

MIDTOWN PLAZA TIMELINE

Ownership, Financial, and Consultant Arrangements

January, 1961 – Construction of Midtown Plaza begins. McCurdy and Forman families have contracted with Victor Gruen, the architect responsible for Southdale Mall in Edina, Minnesota--the nation's first enclosed mall built in 1956.

August, 1961 – Underground parking garage -- 1,843 spaces on 3 levels -- dedicated and opened.

April, 1962 – Plaza dedicated and opened to public.

1968 – McCurdys buys B. Forman chain.

1980/81 – Hotel rooms atop Midtown Tower converted to office and restaurant space.

1994 – McCurdys sells majority of McCurdy and Forman stores to May Department Stores. Several months later flagship stores at Plaza are closed.

1997 – Arnold Enterprises of California purchases Plaza from McCurdys for \$27.3 million.

1999 – Blackacre Bridge Capital LLC files foreclosure papers against Arnold Enterprises.

January, 2000 – Arnold Enterprises files Chapter 11 petition for Midtown Plaza and other holdings.

December, 2001 – Blackacre Bridge Capital LLC assumes the Plaza for \$14.9 million, leaving Arnold Enterprises with a \$10 million balance on mortgage debt. Blackacre Capital Management and Pembroke Companies Inc. form Midtown Rochester Properties to own and operate the Plaza.

January, 2002 – Midtown Rochester Properties contracts with Home Properties Inc., Pyramid Brokerage, and Tait Realty Advisors to manage and lease the Plaza.

March, 2002 – Arnold Enterprises pledges \$.10 cents on \$1 dollar to unsecured Midtown Plaza creditors whose debt totals \$1.6 million. There are three other creditors who won judgments in months prior to foreclosure.

April, 2002 – Midtown Rochester Properties contracts with Bergmann Associates and SWBR Architects to work on Midtown Tower Building's main level public spaces and interior, respectively.

August, 2002 – Empire Zone status extended to entire Midtown Plaza site.

January, 2003 – Midtown Rochester Properties contracts with Kravco to study options for Plaza retail space. Kravco subsequently reports that retail uses can succeed in Plaza, but only if capital improvements are completed first.

December, 2003 – Midtown Rochester Properties expresses "frustration with pace" of redevelopment, but City officials report that the ownership entity remains current on its \$685,000 annual tax bill despite 51 percent overall Plaza vacancy and 90 percent vacancy in Midtown Tower.

June, 2004 – Washington D.C.-based, Urban Land Institute leads national panel in study of Midtown, Sibleys, and adjacent properties with goal of creating a redevelopment plan to complement Renaissance Center project.

November, 2006 – At the urging of the Mayor R. Duffy administration, Rochester's City Council votes to purchase option on Midtown Plaza for \$250,000 and empowers Bergmann Associates to carry out a \$55,000 analysis of the property. The option allows the City to hold a sale price of \$6M until February 2007.

December, 2006 – The Duffy administration announces the signing of a non-binding contract between Mayor Duffy and Ferrari Pier Luigi, the Vice President of Italy's Parma province. They hope to explore the feasibility of creating a Italian-themed shopping and entertainment attraction that would absorb approximately one-third of the complex and feature an Epcot Center-style array of up to 150 food and fashion vendors.

January, 2007 – Details from the Bergmann Associates analysis (see *November*, above) are released and include the following demolition, redevelopment, and new construction estimates: a) \$55M to demolish; b) \$141M for redevelopment of the existing structures, including asbestos abatement, new mechanical and electrical systems, and architectural services; and, c) between \$150 and \$225 per square foot for new construction and commercial space build-out.

The figures do not include costs related to the City-owned underground parking lot, nor the truck and utility tunnels that services the Plaza and neighboring buildings. Remediation and rehabilitation costs average \$96 psf, with Midtown Tower the highest at \$179 psf, and the Forman Building at approximately \$66 psf.

February, 2007 – Citing the lack of a firm redevelopment plan and the inability to extend the current option, the Duffy administration tells the Rochester City Council of its intention to allow the purchase option to expire, and on February 14th the City reiterates its desire to play a role in the redevelopment of the complex, but chooses not to purchase the mall.

October, 2007 – New York State's Governor Elliot Spitzer announces that his administration's plans to assist in the redevelopment of the Plaza into a mixed-use "urban space" highlighted by the construction of a new corporate headquarters for PAETEC Communications of approximately 500,000 square feet. Under the terms of a Memorandum of Understanding, the City will acquire the site from current owners. Subject to legislative approval, the state will be responsible for remediation and demolition costs needed to make the site "shovel-ready" for PAETEC (estimated to be \$50 million).

The proposed PAETEC facility is anticipated to house over 1,000 employees (including 600 existing employees), and in addition to the corporate headquarters, data and other operation are expected to be located in the structure. While acknowledging that PAETEC was several months into evaluating the site, PAETEC President Arunas Chesonis reported that they had not yet decided on the ultimate configuration of the building, saying it could be a wide 15 stories or a slender 35.