

PRELIMINARY OFFICIAL STATEMENT JULY 8, 2025

NEW & RENEWAL

BOND ANTICIPATION NOTES

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the City, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. See "TAX MATTERS" herein.

The Notes will not be designated by the City as "qualified tax-exempt obligations" pursuant to section 265(b)(3) of the Code.

CITY OF ROCHESTER NEW YORK

\$171,255,000

BOND ANTICIPATION NOTES - 2025 SERIES II (the "Series II Notes")

Date of Issue: July 30, 2025

Maturity Date: July 30, 2026

\$30,000,000

BOND ANTICIPATION NOTES - 2025 SERIES III (the "Series III Notes "and collectively with the Series II Notes, the "Notes")

Date of Issue: July 30, 2025

Maturity Date: July 30, 2026

The Notes are general obligations of the City of Rochester, New York (the "City" and "State", respectively), and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the City, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"). (See "TAX INFORMATION - Tax Levy Limit Law," herein).

The Notes are dated July 30, 2025 and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Notes, payable on maturity. The Notes will mature on July 30, 2026. The Notes will not be subject to optional redemption prior to maturity. Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued as registered Notes, and at the option of the purchaser, will be either (i) registered in the name of the purchaser or (ii) registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), as book-entry notes.

If the Notes are issued registered to the purchaser, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable at such bank or trust company authorized to do business in the State of New York as may be selected by such purchaser.

For book-entry only notes registered to Cede & Co., a single note certificate will be issued for each note bearing the same rate of interest and CUSIP number. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Notes. Principal of and interest on the Notes will be paid in Federal Funds by the City to Cede & Co., as nominee for DTC.

The City's Director of Finance will act as Fiscal Agent for the Notes.

The Notes are offered subject to the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the City, and certain other conditions. It is expected that the Notes will be available for delivery on or about July 30, 2025.

THIS OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE") EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE NOTES. FOR A DESCRIPTION OF THE CITY'S AGREEMENT TO PROVIDE NOTICE OF CERTAIN EVENTS AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

Dated: July 8, 2025

This Preliminary Official Statement and the information contained in it are subject to completion and amendment in a final Official Statement. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any sale of the Notes offered by this Preliminary Official Statement, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

**CITY OF ROCHESTER
NEW YORK**

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DEPUTY MAYOR
Michael T. Burns

CITY CLERK
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No dealer, broker, salesman or other person has been authorized by the City or the Municipal Advisor to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City from sources which are believed to be reliable, but it is not to be guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City, since the date hereof.

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OFFICIAL STATEMENT

of the

CITY OF ROCHESTER NEW YORK

relating to

\$171,255,000

BOND ANTICIPATION NOTES - 2025 SERIES II

\$30,000,000

BOND ANTICIPATION NOTES - 2025 SERIES III

This Official Statement (the “Official Statement”), which includes the cover page and appendices hereto, presents certain information relating to the City of Rochester, in the State of New York (the “City” and “State” respectively), in connection with the sale of the \$171,255,000 Bond Anticipation Notes, 2025 Series II (the “Series II Notes”) and \$30,000,000 Bond Anticipation Notes, 2025 Series III (the “Series III Notes” and collectively with the Series II Notes, the “Notes”).

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description

The Notes will be dated July 30, 2025, and will mature on July 30, 2026, with interest payable at maturity calculated on the basis of a 30-day month, 360-day year. The Notes are not subject to redemption prior to maturity. The Series II Notes consist of a single issue in the aggregate principal amount of \$171,255,000. The Series III Notes consist of a single issue in the aggregate principal amount of \$30,000,000.

The Notes will be issued as registered Notes, and at the option of the purchaser, will be either (i) be registered in the name of the purchaser or (ii) registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), as book-entry notes.

If the Notes are registered in the name of the purchaser, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable at such bank(s) or trust company(ies) authorized to do business in the State of New York as may be selected by the successful bidder(s).

If the Notes are registered in the name of Cede & Co., a single note certificate will be issued for the Notes bearing the same rate of interest and CUSIP number. Individual purchases of book-entry notes will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Notes. Principal of and interest on book-entry Notes will be paid in Federal Funds by the City to Cede & Co., as nominee for DTC.

Authority for and Purpose of the Series II Notes

The Series II Notes are issued pursuant to the Constitution and the statutes of the State, including the Charter of the City and the Local Finance Law, and certain capital project bond ordinances adopted by the City Council of the City.

The Series II Notes will provide original (\$52,778,000) and renewal (\$118,477,000) financing in the aggregate amount of \$171,255,000. The proceeds of the Notes shall be applied to finance water supply facilities (\$17,738,000), Refuse

(\$4,670,000), local works (\$11,551,000), parking (\$360,000), library (\$2,353,000), War Memorial (\$2,151,000), School (\$63,740,000) and general City purposes including street construction and reconstruction (\$68,692,000).

Authority for and Purpose of the Series III Notes

The Series III Notes are issued pursuant to the State Constitution and the statutes of the State, including among others, the Education Law and Local Finance Law, and other proceedings and determinations relating thereto, including the Charter of the City, and a capital project bond ordinance in the amount of \$55,000,000, adopted by the City Council of the City on May 20, 2025.

The proceeds of the Series III Notes will be used to provide original financing in the amount of \$30,000,000 of bond anticipation notes for the third phase of the Joint School Construction Board (the "JSCB") modernization program. On November 15, 2021, Chapter 614 of the Laws of 2021 of the State of New York (the "Phase III Act") was signed into law. The Phase III Act authorizes the reconstruction of up to 12 projects at a total cost not to exceed \$475,000,000.

The legislation authorized projects for Phase III to be funded by the City from any available monies or from proceeds of City obligations issued in anticipation of permanent financing from any source provided under the legislation and the reimbursement to the City of any available monies so advanced or the payment of obligations of the City issued in anticipation of permanent financing (including permanent financing issued through the County of Monroe Industrial Development Agency for such purpose).

PAYMENT OF AND SECURITY FOR THE NOTES

General

Each Note when duly issued and paid for will constitute a contract between the City and the holder thereof.

The Notes will be general obligations of the City and will contain a pledge of the faith and credit of the City for payment of principal of and interest thereon. For the payment of such principal and interest, the City has, under existing law, the power and statutory authorization to levy ad valorem taxes on all taxable real property in the City, subject to applicable statutory limitations imposed by the Tax Levy Limit Law. Such statutory limitation does not apply to the City's power to increase its annual tax levy for Rochester CSD purposes. (See "TAX INFORMATION - *Tax Levy Limit Law*," herein).

Under the Constitution of the State, the City is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the City to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the City's power to increase its annual tax levy. As a result, the power of the City to levy real estate taxes on all the taxable real property within the City is subject to statutory limitations set forth in Tax Levy Limit Law. The State Constitution requires the City to provide by appropriation for the payment of interest on all obligations which will become due during the fiscal year. In addition, the State Constitution requires the City to provide in each year by appropriation for the payment of all installments of principal of all obligations which will become due and payable in such year.

Book-Entry-Only System

The following applies to the Notes issued in book-entry-only form. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered Notes registered in the name of Cede and Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each Note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also

facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. Securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede and Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede and Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede and Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede and Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond and note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the City (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City in connection with the Notes, and Bond Counsel has assumed compliance by the City with certain provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the City, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, or any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The City, in executing the Tax Certificate, will certify to the effect that the City will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a note with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “Note premium” on that note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium note determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Note must amortize the Note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the note premium allocable to that period. In the case of a tax-exempt Premium Note, if the note premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of Note premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of note premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts

withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters

MARKET FACTORS

The financial condition of the City as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the City's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the United States of America or the State or of any of its agencies or political subdivisions, both the ability of the City to arrange for additional borrowings and the market value of outstanding debt obligations, including the Notes, could be adversely affected.

The City is substantially dependent on financial assistance from the State, principally for aid to education, urban renewal aid, and general operating aid. In the 2025-26 City and School District General Fund Budgets, approximately 61.93% (21.88% for the City and 83.95% for the School District) of the operating revenues of the Budgets are estimated to be received from the State as State aid. Any reduction in the amount of State aid received by the City in the City's current or future fiscal years may have an adverse impact on the City's financial operations and on the market for the City's bonds and notes, including the Notes. If the State for any reason should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in the City's current fiscal year or any future fiscal year or if the State should not adopt its budget in a timely manner or experience other financial difficulties, the City could be adversely affected by such delay, until sufficient State taxes have been received by the State, to make State aid payments to the City. The City experienced a delay in the receipt of State aid in recent years. No delay in payment of State aid to the City is presently anticipated, although no assurance can be given that such a delay will not occur.

The State is not constitutionally obligated to maintain or continue State aid to the City. State aid requires appropriations by the State Legislature. There can be no assurance that the Legislature will continue appropriations at the levels of past years. Also, State aid formulas may be changed by act of the Legislature. No assurance can be given that the Legislature will not modify or eliminate State aid as it currently exists. State budgetary restrictions which may eliminate or substantially reduce State aid or which delay the receipt of State aid could have adverse effects upon the City, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the City, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the City, could have an impact upon the market price for the Notes. See "Tax Levy Limit Law," herein.

On March 11, 2021, President Biden signed into law The American Rescue Plan Act of 2021. The plan provides \$350 billion in additional funding for state and local governments. The state funding portion is approximately \$195 billion, of which \$25.5 billion was distributed equally among the 50 states and the District of Columbia and the remaining amount was distributed according to a formula based on unemployment.

The City received \$202 million in direct funding from The American Rescue Plan Act. These funds were obligated by December 31, 2024 and must be fully expended by December 31, 2026.

The City is dependent, in part, on federal funding, in the form of grants and other aid provided to the State or directly to the City. Any reduction in such federal funding could affect City finances directly, or could affect the ability of the State to provide assistance to local municipalities, including the City.

LEGAL MATTERS

Legal matters incident to the authorization, sale and issuance of the Notes are subject to the approving legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. The opinion of Bond Counsel will be in substantially the form attached hereto as Appendix D.

DISCLOSURE UNDERTAKING

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”) with respect to the Notes, the City will execute an Undertaking to Provide Notices of Events, in substantially the form attached hereto as Appendix E.

Prior Disclosure History

Certain undertakings delivered by the City at the time of issuance of prior bonds require that the City file its annual financial statements and other information no later than 180 days following the end of each fiscal year on the Electronic Municipal Market Access (EMMA) system of the Municipal Securities Rulemaking Board (MSRB). The City filed its financial statements through EMMA for the fiscal years 2020, 2021, 2022, 2023 and 2024 on December 27, 2020, December 23, 2021, December 27, 2022, December 27, 2023, and December 26, 2024 respectively. City management expects that all future filings will be made in a timely manner prior to the 180th day following the end of each fiscal year.

Certain municipal bond insurance companies have had a variety of ratings changes over the past five years. The City filed event notices for these changes on EMMA on July 14, 2020, February 28, 2022, and March 29, 2022.

RATINGS

S&P has assigned the outstanding uninsured bonded debt of the City a rating of “AA-” Stable Outlook, and a “SP-1+” on the Notes.

Moody’s has assigned the outstanding uninsured bonded debt of the City a rating of “A1” Stable Outlook.

These ratings reflect only the view of the rating agency furnishing the same, and an explanation of the significance of each of these ratings may be obtained only from the respective rating agency. There is no assurance that any of these ratings will be maintained for any given period of time or will not be raised, lowered or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of any of these ratings may have an adverse effect on the market price of the Notes.

INCORPORATION OF FINANCIAL STATEMENTS

Included in this Official Statement, and made a part hereof, are the audited financial statements of the City for the fiscal year end June 30, 2024, together with the opinion thereon rendered by EFPR Group LLP, Rochester, New York, independent auditors for the City and Drescher & Malecki LLP, Buffalo, New York, independent auditors for the School District.

EFPR Group LLP has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. EFPR Group LLP, also has not performed any procedures relating to this Official Statement.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Orchard Park, New York, (the “Municipal Advisor”) is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the City in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a

public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the City. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

CYBERSECURITY

The City, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the City faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the City invests in various forms of cyber security and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage City digital networks and systems and the costs of remedying any such damage could be substantial.

On January 8, 2024, the District became aware of a nation-wide data breach concerning one of the District's vendors, PowerSchool, whereby certain personally identifying data pertaining to students and teachers was compromised. As the data breach was not a result of any action on the part of the District, in accordance with District's Data Privacy Agreement and New York State law, PowerSchool is responsible for all costs that may be related to this data breach. As of this date, there is no anticipated future financial impact to the District associated with this incident.

SEC COMPLAINT

In late September 2019, the Rochester City School District announced that it had incurred a FY 2018-2019 (ending June 30, 2019) operating loss of approximately \$42,000,000, which was significantly higher than budgeted. The City of Rochester promptly filed a voluntary notice on EMMA on October 3, 2019. On November 26, 2019, the City of Rochester was subpoenaed by the U.S. Securities and Exchange Commission (the "SEC") for certain documents and materials relating to certain public disclosures made by officials of the School District regarding, among other matters, the \$50,000,000 Revenue Anticipation Note (School Purpose) (the "RAN") issued by the City on August 7, 2019, the proceeds of which were loaned to the School District for operational purposes. The RAN matured on May 29, 2020 and was paid in full and on time.

On June 14, 2022, the SEC filed a civil complaint in the U.S. District Court for the Western District of New York against the School District's former chief financial officer, Everton Sewell, alleging that he knowingly or recklessly made material misrepresentations and omissions regarding the School District's FY 2018-2019 finances to Moody's Investors Service. A consent judgment was entered against Everton Sewell on June 21, 2022, in which Mr. Sewell was enjoined from participating in any issuance, purchase, offer or sale of municipal bonds; was enjoined from violating federal securities laws; and was ordered to pay a civil penalty of \$25,000. The SEC simultaneously filed a civil complaint against the City, the City's former Director of Finance, Rosiland Brooks-Harris, the City's municipal advisor, Capital Markets Advisors, LLC ("CMA"), and two of CMA's principals, Richard Ganci and Richard Tortora. In the complaint, the SEC alleged violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 for knowingly or recklessly employing a scheme to defraud, obtaining money by means of material misstatements and omissions, and aiding and abetting such alleged violations. In addition, the SEC alleged in the complaint that CMA, Ganci and Tortora violated MSRB rules and breached their fiduciary duties under federal securities laws by failing to disclose to their clients, including the City of Rochester, material conflicts of interest arising from its compensation arrangements that were contingent on the size and/or closing of clients' debt offerings. In the complaint, the SEC requested various forms of relief, including, without limitation, an unspecified monetary penalty and injunctive relief, as well as disgorgement by CMA. The City and the SEC agreed to resolve the claims against the City and Ms. Brooks-Harris, and on October 16, 2024, a consent judgment was entered against these defendants, which enjoined Ms. Brooks-Harris from participating in any issuance, purchase, offer or sale of municipal bonds and enjoined both the City and Ms. Brooks-Harris from violating federal securities laws. The consent judgment against the City defendants did not include any civil penalty or any further monitoring or oversight by the SEC. Regarding the complaints against CMA, the SEC has dismissed with prejudice all charges against the firm that related to the revenue anticipation note issued by the City back in August 2019. The dismissal with prejudice was endorsed on December 26, 2024 by U.S. District Judge Elizabeth A. Wolford. On the conflict of interest claims, without admitting or denying the allegations, CMA agreed to pay a fine concerning the SEC's charges. All of these matters are now closed.

