

# **REAL ESTATE NEWS SUMMARY**

Rochester, NY 2nd Quarter 2009 Vol. 17 Issue 2

## **Economic & Business**

**Restore N.Y.** – Mayor Duffy has submitted an application requesting \$19 million in Restore N.Y. funding for several projects including a \$7 million condo conversion of a vacant office building across from Blue Cross Arena. Also included in that funding would be the demolition of 150 vacant city structures, and the proposed overhaul of 44 Exchange Blvd for commercial and residential use. (4/3)

**Housing Market** – The Greater Rochester Assoc. of Realtors showed a 22 percent drop in existing home sales in the first quarter of this year, but expects the market to come back up in the second quarter, buoyed by a tax credit for first-time buyers. (4/17)

**Medley Center** – The approved PILOT agreement for the Medley Center upgrade project is set to be executed within the next few weeks. The main question for SRC Development Group is how they will procure the \$260 million for the 57 acre, 1 million sq.ft. project. With the PILOT agreement, the town will get at least a comparable amount to what is now paid by the 85 percent vacant Medley Center, and there is hope that the upgraded center will generate \$86 million in benefits to the community. (4/17)

**High Speed Rail** – Discussions between CSX, the NYDOT, Amtrak, the governor's office, and Representative Louise Slaughter put the potential high-speed rail between Buffalo and Albany on the fast track. The new rail system is estimated to cost \$3 billion over a five-year construction period, and create around 12,000 jobs. Push for the rail in upstate is in response to \$8 billion committed by the economic stimulus plan, to upgrade the nation's rail system. (4/29)

**Kodak** – Eastman Kodak Company announced that it will no longer pay a dividend on common stock, is cutting salaries of top executives, and ordering the rest of its U.S. employees to take a one-week unpaid furlough. For the quarter ending March 31<sup>st</sup>, total sales of \$1.5 billion were down 29 percent from the same quarter the previous year. (5/1)

**UR** – In 2008, The University of Rochester received federal research funding totaling \$247 million, ranking them 12<sup>th</sup> among private schools nationally and 25<sup>th</sup> among all university systems. (5/1) The U of R Medical Center is receiving more than \$600,000 in federal stimulus money toward research and six summertime research positions. (6/3) URMC's Eastman Institute for Oral Health will expand at a cost of about \$8 million, of which \$5.2 million is guaranteed from state, local, and matching grants. (6/10) University of Rochester Medical Center is beginning the construction of a \$76.4 million science institute building that had been delayed due to finances. The project received \$50 million from the state, and is seeking federal stimulus money. The four-story building on Crittenden Blvd. will create about 830 construction jobs, hundreds of permanent jobs, and more than 600 current employees will relocate there in the summer of 2011. (6/15)

**Rochester** – Due to tough economic times, city officials are proposing the delay of such projects as downtown park improvements, Durand-Eastman Beach upgrades, and a new Brown's Square festival site. (5/11)

**Renaissance Square** – Mayor Duffy recommended a major downsizing of the RenSquare project, including turning over the property targeted for the performing arts center to private developers. (5/12)

**PAETEC** – First quarter financial and operating results for PAETEC Holding Corp showed an 11.3 percent increase in revenue, \$233.3 million, compared to \$358.8 million for the first quarter of 2008. Highlights also include first-quarter free cash flow of \$33.9 million, net loss of \$3.3 million compared to first-quarter 2008 net loss of \$3.0 million, net cash provided by operating activities of \$11.2 million compared to first-quarter 2008 net cash provided by operating activities of \$2.6 million, the repurchase of 623,200 shares

of common stock, and a cash balance of \$144 million as of March 31. (5/13) State funding of \$50 million to help the city cover the cost of razing Midtown Plaza and to cover extra costs Paetec would incur by locating at a city rather than a suburban site has yet to be finalized. Paetec currently has leases in four separate buildings until 2012. (6/12)

**JP Morgan Chase** – The New York City-based JP Morgan Chase & Co is adding 250 jobs to its downtown Rochester headquarters, bringing their area workforce to 750. (5/28)

**Paychex** – Penfield-based Paychex Inc. saw a drop in its profit and client base during fiscal 2009, and projects a revenue drop of between 1 and 4 percent for fiscal 2010, as well as a net income drop of 10 to 12 percent. (6/25)

## Office

**Stantec Inc.** – The Canada based engineering and architectural company, Stantec, plans to bring its 140 employees to the former Saddle-Ridge night club in High Falls in Spring 2010. The building will require \$5.8 million in renovation, requiring significant public investment. (4/8)

**Victor** – Gallina Development Corp. has proposed a technology park, Bluestone Creek Technology Park, on 56-acres on County Road 42. As proposed it would have 10 lots, each housing single buildings between 3,000 and 20,000 sq.ft. Two wetlands on the property, each less than 12 acres, would be preserved. (4/20)

