

**Additional Proposed Legislation for the
November 15, 2016 City Council Meeting -
Filed in the Office of the City Clerk
October 28 through November 3, 2016**

*** * Please Note * ***

**For questions regarding the proposed legislation,
call the City Clerk's Office at 585-428-7421**



City of Rochester

City Hall Room 308A, 30 Church Street
Rochester, New York 14614-1290
www.cityofrochester.gov



Lovely A. Warren
Mayor

**FINANCE
INTRODUCTORY NO.**

429

October 27, 2016

TO THE COUNCIL

Ladies and Gentlemen:

Re: Agreement – Lifetime Benefit Solutions,
Inc., Flexible Benefit Accounts

Council Priority: Deficit Reduction and Long
Term Financial Stability

Transmitted herewith for your approval is legislation establishing \$111,000 as total maximum compensation for a three-year agreement with Lifetime Benefit Solutions, Inc. for the administration of the City's Flexible Spending Account (FSA), Parking/Transit Reimbursement Account (PTRA) and remaining balances in the previously-funded Health Reimbursement Account (HRA) for employees. The agreement will be funded from the 2016-17, 2017-18, 2018-19 and 2019-20 Budgets for Undistributed Expenses in the amount of \$18,500, \$37,000, \$37,000 and \$18,500, respectively, contingent upon approval of future budgets.

Lifetime Benefit Solutions, Inc. has provided FSA and PTRA services for the City since 1992, and HRA services since 2009. The company was selected through a request for proposals process which is described in the attached summary.

Respectfully submitted,

Lovely A. Warren
Mayor

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City Council Transmittal Attachment
Request for Proposal Process Summary

Project/Service sought: Administration of Flexible Benefit Plans (Flexible Spending Accounts, Parking/Transit Reimbursement Accounts, and Health Reimbursement Accounts)

Department: DHRM

The request for proposals (RFP) process was handled by Lawley Benefits Group, the City's insurance broker, as part of the services that they provide. Lawley was apprised of the City's RFP procedure.

The RFP was issued August 22, 2016. It was sent to local service providers who have expressed interest during previous proposal periods.

Company	Location	Responded?
Lifetime Benefit Solutions	Rochester, NY (Henrietta)	Yes
ProFlex	Williamsville, NY	Yes
Benefit Resource Inc.	Rochester, NY (Henrietta)	Yes
Optum	Hartford, CT	Yes

These firms were selected based on their expertise in third party administration services for large organizations, technology, reporting capabilities and quality of service.

Evaluation Criteria:

- Cost Per Participant per Month
- Initial Startup Cost (including internal cost to develop reporting structure)
- Ability to Provide Automatic Claims Transfer Feature
- Minimum Monthly Fee (if any)
- Participant Disruption

Review Process:

Proposals were reviewed and summarized by the City's broker, then forwarded to DHRM.

Based on the broker's expertise in the market and implementation of similar services in similar organizations, the City's evaluation criteria, cost, and disruption factor, it is recommended that Lifetime Benefit Solutions continue to provide flexible benefit services to the City.

In addition, Lifetime is currently intricately involved in the implementation of the City's Personnel/Payroll System and vendor integrations to electronically transmit data.

Lifetime Benefit Solutions has continued to provide satisfactory services to the City and participants.

RODUCTORY NO.

429

Ordinance No.

Authorizing an agreement with Lifetime Benefit Solutions, Inc. for the administration of Flexible Spending, Parking/Transit Reimbursement and Health Reimbursement Accounts

BE IT ORDAINED, by the Council of the City of Rochester as follows:

Section 1. The Mayor is hereby authorized to enter the City into a professional services agreement with Lifetime Benefit Solutions, Inc. for administration of the Flexible Spending Accounts, Parking/Transit Reimbursement Accounts and for the remaining balances in previously-funded Health Reimbursement Accounts for City employees. The maximum compensation for the agreement shall be \$111,000. The cost of the agreement will be funded from the 2016-17 Budget of Undistributed Expenses (\$18,500), the 2017-18 Budget of Undistributed Expenses (\$37,000), the 2018-19 Budget of Undistributed Expenses (\$37,000), and the 2019-20 Budget of Undistributed Expenses (\$18,500), contingent upon approval of future budgets.

Section 2. The agreement shall have a term of three years from January 1, 2017 to December 31, 2019.

Section 3. The agreement shall contain such additional terms and conditions as the Mayor deems to be appropriate.

Section 4. This ordinance shall take effect immediately.



