

THE CHALLENGES OF GROWTH

Propelled by the announcement of dramatic investments — PAETEC, ESL and Renaissance Square — a bright light now illuminates the dedicated efforts of downtown developers who have laid the groundwork for an inner core well suited for living, working and playing.



David J. Beinetti
Chairman

RDDC's role is more important now than at any time in downtown's history, and its voice is powerful.

Massive Downtown Investment

There is more than \$763 million in downtown development now underway. Over \$411 million of that is private investment, and more projects will be announced over the next 12 to 18 months.

What is striking about the tapestry of these investments is that there are more large-scale, transformative projects in the pipeline — Midtown Plaza, PAETEC's World Headquarters, Alexander Park, ESL Federal Credit Union's headquarters, and Renaissance Square. In addition, more than 344 units, in 20 housing projects, are in development, adding 500 new residents to downtown over the next few years. More projects are coming.

Rapid Rate of Change

So what does this all mean? First and foremost, it means that more people will be downtown every day. The greater 24/7 presence that comes with more residents, is also bringing a more diverse population to downtown. We

are seeing a dynamic blend of wealthier residents, former suburbanites, creative class, college students and young professionals as new urban dwellers. This will create a more substantial market for new restaurants, entertainment venues, coffee shops, and boutique retail operations.

Second, downtown will be recalibrated as an office center. With 1,500 PAETEC and 300 ESL employees moving into new headquarters buildings from suburban locations, office tenants are seeing new caché in a downtown location.

Third, we have to plan for growth. This is new for us. Downtown has an aging infrastructure, one built for a different kind of city. Within four years the PAETEC and ESL headquarters buildings, Renaissance Square, and at least 10 new housing projects will open. We have barely enough time to recast the public environment outside the front doors of these buildings.

What's Missing Downtown?

These colossal new investments will bring suburban employees into downtown, increase the number of college students, and expand downtown's residential population. We know that at least four major areas need significant improvement to respond to this growing demand: (1) parking and one-way streets; (2) the condition of Main Street; (3) the number of downtown greenspaces; and, (4) how we leverage the Genesee River.

We should also be sure that future projects are designed in a way that creates a great "sense of place" and a more pedestrian-oriented environment. Do we need

better guidelines for the design of new projects in the core to accomplish this?

How we respond to these issues will, in large part, define the new urban place that is emerging downtown. It will directly impact how we are seen from the outside, as companies consider whether to stay, expand, or locate in Rochester. It will also impact how much net new money comes here from convention and visitor business.



Heidi Zimmer-Meyer
President

RDDC's Role

We have a very influential voice, and RDDC needs to redefine its priorities with laser focus in this time of strained public resources and many competing interests. RDDC can make a significant contribution by advocating for what is most essential to investors of all kinds — real estate developers, businesses signing leases, and residents renting or buying downtown living spaces.

Over the summer, we will be solidifying our position on these and other issues, and determining how we best push for the most optimal outcomes. Our strong partnerships with the City, County and State will be critical in assuring our success.

David Beinetti is President and Senior Principal of SWBR Architects & Engineers, P.C., and RDDC's Chairman. Heidi Zimmer-Meyer is President of RDDC.

BUSINESS OPPORTUNITIES

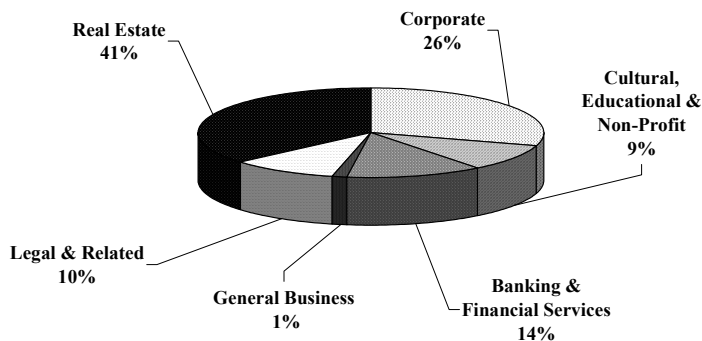
Become a Member of RDDC: Join the more than 100 companies that are driving economic growth downtown.

Sponsor an Event: Repositioning Rochester events draw 300-600 people – business leaders, public officials, and media.

Be a Website Sponsor: Downtown's official, award-winning website, www.rochesterdowntown.com, attracts 130,000 visitors a year, and is one of the region's primary economic development and real estate portals.

Contact us at (585) 546-6920 or rddc@rddc.org for more information!

2008 RDDC MEMBERSHIP BASE



MISSION

The Rochester Downtown Development Corporation is a not-for-profit organization dedicated to assuring the economic vitality and quality of life in Downtown Rochester. Committed to managing and supporting the preservation, enhancement, and growth of Downtown, RDDC's primary role is that of a leader and proactive change agent mobilizing public and private resources to implement specific development projects. We're working to make Downtown a source of pride for all who work, live, and shop here.

