

August  
2015

# RDDC Annual Report

Rochester Downtown Development Corporation  
100 Chestnut St., Suite 1910 • Rochester, NY 14604 • (585) 546-6920

## MESSAGE TO MEMBERS

For the first time in more than half a century, downtown is really growing. After managing decline for decades, we are now dealing with challenges related to growth.

### ***Downtown Innovation Zone (DIZ)***

After tracking the housing story since 2000 that led downtown's turnaround, we woke up in 2014 to the organic development of a very real innovation district in the city center. There are now a total of 97 innovation & creative class enterprises in the DIZ, along with 10 incubators and support services for start-ups. These numbers are growing.

Our goals now are to begin deeper conversations with innovation and creative class entities to gauge their specific needs and desires for increased interaction. The DIZ website will be three-dimensionalized, and we also intend to better connect commercial brokers and leasing folks to this exciting emerging market.

### ***Business Improvement District***

For four years, a group of public and private leaders have worked diligently to explore the creation of a Business Improvement District (BID) for downtown Rochester. Much work had been done, and a proposed district model was forwarded to downtown property owners for feedback in April 2014. The model included advocacy, economic development, street events, and enhanced sidewalk cleaning and management services.

One of the challenges in developing a BID for downtown Rochester has been the existing enhancement district, for which the City of Rochester makes a significant contribution as the largest property owner and also contributes significant

resources. Resolving how the City's current resources could be reallocated into the new BID model became a significant barrier.

Our research showed that no other city had a structure like this in place prior to creating a BID. This matter is of significant importance as without a resolution that incorporated the current structure into the new structure, the BID would become cost prohibitive because private property owners would have to absorb the costs.

Consequently, the work to develop a BID for downtown Rochester at this time has ended.

### ***Downtown is Growing***

There are 20 housing projects in the pipeline downtown this year. These projects will generate another 2,400 people over the next several years to join the 6,100 already living here.

The Midtown District in particular is experiencing tremendous growth. The HTR Business Accelerator, RIT Center for Urban Entrepreneurship, promised AIM Photonics headquarters, Democrat and Chronicle Media Group, and CGI Headquarters projects are huge. And new housing at the Sibley Building, Midtown Tower, 88 Elm, Chase Tower, Alliance Building, and CGI projects will all change the landscape dramatically!



