



Rochester

DOWNTOWN REVITALIZATION INITIATIVE

LOCAL PLANNING COMMITTEE
MEETING #5

June 15, 2022



**Downtown
Revitalization
Initiative**

Agenda

- Welcome + Code of Conduct / Conflict of Interest
- Project Updates
- Project Review + Discussion
- Next Steps
- Public Comment Period



Project Updates

Main/Clinton

Home Leasing moving forward with four-building project proposal

Home Leasing obtained signed P+S for two corner properties

Home Leasing obtained extension for other two properties through December 2022

Anticipates project will begin first half of 2023

Parking strategy

Nearby parking garages (residential rates)

Granite/Gateway/Atrium

Site control pending

Sponsor anticipates closing in July

Requesting \$4M DRI for Gateway/Atrium

Gateway/Atrium buildings one project using LIHTC, historic TCs, and other sources

Gateway/Atrium design concept

Combine floorplates, selective demolition to create courtyard, recladding facades

Parking strategy

On-site basement spaces (160) + nearby parking garages

Main Street Commons

Site control pending

Partner anticipates closing in late July and transferring property to City

Potential geothermal wellfield expansion

Partner exploring options for wells under Commons to expand location across Division Street



Mortimer Plaza

Clarification

Direct Current Fast Charging EV charging stations will be funded by NY Power Authority

Edwards Building

Geothermal wellfield phase 1

27 wells drilled and connected to Glenny Building as test case

Meng/Shafer

Parking strategy

70-space lot across Division and nearby parking garages

Kresge

Site control pending

Sponsor anticipates closing in late July

Clinton/Division

No updates

Digital Media

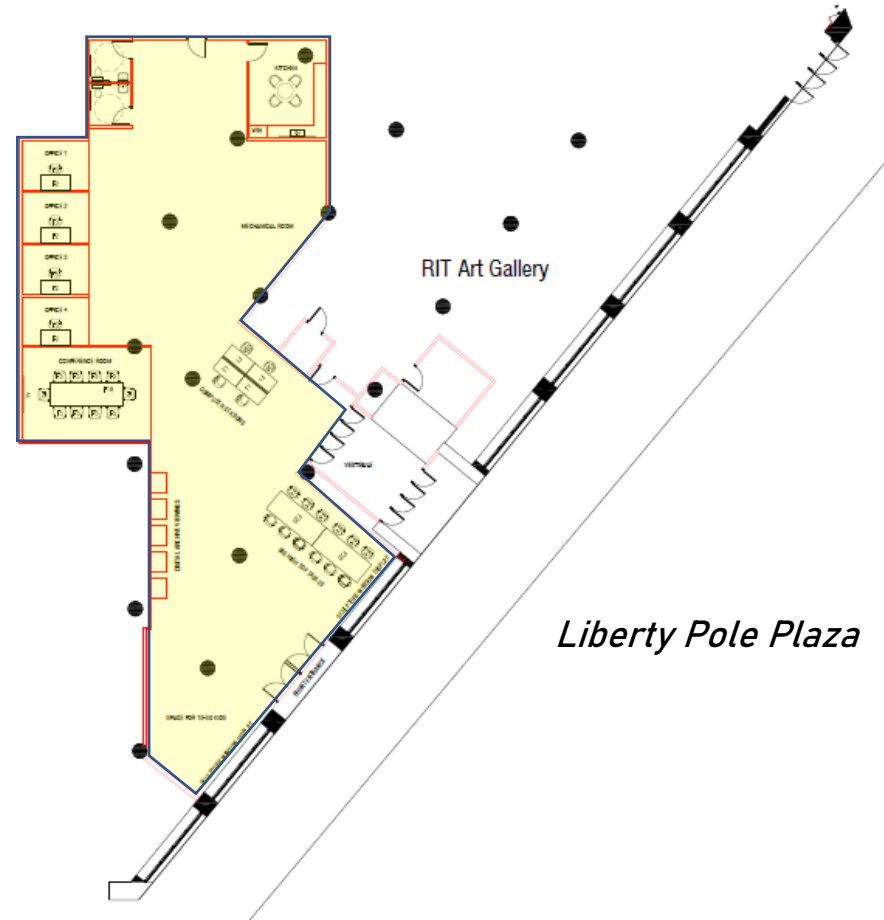
Part of multi-site installation

Sponsor planning 10 billboard installations across Rochester, business model under development



