



**COMPLIANCE REVIEW COMMITTEE MEETING**

**Monday, December 18, 2023**

**CityPlace Building, Rochester, NY 14614**

**2:00 PM**

1. Call meeting to order
2. Approval of Minutes of the September 6, 2023 Meeting
3. Project Job Compliance
4. Other Business
5. Adjournment



**COMPLIANCE COMMITTEE MEETING MINUTES**  
**September 6, 2023**

Time & Place: 12:00 p.m. at City Place, 50 West Main Street

Board Present: A. Burr (via Zoom), J. Alloco, T. Milne, L. Bolzner

Also Present: A. Liss, R. King, R. Finnerty, R. Baranello, Esq., A. Clark

The meeting of the Compliance Review Committee was called to order by A. Burr Chair at 12:05 p.m.

On motion by J. Alloco, second by T. Milne, all aye, minutes of the August 7, 2023 committee meeting were approved.

The committee reviewed all companies that have failed to make the required payments under their PILOT Agreements and informed the Board that demand letters have been sent. Staff will continue to have discussions with the host municipality and report back to the committee. The committee reviewed each PILOT agreement and recommended termination for project 2602 18 030 A for failure to make PILOT payments.

On motion by T. Milne, second by L. Bolzner, all aye, motion to terminate the PILOT agreement with project 2602 18 030 A. was approved.

The committee reviewed the job compliance report which provides information regarding companies seeking a waiver from the job creation requirements contained in the PILOT Agreements. Companies cited a variety of challenges to job creation, however, the most common reasons were pandemic related issues and the inability to find qualified candidates. The committee reviewed each project and recommended waivers be granted for all projects except project code 2602 11 030 A, 2602 14 036 A, and 2602 18 062 M. Regarding project code 2602 16 067 A, staff will reach out to the municipality for further discussion.

On motion by T. Milne, second by J. Alloco, all aye, the committee recommends the full board grant waivers to the following projects, as identified by project code:

- 2602 12 022 A
- 2602 13 006 A
- 2602 13 045 A
- 2602 13 068 A
- 2602 15 079 A
- 2602 16 005 A
- 2602 16 031 A
- 2602 16 055 A
- 2602 17 004 A
- 2602 17 006 A

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- 2602 17 010 A
- 2602 17 019 A
- 2602 17 042 M
- 2602 18 028 M
- 2602 21 050 A

There being no other business to discuss, on motion by T. Milne, second by J. Alloco, the meeting was adjourned at 1:11 p.m.

## **CONFIDENTIAL**

### **PGH Kirstein LLC – 2602 16 067 A.**

Staff met with Suzanne Argento and Andrew Crossed from Park Grove Realty. Jobs as of 12/31/22 were 4 and the requirement is 100. (see note below regarding job requirement). 2022 is the 5<sup>th</sup> year of a 12-year PILOT. One of the tenants just stated they will not be renewing the lease at the end of November 2023.

In 2016, D4 was expected to move into the building and renovate the 1<sup>st</sup> and 2<sup>nd</sup> floors as office space however this never came to fruition. At the time, D4 was projecting growth and was planning to take over additional floors as needed. The job requirement, as stated in the letter from the City, was specific to D4 (which was located next door) and called for the retention of 100 FTEs. D4 has a very minimal presence in Rochester at this time, if at all.

History of jobs and waivers (0):

2016: project was approved by COMIDA but acquisition did not take place yet

2017: 74

2018: 86

2019: 44

2020: 2

2021: 3

2022: 4

The building is 6 floors, the available commercial space is on the first floor and is approximately 4200 square feet. The lower level is built as a gym/fitness facility. Floors 2-6 are market rate residential apartments at about 80% occupancy. They are actively working to market the space. Challenges include the fact that most of the inquiries are retail storefronts and there is not a lot of parking available, only metered parking spots. Two months ago, they engaged with a real estate broker, Endeavor to market the space. Ana mentioned listing the space with the Greater Rochester Enterprise as well.

PILOT says create 1 job. Letter from the city of Rochester that is attached to the PILOT says Retain 100 FTEs by D4.

**Recommendation:** Confer with City of Rochester to use the job creation requirement written in the PILOT, not from the City letter.

