



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

7/01/12-6/30/13



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 in a cursive style.

R. Carlos Carballada, Secretary

A handwritten signature in black ink, appearing to read "Brian Roulin", written in a cursive style.

Brian Roulin, Chief Financial Officer

RURA

7/01/12-6/30/13

Operations and Accomplishments

1. Midtown Rising

Midtown Plaza consisted of approximately 1.5 million square feet of vacant, office and retail buildings covering 8.6 acres. The Midtown Rising project involves the demolition of most of the Midtown buildings, the adaptive reuse of the former Seneca Building as the new Windstream office project, adaptive reuse of the former Midtown Tower, inclusion of new streets and open space, and creation of four (4) development parcels.

In 2009, the City completed the State Environmental Quality Review Act process for the redevelopment plan. The amended Midtown Urban Renewal Plan was adopted by the Rochester City Council in November 2009.

New York State provided \$55 million for the Midtown Rising project, \$44 million of which was used for the (now complete) asbestos remediation and demolition of six buildings covering more than eight acres that made up the Midtown site. Construction work was completed in the spring of 2013 on the reconstruction of the underground service tunnel and is under way on the 1,800-vehicle underground garage. Above ground, a new street grid, sidewalks and lighting are also currently under construction as is the preparation of the remaining development parcels and the public space with the remaining \$11 million grant from New York State.

The City of Rochester identified \$4,712,350 in federal assistance for the Midtown project. In February 2009 U.S. Congresswoman Louise M. Slaughter (D-NY-28) announced \$950,000 in funding for transportation improvements relating to the Midtown Project from the 2009 Omnibus Appropriations Act. In September 2009, U.S. Senator Kirsten Gillibrand announced that the Senate passed the Transportation, Housing and Urban Development Appropriations Bill, which included \$340,900 to assist with revitalization of the former Midtown Plaza site. An additional \$1,363,600 was included in the Federal fiscal year 2010 budget through appropriations from the transit bill. The City was awarded a \$2,057,850 grant from the U.S. Economic Development Administration for infrastructure improvements to the Midtown site. The infrastructure costs to construct streets, utilities and open space are fully funded with the above federal and additional NYS, the County of Monroe, and local funding.

51 years after Midtown Plaza first opened in downtown Rochester, officials gathered on September 3, 2013 to celebrate the rebirth of Midtown with a ribbon cutting. Windstream officially celebrated the opening of its new office facility at the former Seneca Building. The Pike Company completed the project at a total investment of \$19 million. The project is the first private development to take hold on the Midtown Rising site. Now that Pike's reconstruction of the 109,000-square-foot former Seneca Building is complete, Windstream will house 335 employees on two of the building's three floors, comprising 66,667 square feet. The third floor of the Seneca Building, comprising 37,000 square feet, is available for lease. The City of Rochester provided a \$5,000,000 loan and a \$900,000 grant from federal Community Development Block Grant (CDBG) funds; the City is also providing a \$1,700,000 grant with Empire State Development Corporation (ESDC) funds. Rochester Gas & Electric (RG&E) provided two (2) grants totaling \$800,000 for electric service infrastructure. The balance of funding is developer equity and conventional financing.

The City selected the development team of Buckingham Properties and Morgan Management (controlling members: Robert C. Morgan and Laurence C. Glazer, respectively)

to redevelop the Midtown Tower. The development program is comprised of approximately 179 residential rental units and approximately 160,000 square feet of commercial space (the first 3-5 floors of the Tower and former plaza). City Council and the RURA approved the sale of the Tower parcel to the developer in July 2013 along with the approval of \$7,700,000 in loan agreements for the project. NYS is providing \$5,200,000 in funding for the project through the Upstate Regional Blueprint Program and the NYS Consolidated Funding Application process. Construction will start in winter 2013. The balance of funding is developer equity and conventional financing.

The remaining four (4) development parcels in the Midtown Urban Renewal District will be developed at a later time as a function of supply and demand within the market.

The total investment in the Midtown Rising Project, including acquisition, relocation, demolition, infrastructure, rehabilitation of the garage, the redevelopment of the Windstream offices building, and the redevelopment of the Midtown tower is more than \$184 million. Through this exciting development, Rochester is transforming its Downtown with a focused and balanced approach to revitalization.