Paley Archives

Space would be used to hold classes in business of art, smelting, urban design



Cox

Certification for historic preservation rehab underway

Part 2 review in process

Alta Vista

No updates

His Branches

Other funding still TBD

Awaiting decisions on funding applications – fall or early 2023 (NYS Transformation Grant, Bring Back Monroe, Health Foundation grant)

DRI Requirements

Projects must be designed to meet or exceed the NYS Stretch Code if they are:

- New construction >5,000 sq ft
- Major renovations replacing >50% of the buildings value AND >10,000 sq ft

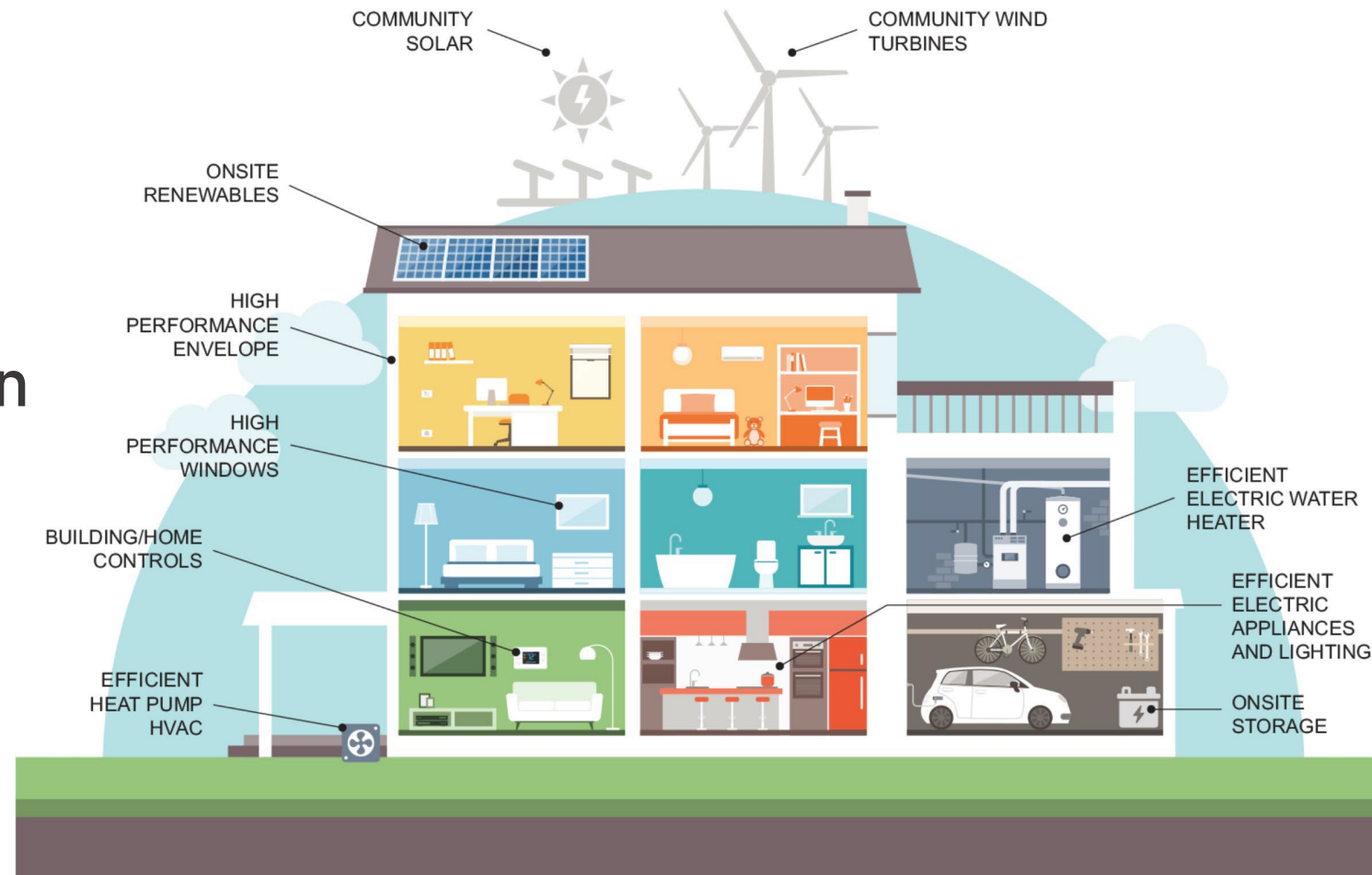
Carbon neutral projects

- Projects that meet carbon neutral performance and do not use fossil fuels for building loads and appliances may request up to 50% of projects costs through DRI
- Projects may be eligible for incentives through NYSERDA's New Construction programs