ADDITIONAL INFORMATION

The City will provide annual financial statements and other pertinent credit information, including the annual comprehensive financial report, if one is prepared, upon request. Any such request should be addressed to Kim D. Jones, Director of Finance, Finance Department, City of Rochester, City Hall, 30 Church Street, Room 109A, Rochester, New York 14614 (telephone 585-428-7151).

MISCELLANEOUS

Additional copies of this Official Statement may be obtained upon request from the City's Municipal Advisor, Capital Markets Advisors, LLC at (716) 662-3910.

Any statements made in this Official Statement and indicated to involve matters of opinion or estimates are represented to be opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

This Official Statement is submitted only in connection with the sale of the Notes by the City and may not be reproduced or used in whole or in part for any other purpose.

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the City management's beliefs as well as assumptions made by, and information available to, the City management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the City files with EMMA. When used in City documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the City will express no opinions as to the accuracy or completeness of the information in any documents prepared by or on behalf of the City for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

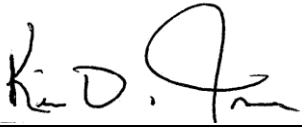
References herein to the Constitution of the State and various State and Federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the City will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the City.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the City nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the City disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the City also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

This Official Statement has been duly executed and delivered by the Director of Finance of the City and has been authorized to be distributed by the City to prospective purchasers of the Notes.

CITY OF ROCHESTER, NEW YORK

By  _____
Kim D. Jones
Director of Finance

Date: July 8, 2025

APPENDIX A

THE CITY

General Information

The City, located in Monroe County on Lake Ontario, approximately midway between Buffalo and Syracuse, encompasses approximately 37 square miles. The City was recorded as the fourth largest city in New York State by the 2020 census updates with a population currently estimated at 211,328 as of April 1, 2020. It is divided into 64,755 real estate parcels and serviced by 531 miles of public ways. The City is served by three intercity bus lines, the New York State Thruway, and nine major airlines at the Frederick Douglass Greater Rochester International Airport. This airport also offers support facilities for private aircraft. Rail passenger service is provided by Amtrak, and railway freight service is provided by CSX and Genesee & Wyoming, Inc., a regional railroad. Water transportation service is provided by the Erie Canal and through the Port of Rochester.

The City serves a nine-county region as its recreational, commercial, educational, health and cultural center with resources like the University of Rochester, home to a well-known Medical Center, the Eastman Dental Center, the Eastman School of Music, and the Institute of Optics/New York State Center for Advanced Optical Technology, four hospitals, two of which are research hospitals, 11 public libraries, seven museums, including the International Museum of Photography at George Eastman House, theaters, and an extensive parks and recreation system.

Form of Government

Incorporated as a village in 1817 and as a city in 1834, the City is governed by a Mayor, who is directly elected by popular vote to a four-year term of office. As the chief executive officer and the administrative head of government, the Mayor is responsible for the administration of all City affairs, including the appointment of all department heads.

The nine-member City Council is responsible for the legislative affairs of City government. Each Council member is elected to a four-year term; four by districts representing approximately one-quarter of the City's area, and five by a city-wide vote. The members of the City Council elect a President, who presides at Council meetings and ceremonial occasions, and who provides the Council with leadership in the drafting and passing of legislation.

Related Entities

Rochester City School District (the "District" or "School District"). A separately elected Board of Education governs the operations of the public schools in the City. However the District is financially dependent on the City and has no independent power to contract bonded indebtedness or to levy taxes. The City Charter determines how to allocate revenues and debt-incurring power between the City and the District.

Rochester Joint Schools Construction Board (the "RJSCB"). The RJSCB was created through the City of Rochester and the Board of Education of the City School District of the City of Rochester School Facilities Modernization Program Act (the "Act") authorized by the State of New York through Chapter 416 of the Laws of 2007 of the State of New York, as amended by Chapter 533 of the Laws of 2014, and through an agreement (the "Memorandum of Understanding") dated February 2010, as amended, by and between the City and the School District. Pursuant to the Act, the RJSCB has undertaken thirteen projects consisting of the design, reconstruction, or rehabilitation of existing school buildings for their continued use as schools by the School District (collectively, the "Phase I Projects") for a total cost not to exceed \$325 million.

On June 20, 2012, the County of Monroe Industrial Development Agency ("COMIDA") issued \$124,100,000 in bonds on behalf of the RJSCB to pay for Phase IA construction costs and certain preliminary planning, program and design work for Phases IB and IC.

On June 6, 2013, the COMIDA issued \$103,055,000 in bonds on behalf of the RJSCB to pay for Phase IB construction costs and certain planning, program and design work for Phase IC.

On February 5, 2015, COMIDA issued \$44,225,000 in bonds to complete funding for Phase I construction expenses.

On June 16, 2014, State legislation was passed that authorized Phase II of the School District's facilities modernization program ("FMP"). This legislation allows for the expenditure of up to \$435 million for the reconstruction of up to 26 schools in the School District. It also amended the governance structure of the program to make it more accountable and transparent. On December 17, 2014, Governor Cuomo signed this legislation. State legislation was passed related to relief from the traditional Maximum Cost Allowance formula used by the New York State Department of Education to calculate the aid reimbursement that the District would be eligible to receive. The legislation authorized two multi-year cost allowances in a five-year period for eight projects for the computation of building aid and in consideration of this authorization, additional multi-year cost allowances cannot be reset for the affected buildings for a period of ten years after establishment of the first maximum cost allowance authorized by the Legislation. This bill was signed by Governor Cuomo on July 5, 2016 as part of Chapter 92 of the Laws of 2016.

In August 1, 2017, the COMIDA on behalf of the RJSCB issued bonds in the amount of \$123,670,000 to redeem bond anticipation notes maturing on August 4, 2017 and to provide ongoing finances for Phase II expenses.

On August 1, 2018, the COMIDA on behalf of the RJSCB issued the second series of bonds in the amount of \$197,295,000 to provide ongoing finances for Phase II expenses.

On May 28, 2020, the COMIDA on behalf of the RJSCB issued the third and final series of bonds in the amount of \$44,685,000 to provide ongoing finances for Phase II expenses.

On June 1, 2021, State legislation was passed that amended the Act to authorize Phase III of the FMP. This legislation allows for the expenditure of up to \$475 million for the reconstruction of up to 12 schools in the School District. The legislation also provides for two multi-year cost allowances in a five-year period for no more than six projects for the computation of building aid and in consideration of this authorization, additional multi-year cost allowances cannot be reset for the affected buildings for a period of ten years after the first maximum cost allowance authorized by the legislation. This bill was signed by Governor Hochul on November 15, 2021.

Rochester Land Bank Corporation (the "Land Bank"). The Land Bank is a not-for-profit corporation and local authority created by the City Council in Ordinance Number 2012-416 and approved by the New York State Urban Development Corporation pursuant to the State Land Bank Act in Chapter 257 of the Laws of 2011 (the "Act"). The purpose of the Land Bank is to acquire, hold and dispose of real property that is vacant, abandoned or underutilized in a manner that returns such properties to productive use consistent with community redevelopment plans and initiatives. Since January 1, 2011, the Land Bank has received \$7.90 million in awards from the State Attorney General's Community Revitalization Initiative to acquire, rehabilitate, and resell distressed, vacant residential properties as quality affordable homes to first-time homebuyers. Additionally, the RLBC received \$2.4 million of ARPA funds for its acquisition and rehabilitation program.

Five of the Land Bank's seven board members are *ex officio* members who occupy certain budget, development, housing, and legislative staff positions with the City of Rochester. The two remaining members are appointed, one by the Mayor and the other by the City Council. The City is not obligated to support or finance the Land Bank other than by any voluntary commitment that it makes to advance the City's economic development programs and policies. Under a shared services agreement entered into pursuant to the Act (NYS Not-for-Profit Law §1607(a)(8)), the City is providing to the Land Bank staffing, property inspection and appraisal, financial/audit, and IT support, as well as insurance coverage and office space.

Employee Retirement Systems

The City participates in the New York State and Local Employees' Retirement System ("ERS"), and the New York State and Local Police and Fire Retirement System ("PFRS"). The School District also participates in the New York State and Local Employees' Retirement System and the New York State and Local Teachers' Retirement System ("TRS"). These are cost sharing multiple public employer retirement systems ("Systems"). The New York State Retirement and Social Security Laws govern obligations of employers and employees. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five or ten years of credited service depending upon Tier membership.

As of April 9, 2022, Tier V and VI members only need five years of service credit to be vested. This affects members of both ERS and PFRS. Previously, Tier V and VI members needed 10 years of service to be eligible for a service retirement benefit.

All participating employers in each System are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time, temporary and provisional employees, participate in the Systems. The Systems are contributory except for employees who joined the ERS before July 27, 1976. The contribution rate for ERS Tier III, IV, and V employees is 3% of salary. Tier III and Tier IV employees contribute only during the first 10 years of service. The contribution rate for ERS and PFRS Tier VI employees which started April 1, 2012, is between 3% and 6%, dependent upon their salary for their entire working career.

As of July 1, 2013, new employees making a minimum salary of \$75,000 and are unrepresented (not associated with a union), and not already vested in the NYS Retirement System have the option of joining the Voluntary Defined Contribution Plan (VDC) maintained through TIAA-CREF. Employees' contributions are based on the following, \$75,000 = 4.5%, \$75,000.01 to \$100,000 = 5.75% and greater than \$100,000 = 6%. All amounts are subject to the 415 limit set by law each year. The City's contribution is 8% of the employees' annual wages. Employee contributions are deducted by the City from the employees' paychecks and are sent currently to the Retirement System.

For the City's fiscal year ending June 30, 2024, \$112,630,000 represented payroll costs for employees covered by ERS, \$150,903,000 by PFRS. All full-time police officers and firefighters are mandatory members.

For the School District's for the fiscal year ending June 30, 2024, \$ 289,243,686 represented payroll costs for employees covered by TRS, \$ 87,040,492 by ERS. All full-time teachers are mandatory members.

Contributions payable to ERS and PFRS are billed on the basis of salaries paid during the Systems' fiscal year ending March 31 and are made in accordance with funding requirements determined by the actuaries of the Systems.

Payments to the TRS, which are made in accordance with funding requirements determined by its actuary, are deducted from State Aid payments to the School District. The contributions for salaries paid for the fiscal year ended June 30, 2024, were made in three monthly installments starting in September 2024.

The City made its full required contributions to the Retirement Systems over the past three audited fiscal years, as follows (000's omitted):

Fiscal Year	ERS	PFRS	Total
<u>Ending June 30</u>	<u>Contribution</u>	<u>Contribution</u>	<u>Contributions</u>
2024	\$12,895	\$35,682	\$48,577
2023	13,583	34,159	47,742
2022	14,721	35,538	50,259

The School District made its full required contributions to the Retirement Systems over the past three audited fiscal years, see Notes to the Financial Statements number IV section D within the City's Annual Comprehensive Financial Report.

Required School District contributions to the ERS and TRS pension systems are paid in full on an annual basis. While the School District elected to participate in the Pension Contribution Stabilization Programs under the Chapter 57 Laws of 2010, it opted out of the ERS program in 2015-16 and the TRS program in 2016-17 and has since repaid in full any deferred obligations.

Other Post-Employment Benefits (OPEB)

The City and the School District provide post-retirement healthcare benefits to former employees. In addition, the City is required to pay the difference in pay between a disabled firefighter's pension payment and the current salary for a firefighter until the retiree reaches the age of 70. These benefits are both funded on a pay as you go basis. Under the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions" (GASB 75), the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or "earned"), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability ("UAAL") under GASB Statement No. 45.

The City has contracted with an actuary to perform the actuarial calculation. The City's total actuarial accrued liability as of June 30, 2024 was determined to be \$1,078,889,385. The District had an actuarial evaluation

performed in accordance with GASB 75 that disclosed an accrued OPEB liability of \$930,575,854 as of June 30, 2024. There is no current requirement to fund the future OPEB obligation.

Actuarial valuations will be required every two years since both the City and the School District have OPEB plans with more than 200 members. Should the City and the School District be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the City’s and the School District’s finances and could force the City and the School District to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the City and the School District to partially fund their actuarial accrued OPEB liability.

Employees

The City provides services through approximately 3,388 employees, who are represented by various unions, some of which are represented by the following collective bargaining organizations:

<u>Collective Bargaining Unit</u>	<u># of Employees</u>	<u>Contract Expiration Date</u>
AFSCME Local 1635 Full-Time	1,031	6/30/27
AFSCME Local 1635 Part-Time	69	6/30/27
Police Locust Club, Inc.	605	6/30/28
International Association of Firefighters, Local 1071 Uniformed	483	6/30/26
International Association of Firefighters, Local 1071 Non-Uniformed	7	6/30/27
International Union of Operating Engineers, Local 832-S	9	6/30/28
CSEA, Local 828, Public Library Part-Time Employees	124	6/30/27

FINANCIAL FACTORS

Budgetary Procedure

City expenditures during each fiscal year are made pursuant to budgets for the City and the School District. Although the School District prepares its own budget and administers expenditures thereunder, it has neither taxing nor bonding authority. The School District is financially dependent upon the City with respect to those matters. The Mayor and the School District Board of Education submit their respective budgets to the City Council for adoption after public hearings. The Council has the power to alter items included in the proposed City budgets, with the exception of estimates of revenues, expenditures for indebtedness, the payment of judgments submitted by the Mayor, and fixed charges for which the City is liable in the budget submitted by the Board of Education. The City Charter requires the Council to levy taxes in an amount sufficient to balance both budgets.

