

**FOR IMMEDIATE RELEASE:
October 16, 2007**

GOVERNOR SPITZER UNVEILS "CITY BY CITY" ECONOMIC DEVELOPMENT PLAN

**Focused On Spurring Private Sector Investment in Core Upstate Communities;
Major Redevelopment of Rochester's Midtown Plaza Among High
Priority Projects Announced in Finger Lakes Region**

Governor Eliot Spitzer today continued outlining his vision for regionally tailored economic development efforts. At a meeting of business and community leaders at Midtown Plaza, the Governor named four projects that would receive funding as part of his long-term strategy for economic expansion in Rochester and the Finger Lakes region.

The Governor's "City-by-City" plans, the first of which he unveiled last week in Buffalo, are a component of the administration's larger Upstate agenda announced earlier this year, which focuses on reducing the costs of business, adapting to an Innovation Economy, and strengthening infrastructure. The "City-by-City" plans identify priority projects in and around Upstate cities that capitalize on each region's unique assets and are selected based on their potential to spur additional private investment and greater economic development.

"We often talk about the Upstate economy as if it was some monolithic region, but the opposite is true," said Governor Spitzer. "A 'one size fits all' approach hasn't worked. The projects we're announcing today were selected to build on the strengths of Rochester and the Finger Lakes region. These projects lay the foundation for revitalizing the downtown area and spurring private sector growth in the greater region's important agribusiness sector."

The four projects Governor Spitzer announced for Rochester and the surrounding areas include the demolition of Midtown Plaza and the construction of a world headquarters for PAETEC, and three projects that advance the region's unique strength in agriculture: the Finger Lakes Viticulture and Organic Market Center, the Cornell Agriculture and Food Tech Park and the Agricultural Manufacturing Industrial Park adjacent to the OATKA Milk Products Facility in Genesee County.

The Governor announced the following specific commitments:

Midtown Plaza: Midtown Plaza will be remediated and demolished, and the site will be redeveloped as mixed use urban space that will include a new corporate headquarters for PAETEC Communications. One of the largest telecommunication companies in the United States, PAETEC Communications 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 1,000 employees (including the 600 existing employees) and will be the new location for the company's corporate headquarters, data and other operations. Under the terms of a Memorandum of Understanding, the City will acquire the site from the current owners. Subject to legislative approval, the state will be responsible for the remediation and demolition costs needed to make the site "shovel-ready" for PAETEC (estimated to be \$50 million). The parties to the agreement will work together in the coming months to develop an overall site and use plan for the project and a community participation plan prior to finalizing the formal development agreement.

The Genesee OATKA Ag Manufacturing Park (Batavia/ Genesee County): A \$3 million state investment will support the development of a 200+ acre food processing and agricultural manufacturing industrial park, adjacent to the OATKA Milk Products Facility in Batavia in Genesee County. This total \$9 million project is expected to generate up to 1 million square feet of food processing, research and development, and warehouse/distribution space, which has the potential to support more than 1,000 new jobs with good wages in the region. The Genesee County Economic Development Corporation currently has several prospects for the proposed park, which is expected to be completed by late 2008.

Cornell Agriculture and Food Technology Park Project (Ontario County): The Cornell Agriculture and Food Technology Park is a self-supporting entity designed to foster the creation of innovative technologies and economic growth in the food and agriculture sectors. The state's \$1 million investment will support the expansion of the park to accommodate additional research and development facilities, by meeting an immediate need to loop water service throughout the park and construct a second Flex Tech Building on the property (a total \$3.17 million project). The project is expected to be completed in late 2008.

Finger Lakes Viticulture and Organic Market Center (Yates County): Yates County is located in the heart of the viticulture industry in the Finger Lakes and also has the largest collection of organic farms in the Northeast. The

state's \$750,000 investment will provide critical seed capital for development of a new organic produce center that will support local organic farmers by allowing them to reach new markets. Additionally, the Yates County IDA will evaluate the opportunity for development of a joint grape crushing incubator facility to be utilized by various wineries in the region. The region's farms and wineries currently generate more than \$30 million annually in local revenue and employ more than 2000 people.