**Rochester** – The construction of the \$55 million ESL Federal Credit Union headquarters at 225 Chestnut St. is on schedule to be completed in April 2010. The six-story building will accommodate about 500 employees, 12 to 15 of which will be hired for new positions. (5/14)

**Rochester** – Buckingham Properties began phase two of the redevelopment of the former Genesee Hospital complex on the corner of Alexander St and Monroe Ave. An 80,000 sq.ft. three-story building and an adjoining 100,000 sq.ft. four-story building are scheduled for completion in August 2010. (5/22)

## Retail

**Rochester** – Donuts Delite at the corner of Culver and Empire Blvd which closed in 2005, had seen some interest from franchises such as Dunkin Donuts and Walgreens, but the owners chose to sell to the owner of Salvatore's Pizzeria, because he is going to restore the building to a '50s feel, instead of tearing it down. The new Salvatore's will be the only location with morning hours and a modest breakfast menu, including donuts. (4/2)

**Penfield** – Anthony Comparato brought preliminary plans for construction and improvements to his PennFair Plaza before the Town Planning Board. The proposal is to build a 29,000 sq.ft. freestanding retail and office building and add 2,650 sq.ft. to the rear of the existing plaza on 9.6 acres near the intersection of Penfield Rd and Fairport Nine Mile Point Rd. The final plans will be presented to the board in a few weeks. (4/15)

**Penfield** – DiMarco Brandt Point's request for rezoning a couple of Empire Blvd. parcels to "General Business" for the expansion of Bay Towne Plaza, has spurred the scoping process for an environmental impact statement. An outline of topics to be addressed by the applicant will be the result, at which time the public will be able to submit comments to be considered. (4/22) DiMarco's plan to reinvent BayTowne Plaza includes expanding from 280,000 to 500,000 sq.ft. Also included in the proposal is replacing the existing Walmart with a Walmart superstore. An environmental impact statement will be submitted to the Planning Board for review. (6/3)

**Rochester** – Max at the Gallery was launched by restaurant owner Anthony Gullace, as another facet of the Max brand. The space at the Memorial Art Gallery was formerly occupied by Cutler's Restaurant. (4/24)

**Rochester** – Savoia Bakery purchased two buildings west of their current location for a \$250,000 expansion. One building was razed for additional parking and the other renovated for production, office and storage space. The business received three matching city grants totaling \$35,000. (5/7)

**Victor** – L.L. Bean is moving into a 30,000 sq.ft. out-parcel at Eastview Mall, with plans to open by summer 2010. The company's brand icon is a 10-foot-tall boot, and there is controversy as to whether or not that would qualify as a sign to comply with town zoning laws. (5/19)

**Rochester** – A new location of Henry B's, an Italian restaurant in Seneca Falls, is opening at Sagamore on East. The owner would like to expand into catering and business-type meals. The interior work is expected to be complete by mid-June, but the opening may be on hold until they are granted a liquor license by the state. The possibility of reopening the Seneca Falls location will depend on cash flow after the Rochester location opens. (5/29)

## Industrial

**Canandaigua** – Hartmann's Old World Sausage has relocated their production from North Clinton Ave to Brickyard Road in Canandaigua. The new space is seven times more than their old space at 21,000 sq. ft. allowing for increased productivity. The retail space on N. Clinton is still operating. (4/29)

**Elmira** – CVS Caremark Corp. will receive \$4.75 million to build a distribution center in the Elmira area. The 750,000 sq.ft. facility will create 600 jobs in Chemung county. Construction should begin this summer with completion anticipated in 2011. (6/2)

**High Falls Brewery** – In addition to the \$10 million investment in the brewery's infrastructure, North American Breweries Inc. plans to spend \$6 million this year to market products made at High Falls Brewery. They are also changing its name back to Genesee Brewing Co. (6/5)

**Garlock** – Started in 1887 as Garlock Packing Co, what is now Garlock Sealing Technologies is nearing the end of a six year \$45 million modernization plan for its Palmyra site. (6/11)

**Greece** – LiDestri Foods gained COMIDA approval for \$337,000 in tax incentives toward \$10.5 million in renovation and equipment to move into the Eastman Business Park in Greece. They are awaiting additional incentives from Empire State Development Corp, expected in July. (6/17)

## Residential

**Gorham** – Parrone Engineering and PFM Enterprises were granted preliminary approval for 68 lots at Montebella Estates on 41.6 acres on Route 364, but have yet to receive final approval on 32 of those lots, due to traffic concerns. The subdivision will include an 11.75 acre park and two local side streets will be rerouted to join the main road of Montebella Estates so that all traffic will use the new entrance from Route 364. (4/2)

**Victor** – The village of Victor chose not to approve annexation of 56 acres of land in the town, as requested by Morrell Builders. The developer wanted the annexation to allow denser development than the existing town zoning will allow. (4/7)

**Brighton** – The Brighton Town Board gave zoning approval on Anthony Costello & Son's project "The Reserve." The new zoning, Waterfront Development District, will allow for the development's 327 condominium, townhomes and houses on 63 acres between I-590, South Clinton Ave, and the Erie Canal.

