

<http://www.saratogian.com/articles/2011/08/20/news/doc4e505a7ddb93451442399.txt?viewmode=fullstory>

The rise and stall: National economy influencing booms and busts in Saratoga County development

Published: Saturday, August 20, 2011

SARATOGA SPRINGS — All kinds of economic development is on Saratoga County's horizon, from GlobalFoundries to major Saratoga Race Course improvements fueled by Aqueduct Race Track's new casino that's scheduled to open this fall.

However, several highly touted Spa City projects have never gotten out of the starting gate, such as the proposed Lexington Club at Marion and Excelsior avenues, Pavilion Grand on Lake Avenue next to The Parting Glass, and 2 West Avenue.

Recent stock market instability and global volatility have raised concerns about the area's continued ability to weather fierce economic storms.

"Much of the nation is feeling the squeeze," said Stewart's Shops Chairman William Dake, whose company makes more than \$1 billion in sales annually. "Will we feel it? Yes. Will we feel it as much as most places? No. We're just extremely fortunate to be in the right place at this difficult time."

Prominent Saratoga Springs builder Sonny Bonacio said, "This (recession) has been catastrophic for other parts of the state. Compared to other areas, we've fared tremendously well. But it's been awful tough. You've got to work awful hard to keep things moving forward. You've got to adapt."

One of his projects, Market Center, is currently taking shape at Railroad Place. The six-story structure will have 124 apartments and a new Price Chopper store on the ground floor.

He's also doing 60 Weibel Avenue, a major development that will have 178 residential units and commercial space.

But some lots already approved for construction are still vacant, and several businesses that have closed have yet to be replaced, such as Borders on Broadway and the former Weathervane and Joe Collins restaurants on Route 9.

As positive growth from GlobalFoundries moves north, it's hoped that the Route 9 corridor south of Saratoga Springs will get a new look, Spa City Mayor Scott Johnson said.

Developer Andre Schmid gained approval for the Lexington Club, on Marion Avenue, in 2005. Plans called for a hotel, restaurant and condominiums. In a rare situation for Saratoga Springs, construction began but came to a halt in October 2007 because of apparent financing problems, city Planner Kate Maynard said.

The site, just off the Route 50 arterial, is surrounded by a chain link fence covered with dark green fabric. The fence has toppled and been put back up twice in recent weeks.

“Certainly we aren’t happy about it, but unless there’s a public safety issue, there’s little we can do at this point,” Mayor Johnson said. “We’re in constant contact with the owner.”

“We do have leverage with a letter of credit to make sure it’s not abandoned,” Maynard said.

Schmid declined comment.

Pavilion Place, a high-end condominium project with first-floor commercial space, was targeted for the parking lot adjacent to The Parting Glass on Lake Avenue.

“I think what’s happened there is more tied to the economy than financing issues,” Johnson said.

The project is fully approved and developer Dean Devito obtained a second 18-month extension in December. Instead of condos, however, the site might be marketed to different clientele — new company executives moving to the area who need a place to live while looking for a house, Maynard said.

Yet another mixed-use proposal, 2 West Avenue, was approved in 2005 and granted an extension in 2007, but developers never fulfilled the requirements for a building permit needed for construction to begin, Maynard said.

On Excelsior Avenue, the Spa Hotel Banquet Facility near the Courtyard Marriott Hotel is slowly taking shape.

“We have every assurance that it’s moving forward,” Maynard said. “Materials are on-site. Some technical and financial issues just need to be ironed out.”

Communities up and down the Northway corridor from Clifton Park to Queensbury have positioned themselves for Tech Valley’s anticipated growth, hoping to lure firms large and small and the jobs they’ll create.

Many people don’t understand the extent of America’s economic problems and the difficult steps needed to solve them, Dake said.

“The federal government borrows 40 percent of all the money it spends,” he said. “That doesn’t seem to shock people. It scares the hell out of me. This has been going on and getting worse. It’s crazy! We’ve grown accustomed to a 5 to 6 percent natural growth the past 20 years. But about 2 percent of that was borrowed money. All of a sudden that’s going away. In addition, now we’re in a position of having to pay some back. While we have prospered through this period, we — the U.S. — and Europe have borrowed

ourselves silly. We are now stuck with a flat economy.

“So every little bump knocks you on your tail,” Dake said.

Johnson said he’s encouraged by the diversity of development taking place in Saratoga Springs. Recent success stories include new Saratoga Eagle and Leonard bus facilities at the W.J. Grande Industrial Park, the new downtown Hampton Inn & Suites, expansions at Logistics One and Unlimited Growth and Saratoga Hospital’s continued growth.

Looking ahead, developer Alec Stephens of SAS Builders has proposed townhouses and commercial space at the former Ellsworth Ice Cream Co. site on Division Street. Similarly, Skidmore and Empire State colleges have added new buildings, and New York Racing Association is contemplating more than \$100 million worth of racecourse capital improvements starting after the 2012 meet.

While some projects have stalled in Saratoga Springs, Bonacio said it’s not a true barometer of the area’s economic vitality.

Dake compared the situation to the “last man standing” after a knock-down, drag-out fight. Saratoga Springs has taken a few lumps, but that’s to be expected in any difficult ordeal.

“If you are still doing fairly well when everyone else is tanking, all of a sudden you look pretty good,” Dake said.