For more information on becoming a member of RDDC or about RDDC's services and resources, please contact us at (585) 546-6920 or rddc@rddc.org.



2007-08 BOARD OF DIRECTORS

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Heidi N. Zimmer-Meyer, President, RDDC

**Rochester Downtown Development Corporation
FINANCIAL STATEMENT**

	<i>2007 ACTUALS</i>	<i>2008 BUDGET</i>	<i>MAY 2008 ACTUAL YTD</i>
CARRYFORWARD	\$5,537	\$2,130	(\$5,244)
LATE PRIOR YEAR DUES	\$2,615	\$0	\$4,174
INCOME			
Membership Dues	\$131,160	\$150,000	\$95,734
Interest Earned	1,110	1,000	143
Events, Event Sponsorships	70,460	70,000	54,165
Downtown Guides	42,500	43,000	21,500
Website	3,723	1,500	600
Contracts	16,500	500	0
Misc. Income	403	0	0
TOTAL INCOME	\$265,856	\$266,000	\$172,142
EXPENSE			
Staff Payroll	\$170,903	\$166,085	\$68,475
Payroll Taxes	13,651	13,900	5,807
Employee Benefits	10,073	11,000	4,593
Technical Services	5,592	4,200	1,731
Rent & Utilities	2,371	1,000	0
Equipment & Machines	11,511	5,000	2,881
Telephone	4,202	4,600	349
Office Expenses	3,271	3,300	1,734
Printing & Copying	497	1,200	0
Postage	4,782	4,300	2,860
Business & Meetings	1,255	1,000	-307
Dues & Subscriptions	207	300	219
Insurance	2,791	3,000	957
Accounting Services	4,046	4,300	461
Miscellaneous Expenses	579	500	172
Subtotal, Overhead	\$235,731	\$223,685	\$89,932
RDDC Events	\$38,711	\$34,000	\$13,313
Downtown Guides	(102)	200	(42)
Website	1,808	1,500	950
Contracts	3,104	200	318
TOTAL EXPENSE	\$279,252	\$259,585	\$104,471
NET INCOME (EXPENSE)	(\$13,396)	\$6,415	\$67,671
CASH POSITION	(\$5,244)	\$8,545	\$62,427

RDDC 2008 ACTION AGENDA

ADVOCACY & LEADERSHIP

- **Midtown** – Identify potential development opportunities created by the PAETEC world headquarters project and the promise of a clean development site at Midtown
- **Renaissance Square** – Assure the best design of Renaissance Square considering the impact of the Midtown redevelopments, and support efforts to move project funding forward
- **Public Space** – Prioritize public improvements necessary to support new development

AGGRESSIVELY ADDRESS PARKING

- Assess impacts of new developments (e.g., Midtown, ESL, Renaissance Square, Block “F”) on the existing parking system
- Rationally address the need to add parking spaces downtown, and effectively advocate for innovative solutions

HOUSING REMAINS A TOP PRIORITY

- Focus on assessing and activating all types of market-rate housing development
- Create new focus on the “street-level experience” downtown
- Formalize new structure to engage housing project owners and residents
- Continue to track and disseminate downtown residential market data

ASSURE DOWNTOWN SAFETY

- Continue to optimize the Safety Team (“Red Shirts”) under contract with Downtown Special Services, Inc.
- Work closely with the Rochester Police Department to deploy downtown surveillance cameras and other police resources to maximize downtown safety

STRENGTHEN RDDC

- Aggressively increase membership base to grow RDDC’s voice, talent, and reach
- Reevaluate current RDDC dues structure

Receive **DOWNTOWN NEWS** by e-mail.
Send your e-mail address to rddc@rddc.org!



RDDC HIGHLIGHTS, 2007-08

Advocacy Activity

MIDTOWN REDEVELOPMENT — Chairing Mayor's Midtown Advisory Committee; bringing private redevelopment expertise into process; and, identifying top public infrastructure investments to catalyze further development of the Midtown block and surrounding territory (2004-09).

PARKING — Working closely with the City, downtown businesses and property owners, and private developers to aggressively address growing parking needs (2007-09).

UNSHACKLE UPSTATE — On statewide team to advocate for better State brownfields and Tax Increment Financing (TIF) legislation (2008).

DOWNTOWN CHARRETTE — Working with RRCDC to activate best recommendations for downtown (2007-09).

