

A. ECONOMIC GROWTH

INTRODUCTION

Rochester is at a critical point in its economic history. In the past, Downtown Rochester was the retail anchor of our entire region; commercial areas and small businesses that provided consumer goods and services were scattered throughout the city in vibrant, mixed-use small business districts. The decline of local industrial giants, macroeconomic shifts that are changing the way in which our country consumes goods and services, and decades of population decline and job sprawl have left our downtown and neighborhood business corridors with fewer people and businesses than they had in the past. Some neighborhood business corridors are still healthy, but many others are struggling to maintain or re-develop their market base as people, jobs, and retail have moved to the suburbs.

These changes over time require Rochester to reinvent itself as a vibrant and inclusive hub of opportunity in both downtown and across its diverse neighborhoods. **Rochester is pursuing aggressive and creative economic development strategies that are grounded in data and best practices from across the country. We must tap into our heritage of innovation and resilience in order to build a diverse, thriving, and equitable local economy.**

KEY TAKEAWAYS

- Rochester has a rich legacy of innovation in science, technology, and manufacturing.
- Population loss and the decline of local industrial giants has negatively impacted the city and region.
- Reinvention requires creative and aggressive economic development strategies that are grounded in data and best practices, and that build on the city's unique assets.
- We need to focus on growing the number of businesses and employees located in Rochester, and prepare a skilled workforce that can help attract and retain businesses.
- Restoring Downtown Rochester as our region's economic core, revitalizing key neighborhood business corridors, and supporting the development of non-traditional businesses throughout the city are all important.
- Rochester continues to have a relatively strong manufacturing sector that is well positioned to grow.



ROCHESTER DOWNTOWN INNOVATION ZONE

ROCHESTER'S DOWNTOWN INNOVATION ZONE

Rochester Downtown Development Corporation recently pulled together several CEO's from a variety of innovation and creative class enterprises to discuss their renewed interest in Downtown. They explained that downtowns are highly kinetic, frictional and dynamic places that offer iconic neighborhoods, activated public spaces, and walkability. Buildings are packed with lofts and non-traditional work spaces, creating the proximity that innovators crave to transfer ideas and knowledge quickly and seamlessly. This was the basis for branding Rochester's Downtown Innovation Zone.

The Brookings Institution defines an innovation district as a "Geographic area where anchor institutions and companies cluster and connect with small firms, start-ups, business incubators and accelerators. Physically compact, transit-accessible, and technically wired, they offer mixed-use housing, office, and retail."

The Rochester DIZ was created in 2014 to promote emerging creative industries and businesses and to serve as a resource for launching and nurturing them.

A. ECONOMIC GROWTH (CONTINUED)

DOWNTOWN ROCHESTER AS A REGIONAL ECONOMIC CORE

Historically, Downtown Rochester was a regional hub for commerce, industry, and innovation. Decades of decline in the industrial sectors, however, have fundamentally changed not only Downtown Rochester, but downtowns in small to midsized legacy cities across the country. Weak market demand, decaying physical infrastructure, and population loss led to high levels of vacancy in downtown buildings.

However, in recent years, this trend has begun to reverse and reformulate. Innovative companies, particularly in the technology sectors, are locating and growing in Rochester's downtown, bringing with them a robust, and often young, workforce. Hundreds of millions of dollars have been invested in housing, renovation of commercial buildings, and streetscapes downtown. In addition, the ROC the Riverway initiative will unlock the unique and powerful asset that the Genesee River represents, changing the face of downtown.

The City of Rochester will continue to support efforts to position downtown as the economic hub of the Finger Lakes region, as outlined in the Finger Lakes Regional Economic Development Council's Upstate Revitalization Initiative Plan, *United for Success*. Currently, the Rochester Downtown Development Corporation (RDDC) is tracking nearly 90 innovation and technology companies and 85 creative class entrepreneurs as part of a Downtown Innovation Zone (DIZ). Also located in the heart of the city are several existing and planned small business incubators and centers including NextCorps, Luminare, The Commissary, and Rochester Institute of Technology's (RIT) Center for Urban Entrepreneurship.

In addition to existing incubators and accelerators operating downtown, the City is working to support the creation of additional incubators connected to growing economic trends and local colleges and universities. For example, RIT is well known for its interactive game design and media development curriculum and is regarded as an industry leader. RDDC and RIT, along with others, launched a gaming focused incubator powered by creative and technical competencies of graduates from area colleges and universities.

An investment in this kind of incubator will provide meaningful opportunities for startups locating and growing in downtown and adjacent neighborhoods. The City of Rochester is supporting this and similar efforts by serving as a community champion, advocating for increased State and Federal funding, and aligning its resources to support the growth and attraction of innovative companies to downtown.



NEIGHBORHOOD COMMERCIAL DISTRICTS

While downtown economic development strategies are critically important to the city and the region, these efforts must also focus on neighborhood-based commercial districts. Decades of population and income decline have eroded markets for many of the small businesses that were traditionally situated in commercial corridors scattered throughout Rochester neighborhoods. These commercial corridors provided residents with consumer goods and services that are critical to sustaining vibrant urban neighborhoods. Abandonment of commercial and mixed-use buildings in some city neighborhoods has left behind blight, an absence of needed goods and services, and feelings of uncertainty or unease about the future.

An increase in essential neighborhood services within the commercial districts would have positive effects on all aspects of community development. For example, access to fresh and healthy food alternatives is commonly noted as lacking in many Rochester neighborhoods, particularly in low-income communities. This is largely due to secondary effects from the decline of good manufacturing jobs and the loss of population causing the relocation of area grocers and other private sector retailers to the suburbs where land is plentiful and the majority of family and community wealth is concentrated.



