



To: Main & Clinton Local Development Corp. Board

From: Mayor Robert J. Duffy and Rochester City Council

Date: July 15, 2009

Subject: City of Rochester Renaissance Square Position

The Mayor and Council are prepared to support the Renaissance Square Project and to grant the necessary timely approvals under the terms described below. We propose to enter into an inter-municipal agreement that sets forth the understanding of the parties and to take the required actions, including approvals and legislation, pursuant to that agreement. This position preserves the financial and other benefits of the Project while also preserving the broader opportunity for downtown development. It can be accomplished while preserving the Federal funding.

The Performing Arts Center should be omitted from the Project. The PAC is currently without an owner and unfunded for both as much as \$ 55 mm of the construction cost and a \$1.5 mm annual operating deficit. Even if the proposed \$15.5 mm in private fundraising could be achieved, as much as \$40 mm needed in addition to the already substantial state funding of the other parts of the Project. There is no existing commitment or even proposed commitment for this additional funding. The Project's consultant has estimated that the operating deficit will have to be covered from sources outside the PAC operating revenue and there is no agreement on how this will be done or what entity will be responsible for it. This does not include RBTL's \$1 mm mortgage on the Auditorium Theater that is guaranteed by the Cultural Commission. We see no current prospect for resolving these issues.

The Federal Transportation Agency has not approved the expenditure of funds for the PAC and no work is being done on it. The design and Joint Development Agreement are proceeding only for the Transit Center and MCC. The PAC is presented in the approved Environmental Assessment as an alternative.

Continuing to design and build the Project with a placeholder for the PAC is unrealistic and adversely affects the portion of the Project that is funded and can proceed. The \$230 mm budget is 5 or more years old and the Project has been considerably reduced in size and quality in order to meet the budget and hold out more than \$20 mm to be used for the PAC. Design of the funded portions to accommodate the possibility of a PAC has produced a diminished Project that is not well suited to alternative development of the corner property or continuing development of the other surrounding property.

The PAC as part of the Project should be abandoned, the funds being held out for the PAC invested to maximize the remainder of the Project and the site utilization and design adjusted to maximize the opportunity for private development surrounding the Project. The City will not approve condemnation of the corner property proposed for the PAC and will pursue private development opportunities that complement the Project for that corner. If funds are raised for the PAC at some time in the future it can be constructed elsewhere or they can be invested in improving the Auditorium Theater.

The design of the Transit Center should be modified. The Center provides some desirable advantages. It provides a centralized climate controlled facility for bus patrons, particularly those who are transferring to other routes, stops the use of downtown streets, particularly Main Street, as a bus transfer waiting location and is an essential element in the Federal funding for the rest of the Project. However, it is not desirable to have it dominate downtown and it can have a negative impact on other development around it. This is particularly true since the replacement of the Safdie design that enclosed the bus facility and was meant to be an architectural statement that spurred downtown development with the current more basic open structure.

We are prepared to accept in general the current location and design of the Transit Center, but it must be modified to reduce its footprint and impact on the area, particularly the rapidly developing St. Paul corridor. This should be done by shortening the length of the Center to the west to provide a total of 16 bays in the central location. This will move the facility away from and mitigate the negative impact on the existing buildings and allow the western end of Mortimer Street to be used for access and parking. There are a number of opportunities to accomplish this modification including use of the loading dock and other space no longer needed for the PAC, the space freed up by the move of the Greyhound and Trailways busses to the train station, having the park and ride buses serve other locations downtown as is presently the case and the opportunity to establish a facility at the new train station that is expected to be build not long after this Project.

As already discussed in other forums, the property taken along Pleasant Street to the west should be reduced to provide parking for the St. Paul Street buildings and there should be a convenient connection to the train station as part of the current design.

We support the MCC facility. The continuation of a MCC campus downtown in a new facility that will allow new and expanded programs is a positive aspect of the Project. The design and space available to MCC has suffered from the financial problems that caused the entire Project to be redesigned. We believe that the elimination of the PAC will allow some of the funds and space currently held for it to be made available to enhance MCC. Without the PAC, the exterior design of the facility facing east should be enhanced to complement private development on the corner.

Other Conditions

- Funds made available by the cancellation of the PAC should be used to add 2 floors to the Mortimer Street Garage that will add 200 spaces to address the needs of MCC and enhance private development opportunities, including for the old Edwards building that will be made available for private development as a result of the current Project design.

- The Mortimer Street lot to be purchased from the City was cleared of the original garage structure by the City to facilitate the Project with the understanding that the City would be reimbursed for the cost of the work. This commitment should be honored and the property transferred as part of a land swap involving the boat launch property at the harbor and School Alley for the Crime Lab.
- Employment of City residents is an important opportunity presented by this Project. To the extent possible under the law through the existing minority opportunity program, the proposed Project Labor Agreement and other available means there should be maximum opportunities for City resident employment.
- To avoid future delay and misunderstanding in communicating about the Project, a representative of Council, appointed by it, should be added to the Main & Clinton Board.
- We are interested in maximizing the opportunities for retail development in this block. That has largely been eliminated in the financially driven redesign of the Project as now presented. The Project should fund a design consultant, agreed to by the Mayor and Council, to propose ways in which the Project can be integrated with the existing surrounding structures and the now available corner property to include the opportunity for retail development.
- RGRTA and Monroe County should agree to cooperate in supporting the anticipated intermodal high speed train station to include the necessary RGRTA bus connections.