

MESSAGE TO MEMBERS

Monumental developments in downtown Rochester are reshaping both our skyline and the urban landscape.

The Genesee Riverfront, downtown's Main Street, the blocks around Main & Clinton, and what was the Inner Loop are all being radically transformed. Significant public investment and visionary developers are creating stunning new urban spaces, and iconic institutions like The Strong are amplifying their impact.

Looking back over the past year, three major stories stand out: (1) NYS approval of \$50 million in ROC the Riverway projects; (2) significant growth in the Downtown Innovation Zone (DIZ); and, (3) re-development of the Inner Loop.

ROC the Riverway

On August 1st, Gov. Cuomo announced the approval of all 13 riverfront projects submitted by our community. The State's \$50M will help fund phase one (much of which is downtown) of a longer-term \$500M plan to transform the Genesee riverfront.

While the projects cover six miles of river territory from Running Track Bridge to the rail bridge connecting the 19th Ward and the University of Rochester, downtown projects comprise \$38.25 million of the total.

RDDC continues to be directly engaged, and you can learn more about the projects at www.cityofrochester.gov/roctheriverway.

Innovation Culture Growing

The Downtown Innovation Zone (DIZ) has become a major economic story. There are now 174 innovation and creative class enterprises in the DIZ, up from 108 at the beginning of 2016.

The new DIZ locations of NYC-based LiveTiles, Silicon Valley-based EmployeeChannel, and the expansions of Datto, CGI Communications, and VisualDx will add nearly a thousand new innovation workers to downtown over the next five years.

Five business incubators and accelerators that are open or in development around Main & Clinton are already creating a dynamism that is attracting new enterprises.



Deborah Stendardi
Chair



Heidi Zimmer-Meyer
President

These support

centers include:

- ◆ RIT's *Center for Urban Entrepreneurship (CUE)*
- ◆ *NextCorps* (formerly High Tech Rochester/HTR)
- ◆ *Luminate NY*, the only international startup accelerator for optics, photonics & imaging enterprises
- ◆ *ROC Game Dev*, an incubator and shared space for indie video game developers
- ◆ *The Commissary*, RDDC's food business incubator

All of this is creating an energy level downtown not seen in more than half a century.

Inner Loop Redevelopment

Eight new projects are planned, and several have already broken ground. This amazing group of developer/investors includes: Home Leasing, The Strong, Indus Hospitality Group, Howard Konar, Trillium, 158 Monroe Avenue Associates, Christa Development, and Morgan Management.

RDDC's Role is Evolving

Given the massive changes underway downtown, RDDC's new "Innovation Through Collaboration" strategic plan for 2018-23 is charting a vital new course for the organization. It's four goals are to:

1. Accelerate downtown economic vitality;
2. Position and market downtown and its assets to support business attraction and downtown investment;
3. Catalyze innovative ideas that make downtown a more vibrant and inclusive community; and,
4. Maximize the ongoing impact of the organization.

RDDC's relevance and value hinge on our ability to be agile, to foresee major market changes impacting downtowns, and to identify unique opportunities for downtown — all of which we are doing.

BOARD OF DIRECTORS

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Andy Gallina, President, Gallina Development Corporation

Brie Harrison, Finance Director, Rochester Public Library

Joe Rizzo, Manager of Economic Development & Community Relations, NYSEG & RG&E

Pat Tobin, Senior VP & Market Executive, S&T Bank

Victoria Van Voorhis, CEO, Second Avenue Learning

Dawn Williams-Fuller, Owner, Ambassador Union Street LLC

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Kate Karl, Partner, Chair of Real Estate & Banking Law Groups, Underberg & Kessler LLP

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Jim Brown, Executive Director, JAF Rochester Riverside Convention Center

Scott Burdett, Vice President - Brokerage Services, Flaum Management Company, Inc.

Craig Burton, Sen. VP & Commercial RE Exec., Five Star Bank

Keith Cleary, VP/Director- Business Banking, ESL Federal Credit Union

Tim Corcoran, CFO, CGI Communications

Steve Dubnik, President & CEO, The Strong

Sue Eliaszewskyj, Corporate Vice President, Administrative Services, Excellus BCBS

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Bret Garwood, COO, Home Leasing

Pete Gioenco, President & COO, Bergmann Associates

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Bob Healy, President, LaBella Associates, P.C.

