



► DESTINATION MAIN STREET

Mountindale Tale ...

Street Survival

■ TWO HUNDRED PEOPLE COMING TO WORK in Mountindale every day. Many of them living here. Many of them coming to have dinner, shop, visit a park or perhaps go to a nightclub here. That's the vision.

Five years and some \$3 million after Barb and Ken Schmitt first started sinking money, time, sweat and imagination into one of the most run-down outposts of abandoned Borscht Belt civilization, that's still the vision.

The couple who now own nearly 90 percent of this miniature village have been laboring on the modern Main Street revival scene longer than anyone in Sullivan County. In their unique circumstances of nearly sole ownership of one of the county's downtowns, they are the most engaged in it, have the most at stake in it and have the most to gain – or to lose – if their Main Street rises to the occasion or does not.

Story by
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The Towne Crier

But do not speak to the Schmitts about "if." They are all about "when."

In a county that now seems about half enthralled over casinos and half in love with saving its Main Streets, the Schmitts have been leading the charge on the latter with their chin.

Back in 1998, Mountindale was nearly synonymous with Main Street. All the local papers covered the phenomenon that the Schmitts and another couple had embarked in the single-minded turnaround of a ghost town by acquiring building after building. They were the buzz in the county. Mountindale was the "It" town. *The New York Times* came for a visit and a take-out story on the concept of buying a town.

Now it's 2003, and they have accomplished much and perhaps learned even more.

Barb and Ken's Main Street story begins a generation ago.

It begins with Harry Schulman, a cab driver in the Bronx. He worked hard, but he'd look at his children and then look at the city, and knew that someday he would want to lift his family out of a city he saw in decline and get them to a better place. That better place was Mountindale.

The family began coming to the Catskills in the summers. In the mid '70s, Harry sold his cab medallion. His daughter

Barbara was in sixth grade; that next fall, she was enrolled in Fallsburg Schools.

Bessie and Harry Schulman settled in, and bought a few more buildings. They became part of the community. Bessie, outgoing and giving, was beloved. The community was tight then; many generations of one family could still be found living in Mountindale. A youngster named Ken Schmitt could go trick-or-treating from house to house, know most folks by name, and not see a single lock on any door. But the decline of the Catskills had begun. Within a decade, the older families were moving out. More transient types moved in; the demise of the economy meant less money and fewer jobs.

Mountindale, which had been ringed by resorts and small hotels, felt the pinch (more like a blow to the head). More and more of the hamlet's residents were on public assistance; drug dealing began in town. A general lapse in the real estate also started.

By the time Barb Schmitt's parents died in the '90s, the place was nearly a ghost town.

Schmitt inherited the buildings her parents had owned and vowed she would try to run them for a year. She remembers the routines: "I took over the buildings, and every Thursday morning, I'd tour with the exterminators and try to knock down the cockroaches."

She concluded there was no point in trying to have her places survive in isolation, while there were drug deals and other troubles going down in the places next door.

She and Ken closed down their parents' places but started buying boarded-up and neglected buildings on their own. Luckily, Billy and Patsy Resnick, another couple with roots in Mountindale, were also trying to bring the hamlet back. More residents got on the bandwagon with block parties and beautifying efforts that preceded the current vogue in revitalizing efforts now seen in nearly every nook and cranny of Sullivan County.

Also luckily, the county had just begun



BARBARA AND KEN Schmitt own 90 percent of downtown Mountindale and have become well-schooled in Main Street ways. BARBARA GREF PHOTO

its Main Street Redevelopment Center. The fledgling effort was funded with \$2 million. Mountindale became one of the first clients, was definitely the most active and even now – with every conceivable downtown in the county benefitting from the service – continues to be at the top of the Main Street heap.

Their innovative renovation of small family-sized apartments as living spaces for singles or professional couples has netted them 100 percent occupancy in the 17 spaces they've completed. Just last month, the first tenant to move in with the Schmitt's SoHo concept in mind (small office/home office) moved into an apartment that is tooled with high amperage outlets, energy-efficient utilities and cable broadband. The tenant will be communicating with China from Mountindale in order to run her import business of leather goods and desk accessories.

