



Rochester Urban Renewal Agency

City Hall Room 005A
30 Church Street
Rochester, New York
14614-1290

R. Carlos Carballada
Secretary

Rochester Urban Renewal Agency

Annual Report

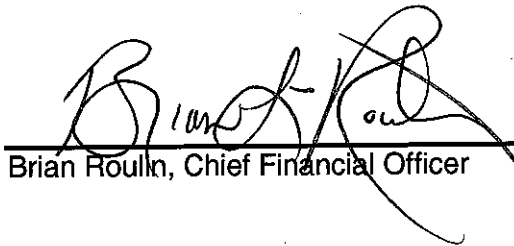
7/01/10-6/30/11



The financial reports submitted are certified that based on the officer's knowledge, the information provided herein is accurate, correct and does not contain any untrue statement of material fact; does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and fairly presents in all material respects the financial condition and results of operations of the authority as of, and for, the periods presented in the financial statements.

A handwritten signature in black ink, appearing to read 'R. Carlos Carballada', written over a horizontal line.

R. Carlos Carballada, Secretary

A handwritten signature in black ink, appearing to read 'Brian Rouln', written over a horizontal line.

Brian Rouln, Chief Financial Officer

RURA

7/01/10-6/30/11

Operations and Accomplishments

1. Midtown Plaza- The Midtown Urban Renewal District, established by the Rochester City Council in 2007 was to facilitate the redevelopment and revitalization of an approximately 11 acre area in the center of the downtown district. The Midtown Urban Renewal Plan included the acquisition of the Midtown Plaza Mall by the City of Rochester. The City acquired Midtown Plaza in May 2008 for \$5.9 million and relocated all tenants. Asbestos remediation has been completed for all buildings except the Euclid building which will be completed in December 2011. Demolition of a majority of the buildings is nearly complete. The final building to be demolished is the Euclid Building, expected December 2011- January 2012. The City has completed all required SEQRA and NEPA review for the project. In November 2009 the Rochester City Council adopted the amended Urban Renewal Plan for the project, updating the creation of 6-7 new parcels and several streets.

PAETEC was originally planning on constructing a 224,000 square foot corporate headquarters office building at the northwest corner of the former Midtown Plaza site. In the meantime, the Windstream Corporation and PAETEC, both publicly-held corporations, entered into an agreement whereby Windstream agreed to purchase PAETEC with no stipulations for advancing the PAETEC corporate headquarters on the Midtown site. The reconfigured project involves the adaptive re-use of the former Seneca Building at 245 East Main Street at a total cost of \$18.3M. The Pike Development Company will develop and own the approximately 120,000 square feet, four story structure with two floors to be occupied by the Windstream Corporation, and the other floors available for additional tenants. Construction will start in spring 2012. The City of Rochester will be providing a \$5,000,000 loan from federal Community Development Block Grant funds. The Empire State Development Corporation will be providing \$1.2M in Upstate Regional Blueprint Program funds. The balance of funding will be developer equity and conventional financing.

In 2009, the City issued an RFP and selected a partnership formed by Christa Development and Morgan Management for purchase and redevelopment of the 17-story Midtown Tower. The \$73 million Tower Plan was revised in June 2011 and now includes 136 apartments and approximately 231,000 square feet of commercial space. The developer is seeking state and federal assistance for project financing. It is anticipated that the project will commence construction in early 2013 and be completed by December 2014.

The redevelopment of the Midtown Urban Renewal District also includes new streets, open space, public amenities and reconstruction of the Cortland Street tunnel (which provides underground services to several properties along East Main Street). The 1809-space underground Midtown Parking Garage will also be retained and rehabilitated. Infrastructure and street work will commence in spring 2012.

The remaining 3 development opportunities in the district will be developed at a later time as the market permits. A "Broadway-style" performing arts center (PAC) has been proposed on the former McCurdy Department Store site on East Main Street however, the project is subject to the ability to raise capital for the project.

2. Funds received from the sale of the Wegmans Driving Park store that was donated to the City in the amount of \$425,000 is being used to fund the Targeted Commercial Exterior Improvement Grant in the Dewey-Driving Park Urban Renewal District. Four grants were approved, three of those projects are completed, one is in the architect design stage and should go out to bid in spring of 2012.

Storefront renovation projects:

- 1050 Dewey Avenue, Tricom Communication-project 95% completed
- 321 Driving Park, Zacarah Corporation—multiple retail tenants/completed
- 320 Driving Park, Michael Toombs Flooring-98% complete (bid for planters in spring 2012) Will bid out work for planters in spring of 2012
- 308 Driving Park, Clinton & Ralston Auto Repair-design stage – working with new architect.
- 830 Dewey Avenue, Sharp Edgez-bid awarded during this period.