City of Rochester

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Lovely A. Warren
Mayor

**NEIGHBORHOOD &
COMMUNITY DEVELOPMENT
INTRODUCTORY NO.**

430

November 1, 2016

TO THE COUNCIL

Ladies and Gentlemen:

Re: Targeted Housing Rehabilitation and Window Replacement Programs

Council Priority: Creating and Sustaining a Culture of Vibrancy; Rebuilding and Strengthening Neighborhood Housing

Transmitted herewith for your approval is legislation related to the City's Targeted Housing Rehabilitation Program and the Window Replacement Program. This legislation will:

1. Appropriate \$300,000 from the Window Replacement Program allocation of the Housing Development Fund of the 2015-16 Community Development Block Grant (CDBG) for the City's use to operate the program;
2. Appropriate \$589,782 from the Targeted Housing Rehabilitation Program allocation of the Housing Development Fund of the 2015-16 CDBG for lead hazard evaluation services and the operation of the Targeted Housing Rehabilitation Program;
3. Re-appropriate \$1,495 from the Targeted Housing Rehabilitation Program allocation of the Housing Development Fund of the 2011-12 CDBG for lead hazard evaluation services for the Targeted Rehabilitation Program;
4. Re-appropriate \$12,570 from the Lead Hazard Reduction allocation of the Housing Development Fund of the 2012-13 CDBG for lead hazard evaluation services for the Targeted Housing Rehabilitation Program;
5. Establish \$20,250 as maximum compensation for an agreement with Environmental Testing & Consulting, Inc. to provide lead hazard evaluation services for the Targeted Housing Rehabilitation Program to be funded from the appropriations made in Section 2 (\$6,185), Section 3 (\$1,495) and Section 4 (\$12,570) above, for a term of one year with the option to extend for an additional year if funds remain from the amount allocated herein; and
6. Establish \$47,000 as maximum compensation for an agreement with PathStone Corporation to provide application intake services for the City's housing repair programs to be funded from the appropriation made in Section 2 above, for a term of one year with the option to extend for an additional year if funds remain from the amount allocated herein.
7. Establish \$42,000 as maximum compensation for an agreement with Action for a Better Community to provide application intake services for the City's housing repair programs to be funded from the appropriation made in Section 2 above for a term of one year with

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the option to extend for an additional year if funds remain from the amount allocated herein.

The proposed Window Replacement Program will provide assistance to eligible property owners for window replacement to increase energy efficiency. Eligible properties are 1-2 family owner-occupied and single-family rental units. Owner-occupants and tenants must have annual household incomes at or below 80% of the area median income. The City will reimburse property owners for the cost of the windows up to \$4,999. Property owners will be responsible for the installation cost.

CDBG funding requires that all lead-based paint hazards found at the property be addressed if the assistance provided is \$5,000 or greater. It is not our intent to convert the Window Replacement Program into a lead hazard control program, instead fulfilling a need for energy efficient windows. Property owners or their contractors that perform the work will be required to maintain US Environmental Protection Agency (EPA) certification for interim controls for properties built before 1978. It is expected that 60 property owners will be served.

The proposed Targeted Housing Rehabilitation Program will operate in the East Main, Mustard & Atlantic (EMMA) neighborhood. EMMA has been selected to align with the geography of the City's anti-poverty initiative where significant resources are being planned for deployment and/or have been invested. Assistance will be provided to eligible owners of single-family properties to control lead-based paint hazards and other environmental health hazards; correct code violations; and perform roof replacement and other repairs approved by the City. The remediation of health hazards will include, but not be limited to: mold and moisture remediation, pest control, attic insulation, duct cleaning, electrical repairs, correction of trip hazards, installation of carbon monoxide detectors and smoke alarms, furnace maintenance and replacement, new hot water tanks, and safety controls to prevent break-ins. The above appropriations will be combined with \$200,000 from the 2016-17 Capital Improvement Program to serve approximately 28 properties.

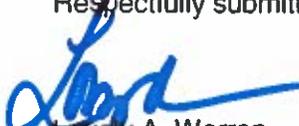
A request for proposals (RFP) for housing repair programs' application intake services was completed and PathStone Corporation and Action for a Better Community were selected. A summary of the RFP process is attached.

In 2015, an RFP was completed for lead hazard control services via the Lead Hazard Control Program. Environmental Testing & Consulting, Inc. and two other consultants were selected at that time. Environmental Testing & Consulting, Inc. has been selected for lead hazard evaluation services for the Targeted Housing Rehabilitation Program because the company provides a high quality product and is best suited to provide these services.

The re-appropriations made herein are unspent funds from agreements for lead hazard evaluation services for the Lead Hazard Control Program and the Targeted Housing Rehabilitation Program.

There is a concurrent Introductory this month which amends the 2015-16 Consolidated Community Development Plan to authorize the funding transfers necessary for the appropriations for the Window Replacement and Targeted Housing Rehabilitation Programs.

Respectfully submitted,


Lovely A. Warren
Mayor

**City Council Transmittal Attachment
Request for Proposal Process Summary**

Project / Service sought: Customer Services for Housing Programs

Department NBD/BHD **Date RFP issued:** October 2016

RFP also sent to

Notification of the availability of the RFP was e-mailed to PathStone Corporation, Neighborworks Rochester and Action for a Better Community.

