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MIDTOWN PLAZA REDEVELOPMENT PROGRESS ANNOUNCED PROJECT WEBSITE LAUNCHED

(Rochester, New York) Mayor Robert J. Duffy held a news conference today to discuss the Midtown Plaza redevelopment project. Joining the Mayor were Empire State Development (ESD) Chief Operating Officer, Ken Schoetz; PAETEC Holdings, Inc. Chairman and CEO, Arunas A. Chesonis; and members of the Midtown Rising project advisory and stakeholder committees.

The officials provided a status update of their progress and explained the process and opportunities for public information and input and unveiled the website MidtownRochesterRising.com. The website will serve as a public portal to information about the project. It contains media releases, milestones, schedules, images, business relocation information and parking and traffic news. The website will be updated frequently and maintained by the City's Economic Development Department.

"I want to provide the public with information about what we've done, where we are and where we are going with the Midtown Plaza properties," said Mayor Duffy. "Thanks to Governor Paterson and Arunas Chesonis, we have a long-term strategy to revitalize the heart of our city. That strategy involves capitalizing on our city's unique assets and utilizing public-private partnerships to spur investment and greater economic development. This project will lay the foundation for recreating downtown as the place to live, work and do business."

ESD is providing \$55 million for asbestos abatement and demolition of Rochester's Midtown Plaza to make way for the new corporate headquarters building for PAETEC Holdings, Inc., and a mixed use urban space.

"New York State is very pleased to be playing such a vital role in the rebirth of Rochester's Midtown Plaza," said Upstate ESD Chief Operating Officer, Ken Schoetz. "This important project is set to serve as a catalyst for a downtown revival, stimulating additional private ventures and job creation. Governor Paterson is committed to strengthening our Upstate cities by supporting projects like this that are the cornerstone for sustained and continuous growth. The redevelopment of Midtown Plaza is a central component in contributing to Rochester's economic stability and global competitiveness. The forward-movement of this pivotal project is both encouraging and exciting, as it reinforces the bright future that lies ahead for Rochester."

One of the largest telecommunication companies in the United States, PAETEC plans to build a new 500,000 square foot, Class A facility on a portion of the Midtown property. The proposed PAETEC facility is anticipated to house more than 1,000 employees (including the 800 existing employees).

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"Our community has a unique opportunity to transform and rejuvenate downtown Rochester," said PAETEC Chairman and CEO, Arunas A. Chesonis. "The City, County, and State should be applauded for their work to date and I expect their future efforts will continue to help bring this project to fruition."

The financial commitment of the project's partners include:

- \$55 million from ESD.
- \$5.9 million from the City to purchase the Midtown Plaza properties.
- \$5.5 million from the City for business relocation.
- \$900,000 from the City to manage, operate and maintain the Midtown Plaza properties.
- \$850,000 from ESD and \$70,000 from the City to undertake an Environmental Impact Statement and prepare a redevelopment plan for the area.
- \$300,000 from the City for other professional services and consulting.
- \$100-150 million from PAETEC for construction of their new headquarters building.

Progress to date on the project include:

- March 20, 2007 Rochester City Council establishes Midtown Urban Renewal District.
- October 16, 2007 New York State (NYS)/Empire State Development (ESD), City of Rochester and PAETEC signed historic agreement to redevelop Midtown.
- November 15, 2007 ESD Directors authorized \$750,000 Urban and Community Development Program (UCDP) grant to the City to undertake urban and real estate planning, garage analysis, and Environmental Impact Statement (EIS).
- April 9, 2008 NYS Enacted Budget included \$55 million Upstate City-by-City funds for the Midtown Redevelopment Project.
- **April 15, 2008** Rochester City Council authorizes approximately \$7.3 million for the purchase of the properties, tenant relocations, and property management/operating costs.
- May 28, 2008 City acquired title to Midtown properties.
- June 5, 2008 Community press briefing and roll out of new project website. Midtown Advisory
 and Stakeholder Committees form to consult with City and State on key planning, environmental
 impact and redevelopment issues.

Other future dates of interest:

- June 30, 2008 Chase and Xerox skyway bridges close.
- **July, 2008** In accordance with the State Environmental Quality Review Act ("SEQR"), the City of Rochester releases "Draft Scope Document," defining the content and issues to be evaluated in the Environmental Impact Statement ("EIS"). A 14-day public period for comments on Draft Scope commences.

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- July 31, 2008 Midtown Plaza and all buildings close to the public.
- September, 2008 The City releases a Draft EIS describing and analyzing redevelopment alternatives and impacts. The 45-day period for public review and comment commences, including a public hearing.
- September 30, 2008 Midtown Parking Garage closes.
- November, 2008 Deadline for public comments on SEQR Draft EIS. Final EIS includes responses to all substantive written and verbal comments.
- December 31, 2008 All Midtown Plaza properties vacate and close. Trailways and Clear Channel relocate. Environmental remediation and asbestos abatement commences, with approximately 10 months for completion.
- June, 2009 Building removal commences and continues for approximately 18 months.
- October, 2009 Demolition of buildings on "PAETEC Parcel" complete.
- November, 2009 Shovel ready site delivered to PAETEC for HQ building. Demolition of remaining "non PAETEC" buildings begins.
- **September**, **2010** PAETEC headquarters construction begins.

"The decisions that were made to create the Mall in 1958 are relatively the same ones that are facing us today," continued the Mayor. "We are witnessing the same spirit to re-define downtown and create a vision for the center city with a community focus that Midtown architect Victor Gruen did in 1964, when he declared Midtown Plaza as the first living example of a theory of revitalization he called, 'transfiguration.' Gruen felt that Midtown would provide a 'change of urban pattern, a new order.' This is our opportunity to be consistent with history and once again transfigure downtown."

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