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Rochester Urban Renewal Proceedings for 7/1/10-6/30/11

Date	Resolution No.	Action
Proceedings in 2010		
10/2010	URA-3	Designating SMG as qualified and eligible to lease a portion of 200 Exchange Boulevard in the Third Ward Urban Renewal Project
10/2010	URA-4	Approving the lease by the Rochester Urban Renewal Agency to SMG of a portion of 200 Exchange Boulevard in the Third Ward Urban Renewal Project
Proceedings in 2011		
1/2011	URA-1	Approving the 2009-10 Annual Report
1/2011	URA-2	Designating Plymouth Terrace, LLC as qualified and eligible to purchase and develop 116 West Main Street in the Cascade Area Urban Renewal Project
3/2011	URA-3	Approving the 2011-12 budget, performance measures and policies
4/2011	URA-4	Designating PAETEC Realty, LLC as qualified and eligible to purchase and develop Parcel 1 and Parcel 2 in the Midtown Urban Renewal Project

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RURA
Summary Financial Information

Summary Statement of Net Assets

<u>Assets</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>	<u>6/30/2008</u>
Current Assets				
Cash and cash equivalents	127,707	1,374,386	97,836	\$1,404,629
Investments	400,000	600,000	2,000,000	\$750,000
Receivables, net				
Other assets				
Total Current Assets	527,707	1,974,386	2,097,836	\$2,154,629
Noncurrent Assets				
Restricted cash and investments				
Long-term receivables, net				
Other assets				
Capital Assets				
Land and other nondepreciable property	0	0	0	\$570,000
Buildings and equipment				
Infrastructure				
Accumulated depreciation				
Net capital assets				
Total Noncurrent Assets	0	0	0	\$570,000
Total Assets	527,707	1,974,386	2,097,836	\$2,724,629
<u>Liabilities</u>				
Current Liabilities				
Accounts payable				
Pension contribution payable				
Other post-employment benefits				
Accrued liabilities				
Deferred revenues	0	0	0	\$570,000
Bonds and notes payable				
Other long-term obligations due within one year				
Total Current Liabilities	0	0	0	\$570,000
Noncurrent Liabilities				
Pension contrubiton payable				
Other post-employment benefits				
Bonds and notes payable				
Other long-term obligations				
Total Noncurrent Liabilities	0	0	0	\$0
Total Liabilities	0	0	0	\$570,000
<u>Net Asset (Deficit)</u>				
Net Assets				
Invested in capital assets, net of related debt				
Restricted	527,707	1,974,386	2,097,836	\$2,154,629
Unrestricted				
Total Liabilities and Net Assets	527,707	1,974,386	2,097,836	\$2,724,629

Summary Statement of Revenues, Expenses and Change In Net Assets

Operating Revenues				
Charges for services				
Rental & financing income				
Other operating revenues				\$2,394,343
Total Operating Revenue	0	0	0	\$2,394,343
Operating Expenses				
Salaries and wages				
Other employee benefits				
Professional services contracts				
Supplies and materials				
Depreciation & amortization				\$250,621
Other operating expenses				
Total Operating Expenses	0	0	0	\$250,621

Operating Income (Loss)	0	0	0	\$2,143,722
<u>Nonoperating Revenues</u>				
Investment earnings	434	1,680	23,507	\$10,908
State subsidies/grants				
Federal subsidies/grants				
Municipal subsidies/grants				
Public authority subsidies				
Other nonoperating revenues				
Total Nonoperating Revenue	434	1,680	23,507	\$10,908
<u>Nonoperating Expenses</u>				
Interest and other financing charges				
Subsidies to other public authorities				
Grants and donations	1,447,113	125,130	65,000	
Other nonoperating expenses			15,300	
Total Nonoperating Expenses	1,447,113	125,130	80,300	\$0
Income (Loss) Before Contributions	-1,446,679	-123,450	-56,793	\$2,154,630
Capital Contributions				\$0
Change in net assets	-1,446,679	-123,450	-56,793	\$0
Net assets (deficit) beginning of year	\$1,974,386	\$2,097,836	\$2,154,629	\$0
Other net assets changes				\$0
Net assets (deficit) at end of year	527,707	1,974,386	2,097,836	\$0

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RURA
Debt Report
7/1/10-6/30/11

1. The authority did not have any outstanding debt, including conduit debt, at any point during the reporting period.
2. There was no new debt issuance during the reporting period.