A. ECONOMIC GROWTH (CONTINUED)

NEIGHBORHOOD COMMERCIAL DISTRICTS CONTINUED

Certainly, growing the population and resident incomes would help to turn the tide in our neighborhood commercial areas, but intentional focused support and interventions could also help stabilize and grow neighborhood commercial development. In addition to the providing goods and services to residents, neighborhood-based businesses tend to hire more employees from their communities, thus creating jobs where they are most needed. They also contribute to the walkability of a community, making healthier and sustainable transportation choices more viable for the average resident. **Expanding workforce development and entrepreneurial opportunities, particularly for low and moderate income households, will not only help to increase local incomes, it would also improve market conditions in high poverty neighborhoods.**

Small neighborhood businesses, while offering essential consumer services and jobs in the neighborhoods, often face challenges that keep them from being as profitable as possible, or from being successful at all. These challenges include the lack of access to capital, insufficient training and technical assistance, an absence of reliable market data, and increasing costs due to permitting and regulations.

Many of the city's neighborhood commercial corridors suffer from retail leakage, meaning that residents are spending money on consumer goods and services outside of the neighborhoods in which they live because the goods and services are not available in their neighborhood. This issue is exacerbated by disparities in access to transportation, meaning that many city residents



NEIGHBORHOOD COMMERCIAL DISTRICTS CONTINUED

must use public transit or other transportation networks to obtain staple food items and other goods and services from outside their neighborhood.

Running a small business, whether it be a restaurant, retail shop, or service provider, is limited to the capabilities of the individual, family, or small group of partners that own the business. Compared to the elaborate support network of a chain store or franchise operation, small businesses often struggle to provide sufficient open hours, have thin profit margins, and are not as resilient when faced with major setbacks. Yet they remain critical components of a community, both in terms of economic diversity and the scale and personal touch that is highly desirable to residents.

The [2019 Commercial Corridor Study](#) is a comprehensive study of market dynamics along selected neighborhood commercial corridors. It is intended to inform neighborhood revitalization and business development strategies in the City of Rochester. The information and analysis in the study will guide the City in adopting market-driven approaches that recognize trends, challenges, and opportunities within its CDBG-eligible commercial corridors and the City as a whole. Recommended strategies for neighborhood commercial revitalization include efforts such as investment in public infrastructure (e.g., streets, sidewalks, community parking lots, wayfinding signage, etc.) and public facilities (event spaces, ROC the Riverway projects, etc.), strengthening code enforcement, prioritizing urban design and walkability, addressing public safety concerns, and ramping up marketing/branding. Findings are supported by the targeted investment approach of [Initiative Area 2, The Placemaking Plan](#).



A. ECONOMIC GROWTH (CONTINUED)

URBAN ENTREPRENEURSHIP + SMALL BUSINESS SUPPORT

Key strategies for economic development include fostering entrepreneurship and the sustainability of small businesses, both Downtown and in neighborhood commercial districts. As discussed previously, the Rochester economy has historically been dominated by a few industrial giants which employed tens of thousands of residents.

Rochester must transform itself “from a company town to a town of companies”. More importantly, we must ensure that, as this transformation occurs, there is an explicit focus on supporting communities which have suffered from a history of both acute and structural racism that has been a barrier to new business support and financing.

COMMUNITY WEALTH BUILDING

In 2018, the Office of Community Wealth Building was created in City Hall to increase opportunities for both businesses and residents to participate in Rochester’s economic revival. The Office collaborates with financial institutions and organizations to make lending practices more accessible, develop new financial products, and assist community groups with establishing cultural-congruent resource pools and credit-based assets. The Office finds ways of promoting and educating residents about current City resources to help facilitate asset building, savings, and investments

ACCESS TO CAPITAL

The City of Rochester prioritizes increasing access to capital and credit for entrepreneurs and small business owners as a means to accomplish local job and business creation. The City started Kiva Rochester, which provides 0% interest loans of up to \$10,000 to entrepreneurs via an innovative online crowdfunding platform, in an effort to expand business growth opportunities to historically disadvantaged communities. The City seeks out and supports innovative external methods of increasing capital access through micro-lending and other systems.

The City’s primary focus in expanding access to capital will come in the form of a technical assistance and training network. The goal of this network would be to empower new and existing businesses to develop viable business plans and the necessary skills to grow and prosper.

The City of Rochester is partnering with local and regional financial institutions to create a new financing vehicle housed within the Rochester Economic Development Corporation (REDCO). This initiative focuses on providing early-stage commercial predevelopment funding in order to allow for traditionally difficult projects to succeed. This investment is guided by the 2019 City of Rochester Commercial Corridor Study, and focuses on high-impact neighborhood projects that serve as the anchor for increased development in neighborhood districts.

PUBLIC COMMENT

“Focusing on small local businesses is important here so the money actually stays in Rochester.”

URBAN ENTREPRENEURSHIP + SMALL BUSINESS SUPPORT CONTINUED

TECHNICAL ASSISTANCE + TRAINING COORDINATION

Rochester has long suffered from a fragmentation of services, separation of agencies and organizations, challenges with data sharing, and lack of systems integration. In the entrepreneurship and small business development ecosystem, these challenges result in a lack of closed-loop referrals, disjointed and inconsistent service delivery, and potentially viable entrepreneurs falling through the cracks. Conversely, it also results in entrepreneurs launching businesses haphazardly and without the proper training and supports, particularly in low-income areas of the city.

In discussions with representatives of local financial institutions, a common theme that emerged was

that the pipeline of businesses qualified to access traditional commercial financing is weak. **To build a stronger pipeline of qualified businesses, the City of Rochester is leading an initiative to build a stronger and more coordinated network of service providers focused on technical assistance, training, and mentorship opportunities for urban entrepreneurs and existing business owners.**

This initiative focuses on connecting service providers through systems integration, shared performance management, the creation of a central hub of information and referrals, and increased funding to support “Navigator/Advocates” to assist entrepreneurs with accessing services.