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. Storefront renovation projects: 308 Driving Park, Clinton & Ralston Auto Repair-completed.
3. North Plymouth Terrace is a new \$6.5 million mixed-use development in the heart of downtown along the west side of North Plymouth Avenue at West Main Street. The development project consists of twenty-four 2.5-story market rate townhomes and an 11,000 square foot 3-story mixed-use commercial building. The development project represents a significant investment in the historic Cascade District and transforms a 1.5 acre parking lot into new mixed-use urban development. The project will increase the downtown residential population and bring more jobs to the neighborhood.

The City-owned property was sold to the developer in May 2011. The project build-out is being completed in phases. Ten townhomes are completed. The remaining townhomes are expected to be completed by 2014. The 3-story commercial building is completed. The US Postal Service is leasing space in the new commercial building bringing 5 new jobs to the downtown location.

4. The City contracted with Interface Studio of Philadelphia in May 2013 to prepare an Urban Renewal District plan for a portion of the Marketview Heights neighborhood. The team visited Rochester three times hosting interviews and public meetings to gather information and ideas from stakeholders. They also conducted an analysis of the physical condition of the neighborhood, and review of existing plans and studies in the area. They have prepared three development concepts for review by City staff and will soon be refining one of these concepts for the final plan. The \$80,000 contract will conclude with a presentation to City Council.

h:\rura\operations&accomplishments1213

Rochester Urban Renewal Proceedings for 7/1/12-6/30/13

Date	Resolution No.	Action
2/2013	URA-1	Approving the 2011-12 Annual Report
3/2013	URA-2	Approving the 2013-14 Budget and Performance Measures
5/2013	URA-3	Designating Excellus Health Plan Inc. as Qualified and Eligible to Purchase and Develop 165 Court Street in the Washington Square Urban Renewal Project, as Amended
	URA-4	Approving the Sale by the Rochester Urban Renewal Agency to Excellus Health Plan, Inc. of 165 Court Street in the Washington Square Urban Renewal Project, as Amended
	URA-5	Designating 155 East Main LLC as Qualified and Eligible to Purchase Parking Rights in the South Avenue Garage in the Genesee Crossroads South 1 Urban Renewal Project

h:\rura\1213annualreport\proceedings

RURA

Summary Financial Information

Summary Statement of Net Assets

<u>Assets</u>	<u>6/30/2013</u>	<u>6/30/2012</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	465,666	498,447	127,707	1,374,386	97,835	\$1,404,629
Investments			400,000	600,000	2,000,000	\$750,000
Receivables, net						
Other assets						
Total Current Assets	465,666	498,447	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	0	0	\$570,000
Buildings and equipment						
Infrastructure						
Accumulated depreciation						
Net capital assets						
Total Noncurrent Assets	0	0	0	0	0	\$570,000
Total Assets	465,666	498,447	527,707	1,974,386	2,097,836	\$2,724,629
<u>Liabilities</u>						
Current Liabilities						
Accounts payable		3,130				
Pension contribution payable						
Other post-employment benefits						
Accrued liabilities						
Deferred revenues	0	0	0	0	0	\$570,000
Bonds and notes payable						
Other long-term obligations due within one year						
Total Current Liabilities	0	3,130	0	0	0	\$570,000
Noncurrent Liabilities						
Pension contribution payable						
Other post-employment benefits						
Bonds and notes payable						
Other long-term obligations						
Total Noncurrent Liabilities	0	0	0	0	0	\$0
Total Liabilities	0	3,130	0	0	0	\$570,000
<u>Net Asset (Deficit)</u>						
Net Assets						
Invested in capital assets, net of related debt						
Restricted	465,666	495,317	527,707	1,974,386	2,097,836	\$2,154,629
Unrestricted						
Total Liabilities and Net Assets	465,666	498,447	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 0 0 \$2,394,343

Operating Expenses

Salaries and wages
Other employee benefits
Professional services contracts
Supplies and materials
Depreciation & amortization
Other operating expenses

\$250,621

Total Operating Expenses

0 0 0 0 0 \$250,621

Operating Income (Loss)

0 0 0 0 0 \$2,143,722

Nonoperating Revenues

Investment earnings
State subsidies/grants
Federal subsidies/grants
Municipal subsidies/grants
Public authority subsidies
Other nonoperating revenues

\$10,908

Total Nonoperating Revenue

0 182 434 1,680 23,507 \$10,908

Nonoperating Expenses

Interest and other financing charges
Subsidies to other public authorities
Grants and donations
Other nonoperating expenses