New York State “Maintenance of Effort” legislation requires that the City make a minimum contribution to the School District based on the funds provided in the most recent fiscal year. The City has agreed to provide or pay on behalf of the School District a total of \$119.1 million in the fiscal year ending June 30, 2025. Operating expenditures may not exceed appropriations during the fiscal year. The Council may, however, authorize additional appropriations during the year, which may be financed by issuance of budget notes (subject to certain legal limitations), or upon recommendations by the Mayor, unappropriated surplus or unanticipated revenues.

The 2025-26 budgets of the City and School District, approved by City Council on June 17, 2025, appropriated \$680,455,000 for City purposes and \$1,117,571,955 for School District purposes. The City has labor agreements with seven of its seven bargaining units. The 2025-26 costs of all settled contracts, adjustments and pending agreements are included within the 2025-26 City budget appropriation. The School District has labor agreements with four of its five bargaining units. The 2025-26 costs of all School District settled contracts were included within the 2025-26 School District appropriation.

Cash Management

The following table presents the cash and working capital position of the City's governmental activities as of June 30 of each audited fiscal year.

TABLE 1
Cash and Working Capital

	(000's omitted)				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 184,109	\$ 350,351	\$ 468,542	\$ 362,102	\$ 293,601
Total Assets	1,147,422	1,284,327	1,428,949	1,336,363	1,284,272
Total Liabilities	2,054,967	2,136,236	1,640,084	1,731,487	1,603,481
Ratio of Assets to Liabilities	0.56	0.60	0.87	0.77	0.80

Source: Audited Financial Statements.

Revenues

The City derives a portion of its general fund revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein). Real property taxes accounted for 28.2% of total general fund revenues for the fiscal year ended June 30, 2024, while sales taxes accounted for 33.2% and State aid accounted for 16.5%

Real Property Tax. The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years.

TABLE 2
Property Taxes
(General Fund)
000's omitted

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2020	\$476,993	\$155,683	32.6%
2021	533,833	165,852	31.1%
2022	544,443	167,899	30.8%
2023	574,836	166,812	29.0%
2024	591,112	166,484	28.2%

Source: Audited Financial Statements

Sales Taxes. Section 1210 of the New York Tax law authorizes the County to levy a sales and compensatory use tax of up to 4% in addition to the 4% tax levied by the State. Such sales tax collections in the State are administered by the State Tax Commissioner and the proceeds are paid to the County every month. Under the current sales tax distribution formula, by agreement with the County, the City receives approximately 31.0% of total County collections.

The following table sets forth total general fund revenues and sales tax revenues received during the last five audited fiscal years.

TABLE 3
Sales Taxes
(General Fund)
000's omitted

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Sales Taxes</u>	<u>Sales Taxes to Revenues</u>
2020	\$476,993	\$159,852	33.5%
2021	533,833	172,917	32.4%
2022	544,443	192,530	35.4%
2023	574,836	195,460	34.0%
2024	591,112	195,974	33.2%

Source: Audited Financial Statements

State Aid

The City receives financial assistance from the State. In the fiscal year ending June 30, 2024, 16.5% of the revenues of the City were received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the City, in this year or future years, the City may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, or if the State should experience other financial difficulties, municipalities and school districts in the State, including the City, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the City. No assurance can be given that present aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have an adverse effect upon the City, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "Market Factors").

The following table sets forth total general fund revenues and State aid during the last five audited fiscal years.

TABLE 4

State Aid

(General Fund)
000's omitted

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2020	\$476,993	\$81,339	17.1%
2021	533,833	115,894	21.7%
2022	544,443	99,065	18.2%
2023	574,836	98,904	17.2%
2024	591,112	97,774	16.5%

Source: Audited Financial Statements.

New York State Comptroller's Audit and Review

The financial affairs of the City and the Rochester City School District (the "District") are subject to periodic compliance reviews by the Office of the New York State Comptroller ("OSC") to ascertain whether the City and the District have complied with the requirements of various State and federal statutes. The OSC has not conducted an audit of the City in the last five years. The City formally requested OSC to conduct a special investigation of District finances to ascertain the facts and circumstances surrounding the District's September 20, 2019 announcement that it had incurred a "significantly higher than expected" operating loss for the 2018–2019 District Fiscal Year.

OSC's preliminary report was released on January 23, 2020. OSC's review found that due to several inaccurate estimates, the District was on track to incur a 2019-20 budgetary deficit of approximately \$31.6 million, even accounting for the cost-savings and avoidance measures, including personnel layoffs, that had been implemented by the Superintendent and Board of Education (the "Board"). In addition, the District had no available unrestricted fund balance to mitigate the budgetary deficit and reported a deficit unrestricted general fund balance of \$8.9 million at June 30, 2019. OSC believed the District would not have sufficient resources to meet its financial obligations by the end of its fiscal year ending June 30, 2020.

In light of the OSC review, the District's superintendent and staff have been in on-going discussion with NYS Division of Budget and NYS Education Department regarding the terms and conditions that would be required for additional state financial support.

The link to the most recent OSC preliminary report is as follows:

<https://osc.state.ny.us/localgov/audits/schools/2020/rochester-br-20-2-1.pdf>

The OSC conducted another review of the District to determine whether the Board's 2018-19 adopted budget was realistic and structurally balanced based on historical or known trends. The report was released on April 21, 2020. OSC's review found that the Board and District officials neglected to use accurate estimates of

appropriations to balance the 2018-19 budget, which contributed to an unplanned operating deficit, the Board failed to adopt a structurally balanced budget and did not follow its fund balance policy when it appropriated fund balance to finance the 2018-19 budget, and the District lacked a comprehensive multiyear financial plan. OSC recommended that the District include realistic estimates of revenues and appropriations based on historical trends or other known factors, comply with the Board's fund balance policy and include a plan to eliminate the fund balance deficit and restore and maintain minimum thresholds, and contain comprehensive multiyear financial plans with goals and objectives for funding long-term operating needs. The District generally agreed with the finding and has initiated corrective action.

The link to the OSC report is as follows:

<https://www.osc.state.ny.us/localgov/audits/schools/2020/rochester-2020-44.pdf>

Pursuant to Chapter 56 of the Laws of 2020, the Commissioner of the State Education Department must appoint one monitor for both academic and fiscal issues of the District. In May of 2020, the State Education Department appointed Dr. Shelley Jallow as State Monitor for the District to provide oversight, guidance and technical assistance related to the educational and fiscal policies, practices, programs and decisions of District.

On June 5, 2020, the OSC conducted a review to provide an independent evaluation of the District's proposed budget for the 2020-21 fiscal year. The OSC commended the Superintendent and Board for the actions they have taken to improve the accuracy of budget projections in the 2020-21 budget and restore the District's overall financial condition, especially in light of the challenges caused by unexpected revenue reductions due to the economic fallout resulting from the COVID-19 pandemic. OSC's review found revenue projections to be substantially accurate, appropriations for charter school tuition were underbudgeted by approximately \$1.5 million and salary and substitute costs will have to be closely monitored, and the budget remained structurally imbalanced because District officials were relying on City Council to approve a waiver to the City charter for the use of \$10 million for operating expenditures rather than capital purposes.

The link to the OSC report is as follows:

<https://www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-06/rochester-br-20-2-5.pdf>

In November, 2020, the District successfully balanced the 2020-2021 fiscal year budget by reducing expenditures in the amount of \$18.9 million. All budgets for the fiscal years 2021-2022 through 2025-2026 have been balanced.

At the conclusion of Dr. Shelley Jallow's three-year contract, the Commissioner of the State Education Department announced that Mr. Jaime Alicea would replace Dr. Shelley Jallow as State Monitor for the District effective July 1, 2023. Mr. Jaime Alicea will serve as State Monitor for the District through June 30, 2027, which is the date upon which the provisions of Chapter 56 pertaining to the State Monitor for the District expire.

Investment Policy

Pursuant to the provisions of the General Municipal Law, the City adopted in October 1993, and subsequently updated and adopted in November 2015, a comprehensive investment policy (the "Policy") regarding, among other things, the investment of the City's funds. The Policy applies to all City money and other financial resources available for investment. The primary objectives of the City's Policy are to (i) conform with all applicable legal requirements; (ii) adequately safeguard the principal amount of invested and deposited funds; (iii) provide sufficient liquidity of invested funds to meet all operating requirements; and (iv) obtain a rate of return commensurate with market conditions.

The Policy requires that all participants in the investment process act responsibly as custodians of the public trust and avoid any transaction that might impair public confidence in the City's ability to govern effectively. The Policy also requires that investments should be made with judgment and care, not be for speculation, and give consideration to the safety of the principal and the probable income derived from the investment. Whenever possible, the Policy requires the City to diversify its deposits and investments among financial institutions by investment instrument and maturity.

The City complies with the provisions of the General Municipal Law with respect to the kinds of investment obligations it may acquire (see Note G.1. of the City's Basic Financial Statements). All investment obligations must be payable or redeemable at the option of the City within such times as the proceeds will be needed to meet expenditures. The City has not entered into reverse repurchase agreements nor have derivative obligations been purchased by or pledged to the City.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and other risks. The City has been fully self-insured for all workers’ compensation and general liability risks for over thirty years. Settled claims have not exceeded established reserves. Workers’ compensation claims are funded from a liability reserve in the General Fund, Special Revenue, and Enterprise Funds. General liability and property liability claims are funded from contributions made to a Claims Settlement Internal Service Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. (Settlements have not exceeded established reserves for the past three years. At June 30, 2024, the amount of these liabilities was \$42,513,000.)

The School District maintains third-party insurance on vehicles, boilers and machines, stop loss for major medical benefits. Also, the School District carries a general liability policy with a self-insured retention of \$500,000 and a \$10,000,000 limit for each occurrence and \$10,000,000 limit for general aggregate.

TAX INFORMATION

Valuations and Tax Data

TABLE 5
Assessed and Full Valuations
(Based on Special Equalization Ratios)

FYE June 30:	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessed Valuation	\$7,550,440,766	\$7,620,747,531	\$7,659,391,245	\$11,744,560,220	\$11,842,645,347
Special Equalization Rate	89.50%	80.79%	63.48%	91.99%	87.01%
Full Valuation	\$8,436,246,666	\$9,432,785,655	\$12,065,833,719	\$12,767,214,067	\$13,610,671,586
Property Tax Levy	\$187,637,400	\$187,637,400	\$187,637,400	\$187,637,400	\$187,637,400
Tax Rate per \$1,000					
Homestead: ⁽¹⁾					
City	\$6.271	\$6.227	\$6.518	\$4.057	\$4.127
School	<u>10.894</u>	<u>10.818</u>	<u>11.323</u>	<u>7.048</u>	<u>7.169</u>
Homestead Total:	\$17.165	\$17.045	\$17.841	\$11.105	\$11.296
Non-Homestead: ⁽¹⁾					
City	\$13.334	\$13.176	\$12.541	\$ 9.040	\$ 8.717
School	<u>23.170</u>	<u>22.897</u>	<u>21.793</u>	<u>15.710</u>	<u>15.148</u>
Non-Homestead Total:	\$36.504	\$36.073	\$34.334	\$24.750	\$23.865

The City partitions the assessment roll, and taxes properties based on Homestead and Non-Homestead classification. In accordance with Article 19 of the New York State Real Property Tax Law, the tax levy is apportioned between the Homestead and Non-homestead classes based on the relative taxable value of the two classes.

⁽¹⁾A City-wide reassessment was completed in Fiscal year 2023-24 for the Fiscal year 2024-25 tax year.

Source: City Assessor

TABLE 6
Tax Collection Record

Fiscal Year Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Property Tax Levy ⁽¹⁾	\$234,290,565	\$234,135,900	\$235,517,466	\$236,251,602	\$240,308,116
Tax Balances as of June 30:	14,241,728	13,508,144	14,023,619	13,926,882	N/A
Percent (%) Collected	93.94%	94.19%	94.03%	93.9%	N/A

(1) Items include ad valorem taxes, residential refuse charges, local works charges, local improvements, property rehabilitation charges, municipal code fines, special assessment district charges, delinquent water charges, and supplemental and omitted taxes.

Source: City Treasurer

Tax Collection Procedure

Taxes are levied on July 1st, on which date they become liens on real property, and are due and payable on July 31st, or at the option of the taxpayer in quarterly installments due on July 31st, September 30th, January 31st, and March 31st. Payments made after the due dates indicated on the tax installment stubs are subject to an interest rate of 1.0% per month, or 12% annually, for all taxes levied on or after July 1, 2012. Delinquent taxes levied on or before July 1, 2011 are subject to an interest rate of 1.5% per month, or 18% annually. After one year of tax arrears, the City has the right to foreclose on the property.

Largest Taxpayers

The following table lists the taxable value of the ten largest taxpayers within the City as of July 1, 2025.

TABLE 7
Largest Taxpayers in the City

<u>Property Owner</u>	<u>Fiscal Year</u> <u>2025-26</u>
Rochester Gas and Electric Corporation	\$1,661,693,475
Buckingham Properties	87,428,325
Frontier Telephone Corporation	69,312,972
CSX	52,169,389
Eastman Kodak Company	50,311,250
Maison Properties Inc	29,211,700
Downing Rochester	21,839,447
ESL Federal Credit Union	20,572,900
Clinton Asset Holding	19,800,000
Maguire Family Properties	19,305,754

Source: City Assessor

Certain Limitations on Taxing Power

The New York State Constitution restricts the annual real property tax levy for operating expenses to two percent of the five-year average full value of taxable City property. This limitation does not apply to taxes for debt service on the Notes, subject only to the limitations imposed by the Tax Levy Limit Law enacted in 2011. (See “Tax Levy Limit Law” herein).

Constitutional Real Property Tax Limit

TABLE 8
Computation of Real Estate Tax Levying Limitation for Fiscal Year 2025-26 ⁽¹⁾

Five Year Average Full Valuation		\$11,262,550,339
Two Per Centum of Five Year Average Full Valuation		\$225,251,007
Exclusion Added Thereto:		
School bonds and notes, principal and interest	\$19,671,545	
Water bonds and notes, principal and interest	9,084,800	
Appropriation for bonded indebtedness	32,447,500	
Appropriation for objects or purpose pursuant to Section 11 of the Local Finance Law	<u>30,782,029</u>	<u>91,985,874</u>
		317,236,881
Less: Revenue Applied to Debt		<u>7,902,900</u>
Maximum Taxing Power		309,333,981
Total Tax Levy*		<u>187,662,400</u>
Constitutional Tax Levy Margin		<u>\$121,671,581</u>

(1) The City’s fiscal year is July 1 through June 30.