Proposals received from

<u>FIRM</u>	<u>CITY / STATE</u>
Neighborworks Rochester	14620
Action for a Better Community	14604
Pathstone Corporation	14607

Proposal evaluation criteria

The scores below were averaged based on each scoring sheet completed by each of the four participants that comprised the review team,

<u>Criteria</u>	<u>weighting</u>	<u>Points possible</u>	<u>Pathstone</u>	<u>ABC</u>	<u>NWR</u>
Completeness of Proposal	10%	10	10	8	7
Organizational Capacity	25%	25	24	22	22
Cost	25%	25	22	23	19
Approach and Methods	15%	15	14	12	12
Staffing Plan	10%	10	10	8	6
Marketing Plan	10%	10	9	8	7
Bi-lingual Staff	5%	5	4	5	4
Total	100%	100	93	86	77

Review team included:

3 staff from NBD

1 staff from Finance

JUSTIFICATION STATEMENT

Awarding a Professional Services Agreement Without a Request for Proposals

The Procurement of Professional Services Policy (Ord. No. 2012-318) requires an RFP to be issued under most circumstances. If it is determined that an RFP process will not benefit the City, this form must be completed, signed by the Department Head, and kept on file (electronically or hard copy). It must also be submitted:

1. To City Council as an attachment to the transmittal letter for any PSA that exceeds \$10,000, and
2. To the contract record when entered in Munis.

Department: NBD

Service(s): Lead hazard evaluation

Vendor/Consultant selected: Environmental Testing & Consulting (ETC)

1. How was the vendor selected?

In March 2016, we issued a Request for Proposals (RFP) to request responses from qualified agencies to provide lead hazard evaluation services for the City's Lead Hazard Control Program. Respondents were required to provide information regarding their history, capacity, and turn-around time for providing services and a budget. We received a total of three (3) proposals where each was evaluated and scored by a committee comprised of three (3) City staff. The second highest scoring proposal was Environmental, Testing & Consulting (ETC).

2. Why was no RFP issued for this service?
(Your rationale should include the following information when applicable)

Since an RFP was issued in March 2016, it is not necessary to repeat the process. ETC has provided the City with lead hazard evaluation services for the housing programs for the past 12 years. ETC has performed to NBDs satisfaction by producing lead hazard evaluation reports according to industry standards and in a timely fashion.

3. Is there **previous experience** with the vendor? Describe why it is in the City's best interest to continue with them and not solicit others.

Yes, ETC has provided lead hazard evaluation services for the City's housing programs for the past 12 years. It is in the City's best interest to continue these services with ETC who has consistently met their contractual obligations with the City.

4. Are there **unique or emergency circumstances**? Describe how an RFP process would jeopardize the success of the project.

There are no unique or emergency circumstances. The program would be delayed if NBD had to issue an RFP. ETC is able to immediately start providing the lead hazard evaluation services.

5. Is the service **specialized and unique**?

Yes. In order to provide lead hazard evaluation services, an agency must be an EPA-certified lead-based paint risk assessor.

- 6. Is the number of **qualified providers limited**? Describe the Department's experience with and knowledge of the market and why an RFP would not produce additional qualified consultants.

No. There are currently 16 firms operating in the Rochester area.

- 7. Does the project include **multi-year State or Federal funding**? Explain why it is in the best interest of the project and the City to continue with the same consultant (e.g. where the design consultant on a project is retained for resident project representation services).

The project includes multi-year federal funding. Again, it is in the City's best interest to continue these services with ETC who has consistently met their contractual obligations with the City.

Compensation

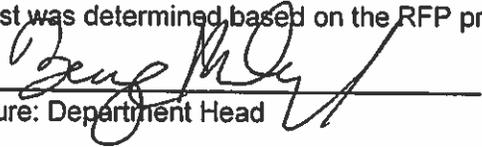
Amount: \$20,250

How was this determined? Explain how it is a reasonable and best value for the City.

The cost was determined based on the RFP process that was completed in March 2016.

Signature: Department Head

Date



10/27/16

INTRODUCTORY NO.

430

Ordinance No.

Authorizing appropriations of Community Development Block Grant funds and agreements for the Targeted Housing Rehabilitation and Window Replacement programs

BE IT ORDAINED, by the Council of the City of Rochester as follows:

Section 1. The Council hereby appropriates \$300,000 from the Window Replacement Program allocation of the Housing Development Fund of the 2015-16 Community Development Block Grant (CDBG) for the City's use to operate the Window Replacement Program.

Section 2. The Council hereby appropriates \$589,782 from the Targeted Housing Rehabilitation Program allocation of the Housing Development Fund of the 2015-16 CDBG for lead hazard evaluation services and for other expenses to operate the Targeted Housing Rehabilitation Program.

Section 3. The Council hereby re-appropriates \$1,495 from the Targeted Housing Rehabilitation Program allocation of the Housing Development Fund of the 2011-12 CDBG for lead hazard evaluation services for the Targeted Housing Rehabilitation Program.

Section 4. The Council hereby re-appropriates \$12,570 from the Lead Hazard Reduction allocation of the Housing Development Fund of the 2012-13 CDBG for lead hazard evaluation services for the Targeted Housing Rehabilitation Program.

Section 5. The Mayor is hereby authorized to enter the City into a professional services agreement with Environmental Testing & Consulting, Inc., to provide lead hazard evaluation services for the Targeted Housing Rehabilitation Program. The maximum compensation for the agreement shall be \$20,250, which shall be funded from the appropriations authorized in Sections 2 (up to a maximum of \$6,185), 3 and 4 of this Ordinance. The term of the agreement shall be for 1 year with the option to extend for up to one additional year if funds remain from the amount allocated herein.