A. ECONOMIC GROWTH (CONTINUED)

URBAN ENTREPRENEURSHIP + SMALL BUSINESS SUPPORT CONTINUED

OTHER START-UP ASSISTANCE STRATEGIES

Providing low cost incubator space and pop-up opportunities could be an important support to entrepreneurs with good business ideas but who lack experience and/or the equity needed to leverage investment from financial institutions to start a business and establish a presence in a traditional storefront. By having the opportunity to test marketing services and products on a small scale, without the need to enter into loan and lease agreements before knowing there is market interest, entrepreneurs can reduce their chances of failure as they work to scale up, or adjust their business plan to better align with their market.

The option of starting a business from a home allows an entrepreneur a low-cost opportunity to build a business to a point where it is successful enough to move to a commercial space.

Establishing a home-based business, or home occupation, is subject to the City Zoning Code and NYS Building Code, primarily to preserve the residential character of the home and avoid the encroachment of commercial activities into residential neighborhoods.

There may also be opportunities for the City and/or development partners to create small clusters of temporary or low-cost structures, such as shipping containers, to house start-up retail and restaurant operations. For example, establishing this kind of cluster in Downtown could be a strategic complement to The Commissary in Sibley Square as food purveyors “graduate” from a stall in the food court to a somewhat larger, longer-term lease in a start-up cluster. If the business continues to grow and its market looks promising, it could “graduate” once again to a traditional storefront somewhere else in the city.

PUBLIC COMMENT

“Support businesses and assist people to start their own business. This will help to employ people and to help train them.”



This pipeline approach, which could be assisted all along by the City’s business assistance programs, innovative lending partners, and the community’s robust business support network, is a key strategy for a relatively weak market where the cost of entry into the marketplace is cost-prohibitive for many great product and service ideas.

It is an approach taken by other cities to nurture businesses while creating unique shopping and food experiences in a downtown setting. It is reflective of the ever-changing world of retail and restaurants, where a unique shopping and dining experience is key to those businesses competing with online shopping and the convenience of suburban commercial areas. It is also reflective of an evolving economy where food trucks, retail trucks, and pop-up spaces provide a lower-cost and flexible model for entrepreneurs. Fortuitously, these non-traditional models have a high appeal for urbanists and younger generations.

URBAN ENTREPRENEURSHIP + SMALL BUSINESS SUPPORT CONTINUED

INCLUSIVE AND EQUITABLE ACCESS TO BUSINESS DEVELOPMENT SUPPORT

The City of Rochester and its partners will work toward making explicit and sustained efforts to ensure that all entrepreneurs have the opportunity to access services and providers that reflect the economic demographic, linguistic, cultural, and market realities of the City of Rochester.

The City recently adopted the most aspirational minority and women-owned business enterprise (MWBE) goals of any municipality in New York State, setting targets of 30% across procurement, workforce utilization, professional contracting, and more. This is an important step to ensuring that historically disadvantaged businesses have access to contracting opportunities with the city.

ROCHESTER PUBLIC MARKET – ROCHESTER’S OLDEST SMALL BUSINESS INCUBATOR

Located in Northeast Rochester since 1905, but continuously in operation since 1827, the Rochester Public Market is open year-round on Tuesdays, Thursdays, and Saturdays, as well as numerous Sundays and weekday evenings seasonally and for special events.

Named “America’s Favorite Market” in 2010, the public market is visited by nearly 3 million people annually, used by more than 1,000 vendors throughout the year, and constitutes the most diverse and unique shopping district in the city. It attracts people with a wide range of ages, races, and ethnicities, including recent immigrants whose primary language is not English, and tourists. The most famous business to get its start at the market is Wegmans.

Demand at the market is strong. The recently completed Public Market Improvement Project developed space for additional vendors, as well as expanded programming and special events. Other planned improvements include a commercial kitchen and facilities for more small scale food processors and other food-related businesses. Recent improvements at the market and surrounding Market District have spurred over \$30 million in private investment, as well as numerous new year-round businesses and community development projects, including restaurants, bakeries, coffee roasters, artists and artisans, a brewery, micro distillery, and housing.

A. ECONOMIC GROWTH (CONTINUED)

MANUFACTURING LEGACY + FUTURE

Despite the reductions of the big three, Kodak, Xerox, and Bausch + Lomb, Rochester still has a strong manufacturing sector that continues to thrive and carry on our manufacturing heritage. With the major portion of Rochester's industrial uses located in the northwest quadrant, this area of the city is one of the most robust employment areas in the region. This area alone includes more than 100 companies that perform various industrial activities such as advanced contract manufacturing, precision machining, tool and die, precision optics and injection molding, and sheet metal fabrication. A significant number of these businesses are located in the area bordered by Ridgeway Avenue to the north, Lee Road to the west, Dewey Avenue to the east, and Lyell Avenue to the south.

Eastman Business Park (EBP), also in the northwest, is undergoing a revival that is attracting new industries to Rochester. EBP is a 1,200-acre campus with over 16 million square feet of manufacturing, distribution, lab and office space, including some properties in the Town of Greece. EBP is the home of almost 100 companies, employing over 6,000 people, many of them responsible for the development of our nation's next generation technologies in the areas of Energy Storage, Chemical Manufacturing, Roll-to-Roll Manufacturing, and Photonics. Additionally, EBP offers a unique manufacturing infrastructure, including the private utilities and onsite water and wastewater management system.

Manufacturing is in the midst of a major transformation to "Advanced Manufacturing" which encompasses all aspects of the value chain from concept to product output and relies heavily on technology. This form of manufacturing involves integrating innovative technologies and methodologies in both products and processes. Products will have higher levels of design and innovation, while processes will include use of CAD/CAM/CAE, rapid prototyping, robotics and 3-D printing.