Chris Hill, Vice President, I. Gordon Corporation

Ben Keller, Partne, Real Estate Development & Finance Group, Woods Oviatt Gilman LLP

Peter Landers, Mng. Member, Landers Management LLC

Jean Maess, Site Manager, Thomson Reuters

Chris Mannelli, Executive Director, Geva Theatre Center

Roosevelt Mareus, Dean/Executive Director, Rochester Educational Opportunity Center

Stuart Mitchell, President & CEO, PathStone Corporation

Richard Mueller, Group Vice President, M&T Bank

Dr. Art Papier, Co-Founder & CEO, VisualDx

Michael Pietropaoli, VP & Sr. Relationship Mgr., KeyBank

Jay Rettberg, General Manager, Hyatt Regency Rochester

Patrick Rogers, VP/Project Executive, The Pike Company

Kevin Ryan, Exec. Director, Monroe County Bar Association

Naomi Silver, President, CEO & COO, Rochester Red Wings

Christine Vargas, Founder & Owner, Vargas Associates

Steve Webster, Owner, Webster Properties

2019 Workplan

2019 Budget

MISSION STATEMENT

KEY 2019 STRATEGIES

Powerful Advocacy & Partnerships

- Board identifies top five advocacy targets in January 2019 and prioritizes through feedback from RDDC members
- Grow collaborative efforts on advocacy targets and priorities with GRE, the Chamber, local government, C4 (new alliance of downtown residents), Community Design Center of Rochester, VisitRochester, and Roc the Riverway partners
- Complete and repackage downtown housing, office market, and investment data, and share with public policy makers, investors, members, and the media
- Strengthen RDDC's role as the preeminent downtown economic development organization, and use business events to position the organization as a significant and high impact regional economic development and leadership entity

Growing Businesses & Tenancy

- Achieve full funding for *The Commissary*, start construction, and begin operations in 2019
- Leverage the Downtown Innovation Zone and its many business incubation and acceleration partners to market the downtown environment, investments, and business development assets to grow microenterprises in the center of the city
- Work with GRE, City, County, and Chamber to flesh out downtown's unique role in attracting and retaining innovation companies

High Impact Communications, Marketing & Events

- Develop a formal marketing and communications plan to promulgate the *Downtown Definitely* brand and maximize the impact of RDDC's social media channels
- Highlight downtown residential and innovation enterprise stories on the new RDDC/Downtown

	2018 PROJ. ACTUALS	2019 BUDGET
REVENUE		
Membership Dues	\$207,130	\$214,740
Events, Event Sponsorships	95,977	85,000
Downtown Innovation Zone	0	0
Marketing & Communications Program	840	1,000
Other Grants & Contract Income	0	6,666
Miscellaneous Income	4	5
TOTAL REVENUE	\$303,951	\$307,411
EXPENSES		
Staff Payroll	\$184,695	\$190,982
Payroll Taxes	14,776	15,088
Employee Benefits	19,750	30,946
Technical Services	3,500	4,500
Rent & Utilities	0	0
Equipment & Machines	3,750	6,055
Telephone, I-net, Cloud, Email	4,300	5,073
Office Expenses	1,100	1,300
Printing & Copying	1,100	1,200
Postage, PDQ	300	350
Business & Meetings	800	850
Dues & Subscriptions	200	200
Insurance	2,500	2,900
Accounting & Prof. Services	8,100	8,100
Miscellaneous Expenses	500	1,837
Total Overhead	\$245,371	\$269,381
RDDC Events	\$33,000	\$34,000
Downtown Innovation Zone	0	1,530
Marketing & Communications Program	3,634	2,500
TOTAL EXPENSE	\$282,005	\$307,411
SURPLUS (DEFICIT)	\$21,946	\$0

DOWNTOWN INVESTMENT

2018 Pipeline Projects Total = \$1.1 billion

Housing = 23 current projects, 1,974 units

- Continue to participate in all discussions regarding a possible downtown Business Improvement District (BID)
- Develop a platform for the organization to increase its role as a corporate citizen, and identify opportunities to positively impact the community beyond downtown
- Form Marketing Task Force to guide RDDC's marketing and communications efforts

2018 RDDC Highlights

Key 2018 Accomplishments

THE COMMISSARY — Designed to incubate food businesses (food trucks, startup restaurants, caterers, bakers, food production startups), RDDC is awaiting approvals that will complete the fundraising process to build this major new facility. A&E work is in motion, workshops have been underway for 18 months, and 150+ food entrepreneurs have expressed interest in membership.

DOWNTOWN MARKETING INITIATIVE — Launched by RDDC, *Eat Up Rochester's* April 2018 *Restaurant Week* was a huge success, and a new three-month, happy hour series of events called *Wednesday Night Out* is underway. Now activating the new *Downtown Definitely* brand with murals, street banners, and a new, revitalized downtown website.

