

REAL ESTATE NEWS SUMMARY

Rochester, NY 1st Quarter 2008 Vol. 18 Issue 1

Economic & Business

Rochester Housing – Despite the national decrease in housing industry, Rochester's sales remains steady. (12/11)

Corning Tropel Corp.- Corning Tropel Corporation received \$172,000 in tax breaks to aid the expansion at their Perinton facility. The expansion project will cost about \$2.75 million and will create 55 jobs over the next 3 years. (12/19)

Rural Metro - COMIDA approved a \$57,600 sales tax exemption for the purchase of 12 new ambulances. Rural Metro is expected to create 12 new jobs in Monroe County. (12/19)

Graham Corp. – Graham Corp. closed 2007 at \$52.40, up from \$13.12 and the end of 2006, approximately a 300% increase. The company hopes to add 17 workers, to their list of 290 current employees. The company projects \$80-85 million in revenue for 2008. (1/2)

University of Rochester – The University of Rochester will receive \$1 million as a result of state official's decision to allocate funds for medical institution stem-cell research experiments. (1/8)

Energy East – Iberdrola do not anticipate major changes at Energy East, the parent company of Rochester Gas & Electric, with their anticipated 2nd quarter takeover. Iberdrola plans to invest \$13 billion in renewable energy, along with \$7 billion to the US markets, equaling a 1,000 megawatt increase annually. (1/10)

Remax – The 18,000 sq. ft. Re-Max office building was completed recently. Re-Max will use 8,000 sq. ft., the remaining section of the building will be used for professional office space. The building was purchased for \$1 million last year, an additional \$500,000 was used for renovation. (1/11/08)

University of Rochester - The University of Rochester plans on investing \$500 million over the next 5 -10 years in construction, hiring and expanding research to reach their goal of entering the 20 academic medical centers in the country. URMC plans on creating 771 permanent jobs at the medical center by 2015. The job growth could spawn 1,000 additional permanent jobs in the community according to the Center for Governmental Research. (1/18)

Bausch & Lomb – B&L reports that revenue was up 6% in 2007. In addition B&L will purchase Eyetronics Inc., who specializes in prosthetic lens. The terms of the deal were undisclosed. Deal will close by the end of March. (1/21)

Bausch & Lomb - Effective immediately, Gerald Ostrov will replace Ronald Zarella as the new CEO of Bausch & Lomb. (1/24)

Xerox – Xerox ends 2007 with an 8% stock rise. Total revenue from the fourth quarter is \$4.9 billion, up from 4.4 billion in 2006. The company netted \$382 million, up from \$214 million the previous year. The company intends on buying back more of its stock as profits increase. (1/25)

Kodak – Kodak is now the third largest company in Rochester, trailing behind the University of Rochester and Wegmans. At their peak Kodak employed more than 60,000 people. As of 2007, Kodak employed 9,200 full time employees, which is the lowest local work force since before the 1920s. (1/31)

Kodak – Sales for Kodak were up 4%, totaling \$3.2 billion for the fourth quarter. Total sales for 2007 were \$10.3 billion, down from \$10.6 billion in 2006. Despite the revenue decrease for 2007, Kodak is believed to be headed in the right direction in terms of bouncing back from the 2006 restructuring phase. (3/31)

Office

Brighton – Nightingale Properties would like to build Linden Hills Office Park, at 430 Linden Ave. The total project would call for 20 acres of land and a 500 car parking garage. 6 acres of land would need to be rezoned as low density office district. (1/2) A preservation group will be petitioning for a moratorium on the proposed Linden Hills Office Park, claiming that the 6 story building is against regulation. The new proposal for Linden Hills Office Park includes a six story parking garage for 700 cars, a one-story 6,000 sq. ft. commercial building and an two-story, 54,000 sq. ft. office building. (2/7)