Heidi Zimmer-Meyer  
President



David Beinetti  
Chair

## ***RDDC BOARD OF DIRECTORS 2015-2016***

### **CHAIR**

**David Beinetti**, President & Principal, SWBR Architecture, Engineering & Landscape Architecture, P.C.

### **VICE CHAIRS**

**John Billone, Jr.**, President, Flower City Management

**Armand D'Alfonso**, Pres. & CEO, Nothnagle Realtors

**Patrick Dutton**, President, Dutton & Company

**Brian Flanagan**, Ops. Partner, Nixon Peabody LLP

**Andy Gallina**, President, Gallina Development Corporation

**Ken Glazer**, Managing Partner, Buckingham Properties

**Salvatore LaBella**, Founder, LaBella Associates, P.C.

**Mary Loewenguth**, Executive Director, Monroe County Bar Association

**Faheem Masood**, President & COO, ESL Federal Credit Union

**Tom Parrish**, Exec. Dir. & Co-CEO, Geva Theatre Center

**Joe Rizzo**, Economic Development Manager, Rochester Gas & Electric Corporation

**Deborah M. Stendardi**, Vice President, Government & Community Relations, Rochester Institute of Technology

**Dawn Williams-Fuller**, Owner, Ambassador Union Street LLC

### **TREASURER**

**Michele Gibson**, Senior Assoc. Dean for Administration & Finance, U of R/Eastman School of Music

### **SECRETARY**

**Kate Karl**, Partner, Chair of Banking/Real Estate Groups, Underberg & Kessler LLP

### **ADDITIONAL DIRECTORS**

**Wendy Buchholz**, Regional Manager, Johnson Controls, Rochester Office

**Scott Burdett**, Vice President, Marketing & Brokerage Services, Flaum Management Company, Inc.

**Craig Burton**, First Vice President, Commercial Real Estate, First Niagara Bank

**John Cake**, Architect/Principal, Hunt Engineers, Architects & Surveyors

**Joe Eddy**, VP, Development, WinnDevelopment

**Sue Eliazewskyj**, Corporate Vice President, Admin. Services, Excellus BCBS

**Dr. Joel Frater**, Executive Dean, MCC Damon City Campus

**Pete Giovenco**, Chief Operating Officer, Bergmann Associates

**Brie Harrison**, CFO, Rochester Public Library

**John Holland**, Founder & CEO, D4, LLC

**John Manilla**, President, Pyramid Brokerage Company

**Roosevelt Mareus**, Dean/Executive Director, Rochester Educational Opportunity Center

**Stuart Mitchell**, President & CEO, PathStone Corporation

**Richard Mueller**, Administrative Vice President

Commercial Real Estate Finance, M&T Bank

**Patrick Rogers**, Vice President, Pike Company, Inc.

**Suzanne Seldes**, Vice President for Marketing & Communications, The Strong

**Mark Stevens**, President, Ashley Management Corporation

**Dan Wagner**, Co-Founder & CEO, CloudSmartz, Inc.

**Heidi Zimmer-Meyer**, President, RDDC

# 2015 RDDC Workplan & Budget

## 2015 WORKPLAN

### STRATEGIC ELEMENTS

#### → Market Tracking & Improving Commercial Tenancy

- ◆ Track and share multi-year data and trending regarding downtown's office and residential markets, investment levels, and development activity
- ◆ Use market report findings to identify advocacy targets as appropriate
- ◆ Create greater relevancy, engagement and excitement around the Downtown Innovation Zone to maximize its growth and to reduce downtown's commercial vacancy
- ◆ Highlight downtown office towers, non-traditional office buildings and space, and street-level spaces
- ◆ Collaborate with business incubators, building owners, and the City of Rochester to accelerate the growth of downtown retail and other street-level tenancy

#### → Advocacy & Engagement

- ◆ Use convening role to target downtown issues, advocate for emerging neighborhood-specific issues, and create stronger linkages with downtown's neighborhoods
- ◆ Work with investors and developers to share market information, provide block & tackle problem-solving assistance, and advocate directly where necessary
- ◆ Support RDDC stakeholders by aggressively advocating for infrastructure, services, and safety programs that impact downtown (e.g., impact of Police Dept. reorganization)
- ◆ Continue to explore new ways to collaborate and partner with the City, and to assure good urban planning and forward momentum throughout downtown
- ◆ Actively engage on statewide downtown issues with other downtown organizations through the NYS Urban Council

#### → Promote Downtown

- ◆ Continue to leverage RDDC's aggressive communications strategy
- ◆ Continue to work closely and productively with media
- ◆ Maximize the quality and value of RDDC's websites, Facebook, "@round downtown" e-newsletter, and Twitter vehicles
- ◆ Design and execute an annual program of events that generates net revenue, higher visibility for RDDC, and features downtown development, lifestyles, business, and commercial space options
- ◆ Schedule briefings as appropriate with federal, state, and local political representatives

#### → Ensure RDDC's Long-Term Sustainability

- ◆ Aggressively implement RDDC Membership Committee's recommendations to reinvigorate existing RDDC membership, and to activate a successful new member campaign
- ◆ Explore and secure additional sources of funding (e.g., grants, sponsorships, contracts for services)
- ◆ Explore collaboration opportunities with other key private sector economic development organizations
- ◆ Leverage RDDC's communications program to increase organizational visibility and impact

