

**Additional Proposed Legislation for the
December 19, 2023 City Council Meeting**

*** * Please Note * ***

For questions, call the City Clerk's Office at 585-428-7421



NEIGHBORHOOD &
BUSINESS DEVELOPMENT
INTRODUCTORY NO.

Malik D Evans
Mayor

437

December 4, 2023 NBD 06

TO THE COUNCIL

Ladies and Gentlemen:

Re: Lease Agreement – Bulls Head Plaza – ESL
Federal Credit Union

Council Priority: Creating and Sustaining a Culture of
Vibrancy

Comprehensive Plan 2034 Initiative Area: Fostering
Prosperity & Opportunity

Transmitted herewith for your approval is legislation approving a ground lease agreement between the City of Rochester and ESL Federal Credit Union (ESL), 225 Chestnut St, Rochester, NY, for the use of approximately 0.83 acres of land at 835-855 West Main Street for use as a new branch bank. The term of the new lease will be for 20 years with three, five-year renewal options. The agreement will commence on the first day of the calendar month following the full execution of the land lease.

The annual lease amount is \$55,000 during the initial year of the term, and each additional year the cost per square foot will increase by the lesser of the CPI-U (Consumer Price Index-Urban) adjustment or a fixed 2% annual escalator. The rental rate was determined by an independent appraisal prepared by Midland Appraisal as of September 2023.

The City will provide the unimproved land for the development and ESL will be responsible for all development, construction and professional costs. Additionally, once the improvements have been constructed, ESL will assume all maintenance, security and holding costs for the duration of the term. Following the expiration of the term (35 years) all improvements become the property of the City of Rochester.

There were historically a number of branch locations offering retail banking services in Southwest Rochester, including at Bull's Head Plaza. At this time, there are no retail banking options for residents of the Southwest. The new ESL branch will be a full-service banking location featuring drive-through teller and ATM lanes. The new location is projected to create eight new full-time positions. Site design for the bank branch is underway and will include parking within the leased area.

A public hearing is required.

Respectfully submitted,

Malik D Evans
Mayor

RECEIVED
CITY OF ROCHESTER
CLERK/COUNCIL OFFICE
2023 DEC -4 A 10:00





Rochester Urban Renewal Agency

City Hall Room 223B
30 Church Street
Rochester, New York
14614-1290

Dana K. Miller
Secretary

**NEIGHBORHOOD &
BUSINESS DEVELOPMENT
INTRODUCTORY NO.**

URA-5

December 4, 2023

TO THE RURA

Ladies and Gentlemen:

Re: Lease Agreement – Bulls Head Plaza – ESL Federal
Credit Union

Transmitted herewith for your approval is a resolution relating to a lease agreement between the City of Rochester and ESL Federal Credit Union (ESL), 225 Chestnut St, Rochester, NY, for the use of approximately 0.83 acres of land that is a vacant part of the Bull's Head Plaza property at 835-855 West Main Street to construct and operate a new branch bank (Lease). The term of the Lease will be for 20 years with three, five-year renewal options.

The annual lease payment will be \$55,000 during the initial year of the term, and will increase each year thereafter by the lesser of the CPI-U (Consumer Price Index-Urban) adjustment or a fixed 2% annual escalator. The rental rate was determined by an independent appraisal prepared by Midland Appraisal as of September 2023.

The Lease will provide to ESL the unimproved land for the development of the bank branch. ESL will be responsible for all development, construction and professional costs. Additionally, once the improvements have been constructed, ESL will assume all maintenance, security and holding costs for the duration of the term.

Under the New York State Urban Renewal Act and due to the Lease parcel's location within the Bull's Head Urban Renewal Area, the Lease transaction cannot proceed unless this Agency approves of ESL as qualified and eligible to construct and operate the bank branch for the term of the Lease. In support of that determination, ESL has submitted the attached Redeveloper's Statement for Public Disclosure, which acknowledges and estimates the projected cost of ESL's commitment.

Moreover, ESL's capacity to develop and operate a new Bull's Head bank branch is substantiated by: its downtown Rochester headquarters; its status as the largest locally led financial services organization in the Greater Rochester area; and its operation of 24 bank branches throughout Greater Rochester, including two new branches in the City opened up within the past 3 years.