*Includes \$25,000 for High Falls Business Improvement District

Source: Finance Director’s Office

Tax Levy Limit Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limit Law”). The Tax Levy Limit Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Buffalo and the Rochester CSD). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

Prior to the enactment of the Tax Levy Limit Law all the taxable real property within the City had been subject to the levy of ad valorem taxes to pay the bonds and notes of the City and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax Levy Limit upon the City for any fiscal year commencing after January 1, 2012, without providing an exclusion for debt service on obligations issued by the City. As a result, the power of the City to cause the levy of real estate taxes on all the taxable real property within the City for City purposes, including the payment of the principal of and interest on the Notes, is subject to the statutory limitations imposed by the Tax Levy Limit Law. Such statutory limitations do not apply to the City’s power to increase its annual tax levy for Rochester CSD purposes.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the City, subject to certain exceptions. The Tax Levy Limit Law permits the City to increase its overall real property tax levy over the tax levy of the prior year by no more than the “Allowable Levy Growth Factor”, which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The City is required to calculate its tax levy limit for the upcoming year in accordance with the provisions above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax Levy Limit of the City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by City. The City Council can adopt a resolution, approved by a vote of sixty percent of the total voting power of the City Council, to override the tax levy limit for a given year.

There can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating applicable law (i) for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) by limiting the pledge of its faith and credit by a City for the payment of debt service on obligations issued by such City because the Tax Levy Limit Law does not contain an exception from the Levy Limit for the payment of debt service on either outstanding general obligation bonds or notes of the City or such indebtedness incurred after the effective date of the Tax Levy Limit Law.

It is possible that the Tax Levy Limit Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

CITY INDEBTEDNESS

Constitutional Requirements

The State Constitution limits the power of the City (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the City and the Notes.

Purpose and Pledge. The City shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The City may contract indebtedness only for a City purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or, in the alternative, the weighted average period of probable usefulness of the several projects or purposes for which such debt was contracted. No annual principal installment may be more than fifty per centum in excess of the smallest prior installment unless the City determines to issue a particular debt obligation amortizing on the basis of substantially level or declining annual debt service. The City is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General. The City is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the City so as to prevent abuses in the exercise of such powers; however, as has been noted under "Payment of and Security for the Notes", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the City to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. (See "Tax Levy Limit Law" herein).

Debt Limit. Title 8 of Article 2 of the Local Finance Law contains statutory limitations on the power to contract indebtedness. Section 104.00 limits, in accordance with Article VIII, Section 4 of the Constitution, the ability to contract indebtedness by the City to nine percent of the five-year average full valuation of taxable real property in the City and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and appropriations for current debt service.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the power and procedure for the City to borrow and incur indebtedness subject, of course, to the constitutional and statutory provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the General City Law, the City Charter and the General Municipal Law.

Pursuant to the Local Finance Law, the City Charter and the General Municipal Law, the City authorizes the issuance of bonds by the adoption of a bond ordinance, approved by at least two-thirds of the members of the City Council, the finance board of the City. Customarily, the City Council has delegated to the Director of Finance, as chief fiscal officer of the City, the power to authorize and sell bonds and bond anticipation notes in anticipation of authorized bonds. The Local Finance Law also provides that where a bond ordinance is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

1. Such obligations are authorized for a purpose for which the City is not authorized to expend money, or
2. There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations; and an action, suit, or proceeding contesting such validity, is commenced within twenty days after the date of such publication, or
3. Such obligations are authorized in violation of the provisions of the State Constitution.

Except on rare occasions, the City complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond ordinance usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such bonds outstanding, commencing no later than two years from the date of the first of such bonds and provided that such renewals do not extend five years beyond the original date of borrowing. On August 24, 2020, Governor Cuomo signed into law legislation to allow the renewal of bond anticipation notes originally issued during the calendar years 2015 through 2021 to extend up to seven years after the original date of issuance.

In general, the Local Finance Law contains provisions providing the City with power to issue certain other short-term general obligation indebtedness, including budget notes, capital notes and tax and revenue anticipation notes.

Remedies Upon Default

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the City default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. Each Note is a general obligation contract between the City and the owners for which the faith and credit of the City are pledged and while remedies for enforcement of payment are not expressly included in the City's contract with such owners, any permanent repeal by statute or constitutional amendment of a bond or note holder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the City. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such Notes from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the City and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Note, the owner of such Note could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the City to assess, levy and collect an *ad valorem* tax, upon all taxable property of the City subject to taxation by the City, sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be

impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds or notes of the City, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

Pursuant to Article VIII, Section 2 of the State Constitution, the City is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of holders of bonds or notes, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No principal of or interest payment on City indebtedness is past due. The City has never defaulted in the payment of the principal of and interest on any indebtedness.

Debt Contracting Margin

The following table sets forth the debt limit of the City, showing its debt contracting margin.

TABLE 9
Computation of City Debt Limit

	Computation of Debt Limit as of <u>July 8, 2025</u>		
Indebtedness			
Serial Bonds	\$163,085,000	(1)	
Bond Anticipation Notes	161,112,000	(1)	
Revenue Anticipation Note	<u>0</u>	(1)	
			\$324,197,000
Deductions and exclusions			
Water bonds and notes	54,900,109	(2)	
Sanitary sewer bonds and notes	0	(3)	
Appropriations	41,189,732	(4)	
Cash and investments	<u>1,320,887</u>	(5)	
			<u>97,410,729</u>
Net Indebtedness			226,786,271
Debt limit (9% of five-year average full valuation)			<u>1,013,629,531</u>
Debt contracting margin			<u>\$786,843,259</u>
% of Debt Limit Exhausted			<u>22.37%</u>

- (1) Represents all Municipal bond and note debt of the City. Includes water and sewer debt listed above under "Deductions and Exclusions".
- (2) Excluded pursuant to Section 136.00 of Local Finance Law.
- (3) Excluded pursuant to Section 124.10 of the Local Finance Law by order of the State Comptroller dated February 13, 1996.
- (4) Represents outstanding indebtedness not otherwise excluded to the extent current budgetary appropriations, not yet realized as cash, may be applied to pay such indebtedness. Excluded pursuant to Section 136.00 of the Local Finance Law.
- (5) Represents cash on hand to pay principal of outstanding indebtedness not otherwise excluded, and investment of such cash at market value pursuant to Section 136.00 of the Local Finance Law. Amount represents funds received from federal and/or state grants for projects for which have outstanding bonds and/or notes after completion of projects for which there is outstanding debt remaining.

Source: Finance Director's Office

Table of Indebtedness

The following table sets forth the amount of short-term and long-term indebtedness as of July 8, 2025, and pro-forma on July 31, 2025 after giving effect to the issuance of the Notes on July 30, 2025 and the payment of the bond anticipation notes on July 31, 2025.

TABLE 10
Table of Indebtedness

	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>As of</u> <u>07/8/2025</u>	<u>Pro Forma</u> <u>As of</u> <u>07/31/2025</u>
Bond Anticipation Notes				
Public improvement	5.00%	07/31/25	\$134,061,000	\$ -
Public improvement	4.00%	02/26/26	27,051,000	27,051,000
Public improvement	x.xx%	07/30/26	-	171,255,000
JSCB Purposes	x.xx%	07/30/26	-	<u>30,000,000</u>
Total Bond Anticipation Notes			<u>161,112,000</u>	<u>228,306,000</u>
Bonded Indebtedness			<u>163,085,000</u>	<u>163,085,000</u>
Total Bonds and Notes			<u>\$324,197,000</u>	<u>\$391,391,000</u>

Source: Finance Director's Office

Direct and Overlapping Indebtedness

The real property taxpayers of the City are responsible for a proportionate share of outstanding debt obligations of the County. Such taxpayers' share of this overlapping debt is based upon the amount of the City's equalized property values taken as a percentage of the County's total values. The table below sets forth both the total outstanding principal amount of debt issued by the City and the approximate magnitude of the burden on taxable property in the City of the debt instruments issued and outstanding by the County. Authorized but unissued debt has not been included.

TABLE 11
Statement of Direct and Overlapping Indebtedness

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of:</u>	<u>City Share</u>	<u>Applicable to City</u>
Monroe County	\$386,374,518	6/02/25	15.02%	\$58,033,453
Total Net Overlapping Debt				58,033,453
Total Net Direct Debt				<u>226,786,271</u>
Net Direct and Overlapping Debt				<u>\$284,819,724</u>

Source: County's Final Official Statement

Debt Ratios

The following table presents certain debt ratios relating to the City's net direct and overlapping indebtedness.

**TABLE 12
Debt Ratios**

	<u>Amount</u>	<u>Debt Per Capita</u> ⁽¹⁾	<u>Debt to Full Value</u> ⁽²⁾
Net Direct Debt	\$226,786,271	\$1,073	1.67%
Net Direct and Overlapping Debt	\$284,819,724	1,348	2.09%

(1) The population of the City is 211,328, according to the April 1, 2020 US Census.

(2) The City's full value of taxable real property based on special equalization rates for fiscal year 2025-26 is \$13,610,671,586.

Short-Term Indebtedness Outstanding

The City has \$27,051,000 bond anticipation notes which will mature on February 26, 2026, and following the issuance of the Notes, \$171,255,000 and \$30,000,000 in bond anticipation notes which will mature on July 30, 2026.

Trend of Indebtedness

The following table sets forth the amount of short-term and long -term indebtedness for the last four fiscal years ending June 30 and Pro-forma as of July 31, 2025.

TABLE 13

	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>Pro-forma July 31, 2025</u>
Short-term indebtedness					
Bond Anticipation Notes					
City	\$118,507,000	\$106,815,000	\$88,790,000	\$116,487,000	\$134,566,000
School	<u>59,865,000</u>	<u>16,030,000</u>	<u>34,440,000</u>	<u>44,625,000</u>	<u>93,740,000</u>
Total BANs	<u>178,372,000</u>	<u>122,845,000</u>	<u>123,230,000</u>	<u>161,112,000</u>	<u>228,306,000</u>
Bonded Indebtedness					
City	77,626,500	89,190,370	107,039,831	82,767,513	82,767,513
School	<u>72,253,500</u>	<u>109,309,630</u>	<u>92,745,169</u>	<u>80,317,487</u>	<u>80,317,487</u>
Total Bonds	<u>149,880,000</u>	<u>198,500,000</u>	<u>199,785,000</u>	<u>163,085,000</u>	<u>163,085,000</u>
Total Debt	<u>\$328,252,000</u>	<u>\$321,345,000</u>	<u>\$323,015,000</u>	<u>\$324,197,000</u>	<u>\$391,391,000</u>

Source: Finance Director's Office

Indebtedness by Purpose

The following table summarizes the short-term and bonded indebtedness of the City by purpose, as of July 31, 2025 after giving the effect to the issuance of the Notes on July 30, 2025 and the payment of the bond anticipation notes on July 31, 2025.

TABLE 14

	<u>Bonds</u>	<u>Notes</u>	<u>Total</u>
General Public Improvements	\$52,280,404	\$109,101,000	\$161,381,404
Sewerage Public Improvements	-	-	-
Water Facilities	30,487,109	25,465,000	55,952,109
School Improvements	<u>80,317,487</u>	<u>93,740,000</u>	<u>174,057,487</u>
	<u>\$163,085,000</u>	<u>\$228,306,000</u>	<u>\$391,391,000</u>

Source: Finance Director's Office

Debt Service Schedule

The following table sets forth all principal and interest payments required on the City's outstanding bonded indebtedness as of July 8, 2025.

TABLE 15
Bond Debt to Maturity as of July 8, 2025

Fiscal Year	Total <u>Principal</u>	Total <u>Interest</u>	Grand <u>Total</u>
2025-26	\$29,915,000	\$6,566,917	\$36,481,917
2026-27	26,590,000	5,364,057	31,954,057
2027-28	21,565,000	4,317,861	25,882,861
2028-29	19,540,000	3,431,137	22,971,137
2029-30	16,255,000	2,655,719	18,910,719
2030-31	14,300,000	1,983,850	16,283,850
2031-32	11,085,000	1,408,000	12,493,000
2032-33	8,890,000	936,625	9,826,625
2033-34	6,985,000	564,425	7,549,425
2034-35	4,175,000	289,800	4,464,800
2035-36	2,560,000	126,550	2,686,550
2036-37	950,000	41,725	991,725
2037-38	275,000	11,000	286,000
TOTAL	<u>\$163,085,000</u>	<u>\$27,697,666</u>	<u>\$190,782,666</u>

Source: Finance Director's Office

Long-Term Financial Planning

The City has historically been able to maintain a stable, unassigned fund balance in the general fund at approximately one percent of total general fund revenues. That balance as of June 30, 2024 was \$8,653,000.

As a planning tool for long-term financing, and the annual budget process, the City prepares a five-year capital improvement program. This document, which is updated annually, prioritizes capital projects by their funding source and timing. Bonded indebtedness is managed in coordination with debt repayment schedules to stay within legal debt limits and to maintain a stable level of debt service. Also, the City Charter allocates the 9% New York State constitutional debt limit between the City and the District as 5.5% for municipal purposes and 3.5% for educational purposes.

Capital Improvement Plan

The following sets forth a summary of the City's adopted Capital Improvement Plan and the source of funding for the fiscal years 2026-30. It should be noted that each planned project must be duly authorized by the City Council before being undertaken.

