

## ***REAL ESTATE NEWS SUMMARY***

Rochester, NY 1st Quarter 2010 Vol. 18 Issue 1

### **Economic & Business**

**High Speed Rail** – The Consolidated Appropriations Act is giving close to \$4.6 billion toward funding a new high speed rail across the Empire Corridor. In addition is the potential to receive a piece of the \$2.5 billion allocated to the Federal Rail Administration for its nationwide efforts for high-speed rail development. We have yet to see how much of that funding will be granted to New York. (12/23) NY State will receive \$151 million in federal stimulus funds that will be used to pay for preliminary work on the high speed rail in the Rochester area. From Riga to Byron, Genesee County, an 11-mile length of track would run next to two existing tracks, but due to the limited funding that was granted would be a track to nowhere for now. The rest of the 320-mile cross-state passenger line would require billions of dollars yet to be approved by Washington. Another project that has approval is the \$1.5 million upgrade of Rochester's Central Ave station. (1/29)

**Sibley Building** – WinnDevelopment, the real-estate arm of Boston-based WinnCompanies, made a deposit on the purchase of the Sibley Building on East Main Street downtown. The deal is still unsettled due to outstanding issues such as unpaid loans and PILOT obligations totaling over \$19 million owed to the city of Rochester. (1/7)

**Constellation** – The world's largest wine company, Victor-based Constellation Brands Inc, reported a profit of \$44.1 million for the fiscal third quarter, down from \$83.5 million from the third quarter of the previous year. (1/8)

**RBTL** – In the coming weeks Rochester Broadway Theatre League will be requesting details from three finalists in its search for a location for its new auditorium. The sites being considered include Clinton Crossings in Brighton, Lake Ridge Centre (formerly Medley Center) in Irondequoit, and a portion of Midtown Plaza downtown. (1/20)

**Home Sales** – Greater Rochester Association of Realtors reports that homes sales jumped 22.9 percent in the fourth quarter, as compared to last year's fourth quarter. (1/22)

**Xerox** – Rochester's fifth largest employer, Xerox Corp. plans to cut its workforce by 4 percent worldwide in 2010, spending about \$250 million in severance packages. The fourth quarter of 2009 saw revenue of \$4.2 billion, which was down 3 percent from the same quarter 2008. (1/22) Xerox Corp. closed its \$6.4 billion takeover of Dallas-based Affiliated Computer Services Inc, ACS. (2/9)

**Fortune Magazine** – Wegmans and Paychex were both listed in Fortune magazine's "100 Best Companies to Work For" list. (1/22)

**Kodak** – Eastman Kodak Co. posted sales of \$2.58 billion for the fourth quarter 2009, which is a 6 percent increase from the same quarter the previous year, and a 45 percent increase from the previous quarter. Their profit for the Oct-Dec period was \$443 million, reflecting a sizeable change from the \$918 million loss the year before. Kodak ended 2009 with a global workforce of 20,300, of which 7,400 are in the Rochester area. (1/29)

**PAETEC** – For the fourth quarter 2009, PAETEC Holding Corp. reports revenue of \$390.1 million, down 2.5 percent from the same quarter 2008. For the entire 2009 year, the company's revenue increased from \$9.8 million in 2008 to \$1.58 billion. (2/19)

**Midtown** – Demolition of the old Midtown Plaza will begin this summer. The city has received a state grant of \$55 million, and the cost is expected to be another \$25 or \$30 million over that. Asbestos removal is more than two-thirds complete. (3/4)

**College Town** – The University of Rochester is expected to request proposals this spring from seven developers interested in the College Town project on 16-acres of Mt. Hope Ave. between Elmwood and Crittenden Blvd. The land is currently owned by UR; however, they are considering selling it to the developer to forego financing the project. The amount and details of the project are undetermined at this point, but it is intended to include retail shops, restaurants, apartments, offices, and a parking garage. In preparation for this development, the city of Rochester has rezoned the area for dense mixed-use development, and is planning \$5 million in road upgrades. (3/10)