Pittsford – In 2006 the grain silo in Pittsford and 250 acres of farmland was purchased for \$1 million by Al Longwell and Michael Newcomb. The silo is under construction to be converted into a modern 9 story office building. Upon completion the building will have a glass elevator, 1600 sq. ft. of office space, and an 1,100 sq. ft. office penthouse suite on the last floor. The outside structure of the building will remain the same. (1/17)

Retail

Tops - Morgan Stanley Private Equity closed on a \$310 million purchase of Tops from Ahold NY. The deal included 71 store and 5 franchises. The purchase will re-direct 100 jobs to western New York. (12/4)

Corning Inc. - Corning Inc. will invest \$800 million in a Japanese manufacturing facility. The facility will be at Sharp Corp.'s plant in Sakai City. The glass will be used by Sharp for large televisions. March 2010 is the start date. (12/7)

Midtown – Mid town is scheduled for demolition in early 2009 to make room for PAETEC. (12/13) The city plans to move ahead with purchasing the 8.6 complex, demolishing it and selling or leasing it for private development. PAETEC has committed to building its world head quarters there in 2011. City officials are expected to come up with \$3 - \$5 million for relocations expenses, since Midtown plaza may be vacated by mid 2008. Tenants in Sibley buildings are also being considered for relocation. Upon approval, Flaum Management and R.K. Hite & Co. will receive \$225,100 for planning and advising the relocation project. Also in consideration is a \$25,000 appraisal contract with Bruckner, Tillett, Rossi, Cahill & Associates. (12/17) City Council will vote on a \$800,000 contract with LaBella Associates to deliver a master plan and environmental review of the 8.6 acre site by the end of the year. If approved, demolition of Midtown would begin in 2009. Spitzer has committed \$65 million to tear down the building. PAETEC is expected to build their world head quarters on part of the 8.6 acre site, moving 1,000 to 1,200 employees to the new location by 2011. PAETEC officials will need to decide by April or May the actual space needed for their enterprise. (1/15) Mayor Duffy is requesting \$13.5 million to purchase Midtown plaza. The purchase includes the cost for relocation, consultant and other fees. The purchase offer will begin the condemnation process. (2/6) Plans for the designs of Midtown were unveiled Wednesday. The ideas included breaking up the 8.6 acre site with streets, side walks and green space. Hollowing out Sibley's to create an atrium leading to housing. The design center is expected to meet with PAETEC to discuss ideas for their headquarters. PAETEC is expected to spend \$40 - \$100 million on the headquarter project. City Council authorized \$13.5 million for the purchase of Midtown, relocated existing tenants and pay additional fees. (2/14)

Staples - A new Staples store is expected to open in fall 2008 in the Panorama Plaza. (12/18)

CooperVision - CooperVision will move its call center from Albuquerque, New Mexico to Woodcliff Drive. The company will invest \$500,000 to equip additional office space at 370 Woodcliff Drive. The move is expected to bring 21 new jobs to Monroe County. (12/19)

Five Star Bank – Plans to build a 5,000 sq. ft. Five Star Bank on Ridgemont, replacing a gestations and min-mart stand in Ridgemont is being reviewed by the town board. (12/31)

First Niagara Bank – Plans are being considered by the Greece town board to construct a 3,037 sq. ft., one story bank and teller company in Kohl's Plaza, 4180 West Ridge Road. (12/31)

TGI Friday's – The town Planning Board approved a site plan to build a new TGI Friday's on Jefferson Road, approximately two miles from a current Friday's restaurant. Plans have not been announced to close the current Friday's off East Henrietta. (1/2)

Wegmans – Declining sales and competition are factors that are contributing to the closing of the Brook-Chili Wegmans. The 62,590 sq. ft. store is schedule to close early February. 296 full time and part time employees will be offered jobs at other area Wegmans. A new 100,000 sq. ft. Wegmans is scheduled to open on Calkins Road in Henrietta, in addition to renovating the East Avenue store. (1/8)