	(\$000s omitted)					
Capital Improvement Program	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>	<u>Total</u>
Arts & Culture	\$211	\$271	\$271	\$271	\$271	\$1,295
Economic Development	3,261	6,115	4,246	4,311	4,245	22,178
Equipment and Technology	6,630	8,924	12,020	12,163	11,923	51,660
Facilities	13,379	17,975	17,470	19,687	23,249	91,760
Parks and Open Space	5,170	10,387	7,912	6,716	5,525	35,710
Public Safety	9,757	12,390	9,196	12,772	9,582	53,697
Transportation & Infrastructure	61,340	235,323	31,967	22,714	23,814	375,158
Water System	<u>29,750</u>	<u>20,091</u>	<u>22,250</u>	<u>43,757</u>	<u>53,257</u>	<u>169,105</u>
Grand Total	<u>\$129,498</u>	<u>\$311,476</u>	<u>\$105,332</u>	<u>\$122,391</u>	<u>\$131,866</u>	<u>\$800,563</u>

Source of Funding	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>	<u>Total</u>
Debt	\$47,937	\$45,680	\$45,444	\$66,321	\$75,431	\$280,813
Cash Capital	22,880	49,411	48,640	50,982	51,194	223,107
Other Governments	<u>58,681</u>	<u>216,385</u>	<u>11,248</u>	<u>5,088</u>	<u>5,241</u>	<u>296,643</u>
Grand Total	<u>\$129,498</u>	<u>\$311,476</u>	<u>\$105,332</u>	<u>\$122,391</u>	<u>\$131,866</u>	<u>\$800,563</u>

Source: Data from 2025-26 Proposed Budget.

ECONOMIC AND DEMOGRAPHIC DATA

Rochester's Industrial History

Rochester is located in western New York State where the Genesee River meets the south shore of Lake Ontario. The river drops in elevation as it flows through Rochester, creating rapids and waterfalls that were used to power grist mills and saw mills as early as the late 18th century. The combination of agriculture and water power established the City's early history as a grain processing center.

Rochester benefited substantially as construction of the Erie Canal (1817 to 1825) provided farmers and grain processors in Western New York with low-cost access to markets in New York City and the newly-settled states to the west. Grain processing expanded (and local grain cultivation declined) as western grain began to flow into Lake Erie and Lake Ontario ports on its way to eastern markets. Buffalo and Rochester became profitable places to mill the grain into flour before it was shipped on by canal or later, by rail. Rochester grew rapidly, adding 75% to its population between 1830 and 1850.

As local grain cultivation declined, Rochester area farmers shifted to a profitable niche market, growing fresh flowers for New York City and Boston, and selling flower and vegetable seeds across the country. The legacy of Rochester's "Flower City" years lives on in the annual Lilac Festival.

The Civil War spurred the industrial growth of New York State, including Rochester. While an explosion of rail construction during the 1850s and 1860s diminished the economic value of the Erie Canal, Rochester became a major stop on the new transportation corridors. George Eastman's inventions of the late 19th century resulted in the formation of the Eastman Kodak Company in Rochester. By the early 20th century, Kodak had become a key engine of growth in Rochester with peak employment of over 60,000 in 1982. Entrepreneurs of the same era founded other companies with continued name recognition - Bausch & Lomb, the Gannett Company and Hickey-Freeman, as examples.

Another Rochester success story was the Haloid Corporation. Chester Carlson's invention of xerography put the renamed Xerox Corporation at the forefront of innovation. Xerox, starting with the introduction of the world's first automatic plain copier in 1959, grew to become a leading provider of business document management products, as well as commercial printing equipment and business process outsourcing services.

Throughout the 1900s, the presence of high-technology firms led to the City being known as a center for manufacturing in specialized industries such as photographic equipment, graphic innovation, optics, machine tooling, automotive products, and medical instrumentation. During this time, community leaders such as George Eastman sowed the seeds of education with the founding of the University of Rochester, healthcare with Strong

Memorial Hospital and UR's School of Medicine, Dentistry, and Nursing, and arts with the Eastman School of Music.

Rochester's Transformation to a 21st Century Economy

The dominant feature of Rochester's economy during the previous 30 years has been the decline of traditional sources of income and the birth of new firms and industries. Through much of the last century, Rochester was dominated by major manufacturers - particularly Kodak - employing highly skilled production workers, thousands of key scientists and technicians in research and development positions and many headquarters staff. As these companies restructured, the workers who left their employers have fueled the growth of numerous small and medium sized firms in a range of industries. In 1980, just over half (57%) of employment was located in small and medium-sized firms of 1000 employees or less. Most of these firms had direct or indirect linkages to major Rochester firms like Kodak, Xerox or General Motors. By 2008, the share of employment in small and medium-sized firms had risen to about 80% (Center for Governmental Research "CGR" estimates from County Business Patterns data). Manifesting the shift to a services based workforce, the University of Rochester has grown to be the largest local employer with 32,100 jobs in May 2023.

Eastman Kodak: Kodak's steady employment growth from the early part of the century through 1982 and the relative stability of Kodak product sales insulated the Rochester economy from the worst of national business cycle fluctuations, including the Great Depression. At its 1982 peak, the Eastman Kodak Company directly employed over 60,000, almost 14% of workers in the Rochester Metropolitan Statistical Area (MSA). Due to Kodak's relatively high salaries, the company was responsible for 22% of the Rochester MSA payroll. In all, Kodak was likely responsible for nearly half of the metropolitan economy (CGR estimates).

Kodak's market position has changed dramatically in intervening years. Until the 1980s the company faced few competitors, particularly in the lucrative U.S. market. The quality of its products and the respect afforded its brand enabled the company to earn substantial profits. By the mid-1980s, Japanese competitor Fuji began to challenge Kodak's market position in the U.S. and across the world. Other companies such as 3M, Agfa and Konica also gained share at the expense of the market leaders. The rise of digital imaging broadened the threat to Kodak's film business in the 1990s, and then decimated the firm's principal markets beginning in 2000 as digital imaging nearly replaced film.

Profits continued to decline through the 2000s even as Kodak conducted massive layoffs and sale of facilities and business components. Eastman Kodak filed for Chapter 11 Bankruptcy in January 2012. Kodak emerged in September 2013, reduced in size and refocused on corporate customers and the commercial printing and packaging businesses. Key to Kodak's restructuring was the sale of R&D patents for more than \$500 million to a technology consortium and sale of Eastman Business Park power plant facility to Illinois based Recycled Energy Development Inc. Kodak celebrated its return to the New York Stock Exchange in November 2013, listed as KODK. Today, Kodak's key business units include traditional printing, digital printing, advanced materials and chemicals, and brand. For the fiscal year ended December 31, 2024, Kodak's revenues were \$1.043 billion (vs \$1.117 billion for the fiscal year ended December 31, 2023). Net profit for the fiscal year ending December 31, 2024 was \$102 million (including \$173 million in pension income) vs a net profit of \$75 million (including \$161 million in pension income) for the fiscal year ended December 31, 2023. For the three-month period ending, March 1, 2025, Kodak reported revenues of \$247 million and a net loss of \$7 million versus revenues of \$249 million and a net profit of \$32 million for the three months ended, March 31, 2024. In May 2025, Kodak announced plans to open a new \$20 million manufacturing plant at the Eastman Business Park. The facility, which will manufacture pharmaceutical products, will expand Kodak's current pharma business.

The City of Rochester, New York State, and their economic development partners continue to work with Kodak and the tenants of Eastman Business Park to assist in every way possible. Attraction efforts continue to bring new businesses to Eastman Business Park and its existing vacant parcels. (SEE "Significant Announcements-Eastman Business Park" herein). Today, over 6,000 people work at almost 100 companies at Eastman Business Park.

Kodak's Heirs: Kodak's legacy is also visible in the number of successful firms in the community that are remnants or spin offs of the photo firm. These firms include L3Harris Geospatial, a unit of L3Harris Technologies, which was once Kodak's Remote Sensing Systems unit and renamed the unit ITT's Space System Division; Carestream Health Inc. a subsidiary of Onex Corporation's Onex Healthcare Holdings, Inc., which purchased various units of Kodak's healthcare business; Ultralife Corporation, which spun out of Kodak in 1991; and many others.

Rochester 2034 Comprehensive Plan

In 2019, the City adopted its fourth ever comprehensive plan, *Rochester 2034*. The 15-year Plan provides a strategic blueprint for growth, development, and policies as the City approaches its 200th birthday in 2034. It covers a myriad of topics such as transportation, land use, economic growth, housing, public health, education, and the arts. For each topic, a set of Goals and Strategies are established that will guide investment over the next 15 years. *Rochester 2034* was developed through extensive community and stakeholder engagement, and is meant to provide guidance for City investment and policies as well as guidance for key community partners as they invest in Rochester. It presents a strong foundation for the City to rebuild its population, employment, and local business sector, as well as to improve the quality of life for all of its residents.

The link to the plan is as follows:

<https://www.cityofrochester.gov/sites/default/files/migrated/Rochester2034Document.pdf>

Economic Development

The City of Rochester's Business Development Division provides expanding and relocating businesses with both technical and financial assistance through business loan and grant programs. Many economic development activities in the City are centralized providing businesses with both convenient and efficient processes to assist in their businesses growth and development.

During the fiscal year ending June 30, 2024, the Department of Neighborhood and Business Development assisted numerous businesses resulting in approximately 524 jobs retained, and approximately 206 jobs created.

The US Bureau of Labor Statistics reports the Rochester area as having an unemployment rate in March 2025 of 3.9%, compared to 4.2% for New York State, and a 4.2% national rate.

Significant Announcements

University of Rochester/Strong Medical Center: In September 2023, the hospital hosted a ground-breaking event celebrating the largest capital project in its history. The \$650 million expansion project will triple the size of the hospital's emergency department and add a nine-story patient tower, resulting in 650,000 square feet of new space. The project is expected to be completed in 2027.

Rochester Regional Health, a leading provider of comprehensive care for Western New York and the Finger Lakes region, completed construction of the new Sands Constellation Center for Critical Care at its main campus in the City. The \$250 million project was opened in October 2020, and consists of a new 7-story 312,000 square foot building. The new facility will provide a new surgical care center, new women's health and newborn care suites, and 36 new private rooms per floor.

Highland Hospital, affiliated with the University of Rochester Medical Center, commenced construction in late 2020 on a new \$70 million expansion project designed to modernize the hospital campus. The Project consists of a 4-story 64,000 square foot building. The new building will provide 58 additional patient care rooms and additional room for clinical programs. The Project was completed in the Spring of 2023.

General Motors Component Holdings, Inc: In January 2023, General Motors Company announced a \$68 million investment planned for the General Motors Component Holdings, Inc. plant located in the City of Rochester. The investment will help position GM at the forefront of the electric vehicle market, as well as provide for production of next-generation V-8 light duty truck engines.

FIFCO USA: In June 2018, North American Breweries, Inc., owner and operator of the Genesee Brewing Company (GBC) announced a name change to FIFCO USA. The new name better aligns the business with its parent company, FIFCO, a global beverage company based on Costa Rica. GBC is one of the oldest continuously operating breweries in the US and is currently the 6th largest brewery in the US. In February 2017, GBC announced a \$49.1 million project involving significant investment in the company's brewing systems and other upgrades to the breweries 27-acre campus. In July 2021, FIFCO USA, parent company of the Genesee Brewery, unveiled an \$18 million plan to expand production of its Seagram's Escapes flavored malt beverage lineup. In May 2024, FIFCO USA announced a new \$50 million three-year investment in the Genesee Brewery operation designed to create a world-class packaging facility, as well as add capabilities and capacity for innovation to attract new contract manufacturing clients and supplement the Canadian supply of Labatt Blue and Labatt Blue Light. GBC expects to create 57 new jobs and retain over 500 jobs at the brewery.

Tom James Company (Rochester Tailored Clothing, Inc)– in 2023, Tom James Company acquired certain assets from Hickey Freeman Company and also assumed Hickey Freeman’s lease for its manufacturing operations in the City. The transactions helped to retain approximately 200 positions and are expected to create up to 46.5 new positions within the next three years. This acquisition helps to keep a long tradition of quality clothing manufacturing in the City.

SWBR Architecture, Engineering & Landscape Architecture, D.P.C., in 2024, SWBR, one of Rochester’s top multidisciplinary design firms, relocated within the city of Rochester to 260 E. Main Street (Sibley Building). The firm expanded its office space by 35% and anticipates creating an additional 30 new positions within three years, while retaining approximately 116 employees. The move further continues to add to the growth of downtown.

The City also is advancing the Inner Loop North (ILN) Transformation Project, which will redesign and reconstruct the remaining 1.5 mile segment of the grade-separated Inner Loop Expressway on the north side of downtown Rochester. Like Inner Loop East, which the City removed in 2017, the ILN poses a formidable barrier between Downtown and adjacent neighborhoods, stifling redevelopment, depressing property values, and discouraging connectivity. The City completed the ILN Transformation Planning Study in September 2022, identifying a preferred concept for transforming the ILN into a network of urban streets that better meet the needs of all users; reconnect neighborhoods to Rochester’s downtown; and create opportunities for equitable redevelopment and green space. Also in 2022, New York State’s Governor committed \$100 million to fund the ILN project. In January 2025, the U.S. Department of Transportation awarded an additional \$100 million to the project through the Reconnecting Communities Pilot Program. As of 2025, the City has completed a Project Scoping Report and is advancing preliminary engineering and design of the project, including further community engagement; and moving ahead with further land use planning for redevelopment.

The City has partnered with Eastman Kodak to market the parcels found in the Eastman Business Park (EBP) to prospective businesses. Available properties consist of vacant buildings as well as approximately 72 acres of vacant land found along West Ridge Road. The City, along with its partners Monroe County, Empire State Development and Greater Rochester Enterprise, assisted with the Cody Gate Ventures development that brought three new businesses to the area (Intrinsiq Materials, Quintel Technologies and Omni-ID), bringing as many as 250 jobs and \$100 million total investment within our community (partially located within the City of Rochester). The Finger Lakes Regional Economic Development Council also designated the redevelopment of EBP as the region’s number one priority in the REDC application process and received a total of \$2.4 million in 2012 for projects in the park.

The New York Photonics board announced in March 2017 that the headquarters for The Photonics Institute will be located at Eastman Business Park on Lake Avenue. The total budget for the initiative was \$600 million. In May 2018, ON Semiconductor opened its expanded test and assembly facility at the site. In November, the Board announced that the TAP (test/assembly/packaging) facility was substantially complete. In 2020, ON Semiconductor announced its decision to discontinue production at the site, ultimately resulting in the closure of Rochester site. In February 2021, FabExchange announced that it had completed the acquisition of the ON Semiconductor site. The property was originally constructed by Eastman Kodak Company back in 1959 and expanded in 1980. The building core is made up of dedicated lab space, cleanroom and surrounding office space. With space totaling 263,000 square feet, consisting of seven floors and a basement, the building is designed for wafer fabrication, assembly, testing, and office space.

