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Banking on the allure of flair

Home Savings Bank building gets a makeover to provide "downtown experience"

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ALBANY — Old Man Potter would be appalled.

One of Albany's grandest bank lobbies, a place first designed for the stern business of financial transaction, is being redesigned into a premier party palace, with booming basslines supplanting hushed talk of certificates of deposit or business loans.

Of course, it has been decades since anyone used the massive and soaring lobby of the former Home Savings Bank skyscraper for banking, keeping its marble floors, ornate fixtures and grand marble columns almost entirely obscured from public view.

That should change as Colonie-based Classé Catering takes over the space. The business, owned by 34-year-old Brian Palozzolo, is renaming the space the 11 North Pearl Event Centre, a moniker that reflects the building's address.

Starting later this month, the bank's vault will become a trendy "velvet lounge." Doormen and valet parking attendants will work its entryway on event nights. Other portions of the building will become a bridal suite and powder room, and an executive dining room — as events like weddings and cocktail parties take the place of bank lines and teller booths.

"We're trying to bring the flair from the big city up here," said Palozzolo, whose business has never previously offered its own space for events. "We're finding a definite need for event space in downtown Albany. Everybody's looking to have that downtown experience."

The move by Classé Catering, and its \$75,000 investment for lobby upgrades and furniture, is a big victory for the building's landlord — and a much-needed one.

Two years ago, The Heights Real Estate Co. bought the building for \$8.25 million. Last year, Heights closed on 100 State St., a \$3.5 million purchase that gave it ownership of a second historic high-rise in Albany.

Progress on both buildings has been slow: The Home Savings building is still more than 65 percent vacant, its owner says, despite more than \$100,000 in upgrades and a marketing campaign that included television advertising.

The State Street building, which is about two-thirds occupied, is more successful, though its vacancy rate is rising. And the tower's crown remains covered in netting to prevent pieces of the structure from crashing to the ground.

Heights co-owner Tony Huang said an exterior renovation that would remove the netting could begin later this year. He conceded the poor economy is hindering the company's efforts to remake its Albany properties.

He said the building at 100 State has been affected by cost-conscious tenants leaving for cheaper rents or smaller spaces.

"I'm seeing a lot of that lately and it's not encouraging," Huang said.

The Heights properties aren't alone in such struggles: A recent report from CB Richard Ellis/Albany said the vacancy rate for older office structures — or Class C space — is now 27.5 percent in downtown Albany.

"The Albany market is pretty tough," Huang said.

The 11 N. Pearl space won't be the first former bank lobby in the region used for weddings, banquets and parties. Franklin Plaza Ballroom on Fourth Street in Troy makes similar use of an old Marine Midland Bank branch.

The Classé Catering space, though, may benefit from existing nightlife on North Pearl. It may also benefit from a \$50,000 marketing and advertising campaign, including television commercials, that Palozzolo is launching to promote that his business now has a venue of its own.

An invitation-only opening party is scheduled for April 30.

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