a rebirth of Troy over the past few years, if you haven’t noticed, and if you ask any Troy fanatic why, they will enumerate: amazing architecture, walkable downtown, rich history, cool, small-city vibe, undeveloped waterfront, unpretentious people, and plenty of artists. Second, Third and River streets are gaining ground. Historic buildings from Washington Park throughout downtown are being purchased and saved from demolition. And now, Saratoga Springs-based developers Jeff and Deane Pfeil and Charles Jewett, and Dutch developer Ad Hereijgers are buying properties like the Mooradians building on River Street and the Trojan Hotel and the Stanley’s building on Third Street, with plans to construct dozens of high-end apartments and condominiums, and offices and retail space.

“Talk of a renaissance has been going on for years; it is easy to talk about, but we are beginning to see the investments,” says Troy Mayor Harry Tutunjian. “And that is what we want to see, people investing in the buildings, saving the buildings and breathing new life into them. New people are coming to Troy, because of RPI, because of the city’s charm; hope and prosperity are coming to Troy, and it is starting to show.”

Others don’t see it. “Not in my lifetime,” says Lila Faris, in reference to a new, high-end development in Troy. Faris recently closed the doors at the Troy Uniform Shop on Broadway, where she sold uniforms and lingerie for 36 years. She remembers the days when downtown Troy was booming. She calls the stories of a Troy renaissance “talk and smoke.”

“I have been watching for years,” she says, “hoping that there would be a resurgence. But there hasn’t been, and there probably won’t be.”

Gary Kidney, of Capital Cash on Third Street in Troy, tries to remain guardedly optimistic. He knows about the ups and downs of running a business in Troy. For seven years, he owned and operated the Mary Elizabeth boutique at the corner of Broadway and Third Street. He remembers moving to Troy for the same reason people are moving there now: the architecture, the look, the talk that Troy was on the way up. And after years of the hype, he has heard enough. “I’m not one to be a skeptic,” he says, “but I have heard too much. I saw a story from the *Record* from 1984 about how Troy’s coming back—22 years ago. You have to be optimistic, but you also have to take some realism with it.”

He doesn’t want to come across as a cynic, he says, but he thinks false hope is exactly what Troy doesn’t need. He held onto his store a couple years longer than he should have, he says, because of the hype surrounding Troy. And the new round of development seems extremely unrealistic to him. “It is hard to fathom \$3,000-a-month apartments in Troy,” he says, “knowing that our store couldn’t maintain here.”

You read that right. The developers moving into Troy aren’t talking about building low- or, for the most part, even middle-income apartments and condos. These developers’ vision of Troy is high-end all the way. “Our problem with Mary Elizabeth,” Kidney says, “was that it looked too nice. People in Troy wouldn’t come in. They wouldn’t give us a chance because they felt we were too upscale. It’s hard to hear about these apartments and wonder, ‘What do they know

that we don't? ”

People moving to downtown is exactly the shot in the arm Troy needs, says Lee Cohen of the Daily Grind on Third Street. As it is now, when a new business opens, it just takes the customers from another business. “Ryan’s Wake might be doing great right now, but at the expense of who?” he asks. According to Cohen, there just aren’t enough customers to go around.

Cohen, a native of Troy, says he has an emotional attachment to the city. He is excited about the talk about new development, but he isn’t holding his breath. He has heard all the hype of an up-and-coming Troy before. “Who do you know that bought a building in downtown Albany?” he asks. “Nobody. You know why? Because it happens there all the time. But in Troy, it’s like, ‘Oh my God, there are actually people who see what we see.’ ”

Cohen describes Troy as a diamond in the rough, with an emphasis on the rough: The taxes are high, the foot traffic is low. He hopes that the new developments are successful in bringing people into downtown. “All you have to do is increase my customers by a dozen,” Cohen says. “I’m not talking about much, an extra hundred bucks a day, to make a real impact on my business. If I had opened my Troy store in Albany, we’d be slammin’. Right now, we are getting by. It needs to be turned around where you don’t draw people to Troy, but they already live here.”

It is not hard to see it unfolding, Cohen adds. It is just hard to unfold it.

Cohen and Kidney agree that the hype is not totally unfounded. Troy has seen a recent surge of people living in the city. And the key elements in terms of real dollars are simple economics: The city’s modest cost of living coupled with the past few years of the historically low interest rates have attracted do-it-yourself types, who figured, ‘Why rent when you can buy,’ and investors bent making their fortunes on the real-estate bubble. For these groups, cities like Troy, with obvious potential and decades of depreciation, are very appealing.

In 2003, real-estate speculator (and former film producer) Sandy Horowitz swooped into town, buying up prime properties—the Cannon Building, the Hendrick Hudson hotel—in downtown. Many lauded him as the savior of Troy. He became a media darling for a day, unintentionally highlighting the much larger grassroots movement: Troy was getting bought up. (The media have since turned on Horowitz and so has the city. The city shut off his water when his bill went unpaid. In a Feb. 28 editorial, the *Times Union*’s William M. Dowd gave Horowitz a hefty thumping, pointing to his allegedly delinquent business dealings and skyrocketing tax debt, which at last count, according to the mayor’s office, totals \$249,000.)