Eastman Business Park, which previously only was home to Eastman Kodak Company, now has more than 100 companies employing over 6,000 workers within its geographic area. Eastman Business Park is home to manufacturing, tenant and site infrastructure facilities, with several facilities currently for sale and/or lease, along with space for new buildings and development. Kodak currently has 2.5 million sq. ft. of existing facility space of virtually all types, and over 300 acres of developable property for commercial or industrial use.

To make the park more efficient and energy efficient, RED-Rochester purchased four new natural gas boilers to meet the needs of the 100 plus companies operating at EBP. This will lower the park’s operating costs and decrease the park’s carbon emissions by 50 percent. These benefits will have a positive impact of attracting more businesses to the park.

The La Marketa project (now known as International Plaza), located at 828 N. Clinton Avenue, includes a public plaza for retail and outdoor use, a bandstand, a parking lot, a new curb cut on Sullivan Street to provide access to the parking area, and a new restroom facility. It also includes areas for public gathering and the addition of shipping container buildings for seasonal commercial use. Other site amenities provided are bicycle parking,

landscaping, lighting, and ornamental fencing. The project seeks to promote economic development by offering low cost of entry retail opportunities for small businesses to serve the neighborhood. The \$3.6 million Project was completed and opened to the public in October 2020.

The City is undertaking a major neighborhood revitalization effort in an area locally known as Bull's Head. Bull's Head includes the convergence of four minor arterials (urban) and one major collector (urban), and is the western gateway to downtown Rochester. The City's Bull's Head community planning process resulted in a neighborhood revitalization plan completed in fall 2019. As a catalyst for area-wide revitalization, the City has assembled and targeted to reposition over 12 acres of existing vacant and/or underutilized property. In 2021, the City selected a development team for redevelopment of this property. The development team (DevelopRoc) is a partnership of multiple regional and national level development firms. An approximate five-year phased approach to mixed-use redevelopment at Bull's Head began in fall 2024 with construction starting on the ESL Credit Union branch at Bull's Head. The credit union is anticipated to be completed and open in fall 2025. This bank branch will improve access to financial services for the residents in the southwest quadrant of the city. In addition, the City anticipates the sale of 160 Clifton Street to the developer in 2025 as the next phase of development at Bull's Head, including a \$28 million commercial renovation/expansion project. In 2022, the City was awarded an approximately \$7.5 million grant through the federal Transportation Improvement Program (TIP) for street construction, construction inspection and right of way. New York State awarded an additional \$1.2 million to the street project in 2024 to complete construction of bicycle facilities in the project area. The total street project cost is anticipated to be approximately \$15 million. Final street design work is underway with street construction anticipated to begin in 2026.

Midtown Rising is a redevelopment partnership that is positioning Rochester, New York for its future by significantly reshaping the downtown core through major public and private investment, job creation and infrastructure development. At the heart of the project is the rehabilitation of the nearly 9-acre former Midtown Plaza into a mixed-use area designed to attract a critical mass of residents and 24/7 amenities that contribute to a vibrant live-work-play environment.

The former Midtown Plaza consisted of 1.5 million square feet of vacant, office and retail buildings covering 8.6 acres. The complex was home to McCurdy's department store, an array of retail shops, and an office tower with an upscale hotel and restaurant located on the top four floors.

The Midtown Rising project involved the demolition of most of the Midtown buildings, the adaptive reuse of the former Seneca Building and the former, Midtown Tower, inclusion of new streets and open space, and creation of development parcels.

In 2021 Buckingham Properties completed construction of a five-story, 106,000 square foot mixed-use building at 260 East Broad, or Parcel 2 of the former Midtown Plaza site. The building includes 28 residential units, six of which are affordable to households earning at or below 60% of Area Median Income. Butler/Till co-owns the building and serves as an anchor tenant. A wine bar, Unwine'd, opened in 2023, and a new steakhouse, Patron Saint, opened on the building's ground floor in 2024.

The former Midtown Tower on Parcel 3 has been redeveloped into Tower280, a mixed-use building including first floor retail, office space, residential units, and a rooftop dog park. The building offers 44,000 square feet of first floor commercial space, and retail tenants include the upscale Italian restaurant Branca, a board game-themed bar and lounge, and event space. Commercial and office tenants include: Colliers Engineering & Design, Lu Engineers, Brand Networks, DeJoy, Knauf, & Blood, Allstate Insurance, and Second Avenue Learning. Tower280 also includes 181 residential units, 40 of which are set aside for households with incomes below 120% of the area median income.

In 2023 the outdoor space between 260 East Broad and Tower280 was transformed into "The Grove at Midtown", a pedestrian walkway bringing together shopping, dining, and entertainment opportunities. A popular outdoor summer flea market called The Lucky Flea moved to the Grove in 2024.

Parcel 4, also known as Midtown Commons, is an outdoor public space that is available for a variety of uses including a venue for special events and festivals. In 2021, the City converted nearby Parcel 5 into an outdoor entertainment space featuring wide lawns, a walking path, and room for pop-up retail. It is regularly used for fitness classes, outdoor concerts, and as a site for events including the Rochester Jazz Festival and the Rochester Fringe Festival.

NextCorps (formerly High Tech Rochester) Business Accelerator (NC): In February 2018, NC announced the official opening of its new state-of-the-art business accelerator operation in Sibley Square in downtown Rochester. NC currently occupies the entire 6th floor (68,000 sq.ft.) of the building. New York State provided a \$5 million grant for the project which is projected to create over 1,000 jobs over the next 5 years. The creation of

this \$24 million incubation and business support facility in downtown Rochester will drive regional growth in entrepreneurship and innovation, as well as help accelerate the revitalization of the City by creating an "innovation district" in the heart of Rochester.

Xerox Corporation: In December 2016, Xerox separated its business process service operations into a new publicly traded company named Conduent. Headquartered in New Jersey, Conduent has over \$6 billion in revenue and 93,000 employees. Xerox remains as a publicly traded company focused on document management for a wide variety of industries. Headquartered in Norwalk, Connecticut, the company had \$6.8 billion in revenue and 20,100 employees as of December 31, 2023. In 2017, Xerox announced that 177 jobs would be cut at its Webster NY campus as part of on-going restructuring efforts. In January 2018, the company announced it would relocate all of its employees from Xerox Square in downtown Rochester to its Phillips Road campus in the town of Webster by the end of the year. Xerox estimated that several hundred employees were located in Xerox Square. The relocation was completed in 2018. In October 2021, Xerox announced that it was in discussions to sell 3 buildings located in Webster totaling 1.5 million square feet to Tessy Plastics. The sale was finalized in the summer of 2022. In January 2024, Xerox announced plans to cut 15% of its workforce. In April 2024, Xerox announced plans to reduce some manufacturing operations in Webster. As of May 2023, Xerox employed 1,592 workers in the Rochester area. In December 2024, Xerox announced its plan to acquire Lexmark International Inc, a leading provider of innovative imaging solutions and technologies, in a deal valued at \$1.5 billion. The acquisition will strengthen the Xerox core print portfolio and is expected to close in the second half of 2025.

Bausch+Lomb Corporation is a leading global eye-health corporation which manufactures and markets a broad range of eye-health products such as contact lenses, intraocular lenses, other medical devices, lens care products, prescription eye medications, and other healthcare products. These products are sold directly or indirectly in more than 100 countries. Bausch+Lomb Corporation is a subsidiary of Bausch Health Companies. Bausch and Lomb was founded in Rochester in 1853 and for 160 years Rochester served as its headquarters location. Specializing in eye care products and lens technology, the company has enjoyed success in these markets and significant brand recognition worldwide. In 1995 the company constructed a modern office tower headquarters that became a centerpiece for the downtown business district. The office tower was sold in 2014 to a local development firm. Valeant Pharmaceuticals International, Inc., a multi-nation specialty pharmaceutical company based in Laval Quebec, finalized the acquisition of Bausch and Lomb in August 2013 and moved the corporate headquarters to Laval Quebec. When Valeant acquired Bausch and Lomb, the company announced plans to lay off 10 to 12% of the Bausch and Lomb workforce worldwide, including as many as 1,200 local jobs. However, local leaders were successful in convincing Valeant to reconsider locating the production of a new line of contact lenses in Rochester, originally planned for Ireland. In May 2018, Valeant announced that the name of the corporation will be changed to Bausch Health Care Cos. to "reflect the innovative legacy of the Bausch name." In August 2020, Bausch Health announced plans to spin off its eye care business into a new separate company named Bausch & Lomb. In May 2022, Bausch & Lomb launched as a new publicly-held company named Bausch+Lomb Corporation. The new company's international headquarters are located in Vaughan Ontario Canada. The company's US headquarters are located in Bridgewater, New Jersey. As of May 2023, Bausch+Lomb Corporation employed 1,268 workers in the Rochester area.

OneROC: One ROC is an economic development alliance designed as a foundation for investing to build and sustain a framework that helps Rochester and the region to create new jobs, increase regional wealth, raise metro GDP and enhance opportunity. It is a collaborative and coordinated capacity-building vehicle that is driving economic growth and opportunity by dedicating more resources, enhancing the reach and impact of current efforts, and positioning the region to compete more effectively for jobs, talent and investment. Its board of directors reflects a partnership of businesses, philanthropy, and government that have committed millions of dollars annually to fund initiatives that advance growth in downtown Rochester and regional branding. Its current key initiatives include, a) Tech Hub – Rochester is one of 18 federally designated and funded Tech Hubs in the nation. This initiative unites Buffalo, Rochester, Syracuse, and the surrounding region to advance the regional semiconductor industry by focusing on supply chain optimization, commercialization, workforce development, and broader accessibility. For nearly three years, OneROC served as a lead convener of the NY SMART I-Corridor bid, advancing a joint strategy among the three large upstate metros; and b) Regional Revitalization Partnership (RRP) – OneROC serves as the Rochester coordinator for RRP, a \$300 million co-investment among New York State, Ralph C. Wilson Jr. Foundation, and local philanthropies focused on commercial corridor revitalization and workforce development.

When fully implemented, RRP will have invested \$80 million into transformational projects in the city of Rochester. The current Phase I RRP portfolio will invest \$26 million to advance 13 projects ranging from a no-code bootcamp and startup accelerator, to a pre-apprenticeship program, a school-to-work navigator program, a vacant storefront activation program, site remediation for redevelopment, and the creation of a West Main Street

district marketing and governance plan and design guidelines, and investment in commercial and residential properties in the corridor.

Downtown Innovation Zone: In partnership with Rochester Downtown Development Corporation, NextCorp (formerly High Tech Rochester), and the RIT Center for Urban Entrepreneurship, the City of Rochester announced in November 2014 the designation of an area of downtown as the new Rochester Downtown Innovation Zone. This designation recognizes a momentum of development and clustering of entrepreneurial and creative activity that has been emerging thanks to the visionary leadership and work of the many institutions and organizations that have helped to reshape and rebuild downtown in recent years. The Innovation Zone designation will bring additional focus on the importance of this growing market segment to the future of Rochester, and continue to foster this activity in a way that maximized its success and the positive spillover effects of this dense clustering of activity.

The City and proponents envision the Downtown Innovation Zone as a vibrant live-work-play environment that encourages collaboration and enables easy face to face connections. The HTR and RIT CUE incubator organizations will play an important role in helping develop new business ventures and aiding them in locating appropriate space within the zone. The City and the Office of Innovation continue to be involved in seeking to bring additional incentives and amenities to the area.

In 2024, the City secured a \$23.7 million federal Safe Streets and Roads for All (SS4A) grant to make significant traffic safety improvements to four major corridors with high rates of traffic crashes and injuries - North Clinton Avenue, East Main Street, Chili Avenue, and Lexington Avenue. The project will apply evidence-based safety countermeasures to each corridor to slow vehicle speeds and reduce severe traffic crashes, with a focus on pedestrians and cyclists, many of whom are low-income and/or people of color. This project will advance the City's plans for a high-comfort Bicycle Spine Network and will comprehensively upgrade signals, signs, and street lighting on all four corridors. Separately, the City secured additional SS4A funds to support further planning and design of improvements to City bicycle and pedestrian facilities. Overall, these funds will substantially advance the City's ROC Vision Zero initiative, which seeks to eliminate severe traffic-related injuries and deaths in the City of Rochester.

Using a combination of local, state and federal funds, the City is working to remove and replace all lead water service lines in Rochester by 2030. Since 2018, the City has removed more than 8,800 lead-lined and galvanized pipes serving City homes. Since 2021, over 85% of lead service lines removed were in disadvantaged neighborhoods. Approximately 16,900 lead service lines remain, down from 25,780 in 2021, and nearly 3,000 more are planned to be replaced by the end of 2025.

In June 2024, Constellation Brands, Inc., a leading beverage alcohol company completed the relocation of its global headquarters from Victor, N.Y., to the Aqueduct Building campus located at 50 East Broad Street, downtown Rochester, N.Y. The 170,000 square foot Aqueduct Building campus houses approximately 300 employees.

Rochester continues to receive numerous national accolades. In 2016, AARP magazine reported that Rochester is one of the top ten great cities in the United States for retirement based on affordability; also citing Rochester's cultural amenities, "top universities", and "stellar health care". In August 2023, Business Facilities' 19th Annual Rankings Report, ranked the Rochester metro area 8th on the list of Metro Area Best Business Climate- Mid-Sized. In December 2023, Rochester was named the second friendliest city in the United States by Conde Nast's Readers' Choice Awards. In February 2024, Rochester ranked 9th in a U.S. News & World report listing the nation's most livable cities, considering factors including affordability, crime, availability of health care, education and average commute time.

Educational Resources

Metropolitan Rochester is an educational and cultural center. Located within Monroe County are several universities and colleges including the University of Rochester (including its Medical Center, affiliated healthcare facilities and its Eastman School of Music), Roberts Wesleyan University, the State University of New York at Brockport, Nazareth University, St. John Fisher University, Rochester Institute of Technology and Monroe Community College. These schools had 43,562 full time and 10,432 part time students enrolled in the fall of 2021.

University of Rochester. As of May 2023, the University was responsible for 32,100 jobs. A significant share of the University's growth has occurred at the University of Rochester Medical Center as Strong Health extends

clinical service penetration beyond the metropolitan area and URMC expands its research facilities and total employment.