Energy Efficiency and Decarbonization

Project proposals include:

- 100% all-electric design
- Solar panels
- Geothermal cooperative
- Potential Net Zero design
- EV charging stations



Project Review + Discussion

13 proposals for a total DRI request of ~\$25.5M

| Project | DRI request |
|--|------------------------|
| Alta Vista: mixed use building and improvements adjacent to St. Joseph's Park | \$2,000,000 |
| Redevelopment of 4 underutilized E Main St and N Clinton buildings | \$3,658,000 |
| The Mayflower: housing and retail at NW corner of E Main St and Clinton Ave | \$5,000,000 |
| Main Street Commons | \$1,300,000 |
| Mortimer Street Plaza with EV charging and EV car share | \$750,000 |
| Digital media at NW corner of E Main St and Clinton Ave | \$500,000 |
| Adaptive reuse and historic rehab of Cox Building | \$3,500,000 |
| Albert Paley Archive and Exhibition Space | \$1,000,000 |
| Edwards Building redevelopment / geothermal cooperative | \$2,750,000 |
| Boutique hotel and restaurant in Kresge Building | \$1,750,000 |
| Meng and Shaefer Buildings and the Secret Courtyard | \$750,000 |
| Clinton and Division neighborhood office and retail | \$750,000 |
| Community health center at Sibley Building | \$1,000,000 |
| Mixed-use renovation of Granite/Atrium/Gateway Buildings with mixed-income housing | \$4,000,000 |

Project evaluation criteria fall into four buckets

Feasibility

- Readiness to start
- Completeness of funding plan
- Clarity of site control and regulatory steps
- Capacity of project sponsor to complete and maintain investment

Potential Impact

- Alignment with DRI goals and vision
- Transformative and catalytic potential
- Synergies with other DRI projects – “critical mass”
- Timeline to completion

Cost/Benefit

- % total DRI funds relative to impact
- Demonstrated need for DRI funds to complete project
- Other funds leveraged
- Relative community/economic benefit
- Past State investment
- Appropriateness of DRI as funding source

Public Input

- Community feedback from workshops, online, LPC meetings
- Previously expressed local and regional priorities

Methodology

Purpose - Assess the Sponsor's experience and the reasonableness of a Project's DRI request. Reasonableness based on industry standards, local market norms, and unique circumstances.

Cost Metrics

- Land Acquisition Price
- Hard Cost Assumptions
- Soft Cost Assumptions and Ratios
- Developer Fee
- Financing Costs and Terms

Operations Metrics

- Rental Rate
- Operating Expenses and Ratios
- Developer Investment Return

Benefit/Cost Metrics

- Leveraged Capital
- Other Project Attributes

Main/Clinton

DRI request: \$5,000,000

Total cost: \$10,300,000

Demonstrated need for DRI:

- Small project size, acquisition costs, rehab costs due to building conditions make redevelopment economically infeasible without the DRI grant.
- Small project size impacts operating performance - fixed costs spread among very few units, reducing net operating income and project's ability to support debt.
- Commitment to 80% AMI affordability meets a market need that is rarely addressed because there are few gap funding programs targeting this income cohort.

Other funds leveraged:

State and Federal Historic Tax Credits, Restore NY, Small Building Participation Loan, Community Preservation Corporation Loan, ESL Foundation Grant, RG&E Grants, and NYSERDA

Community/economic benefits:

- First time 4 properties under single control
- Opportunity to rehab buildings and transform impression at key corner
- 30-year commitment to housing affordable to households earning 80% of AMI

Alta Vista

DRI request: \$2,000,000

Total cost: \$32,412,803

Demonstrated need for DRI:

- Affordable housing project means limited income and ability to support traditional debt
- 9% LIHTCs are more competitive than 4% and require leveraging other funding sources

Other funds leveraged: 9% LIHTCs, HTF loan, City HOME, NYS CIF, HHAP, CPC, NYSERDA, LP equity, deferred developer fee

