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City eyes next step to revive High Falls

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Having sat mostly empty the past 20 months, High Falls Centers soon could be back in business — with a new restaurant, events center and enough revenue to reduce, if not eliminate, the need for a taxpayer subsidy.

The city-owned property, home to The Triphammer Grill, is central to revitalization of High Falls, which is well under way in its transition from an entertainment district to an "urban village" where people live and work. But what to do with High Falls Centers "has been a very costly piece of the puzzle," said Carlos Carballada, economic development commissioner for the city.

Since the early 1990s, subsidy of the property has steadily fallen from nearly \$1 million to the \$300,000 in annual operating expenses the city assumed last year after breaking with Baltimore-based property manager Cordish Co.

In a presentation to City Council last week, city officials estimated that financial support could drop to \$70,000 in another year if the latest plans are successful.

Rochester real estate broker Stuart Baker is a key to that plan.

He has proposed taking over management, leasing the former McFadden's space to a new but yet-unnamed restaurant and bringing in Max's at Eastman Place to operate the former Tiki Bob's Cantina as an events center for corporate parties, weddings and receptions.

Baker would rent out remaining space for small office use.

"This is a process," he said. "This is not going to be an overnight cure."

The remaining cost to the city would be for county taxes, special services and a separate contract for operation of the High Falls interpretive center museum. Terms of a state grant used to rehabilitate the building require that the museum remain in operation at least another seven years.

Susan Welk Lindsay of the city's Economic Development Department said the city would likely also need to spend about \$25,000 to prepare the property — removing Tiki Bob's decor, for example, and repainting.

If everything goes as planned, City Council could be asked to vote on a management contract next month, to take effect in late October or early November. The contract would run three years, with either the city or Baker able to opt out without penalty.

"This is really an attempt to help that area, to utilize that facility, to give us a couple of years to find out just how valuable that property is," Carballada said.

Baker said he might be interested in owning the property one day. If the city does nothing, officials said, operational costs would continue to be a drain on city finances. Under Cordish, taxpayer subsidy stood at \$433,000 a year. Utilities remain a significant concern, making up 20 to 30 percent of the budget with only one meter for the entire building.

For Jennifer Powers, owner of The Triphammer, the possibility of new neighbors is welcome news.

"I'm looking forward to people being in the building," she said. "I think there is going to be a lot of opportunity here in the next couple of years, especially with all the housing."

Powers recently rented a loft in the newly renovated Perry Building. The Mills at High Falls, an \$18 million development along State Street, should open in spring 2009, offering 67 one- and two-bedroom apartments.

Elsewhere, officials handling the former Jillian's property expect to announce soon a new office tenant to fill the entire space.

"It's going to be quite a nice little community," Powers said.

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What's next

City Council members could authorize hiring S.E. Baker & Co. to manage High Falls Centers at their next meeting, set for Oct. 14.