Beginning in 1996, the University's Medical Center has executed a series of strategic plans that have dramatically expanded the physical footprint and economic impact of the institution. The college's 2008 master plan called for new technology, additional facilities, more jobs, new research equipment and marketing of the medical center. A key building component of the plan included the \$60 million, 200,000-square-foot Saunders Research Building that was completed in 2011. The expanded research effort is expected to lift the University of Rochester to a place among the nation's top 15 medical schools in federally-funded medical research. In May 2015, URMC officially opened a new \$145 million eight-story, 245,000 square foot addition to its hospital, called The Golisano Children's Hospital.

Arts and Culture

Artistic activities and cultural institutions thrive within the Rochester metro area.

Established in 1921 by industrialist George Eastman, the world-renowned Eastman School of Music is consistently ranked among the best comprehensive music schools in the United States. Eastman offers over 700 concerts annually by faculty, students, and guest artists at Kodak Hall at Eastman Theater, Kilbourn Hall, and Hatch Recital Hall. Numerous faculty and students of Eastman have received, or been nominated for, Grammy awards in the fields of classical and jazz music.

The Rochester Philharmonic Orchestra (RPO), also established by George Eastman in 1922, is a nationally award winning orchestra that provides over 120 performances annually with nearly 170,000 in attendance. The RPO performs at Kodak Hall at Eastman Theater, the Hochstein Performance Hall and other locations. The RPO is known for its educational programs providing free concerts for school children and the community.

The Rochester Museum and Science Center (RMSC) holds over 1.2 million items of local history and 200 interactive exhibits. RMSC is also home to the Strasenburgh Planetarium. Other Rochester museums include: the Memorial Art Gallery of the University of Rochester with 50 centuries of world art; the George Eastman House International Museum of Photography and Film; and The Margaret Woodbury Strong Museum - a museum dedicated to the history of play with the world's largest collection of historical items associated with play. In June 2023, the Strong Museum of Play officially unveiled a 90,000-square-foot-expansion, the final part of a larger, \$75-million museum project. The expansion features more than 24,000-square-feet of exhibit space dedicated to the celebration of electronic games and an additional 17,000-square-feet of outdoor exhibit space.

Live theater in Rochester includes touring Broadway shows provided by the Rochester Broadway Theater League at the Auditorium Theater; performances at GEVA Theatre Center - a regional theater in downtown Rochester that is one of the nation's leading non-profit professional theaters; live theater and dance at Nazareth University Arts Center, including dance performances by world renowned, Rochester-based, Garth Fagan Dance; and performances at the Kodak Center for the Performing Arts, Downstairs Cabaret Theatre and the Blackfriars of Rochester.

Sports

The City has been home to numerous professional sports teams over the years: Baseball - Rochester Red Wings; Soccer-Rochester Rhinos; Lacrosse - Rochester Knighthawks; Ice Hockey - Rochester Americans (Amerks); and Basketball-Rochester RazorSharks. The Buffalo Bills are the closest National Football League team. The Bills' Training Camp is held each summer at St. John Fisher College in Rochester.

The Blue Cross Arena at the War Memorial. With seating capacity for sports events of 11,215, the Blue Cross Arena is home to the Rochester Americans Hockey Team, and the Rochester Knighthawks Lacrosse Team. With a total capacity of 13,000 the arena is also a venue for many concerts and events.

Innovative Field. Home of the Rochester Red Wings. Innovative Field is a 12,500 seat, multi-use stadium located in downtown Rochester that opened its doors to the public in July 1996. The stadium is expandable to 18,000 seats with 4,000 box seats, 4,000 general admission and 500 premium seats in the form of 36 luxury sky boxes.

Golf. The Greater Rochester area offers over 80 golf courses, among them the nationally ranked Oak Hill Country Club. Arguably one of the most prestigious golf courses in the country, Oak Hill has earned the top spot in Golf World magazine's course rankings, followed by Augusta National. Oak Hill has hosted numerous major

tournaments including two US Amateurs, three US Opens, two PGAs, the Senior PGA and the Ryder Cup. In May 2019, Oak Hill hosted the KitchenAid Senior PGA Championship. Until 2013, Locust Hill Country Club hosted an annual LPGA tournament, which in recent years had been the Wegman's LPGA Championship. Oak Hill hosted the 2023 PGA Championship in May 2023. The Greater Rochester Enterprise estimates the economic impact of the 2023 PGA Championship to be \$190 million, drawing in 225,000 spectators.

Annual Festivals

Spring marks the beginning of Rochester's unique festival season. Almost every weekend from May to October features major events that draw people to the City's most beloved neighborhoods and parks to enjoy the arts, sounds, and bustling activity of Rochester's festivals, concerts, parades, athletic events, and block parties. The Lilac Festival in May, the Rochester International Jazz Fest in June, the Corn Hill Arts Festival in July, the Puerto Rican Festival in August, the Fringe Festival in September, and the Roc Holiday Village in December are just a few of more than 250 popular events that attract more than 1.5 million people from not only Rochester and New York State, but from all over the United States and beyond.

Exports

International trade by area exporters continues to be a significant component of the economic activity of the Rochester area. Exports from the Rochester MSA were \$4.4 billion for calendar 2023. New York State ranks fourth among top exporting states, behind Texas, California, and Louisiana.

Waterfront Development

Port of Rochester: The City of Rochester undertook major revitalization efforts for its Port community several years ago and the results have been outstanding. The Port location has provided a unique private investment opportunity based on its proximity to the major waterways of Lake Ontario and the Genesee River and the Port Terminal Building is a very popular summertime destination. The first floor of the building has tenants that include Bill Gray's, California Rollin', Abbott's Frozen Custard and Arbor At The Port, a high-end wedding & event location. During the summer of 2016, the City completed construction of a new 84-slip public marina facility near the confluence of Lake Ontario and the Genesee River. A nationally renowned marina operator was contracted and has since been promoting and operating the marina on behalf of the City. The marina's operations revenue exceeded all expectations and the marina has had a lengthy waiting list for the past several years – a testament to the high-quality facility and superior location of the marina. The City recently released an RFP seeking proposals for the purchase and redevelopment of a City-owned 2.8 acre vacant waterfront site in the Port of Rochester.

The 2nd level of the Port of Rochester Links Building was completed in March of 2017 as a Boater Lounge/Restrooms/Laundry/Kitchenette amenity for the boaters, along with a Welcome Center/The Breezeway Ship Store on the ground floor. The top level was completed as The Greenhouse as a rental and community space in the fall of 2017, and is regularly rented out from Labor Day to Memorial Day. Surrounding the marina is a new public promenade connecting the Genesee Riverway Trail to the Charlotte Pier. The second floor tenants include UGI Energy Services and the City recently leased the restaurant space to Whiskey Upper Deck, a bar and restaurant with outdoor seating that features absolutely stunning waterfront views. This venue focuses on live music with a popular and diverse menu. Together with the City's Port terminal docking facilities, restaurant and retail development of the Terminal Building, visits by cruise ships, and the Port's existing attractions and events, the Port of Rochester has emerged as a premier Great Lakes destination and a local hotspot.

The ROC the Riverway initiative is a bold and progressive plan to revitalize Rochester's underutilized Genesee Riverfront. It consolidates more than two dozen transformational projects along the Genesee River into a unified strategy that will enable Rochester to better leverage the value of its riverfront. In February 2018, New York State made an initial commitment of \$50 million to implement the first phase of this vision, and the first projects awarded funding were announced in August 2018. Since then, the City has completed many successful ROC the Riverway projects, including construction of ROC City Skate Park (Phase I), Blue Cross Arena Exchange Street Addition, Rundel Memorial Library North Terrace, West River Wall Reconstruction at the North Star Commons, Main Street Resurgence (Phase 2), the Brewery Line Trail at High Falls Terrace Park, and Genesee Gateway Park (Erie Harbor Phase II). As of 2024, construction was substantially completed on Riverway Main to Andrews West (Austin Steward Plaza / Sister Cities Bridge) and Aqueduct District Street Improvements. Rehabilitation of the Pont de Rennes pedestrian bridge and Browns Race was completed in late 2024. Construction has begun on the Rochester Riverside Convention Center Main Street Addition and Building Envelope Repairs. Numerous other projects are under design, including but not limited to Aqueduct Reimagined

and Riverfront Promenades, Riverway Main to Andrews East (Genesee Crossroads Park), ROC City Skate Park (Phase II), and West River Wall Reconstruction Segment 2.

Aqueduct Reimagined, the centerpiece of the ROC the Riverway vision, will reveal the historic Erie Canal Aqueduct and transform the Broad Street Bridge into a dynamic public space that uniquely celebrates the rich history and culture of Rochester. The project will remove vehicular traffic from the Broad Street Bridge and create an iconic location that is inviting to individuals of all socioeconomic statuses and physical abilities. In addition, the project will construct new adjoining riverfront promenades that will bridge critical gaps in the existing Genesee Riverway Trail transportation network. Preliminary engineering and design continued in 2024, along with stakeholder engagement and coordination with state and federal officials, to determine the features of this dynamic new space. In Fall 2024, an updated design concept was released to the public, and Governor Kathy Hochul announced an additional \$4 million state investment to complete the project design, which is anticipated in 2027. Construction was completed on improvements to streets in the adjacent Aqueduct District to create a more pedestrian-friendly area while still accommodating needs for vehicular access.

Environmental Matters

Within the Division of Environmental Quality (DEQ), the Office of Energy and Sustainability (OES) has been focused on advancing several key programs, partnerships, and projects to increase energy efficiency, reduce greenhouse gas emissions and build climate change resilience strategies. Ongoing projects have received support from the New York State Energy Research and Development Authority (NYSERDA) and the New York State Department of Environmental Conservation (NYSDEC).

OES developed a Municipal Operations Climate Action Plan which provided strategies for improving energy efficiency and reducing greenhouse gas emissions in municipally owned facilities. Multiple City-owned facilities and street lights have been receiving energy efficient (LED) lighting upgrades, a green roof was installed on City Hall in 2010, and the City is replacing decommissioned fleet vehicles with electric vehicles (EVs), where appropriate, and is incorporating electric landscaping equipment to replace gasoline-powered equipment. OES completed a 2-megawatt solar field installation at the former Emerson Street landfill in 2017 which supplies renewable energy to City Hall and the Central Vehicle Maintenance Facility. Through a Power Purchase Agreement, the City anticipates a cost savings of \$2 million over the 25-year term of the agreement. All these actions are helping to make City operations more energy efficient and reduce our municipal greenhouse gas emissions.

OES developed a community-wide Climate Action Plan in 2017 which set greenhouse gas emissions reduction goals and implementation actions. In 2018, OES completed a Climate Vulnerability Assessment (CVA) to prioritize key systems and assets that are most vulnerable to the impacts of climate change and in 2019 completed a Climate Change Resilience Plan that includes implementation strategies to prepare and adapt to the impacts of climate change. OES recently completed an updated Greenhouse Gas Emissions Inventory for both municipal operations and the community as a whole. These inventories will be used to inform updates to the City's Climate Action Plans, which are planned to begin Fall 2025.

OES, in partnership with PathStone and the Rochester People's Climate Coalition, launched the Sustainable Homes Rochester (SHR) campaign in 2019 to encourage residents to install clean heating and cooling technologies and improve home energy efficiency. This program transitioned to the new Energy Smart Rochester program launched by OES in 2021, which provides comprehensive information and resources for homeowners to improve the energy efficiency of their homes as well as information on renewable energy and electric vehicle adoption. OES developed a Sustainable Practices for Building Owners and Occupants and a Green Infrastructure Manual to provide guidance for developers and planners to incorporate energy efficiency, sustainability and green infrastructure measures into their projects or properties.

In addition to 12 existing electric vehicle (EV) charging stations, OES installed 6 additional dual port EV charging stations for public use at High Falls Garage, the Public Market, Charlotte Branch Library, Genesee Valley Park, and Cobbs Hill Lake Riley Lodge, providing the necessary infrastructure for EV readiness. OES installed six additional EV charging ports for public use in 2024 at the South Avenue Garage as well as City fleet EV charging stations at eight City facilities. Efforts continue to install additional public EV stations in 2025-2026 as well as encourage developers to include EV stations as part of their design process. OES, in partnership with Greater Rochester Clean Cities advocates for greater EV adoption in the community while educating the public, major employers, and other municipalities to consider choosing EVs, an environmentally favorable transportation option. OES is working with the DES Equipment Services Bureau to identify and incorporate electric vehicles into the City fleet, where appropriate.

Additionally, the City completed a Source-Separated Organics Feasibility Study, which evaluated the potential development of a food waste composting program for city residents. As a result of this study, the City launched a residential food waste composting drop-off pilot program in July 2021. The pilot program consists of 1,000 participants, with twice-weekly drop off events held at Cobbs Hill Park and Genesee Valley Park and a new weekly drop off at the Maplewood Rose Garden. An added fourth drop-off location in the northeast quadrant of the city is planned for this coming year. To complement this effort, the City prepared a food waste reduction and donation education and outreach program. OES is developing an Organics Management Plan to further supplement the City’s Organics Feasibility Study, residential food waste composting drop-off pilot and food waste reduction education program and to create a comprehensive approach to reducing food waste and recycling organics. All of these projects were partially funded by New York State Department of Environmental Conservation (NYSDEC) grants.

The City has authorized and launched a commercial property assessed clean energy (C-PACE) program, in partnership with the New York State Energy Improvement Corporation (EIC). C-PACE provides financing to commercial entities, including multifamily housing and non-profits, to install energy efficiency and renewable energy measures for qualified properties. C-PACE financing is private long-term financing, which can match the life of the improvement.

A Community Choice Aggregation (CCA) program has also been authorized and launched by the City, under the name Rochester Community Power. This program, managed by a third party CCA administrator, provides 50% New York State-sourced renewable electricity to eligible participants at a fixed and competitive rate.

Due to these ongoing sustainability efforts, the City of Rochester is a Climate Smart Community (recognized by NYSDEC) and a Clean Energy Community (recognized by NYSEERDA).

Also within DEQ, the Office of Environmental Remediation (OER) administers and manages environmental site assessments, remedial investigations, remedial design, and the environmental cleanup of sites contaminated with hazardous substances, regulated solid waste, or hazardous wastes. The OER performs Phase I Environmental Site Assessments, remedial site investigations and estimates potential cleanup costs associated with the purchase or sale of contaminated properties. This Office also manages environmental cleanup projects ranging from small storage tank closures, Interim Remedial Measures (IRMs), to full-scale subsurface soil and groundwater cleanup projects using a wide variety of innovative cleanup technologies. This office routinely works with the New York State Department of Environmental Conservation (NYSDEC) and the United States Environmental Protection Agency (USEPA). Currently, OER is working in coordination with the NYSDEC on brownfield cleanups at the Former Vacuum Oil Refinery, which is due for completion in early 2027. Additionally, OER is working with New York State to clean up a former City incinerator located at 52 and 96 Falls Street as part of the High Falls State Park project.