DOWNTOWN INNOVATION ZONE (DIZ) — RDDC is now tracking 174 innovation and creative class enterprises, up from 2018 in early 2016. Also working with leaders in the video game industry to grow this tech sub-sector in the urban footprint.

ADVOCACY — RDDC continues to aggressively engage in issues including parking, infrastructure improvements, major public project design, public safety, activating street life, and the growth of the Downtown Innovation Zone.

Downtown Office Space Survey June 2018

Total Space Surveyed = 117 buildings, 9.5 M. s.f.,
(83.2 % occupied)

Competitive Space = 89 buildings, 6.6 M. s.f.,
(75.6 % occupied)

- Class "A" — 12 buildings, 2.7 M. s.f.,
(79.1 % occupied)
- Class "A/R" — 13 buildings, 533,354 s.f.,
(86.0% occupied)
- Class "B" — 35 buildings, 2.6 M. s.f.,
(66.8 % occupied)
- Non-Traditional — 25 buildings, 576,065 s.f.,
(83.7 % occupied)
- Medical — 4 buildings, 150,292 s.f.,
(94.1 % occupied)

Non-Competitive Space = 28 buildings, 3.0 M. s.f.,
(100 % occupied)

Websites

Downtown's new website launching by early 2019:
www.rochesterdowntown.com

Downtown Innovation Zone: www.RocDIZ.com

The Commissary: www.RochesterCommissary.org

Eat Up Rochester: www.EatUpRoc.com

Corporate Structure

RDDC is a private, membership-based, 501(c)(3) not-for-profit corporation.

BOARD OF DIRECTORS is responsible for annual corporate management decisions (e.g., budget, annual workplan, election of officers), and setting corporate priorities and direction. 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 includes the officers of the corporation, providing internal corporate management oversight and interim policy and advocacy guidance.

NOMINATING COMMITTEE develops the annual slate of Officers and Directors.

GOVERNANCE & COMPENSATION COMMITTEE recommends corporate policies and executive compensation level, and performs the annual CEO review.

DEVELOPMENT COMMITTEE provides recommendations on leveraging RDDC's 501(c)(3) status, broadening RDDC's funding sources, and overseeing membership. It will serve as the Board's intermediary in any new downtown Business Improvement District (BID) exploration.

Downtown Housing

Existing (As of December 2016)

- All downtown housing units (both reporting & non-reporting): **4,074**
- Estimated residents: **7,040** (up 117%, 2000-16)
- Total owner-occupied units: **141**
- Total rental units: **3,933**
 - Market-rate rental units: **2,937**
 - Subsidized rental units: **996**
- Vacancy rate, all rental units: **5.4%**
 - Market-rate units: **3.3 %**
 - Subsidized units: **6.6 %**
- Number of loft & loft-style units: **859**
- Rent range, all units: **\$400 - \$3,922**

Under Development (as of November 2018)

- 23 projects in pipeline
 - 13 commercial space conversions, 10 new construction, and 4 rehabs of existing residential properties
- Total # of new rental & for sale housing units planned or under construction = **1,964**

2018 RDDC Membership

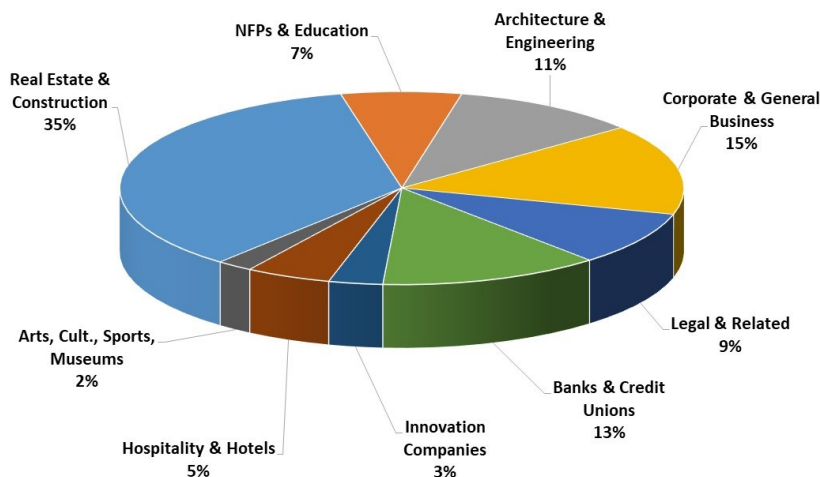
(As of 11/15/18)