Palmer Food Service – Palmer Food Service will expand this April. The company has increased its employees by about 100 people, and has outgrown its current space. The expansion will consist of a two story building, that will exceed 9,000 sq. ft. The retail workers is expected to double by 20. (1/9)

Genesee Valley Regional Market – The Regional Market administration building will expand this year. A three-story, 14,500 sq. ft. building will replace the old, one story, 12,500 sq. ft. building. The total cost for the project is \$1.5 million. Construction is expected to be completed by September. (1/9)

Walgreens - McFarland Development, a Syracuse company, would like to build a 9,894 sq. ft. Walgreens in Fairport, at the southwest corner of West Church and South Main streets. An informational meeting will be held tonight with the McFarland Development and the neighbors of Fairport Village. (1/10) More than 100 residents came out to the town meeting discussing the possibility of a Walgreens in the village of Fairport. The store would be nearly 4,000 sq. ft. larger than the village law allows. If approved the building would include 44 parking spaces, trees, fencing and other landscaping. McFarland has also agreed to purchase the existing Exxon station, an apartment house and a gift shop to create space for the store. Due to capacity issues, the meeting was rescheduled. (1/16)

Walgreens - A Walgreens has been approved for Irondequoit. A public hearing will be held on Tuesday for the rezoning of land in Irondequoit for a third location. (1/10) McFarland has withdrawn a request for rezoning in Irondequoit. Neighbors voiced their opposition of a Walgreens in that area in the effort to keep the area zoned R-1 residential. (1/17)

US Post Office – 6 post offices in Rochester are under consideration to close. The offices that are under consideration are located on West Ride, Dewey, on Cumberland, in the Federal Building downtown, in Midtown Plaza and in Ridgemont Plaza. On-line services and competition are sited as possible factors to the decline of business at these locations. Two new "carrier annexes" could open within two years. No approval for funding for the project has been granted to date. (1/18) In response to the possible closing of several post office, consideration is being requested for the merging of the post offices on Dewey, West Ride and Ridgemont Plaza, thus becoming a carrier annex. Post offices on Cumberland, in the Federal building, and in Midtown plaza would also merge to one location as a carrier annex. Two new retail operations are also being considered for the same areas where the closings may occur. (1/22)

RenSquare – Revision to the original plans to build at least 3 theaters, now include only one 2,800 sq. ft. theatre, in addition to a bus terminal and a MCC satellite campus. The Renaissance Square project is expected to be with in the \$230 million budget. The final decision on the RenSquare project is on hold until all projects are completed. (1/17) The RenSquare project may be facing an \$18 million deficit. Funds that were expected to go towards the project are being allocated to other local arts projects. There is even question of if the \$230 million is enough to finance the plans to construct the project. (2/1) Moshe Safdie, the master planner for the RenSquare project, has quite, citing that the plans for the project may not be able to be completed. (2/13) To date a preliminary designed is unfinished for the project. \$12.2 million may be allocated to the designing phase alone. Monroe Country Democrats are requesting greater financial oversight of the project to share with the public. (2/12)

Constellation – Constellation Inc. has decided to sell its Almaden and Inglenook brands to the Wine Group LLC for \$134 million. The sell will help the Constellation to streamline its wine portfolio. (1/24)

Tops – Four Martin's Super Foods Store will convert to Tops by February and early March. The stores are located in Perinton, Batavia, Erie and Chautauqua counties. Staffing and current personnel will remain the same. The conversion will include information and signage change. (1/30)

Walgreens – A proposal for a 10,833 sq. ft. Walgreens store in Greece is receiving mixed review due to potential traffic issues. (12/31) Approval was granted for the Walgreens project in Greece. The store will replace Mico's Transmission and a gas station. This is the second approved store in Greece. (1/31)

Pepsi – The Pepsi plant on Ormond street will move to a 107,000 sq. ft. facility in Rochester Technology Park in Gates. Pepsi has invested \$500,000 in new bottle racks, computer technology and security at the new location. The company anticipates on adding 120 employees to their current roster. (2/8)

