



## What happened to the HSBC building?

Ruin of downtown building a mystery, its owner says

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**Observer-Dispatch**

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UTICA — In late 2008, Ronald Prince was scouring Upstate New York for a place to stage a Victorian-style fair.

The accountant, who lives and works in Orange County, Calif., couldn't do it in Southern California for several reasons. Re-enactments of a Christmas scene from a Charles Dickens novel, for instance, required an air of authenticity that only comes with snow.

At that time, Prince said he remembers driving past the city's Rutger Street mansions, thinking Utica was "a beautiful old town" and wondering about its potential for rebirth.

And so, after several visits and a drastic reduction in the original asking price, Prince decided to make the former HSBC Bank building at 520 Seneca St. his first foray into professional development.

Two years later, the plot in regards to one of downtown's most recognizable buildings has thickened. Prince has fallen behind on taxes and is looking to sell the structure, while the city's proposal to raze it to make way for a parking lot has met significant opposition.

Meanwhile, once usable office space has been left in considerable disrepair. So much water has gathered on the roof that it almost could replace the soon-to-be-closed Mohawk Valley YWCA pool.

The beginning and the end are clear – it's what happened in the middle that gets murky.

Prince bought the marble-faced building in 2009 from U.S. Bank for \$250,000 – unusually, by developer standards, putting it in his own name – and thinking it had a number of possibilities. Restaurants, a performing arts venue and lofts came to mind.

But the ultimate vision was a headquarters for a fair that could evoke 19th century urbanity. Where better than Utica? he thought.

"He seemed a little eccentric," said Robert Sullivan, who at the time was the city's Urban and Economic Development commissioner. "Anybody who talks about establishing a Victorian fair in Upstate New York ... I was like, 'OK, well, he's got different ideas.'"

The building, with three floors and 60,444 square feet, once housed the Marine Midland Bank, and its later incarnation, HSBC.

Prince initially turned down a city offer of loans tied to job creation, and then little was heard from or about him until rumblings of concern began about the building about a year later.

Prince said he let several people live in the building – they were later forced to move by the city – and entered into talks with prospective tenants.

One negotiation, with a potential arcade game proprietor, broke down, but not before one of the tenants had let the proprietor move his equipment into the building. And once he moved it in, Prince said, he wouldn't move it out.

Prince said he commenced and was nearly finished with the eviction process when a pipe burst in the building. Briefly, Prince thought all was lost.

But "the initial damage was not nearly as bad as initially reported," he said.

In late 2010, Prince hired a contractor. Six months after that, he got a call from the city Codes Department.

The current debate over the building wouldn't exist if it wasn't ransacked. Prince said the damage happened last winter

Recently usable office space has been replaced by utter destruction of the interior, including downed ceiling tiles, the removal of lattice work, copper piping and electrical boxes, with holes punched through the walls and mold throughout the building. A pool of standing water has settled on the roof.

Following a recent tour of the building with city officials, engineers and reporters, the city Codes Department issued a Notice and Order, kick-starting a process that also could lead to demolition if steps are not taken to repair issues with the roof, sidewalks and "general deterioration."

So how did it happen? Prince will only say that when he hired a contractor to perform work on the building in late 2010, it was in good shape. He said he's not sure who caused its deterioration.

One of Prince's associates, who opened the building for the recent tour but would not give his name, said Rosedale-based Safflyn Corp. was hired to replace the building's aging HVAC system.

That same company purchased Gelston Castle Estate in the Mohawk area for \$1.3 million in 2007. Gelston Castle itself came into question in 2010 after it was discovered that the Center for Green Leadership there hadn't properly filed with the state as a nonprofit – leading U.S. Rep. Michael Arcuri, D-Utica, to withdraw a \$400,000 earmark request for the organization.

Safflyn Corp. issued a statement contradicting what Prince said – saying the company was contacted in July 2010 for “an assessment and proposal to green the building.”

The building already was “suffering in a condition of serious deterioration” at that time, and the project would have required a lot of money and financial risk, Safflyn officials said.

“While discussions with the owner were positive, this matter did not comfort the owner to move with any urgency,” according to the statement. “Our involvement became limited at that point.”

The company said Chief Executive Officer Jason Safford was not available for comment.

The O-D has filed a Freedom of Information Law request for all codes records related to the building since it was purchased by Prince.

Prince heard little about his building until spring – when the call came from the city Codes Department about standing water that had been observed on the roof. He said he heard after the tour about the inside.

“I was astounded at the damage that has been caused in the building,” he said.

Prince, who is seeking a police investigation, refused to speculate on what happened. He has mostly overseen the building through people he knows who live in the Rome area.

“Had I been there, none of this would have happened,” he said.

One of Prince's associates filed a police report May 3, and Police Sgt. Steve Hauck said the department is investigating possible criminal actions there.

Prince said his goal now is to recoup the funds spent on the building – roughly \$350,000, considering utilities and property taxes – and to find somewhere else to pursue the Victorian fair. If the city formally extends an offer for that amount, he said he would accept it. He is considering the Erie Canal Village in Rome – assessed, ironically, at exactly \$250,000.

On the initial wisdom of purchasing the building, he said \$250,000 is about the cost of a one-bedroom condominium in Los Angeles.

“It seemed to me, to have a building at such a bargain price could be useful and have a number of different things going on at the same time,” he said.

For now, Prince will continue to seek a criminal investigation of what happened there. He wouldn't discuss the possibility of a future civil lawsuit.

“I would like to get some help from the police,” he said. “This is not a small matter; right in the middle of Utica.”

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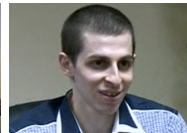
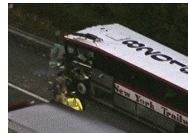
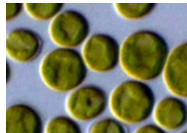


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