29,651 32,572 1,447,113 125,130 65,000
15,300

Total Nonoperating Expenses

29,651 32,572 1,447,113 125,130 80,300 \$0

Income (Loss) Before Contributions

-29,651 -32,380 -1,446,679 -123,450 -56,793 \$2,154,630

Capital Contributions

\$0

Change in net assets

-29,651 -32,380 -1,446,679 -123,450 -56,793 \$0

Net assets (deficit) beginning of year

\$495,317 \$527,707 \$1,974,386 \$2,097,836 \$2,154,629 \$0

Other net assets changes

\$0

Net assets (deficit) at end of year

465,666 495,317 527,707 1,974,386 2,097,836 \$0

RURA
Debt Report
7/01/12-6/30/13

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.

h:\rura\1213annualreport\debtreport.doc

RURA
Annual Investment Report
7/1/12-6/30/13

Account Inquiry - Munis [CITY OF ROCHESTER, NY]

My File Edit Tools Help

Accept Cancel Cut Copy Paste Query Find Browse Add Update Delete Display PDF Print Save Word Excel Exchange Attach Email MapLink Image

Detail
Months
Seg Find
Totals
Project Strings

Fund 1336 URBAN RENE Acct 1336-09-00-0000-000000-00000-000000-376000
Org 33600000 URBAN RENE Acct name URBAN RENE INTEREST EARNINGS
Object 376000 INT EARN Type Revenue Status Active Budget Rollup Group
Project MultiY Fund Account Notes

4 Year Comparison	Current Year	History		
W/Per 2014/01	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2015
Original Budget	.00	.00	.00	.00
Transfers In	.00	.00		
Transfers Out	.00	.00	.00	
Revised Budget	.00	.00	.00	.00
Actual (Memo)	.00	.00	-182.08	.00
Encumbrances	.00	.00	.00	.00
Requisitions	.00			.00
Inceptn To Date	-36,710.40			
Available	36,710.40	.00	182.08	.00
Percent used	.00	.00	.00	.00

1 of 1 Attachments (0)

Display detail information for current account.

OVR

RURA

Procurement Contracts Report

7/1/12-6/30/13

(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

7/1/12-6/30/13

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.

h:\rura\1213annualreport\compensationschedule

1. Midtown Rising

Midtown Plaza consisted of approximately 1.5 million square feet of vacant, office and retail buildings covering 8.6 acres. The Midtown Rising project involves the demolition of most of the Midtown buildings, the adaptive reuse of the former Seneca Building as the new Windstream office project, adaptive reuse of the former Midtown Tower, inclusion of new streets and open space, and creation of four (4) development parcels.

In 2009, the City completed the State Environmental Quality Review Act process for the redevelopment plan. The amended Midtown Urban Renewal Plan was adopted by the Rochester City Council in November 2009.

New York State provided \$55 million for the Midtown Rising project, \$44 million of which was used for the (now complete) asbestos remediation and demolition of six buildings covering more than eight acres that made up the Midtown site. Construction work was completed in the spring of 2013 on the reconstruction of the underground service tunnel and is under way on the 1,800-vehicle underground garage. Above ground, a new street grid, sidewalks and lighting are also currently under construction as is the preparation of the remaining development parcels and the public space with the remaining \$11 million grant from New York State.

The City of Rochester identified \$4,712,350 in federal assistance for the Midtown project. In February 2009 U.S. Congresswoman Louise M. Slaughter (D-NY-28) announced \$950,000 in funding for transportation improvements relating to the Midtown Project from the 2009 Omnibus Appropriations Act. In September 2009, U.S. Senator Kirsten Gillibrand announced that the Senate passed the Transportation, Housing and Urban Development Appropriations Bill, which included \$340,900 to assist with revitalization of the former Midtown Plaza site. An additional \$1,363,600 was included in the Federal fiscal year 2010 budget through appropriations from the transit bill. The City was awarded a \$2,057,850 grant from the U.S. Economic Development Administration for infrastructure improvements to the Midtown site. The infrastructure costs to construct streets, utilities and open space are fully funded with the above federal and additional NYS, the County of Monroe, and local funding.

51 years after Midtown Plaza first opened in downtown Rochester, officials gathered on September 3, 2013 to celebrate the rebirth of Midtown with a ribbon cutting. Windstream officially celebrated the opening of its new office facility at the former Seneca Building. The Pike Company completed the project at a total investment of \$19 million. The project is the first private development to take hold on the Midtown Rising site. Now that Pike's reconstruction of the 109,000-square-foot former Seneca Building is complete, Windstream will house 335 employees on two of the building's three floors, comprising 66,667 square feet. The third floor of the Seneca Building, comprising 37,000 square feet, is available for lease. The City of Rochester provided a \$5,000,000 loan and a \$900,000 grant from federal Community Development Block Grant (CDBG) funds; the City is also providing a \$1,700,000 grant with Empire State Development Corporation (ESDC) funds. Rochester Gas & Electric (RG&E) provided two (2) grants totaling \$800,000 for electric service infrastructure. The balance of funding is developer equity and conventional financing.