ESL – ESL Credit Union announced plans to build a \$50 million six-story headquarter at 225 Chestnut Street, to house 300 employees and one branch. Ground breaking is scheduled for August. Construction is expected to be completed by 2009 or early 2010. (2/8) Plans for the \$50 million project include a 180,000 sq. ft. office complex and a parking garage. The space would be an increase of 50% in comparison to their former place of business. Employment with the company is expected to grow by 10% over 3 years. In addition the company is expected to buy 3 city owned parcels, pending the City Council's approval. The garage is scheduled to be completed in September of 2009, the offices should be completed in December of that year. (2/8)

Industrial

Gates – COMIDA has approved sales tax breaks in the amount of \$396,500 to Induction at Atmosphere LLC, an industrial heating company. The company plans on renovating and equipping a 37,000 sq. ft. building in Rochester Technology Park, where they currently operate on 16,000 sq. ft. (1/16)

Residential

Canandaigua - Preliminary plans calls for 374 apartments and townhouses, with small stores on 67,000 sq. ft. The housing would sell for about \$250,000. An additional \$140 will go towards renovation and 21,000 sq. ft. of new commercial space for Parkway Plaza. (12/4)

Pittsford - Ketmar Development is interested in building The Cottages at Malvern Hills, 27 homes on a 23 acre parcel between Mendon Road and West Bloomfield Road. There is no set timetable for the development. (12/5)

Rochester – Construction on the Charlotte Square project should begin in 2008. Local building trades are lending developers \$10 million to fund the 40 high end condos in the East End. Charlotte Square Condos will be priced between \$220,000 – \$400,000. Construction will needs for the project will create 40-50 jobs. The condos could generate \$420,000 in annual tax revenue for the city. A possible second phase of the project is likely for a smaller parcel of land in the area, appraised at \$160,000. (12/19)

Irondequoit – Providence Housing plans to break ground this Spring to build a 45-unit Senior Housing complex. A \$450,000 low interest loan will be granted to Providence Housing Development Corp. to support the affordable senior housing project. Apartments are expected to open early 2009. (1/10)

Brighton - Anthony Costello & Son Development would like to build a residential community south of Route 590, adjacent to the Erie Canal. Referred to as The Reserve, will include 350 units on 63 acres of land. (1/2)

Fairport – The former Fairport Market could be replaced with Tow Path Park, a new housing complex. The proposal includes 22 rental apartment units and 11 condominiums on a 1.62 acre lot, fronting the Erie Canal. Currently the space is being leased by Industrial Development Agency, who purchased the parcel for \$400,000 from the village a year ago. Developers are hoping for an open date before the end of 2009. (2/7)

High Falls – The ground breaking ceremony was held Wednesday for the \$ 17.8 million Mills at High Falls project. New plans for the project includes 67 one and two bedroom apartments, rent ranging from \$600 - \$1,000, along with 2,550 sq. ft. commercial space, half of the size in the original proposal. The city is investing \$2.4 million, other funds will come from the state tax exempt bonds and tax credit equity. Plans for townhouses may return in the 2nd phase of the project. (2/7)

Greece – Autumn Woods was demolished earlier this year to make room for the Lehigh Park apartment complex. Construction is closer to getting started on building the 16, two-story building to house the 128 apartment unit . The approval for the final site plans is in order before construction can begin. (2/13)

Other

Greece - In May construction on a \$3 million, 11,000 sq. ft. court house will begin. The courthouse will move from Cedarfield Commons to Vince Tofany Boulevard. The new building will include 2 new courtrooms, one with a capacity of 150 and the other with a capacity of 75. (12/4)

Canandaigua - Chris Pritchard has agreed to sell nearly 75 acres of his farm land to the Ontario County Industrial Development Agency for \$525,000. The land will be used to extend the airport runway. In addition to this land, the IDA will need a 2 acre portion of town-owned Thomas Road. (12/4)