Community/economic benefits: Affordable and supportive housing, improvements to St. Josephs Park, quality Downtown events space

Atrium & Gateway

DRI request: \$4,000,000

Total cost: \$119,332,796 (with Granite; waiting on confirmation from sponsor of total updated project cost without Granite)

Demonstrated need for DRI:

- Affordable housing project means limited income and ability to support traditional debt
- Adaptive reuse projects are complicated and expensive

Other funds leveraged: 4% LIHTCs, HFA loan, NCP, Brownfield TCs, Historic TCs, NYSERDA, RESTORE NY, deferred developer fee

Community/economic benefits: affordable housing, new retail activations (restaurants), jobs

Cox Building

DRI request: \$3,500,000

Total cost: \$31,064,550

Demonstrated need for DRI:

- Adaptive reuse projects are complicated and expensive

Other funds leveraged: Historic TCs, developer equity, primary loan

Community/economic benefits: injection of disposable income from new residents, retail activations, jobs

Main/Clinton Digital Media

DRI request: \$500,000 – clarified the request is just for this site whereas the jobs estimates are for their full Rochester build out

Total cost: \$1,150,000

Demonstrated need for DRI:

- Funding will allow for increased sustainability features (solar panels)

Other funds leveraged: Developer equity

Community/economic benefits: Provides a modern update to a historic use (advertising), potential to display beneficial community information – Rochester events, weather, etc.

Narrowing the list

- ~\$25.5M in DRI requests currently
- LPC members will vote on group of projects to include in Strategic Investment Plan
- ~\$12-16M DRI request target for recommended projects
- NYS will review recommended projects to make final \$9.7M DRI awards

Other funding sources

Projects not recommended for DRI funding can still be included in Strategic Investment Plan as community priorities.

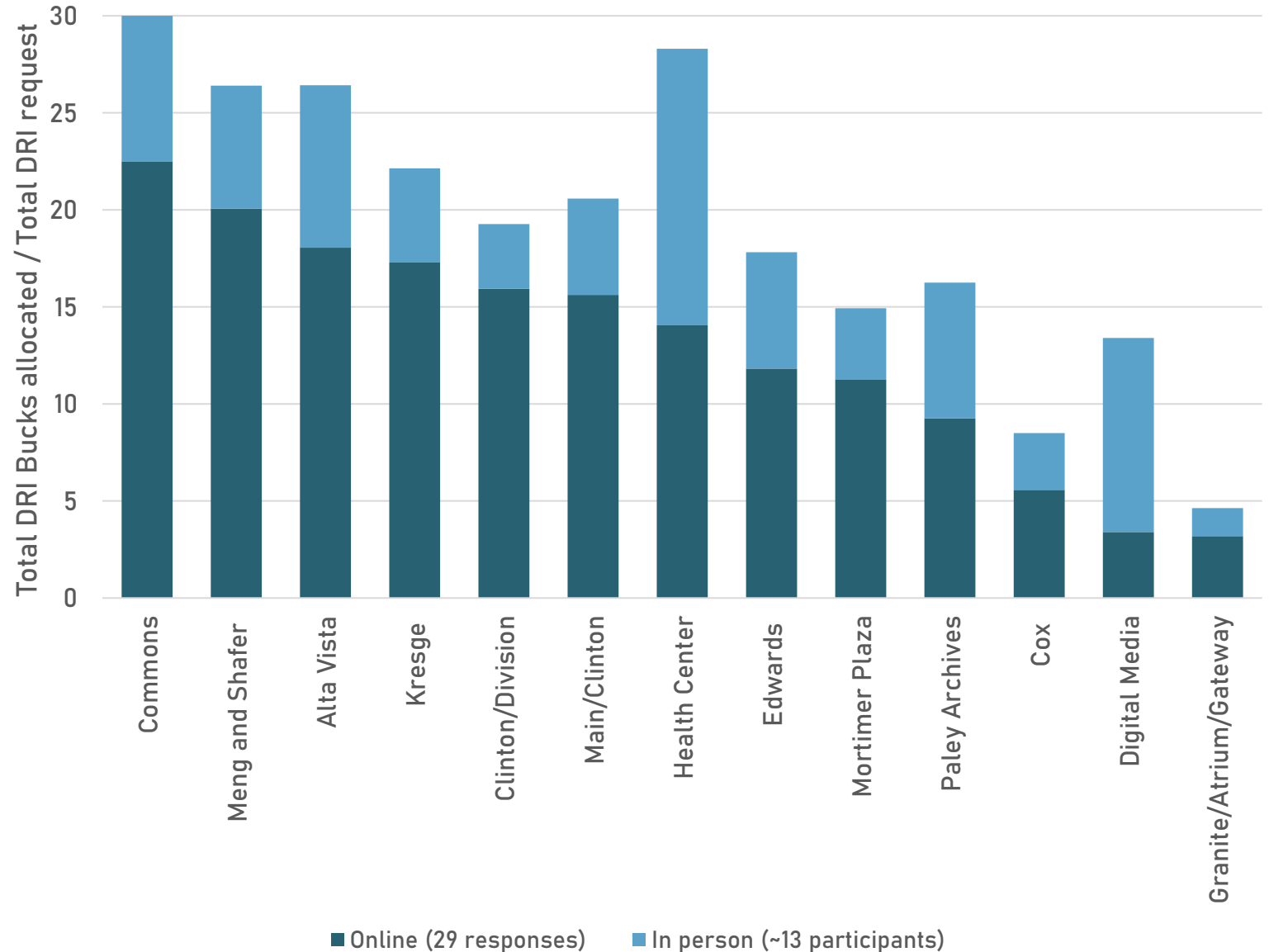
Funding opportunities include:

- CFA
- HCR, ESD, NYSERDA programs
- Shelter Rent PILOT (City)
- CUE Program (City)
- Tax credits (state and federal)

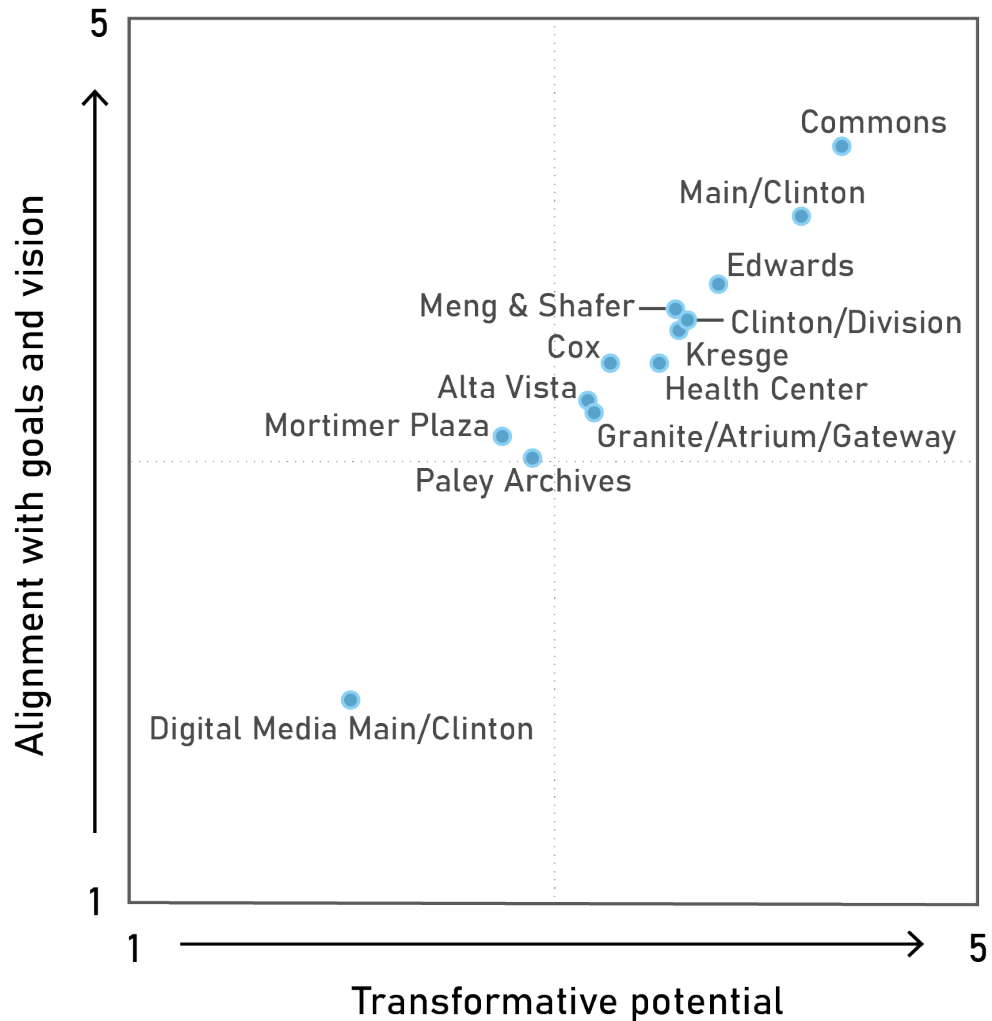
DRI Bucks: How would you spend the \$10M?