The City selected the development team of Buckingham Properties and Morgan Management (controlling members: Robert C. Morgan and Laurence C. Glazer, respectively) to redevelop the Midtown Tower. The development program is comprised of approximately

179 residential rental units and approximately 160,000 square feet of commercial space (the first 3-5 floors of the Tower and former plaza). City Council and the RURA approved the sale of the Tower parcel to the developer in July 2013 along with the approval of \$7,700,000 in loan agreements for the project. NYS is providing \$5,200,000 in funding for the project through the Upstate Regional Blueprint Program and the NYS Consolidated Funding Application process. Construction will start in winter 2013. The balance of funding is developer equity and conventional financing.

The remaining four (4) development parcels in the Midtown Urban Renewal District will be developed at a later time as a function of supply and demand within the market.

The total investment in the Midtown Rising Project, including acquisition, relocation, demolition, infrastructure, rehabilitation of the garage, the redevelopment of the Windstream offices building, and the redevelopment of the Midtown tower is more than \$184 million. Through this exciting development, Rochester is transforming its Downtown with a focused and balanced approach to revitalization.

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. Storefront renovation projects: 308 Driving Park, Clinton & Ralston Auto Repair-completed.
3. North Plymouth Terrace is a new \$6.5 million mixed-use development in the heart of downtown along the west side of North Plymouth Avenue at West Main Street. The development project consists of twenty-four 2.5-story market rate townhomes and an 11,000 square foot 3-story mixed-use commercial building. The development project represents a significant investment in the historic Cascade District and transforms a 1.5 acre parking lot into new mixed-use urban development. The project will increase the downtown residential population and bring more jobs to the neighborhood.

The City-owned property was sold to the developer in May 2011. The project build-out is being completed in phases. Ten townhomes are completed. The remaining townhomes are expected to be completed by 2014. The 3-story commercial building is completed. The US Postal Service is leasing space in the new commercial building bringing 5 new jobs to the downtown location.

4. The City contracted with Interface Studio of Philadelphia in May 2013 to prepare an Urban Renewal District plan for a portion of the Marketview Heights neighborhood. The team visited Rochester three times hosting interviews and public meetings to gather information and ideas from stakeholders. They also conducted an analysis of the physical condition of the neighborhood, and review of existing plans and studies in the area. They have prepared three development concepts for review by City staff and will soon be refining one of these concepts for the final plan. The \$80,000 contract will conclude with a presentation to City Council.

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.

h:\rura\1213annualreport\potentialdispose

Urban Renewal Parcel Status & Recommendations

Street Address	Current Use	Proposed Action
36 South Avenue	Parking Garage	No Action Proposed
50 Broadway	Leased to Benderson	No Action Proposed
414 E. Broad	Leased to Benderson	No Action Proposed
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	The sale of a portion of parcel to City has been approved
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	Vacant	No Action Proposed
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	This property was sold to Excellus as of 5/31/13 for \$3.2 million. This was not an arms-length sale
780 Exchange		Offer portion to adjacent owner, subdivide and sell balance to Church of Love

Rochester Urban Renewal Agency
Real Property Report
7/1/12-6/30/13

OWNER NAME	PROPERTY ADDRESS
RURA (School #9)	485 N. Clinton Avenue
RURA-COMIDA-Bausch & Lomb	125-141 S. Clinton Avenue
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

h:\rura\1213annualreport\realpropertyreport.doc

RURA
Real Property Transactions
7/1/12-6/30/13

There was one property sale for the reporting period.

The property at 165 Court Street was sold to Excellus as of 5/31/13 for \$3.2 million. This was not an arms-length sale as the conveyance instrument was a quit-claim deed. This was a lease buy-out. The sale price was based on the amortized value of the remaining lease term.

h:\rura\1213report\realpropertytransactions.doc

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.)

h:\rura\1213annualreport\coe

Rochester Urban Renewal Report
7/1/12-6/30/13

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 6/30/13 Comprehensive Annual Financial Report will be on file in the office of the Rochester Urban Renewal Agency.

h:\rura\1213report\audit