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RURA
Annual Investment Report
7/1/10-6/30/11

CHASE INSIGHT
INVESTMENT & DEBT
Investment Interest Payment History
7/1/2010 - 6/30/2011

Payment Date	ID Number	Description	Rate	Maturity Date	Issuer	Bank	Par	Interest
Portfolio Group: 336 Driving Pk Urban Renewal								
Portfolio: 336 Driving Pk Urban Renewal								
7/27/2010		Certificate of Deposit	0.130000	7/27/2010		HSBC NYC	600,000.00	71.50
8/30/2010		Certificate of Deposit	0.130000	8/30/2010		HSBC NYC	400,000.00	49.11
9/28/2010		Certificate of Deposit	0.080000	9/28/2010		HSBC NYC	400,000.00	25.78
11/8/2010		Certificate of Deposit	0.100000	11/8/2010		CHASE NYC	400,000.00	45.56
12/9/2010		Certificate of Deposit	0.100000	12/9/2010		CHASE NYC	400,000.00	34.44
1/11/2011		Certificate of Deposit	0.100000	1/11/2011		CHASE NYC	400,000.00	36.67
2/22/2011		Certificate of Deposit	0.100000	2/22/2011		CHASE NYC	400,000.00	46.67
3/24/2011		Certificate of Deposit	0.100000	3/24/2011		CHASE NYC	400,000.00	33.33
5/12/2011		Certificate of Deposit	0.100000	5/12/2011		CHASE NYC	400,000.00	54.44
6/14/2011		Certificate of Deposit	0.100000	6/14/2011		CHASE NYC	400,000.00	36.67
Total Portfolio: 336 Driving Pk Urban Renewal								434.17
Total Portfolio Group: 336 Driving Pk Urban Renewal								434.17

RURA

Procurement Contracts Report

7/1/10-6/30/11

(Procurement contracts open during the reporting period with an actual or estimated value of \$5,000 or more.)

The authority has no open procurement contracts for the above time period.

RURA
7/1/10-6/30/11

Compensation Schedule

Position	Title & Name of Person holding Position	Salary, Compensation, Allowance and/or benefits provided to any officer, director or employee in a decision making or managerial position whose salary is in excess of \$100,000

There are no paid officers, directors or employees of the Rochester Urban Renewal Agency.

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Projects undertaken by RURA
7/1/10-6/30/11

1. Midtown Plaza- The Midtown Urban Renewal District was established by the Rochester City Council in March 2007. The purpose of the District was to facilitate the redevelopment and revitalization of an approximately 11 acre area in the center of the downtown district. The area was characterized by significantly vacant and underutilized buildings. The Midtown Urban Renewal Plan included the acquisition of the Midtown Plaza Mall by the City of Rochester. The 1.4 million square foot Midtown Plaza Mall was constructed in 1962 and included office, retail and restaurant uses. When the Urban Renewal District was established, the property was approximately 80% vacant and having adverse economic impacts on the adjacent properties and the ability of the City to revitalize the Region's Center City.

The City acquired Midtown Plaza in May 2008 for \$5.9 million and has relocated all tenants. Asbestos remediation has been completed for all buildings except the Euclid building which will be completed in December 2011. Demolition of a majority of the buildings is nearly complete. The final building to be demolished is the Euclid Building, expected in late December 2011-early January 2012. The City has completed all required SEQRA and NEPA review for the project. In November 2009 the Rochester City Council adopted the amended Urban Renewal Plan for the project, updating the creation of 6-7 new parcels and several streets.

PAETEC was originally planning on constructing a 224,000 square foot corporate headquarters office building at the northwest corner of the former Midtown Plaza site. In the meantime, the Windstream Corporation and PAETEC, both publicly-held corporations, entered into an agreement whereby Windstream agreed to purchase PAETEC with no stipulations for advancing the PAETEC corporate headquarters on the Midtown site. Windstream subsequently agreed to locate up to 335 of its employees on a portion of the same site. The reconfigured project involves the adaptive re-use of the former Seneca Building at 245 East Main Street at a total cost of \$18.3M. The Pike Development Company will develop and own the approximately 120,000 square feet, four story structure; two floors will be occupied by the Windstream Corporation, and the third and fourth floors will be available for other tenants. Construction will start in spring 2012. The City of Rochester will be providing a \$5,000,000 loan from federal Community Development Block Grant (CDBG) funds; the Empire State Development Corporation (ESDC) will be providing \$1.2M in Upstate Regional Blueprint Program funds. The balance of funding will be developer equity and conventional financing.

In 2009, the City issued a request for proposals for purchase and redevelopment of the 17-story Midtown Tower. Under that process, the City selected a partnership formed by Christa Development and Morgan Management. The \$73 million Tower Plan was revised in June 2011 and now includes 136 apartments and approximately 231,000 square feet of commercial space. The developer is seeking state and federal assistance for project financing. It is anticipated that the project will commence construction in early 2013 and be completed by December 2014.