Downtown Office Space Survey May 2007

Total space surveyed = 109 buildings, 9.8 m. s.f.,
(77.9 % occupied)

Competitive space = 91 buildings, 7.4 m. s.f.,
(70.9% occupied)

- ♦ Class "A" — 9 buildings, 2.3 m. s.f.,
(87.1% occupied)
- ♦ Class "A/R" — 6 buildings, 367,505 s.f.,
(90.9% occupied)
- ♦ Class "B" — 44 buildings, 3.8 m. s.f.,
(63.4% occupied)
- ♦ Non-traditional — 32 buildings, 1.0 m. s.f.,
(54.9% occupied)

Non-competitive space = 18 buildings, 2.4 m. s.f.,
(100% occupied)

The 2008 Downtown Office Space Survey report is underway and will be completed in Summer 2008.

www.rochesterdowntown.com

Award-winning website

Free searchable web pages for:

- 91 office buildings
- 79 residential properties
- 123 restaurants, 60 bars & nightclubs
- 406 services and amenities
- 10 theaters, 2 sports arenas
- 115 retail establishments
- 4 colleges and universities

Launched in June 2002, upgraded in 2004-07

Now generating 130,000 site visitors annually

Corporate Structure

BOARD OF DIRECTORS

Meets a minimum of six times per year
Board responsible for annual corporate management decisions (e.g., budget, workplan, election of officers)

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

Role and functions include making decisions and providing guidance on internal corporate management issues and interim policy matters
Meetings are conducted on an as-needed, *ad hoc* basis

MEMBER BOARD

Member Board is comprised of full membership and meets quarterly

Sessions serve both as briefings and as two-way dialogue opportunities on issues, strategies, and concerns that impact downtown and community stakeholders

Downtown Rental Housing Survey First Quarter 2008

The full results of the *Downtown Rental Housing Survey, First Quarter 2008* can be accessed online at www.rochesterdowntown.com.

- Total downtown residents: 3,853
- Total rental & for sale housing units: 2,569
- Total market-rate units: 1,683
- Total subsidized units (rental): 822
- Vacancy rate for market-rate units: 4.9 %
- Vacancy rate for subsidized units: 16.0 %
- Number of loft & loft-style units: 240
- Average monthly rent, loft-style units: \$1,163
- Average monthly rent, all market-rate units: \$1020
- Average per-square-foot rent: \$1.17 psf
- Total # of rental & housing units planned or under construction: 256

Repositioning Rochester Series

"DOWNTOWN RISING: Skyline Changing Projects", May 2008 (520 attendees). Featured panelists included Mayor Bob Duffy on Midtown; Arunas Chesonis on PAETEC's planned world headquarters building; David Fiedler on ESL Federal Credit Union's new headquarters building; Wayne LeChase of LeChase Construction & Jim Durfee of The Associates on the status of the Renaissance Square project; and, President Donald Bain on the proposed new St. John Fisher Law School.

"POWERHOUSE UNIVERSITIES: How They Are Turning Rochester Around", April 2008 (380 attendees). Featuring President Joel Seligman of the U of R, and President William Destler of RIT.

"VISION • FUTURE: Rochester's Leadership Team", December 2007 (507 attendees). Featuring County Executive Maggie Brooks and Mayor Robert Duffy on accelerating regional economic growth.

"THE STATE OF ROCHESTER'S ECONOMY", September 2007 (380 attendees). Featured panelists included Gary Keith of M&T Bank; Kent Gardner of CGR; Norm Silverstein of WXXI Public Broadcasting Council; and, Neill Borowski of the D&C.

Community Reach

DOWNTOWN REPRESENTATION — High Falls Business Association; East End Business Association; Alexander Street Merchants' Association; St. Paul Quarter Business Association; Upper East End Business Association.

REGIONAL REPRESENTATION

Midtown Advisory Committee
Midtown Stakeholders Group
Midtown Property Management/
Security Committee
City Planning Commission
Rochester Police Chief's PCIC
Sector 5 Steering Committee
Rochester Area Community Foundation
Rochester Riverside Convention Center,
Management Board
NYS Urban Council

MEDIA COVERAGE & PUBLIC SPEAKING — Significant, frequent and substantive

ROCHESTER DOWNTOWN DEVELOPMENT CORPORATION

2008 WORKPLAN

GOAL: *Maximize the impact of Downtown as a marketable economic asset to advance the competitive advantage of the Greater Rochester region.*

STRATEGIC ELEMENTS

Downtown Advocacy - (1) Work closely with the City to assess impacts of new development on the existing parking system; (2) Identify the top priority public improvements necessary to support new downtown development pattern; (3) Support RDDC stakeholders by aggressively advocating for services and programs that impact downtown interests; (4) Use convening role to target downtown and community economic issues; and, (5) Share RDDC's resources to develop seamless linkages with other organizations and resource channels.