According to Greater Rochester Enterprise (GRE), the "Greater Rochester region has world-class advanced manufacturing capability, testing capability and intellectual horsepower." GRE boasts that with our manufacturing base, highly-skilled workforce, and low-cost operating environment, we have a strong regional competency for advanced manufacturing enterprises such as radio-frequency identification, sustainable packaging, drone technology, software development, and data.

The City of Rochester is a designated "Manufacturing Community" by the U.S. Department of Commerce under the Investing in Manufacturing Communities Partnership (IMCP) program. The IMCP program's goal is to accelerate the resurgence of manufacturing and create a competitive climate for communities to attract manufacturing jobs and investment. When selected, the statement from the U.S. Department of Commerce was that "the Greater Rochester region, led by the City of Rochester, is bringing new life to manufacturing business parks and expanding its workforce development efforts to maintain its historic lead in precision machining and optics, photonics and imaging." The regional strategies for manufacturing revitalization seeks to advance and strengthen existing advanced manufacturing clusters of precision manufacturing and optics/photonics/imaging. It builds on the region's leadership in advanced manufacturing, our strong higher educational system and training programs, and our extensive physical infrastructure.

OPPORTUNITY ZONES

The Qualified Opportunity Zones Program, established in the U.S. Tax Cut and Jobs Act of 2017, represents a unique opportunity to drive investment into low-income communities in Rochester. The program first created Opportunity Zones: low-moderate income census tracts designated by the U.S. Department of Treasury. There are 18 Opportunity Zones within the Rochester city limits, as shown on the map at right.

The program will encourage investment in Opportunity Zones through major tax incentives available to investors that roll capital gains into Opportunity Funds – investment vehicles that hold 90% or greater of their assets in Opportunity Zone census tracts. These investors will have the ability to realize invested capital gains without paying traditional capital gains taxes, and distressed communities will benefit from increased levels of investment in housing, commercial property, and businesses.

The City of Rochester, and municipalities across the U.S., have a crucial role to play in guiding investment to projects and neighborhoods that will benefit from the positive impacts of new investment. The City will work with the business community, private investors, and other relevant stakeholders to market the program, identify potential projects, and couple Opportunity Zone investment with other economic development tools such as loans and grants.

BUILDING AN EXPORT ECONOMY

Since experiencing declines in regional exports following the decline of Kodak, Xerox, and Bausch & Lomb, Rochester's exports have begun to improve. Exports are critical to bringing new dollars into our regional economy, which in turn fuels economic growth and expansion. To better support export industries and improve the resiliency of our



PUBLIC COMMENT

"Rochester should do everything within its power to promote business. A business is the reason why I live here. I then purchased a home in the city, pay taxes, and spend my disposable income locally. Business is the engine that will drive the success of the city."

economy, it is important to foster local business development in industries offering tangible as well as intellectual goods and services. Decreasing our reliance on imports by sourcing goods and services regionally is vital to creating a stronger economic ecosystem – creating more local jobs and enabling residents to become self-sufficient in the process.

A. ECONOMIC GROWTH (CONTINUED)

ANCHOR INSTITUTIONS

Anchor institutions are large not-for-profit, government, higher education, and healthcare institutions that are rooted in the local community and unlikely to move due to significant investments such as a built up campus. Anchors are usually the biggest employers in a region and large purchasers of goods and services. Anchors are also typically chartered to benefit their local community and have a vested interest in improving their local economy. Unlike for-profit corporations, these institutions tend to be more resistant to economic change and are likely to remain in the community for many generations to come. All these factors make them a reliable partner for long-term local economic development strategies. Rochester's anchor institutions include:

THE UNIVERSITY OF ROCHESTER (UR)

In addition to being a leader in research, education and medicine, UR is the largest employer in the City of Rochester, and one of the top 10 largest employers in New York. In addition to UR's campuses, including its River Campus, Strong Memorial Hospital Campus, and the downtown Eastman School of Music, UR includes Highland Hospital, the Memorial Art Gallery, and George Eastman Museum.

MONROE COMMUNITY COLLEGE (MCC)

MCC's main campus is in Brighton, but they also operate a second campus in Downtown Rochester which recently moved into newly renovated space adjacent to Kodak Tower. MCC provides accredited and affordable college credits, certifications, and degrees.





ANCHOR INSTITUTIONS CONTINUED

ROCHESTER REGIONAL HEALTH (RRH)

RRH is the second largest employer in the Region, operating St. Mary's Hospital and Rochester General Hospital, both located within the city. They also operate several other hospitals in Western New York.

ROCHESTER INSTITUTE OF TECHNOLOGY (RIT)

While its main campus is located in Henrietta, RIT has a significant impact on the city by bringing opportunities for education, employment, and innovation to the region.

OTHER AREA COLLEGES

St. John Fisher College, Nazareth College, Roberts Wesleyan College, SUNY Brockport (including downtown's Rochester Educational Opportunity Center), SUNY Geneseo, and other small colleges dot the Rochester region.

THE CITY + OTHER AGENCIES

The City of Rochester is an institutional anchor with 3,500 employees in several hundred different job titles each making a difference in the quality of life for city residents. Other government institutions like Monroe County, New York State, and other local towns and villages are important anchors in the Rochester area.

Cities and economic development agencies have long understood the importance that anchors can play in driving the local economy, particularly with the commercialization of research and university-born startup companies. However, in recent years, a more proactive and holistic approach to anchor partnerships has begun to take hold in the United States.

Other notable anchor institutions include Rochester Gas & Electric, the Rochester Public Library system, and the Greater Rochester International Airport.

