

THE NEW GENERATION OF Downtown Developers

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Urban development has attracted a new breed of developers to downtown Syracuse. Steve Case and Matthew Paulus represent this new generation. Here is a look at both men and their developments.

Steve Case

Steve Case grew up in Baldwinsville, graduated from Bucknell University in 2007 with a major in economics, and returned to Syracuse just in time to experience a national, financial meltdown.

"I worked with my father who taught me at an early age a great deal about how to run a business and manage employees," he says. "It was a great learning experience." In 2009, Case matriculated at the Martin J. Whitman School of Management at Syracuse University, earning his MBA in 2011.

One of his instructors was Bob Doucette, the doyen of developing downtown real estate. Case interned with Doucette at Paramount Realty Corp. and went to work there after graduation as the leasing director selling commercial real estate and leasing condos. In 2015, Case left Paramount and launched Acropolis Development, LLC. Acropolis Development, which focuses on commercial development, is today complemented with Acropolis Property Management, LLC, which handles commercial properties, and Acropolis Realty Group, LLC, which sells residential property. The corporations employ eight people full time and support 16 independent agents.

Some of Case's projects include the Isabella Lofts at 1109 N. Townsend St., formerly the home of the Assumption School. Partnering with Troy Evans, another member of the new breed of urban developers, Case converted the property to 29, one- and two-bedroom apartments. The two developers priced the units in the \$900 to \$1,200 range, quickly attracting young professionals. Isabella Lofts is an example of the "ring-development" adjacent to the city's core.

Case is also a partner in the redevelopment of the former, downtown, Addis Co. department store, which remained empty for nearly a quarter century. The \$5.6 million project includes retail space on the first floor, offices on the second floor, and 18

apartments on the top three floors, a total of 37,500 square feet. The project is part of a total redevelopment of the 400-block of South Salina Street, which includes the Empire Building, the Marriott Syracuse Downtown, and Sibley's.

Case is also a partner with Ryan Benz, the director of property management at Acropolis, and Dr. Shashank Bhatt to develop the Whitney Lofts at 321-323 S. Salina St. The \$4.2 million project turns the building, which is listed on the *National Register of Historic Places*, into a mixed-use structure with a speakeasy in the basement, a restaurant on the first floor, and on the upper four floors, 16 apartments of which four are two-bedroom and the remainder one-bedroom. The apartments range from 900 to 1,400 square feet.

"Our [commercial] focus is 95 percent on downtown development," says Case. Still, the company doesn't miss an opportunity even if it's outside the urban center. Acropolis Property Management is currently working with Lionheart Capital, a Miami-based, global, real-estate developer which owns the former Macy's store at Great Northern Mall in Clay. Acropolis is responsible for the leasing and management of the 88,000-square-foot, free-standing store. The plan is to develop the rebranded "The Shoppes at Great Northern" into restaurants and an entertainment component, along with high-end retail space. On the residential side, Case is a partner with his mentor in Xavier Woods, a residential development of 33 custom homes located within the city limits and one mile from Syracuse University. To date the partners have sold seven residences.

At age 33, Case is on the fast track and fueled by optimism. Six months ago, he moved his companies into space at 247 W. Fayette St. in downtown Syracuse. Acropolis has already outgrown the space and is looking for a new location. While all facets of the business are growing, the residential real-estate side is growing most rapidly. "There is a buzz downtown," notes Case. "The demand for residential space opens opportunities for continued development, and the banks are ready to finance these projects, especially if you have a [successful] track record. We've assembled a talented group of employees and independent agents at Acropolis supported by a team of architects and contractors ... My goal is to model my career after Bob Doucette who developed a vision of what downtown could be. I want to continue that dream, and if I make money in the process,



STEVE CASE
FOUNDER/PARTNER
Acropolis Realty Group



PHOTO COURTESY OF MATTHEW PAULUS

MATTHEW PAULUS
FOUNDER
Paulus Development

that's not too bad either."

Matthew Paulus

Paulus, one of seven children, grew up in Syracuse, attended Christian Brothers Academy, and went on to enter Georgetown University. He graduated in 2004 with a bachelor's degree in business administration and a major in finance before returning to Syracuse. That summer, the new graduate joined the Pyramid Companies and began

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a 12-year stint in leasing and development with the mall developer. Paulus, who married in 2013 and is now the father of three, left Pyramid in October 2015 to partner with his father-in-law, Larry Losty, who owned a building facing Leavenworth Park in downtown Syracuse that was the former site of R.E. Dietz Lantern Co. The 225,000-square-foot structure had served as the company's manufacturing facility until it was closed in 1992.

"For me, the timing was right," Paulus notes. "I watched the successful development of downtown projects such as the Pike Block, Icon Tower, and the work on the Inner Harbor. The continuing demand for more residential units showed no signs of slowing down. Businesses continued to move their headquarters downtown, which was another sign of [urban] vitality. And the area's amenities downtown continued to grow and attract more people. The timing was also right for financing the redevelopment of the Dietz factory, which was situated in a quiet neighborhood with an adjacent park. My confidence in moving ahead with the project was confirmed after I had talked to every developer in town, contractors, CenterState CEO, and the city's development office."

Construction of "The Dietz" began in October 2016 and the new complex opened on Aug. 1, 2017. "From the beginning, the concept was to create a mixed-use property," continues Paulus. "The vision was to be a catalyst for the neighborhood. The plan included converting the four-story building from its current use as a furniture company/storage facility into 50,000 square feet of commercial space on the first floor and 92 loft apartments on the upper three floors. The apartments are comprised of 71 one-bedroom and 21 multi-bedroom units. Rentals range from \$1,300 to \$2,800 per month. The



PHOTO: WWW.DIETZLOFTS.COM

A Dietz Loft Apartment in downtown Syracuse.

building also offers 115 parking spots in the basement, as well as outdoor parking for another 98 on site."

The \$30 million project was funded in part with a construction loan of \$20 million, historic tax credits worth \$6.5 million, and grants from the Empire State Development Corp. (\$900,000) and Onondaga County (\$500,000). Paulus has rented 91 of the 92 apartments and 95 percent of the available commercial space. The Preservation League of New York State has given the Dietz project its Excellence in Historic Preservation award.

Paulus didn't stop to take a victory lap after his successful redevelopment of the Dietz factory. He bought the former Anso Camera factory located on the border of Binghamton and Johnson City. "I'm bullish on this market which has built an educational/medical community similar to Syracuse. The 170,000-square-foot building is located in an historic-preservation district near UHS Hospital, the area's largest employer. The plan is to create 100 loft apartments and 35,000 square feet of commercial space. Work began this past June, and we expect to complete the conversion and open within a

year." At \$30 million, the project is similar in size to the Dietz conversion.

Paulus set up Paulus Development to develop and manage his projects. He created Bradford & Euclid, LLC to construct the Dietz project and Freewheelin Anso, LLC for the Anso project. Hueber-Breuer Construction is a partner with Paulus in both projects. Paulus Development maintains its office in the Dietz building. It had a staff of four as of early August and was expected to add two more employees by Labor Day.

The new breed of Syracuse developers has real-estate development in their DNA. They also share a love of city life. Urban development is more than a job; it's a passion. They share a vision of making downtown more livable and vibrant. Each sees himself as a catalyst for change. The complexity and cost of downtown development doesn't deter them from forging ahead. Like the early urban pioneers, they want to connect with the community.

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