## Office

**RIT** – The new University Services Center on the western side of Rochester Institute of Technology's Henrietta campus is the third building in New York State to receive the highest "platinum" LEED certification by the U.S. Green Building Council. The three-story, 54,000 square foot building houses administrative offices, and a student innovation center. (1/15)

**PAETEC** – PAETEC Holding Corp. released a second revision to the plan for their new headquarters downtown. The most recent plan incorporates parts of the existing Seneca Building, and will have a lower number of floors. Three years is still the target date for approximately 1,000 PAETEC employees to move downtown. (2/4)

**Henrietta** – Officials in the Town of Henrietta are seeking to purchase facilities to replace the currently leased Town Court and recreation department buildings. (2/5)

**Rochester** – D4 LLC has been approved by COMIDA to receive a property tax abatement on their \$831,933 project to purchase and renovate 300 Main Street in Rochester. The 11,000 square foot building will be the company's headquarters and data center, and the project is expected to create 18 new jobs over the next three years. (2/26)

## Retail

**Webster** – Four area Chrysler dealerships closed last year to begin a restructuring program, and Marina in Webster is the first remaining in the area to bring Dodge, Chrysler, and Jeep franchises under one roof. (12/30)

**Brighton** – Tops Markets and the DiMarco Group are planning a Tops-operated gas station in the plaza off of South Clinton Avenue, as well as a complete renovation of the grocery store and the plaza itself. The project will cost between \$4 and \$5 million, and require incentive zoning. Completion would be expected about seven months after the final permits are issued. (12/30)

**Greece** – Several retail projects are expected to begin in Greece in 2010. The Widewaters Group has been planning the rehabilitation of Northgate Plaza since 2007, including a Wal-Mart, McDonald's, and bus shelter. After much protest and litigation from a resident group, the developer has until approximately the end of the year when the board approvals expire and they would have to begin the process over. Two Walgreens projects are expected to begin this year, one at the corner of Latta & Long Pond, and another in Buckman's Plaza on West Ridge Road. (12/31)

**Henrietta** – The Genesee Valley Regional Market is currently home to about 210 businesses on its 123 acres between Mushroom Blvd, Jefferson Road, Clay and East Henrietta Roads. The board of directors is looking to add about 10 more acres, as well as build a new 10,000 sq.ft. warehouse on Mushroom Blvd. The new warehouse is expected to cost about \$500,000, and is schedule to begin in July. The market has about \$750,000 in annual expenses, \$3 million in annual revenue, no debt, and about \$12 million in surplus. (1/1)

**Wegmans** – Wegmans Food Markets is clearing an old parking lot and M&T Bank building to make way for a new store on East Ave. The new store would be more than double the size and include a Market Café. The project will require various special approvals, create 150 construction jobs, and 125 additional permanent staff. The old store will close between 60 and 90 days before the new one opens, no sooner than 2012. (1/8)

**Rush** – The former Rush Market and Deli across from the Town Hall was purchased for \$240,000 by local businessman, Naveed Hussain. The plan is to demolish the old structure and construct a new 5,000 sq.ft. store with gas pumps, a pharmacy, and a separate Tim Horton's restaurant on the site. The project is going before the Planning Board for site plan approval. (1/18)

**Irondequoit** – Work has yet to begin on the proposed \$260 million revamp of Medley Centre, soon to be renamed Lake Ridge Centre. Developer Scott Congel's plan would convert the nearly vacant mall into a mixed-use development, which could potentially house the new RBTL theatre. The developer is trying to secure funding to pay the town \$500,000 owed toward their PILOT agreement. (1/27) Medley Centre's owner has made the overdue payment to the county on his PILOT agreement plus interest. The payment to the town is still outstanding. (3/15)

**Perinton** – Walgreens 10<sup>th</sup> Monroe County store will open this spring in front of Perinton Hills Shopping Center. (2/5)