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RURA Properties with estimated fair market value in excess of \$15,000 that RURA intends to dispose of.

The attached list indicates properties held by RURA. We do not have appraisals for most of the properties listed.

Appraisals were completed in October 2006 for both 47 Savannah Street and 15 Manhattan Square Drive. The estimated market value of the Fee Simple Estate is \$720,000 for 47 Savannah Street and \$321,500 for 15 Manhattan Square Drive.

The South Avenue Garage at 36 South Avenue was appraised at \$5,620,000 in 2008.

Most of the other parcels listed are "non-buildable" and therefore would likely be conveyed for \$1.00.

The intent to dispose of these properties is dependent upon development opportunities. As appropriate opportunities arise, properties may be disposed of. These actions would be subject to RURA approval.

485 N. Clinton Avenue-This is a school and may be considered for potential conveyance to the Rochester City School District.

Other than the projects for which there is a current appraisal, RURA does not have an estimate of fair market value for all such property held at the end of the reporting period.

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Urban Renewal Parcel Status & Recommendations

Street Address	Current Use	Proposed Action
36 South Avenue	Parking Garage	No Action Proposed
50 Broadway	Leased to Benderson	Keep RURA, future development parcel/Resub to one parcel
414 E. Broad	Leased to Benderson	Keep RURA, future development parcel/Resub to one parcel
40 Broadway	Leased to Benderson	Keep RURA, future development parcel/Resub to one parcel
48 Broadway	Leased to Benderson	Keep RURA, future development parcel/Resub to one parcel
52 Broadway	Leased to Benderson	Keep RURA, future development parcel/Resub to one parcel
60 Broadway	Leased to Benderson	Keep RURA, future development parcel/Resub to one parcel
66 Broadway	Leased to Benderson	Keep RURA, future development parcel/Resub to one parcel
15 Manhattan Square Drive	Parking Lot Leased	Leased to Museum/No Action
47 Savannah	Tennis Bubble Lease	Continue as Tennis Bubble/No Action
2 Reynolds Street	Contamination	Check with DES re: status
200 Exchange Blvd.	Surface Parking	Keep RURA for redevelopment
151 Mt. Hope Avenue	Reserved for Project	River Commons
485 N. Clinton Avenue	School	No Action Proposed
125-141 S. Clinton Avenue	Bausch & Lomb/COMIDA	No Action Proposed
165 Court Street	Excellus	No Action Proposed
780 Exchange		Offer portion to adjacent owner, subdivide and sell balance to Church of Love

Rochester Urban Renewal Agency
Real Property Report
7/1/10-6/30/11

OWNER NAME	PROPERTY ADDRESS
RURA (School #9)	485 N. Clinton Avenue
RURA-COMIDA-Bausch & Lomb	125-141 S. Clinton Avenue
RURA-Excellus Health Plan	165 Court Street
Rochester Urban Renewal Agency	2 Reynolds Street
Rochester Urban Renewal Agency	36 South Avenue
Rochester Urban Renewal Agency	40 Broadway
Rochester Urban Renewal Agency	46-48 Broadway
Rochester Urban Renewal Agency	52 Broadway
Rochester Urban Renewal Agency	54-60 Broadway
Rochester Urban Renewal Agency	66 Broadway
Rochester Urban Renewal Agency	414 E. Broad Street
Rochester Urban Renewal Agency	50 Broadway
Rochester Urban Renewal Agency	15 Manhattan Square Drive
Rochester Urban Renewal Agency	47 Savannah Street
Rochester Urban Renewal Agency	200 Exchange Blvd.
Rochester Urban Renewal Agency	151 Mt. Hope Avenue
Rochester Urban Renewal Agency	780 Exchange Street

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RURA
Real Property Transactions
7/1/10-6/30/11

The following property sales occurred during the reporting period.

- 11 Favor
- 31 Favor
- 25 Favor
- 146-148 Troup
- 152 Troup
- 51 Dr. Samuel McCree Way
- 49-49.5 Dr. Samuel McCree Way
- 12-12/5 Cady
- 338 Ford

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Code of Ethics

All persons acting on behalf of the Rochester Urban Renewal Agency in RURA matters are covered by the Code of Ethics adopted by the RURA. (The City of Rochester's Code of Ethics was adopted by the RURA.)

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**Rochester Urban Renewal Report
7/1/10-6/30/11**

Assessment of the effectiveness of the Authority's internal control structure and procedures.

Audit Report

The Rochester Urban Renewal Agency financial information is included in the City of Rochester's audited financial statements.

A copy of the City of Rochester's fiscal year ended 6/30/11 Financial Reports and/or Comprehensive Annual Financial Report will be on file in the office of the Rochester Urban Renewal Agency.

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