Section 6. The Mayor is hereby authorized to enter the City into a professional services agreement with PathStone Corporation to provide application intake services for the City's housing repair programs. The maximum compensation for the agreement shall be \$47,000, which shall be funded from the appropriation made in Section 2 of this Ordinance. The term of the agreement shall be for 1 year with the option to extend for up to one additional year if funds remain from the amount allocated herein.

Section 7. The Mayor is hereby authorized to enter the City into a professional services agreement with Action for a Better Community, Incorporated to provide application intake services for the City's housing repair programs. The maximum compensation for the agreement shall be \$42,000, which shall be funded from the

appropriation made in Section 2 of this Ordinance. The term of the agreement shall be for 1 year with the option to extend for up to one additional year if funds remain from the amount allocated herein.

Section 8. The Mayor is hereby authorized to enter the City into such other agreements as may be necessary for the implementation of the activities funded by the appropriations made herein. The City shall enter into the agreements authorized under this Ordinance only with organizations that are in compliance with federal regulations. The agreements shall contain such additional terms and conditions as the Mayor deems to be appropriate.

Section 9. The Director of Finance is authorized to record all transfers herein and to make adjustments to the amounts set forth herein which may have changed prior to the date of this ordinance.

Section 10. This ordinance shall take effect immediately.



City of Rochester

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Lovely A. Warren
Mayor

**ARTS & CULTURE
IN THE CENTER CITY
INTRODUCTORY NO.**

431

November 2, 2016

TO THE COUNCIL

Ladies and Gentlemen:

Re: Agreement – Monroe County Broadcasting
Company, Limited, d/b/a WDKX, Step Jam Event

Council Priority: Creating and Sustaining a Culture of
Vibrancy

Transmitted herewith for your approval is legislation establishing \$12,500 as maximum compensation for an agreement with Monroe County Broadcasting Company, Limited, d/b/a WDKX, for the December 10, 2016 Step Jam event. This agreement will be financed from the 2016-17 Budget of the Bureau of Communications.

The Step Jam has been a positive youth and community event held at the Blue Cross Arena at the War Memorial for the last eight years. It is a competition for county-wide step teams that fosters school spirit, community pride, and a sense of unity and belonging for participants. The event focuses on positive dance, step and music experiences for the entire family. Parents are given a chance to see their children showcase their talents and students get to interact in a positive way with City of Rochester police officers, school sentries, and Pathways to Peace personnel.

Schools reward students with free tickets to the event for doing well in school and keeping up attendance in school. Colleges have been known to attend the event to share their step teams' experience and recruit future college-ready youth to their teams.

WDKX has been the champion of this event which continues to grow each year with more performers, spectators and community vendors. This year's funding is the same as last year's.

Respectfully submitted,

Lovely A. Warren
Mayor

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INTRODUCTORY NO.

431

Ordinance No.

Establishing maximum compensation for an agreement for Step Jam

BE IT ORDAINED, by the Council of the City of Rochester as follows:

Section 1. The sum of \$12,500, or so much thereof as may be necessary, is hereby established as the compensation to be paid for an agreement between the City and Monroe County Broadcasting Company, Limited, d/b/a WDKX to present the Step Jam dance competition event to occur on or about December 10, 2016.

Section 2. Said compensation shall be funded from the 2016-17 Budget of the Bureau of Communications.

Section 3. The agreement shall contain such additional terms and conditions as the Mayor deems to be appropriate.

Section 4. This ordinance shall take effect immediately.



November 3, 2016

TO THE COUNCIL

Ladies and Gentlemen:

Re: Midtown Redevelopment Project- Sale of Parking
Garage and Lot 7 to Midtown Parking Garage
LLC

Council Priority: Deficit Reduction and Long Term
Financial Stability; Creating and Sustaining a Culture
of Vibrancy

Transmitted herewith for your approval is legislation authorizing the sale of the former Midtown Plaza Parking Garage (the Garage) and an adjacent surface land parcel known as Lot 7 to Midtown Parking Garage LLC, or an entity to be formed by Midtown Parking Garage LLC (the Redeveloper). The purchase price for the Garage will be \$5,150,000, consisting of \$1,500,000 to be paid at closing and a 10-year purchase money mortgage (Mortgage) in the principal amount of \$3,650,000. The purchase price for Lot 7 will be the appraised value of \$375,000, consisting of \$113,000 to be paid at closing and a 10-year purchase money mortgage in the principal amount of \$262,000 to be included in the Mortgage for the Garage for a total mortgage amount of \$3,912,000.

The City acquired the Garage, Lot 7 and the rest of the former Midtown Tower and Plaza complex in 2008 in order to advance the Midtown Redevelopment Project. The Garage is an underground complex comprised of approximately 1,688 parking spaces located on multiple levels. As the Midtown Redevelopment Project has advanced, the City has entered into a series of parking agreements that reserve a total maximum of up to 1,398 parking space reservations or parking passes for the employees, residents, customers and visitors of the mixed-use Tower 280, offices of the Windstream Corporation, headquarters of the Democrat and Chronicle newspaper, and residential redevelopment of a 13-story former office building at 88 Elm Street. A list of those agreements is attached.

The approximately 0.46 acre Lot 7 parcel is located at 290 East Broad Street adjacent to Tower 280. Under a 25-year parking agreement with the City, the developer of Tower 280 operates a surface parking lot on Lot 7 with 34 short-term parking spaces (Ord. No. 2013-237).