The Town Planning Board will now vote on the final site plan, but it could be up to six months of review. (4/10)

**Victor** – Stonehaven Development Corp. has been advised by the Victor Town Planning Board to seek annexation from the village on its proposed development called Village Station. Just under three acres of a 17.5 acre parcel is located in the town. Plans are for 28 homes on the east side of School Street, and of the four lots that include town land, only 2 are entirely within the town. (5/4)

**South Bristol** – The South Bristol Town Planning Board is considering changes that Chrisantha Inc wants to make to a duplex project at Bristol Harbour Resort, between Cliffside Dr and Seneca Point Rd. The original proposal is for 31 duplexes to be built in two phases, and the proposed changes to the plan will increase the distance between the buildings by about 10 feet, as well as a few other minor details. The plans are being reviewed carefully due to the environmental sensitivity of the project. (5/19)

**Hopewell** – The United Group has resubmitted a rezoning request for a 3.9 acre parcel adjacent FLCC for a 300-person college dormitory. The Town Board previously denied the request, because as county property it would be tax exempt, and the developer still owes a municipal service fee of \$21,000 on phase 1 of the project. (6/18)

**High Falls** – The 183-year-old stone building at 208 Mill Street has been converted into 6 one- and two-bedroom apartments and six office/apartment hybrids along with commercial space in the basement and first floor. The \$2 million in renovations took about 18 months, received \$230,000 in grants, as well as a city-provided \$300,000 low-interest loan. (6/17) The rebirth of the High Falls area includes plans for Stantec to move 150 employees into 61 Commercial St, after they renovate the former Jillian's/Saddle Ridge building. The new Mills at High Falls now offers 67 residential units as well as commercial storefronts. The Parry Building at 224 Mill St is now a fully occupied variety of loft and commercial space, and 192 Mill St is now home to an ad agency and radio stations. (6/20)

**Southwedge Neighborhood** – Gregory Street Transfer LLC is building a \$4.8 million four-story apartment building at 661 South Ave. Tax incentives of \$460,000 have been approved by COMIDA, and construction should begin in August. (6/17)

## Other

**Allegany County** – Swain Ski Resort on the Southern Tier has announced that if they do not have a buyer by mid-August they will refund 2009-10 ski season passes and start selling assets. The resort was already facing business challenges due to a stagnant economy and high property taxes before the recession, and a new owner would need to invest in new lift and snow-making equipment in order to be profitable. (4/3)

**Rochester** – GF Management of Philadelphia, owners of the former Clarion Hotel Riverside Rochester, spent \$6.5 million to acquire the Radisson name. The newly renamed and renovated Radisson Hotel Rochester Riverside will see a total of \$8 million in renovation, in an attempt at getting a larger share of corporate clientele downtown. Renovations to the 15-floor 460-room hotel include beds, bathroom updates, and flat screen TV's. (4/8)

**Midtown Athletic Club** – After about a year of construction, the \$7 million expansion to Midtown Athletic Club is set to open by Memorial Day, as promised. The upgrades include four outdoor swimming pools, and indoor pool, a spa and whirlpool, nine tennis courts, a café, locker room, and Adirondack-style lounge, making the facility more of a resort than a gym. The project remained within 2 to 3 percent of budget despite a few setbacks, and membership fees will not increase during this fiscal year. (4/24)

**Canandaigua** – The Salvation Army is constructing a \$1.5 million upgrade to add a dining room, community meeting room, classroom, and expanded kitchen to its Saltonstall St. location. (4/28)

**Gorham** – The Pelican Point Marina is being marketed by Pyramid Brokerage as “a 36-acre prime waterfront development parcel”. Included in the property is a marina on East Lake Road, as well as the 25 acres behind it, an acre of lakefront and 6.4 acres on Route 364. About 10 parties have expressed interest, and potential development includes a hotel, spa, restaurant, or combination of the three. Any changes will have to go through the town approval process. (5/10)

**Rochester** – City planner, and owner of the former Labelon building, at the corner of Chapin and Main Streets downtown, applied for a state grant of \$2.4 million toward the \$9.7 million renovation plan on the building. The plan for the 84,000 sq.ft. building includes 5,000 sq.ft. of retail space, 20,000 of office and 32 residential units. (5/19)

**Rochester** – The 13-story city-owned building at 88 Elm Street, formerly known as the Metro Center Building, has been mostly vacant since 1994. City officials are hoping to revitalize it beginning with asbestos removal this summer. (5/26)