"While each of our core communities is different, they do have one thing in common -- they have all been held back by too many competing priorities," continued Governor Spitzer. "Each region has a deep well of potential that has remained untapped because of key projects that have stalled and been mired in gridlock. Our 'City by City' plan will break this gridlock because we have established priorities and will provide the leadership, collaborative approach, funding, and the will to get them done."

Mayor Robert J. Duffy said: "Today marks the beginning of the renaissance of Downtown Rochester. Governor Spitzer promised to revitalize the economies of upstate cities and he is keeping his promise. By funding the removal and clean up of Midtown Plaza, the Governor has cleared the way for the location of the world headquarters of PAETEC Downtown. This project will be the catalyst that will reshape and regenerate our center city. Thank you to Governor Spitzer and to PAETEC CEO Arunas Chesonis for their vision and belief in Downtown Rochester."

PAETEC Chairman and CEO Arunas A. Chesonis said: "This agreement demonstrates a fruitful spirit of cooperation between Rochester's business community and our local and state governments. We're excited about this strategic site to locate PAETEC's new world headquarters and all the benefits that a revitalized downtown Rochester has to offer."

Assemblyman David F. Gantt said: "New York's upstate cities have been ignored for too long. The tangible support being provided by the governor today will be the spark that will help ignite Rochester's, and our entire region's revitalization."

Assemblymember Susan John said: "This is a great day for Rochester and the Finger Lakes community. I applaud Governor Spitzer for his leadership and his recognition that each region has unique strengths and weakness. We have bright and talented people who call Rochester home, and we are proud of our entrepreneurial spirit. Today's announcements bring together all of those elements and will allow us to build on our strengths and benefit the families of our community. I appreciate the Governor's focusing his attention on development initiatives that will help advance the Rochester economy."

Assemblyman David Koon said: "Governor Spitzer's innovative City by City approach represents a critical point for upstate New York in recognizing the unique challenges that faces each of our cities. The failed one-size-fits all policy of past administrations has not provided the success promised and I applaud the governor for having the leadership to recognize that the diverse challenges faced by upstate cities dictates diverse solutions."

Assemblyman Joseph D. Morelle said: "It's gratifying to have a governor who understands that revitalizing urban centers, particularly our downtowns, is key to reviving the upstate economy. Governor Spitzer recognizes the needs of this region and is proving his commitment to an area of the state that has languished for far too long."

Upstate co-chairman of Empire State Development Daniel C. Gundersen said: "State agencies have a clear directive to focus on the Upstate economy. We are coordinating policies and programs that are focused on producing a better business climate and healthier environment for stimulating private sector growth."

New York State Agriculture Commissioner Patrick Hooker said: "Agriculture is a significant contributor to the Upstate economy and therefore I am thrilled that the Governor is taking his "City-by-City" plan to Rochester, a major agricultural region of New York State. The Governor's decision to prioritize these projects will greatly strengthen the Finger Lakes area as a whole. With some of the highest economic multipliers of any industry, these projects will not only help advance the individual businesses, but will generate more revenue and more jobs, helping to ensure a more sustainable future for the all communities in the area."

Today's announcements follow early successes by the administration in lowering workers' compensation rates by 20 percent, which will save New York's businesses \$1.2 billion annually; cutting business and property taxes, and reducing the rate of health care spending.

Today marks the 124th day since the Senate agreed to Wicks Law reforms that are critical to improving the state's business climate. The Senate's refusal to enact these reforms has already cost taxpayers at least \$34 million dollars and counting.

A fact sheet about the projects can be found [here](#).

A copy of the speech is available at http://www.ny.gov/governor/keydocs/1016071_speech.html