At the City's request, in September 2015, LaBella Associates, D.P.C. prepared a capital improvement plan, which estimates that the capital costs for operating, maintaining and repairing the Garage over the next 15 years will be \$10,427,000.

The major provisions of the proposed Land Disposition Agreement with the Redeveloper include the following:

- Purchase price of \$5,150,000 for the Garage, consisting of \$1,500,000 to be paid at closing and \$3,650,000 in City financing secured by a promissory note and 10-year Mortgage for which the City shall charge the Redeveloper a 1% (\$36,500) fee at closing and then annual interest of 4% payable quarterly.
- Purchase price of \$375,000 for Lot 7, consisting of \$113,000 to be paid at closing and a 10-year purchase money mortgage in the principal amount of \$262,000 and at the same terms listed above, to be included in the Mortgage for the Garage for a total mortgage amount of \$3,912,000 for which the City shall charge the Redeveloper a 1% (\$39,120) fee at closing.



- The City assigns or grants to the Redeveloper all easements necessary to access, use and operate the Garage for parking purposes, provided however that those grants and assignments will reserve to the City all currently existing rights of public access.
- The Garage and Lot 7 are conveyed to the Redeveloper as is, the Redeveloper assumes the obligation to operate, inspect, maintain and repair the properties, and the Mortgage requires the Redeveloper to pay \$25,000 every quarter into a reserve fund for such inspection, maintenance and repair expenses.
- Redeveloper assumes the City's obligations and rights to payment under the aforementioned four parking agreements.
- In the event that a performing arts center is constructed on Midtown Parcel 5, the Redeveloper will allow evening parking for the center's patrons, subject to availability.
- If the development of a performing arts center on Parcel 5 is commenced within one year and completed within five years of the Redeveloper's acquisition of the Garage, the Redeveloper will limit the residential tenants' use of the Garage to no more than 600 parking spaces.
- The parties acknowledge that the City intends to develop, or allow the development of, the City-owned development parcels located at 15 and 25 Atlas Street using the City's air rights and subject to the Redeveloper's rights in the portion of the Garage underlying the two parcels.
- The City will assess real property taxes on the Garage based on the final sales price, will base future reassessments on the then current fair market (not replacement) value, and will not accept or consent to any real property tax abatement proposal.

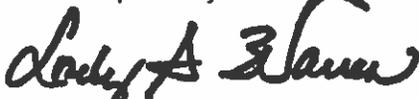
The Redeveloper is a partnership of Buckingham Properties, Morgan Properties and Pike Development Company, the developers of Tower 280 and the Seneca Building in the Midtown Redevelopment Project area. Acquisition of the Garage and Lot 7 will allow them to use the parking spaces as an additional marketing tool and amenity to recruit tenants to fill out their buildings and encourage the development of additional properties in and around the Project area. The sale of the Garage will generate revenue for the City, both upfront and over the 10-year term of the Mortgage. It will also save the City having to incur capital costs estimated to be more than \$10 million over the next 15 years.

The Redeveloper's purchase offer was received in response to a request for proposals issued in November 2015. The only other respondent offered a lower purchase price and required the satisfaction of more contingencies than required by the Redeveloper.

The parties are close to finalizing a mutually agreed upon Land Disposition Agreement and have agreed upon a closing date of December 1, 2016, subject to Council approval. The prompt approval of this transaction is desired so that the Garage can be disposed of before year-end and the City can avoid the additional maintenance and repair costs that continue to accrue with the passage of time.

A public hearing is required.

Respectfully submitted



Lovely Warren
Mayor

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Midtown Parking Garage Agreements

- a) Midtown Tower LLC dated December 20, 2013, 25 year term through July 31, 2039:
 - (i) a maximum of up to 423 designated parking spaces on Level C of the Garage for an annual rent of \$50,000,
 - (ii) a maximum of 125 parking passes at the market rate charged by the City, and
 - (iii) a covenant by the City to designate 250 parking spaces on Level A of the Garage as non-exclusive public parking;

- b) Windstream Corporation dated June 25, 2013, 15 year term:
 - a maximum of 335 parking passes at the rate of \$50 per month per pass;

- c) Democrat and Chronicle LLC dated May 12, 2015, term of 10 years from D&C's occupancy of new headquarters:
 - a maximum of 215 parking passes consisting of 10 reserved spaces at \$134 per month per space and 205 passes at the rate of \$20 per month less than the prevailing general public parking rate; and

- d) Elm Street Ventures, LLC dated June 3, 2015, term of 20 years from occupancy of redeveloped mixed-use building at 88 Elm Street:
 - a maximum of up to 50 parking spaces at the current City public parking rate.



INTRODUCTORY NO.

34

432

Ordinance No.