There presently are no retail banking facilities located in the Southwest quadrant of the City. The Lease will allow ESL to meet that unmet need while contributing to the ongoing redevelopment of the Bull's Head Urban Renewal Area.

A public hearing is required.

Respectfully submitted,

Dana K. Miller
Secretary



INTRODUCTORY NO.

437

Ordinance No.

Authorizing a long-term lease of a portion of 835-855 West Main Street to ESL Federal Credit Union

WHEREAS, the City of Rochester has received a proposal from ESL Federal Credit Union (ESL) to lease from the City an approximately 0.83 acre vacant portion of 835-855 West Main Street (Lease Parcel), for a term of twenty years with the option to extend for up to three additional periods of five years each, in order to construct and operate a new ESL retail banking branch building with accessory drive-through lanes, automated teller machine, and parking facilities (ESL Branch);

WHEREAS, the Lease Parcel is located within the Bull's Head Urban Renewal Area (BH UR Area) and is subject to an urban renewal plan (BH UR Plan) adopted in Ordinance No. 2018-230;

WHEREAS, the BH UR Plan designates the approximately 4.2 acre Bulls Head Plaza property at 835-855 West Main Street (Plaza Property) as among the prominently located properties deemed to be critical to the successful redevelopment of the entire BH UR Area;

WHEREAS, the retail plaza building on the Plaza Property is scheduled to be demolished due to its blighted condition in accordance with the BH UR Plan, and the Lease Parcel comprises a vacant part of the Plaza's parking lot;

WHEREAS, a retail branch of another bank has vacated the Plaza building without proposing to relocate elsewhere in the BH UR Area;

WHEREAS, ESL is proposing to establish the ESL Branch on the Lease Parcel portion of the Plaza Property to serve as an anchor business and spur to redevelopment of the rest of the Plaza Property and the entire BH UR Area;

WHEREAS, due to the location of the Lease Parcel within the BH UR Area, the New York State Urban Renewal Law at Section 507(2) of the General Municipal Law, requires the City to assess ESL's plan and credentials so as to determine whether ESL qualifies for designation as a qualified and eligible sponsor of the redevelopment of a City-owned property located within an urban renewal area;

WHEREAS, founded by George Eastman more than 100 years ago and headquartered in downtown Rochester, ESL is the largest, locally led financial services organization in the Greater Rochester area, owning and operating 24 bank branches throughout Greater Rochester, including two new branches in the City opened up within the past 3 years;

WHEREAS, at present there are no full-service retail bank branches located in the BH UR Area or elsewhere in the City's Southwest quadrant;

WHEREAS, the proposed Lease Parcel for the ESL Branch is located on the northwest corner of the Plaza Property fronting on West Main Street;

WHEREAS, the Lease Parcel is located primarily within a zone designated for "Gateway Corridor" development on the BH UR Plan and a retail bank is consistent with the Plan's prescription for "a mix of commercial retail sales and service as the primary uses" in the Gateway Corridor;

WHEREAS, ESL proposes to pay an annual lease payment of \$55,000 during the initial year of the term, a rate that is based on an independent appraisal prepared by Midland Appraisal as of September 2023, and to increase the payment each additional year thereafter by the lesser of the CPI-U (Consumer Price Index-Urban) adjustment or a fixed 2% annual escalator;

WHEREAS, in return for the City's provision of the unimproved Lease Parcel, ESL proposes to assume responsibility for all development, construction and professional costs as well for all maintenance, security and real property taxes and other holding costs incurred thereafter for the duration of the lease term;

WHEREAS, following the expiration of the term, which will be 35 years if the parties opt for all three optional term extension, all improvements to the Lease Parcel shall become the property of the City of Rochester; and

WHEREAS, in a concurrent resolution, the Rochester Urban Renewal Agency has determined that ESL is a qualified and eligible sponsor to carry on redevelopment of the Bull's Head Urban Renewal Area on the Lease Parcel.