PREMIER MEMBERS

Ambassador Union Street LLC • Ashley Management Corporation • Excellus BCBS Rochester Region
Hyatt Regency Rochester • Nixon Peabody LLP • Pyramid Brokerage Company • Thomson Reuters

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|-----------------------------|------------------------------|--------------------------------|-----------------------------------|
| AIA — Rochester | Fisher Associates* | Riverside Convention Center | Rochester Institute of Technology |
| Ajay Glass | Five Star Bank* | KeyBank | Rochester Management, Inc. |
| Allpro Parking LLC | Flaum Management | LaBella Associates | Rochester Philharmonic |
| BOMA of Greater Rochester | Company, Inc. | Landers Management | Orchestra |
| Bergmann Associates | Flower City Management, Inc. | Landmark Society of | Rochester Public Library System |
| Birnbaum Companies* | FORTIFIED | Western New York | Rochester Red Wings |
| Broadstone Real Estate, LLC | Foundation Design, P.C. | LeChase Construction | Rynne, Murphy & Associates, Inc. |
| Bruckner, Tillett, Rossi, | Gallina Development | Services LLC | S&T Bank |
| Cahill & Associates | Corporation | Lifetime Financial Group | SEI Design Group |
| Buckingham Properties | Galvin Realty Group | The LiRo Group | SVN Realty Performance Advisors |
| C&P Equities | Genesee Regional Bank | M&T Bank | SWBR |
| C&S Companies | Geva Theatre Center | M/E Engineering P.C. | Second Avenue Learning |
| CB Richard Ellis | Greater Roch. Assoc. | MCC Downtown Campus | Smith + Associates |
| CGI Communications | of REALTORS®, Inc. | Manning Squires & Hennig Inc. | Spoleta Development |
| The Cabot Group | Greater Rochester Chamber of | Mission Commercial Realty | Stantec |
| Canandaigua National Bank | Commerce | Monroe County Bar | Stern Properties |
| & Trust | Greater Rochester Enterprise | Association | Stewart Title Insurance Company |
| Catholic Family Center | Hamilton Stern Construction | Morgan Management | The Strong |
| Chaintreuil/Jensen/ | Hanlon Architects | Norry Management Corp. | T.Y. Lin International |
| Stark Architects LLP | Hanna Commercial | NorthMarq Capital | Taylor The Builders* |
| Christa Construction | Harris Beach PLLC | Passero Associates, P.C. | Times Square Building |
| City Newspaper | Harter Secrest & Emery, LLP | PathStone Corporation | UDN Construction, Inc. |
| Clark Patterson Lee | Hilton Garden Inn | Philippone Associates | UNICON* |
| The College at Brockport | David Hochstein Memorial | Phillips Lytle LLP | US Employee Benefits Group |
| The Community Foundation | Music School | The Pike Company, Inc. | Underberg & Kessler, LLC |
| Community Preservation | Home Leasing | Rochester Riverside Hotel | Upstate Bank |
| Corporation | Howard Hanna | Riedman Corporation | Vargas Associates, Inc. |
| Conifer* | Hudson Partners Development* | Rochester Building | VisitRochester |
| Corporate Communications* | Hunt Engineers, Architects | Trades Council | VisualDx |
| Costanza Enterprises | & Land Surveyors | Rochester District | Webster Properties, LLC |
| DiMarco Constructors, LLC | ID Signsystems | Heating Coop., Inc. | WinnCompanies |
| Dryvit Thermal Foams | I. Gordon Corporation | Rochester Educational | Woods, Oviatt, Gilman LLP |
| ESL Federal Credit Union | Johnson Controls | Opportunity Center | YMCA of Greater Rochester |
| Eastman School of Music | Joseph A. Floreano Rochester | Rochester Gas & Electric Corp. | * (New 2018 RDDC member) |

2018 RDDC MEMBERSHIP



Community Impact

REPRESENTATION — ROC the Riverway Management entity Working Group; Finger Lakes Regional Economic Development Council (*Next Gen Manufacturing & Technology Workgroup, DIZ Sub-Team, and Entrepreneurship & Development Workgroup*); RIT Center for Urban Entrepreneurship Advisory Board; The Community Foundation's Mission Related Investing Task Force; Rochester Riverside Convention Center Management Board; NYS Urban Council; MAG Social

MEDIA COVERAGE & PUBLIC SPEAKING — Frequent and substantive