## 2015 BUDGET

	2014	2015
	BUDGET	BUDGET
BEGINNING BALANCE	\$25,268	\$27,684
REVENUE		
Membership Dues	\$171,186	\$193,000
Prior Year Membership Dues	0	0
Events, Event Sponsorships	108,800	113,700
Downtown Special Services	71,207	110,426
Business Improvement District	17,394	13,750
Communications Program	5,700	6,388
Grants	0	5,000
Miscellaneous Income	10	11
TOTAL REVENUE	\$374,297	\$442,275
EXPENSES		
Staff Payroll	\$191,173	\$194,992
Payroll Taxes	15,810	16,126
Employee Benefits	25,000	26,386
Technical Services	5,000	5,000
Rent & Utilities	0	0
Equipment & Machines	6,000	6,600
Telephone, I-Net, Cloud, E-Mail	8,200	10,200
Office Expenses	1,000	1,500
Printing & Copying	1,500	2,000
Postage	1,300	1,400
Business & Meetings	1,700	1,000
Dues & Subscriptions	500	1,200
Insurance	2,500	3,200
Accounting Services	6,000	6,400
Miscellaneous Expenses	500	500
SUBTOTAL, OVERHEAD	\$266,183	\$276,504
RDDC Events	\$55,000	\$55,000
Downtown Special Services	19,000	71,237
Business Improvement District	26,894	30,000
Communications Program	8,750	9,200
TOTAL EXPENSES	\$375,827	\$441,941
NET REVENUE (EXPENSE)	(\$1,530)	\$334
NET FUNDS (EXPENSE)	\$23,738	\$28,018

- ◆ Engage RDDC growing leadership voice to maximize community influence and on strategic work elements, where appropriate
- ◆ Create new ways for existing members to engage in downtown issues and to hear development news
- ◆ Continue to use the Economic Growth Series and other public events to position RDDC as a significant and high-impact regional economic development and leadership entity

# 2014-15 RDDC Highlights

## Corporate Structure

*RDDC is a private, membership-based, 501(c)(4) not-for-profit corporation.*

### BOARD OF DIRECTORS

- ◆ Responsible for annual corporate management decisions (e.g., budget, annual workplan, election of officers), setting corporate priorities and direction.
- ◆ *Ad hoc* “task forces” are formed as needed to develop recommendations on particular corporate and policy issues for action by the Board of Directors.

### EXECUTIVE COMMITTEE

- ◆ Executive Committee includes the officers of the corporation and the President — makes decisions and provides guidance on internal corporate management issues and interim policy matters.

### GOVERNANCE & COMPENSATION COMMITTEE

- ◆ Recommends corporate policies and executive compensation level. Executes annual CEO review.

## Downtown Office Space Survey May 2014

**Total Space Surveyed** = 110 buildings, 11 M. s.f.,  
(86.7 % occupied)

**Competitive Space** = 87 buildings, 7 M. s.f.,  
(79.2 % occupied)

- ◆ Class “A” — 11 buildings, 3.1 M. s.f.,  
(80.6 % occupied)
- ◆ Class “A/R” — 12 buildings, 572,052 s.f.,  
(85.0 % occupied)
- ◆ Class “B” — 35 buildings, 2.6 M. s.f.,  
(77.6 % occupied)
- ◆ Non-traditional — 25 buildings, 661,547 s.f.,  
(68.5 % occupied)
- ◆ Medical — 4 buildings, 158,292 s.f.,  
(100 % occupied)

**Non-Competitive Space** = 23 buildings, 4.0 M. s.f.,  
(100 % occupied)

*(2015 Survey is currently underway)*

[www.rochesterdowntown.com](http://www.rochesterdowntown.com)

- ◆ Award-winning website, searchable web pages for:
  - ◆ 86 office buildings
  - ◆ 77 residential properties
  - ◆ 10 theaters, 2 sports arenas
  - ◆ 4 colleges and universities
- ◆ Added Downtown Investment Table in 2014

## Advocacy Activity

### BUSINESS IMPROVEMENT DISTRICT (BID) —

After four years of work, a proposed district model was sent to downtown property owners for feedback in April 2014. The model included advocacy, economic development, street events, and enhanced sidewalk cleaning and management services. Higher than anticipated cost considerations and other associated issues will not permit the operation of a BID without the City as the direct service delivery vehicle. For these primary reasons, the work to develop a BID for downtown Rochester at this time has ended.