In October 2003, John Hedley, a car dealer and real-estate developer, predicted that all the buildings in downtown would soon be gobbled up by developers: “In the next 18 months, there won’t be a building in Troy.” He wasn’t exactly right, but he wasn’t exactly wrong. His prediction was just a little ambitious. There are still buildings left for sale 34 months later in downtown Troy, but all the *steals* are gone. Ridiculously cheap property in Troy, says David Heer of Heer Realty, has gotten harder to find.

“It’s simple supply and demand,” he says. “There has been such an influx of people that want to move back into a city, who don’t want to live in the suburbs, and Troy is a good option. The city is cleaner, it is a lot safer than it used to be; six years ago, downtown wasn’t as stable as it is now.”

Also, investors don’t always care about location. More than half of his customers are from out of



town, some from even out of state. They want to buy 20, 30, 40 units, and they want to buy them in the same city, so they can hire a property manager to maintain them, he says. "It's a business for them. It's how they make their money." And a city like Troy has large amounts of cheap properties—or at least, he says, it did.

For young couples like Marc Coudert and Melissa Barry, both in their early 30s, Troy is ideal. Coudert is an intern architect at Saratoga Associates and Barry is the community planner at Behan Planning Associates. Both wanted to invest in a home, but neither wanted to live in the suburbs.

"We were living in San Francisco, and we liked the urban setting," says Coudert. "The ability to walk anywhere, the ability to interact with people, having a coffee shop a block away. And we couldn't afford San Francisco; what we wanted was a smaller, urban place that is more affordable. And Melissa grew up here and we realized that this is what we really wanted."

What they wanted, too, was a place that wasn't done. And that is what they found, a 200-year-old brownstone on Third Street. "We wanted to live in a place where we thought we could have an impact," Barry says. "We didn't want a building that was completely done. We wanted to do it ourselves, to live somewhere we could make a difference."

"It's better to buy an old building and fix it up than build a new building," Coudert adds. "In so many ways, we have become a wasteful society. We build, we live, we tear it down and we build something new. It's better for the environment to find adaptive uses for older buildings. Now we build buildings that have a shelf life of 20 years. These homeowners show up, they take a picture of themselves in front of a big, new house, say 'Hey mom, I got a big house,' and then they leave. There is no investment in the community, in your neighbors or neighborhoods."

The couple spend most of their free time, they say, working on their building or at Home Depot. They are restoring the apartments on the top three floors and the commercial space on the first. The first floor space is 900 square feet, with large windows. They say the space has the potential to become a lot of things and are open to ideas. They are taking a break from their work, sitting and chatting about moving to Troy inside the empty space of their first floor when a middle-aged man, drinking a beer out of a paper bag, steps, uninvited, through the half-open door. It is 5:30 on a Saturday afternoon.

"What's this, a market?" the man asks, referring to their first floor.

"Naw," Coudert responds. "It's a commercial space."

"Fixing it up?"

"Trying to."

"Yeah. You look real busy," he says, even though they don't. Everyone laughs.

"As long as we look busy, that's all that matters."

The man mutters good-bye and heads back out onto the street.

"See?" Coudert says proudly, "That would never happen in the suburbs, a complete stranger wandering into your house."

Yes, but isn't that why people move to the suburbs? To feel safe?

"I think safety is a question of perception," Coudert says.

"When we first moved here, I was a little bit, you know, always looking over my shoulder, didn't want to leave at night without Marc," Barry says. "You know how you kind of get used to something when you've been around it long enough and you get comfortable in it? That's how I've gotten now. I know what reputation Troy has, and when my friends come and visit me here they kind of have that look of fear in their eyes. I don't get scared anymore."

"Once a place starts to fly, it's contagious," says John Hedley, though he agrees that predictions of Troy's resurgence are a cliché. "You know how many times I have seen this here-we-go-again' routine?" he asks. "I've been here 46 years." But this time he thinks it's different. You can see it, he says, in the real estate.

"Three or four years ago, you could buy any building in town," he says. "There were bargains galore. But now, there really isn't anything for sale downtown. I know that's hard to believe. There are more developers in Troy now than we've ever had. I haven't seen it this good in decades."

Of course, his optimism might have something to do with his own successes. His Market Block, a group of buildings at the River and Third streets' entrance to downtown, is in the process of being restored, and is slowly but surely attracting new clients. Market Block Books, an enterprise of Susan Novotny, owner of the Book House of Stuyvesant Plaza, is a successful anchor, Hedley says, and has helped reinvigorate that block.