**Pittsford** – Buckingham Properties is completing a five-building retail development on the northeast side of Monroe Avenue. The two end buildings will stand alone, while buildings two through four are connected with a walkway. The complex will house a total of nine tenants, the first of which is Scottrade investing firm. (2/5)

**Spencerport** – COMIDA approved a \$195,000 tax abatement for a Tops Market moving into the old IGA store at the Village Plaza in Spencerport. The \$3.5 million 37,000 square foot store should be open by summer. (2/17)

**Penfield** – The Town Board rejected a request to rezone 29-acres of residential property, as requested for the DiMarco Group to bring a Wal-mart to Baytowne Plaza. The board is open to hearing another proposal that does not include rezoning. (2/19)

**Victor** – Kohl's is opening its third Rochester area store on Commerce Drive in Victor. (3/11)

**Fairport** – Fairport Pharmacy has moved from North Main Street to a space three times the size in Village Landing. They received a low-interest commercial loan through the Fairport Office of Community and Economic Development. (3/12)

## Industrial

**Ogden** – Suburban Disposal is proposing a 10,000 sq.ft. transfer station on its two 5-acre lots across Turner Drive, and meeting with extensive resident protest. The plan goes before the Zoning Board in January, and if approved to the Planning Board. (12/21) The Town of Ogden Zoning Board has 60 days to decide whether or not a waste transfer station fits under the light industrial zoning of Turner Drive, in order for Suburban Disposal to move forward with their planned construction. (1/8)

**Webster** – The Monroe County Water Authority is set to begin a three-year, five-phase project this month. The new Lakewater Pump Station and Water Treatment Plant on Basket Road will cost around \$150 million, and create an estimated energy savings of \$800,000 per year through green technology. Construction beginning in February will create 500 jobs, and completion is anticipated for January 2013. Stimulus Funding through the state will provide \$35 million, \$17 million that the water authority will pay back, and another \$5 million was given in a grant from the U.S. Environmental Protection Agency. (1/6)

**Ogden** – Rochester Midland Corp purchased the former Eber Bros. Corp. building in Ogden from Cass Hill Development for \$5.5 million. The 167,000 square foot manufacturing facility will be renovated with new office space over the next 15 months. Moving out of the city to Ogden will cost Rochester Midland approximately \$13 million total, and will create up to 16 new jobs. The deal is eligible for a \$300,000 grant from Empire State Development, and the remainder will be financed through a \$10 million tax-exempt industrial revolving bond issue, equity, and conventional bank financing. COMIDA approved a \$609,000 tax abatement for the project. (1/22)

**Rochester** – American Packaging Corp. has completed a \$12 million expansion including a new façade and 15,000 square foot addition. There is discussion of possibly adding a printing press to their facilities in the future. (2/10)

**Greece** – Fairport-based LiDestri Foods was approved by the Greece town board to install 57 above-ground tanks at its new facility in the Eastman Business Park on Lee Road. (2/19)

**Lyons** – Pyramid Brokerage Co. and NAIMLG Commercial have sold over 190,000 square feet of school specialty space on Paliotti Pwy to Silgan Containers Manufacturing. (3/1)

**Henrietta** – Harris Corporation is purchasing a 573,000 square foot building on Jefferson Road from Xerox to consolidate operations from four locations. About half of the company's workforce will relocate to the new location after \$20 million in renovations are complete in the summer of 2011. (3/15)

## Residential

**Rochester** – Two prime city properties, both 1.5 acre parking lots, are expected to see residential development in the near future. The lot at Gibbs and East Main Streets is available again after a recent development plan fell through. A lot at the northwest corner of North Plymouth Ave and West Main is in review. (12/29)

**Rochester** – The city of Rochester is receiving \$1.1 million from the Empire State Development Corp. toward revamping the vacant former Central Trust Co. bank building on Exchange Blvd. The plan is to convert the four upper floors into 29 condos, and lease the first floor as commercial space. (1/29)