NOW, THEREFORE, BE IT ORDAINED, by the Council of the City of Rochester as follows:

Section 1. Based on the independent appraised value of the lease and the anticipated public benefits thereof described in the foregoing recitals, the Council hereby finds and determines that the proposed lease to ESL Federal Credit Union (ESL) of an approximately 0.83 acre portion of 835-855 West Main Street owned by the City of Rochester (the Lease), for a term of twenty years with the option to extend for up to three additional periods of five years each, would be in the public interest;

Section 2. The Council hereby approves and authorizes the Lease to ESL of an approximately 0.83 acre portion of 835-855 West Main Street, as described and depicted in the attached Lease Parcel Description incorporated into this ordinance (the Lease Parcel), for the purpose of establishing and operating a new retail banking branch building with accessory drive-through lanes, automated teller machine, and parking facilities (ESL Branch), subject to the terms and conditions set forth in the foregoing recitals and subject to such additional terms and conditions as the Mayor deems appropriate.

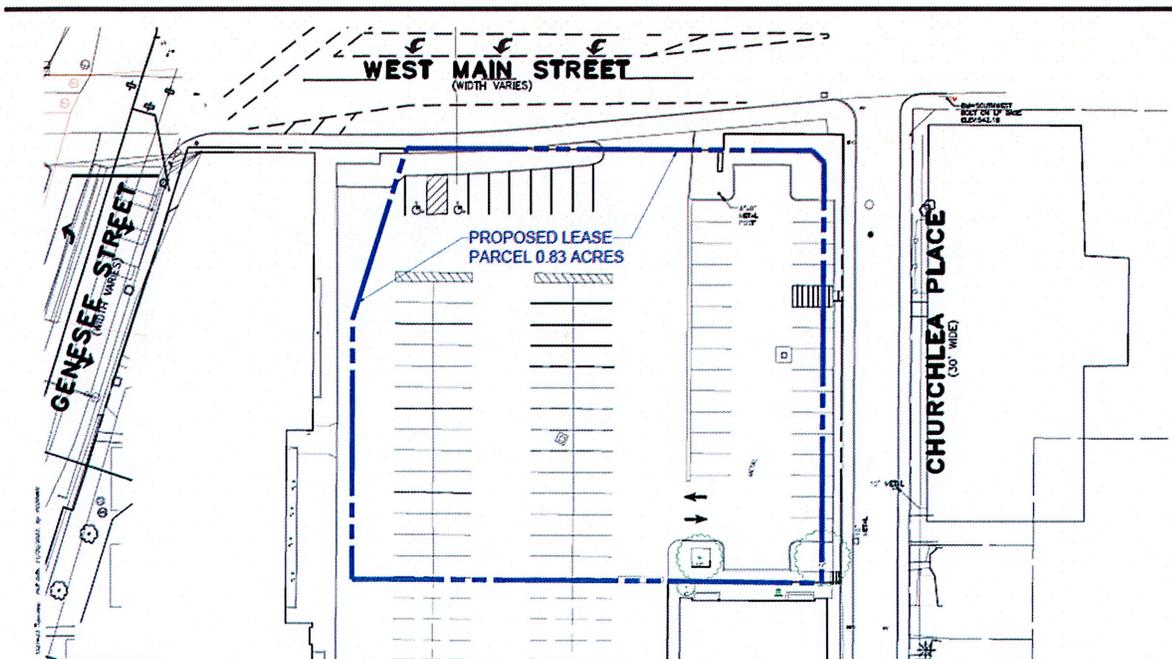
Section 3. The Council hereby determines that ESL is a qualified and eligible sponsor to carry on redevelopment of the Lease Parcel portion of the Bull's Head Urban Renewal Area (BH UR Area) through the Lease authorized herein.

Section 4. The Council hereby further approves the granting and acceptance of any easements for utilities and public access to and within the Lease Parcel, as necessary to effectuate the terms and purposes of the Lease authorized herein.

Section 5. The Mayor is hereby authorized to enter into such agreements and to execute such other instruments as may be necessary to implement the actions authorized herein.

Section 6. This ordinance shall take effect immediately.

Lease Parcel Description



An approximately 0.83 acre portion of 835-855 West Main Street, SBL # 120.50-2-2.002, intending to include the premises within the boundaries illustrated above, which are approximate and which ESL and the City may agree to adjust marginally prior to executing the Lease in order to conform to permitting, access and other requirements.