He is also working with the Troy Housing Authority, Rensselaer Polytechnic Institute, the city of Troy and Rensselaer County on the \$160 million, 14-acre development of the corridor below Eighth Street between Ferry and Congress. Construction is slated to begin there, he says, at the end of the year. Plus, he is sealing the deal this week to sell two of his most notable holdings in Troy, former factories turned offices, Flanigan Square and Hedley Park Place, to large developers.

"I'm a shoe clerk compared to these guys," he says. "They have got deep pockets."

The Troy rebound is real this time, Hedley says, because it isn't just one or two investors riding into town. It isn't just him slugging it out. There are many people with a lot of money and good reputations who are willing to bank on Troy's future: People like Ad Hereijgers, principal with New Amsterdam Development Corp., and his partner Pietro Costa, with Costa Properties Group, who purchased the Mooradians building with plans to revamp the 120-year-old building as high-end apartments and retail space. People like Larry Schepici, the former executive chef at Sargo's, the restaurant at the Saratoga National Golf Club, who recently bought the Illium Café (at the corner of Broadway and Second Street, in the Cannon Building) from Horowitz.

Schepici is planning to reopen the restaurant on the first floor of the Hendrick Hudson Hotel on Broadway as an upscale eatery, calling it Tosca Grille. He is polishing the brass and wrapping the walls in African mahogany, cleaning the terrazzo floors of the large ballroom and is installing a grand fish tank. He plans on offering upscale food and upscale service, he says, with a piano player and jazz bands, and Sunday brunches. State Sen. Joseph Bruno, one of

Troy's biggest cheerleaders, has been asking him to open a restaurant in Troy for years, he says, and now is the right time. "This is going to be *the* restaurant of the Capital Region, and a wake-up for Troy."

Charles Jewett made his reputation in Saratoga Springs, doing restoration work on buildings such as the Algonquin, the Adirondack Trust Company building, and Saratoga Arms. Together with his daughter and son-in-law, Jewett bought the Brown Building across the street from the Hendrick Hudson at 207 Broadway. "When I first went in, there was six inches of pigeon guano on the floors," he says. The building had to be completely gutted. "I like working on buildings that are on life support," he says. He also purchased the Trojan Hotel on Third Street and has ultra-high-end visions for both. The Brown Building will have retail space and 18 to 21 apartments. The Trojan Hotel will either be a classy hotel—doorman, valet parking—or \$3,000-a-month apartments.

"I think there is a lot of that high-end clientele in downtown Troy just waiting for something like this," Jewett says.

Deane and Jeff Pfeil agree. They recently purchased and have started reconstruction on the Stanley's Building at 65 Third St. The five-story, 100-year-old building, Jeff Pfeil says, will play a vital role in the reconstruction of downtown. They are planning to fill the building's top four floors with 19 high-end apartments, including a 3,000-square-foot penthouse, with parking in the basement and commercial space on the first floor.

The Pfeils, who played key roles in the revitalization of downtown Saratoga Springs and Stuyvesant Plaza, think that investing in Troy is the next sure thing. "We have been watching Troy since 1988," says Deane Pfeil, a Troy native. "We have done a really careful study to be certain that we will make money. We don't do this out of the goodness of our hearts. And we do not take risks lightly. We studied a lot. We did our pricing very, very carefully. We never operate on the 'Build it and they will come' principle. We already have a list of people that want to be in Stanley's. And we haven't even started advertising. This is just through word of mouth, through the grapevine. This is going to be successful."

She has good reason to believe that, she says. Their first project in Troy, the Powers Park Lofts, high-end condominiums in North Troy, have sold 16 of the 18 available units, which started at \$161,500, topping out for the penthouse at \$282,000. "Much to our surprise," she says, "we sold from the top down. The most expensive lofts went first. I would never have predicted it."

When all the talk and smoke clears, one thing is certain: Stores and restaurants will open and some will close their doors, but some people, like Dana Rudolph, will always seem to have a knack for being at the right place at the right time. She opened a store on Lark Street back in 1977 and remembers the street when it was "26 antiques stores, some bars," she says, "a bakery, and me."

In 2003, she opened her shop on River Street, after visiting the young antiques district. "The street charmed me," she says. "I thought it was magical. It was beautiful. It was really clean. The layout of the brick in the street, the curve of the road, the curve of the buildings." Her experiences so far on River Street parallels her time on Lark Street, she says. Both are grassroots movements, and both are merchant-driven.

She is not surprised by the development of downtown Troy. People come from all over the area, she says, to shop on River Street. Many of those people are like her and fall in love with the quaint downtown. They want to know where to buy.

“There has been this influx of people in downtown,” she says. “All the people that I knew in Albany, the creative people I knew, a lot of them seem to be showing up in Troy. And it’s not like we got together and talked about it. It just seems to happen. And there is an excitement and a creative energy here that I have never felt anywhere. I think it is happening here. There are just so many people here that just want to do what they want to do and be able to grow. And I never, ever, in my wildest dreams thought this would be happening in Troy, New York.”

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