Authorizing the sale of the Midtown Parking Garage and Midtown Lot 7 to further the Midtown Urban Renewal Plan

WHEREAS, the City of Rochester has received a proposal from Midtown Parking Garage LLC (hereinafter called "Redeveloper") to purchase and continue to operate the former Midtown Plaza underground parking garage comprising approximately 1,688 parking spaces (the Garage) and an adjacent surface land parcel comprising approximately 0.46 acres located at 290 East Broad Street used for parking up to 34 cars and known as Lot 7 (the Parking Lot) (collectively, the Properties);

WHEREAS, the Redeveloper provided its proposal in response to the City's request for proposals to purchase and utilize the Properties so as to continue the redevelopment of the Midtown Urban Renewal District (the Midtown District) in accordance with the objectives of the Midtown Urban Renewal Plan (Midtown Plan);

WHEREAS, the controlling members of the Redeveloper, Buckingham Properties LLC, Morgan Management, LLC, and The Pike Development Company LLC, have been the developers of the Tower 280 and Seneca Building properties in the Midtown District;

WHEREAS, the City desires to sell to the Redeveloper the Garage for the sum of \$5,150,000, consisting of \$1,500,000 to be paid at closing and a 10-year purchase money mortgage in the amount of \$3,650,000, and the Parking Lot for its appraised fair market value of \$375,000, consisting of \$113,000 to be paid at closing and a 10-year purchase money mortgage in the principal amount of \$262,000 to be included in the mortgage for the Garage for a total mortgage amount of \$3,912,000, and the sales are to be conducted in accordance with Section 507(2) of the General Municipal Law of the State of New York in order to further the Midtown Plan;

WHEREAS, some additional terms of the proposal provide that the Redeveloper shall:

- continue the operation of the Properties for public parking purposes;
- assume the rights to payment and obligations to abide by the City's four current long-term agreements that reserve various allotments of parking spaces and parking passes within the Garage for certain developments within the Midtown District;
- assume the obligation to inspect, maintain and repair the Properties;
- for the ten-year term of the Garage and Parking Lot mortgage, pay \$25,000 every quarter into a reserve fund for inspecting, maintaining and repairing the Garage;
- if the development of a performing arts center on Parcel 5 is commenced within one year and completed within five years of the Redeveloper's acquisition of the Garage, limit the reservation of residential tenant spaces within the Garage to no more than 600 parking spaces in order to leave parking spaces available to accommodate evening patrons of said arts center;

- allow the development of the City-owned development parcels located at 15 and 25 Atlas Street using the City's air rights and subject to the Redeveloper's rights in the portion of the Garage underlying the two parcels; and
- accept an assessment of real property taxes on the Garage that is based on the Garage's final sales price, with future reassessments based on the then current fair market value and forgo requesting or accepting any real property tax abatement;

WHEREAS, by providing for the continued operation and maintenance of the Properties, the terms of the Redeveloper's proposal will result in the preservation of parking that will serve as a necessary amenity for the continued redevelopment of the previously blighted Center City Midtown site, thereby generating additional tax revenue and employment; and

WHEREAS, the Redeveloper has been found by the Rochester Urban Renewal Agency and this Council to be a qualified and eligible sponsor to carry on the redevelopment of the Midtown District.

NOW, THEREFORE, BE IT ORDAINED, by the Council of the City of Rochester as follows:

Section 1. The Council hereby approves the sale of the Garage and Parking Lot to the Redeveloper, or an entity to be formed by its principals, for the sum of \$5,525,000, subject to the terms set forth herein and to such additional terms and conditions as the Mayor deems to be appropriate.

Section 2. The Council hereby further approves the granting and acceptance of any easements for utilities, ancillary development, and public access to and within the Properties, as necessary to effectuate the terms and purposes of the Redeveloper's proposal.

Section 3. The Mayor is hereby authorized to enter the City into such agreements and to execute such other instruments as may be necessary to implement the actions authorized herein. The agreements and other instruments shall contain such additional terms and conditions as the Mayor deems to be appropriate.

Section 4. This ordinance shall take effect immediately.



Rochester Urban Renewal Agency

City Hall Room 223B
30 Church Street
Rochester, New York
14614-1290

34a

Bayé M. Muhammad
Secretary

**BUSINESS & ECONOMIC
DEVELOPMENT
INTRODUCTORY NO.**

URA-3

November 3, 2016

TO THE ROCHESTER URBAN RENEWAL AGENCY

Ladies and Gentlemen:

Re: Midtown Redevelopment Project- Sale of Parking
Garage and Lot 7 to Midtown Parking Garage
LLC

Transmitted herewith for your approval is legislation authorizing the sale of the former Midtown Plaza Parking Garage (the Garage) and an adjacent surface land parcel known as Lot 7 (the Properties) to Midtown Parking Garage LLC, or an entity to be formed by Midtown Parking Garage LLC (the Redeveloper) in accordance with companion legislation submitted to the City Council. The Rochester Urban Renewal Agency approved the subject parcels as disposition properties in the Urban Renewal Plan amended on November 9, 2009. In accordance with the provisions of Section 507(2) of the General Municipal Law of the State of New York, said Redeveloper is hereby designated as a qualified and eligible redeveloper to purchase, operate and maintain said Properties in accordance with the established rules and procedures prescribed by the Agency

The purchase price for the Garage will be \$5,150,000, consisting of \$1,500,000 to be paid at closing and a 10-year purchase money mortgage (Mortgage) in the principal amount of \$3,650,000. The purchase price for Lot 7 will be the appraised value of \$375,000, consisting of \$113,000 to be paid at closing and a 10-year purchase money mortgage in the principal amount of \$262,000 to be included in the Mortgage for the Garage for a total mortgage amount of \$3,912,000.