A. ECONOMIC GROWTH (CONTINUED)

ANCHOR INSTITUTION STRATEGY

The ‘anchor institution strategy’ is an economic development strategy that was largely pioneered by The Democracy Collaborative, a think tank based in Washington, DC and Cleveland, Ohio. It recognized the immense economic development potential that large institutions have for their local communities, and puts special emphasis on opportunities to build local wealth and reduce economic inequality. In their 2013 report, The Anchor Dashboard, The Democracy Collaborative identified 12 focus areas in which anchors can maximize their impact on their local economy. Core to all strategies is encouraging anchor leadership to embrace public goals and new measurement practices to help drive accountability and action.

In late 2014, the reports about the Evergreen Cooperatives served as an inspiration to Rochester City Hall and Mayor Lovely Warren contracting with The Democracy Collaborative to conduct a feasibility study to determine if the strategy could be replicated in Rochester. The 2016 report, Rochester Market Driven Community Cooperatives: A Feasibility and Implementation Plan, outlined great potential for the strategy in Rochester and reported on the overwhelming support from local anchor institutions and community stakeholders. The Democracy Collaborative suggested exploring more services-based businesses which require less startup capital and outlined opportunities to facilitate conversions of existing traditional businesses to a worker-cooperative structure.

THE EVERGREEN COOPERATIVES

The Democracy Collaborative was a central force in developing the Greater University Circle Initiative in Cleveland, an anchor based strategy launched in 2005. The anchor institutions, Case Western Reserve University, Cleveland Clinic, and University Hospitals are close neighbors, surrounded by neighborhoods of high poverty and historic disinvestment.

The Cleveland Foundation convened the anchor leaders and local government stakeholders with the help of The Democracy Collaborative at a pivotal moment with more than \$3 billion in capital projects planned within the area. The group came to the consensus that it was imperative to break down the barriers to economic inclusion for neighborhoods just outside their gates, and that they needed to change the way they did business to achieve this. The top executives agreed to formalize the partnership, set collective goals, and meet regularly to drive accountability.

One of the more prominent strategies that came out of the Greater University Circle was the Evergreen Cooperatives. This not-for-profit holding company owns a portfolio of worker-owned cooperative businesses. These businesses were startups based on the procurement needs of the anchor institutions who had previously been purchasing goods and services from outside the region. The anchors redirected their purchasing to support these new companies through a “buy local” component of the overall strategy. The companies are also chartered with a mission to employ residents from surrounding high poverty neighborhoods. Under the cooperative model, the employees have an opportunity to become part owners of the company with a stake in any profits.

Today, Evergreen has an industrial laundry, a 12-acre hydroponic agriculture facility, and a solar panel and LED installation company that collectively employ over 200 people.

OWN ROCHESTER

In late 2016, the City and anchor stakeholders founded a not-for-profit holding company, Rochester Market Driven Community Corporation, which proceeded to launch an LED and solar energy installation business called ENEROC in the spring of 2017. In spring 2018, the not-for-profit, rebranded as OWN Rochester, launched its second business, a custodial company serving Wegmans Food Markets. Anchor representatives continue to be some of the most active members of the OWN Rochester board and continue to support the cooperative companies with contracts. Own Rochester is implementing a strategic plan to build its capacity and continue to launch and support a growing portfolio of businesses.

PUBLIC COMMENT

“Involve established local employers and local educational institutions, to see what niches need to be filled. Recruit high school and college students, early on, to be trained for those niches. Employers should offer education incentives.”

A. ECONOMIC GROWTH (CONTINUED)

BOLSTERING THE LOCAL WORKFORCE FOR NEW BUSINESS ATTRACTION

Rochester’s renowned colleges and universities constantly produce remarkable graduates, many of whom relocate to larger markets such as New York City, San Francisco, and Boston to pursue employment opportunities. Although recent studies have shown that Rochester is retaining its young, educated residents at stronger rates than most other cities in the country, the City must prioritize this regional talent base to nurture the burgeoning technology sector. Currently, the City is building partnerships with RIT, the University of Rochester, Monroe Community College, and other area colleges to inform students about career opportunities available to them across the Greater Rochester Community.

An educated and skilled workforce is imperative for attracting new businesses. Technology sector companies such as Datto, CloudChekr, and Live Tiles chose to make Rochester the base of their operations and rely on the skills of the local workforce. Rochester offers potential employers and employees a competitive cost of living that is significantly lower than other markets in terms of commercial rents, housing, and other aspects. The low cost of living, coupled with a strong regional talent pool available from area colleges and universities, makes Rochester a prime location for companies to thrive. See [Initiative Area 5-Section B, Workforce Development](#) for more information.

PUBLIC COMMENT

“I would love to see more women and minority owned or start-up businesses receive more help/support and funding/grants. Also expand on Kiva funding.”



MAJOR ECONOMIC + INFRASTRUCTURE OPPORTUNITIES

The map at right highlights some major economic and infrastructure opportunities in Rochester, both current and near future. It represents a balance of downtown and neighborhood investments as well as public and private projects. It also illustrates the importance of high frequency transit service that

connects neighborhoods to downtown and other employment centers. Smaller scale projects and development opportunities can be found at the City of Rochester's website for [Project and Plans](#) and [Strategic Sites](#).