Rochester - RIT announced that a 1 million sq. ft. campus will be constructed by 2019 in Dubai, located in the Persian Gulf. Course will temporarily be taught in a 20,000 sq. ft. space at the Dubai Silicon Oasis, a 4.5 sq. mile complex with housing, banks, retail space and high technology research facilities. By 2019 the campus will grow to the size of about 17 football fields and about 4,000 students will be enrolled. (12/6)

Greece – Renovation plans to Unity Hospital and Park Ridge Living Center were unveiled last week. 167 patient rooms within the hospital will be upgraded and renovated. There will be an addition of 85 inpatient beds as well as an entire 4th floor. The Living Center will become 4 free standing “cottage style” residences. Each will have 20 private rooms. Completion on the multi year, \$141 million project is likely to start next spring. The anticipated completion time frame is projected for 2009. (12/6)

Greece – The Villages, an independent senior living community, will begin renovations next year. The anticipated \$21 million project includes an addition of 30 units and more common space for activities and educational purposes. Construction is likely to be completed by 2010. (12/6)

Henrietta - The Henrietta Foundation will pay \$590,000 for Executive South Family Center, the 25 acre, nine-hole, par-three course. The golf course also includes a clubhouse, restaurant, putting greens and driving range. So far \$350,000 has been raised through state grants for the purchase. (12/12)

Greece - Greece district residents will vote on the \$21 million EXCEL project. The project includes repairs and renovations in the Greece Central School District. (12/13) Voters in the Greece Central District approved \$21.4 million for the EXCEL project. The Greece project includes work on all 20 district buildings. There will be no extra cost to local taxpayers. (12/14)

Fairport – Fairport’s school district will receive \$29.9 million for improvements in technology, safety and instructional space. Proposals for improvements to the district office in the village of Fairport for \$1.8 million, \$725,000 for improvements at the Baumer Buildings and Buildings and Grounds Facilities along with an additional \$1.8 in parking improvements were rejected. Breaking grounds for the 29.9 million project will be in Spring 2009. The ribbon cutting ceremony is projected for fall of 2010. (12/12)

Greece – In anticipation of a mixed – used development plan, Farash Corporation purchased houses on 125 acres, along West Ridge Road. The plans include a 203,000 sq. ft. Super Walmart, 172,000 sq. ft. strip of retail buildings, 200,000 sq. ft. pf retail and commercial buildings, among other projects. Now referred to as Southwestern Commons is calling for 98 acres of rezoned land from single-family to restricted – general business. Developers are still seeking approval (12/9).

Victor – The proposed Fisher Development calls for 750,000 sq. ft. of buildings on vacant land, totaling 95 acres, across from the intersection with Route 251. Developer DiMarco Group's Rowley 99 LLC plans to apply 550,000 sq. ft. to commercial space. Preliminary plans also include a 100,000 sq. ft. hotel and some apartments. (12/19)

Brighton – Construction on the 20,000 sq. ft. Islamic Center at the Islamic Center of Rochester could be completed by next fall. The new building will include a primary school, a new gymnasium and library. Construction began about 4 years ago. The final cost of the project will be about \$3 million. (12/20)

Rochester- Hyatt Summerfield Suites, formally known as the Strathallan Hotel, will undergo a \$4 million in makeover. In addition to other areas, the 156-room hotel is receiving renovations that will include updates to the superstructure. Construction completion is set for May 1. (1/2)

Seneca - The Department of Environmental Conservation would like to add 2,100 acres in or near the former Seneca Army Depot, to their protected wetlands list. Also, the DEC intends on purchasing 2,300 acres of land at the depot for the pay-to-hunt preserve. Company officials requested a 90 day extension before finalizing their plans to unite and offer an alternative option. (1/14)