The Commons received the most DRI Bucks relative to its DRI funding request.

Projects with the highest DRI funding requests (Main/Clinton, Cox, Granite/Atrium/Gateway) generally received fewer DRI Bucks, even if they were otherwise considered transformative or exciting.



Survey online and in-person



48 Responses

The Commons and Main/Clinton restoration projects consistently received high scores in (x) transformative potential and (y) alignment with the DRI Rochester goals and vision.

The Digital Media @ Main/Clinton billboard project received mostly low scores in transformative potential and goal/vision alignment.

LPC4 Polling: Revitalization Potential

| Rank | Project | Score |
|------|--|-------|
| 1 | Main Street Commons | 4.6 |
| 2 | The Mayflower: housing and retail at NW corner of Main/Clinton | 4.1 |
| 3 | Boutique hotel and restaurant in Kresge Building | 3.8 |
| 4 | Edwards Building redevelopment / geothermal cooperative | 3.5 |
| 5 | Adaptive reuse and historic rehab of Cox Building | 3.4 |
| 6 | Renovation of Granite/Atrium/Gateway with mixed-income housing | 3.4 |
| 7 | Alta Vista: mixed use building and park improvements | 3.3 |
| 8 | Meng and Shaefer Buildings and the Secret Courtyard | 3.3 |
| 9 | Mortimer Street Plaza with EV charging and EV car share | 3 |
| 10 | Clinton and Division neighborhood office and retail | 3 |
| 11 | Albert Paley Archive and Exhibition Space | 2.7 |
| 12 | Community health center at Sibley Building | 2.2 |
| 13 | Digital media at NW corner of E Main St and Clinton Ave | 1.3 |

LPC4 Polling: Cost/Benefit

| Rank | Project | Score |
|------|--|-------|
| 1 | Main Street Commons | 4.3 |
| 2 | Alta Vista: mixed use building and park improvements | 3.6 |
| 3 | Mortimer Street Plaza with EV charging and EV car share | 3.2 |
| 4 | The Mayflower: housing and retail at NW corner of Main/Clinton | 3.1 |
| 5 | Boutique hotel and restaurant in Kresge Building | 3.1 |
| 6 | Edwards Building redevelopment / geothermal cooperative | 3.1 |
| 7 | Adaptive reuse and historic rehab of Cox Building | 3 |
| 8 | Meng and Shaefer Buildings and the Secret Courtyard | 2.5 |
| 9 | Renovation of Granite/Atrium/Gateway with mixed-income housing | 2.4 |
| 10 | Clinton and Division neighborhood office and retail | 2.4 |
| 11 | Albert Paley Archive and Exhibition Space | 2.3 |
| 12 | Community health center at Sibley Building | 2.1 |
| 13 | Digital media at NW corner of E Main St and Clinton Ave | 1.3 |



Next Steps

What's next?

YOU ARE HERE



LPC MEETINGS

4/20

Meeting #3
Introduction to
project proposals

5/25

Meeting #4
Qualitative
review discussion

6/15

Meeting #5
Technical detail
discussion

6/29

Meeting #6
Finalize list

TBD

Meeting #7
Review project
profiles

PUBLIC WORKSHOPS

5/4

Workshop #2

TBD

Workshop #3

PLANNING TEAM TECHNICAL REVIEW

Technical review

Finalize Plan

April

May

June

July

Public Meeting #3: Draft Plan Reveal, July 11th

- July 11th, 5-6:30pm –Online via Zoom
- We'll share input from 2nd public meeting, present list of recommended projects, and discuss next steps in DRI process
- Details available on City website (<https://www.cityofrochester.gov/DRI/>)

Invite your networks to attend!





Public Comment

Help us with your ideas to continue the momentum Downtown!