It's milestones like this that fuel the

long-term vision and the resilient energy of the Schmitts.

Here's some of what they've found along the way:

Money Matters

The Schmitts have primarily financed their Main Street through their own funds. Banks are too expensive when it comes to this kind of borrowing, though they do have some lines of credit, says Ken. The couple is fortunate to be running a successful telecommunications business to help pay the Mountindale freight.

They are also acutely aware of the county government's Main Street grant help plus the assistance of the county's Partnership for Economic Development, the chamber of commerce and the state of New York – especially through its new Empire Zone package of state-backed tax breaks for projects like this.

Continued on back

Mountindale

1962

► A time line
Harry and Bessie Schulman begin to come to Mountindale with their family, including daughter Barbara

Ca. 1966

Planning for the future, the Schulmans begin to buy buildings in Mountindale; meanwhile, Ken Schmitt is growing up here

Ca. 1974

Harry Schulman sells his cab medallion and moves the family from the Bronx to Mountindale

1995

Harry Schulman dies, leaving five buildings to his daughter Barbara

1997

Ken and Barbara Schmitt begin to buy more buildings in Mountindale with an eye toward reviving the hamlet; another Mountindale couple, Billy and Patsy Resnick, has already begun to do the same

The right idea, the right time and the right place ...

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MOUNTAINDALE'S DOWNTOWN has its own marketing manager. Bob Shrem, who lives on the hamlet's Main Street, is outside a dilapidated shell of a building which is slated to be turned into nine SoHo (small office/home office) apartments. BARBARA GREFF PHOTO

Continued from front

Still, the investment has been substantial and just now does it feel that the time is right for seeing a return – at least in getting tenants and seeing business activity begin.

"We have become involved in this project with our eyes open ..." says Ken.

"Here's our insight on money:

"A – We wish we had a lot more, and

"B – If you throw money at a project and it doesn't have the right elements, you're doomed to failure."

The "right elements" in Mountandale are, as they see them: proximity to a major metro area, a natural charm and consistency to an intact Main Street, and a "synergy" in that one building helps the building next to it – in both design elements and perhaps usage: if one is an apartment rented by a past lover and one is an Italian restaurant, voila, they depend on one another.

Saying Power Counts

The Schmitts spend plenty of time – at least 40 percent of it, says Barb – interviewing people who say they want to move into the commercial establishments and restaurants of Mountandale. The Schmitts are always trying to gauge if these wannabees have the resources and staying power to carry it out – since none if it happens overnight. Those who sign on should know their market, and market their business.

In this way, they are overtly concerned – almost feeling obliged – to see to it that others will make it. They point to one food establishment that already had to pick up stakes because they weren't able to be in it for the long haul. The Schmitts want no repeats of that.

"If we convince somebody to become part of Mountandale, it's our responsibility to make sure they have the capability to make a good living," says Ken. "Otherwise, what are we doing here?"

Cooperation Is Paramount

There's a story that can be told about Mountandale – call it a cautionary tale.

Back when Ken was growing up in Mountandale, the Rittberg bakery had the best rye bread around. They also had a liquor store and a grocery store. Then they began selling bottled gas. Also in town was the Goldress business – an electrician who saw that bottled propane gas was a good thing. He began selling it.

So did Lungen's Ford dealership. So did Maliga, the well driller.

What happened?

"The pie got cut too many ways," says Barb.

It was a good idea, but too many competing forces were involved. Nobody made any money – they just made enemies. "When they went to the synagogue, nobody would sit next to each other," recalls Ken. Except for Maliga – he wasn't Jewish.

The real life fable simply means towns like this should talk about needs and should work together. Sure, it's now pretty easy for Ken and Barb to make sure they don't bring in two pizza joints or two wine shops, because they call a lot of the shots. But the concept is still utterly important. It's all about what Mountandale marketer Bob Shrem calls "achieving a certain chemistry" – people and businesses that will work well together.

And speaking of calling the shots, the Schmitts are utterly aware that since they own so much of the hamlet, they must be careful listeners and work diligently to make sure they don't just ram their own agenda through.