The City acquired the Garage, Lot 7 and the rest of the former Midtown Tower and Plaza complex in 2008 in order to advance the Midtown Redevelopment Project. The Garage is an underground complex comprised of approximately 1,688 parking spaces located on multiple levels. As the Midtown Redevelopment Project has advanced, the City has entered into a series of parking agreements that reserve a total maximum of up to 1,398 parking space reservations or parking passes for the employees, residents, customers and visitors of the mixed-use Tower 280, offices of the Windstream Corporation, headquarters of the Democrat and Chronicle newspaper, and residential redevelopment of a 13-story former office building at 88 Elm Street. A list of those agreements is attached.

The approximately 0.46 acre Lot 7 parcel is located at 290 East Broad Street adjacent to Tower 280. Under a 25-year parking agreement with the City, the developer of Tower 280 operates a surface parking lot on Lot 7 with 34 short-term parking spaces.

At the City's request, in September 2015, LaBella Associates, D.P.C. prepared a capital improvement plan, which estimates that the capital costs for operating, maintaining and repairing the Garage over the next 15 years will be \$10,427,000.

The major provisions of the proposed Land Disposition Agreement with the Redeveloper include the following:

- Purchase price of \$5,150,000 for the Garage, consisting of \$1,500,000 to be paid at closing and \$3,650,000 in City financing secured by a promissory note and 10-year Mortgage and annual interest of 4% payable quarterly.
- Purchase price of \$375,000 for Lot 7, consisting of \$113,000 to be paid at closing and a 10-year purchase money mortgage in the principal amount of \$262,000 and at the same terms listed

above, to be included in the Mortgage for the Garage for a total mortgage amount of \$3,912,000 for which the City shall charge the Redeveloper a 1% (\$39,120) fee at closing.

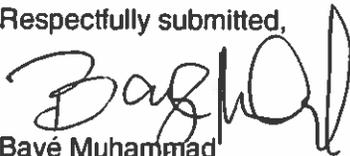
- The City assigns or grants to the Redeveloper all easements necessary to access, use and operate the Garage for parking purposes, provided however that those grants and assignments will reserve to the City all currently existing rights of public access.
- The Garage and Lot 7 are conveyed to the Redeveloper as is, the Redeveloper assumes the obligation to operate, inspect, maintain and repair the properties, and the Mortgage requires the Redeveloper to pay \$25,000 every quarter into a reserve fund for such inspection, maintenance and repair expenses.
- Redeveloper assumes the City's obligations and rights to payment under the aforementioned four parking agreements.
- In the event that a performing arts center is constructed on Midtown Parcel 5, the Redeveloper will allow evening parking for the center's patrons, subject to availability.
- If the development of a performing arts center on Parcel 5 is commenced within one year and completed within five years of the Redeveloper's acquisition of the Garage, the Redeveloper will limit the residential tenants' use of the Garage to no more than 600 parking spaces.
- The parties acknowledge that the City intends to develop, or allow the development of, the City-owned development parcels located at 15 and 25 Atlas Street using the City's air rights and subject to the Redeveloper's rights in the portion of the Garage underlying the two parcels.
- The City will assess real property taxes on the Garage based on the final sales price, will base future reassessments on the then current fair market (not replacement) value, and will not accept or consent to any real property tax abatement proposal.

The Redeveloper is a partnership of Buckingham Properties, Morgan Properties and Pike Development Company, the developers of Tower 280 and the Seneca Building in the Midtown Redevelopment Project area. Acquisition of the Garage and Lot 7 will allow them to use the parking spaces as an additional marketing tool and amenity to recruit tenants to fill out their buildings and encourage the development of additional properties in and around the Project area. The sale of the Garage will generate revenue for the City, both upfront and over the 10-year term of the Mortgage. It will also save the City having to incur capital costs estimated to be more than \$10 million over the next 15 years.

The Redeveloper's purchase offer was received in response to a request for proposals issued in November 2015. The only other respondent offered a lower purchase price and required the satisfaction of more contingencies than required by the Redeveloper.

The parties are close to finalizing a mutually agreed upon Land Disposition Agreement and have agreed upon a closing date of December 1, 2016, subject to Council approval. The prompt approval of this transaction is desired so that the Garage can be disposed of before year-end and the City can avoid the additional maintenance and repair costs that continue to accrue with the passage of time.

Respectfully submitted,



Bayé Muhammad
Secretary

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CITY OF ROCHESTER
CLERK/COUNCIL OFFICE
2016 NOV -3 PM 3:00

Midtown Parking Garage Agreements

- a) Midtown Tower LLC dated December 20, 2013, 25 year term through July 31, 2039:
 - (i) a maximum of up to 423 designated parking spaces on Level C of the Garage for an annual rent of \$50,000,
 - (ii) a maximum of 125 parking passes at the market rate charged by the City, and
 - (iii) a covenant by the City to designate 250 parking spaces on Level A of the Garage as non-exclusive public parking;

- b) Windstream Corporation dated June 25, 2013, 15 year term:
a maximum of 335 parking passes at the rate of \$50 per month per pass;

- c) Democrat and Chronicle LLC dated May 12, 2015, term of 10 years from D&C's occupancy of new headquarters:
a maximum of 215 parking passes consisting of 10 reserved spaces at \$134 per month per space and 205 passes at the rate of \$20 per month less than the prevailing general public parking rate; and

- d) Elm Street Ventures, LLC dated June 3, 2015, term of 20 years from occupancy of redeveloped mixed-use building at 88 Elm Street:
a maximum of up to 50 parking spaces at the current City public parking rate.