URA-5

Resolution No. URA-

Designating the ESL Federal Credit Union as qualified and eligible to lease the underlying land and to establish, operate and maintain a retail bank branch on a portion of 835-855 West Main Street

WHEREAS, the City of Rochester has received and shared with this Agency a proposal from ESL Federal Credit Union (ESL) to lease from the City an approximately 0.83 acre vacant portion of 835-855 West Main Street (Lease Parcel), for a term of twenty years with the option to extend for up to three additional periods of five years each, in order to construct and operate a new ESL retail banking branch building with accessory drive-through lanes, automated teller machine, and parking facilities (ESL Branch);

WHEREAS, the Lease Parcel, which is described and depicted in the attached Lease Parcel Description incorporated into this resolution, is located within the Bull's Head Urban Renewal Area (BH UR Area) and is subject to an urban renewal plan (BH UR Plan) adopted in Ordinance No. 2018-230;

WHEREAS, the BH UR Plan designates the approximately 4.2 acre Bulls Head Plaza property at 835-855 West Main Street (Plaza Property) as among the prominently located properties deemed to be critical to the successful redevelopment of the entire BH UR Area;

WHEREAS, the retail plaza building on the Plaza Property is scheduled to be demolished due to its blighted condition in accordance with the BH UR Plan, and the Lease Parcel comprises a vacant part of the Plaza's parking lot;

WHEREAS, a retail branch of another bank has vacated the Plaza building without proposing to relocate elsewhere in the BH UR Area;

WHEREAS, ESL is proposing to establish and operate the ESL Branch on the Lease Parcel portion of the Plaza Property to serve as an anchor business and spur to redevelopment of the rest of the Plaza Property and the entire BH UR Area;

WHEREAS, founded by George Eastman more than 100 years ago and headquartered in downtown Rochester, ESL is the largest locally led financial services organization in the Greater Rochester area, owning and operating 24 bank branches throughout Greater Rochester, including two new branches in the City opened up within the past 3 years;

WHEREAS, at present there are no full-service retail bank branches located in the BH UR Area or elsewhere in the City's Southwest quadrant;

WHEREAS, the proposed Lease Parcel for the ESL Branch is located on the northwest corner of the Plaza Property fronting on West Main Street;

WHEREAS, the Lease Parcel is located primarily within the a zone designated for “Gateway Corridor” development on the BH UR Plan and a retail bank is consistent with the Gateway Corridor’s prescription for a “mix of commercial retail sales and service as the primary uses”;

WHEREAS, ESL proposes to pay an annual lease payment of \$55,000 during the initial year of the term, a rate that is based on an independent appraisal prepared by Midland Appraisal as of September 2023, and to increase the payment each additional year thereafter by the lesser of the CPI-U (Consumer Price Index-Urban) adjustment or a fixed 2% annual escalator;

WHEREAS, in return for the City’s provision of the unimproved Lease Parcel, ESL proposes to assume responsibility for all development, construction and professional costs as well for all maintenance, security and real property taxes and other holding costs incurred thereafter for the duration of the lease term;

WHEREAS, following the expiration of the term, which will be 35 years if the parties opt for all three optional term extension, all improvements to the Lease Parcel shall become the property of the City of Rochester;

WHEREAS, due to the Lease Parcel’s location within a the BH UR Area, Section 507(2)(c) of the NYS General Municipal Law requires this both this Agency and the City of Rochester to assess the ESL’s plan and credentials so as to determine whether ESL qualifies for designation as a qualified and eligible sponsor of the redevelopment of the Lease Parcel, even though the Lease Parcel is owned by the City and not this Agency;

WHEREAS, by providing for the establishment of a retail bank branch in an urban renewal area that lacks one and consistent with the BH UR Plan’s designation of the area encompassing the Lease Parcel as a “Gateway Corridor” suitable for a “mix of commercial retail sales and service as the primary uses”, ESL’s proposal is consistent with the BH UR Plan for redevelopment;

WHEREAS, in a concurrent ordinance, the Rochester City Council has determined and approved ESL to be a qualified and eligible sponsor to carry on the redevelopment of the Lease Parcel portion of the BH UR Area through the Lease provided for herein;

WHEREAS, the City has submitted to the Agency ESL’s Redeveloper’s Statement for Public Disclosure and a Statement of Qualifications and Financial Responsibility; and

WHEREAS, a legal notice has been published to provide public notice as to the availability for public examination of the proposed terms for the Lease transaction described herein and the Redeveloper’s Statement for Public Disclosure has been included with the proposed terms made available for public examination.

