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Old downtown Roanoke hotel's new lease on life

The former Patrick Henry Hotel is abuzz with activity less than a year after Roanoke developer Ed Walker bought the historic property to be renovated for apartments and commercial spaces.

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Renovation projects often start at the top and work down.

While contractors lay hardwood on the 10th floor of the former Patrick Henry Hotel in downtown Roanoke, where hotel suites are being transformed into apartments, others hang drywall on the ninth floor.

Electricians are working on the fifth and sixth floors, and plumbers toil away on the fourth and fifth floors.

Meanwhile, chandeliers hanging in the first-floor lobby remain covered in plastic, and aged white draperies still hover atop long windows inside the hotel's ballroom, the space of countless formal events.

The former hotel is abuzz with activity almost a year after developer Ed Walker bought the historic, dilapidated property on South Jefferson Street, with a plan to remake the site for apartments and commercial spaces.

Preleasing begins Wednesday for the project's 133 apartments, mostly housed on the third through 10th floors. Move-in for residents is planned for Sept. 15, 2011.

Also, a restaurateur and an office tenant, Foundation for Roanoke Valley, have signed leases to open for business at the Patrick Henry. Walker did not disclose the restaurant's name.

The foundation, which creates and administers funds for community philanthropic support, will move its office at 27 Church Ave., in downtown Roanoke to 3,600 square feet on the Patrick Henry's second floor by late 2011 or early 2012, said executive director Alan Ronk.

Walker has converted several large buildings in the city's downtown into urban living space, and he wants this new \$20 million renovation project to attract many residents and quality businesses. He'd also like to land a coffee shop on the building's first level, and a professional services or financial firm in the mezzanine's former Jefferson ballroom, fronting Jefferson Street.

The restaurant, housed in the former Hunter's Grille space, also will have a bar in the Patrick Henry's front lobby where plywood now covers the hotel's original marble floors for protection.

"We want to recapture the Patrick Henry Hotel when it was at its zenith but make it something that's relevant now," Walker said.

In October 2009, he purchased the run-down, 85-year-old hotel for \$1.3 million from Potomac Realty Capital, a Boston company that bought the Patrick Henry at a public auction. The hotel's former owners, Affirmative Equities Co. of New York, filed for bankruptcy.

It was Walker's desire that the Patrick Henry's fate fall into the hands of a Roanoke investor, rather than an out-of-town entity.

"The theme from Day One was to take a community weakness and convert it to a community strength," he said.

The hotel has a defining place in Roanoke's history. An example of Colonial revival architecture, the site was added to the National Register of Historic Places in 1991. The Patrick Henry hosted wedding receptions, parties, civic group meetings and other special events throughout its life span.

The hotel site's renewal also is central to the mission of city officials to revive commercial and retail activity on South Jefferson Street, once a primary shopping district. Some buildings on Jefferson have been renovated or built in the past several years, including a new Social Security Administration regional office across from the Patrick Henry, the renovation of Davidsons Clothing for Men and the relocation of Milan Tobacconists to a new space more than a block away from the hotel.

Also, the Boxley Building at 416 S. Jefferson St. is slated for residential space, while farther north on Jefferson, a new Bread Craft bakery opened last year.

Continuous and budding demand for residential space for rent in downtown Roanoke is driving the Patrick Henry's apartment conversion. There are about 815 people who dwell in the district's apartments and condominiums, said Sean Luther, president of Downtown Roanoke Inc. That number likely will rise to more than 1,000 next year, he said, once more spaces become available, including the Patrick Henry units and eight apartments at Sixteen West, another new project on Church Avenue.

Meanwhile, Walker's other downtown apartments, the 58-unit Hancock on Campbell Avenue and the 108-unit Cotton Mill Lofts on Sixth Street, are full and have waiting lists, he said.

Jason Fountain, an agent at Waldvogel Commercial Properties in Roanoke, said he receives more calls from people seeking downtown apartments than condos for sale. Economic factors, such as tighter mortgage loan terms, may be a factor in slower demand for downtown condos, he said.

Mostly, young professionals and people who relocate to Roanoke for new jobs want to live downtown, said Krista Vannoy, another Waldvogel agent. There is particular interest in downtown apartments from students in Carilion Clinic's residency program and students at the Jefferson College of Health Sciences.

"The demand is as strong as ever," Vannoy said. She receives at least one inquiry a day about downtown's apartment stock.

Twenty names are on a waiting list for one- and two-bedroom apartments and studio spaces at the Patrick Henry, where rents will range from \$500 to \$1,100, Walker said. The apartments will have a classic, formal design, similar to the building's style, which is different from Walker's other loft-style apartments in downtown.

The Patrick Henry living spaces will sport hardwood floors, solid wood cabinets, stainless steel appliances and views of Elmwood Park and Mill Mountain from some of the top floors.

There will not be parking for residents on site at the Patrick Henry, but tenants can pay to park at nearby parking garages or participate in the city's public parking program for downtown dwellers. Also, the city's free Star Line Trolley stops at the Patrick Henry's entrance, Walker said.

The Patrick Henry likely will be his last multifamily project in downtown.

"A number of developers and related entities, like VHDA [the Virginia Housing Development Authority], are wondering whether we've reached the market saturation," said Walker, who resides with his family in a top-floor condo at the former Colonial American Bank headquarters on Jefferson Street

Still, John Garland, an owner of the Sixteen West project, said he believes the desire for downtown living will continue beyond the span of the Patrick Henry project, particularly if additional amenities, such as a grocery store, come downtown. The growth will be fueled by people relocating to the area for health care jobs, a growing sector, and current residents who "jump on the bandwagon" and move to downtown from other Roanoke neighborhoods.

"I think downtown's on a roll," Garland said, adding that he'd like his project's eight new apartments at 16 W. Church Ave., to be ready for lease before the Patrick Henry units open.

Walker said he expects the Patrick Henry renovations to be complete by August, and is pleased with the conversion's fast pace.

Initially, it took crews about 90 days to clear debris from the building. Two public sales to move out former hotel furniture were held late last year and in January.

Most days, 60 to 80 people work at the Patrick Henry on a schedule that site superintendent Nathan Vaught described as "aggressive." Vaught works for Cityscape Construction LLC, the project's general contractor. Cityscape is a division of Stanley Shield, a Richmond-based company that has been involved in other residential development projects in downtown Roanoke.

The speed of the Patrick Henry conversion largely reflects the state of the economy. With jobs slim for many subcontractors, finding large numbers of people available to work has been relatively easy, Vaught said.

For example, when the project called for additional electricians, 16 arrived ready to work in five days, he said. In better economic times, it might take weeks for that kind of response.

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