Leadership on High Impact Projects - (1) Work closely with the City and its consultants to identify and leverage potential development opportunities created by the PAETEC world headquarters project and the promise of a clean development site at Midtown; (2) Press for the best design of Renaissance Square considering the impact of the Midtown redevelopments, and support efforts to move project funding forward; (3) Work with the Mayor to explore the potential for significant educational uses downtown; (4) Promote new downtown housing and focus efforts to improve the environment for downtown living; (5) Lead the effort to create a viable downtown retail strategy; and, (6) Work with the City and County to evaluate the current downtown assessment districts and viability of a new downtown Business Improvement District.

Market Tracking and Business Environment Issues - (1) Aggressively address the need to add parking downtown, and to re-evaluate its management strategy; (2) Track and publicize investment, downtown office, residential and retail markets, and development activity; and, (3) Continue to develop role in Sector 5, and other downtown neighborhood and business associations.

Marketing Downtown - (1) Maintain, refresh and advertise www.rochesterdowntown.com, downtown's massive website; (2) Maintain strong media relations; (3) Revamp RDDC's e-mail communication system to ensure that members get early information on the downtown market; (4) Utilize website to aggressively market downtown living, business, and entertainment options; and, (5) Schedule briefings as appropriate with federal, state and local political representatives on downtown development progress and concerns.

Perception of Safety - (1) Work closely with the Rochester Police Department to deploy downtown surveillance cameras and other police resources to maximize downtown safety; and, (2) Continue to optimize the Safety Team ("Red Shirts") under contract with Downtown Special Services, Inc.

Strengthen RDDC - (1) Continue to aggressively increase member base; (2) Engage RDDC leadership to accomplish strategic initiatives and maximize community influence; (3) Continue to meet with members one-on-one regarding current issues & initiatives, and any assistance needed relative to expansion and/or retention; (4) Use the Repositioning Rochester Series to strengthen organization's prominence; and, (5) Refresh communications collaterals.

2008 RDDC MEMBERS

AIA — Rochester
A.J. Costello & Son *
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Benderson Development Co.
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Biernbaum & Meyer LLP
Boylan, Brown, Code, Vigdor & Wilson LLP
Broadstone Real Estate LLC
Bruckner, Tillett, Rossi, Cahill & Associates
Buckingham Properties
The Cabot Group
Caldwell Manufacturing Co.
Canandaigua National Bank & Trust
Catholic Family Center
CB Richard Ellis
Chamberlain, D'Amanda
Christa Development Corp.
Clarion Riverside Hotel
Clark Patterson Lee *
Clear Channel Communications
Clough Harbor & Associates LLP
The Commission Project
The Community Preservation Corporation *
Conifer Realty, LLC

Costanza Enterprises, Inc.
Democrat and Chronicle
ERSI
ESL Federal Credit Union
Eastman Kodak Company
Empire Living LLC *
Episcopal Diocese of Rochester
Excellus BCBS Rochester Region
Farash Corporation
Flaum Mgmt. Company, Inc.
Flower City Management, Inc.
FRA Engineering *
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Galvin Realty Group
Gar Lowenguth, Inc.
Greater Rochester Assoc. of REALTORS®, Inc.
Greater Rochester Visitors Association
David Hochstein Memorial Music School
Home Properties, Inc.
Hunt Engineers, Architects & Land Surveyors
Hyatt Regency Rochester
I. Gordon Corporation
JADD Management, LLC
KeyBank *
LaBella Associates, P.C.

LECESSE Construction
LeChase Construction Svcs. LLC
Loftus Construction Corp.
M&T Bank
M/E Engineering P.C.
MCC-Damon City Campus
MRA Architecture P.C.
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Maximus Real Estate Fund, LLC
Monroe County Bar Assoc.
William B. Morse Lumber Co.
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Nixon Peabody LLP
Norry Management Corp.
Northern Capital Group, Inc. *
Parry Building LLC *
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The Pike Company
Public Abstract Corporation
Pyramid Brokerage Company
RBS Citizens Bank, N.A.
Rent Rochester Inc.
Rochester Area Community Foundation
Rochester Business Alliance
Rochester District Heating Cooperative, Inc.

Rochester Gas & Electric Corp.
Rochester Institute of Technology
Rochester Public Library System
Rochester Riverside Convention Center
Rochester's Cornerstone Group, Ltd.
Rynne, Murphy & Assoc. Inc.
S.B. Ashley Mgmt. Corp.
St. Mary's Church
V.J. Stanley, Inc.
Stantec Consulting
Stern Properties
Strong National Museum of Play®
SUNY Brockport MetroCenter
SWBR Architects & Engineers, P.C.
Traikos Development LLC *
Underberg & Kessler LLP
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WDKX
Wilder 4 Corners Assoc., Inc.
Wilmorite, Inc.
Woods, Oviatt, Gilman LLP
YMCA of Greater Rochester

* *New members.*



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Visit

www.rochesterdowntown.com

Downtown Rochester's website!
