

November
2015

RDDC Year-End Report

Rochester Downtown Development Corporation
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MESSAGE TO MEMBERS

For the first time in more than half a century, downtown is in full-scale revival mode. We are now figuring out how to deal with growth, and how to anticipate what our new, emerging center city population wants and needs.

Downtown Innovation Zone (DIZ)

After tracking the housing story since 2000 that led downtown's turnaround, we uncovered the organic development of a very real innovation district in the city center. In late 2015, we are tracking 101 innovation & creative class enterprises in the DIZ, along with 10 incubators and support services for start-ups. These numbers are growing.

A whole new approach to engaging these brilliant additions to the downtown landscape is underway. We need to understand them and what they want. The DIZ website is being three-dimensionalized, and property owners and commercial brokers are being connected to this developing new market.

Major Investments in Downtown

RDDC is tracking \$840 million in a variety of development projects downtown. Included are 21 housing projects, expected to 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 Cooperative, RIT Center for Urban Entrepreneurship, Democrat and Chronicle Media Group, CGI Headquarters, and the AIM Photonics headquarters, incubator and training facilities projects are huge.

New housing being built in the Sibley Building, Midtown Tower,

88 Elm, Chase Tower, Alliance Building, and Granite Building will dramatically change downtown's center core over the next three to five years.

What is RDDC Doing?

RDDC is the only entity focused solely on downtown. We track investment levels and the office and housing markets, and offer this critical market information to developers, lenders, appraisers, potential tenants, and media.

We listen to stakeholders and share the knowledge gained about downtown issues with elected officials, and public sector leaders. RDDC markets downtown to the region and beyond, and maintains and enhances both the Downtown and Innovation Zone websites.

Our myriad of Member Briefings, Economic Growth Series events, festive Urban Nights parties, and shareholder-style Annual Meetings have become iconic ways to learn about and celebrate the new economy.

With the rate of growth accelerating, it is essential to have this single, strong downtown private sector voice. RDDC's membership is growing, with 17 new members this year confirming the need an RDDC targeting the needs of the wide variety of users and investors in the center city.



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.

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

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Andy Gallina, President, Gallina Development Corporation

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

Mary Loewenguth, Executive Director, Monroe County Bar Association

Faheem Masood, President & COO, ESL Federal Credit Union

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

Kevin Morgan, Vice President, Morgan Management

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

2016 RDDC Workplan & Budget

2016 WORKPLAN

STRATEGIC ELEMENTS

- ➔ **Market Tracking & Improving Commercial Tenancy**
 - ◆ Grow the value and power of the Downtown Innovation Zone, build stronger connections, expand partnerships, maximize its growth and to increase downtown's commercial occupancy
 - ◆ 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
 - ◆ 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 and appropriate
 - ◆ Support RDDC stakeholders by aggressively advocating for infrastructure, services, and programs that positively impact downtown
 - ◆ 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 social media vehicles – two downtown websites, Facebook page, "@round downtown" e-newsletter, and Twitter account
 - ◆ 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
- ➔ **Ensure RDDC's Long-Term Sustainability**
 - ◆ Complete RDDC conversion to 501(c)(3) corporation
 - ◆ Continue and accelerate RDDC's aggressive new member campaign
 - ◆ Explore collaboration and alliance partnership opportunities with key private sector economic development entities
 - ◆ Explore and secure additional sources of funding (e.g., grants, sponsorships, contracts for services)
 - ◆ Leverage RDDC's communications program to increase organizational visibility and impact