Major Investment Corridors



Major Investment Areas



Major Employment Centers



Opportunity Zones



Neighborhood Opportunity Corridors*



Reimagine RTS Frequent Network

* Per the 2019 Commercial Corridors Study



Major Economic & Infrastructure Opportunities
Ongoing & Future

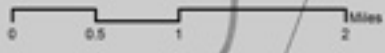
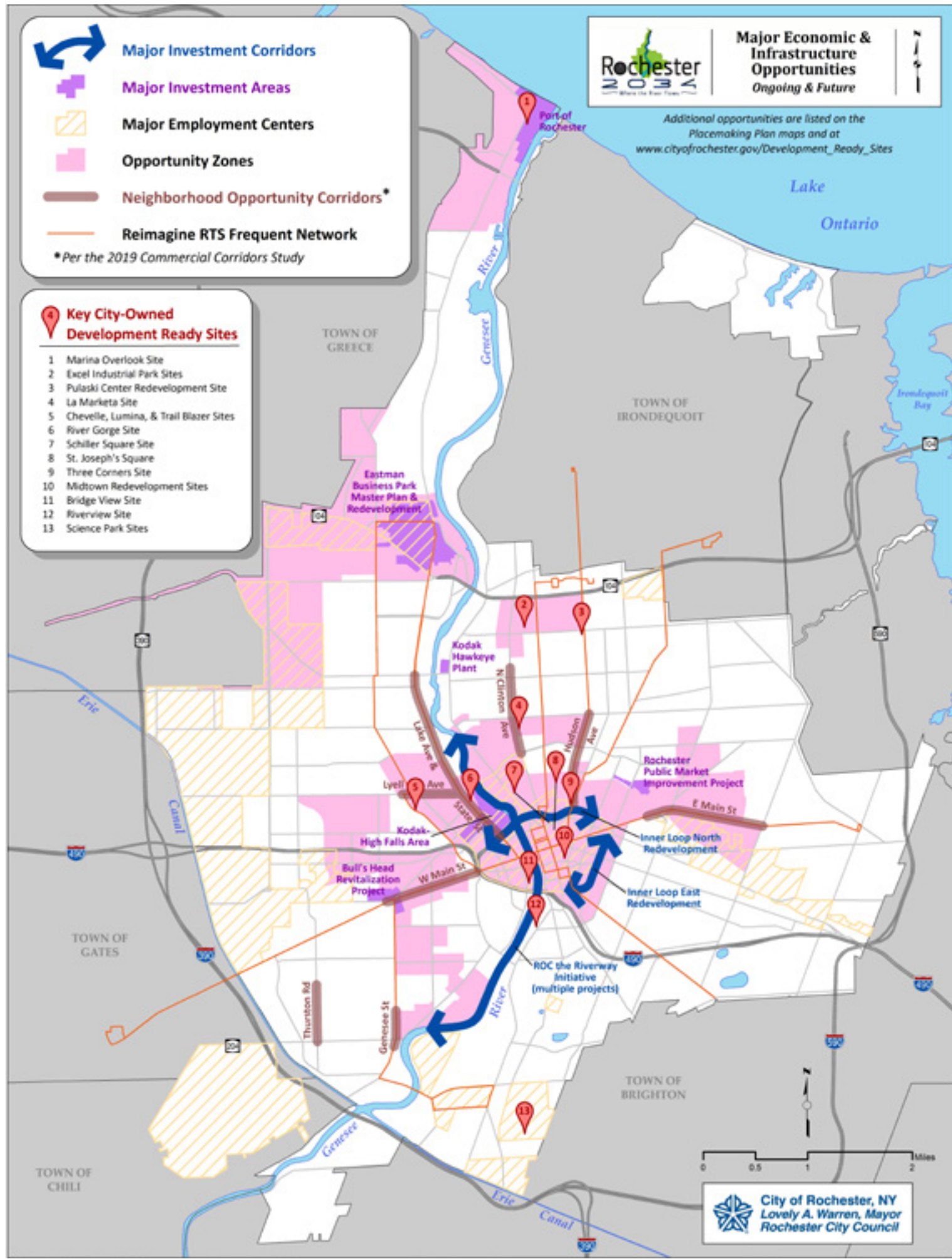
Additional opportunities are listed on the Placemaking Plan maps and at www.cityofrochester.gov/Development_Ready_Sites

Lake Ontario



Key City-Owned Development Ready Sites

- 1 Marina Overlook Site
- 2 Excel Industrial Park Sites
- 3 Pulaski Center Redevelopment Site
- 4 La Marketa Site
- 5 Chevelle, Lumina, & Trail Blazer Sites
- 6 River Gorge Site
- 7 Schiller Square Site
- 8 St. Joseph's Square
- 9 Three Corners Site
- 10 Midtown Redevelopment Sites
- 11 Bridge View Site
- 12 Riverview Site
- 13 Science Park Sites



City of Rochester, NY
 Lovely A. Warren, Mayor
 Rochester City Council

A. ECONOMIC GROWTH [ECN]

ACTION PLAN

| GOAL | STRATEGIES | PARTNERS |
|---|---|---|
| <p>ECN-1 Attract businesses to downtown Rochester.</p> | <p>ECN-1a Coordinate advocacy and align resources to support the growth and attraction of new companies to Downtown Rochester.</p> | <p>RDDC, City, Monroe County, GRE, Chamber of Commerce, NYS, Federal Government</p> |
| | <p>ECN-1b Leverage the ROC The Riverway initiative to market downtown Rochester as a vibrant community with waterfront amenities and cultural programming.</p> | <p>City, Monroe County, GRE, Developers</p> |
| | <p>ECN-1c Continue the public/private partnership that defines the Downtown Innovation Zone for adding real economic value to the city and the regional economy.</p> | <p>City, RDDC, Chamber of Commerce, GRE</p> |
| | <p>ECN-1d Support the video game development incubator, sponsored by the Rochester Downtown Development Corporation and RIT, to provide opportunity for startups to locate and grow in Downtown.</p> | <p>RDDC, RIT, City, Monroe County, Developers</p> |
| | <p>ECN-1e Partner with Rochester-based companies to help create a strong business case for investing in downtown. Use that business case to better market downtown as a location for business investment and development.</p> | <p>City, GRE, Business Community</p> |
| | <p>ECN-1f Develop strategies to create increased demand for storefront spaces in downtown.</p> | <p>City, RDDC, Business Community, Building/Property Owners</p> |
| | <p>ECN-1g Explore the idea of offering incentives to building owners to subdivide their building into commercial condominiums as a way to attract the commercial market that would prefer to own their space.</p> | <p>City, Building/Property Owners</p> |