"Anybody will find we don't adopt a my-way-or-the-highway attitude," says Ken. "... you can't walk all over people."

Good People Are Key

The Schmitts have two contractors who work in Mountandale full-time. They have a

small staff that runs their telecommunications business and a small staff for the Mountandale downtown real estate operation, including marketer Bob Shrem.

They can't say enough about how dedicated the staff is to the various projects – and about how such good people are hard to find.

"It's about skill and reliability," says Ken: "Part of [success] is having competent people you can count on."

Likewise, the Schmitts make sure they treat their staff well – staff dinners, often cooked by Barb, are held frequently. There's a family feel plus a lot of flexibility and the latitude to have ideas and develop them. "I've never felt as much freedom," says Shrem, in any other job he's had.

Quality Is Critical

"The most important thing is probably quality building renovation and restoration," says Bob Dadras, who heads the county's Main Street Center. By the time the Schmitts got a hold of most of their Mountandale buildings, "there were just layers and layers of junk on top of junk," he said.

High-quality renovation meant stripping them back to the original construction, plenty of re-construction and even the need to "pick buildings up in the air," as Ken put it. Five buildings needed to be jacked up to be saved.

Without the attention to detail and quality, you begin with several strikes against you, Ken believes. So the buildings have radiant heat and are wired for state-of-the-art technology at every outlet. The apartments are twice as big as standard size, which cuts down on the revenue they can get for rent, but increases the chance that small, home office use will be successful here.



NUMBER 51 Main Street in Mountandale (shown before and after) has been called one of the best downtown renovations in Sullivan County. PROVIDED PHOTOS

Main Facts

► In the hamlet of Mountandale, the Schmitts own:

34 parcels
27 of those have buildings

► There are:
36 potential apartments
17 are completely renovated
17 are rented

► There are 19 commercial spaces:
11 are completed
5 are filled

► There's also:
1 old school (9,000 square feet – not renovated)
1 "train station" (behind Main Street – a park, parking and restrooms for the rails to trails site; a state grant is secured, but construction hasn't started)

"We turned them into relatively smart buildings," says Ken. How to do that? "... you exceed the code."

They've been true to their word, notes Dadras. He calls the renovation of 51 Main Street, Mountandale, "One of the best buildings in the county." When the Schmitts bought it, it had no floor.

Define The Niche

Seven and a half miles from exit 112 and 7 1/2 miles from exit 109. That's the traveling distance from Mountandale to the main highway. Not exactly easy-off, easy-on. The Schmitts know that.

It can be a serious disadvantage, so they've tooled their plan to make it a plus. The community will be a service community and it will have tenants who live here and work out of their homes in the electronic village concept. They also hope to have fine dining make the hamlet a draw.

The advantage of being so far from Route 17 – when and if casinos come and when the big boxes like Wal-Mart and Home Depot inevitably start drawing their classic traffic and congestion, the plan is to have Mountandale remain an oasis of civilization – the emphasis on civil.

Says Barb: "We can still maintain a small e-village and maintain the quality of life we're all used to."

It Takes Time

When it comes to lessons learned, "long-term" may be at the top of the list.

Ken feels the answer about the time Main Street revival takes should be like the one given by the CEO of Matsushita Corporation when asked about his long-term strategy. "Well, he said. "The 500-year plan is ..."

The message here: None of this happens overnight.

Take into consideration that the village was not just dying but dead, points out Dadras. The Schmitts like to think of it as going from a minus 25 to a plus 20, on some scale of municipal decline.

But seriously, said Ken, he'd like to see Mountandale make its comeback "sooner than later."

They are engaged in a fairly substantial push to bring in the right tenants at this time.

Think of it this way, says Barb: "We struggled with it when it was nothing – and we want to be around for the big applause at the end."

1997

Sullivan County's Main Street Redevelopment Center is funded and gets off the ground with projects in Monticello and Mountandale followed by others.

2001

The Schmitts buy out the Resnicks.

Last week

The Schmitts, already the owners of 33 parcels, add their 34th to the list as they acquire 25 Main Street.

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