**Irondequoit** – Easter Seals New York has received COMIDA approved tax-exempt bonds for a \$4.8 million project that will provide school and housing for students with severe disabilities. The campus will be the former St. Margaret Mary School and convent on Rogers Parkway, and will house 36 students. Easter Seals officials are hoping to break ground this spring and open in September. (2/3)

**Irondequoit** – Lighthouse Pointe Associates won access to New York's brownfield cleanup program for a \$250 million residential-commercial complex atop an old dump along the Genesee River. The plans still need approval from the state DEC, at which point the estimated \$6 to \$8 million in cleanup of 47 acres near the east end of the O'Rorke Bridge can begin. (2/19)

**East End** – Changing hands at least five times over the last decade, 35 Chestnut St, known as Gibbs Place, was purchased by Los Angeles-based Eshrat LLC for \$1.9 million. The eight-story 49-unit apartment building, with first floor commercial space, currently has permits to convert 42 units from studio to one-bedroom. (2/19)

**Pittsford** – Kilbourn Place on East Avenue will feature 41 luxury townhomes from two to four bedrooms, starting at \$375,000. Each will have a two car garage, as well as guest parking, and the complex will feature a park-like setting maintained by a homeowners association. The project is expected to take a couple of years to complete in phases. (2/19)

## Other

**Fairport** – The Transportation Appropriations Bill is assigning \$525,000 for the reconstruction of High Street in the Village of Fairport. Construction is expected to begin in 2010 and create between 12 and 20 jobs. (12/23)

**Pittsford** – The town of Pittsford requested suggestions from residents on how to use 30 acres of unused land north of the Erie Canal, between Grove Street and the Monroe Ave bridge, known as the Northwest Quadrant. (12/30)

**Pittsford** – St. John Fisher College is using a \$3 million donation to create the Polisseni Track and Field Complex, named for the family foundation that is giving the money. Located next to Growney Stadium, where the Fisher football team plays and the NFL's Buffalo Bills train, construction should begin this fall and be completed summer of 2011. (1/12)

**Greece** – Lakeshore Community Church has nearly doubled in size after raising \$1.4 million for the expansion of their Latta Road facilities. (1/14)

**Victor** – Finger Lakes Community College is opening a campus center on Victor Heights Highway, south of Routes 251 and 96. They will pay \$600,000 the first year there for rent of the 26,000 sq.ft. building and for utilities. The program is intended to work with technology and manufacturing companies in the area, and there are 16 internships already pledged. (1/15)

**Wyoming County** – WindTamer Corp. has installed a wind turbine at the Perry-Warsaw Airport three miles northwest of Perry. (1/20)

**Webster** – The Town of Webster is using \$2,007,000 of its own money to purchase 74.7 acres of land, between Phillips Road and Route 250, from Xerox Corp. It is proposed that 53 acres will be set aside as open space, and the other 21 acres will continue operating as a fitness center, tennis & basketball courts, and baseball fields by the town's parks & recreation department. (1/27)

**Eastman Business Park** – Kodak Corp is proposing that the 165 acres between West Ridge Rd, Merrill Street and Maplewood Drive, be rezoned to support its efforts to sell or lease unused buildings and land. The proposal also includes returning Eastman Avenue to city ownership for public use. The proposed zone would be Planned District Development, which would accommodate a variety of uses. (1/28)

**Rochester** – Selected representatives of the Cultural Center Commission and the city of Rochester are reviewing proposals for a jointly owned property on East Main Street across from Eastman Theatre. Several proposals have already been rejected, and the current plan under review was a collaboration between Christa Development, DeWolff Partnership, and Morgan Management. A decision is expected within two weeks. (2/5)

**Canandaigua** – The Wood Library in Canandaigua has been on a campaign to raise \$4 million to expand and renovate the library facility at 134 North Main Street. Currently, \$2.75 million has been raised, including a \$225,000 state grant. The capital campaign will be finished at the end of 2010, with construction on the project to begin in the spring of 2011, and be completed in 12 to 18 months. (2/12)