**Legacy Tower- Clinton Court LLC – 2602 14 036 A.**

Staff met with Aaron Malbone and Len Schloer, Buckingham Properties, who owns the former Bausch & Lomb Building (now known as Legacy Tower). Legacy Tower, the second tallest building in Rochester, is a 460,517 sq ft, 20 story Class A office tower constructed in 1995. Jobs as of 12/31/22 were 455 and the requirement is 715. 2022 is the 8<sup>th</sup> year of a 20-year PILOT. The pandemic and hybrid work options have played a role in the loss of tenants in the building. Over the past few months, the landlord has been more aggressive with lease rates and marketing which has resulted in more activity and interest in the building.

In addition, the annual report did not include employees from Monroe’s Restaurant, which employs 45 – 50 part time employees, who support Legacy Tower’s onsite café, catering and event operations. An additional 25 FTEs can be added to report for a new total of 480 FTEs.

The leasing team has conducted multiple building tours with 11 tenant prospects so far this year. Thus far, those efforts have resulted in one signed lease. Adam’s Leclair LLP will relocate approximately 40 full time employees into the building in December.

History of Jobs and Waivers (0)

2014: project was approved by COMIDA, 650 FTEs at application

2015: 621

2016: 687

2017: 571

2018: 589

2019: 883

2020: 698

2021: 721

2022: 480

**Recommendation:** Staff recommends approving the waiver due to efforts shown by landlord to seek new tenants.

### **Seneca Building Partners LLC – Gannett – 2602 18 062 M**

Staff met with Brendan Smith, Gannett Legal Counsel and Kurt Sertl, from Gallina Development. Jobs as of 12/31/22 were 70 and the requirement is 206. 2022 is the 7<sup>th</sup> year of a 15-year PILOT.

The Gannett Company originally planned to occupy two of the three floors totaling 40,000 sq ft of the 60,000 sq ft building. Employment reductions are reflective of company-wide changes in response to economic conditions impacting the entire newspaper industry.

In April 2022, the applicant received approval from COMIDA for a new tenant, the Police Accountability Board office, to sublease 20,000 sq ft on the first floor. Since that time, the PAB has downsized down to 13,000 sq ft but extended its lease through April 2024 for 18 FTEs. Gannett's employment was 52 FTEs.

#### History of jobs and waivers (3):

2014: project was approved by COMIDA, 189 FTEs at application

2015: 197

2016: 169

2017: 169

2018: 149

2019: 119 waiver granted

2020: 74 waiver granted

2021: 66 waiver granted

2022: 70

Gannett has been actively trying to sublease the remaining space in the building.

#### *Seneca Building Sublease Efforts:*

- 458 days on market (7/22/2022)
- 9,841 total page views
- 2,694 unique prospects
- Prospect ratios: 58% out of market, 42% in market
- Call campaign is now well over 300 plus calls
- Direct Mail Cards were sent last year, will look at sending some more this year
- Email campaign has continued to target 2,000+ Brokers/CRE Professionals *multiple* times
- Two tours in the last quarter
- No proposals or RFPs in the last quarter

**Recommendation:** Staff recommends approving the waiver due to efforts shown by tenant to seek new tenants to occupy space in the building.

**384 East Avenue Inn of Rochester LLC – 2602 11 030 A.**

Staff met with John Billone and Sandra Billone, property owners. Located in the City of Rochester, 384 East Avenue Inn was originally approved as a hotel with an additional 10,000 sq ft of commercial space. The restaurant parcel was subdivided in 2017 and has struggled since the pandemic. The restaurant closed at the end of 2019 and the replacement restaurant closed in 2022. As of 1/1/23, there is an event/catering business tenant with 7 FT and 6 PT employees for a total of 10 FTEs. The required number of jobs per the PILOT agreement was retain 9 and create 1 at the hotel. 2022 is the 8<sup>th</sup> year of a 10 year PILOT.

History of Jobs and Waivers (2)

2011: project was approved by COMIDA, 9 FTEs at application

2012:15

2013:14

2014: 12

2015: 22

2016: 16

2017: 14

2018: 24

2019: 24

2020: 0 waiver approved

2021: 0 waiver approved

2022: 0

**Recommendation:** Staff recommends approving the waiver due to the new tenant in the building, which currently meets the required number of jobs.