### DOWNTOWN INNOVATION ZONE (DIZ) —

Launched in the Fall of 2014 in a partnership with the City of Rochester and High Tech Rochester, RDDC is now spot lighting 91 innovation companies, creative class enterprises, and support services & spaces.

**DOWNTOWN ISSUES** — RDDC continues to be engaged in issues ranging from parking, infrastructure improvements, major public project design, public safety, and the growth of the Downtown Innovation Zone.

**STATEWIDE DOWNTOWN ISSUES** — RDDC has a leadership role in the NYS Urban Council, a statewide organization focused on downtown advocacy, and providing a mechanism to share best practices for successful downtown development and management.

## 2014 Housing Market Survey

### Existing *(2015 Survey is currently underway)*

- ◆ Total downtown housing units: 3,533
- ◆ Estimated residents: 6,138
- ◆ Total owner-occupied units: 135
- ◆ Total rental units: 3,398
  - ◆ Market-rate rental units: 2,485
  - ◆ Subsidized rental units: 913
- ◆ Vacancy rate for market-rate units: 3.4 %
- ◆ Vacancy rate for subsidized units: 4.2 %
- ◆ Number of loft & loft-style units: 563
- ◆ Rent range, all units: \$400 - \$2,535

### Under Development as of August 2015

- ⇒ Total # of new rental & for sale housing units planned or under construction = 1,007
- ⇒ 20 projects in pipeline — 16 loft-style, 16 commercial space conversions, 4 new construction, and 1 major rehab of an existing residential property



# 2014 RDDC Highlights, *cont'd*

## Economic Growth Series

**“DOWNTOWN RISING, 2015”** Featured the *88 Elm & 50 Chestnut Street Projects*, Tom Masaschi, DHD Ventures; *Chase Tower Project*, Andy Gallina, Gallina Development Corporation; *Geva Theatre Center Project*, Tom Parrish, Geva theatre; *2015 Twilight Criterium*, Scott Page, Full Moon Vista Bike & Sport; and the *Main Street Improvement Project*, Jim McIntosh, City of Rochester. (5/15)

**“VISION~FUTURE”** Co-hosted with the Rochester Rotary; featured County Executive Maggie Brooks & City Mayor Lovely Warren. (12/14)

**“THE STATE OF ROCHESTER’S ECONOMY”** Featured Gary Keith, M&T Bank; Jennifer Vey, Brookings Institution; Del Smith, City of Rochester; and, Terry Taber, Eastman Kodak Company. (11/14)

**“DOWNTOWN RISING, 2014”** Featured the *Alexander Park, North Campus*, Larry Glazer, Buckingham Properties; *Hilton Garden Inn*, Tom Masaschi, DHD Ventures; *Hart’s Local Grocers*, Glenn Kellogg, Hart’s Local Grocers; *Democrat and Chronicle Media Group Headquarters* Michael Kane, Democrat and Chronicle Media Group; *Hive @ 155*, Dan Morgenstern, Hive @ 155; and, *Inner Loop East*, Del Smith & Jim McIntosh, City of Rochester. (5/14)

**“CHANGING FORTUNES: Rochester’s Surprising New Story”** Featured panelists Michael Alt, Eastman Business Park; Matt Fronk, Matt Fronk & Associates; Dr. Ann Kress, MCC; Theresa Mazzullo, Excel Partners, Inc.; and, Paul Speranza, Wegmans Food Markets Inc. (3/14)

## Community Impact

**REPRESENTATION** — Finger Lakes Regional Economic Development Council (Community Development and Entrepreneurship & Innovation Workgroups); City Parking Advisory Committee; City Office of Innovation & Strategic Initiatives Committee; The Community Foundation; Rochester Riverside Convention Center Management Board; NYS Urban Council