**Greece** – Unity Health System is moving forward with a \$159 million modernization and expansion project at its Unity Hospital campus. The project will add a fourth floor to the hospital, as well as 35 new beds. Construction is expected to begin in April, pending approval from the Town Planning Board, create

300 construction jobs, and be completed in 2014. Upon completion, the renovation is expected to add 265 new permanent positions. (2/12)

**East Rochester** – Contractor R.M. Lill Inc. has requested an additional \$16,000 for its work on the East Rochester water tower rehabilitation project, which is expected to be complete in May. (2/19)

**Bushnell's Basin** – The Town of Perinton is receiving a \$551,000 grant from the NY Department of State toward the \$1.1 million project to improve the Erie Canal front in Bushnell's Basin. The plans include 250 feet of boat docks along the south bank behind Abbott's on Route 96, as well as restroom & shower facilities, walkway, lighting, and provisions for a future boat fueling station. In addition to the state grant, the town is also receiving two \$35,000 Community Development Block grants from Monroe County. The remaining funds will come from a capital reserve, and construction is beginning this spring. (2/26)

**YMCA** – The Maplewood branch of the YMCA will shut down between April and next February for a \$5 million renovation and expansion. Included in the project will be a 16,000 square foot addition with a new gym and youth center. (3/2)

**Greece** – More than twice as many dogs as expected have been signed up for the one-acre fenced dog park in Greece Canal Park since it opened last October. (3/9)

**COMIDA Projects** – Asset One LLC received a \$10,150 sales tax break toward a \$300,000 renovation of 300 State Street for Callfinity Inc. A \$2.8 million sports medicine facility to be built in Penfield, and leased by the U of R is receiving a \$348,375 property tax break. ACM Medical Laboratory is receiving a \$74,832 sales tax break on the purchase of equipment. The Temple Building downtown will receive a \$10,450 tax break on \$400,000 in renovations of the second and third floors. (3/17)

**Hemlock & Canadice Lakes** – New York State is purchasing 6,832 acres of land around Hemlock and Canadice lakes from the city of Rochester. The \$13,697,100 purchase will allow for the land to be permanently preserved while Rochester continues to use the lakes for its water supply. (3/19)

## General

**Rochester Schools** – Rochester City School District will be closing between 2 and 5 low-performing schools, and opening 2 new ones. (12/22)

**RMSC** – NASA's Competitive Program for Science Museums and Planetariums is awarding a \$600,000 grant to the Rochester Museum & Science Center to develop family-friendly science-related activities. (1/13)

**Brockport** – A group of residents, Brockport Tax Cutters, is circulating a petition to dissolve the Village of Brockport. (1/25)

**RGRTA** – The Rochester region received a stimulus grant of \$12.2 million toward clean-diesel buses. The Rochester-Genesee Regional Transportation Authority took shipment of 50 of these buses in 2009, and 18 more are expected in 2010. The new buses burn diesel in a cleaner manner, which means cost savings, as well as environmental benefits. (2/1)

**MCC** – Monroe Community College has hired Cecil Group Inc from Boston to provide a list of 6 possible sites for their new downtown campus in the next 60 days. (2/2)

**Wegmans** – Market Force Information Inc. in Boulder, Co. listed Wegmans as the number one favorite in a survey of 6,000 consumers. (2/10)

**Farash** – Max M. Farash, founder of Farash Corporation which owned and managed over 5,000 apartment and townhouse units, as well as commercial property and vacant land throughout the area, died at the age of 95. (3/1)

**East End** – A new East End Marketing Committee is launching a marketing campaign with banners to unify the area of East Avenue from Alexander to Main Street. The banners will feature sponsorship, which will provide funding for future neighborhood projects. (3/12)

**Seneca Falls** – Voters in the 179-year-old village have decided that Seneca Falls should be absorbed into the surrounding town of the same name starting in 2012. (3/15)

*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*
- *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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