Notes:

1. Partners listed in bold are recommended to lead the implementation of that strategy.
2. For a list of partner acronyms see [Appendix A](#).

| GOAL | STRATEGIES | PARTNERS |
|--|--|---|
| ECN-1 Attract businesses to downtown Rochester. | ECN-1h Continue to attract mixed-income residents to downtown to provide a strong customer base for attracting retail, restaurants, and street vibrancy. | City, Developers |
| ECN-2 Support existing and help/incentivize new neighborhood businesses. | ECN-2a Implement the recommendations of the 2019 City of Rochester Commercial Corridor Study. | City , REDCO, Building/Property Owners, Business Community, Community Groups/Funders |
| | ECN-2b Guided by the 2019 City of Rochester Commercial Corridor Study, create a new financing vehicle housed within the Rochester Economic Development Corporation (REDCO) aimed at providing predevelopment funds for small businesses. This investment should focus on high-impact neighborhood projects that will serve as anchors for further development in neighborhood districts. | City, REDCO, Banks/Community Lenders, Community Groups/Funders |
| | ECN-2c In accordance with the recommendations of the 2019 City of Rochester Commercial Corridor Study, look for opportunities in Neighborhood Mixed-use Character Areas to establish small community parking lots to support businesses along the corridor. Creating parking opportunities should start with looking for existing parking lots that are appropriately located and underutilized to then negotiate arrangements for opening the lot for public use. Special assessment districts could also be used as a tool for funding the construction and maintenance of well-designed and appropriately located community parking lots. | City , Business Community, REDCO, Property Owners |

A. ECONOMIC GROWTH [ECN]

ACTION PLAN

| GOAL | STRATEGIES | PARTNERS |
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| <p>ECN-2</p> <p>Support existing and help/incentivize new neighborhood businesses.</p> | <p>ECN-2d Continue the efforts to reinforce and grow the Rochester Public Market as a community, local business, and entrepreneurial incubation anchor in Rochester, particularly for businesses in craft production, small scale food processing, and food service.</p> | <p>City, REDCO</p> |
| | <p>ECN-2e Assess and reduce administrative and regulatory barriers for small business development and support.</p> | <p>City, REDCO</p> |
| | <p>ECN-2f Continue to explore creative and innovative ways to finance businesses, focusing on providing grants, below-market interest rates on loans, and large-scale economic development incentives through programs like the SBA 504 lending program.</p> | <p>City, REDCO</p> |
| | <p>ECN-2g Continue to support and expand programs such as Kiva Rochester and other innovative community-based methods for increasing capital access such as micro-lending, shared assets, and resource pools.</p> | <p>City, Kiva Rochester, REDCO</p> |
| | <p>ECN-2h Collaborate with traditional financial institutions to make lending practices more accessible and culturally inclusive.</p> | <p>City, REDCO, Banks/Community Lenders</p> |
| | <p>ECN-2i Raise awareness of new and existing financial products and strategies available to residents and small businesses.</p> | <p>City, Business Community, REDCO, Community Groups/Funders, Banks/Community Lenders, Realtors</p> |

Notes:

1. Partners listed in bold are recommended to lead the implementation of that strategy.
2. For a list of partner acronyms see [Appendix A](#).

| GOAL | STRATEGIES | PARTNERS |
|---|--|--|
| ECN-2 Support existing and help/incentivize new neighborhood businesses. | ECN-2j Develop and support community and business promotional initiatives like Shop the ROC, Small Business Week, and Shop Small Businesses campaigns. | City , Education/Medical Institutions, Chamber of Commerce, Celebrate City Living Coalition, Business Community |
| | ECN-2k Foster interest in neighborhood businesses as part of the Celebrate City Living initiative. | City, Celebrate City Living Coalition, Business Community |
| | ECN-2l Offer businesses a stronger and more coordinated network of service providers focused on technical assistance, training, and mentorship opportunities. Focus on connecting service providers through systems integration, shared performance management, navigating multiple levels of bureaucracy for development projects, the creation of a central hub of information and referrals, and increased funding to support “Navigators/Advocates” to assist in accessing services. | City , REDCO, Business Community, RIT Center for Urban Entrepreneurship |
| | ECN-2m Expand the role of street liaisons to help recruit businesses, provide technical assistance to existing businesses, and market the district by regularly creating events, organizing business promos, implementing social media campaigns, etc. | City , Business Community, REDCO |
| | ECN-2n Expand the Land Bank’s focus to include commercial properties in support of strengthening neighborhood commercial districts. | Rochester Land Bank , Developers |

A. ECONOMIC GROWTH [ECN]

ACTION PLAN

| GOAL | STRATEGIES | PARTNERS |
|--|---|---|
| <p>ECN-3</p> <p>Support entrepreneurship as the foundation of business development.</p> | <p>ECN-3a Support and grow startup businesses in the community through incubator and small business programs and initiatives, such as NextCorps, Luminate, RIT Center for Urban Entrepreneurship, and the Commissary.</p> | <p>City, Monroe County, NYS, RDDC</p> |
| | <p>ECN-3b Recognize home-based businesses as starting points of the business development lifecycle and provide resources and support to those with the potential to grow and eventually own and-or occupy community-based commercial structures. In addition to providing support, regulatory burdens should be reduced to further encourage these uses while not compromising the character of their surroundings.</p> | <p>City, Home-based Businesses</p> |
| | <p>ECN-3c Support existing efforts to incubate and accelerate startups conceived on local college and university campuses and make the business case for them to remain and grow in Rochester instead of fleeing to larger markets.</p> | <p>City, Education/ Medical Institutions, GRE, Business Community, Chamber of Commerce</p> |
| | <p>ECN-3d Create more opportunities for pipeline business development by allowing pop-up commercial uses, mobile vending, temporary land uses, and business support for home-based businesses, thereby providing business incubator and test marketing at low costs.</p> | <p>City, Developers, Banks/Community Lenders</p> |
| <p>ECN-4</p> <p>Continue to support and attract job-generating economic development.</p> | <p>ECN-4a Maintain inventories of privately-owned and publicly-owned strategic development sites in Rochester, particularly in Opportunity Zones. Actively market them and consider providing a degree of pre-approval for generic redevelopment concept plans to expedite the development approval process.</p> | <p>City</p> |