Rochester – Rochester General Hospital requested permission for the addition of 36 more medical/ surgical beds from the state. Strong Memorial announced plans to add 123 beds, Unity Health will add 85. While phase one of Unity's Health System \$144 million project received approval, the rest of its proposal and Strong's \$250 million project is still awaiting approval. Studies assessing the hospitals needs are expected to be completed by the end of January. (1/16)

Webster - Maplewood Nursing & Rehabilitation is undergoing a 6,800 sq. ft. expansion and renovation. The upgrade will include a gourmet restaurant, a community room, restructure of corridors, among other changes. The project is expected to be completed by the end of the year. (1/16)

Rochester – Patients could have larger rooms and their own bathrooms and showers by late 2012 due to plans of renovation and expansion at Rochester General Hospital. The hospital is seeks approval of a \$134 million project, that includes constructing a new 6 story building on Portland Avenue. The first two floors would be dedicated to an ambulatory surgery unit, inpatient beds would fill the upper floors. This would be part of their 144 bed addition request. (1/17)

Monroe County – Over the last decade, enrollment at Monroe County Catholic schools has decreased by 45%. Between 2006 – 2007, the diocese is facing a \$6.6 million deficit. 13 schools are slated to close this year due to financial problems. The closures will impact 197 people, who will lose employment. (1/23)

Livingston – In December, Livingston County was granted \$2.8 million to preserve 3,143 acres of farmland. 1,352 acres on the Brady farm, on Route 108, and 1,791 acres on the Merrimac Farm, on East Groveland will be protected from any non agricultural use. (1/29)

Rochester – Monroe Community College raised about \$4.5 million in the efforts to build a 53,000 sq. ft. fieldhouse. The construction is expected to begin in September. The PAC Center will feature a 140 x 140 foot synthetic turf field, a three lane track, and a weight training lab among other additions. Construction could be completed by next fall. (1/30)

Lyons – Wayne County officials, business leaders and residents would like to open a train station on the 85-mile stretch of land between Rochester is Syracuse. Wayne County received a \$1 million grant to build a train station in Lyons. The plans of design were rejected by CSX. The company mandated that the station be moved to its main line, raising the cost of the project to \$4-7 million. A meeting is scheduled for February to discuss other options. (1/31)

Rochester – Durand Park could cost city \$8.6 million to revive. A \$2.4 million beach house could be built, providing year round usage for the beach. Plans also include a playground, green space and landscaping among other features. The first priority is water quality. No construction will begin until 2009 or later. (2/6)

Greece – Construction on Henpeck Boat launch should begin this April. A \$250,000 grant will be used to fund the project. The launch will provide Erie Canal access to non motorized boats. (2/7)

Pittsford – Next week a proposal will be given to the Pittsford Zoning Board to build a two story, 17,000 sq. ft. reception facility at St. John Fisher. The welcome center will be about 45 ft. high, which is against the 30 ft. tall regulation. The center will house the admissions, development and alumni office. Construction could began as early as late spring. The center would open in January 2009 if approved. (2/13)

Rochester – Development plans for 1.5 acres of land on East Main Street, formally the home of Rascal Café, were rejected. Proposals ranged from a \$20 million hotel and town complex, to a \$92 million, 15 story high rise. The Committee will re-start the bidding process this spring. (2/19)

General

Greece – More than 500 acres of land extending from the Greece town line to the Erie Canal, and Manitou to Long pond road will be rezoned. Currently most of the land is zoned as general industrial. The new rezoning will vary from retail, office, residential and recreation. (1/24)

All information in this news summary has been taken from published reports as reported in the following list of sources. This information is assumed to be correct but is not guaranteed. Bruckner, Tillett, Rossi, Cahill & Associates assumes no responsibility for any incorrect information in this news summary.

News Sources:

- *Democrat and Chronicle*
- *Times-Union*
- *Wolfe Community Newspapers*
- *The Daily Record*
- *Rochester Business Journal*
- *Messenger-Post publications*
- *The Wall Street Journal*
- *New York Real Estate Journal*
- *The Greater Rochester Realtor*
- *and other publications*

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