**DOWNTOWN ASSOCIATIONS** — Work with and occasionally attend High Falls Business Association; East End/Upper East End Business Association; Washington Square Park Neighborhood Association

**MEDIA COVERAGE & PUBLIC SPEAKING**

## 2015 RDDC MEMBERS

AIA — Rochester	Gallina Development Corporation	Philippone Associates
Ajay Glass *	Galvin Realty Group	Phillips Lytle LLP
Allpro Parking LLC	Gar Lowenguth, Inc.	The Pike Company, Inc.
Ambassador Union Street LLC	Geva Theatre Center	Pyramid Brokerage Company
Ashley Management Corporation	Greater Roch. Assoc. of REALTORS®, Inc.	Radisson Hotel
Bank of America	Greater Rochester Enterprise	Riverside Rochester
Benderson Development Co., LLC	Hamilton Stern Construction	Rent Rochester Inc.
Bergmann Associates	Harris Beach PLLC *	Rochester Building Trades Council
Phillip G. Borelli, Esq.	Harter Secrest & Emery, LLP	Rochester Business Alliance
Broadstone Real Estate, LLC	Hart’s Local Grocers *	Rochester District Heating Coop., Inc.
Bruckner, Tillett, Rossi, Cahill & Associates	Hilton Garden Inn *	Rochester Educational Opportunity Center
Buckingham Properties	David Hochstein Memorial Music School	Rochester Gas & Electric Corp.
CB Richard Ellis	Holiday Inn Downtown	Rochester Institute of Technology
CGI Communications	Home Leasing *	Rochester Philharmonic Orchestra
C&S Companies	Home Properties, Inc.	Rochester Public Library System
The Cabot Group	Hunt Engineers, Architects & Land Surveyors	Rochester Red Wings
Canandaigua National Bank & Trust	Hyatt Regency Rochester	Rochester’s Cornerstone Group, Ltd.
Cannan Alexander & Scott, LLC	I. Gordon Corporation	Rynne, Murphy & Associates, Inc.
Catholic Family Center	Johnson Controls *	S&T Bank *
Chaintreuil/Jensen/Stark Architects LLP	Jos. A. Floreano Rochester Riverside Conv. Center	SEI Design Group *
Chamberlain, D’Amanda	L&W Supply *	SWBR Architects & Engineers, P.C.
City Newspaper	LaBella Associates	St. Mary’s Church
Clark Patterson Lee	Landmark Society of Western New York	Spoletta Development
CloudSmartz, Inc.	LeChase Construction Services LLC	Stantec Consulting
The College at Brockport	Lifetime Financial Group *	Stern Properties
Community Preservation Corporation	M/E Engineering P.C.	Stewart Title Insurance Company
The Community Foundation	M&T Bank	Studio E *
Costanza Enterprises	Mark IV Enterprises	The Strong
D4, LLC	Max Rochester	T.Y. Lin International
Democrat and Chronicle	MCC-Damon City Campus	Thomson Reuters
DiMarco Constructors, LLC	McConville, Considine, Cooman & Morin, P.C.	Underberg & Kessler, LLC
Dutton & Company	Monroe County Bar Association	Vargas Associates, Inc.
ESL Federal Credit Union	Nixon Peabody LLP	VisitRochester
Eastman School of Music/U of R	Norry Management Corp.	Webster Properties, LLC
Excellus BCBS Rochester Region	Nothnagle Realtors	Westminster Consulting, LLC *
First Niagara Bank	Parry Building LLC	WinnCompanies
Fitshugh Associates, LLC	Passero Associates, P.C.	Wolfe Architecture
Flaum Management Company, Inc.	PathFinder Engineers & Architects LLP	Woods, Oviatt, Gilman LLP
Flower City Management, Inc.	PathStone Corporation	YMCA of Greater Rochester
Foundation Design, P.C.		* (New 2015 member)