INTRODUCTORY NO.

URA-3

URA Midtown Garage /Lot 7

Resolution No. URA-

Designating Midtown Parking Garage LLC as qualified and eligible to purchase, operate and maintain portions of the Midtown Urban Renewal District

WHEREAS, the City of Rochester has received a proposal from Midtown Parking Garage LLC (hereinafter called "Redeveloper") to purchase and continue to operate the former Midtown Plaza underground parking garage comprising approximately 1,688 parking spaces (the Garage) and an adjacent surface land parcel comprising approximately 0.46 acres located at 290 East Broad Street used for parking up to 34 vehicles and known as Lot 7 (the Parking Lot) (collectively, the Properties);

WHEREAS, the Redeveloper provided its proposal in response to the City's request for proposals to purchase and utilize the Properties so as to continue the redevelopment of the Midtown Urban Renewal District (the Midtown District) in accordance with the objectives of the Midtown Urban Renewal Plan (Midtown Plan);

WHEREAS, the controlling members of the Redeveloper, Buckingham Properties LLC, Morgan Management, LLC, and The Pike Development Company LLC, have been the developers of the Tower 280 and Seneca Building properties in the Midtown District;

WHEREAS, the City desires to sell to the Redeveloper the Garage for the sum of \$5,150,000, consisting of \$1,500,000 to be paid at closing and a 10-year purchase money mortgage in the amount of \$3,650,000, and the Parking Lot for its appraised fair market value of \$375,000, consisting of \$113,000 to be paid at closing and a 10-year purchase money mortgage in the principal amount of \$262,000 to be included in the mortgage for the Garage for a total mortgage amount of \$3,912,000, with both sales to be conducted in accordance with Section 507(2) of the General Municipal Law of the State of New York in order to further the Midtown Plan;

WHEREAS, some additional terms of the proposal provide that the Redeveloper shall:

- continue the operation of the Properties for public parking purposes;
- assume the rights to payment and obligations to abide by the City's four current long-term agreements that reserve various allotments of parking spaces and parking passes within the Garage for certain developments within the Midtown District;
- assume the obligation to inspect, maintain and repair the Properties;
- for the ten-year term of the Garage and Parking Lot mortgage, pay \$25,000 every quarter into a reserve fund for inspecting, maintaining and repairing the Garage;
- if the development of a performing arts center on Parcel 5 is commenced within one year and completed within five years of the Redeveloper's acquisition of the Garage, limit the reservation of residential tenant spaces within the Garage to no more than 600 parking spaces in order to leave parking spaces available to accommodate evening patrons of said arts center;

- allow the development of the City-owned development parcels located at 15 and 25 Atlas Street using the City's air rights and subject to the Redeveloper's rights in the portion of the Garage underlying the two parcels; and
- accept an assessment of real property taxes on the Garage that is based on the Garage's final sales price, with future reassessments based on the then current fair market value and forgo requesting or accepting any real property tax abatement;

WHEREAS, the Redeveloper has submitted to the Agency a Redeveloper's Statement for Public Disclosure and Redeveloper's Statement of Qualifications and Financial Responsibility; and

WHEREAS, a legal notice has been prepared giving public notice as to the availability for public examination of the proposed terms for the disposition of the Properties and the Redeveloper's Statement for Public Disclosure has been included with the proposed terms made available for public examination.

NOW, THEREFORE, BE IT RESOLVED, by the Rochester Urban Renewal Agency as follows:

Section 1. That said Redeveloper has complied with the rules, criteria and procedures of the Agency for the selection and designation of redevelopers.

Section 2. That the Redeveloper's Statement for Public Disclosure and Statement of Qualifications and Financial Responsibility is hereby found satisfactory.

Section 3. That based upon an examination of the aforesaid Redeveloper's Statement of Qualifications and Financial Responsibility, the Agency determines that said Redeveloper possesses the necessary qualifications and financial resources to purchase, operate and maintain the Properties in accordance with the Urban Renewal Plan for the Midtown Urban Renewal District.

Section 4. That, in accordance with the provisions of Section 507(2) of the General Municipal Law of the State of New York, said Redeveloper is hereby designated as a qualified and eligible redeveloper to purchase, operate and maintain said Properties in accordance with the established rules and procedures prescribed by the Agency.

Section 5. That the Secretary of the Agency is hereby authorized and directed in accordance with the publication of a legal notice as authorized by the Council of the City of Rochester, to have a copy of the Redeveloper's Statement for Public Disclosure, the Redeveloper's proposal, and the proposed disposition terms available for examination by the public at the office of the Agency.

Section 6. This resolution shall take effect immediately.