NOW, THEREFORE, BE IT RESOLVED, by the Rochester Urban Renewal Agency as follows:

Section 1. That the Agency hereby determines that ESL has complied with the rules, criteria and procedures of the Agency for the selection and designation of an urban renewal area redeveloper.

Section 2. That ESL's Statement for Public Disclosure and the Statement of Qualifications and Financial Responsibility are hereby found satisfactory.

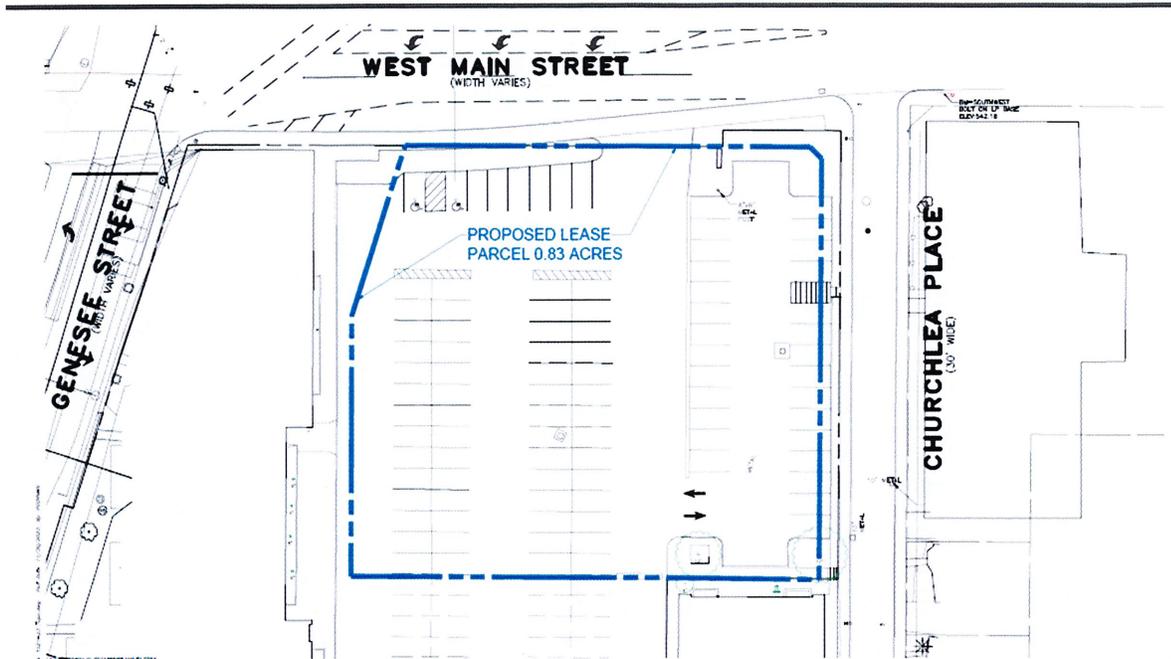
Section 3. That based upon an examination of the Statement of Qualifications and Financial Responsibility, the Agency hereby determines that the ESL possesses the necessary qualifications and financial resources to lease, operate and maintain the ESL Branch in accordance with the Urban Renewal Plan for the Bull's Head Urban Renewal Area.

Section 4. That, in accordance with the provisions of Section 507(2)(c) of the General Municipal Law of the State of New York, ESL is hereby designated as a qualified and eligible redeveloper to lease, operate and maintain an ESL Branch on the Lease Parcel in accordance with the established rules and procedures prescribed by the Agency.

Section 5. That the Secretary of the Agency is hereby authorized and directed in accordance with the publication of a legal notice as authorized by the Council of the City of Rochester, to have a copy of the ESL's Statement for Public Disclosure, the lease proposal, and the proposed disposition terms available for examination by the public at the office of the Agency.

Section 6. This resolution shall take effect immediately.

Lease Parcel Description



An approximately 0.83 acre portion of 835-855 West Main Street, SBL # 120.50-2-2.002, intending to include the premises within the boundaries illustrated above, which are approximate and which ESL and the City may agree to adjust marginally prior to executing the Lease in order to conform to permitting, access and other requirements.