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| GOAL | STRATEGIES | PARTNERS |
|---|--|---|
| ECN-4 Continue to support and attract job-generating economic development. | ECN-4b Assemble and actively market City-owned vacant lots in low-demand housing market areas for economic development that will generate jobs for the surrounding residents. Appropriately zone the areas for economic development. | City, GRE |
| | ECN-4c Take a survey of retail space downtown and along key business corridors, in order to identify sites for potential commercial investment, and to better understand the retail market in Rochester. | City |
| | ECN-4d Increase outreach efforts to the industrial/ manufacturing sector to maintain and enhance strong business relationships. Rochester's manufacturing base provides well-paying entry-level and mid-skill level jobs to neighborhood residents. | City, REDCO |
| | ECN-4e Support and facilitate private capital investment projects for existing and new industrial/ manufacturing businesses in the City through financial incentives and technical assistance. | City, Monroe County, NYS |
| | ECN-4f In accordance with the Finger Lakes Forward: United for Success Plan, increase program focus on industries such as optics/photonics, food production, advanced manufacturing, and technology. These industries are gaining regional momentum in large part due to the growing prominence of RIT and UR. | City, GRE, REDCO, Chamber of Commerce, Monroe County |

A. ECONOMIC GROWTH [ECN]

ACTION PLAN

| GOAL | STRATEGIES | PARTNERS |
|---|--|--|
| ECN-4 Continue to support and attract job-generating economic development. | ECN-4g Develop strategies and approaches to help increase the amount of venture capital available to invest in business startups, including those in the technology, optics and imaging sectors. | City, Banks/Community Lenders, Wealth Management Firms |
| | ECN-4h Continue to support the redevelopment of Eastman Business Park through their master plan and business development strategies. | City , Business Community |
| ECN-5 Improve opportunities for historically disadvantaged businesses through business development programming and by providing access to contracting opportunities with the City of Rochester. | ECN-5a Support MWBEs by more intentionally producing and distributing information about certification, contracting requirements, and other aspects of MWBE regulation. | City , Business Community |
| | ECN-5b Leverage business accelerator strategies and programs to assist MWBEs' progression from sub-contractors to prime contractors. | City |
| | ECN-5c Ensure loan and grant-making processes are equitable and responsive to the needs of all cultures, ethnicities, and abilities. | City |
| | ECN-5d Work to make procurement processes and activities more equitable and responsive to the needs of all cultures, ethnicities, and abilities. | City |

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| GOAL | STRATEGIES | PARTNERS |
|---|---|---|
| ECN-6 Establish a culture of collaboration among Anchor Institutions and other regional partners in order to better drive positive economic change locally. | ECN-6a Create a formalized anchor collaborative network in the Greater Rochester region. Draft goals and strategies for anchor collaboration including support for OWN Rochester Companies, shifting procurement streams to support local businesses, hiring employees from low-income communities, community-building activities, living wage, supporting local homeownership, and more. | City , OWN Rochester, Education/Medical Institutions, Business Community |
| | ECN-6b Define the City’s role as an Anchor Institution in the Rochester community. Develop an anchor mission, and participate in the collaborative network as both a convener and a member. | City |
| | ECN-6c Attract students and Anchor Institution workers into local businesses with targeted welcome signs, home team recognition/specials, displayed school colors/mascots, etc. | Education/Medical Institutions City, Business Community |
| | ECN-6d Encourage regional anchor institutions, including NY State agencies, to identify opportunities for establishing/growing a physical presence in Downtown or somewhere else in the city. | City , NYS, Educational/Medical Institutions, Business Community |
| | ECN-6e Create/enhance programming, similar to <i>Into the ROC-RIT</i> , that encourages local college/university students to engage in Rochester city life through volunteerism, attending events, taking tours, and other activities that introduces students to Rochester’s assets. | City, Education/Medical Institutions, Business Community, Event Sponsors, Visit Rochester |

A. ECONOMIC GROWTH [ECN]

ACTION PLAN

| GOAL | STRATEGIES | | PARTNERS |
|---|------------|---|---|
| <p>ECN-6</p> <p>Establish a culture of collaboration among Anchor Institutions and other regional partners in order to better drive positive economic change locally.</p> | ECN-6f | <p>Collaborate with FLREDC and other regional partners to focus on increasing job density in the city. Recent work from the Brookings Institution shows that businesses, workers, and urban economies thrive more when there is intentional and collaborative focus on policies and investments that advance more concentrated job growth patterns, combined with transformative placemaking.</p> | <p>FLREDC, GRE, Chamber of Commerce, RDDC, City, Monroe County, RMAPI</p> |
| <p>ECN-7</p> <p>Focus on market research, data, and analysis to drive economic development decisions and programming.</p> | ECN-7a | <p>Track and analyze City and REDCO investments to evaluate impact and determine most impactful uses of public resources.</p> | <p>City, REDCO</p> |
| | ECN-7b | <p>Adopt evidence-based methods and approaches to analyzing citywide economic/market trends, commercial dynamics, and economic development opportunities on an on-going basis.</p> | <p>City, GRE, Education Institutions</p> |
| | ECN-7c | <p>Utilize market research to develop resources in response to emerging markets. For example, conduct a retail and consumer service leakage analysis to better understand retail and service market opportunities and track key market indicators at the neighborhood and city levels.</p> | <p>City, GRE</p> |

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