2016 BUDGET

	2015	2016
	BUDGET	BUDGET
CASH CARRYFORWARD	\$27,684	(\$8,012)
REVENUE		
Membership Dues	\$193,000	\$195,490
Events, Event Sponsorships	113,700	108,000
Downtown Special Services	110,426	0
Business Improvement District	13,750	0
Downtown Innovation Zone	0	16,200
Communications Program	6,388	3,300
Grants & Contract Income	5,000	20,000
Miscellaneous Income	11	8
TOTAL REVENUE	\$442,275	\$342,998
EXPENSES		
Staff Payroll	\$194,992	\$199,980
Payroll Taxes	16,126	15,798
Employee Benefits	26,386	27,800
Technical Services	5,000	6,600
Rent & Utilities	0	0
Equipment & Machines	6,600	7,884
Telephone, I-Net, Cloud, E-Mail	10,200	10,200
Office Expenses	1,500	1,900
Printing & Copying	2,000	2,000
Postage	1,400	1,400
Business & Meetings	1,000	1,000
Dues & Subscriptions	1,200	500
Insurance	3,200	3,200
Accounting Services	6,400	6,000
Miscellaneous Expenses	500	700
SUBTOTAL, OVERHEAD	\$276,504	\$284,962
RDDC Events	\$55,000	\$55,000
Downtown Special Services	71,237	0
Business Improvement District	30,000	0
Downtown Innovation Zone	0	500
Communications Program	9,200	2,500
Grants & Contract Expense	0	0
TOTAL EXPENSES	\$441,941	\$342,962
NET REVENUE (EXPENSE)	\$334	\$36
NET FUNDS (EXPENSE)	\$28,018	(\$7,976)

- ◆ Engage RDDC growing leadership voice to maximize community influence and on strategic work elements, where appropriate
- ◆ Expand number and value of member briefings and explore new ways to engage RDDC members
- ◆ 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

2015 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 and interim policy matters.

GOVERNANCE & COMPENSATION COMMITTEE

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

Downtown Office Space Survey May 2015

Total Space Surveyed = 110 buildings, 10.7 M. s.f.,
(87.6 % occupied)

Competitive Space = 85 buildings, 6.6 M. s.f.,
(80.0 % occupied)

- ◆ Class “A” — 11 buildings, 2.9 M. s.f.,
(75.7 % occupied)
- ◆ Class “A/R” — 12 buildings, 572,052 s.f.,
(85.1% occupied)
- ◆ Class “B” — 32 buildings, 2.4 M. s.f.,
(82.9 % occupied)
- ◆ Non-traditional — 26 buildings, 593,668 s.f.,
(78.1 % occupied)
- ◆ Medical — 4 buildings, 158,292 s.f.,
(100 % occupied)

Non-Competitive Space = 25 buildings, 4.0 M. s.f.,
(100 % occupied)

Downtown Websites

www.rochesterdowntown.com

- ◆ Downtown’s premier website with searchable web pages for office space, downtown living options, and market reports, plus interactive downtown investment map.

www.RocDIZ.com

- ◆ Downtown Innovation Zone — being redeveloped to include downtown living and work spaces, connections to venture capital and microloans, and interactive map of DIZ innovation and creative class enterprises, incubators, and entrepreneurship support services.

Advocacy Activity

DOWNTOWN INNOVATION ZONE (DIZ) —

Launched in the Fall of 2014 in a partnership with the City of Rochester and HTR, RDDC is launching a new DIZ website and network of communications with the 98 innovation & creative class enterprises downtown.

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 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 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 October 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

2015 RDDC Highlights, *cont'd*

Economic Growth Series

“VISION~FUTURE” Featuring County Executive Maggie Brooks; incoming new County Executive; and, Mayor Lovely Warren. (Scheduled, 12/15)

“THE NEW FACE OF INNOVATION” Featured Jim Senall, HTR Business Accelerator Cooperative; Dr. Ryne Raffaele, RIT Center for Urban entrepreneurship; Jon Potte, Dwaiter Design; Latrell Liptrot, Phu Concepts; Monica Taddeo, VisualDx; and, Kyle Psaty, Brand Networks. (10/15)

“THE STATE OF ROCHESTER’S ECONOMY” Featured Gary Keith, M&T Bank; Mark Peterson, GRE; Dr. Rob Clark, U of R; and Dr. Leonard Brock, Anti-Poverty Initiative. (9/15)

“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)

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 association meetings in High Falls, East End/Upper East End & Washington Square

EXTENSIVE MEDIA COVERAGE & FREQUENT PUBLIC SPEAKING — On downtown development and related topics

2015 RDDC MEMBERS

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