**Canandaigua** – The new wing of the Canandaigua YMCA featuring the lobby, pool, sauna and locker rooms is set to open by the end of July, only a couple of weeks behind schedule. (5/26)

**Perinton** – The owners of Rapid Laser Wash in Henrietta are opening a second location on Fairport Road. The Rapid Perinton Express Car Wash will have four bays and nine vacuum stations. The last permit needed from the state Department of Transportation is expected shortly, and opening is anticipated for this coming fall. (6/3)

**Rush** – The Town of Rush is considering the sale of approximately 20 acres of vacant land near Route 251 to a developer for a potential subdivision. The funds would be used toward the proposed pavilion and multi-use fields behind the Town Hall. (6/4)

**Canandaigua** – David Genecco’s plans for a lakeside hotel and conference center around his existing Steamboat Landing restaurant are expected to get the City Council’s approval by the end of summer. The proposed six-story, 145-room hotel and conference center would then begin the process for site plan and architectural review. The biggest topics are expected to be traffic and aesthetics. Another lakeside hotel and conference center proposal is in the works for Chrisantha Inc. and the owners of Roseland Water Park adjacent to the park in Canandaigua. The project there would be for 200 rooms and conference space for 700 people. (6/8)

**Pittsford** – The village of Pittsford completed upgrades to Schoen Place including new sidewalks, lighting, landscaping, curbing, drainage, and water fountains. The waterfront improvements were made possible by a \$225,000 grant from the Canal Corporation’s Greenway Program and \$230,000 from the Heritage Areas Grant program. The next project for the village is the use of a \$314,000 grant from the Department of State toward overnight boat tie-ups with water and electric connections, as well as a new pavilion where the fueling location used to be. (6/10)

**Henrietta** – Two projects have been approved to begin immediately in Henrietta. Longhorn Steakhouse is constructing a 5,560 sq.ft. restaurant on Jefferson Road, and Doodle Bugs Children’s Center is building an 11,600 sq.ft. day-care center on Calkins Road. (6/11)

**Greece Schools** – Athena Performing Arts Center is the last of the Greece Central School District buildings to be addressed from a botched \$120 million capital improvement project that affected 14 school buildings. Repair to APAC will be done by Brockport-based Allied Builders, beginning in July and finished by end of summer. (6/18)

## General

**Irondequoit Bay Outlet Bridge** – The schedule for Irondequoit Bay Outlet Bridge is being changed from allowing 5 months for drivers and 7 months for boaters, to allowing equal access to each. The new

schedule will have the bridge open from Oct. 1 to Mar. 31. The schedule change is considered to be a temporary solution until a more permanent solution can be reached. (4/8)

**Stimulus Funding** - Governor Patterson has certified projects for about \$24 million of the \$74 million that the seven-county region is receiving in stimulus funding for road work. Job-creation projections calculate that 24 jobs would be created for every \$1 million spent. Approved projects currently include \$11.4 million to resurface various highways across the seven counties, \$1.4 million to resurface Route 259 in Ogden, \$1.3 million to resurface Route 104 in Greece and Parma, \$2 million to repave Route 332 in Canandaigua, and \$500,000 to wash and seal bridges in the seven counties. (4/10)

**COMIDA** – Upcoming COMIDA approved projects include: Adecco USA spending \$410,000 on renovation and \$575,000 on equipment and furnishings, is receiving \$74,000 in tax exemptions. Emerald Point Developers LLC spending \$3.5 million on a new 120,000 sq.ft. facility in Gates, is receiving \$271,000 in incentives. Prince ROC LLC spending \$1.1 million to renovate a building on Prince Street is receiving \$52,000 in incentives. Morrell Commercial LLC is building an 18,700 sq.ft. headquarters in Perinton, and is receiving \$195,000 in incentives. Bedford Paving LLC is receiving \$11,000 in incentives toward the purchase of a new vehicle. (5/20)

**Midtown Plaza** – Lockport firm, Cambria Contracting Inc, won the \$34 million state contract to remove asbestos from Midtown Plaza. The job is expected to employ 200 local workers and take nearly a year to complete. (5/22)

*All information in this news summary has been taken from published reports in the following list of sources. This information is assumed to be 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*
- *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*

**Commercial Appraisers**

Kevin L. Bruckner, MAI  
Christopher S. Tillett, MAI, SRA

**Residential Appraisers**

Alfred T. Rossi, SRA  
Patrick W. Cahill, SRA

**Written by**

Jessica Isaac

(585) 383-4500  
110 Linden Oaks, Suite B  
Rochester, New York 14525  
[www.btrca.com](http://www.btrca.com)

*reports as correct but is responsibility*

*To subscribe to our Real Estate News Summary, please visit our website at [www.btrca.com](http://www.btrca.com).*