Population

Following is the City’s population as recorded by the U.S. Bureau of the Census since 2010.

TABLE 16

<u>Year</u>	<u>Population</u>
2010	211,977
2011	211,457
2012	210,967
2013	210,624
2014	210,461
2015	210,745
2016	210,291
2017	209,463
2018	207,778
2019	205,695
2020	211,328
2021	210,594
2022	209,325

Source: U.S. Bureau of the Census.

School District Enrollment

TABLE 17

	<u>Grades K-8</u>	<u>Grades 9-12</u>	<u>Total</u> ⁽¹⁾
2010-11	21,821	9,458	31,279
2011-12	21,206	9,283	30,489
2012-13	20,882	8,315	29,197
2013-14	20,605	8,331	28,936
2014-15	20,168	8,148	28,316
2015-16	19,489	8,063	27,552
2016-17	18,877	7,810	26,687
2017-18	18,303	7,754	26,057
2018-19	17,919	7,750	25,669
2019-20	17,477	7,540	25,017
2020-21	16,083	7,276	23,359
2021-22	15,044	7,194	22,238
2022-23	13,863	6,855	20,718
2023-24	13,160	6,767	19,927
2024-25 ⁽²⁾	12,896	6,585	19,481

(1) K-12 Only; Source: New York State Education Department - Historical enrollment as of 5-22-25
 Source: Rochester City School District - Projected enrollment as of 5-22-25

Unemployment/Employment Data

TABLE 18
Unemployment Rates

<u>Year</u>	<u>Rochester MSA</u>	<u>State</u>	<u>U.S.</u>
2010	8.1%	8.6%	9.6%
2011	7.7%	8.3%	8.9%
2012	7.9%	8.5%	8.1%
2013	7.0%	7.7%	7.4%
2014	5.8%	6.3%	6.2%
2015	5.1%	4.8%	5.0%
2016	4.7%	4.8%	4.9%
2017	4.9%	4.7%	4.1%
2018	4.2%	4.1%	4.0%
2019	4.0%	3.8%	3.6%
2020	8.2%	10.0%	8.1%
2021	4.9%	7.0%	5.4%
2022	3.4%	4.3%	3.7%
2023	4.1%	4.6%	3.7%
2024	3.6%	4.3%	4.1%

Source: United States Department of Labor, Bureau of Labor Statistics

TABLE 19
Largest Area Employers

<u>Name</u>	<u>Number of Full-Time Employees</u> ⁽¹⁾	<u>Type of Business</u>
University of Rochester	32,100	Higher education, research, health care
Rochester Regional Health System	17,592	Healthcare
Wegmans Food Markets, Inc.	13,096	Supermarkets
Paychex Inc.	4,579	Payroll, benefits, human resources services
Rochester Institute of Technology	4,155	Higher education, research
L3 Harris Technologies, Inc.	3,724	Defense company
Angels in Your Home	3,051	Home Care Agency
Heritage Christian Services, Inc.	2,456	Human Services Agency
Finger Lakes Health	2,308	Healthcare
Lifetime Healthcare Cos Inc	2,298	Healthcare

(1) Local area includes Monroe, Genesee, Livingston, Ontario, Orleans and Wayne counties.

Source: Rochester Business Journal Article, May 5, 2023

Population and Housing Characteristics

TABLE 20
Sales of Existing Single Family Homes
Annual Total Reported By Real Estate Board of Rochester

		<u>Number</u> <u>Of Sales</u>	<u>Average</u> <u>Price (\$)</u>
2006	City	1,966	59,000
	Towns	6,158	130,000
2007	City	1,889	56,300
	Towns	6,008	132,900
2008	City	1,628	57,000
	Towns	5,365	131,000
2009	City	1,524	65,000
	Towns	5,633	130,000
2010	City	1,337	63,000
	Towns	5,016	138,000
2011	City	1,152	62,000
	Towns	4,704	136,900
2012	City	1,055	70,000
	Towns	5,212	138,000
2013	City	1,110	74,900
	Towns	5,599	140,000
2014	City	865	73,500
	Towns	4,415	143,000
2015	City	882	76,250
	Towns	4,934	145,500
2016	City	1,540	75,000
	Towns	7,427	133,000
2017	City	1,413	77,750
	Towns	7,198	139,000
2018	City	1,530	85,000
	Towns	7,264	147,000
2019	City	1,486	95,000
	Towns	7,228	154,500
2020	City	1,451	113,000
	Towns	6,758	170,000

Source: Democrat & Chronicle

The City has an aggressive program of foreclosing on delinquent properties and returning them to the tax rolls. The principal method of returning properties to private hands is through real estate auctions, although other programs, such as negotiated sales and homesteading, are increasingly important. The following table shows the success of the City's real estate auction and negotiated sale program.

TABLE 21
In-Rem Foreclosures and Dispositions

Fiscal Year	Number of Foreclosures	Number of Properties Sold at Auction or Negotiated Sale	Assessed Value of Properties Sold and Returned to Tax Rolls
2007-08	314	261	3,971,000 ⁽¹⁾
2008-09	95	144	3,507,100
2009-10	69	163	3,631,950
2010-11	222	187	3,736,500
2011-12	294	180	2,957,400
2012-13	155	145	2,563,500
2013-14	202	156	1,714,500
2014-15	11	174	1,883,724
2015-16	205	99	2,278,000
2016-17	223	161	3,750,415
2017-18	139	126	3,034,300
2018-19	102	107	2,064,646
2019-20	100	99	1,867,260
2020-21	0	131	2,828,600
2021-22	0	49	1,159,270
2022-23	170	56	311,100
2023-24	236	73	5,179,250
2024-25	127	86	2,942,000

Source: City of Rochester's Department of Neighborhood and Business Development, Division of Real Estate as of May 6, 2025

(1) Numbers previously reported were based on sale revenue. From this point forward, numbers reflect total assessed value.

Construction Activity

Construction activity is a valuable indicator of the level of investment and measure of confidence in the City.

TABLE 22
Construction Permits in the City of Rochester Permit Value

	(in millions)						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
New residential	\$ 28.6	\$ 51.1	\$114.4	\$6.7	\$2.5	\$48.8	\$41.4
New non-residential	27.5	108.9	58.7	32.0	17.8	217.3	30.9
Residential remodeling	14.0	15.6	14.1	25.6	15.9	95.7	59.3
Commercial remodeling	106.9	166.9	105.0	120.3	223.1	38.5	124.1
Demolition	4.7	3.0	2.1	1.9	4.8	6.2	4.1
Conversions	10.1	1.6	6.1	7.1	104.5	0.01	30.1
Other structures	5.8	8.7	6.9	3.7	0.6	0.2	2.7
Plumbing	25.6	21.8	39.4	23.5	17.1	0.7	50.2
Electrical	12.5	12.5	13.2	23.9	20.0	4.1	105.0
	<u>\$235.7</u>	<u>\$390.1</u>	<u>\$359.9</u>	<u>\$244.7</u>	<u>\$406.3</u>	<u>\$411.5</u>	<u>\$447.97</u>

Source: City of Rochester's Department of Neighborhood and Business Development, Bureau of Buildings and Zoning.

	Number of Construction Permits Issued						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
New residential	29	15	89	35	20	23	47
New non-residential	74	67	61	113	67	6	11
Residential remodeling	1,217	1,368	927	1,037	1,077	326	703
Commercial remodeling	863	888	583	671	639	203	406
Demolition	252	138	137	83	106	87	123
Conversions	50	57	39	41	53	8	119
Other structures	243	211	167	145	102	10	24
Plumbing	1,354	1,138	956	949	975	25	1697
Electrical	<u>2,583</u>	<u>2,335</u>	<u>1,828</u>	<u>1,586</u>	<u>1,429</u>	<u>22</u>	<u>1929</u>
	<u>6,665</u>	<u>6,217</u>	<u>4,787</u>	<u>4,660</u>	<u>4,468</u>	<u>710</u>	<u>5,059</u>

Source: City of Rochester's Department of Neighborhood and Business Development, Bureau of Buildings and Zoning.

Center City

Rochester's Center City is continuing its growth and development as the hub of business, government, cultural, sports, entertainment and educational activities for the entire region. An increasing number of people also now call Center City home.

Rochester Downtown Development Corporation (RDDC) data shows that between 2000 and 2023, more than \$2.5 billion has been invested in Center City. More than 60 commercial buildings have been converted to residential or mixed-use since 2000, and more than 25 new residential projects have been completed. The RDDC also reports that in 2024 more than twelve new retail establishments opened downtown, and more than 1,025 residential units went under construction. Visitors have increased steadily since the pandemic, with an average of 53,900 visits per weekday in the first quarter of 2025, up 9.3% from the first quarter of 2024. Residential occupancy is greater than 94%, with over 10,000 residents currently calling Center City home.

A number of projects have been completed over the past 24 months in the Center City.

Sibley Square – WinnCo of Boston, MA purchased and redeveloped the former Sibley's Department Store. The 1 million square foot building is in the midst of a phased \$200 million restoration, with notable residential and commercial components completed. NextCorps, a business incubator occupies 40,000 square feet and is among the building's commercial tenants. The Rochester Institute of Technology's City Art Space gallery and event center displays the work of students, faculty alumni and more. The video game developer collective ROC Game Dev serves as a headquarters, event and co-working space for professional, hobbyist and student game developers. Citizens Bank and Bank of America branches are now open and available at Sibley Square. The Commissary, a kitchen incubator, opened in late 2020. The Mercantile on Main, a restaurant marketplace featuring seven kitchen vendors offering a variety of options is located at the building's Atrium. Architectural design firm SWBR moved its offices into Sibley Square in 2024 as did a new event space. Some pending/prospective commercial tenants include: tech firms, education, law offices, and healthcare. This project is a critical component of Rochester's downtown revitalization and will attract residents, employment, and investment back to the City's Center. The building is within a 15-minute walk of the entire downtown core and the thriving East End district, and it is directly adjacent to the region's transit center.

30 West Broad Street – Built in 1875, this 56,000 square foot building served as Rochester's City Hall for over a century and is included on the National Historic Register. Completed in 2023, 30 West Broad Street has been redeveloped into mixed-use, with 30 residential units and approximately 22,000 square feet of commercial space. The project additionally made needed repairs to the building, ensuring its preservation.

Gannett Building – In May 2023 Empire State Development awarded the City \$2 million through Round 7 of the Restore New York Communities initiative. This grant resulted in \$44.9 million of public and private investment in the rehabilitation of the historic former Gannett Newspapers building, converting it to mixed-use with 94 residential units, including 19 units set aside for households earning no more than 60% of area median income, 25,000 square feet of commercial space for retail and restaurants, and 458 storage units. Construction was completed in December 2024.

222 South Avenue – Built in 1865 for the use of the Hebard Steam Marble Works, the building is a rare example of intact 19th-century commercial architecture in the urban core. In 2024 the building was placed on the national historic register and converted into a mixed-use building with four residential units and office space for the building developer’s headquarters. Construction was completed in 2025.

Inner Loop East Transformation Project - The City was awarded \$17.7 million in federal transportation funding in late 2013 for the removal of a portion of the Inner Loop on the eastern edge of downtown. The Inner Loop is a grade-separated expressway, surrounding downtown that was constructed over 50 years ago. Considered by many to be a barrier separating downtown from surrounding neighborhoods, the \$22 million project removed a portion of the expressway, reduced the width of the road, and created new vehicular, pedestrian, and bicycle connections from the popular Alexander St. and Park Ave. neighborhoods into downtown. Construction began in 2014 with completion in summer 2018. The project created seven ready-to-build development sites in one of the region’s most popular districts. As of 2025, five sites are fully developed, including a new hotel and 500 units of mixed-income housing.

Inner Loop East Site 1 (120 Charlotte Street) was sold in May 2018 for an affordable housing project to produce 50 affordable rental housing units was completed in the fall of 2019. This first completed Inner Loop East development project was fully occupied by December 2019.

Inner Loop East Site 2 (270 East Avenue) – This site was offered for sale via an RFP process and the selected developer team of Crista Development Corporation and CSD Housing LLC completed construction in 2022. The project resulted in 112 affordable housing units, including 50 units dedicated to supportive housing.

Inner Loop East Site 3 (275 East Avenue) – This site was offered for sale via an RFP process and the selected developer, Home Leasing, LLC completed construction in 2021. The Union Square project includes 72 affordable and workforce housing units that are fully leased. The two commercial spaces on the ground floor have been leased by a deli/market and a clothing store specializing in tailored suits.

Inner Loop East Sites 4 & 5 – Completed in 2023, this project included the expansion of the Strong Museum of Play, the construction of a multi-level parking structure, a 125-unit all-suites hotel, and a 17,000 square foot five-building mixed-use development comprising urban mixed retail, and 236 residential rental units. This project was a partnership between the Strong Museum, Konar Properties, and Indus Hospitality Group. A brewery and “gaming-themed” restaurant and bar have opened into the mixed-use buildings’ commercial space.

A number of additional noteworthy projects in the Center City District are currently underway or proposed:

Inner Loop East Site 6 (125 Howell Street) – This site was offered for sale via an RFP process and the selected developer closed on the land in 2020. Construction is anticipated to commence in 2025. The proposed project will offer five rental residential townhome units.

Inner Loop East Site 7 (95-121 Howell Street) - This site was offered for sale via a development RFP in 2023. The selected developer, PathStone Housing Action Corporation, plans to build an energy-efficient four-story building offering 66 affordable residential rental units and 1,000 square feet of first floor commercial space.

Downtown Revitalization Initiative – In late 2022 the Governor awarded the City of Rochester \$10 million through the State’s Downtown Revitalization Initiative (DRI). The funds are assisting five downtown projects that will enhance “community services, walkability, business and housing opportunities.” When complete, DRI will result in more than \$91.6 million of public and private investment in the heart of Center City. Construction of a new 76-unit affordable housing development on four vacant lots adjacent to the historic St. Joseph’s Park began in early 2024, as did the conversion to mixed use of four historic commercial buildings on a key corner in the heart of Center City. Two additional historic buildings will be redeveloped into an additional 114 residential units, a 28-room hotel, food and beverage establishments, and commercial space. Additionally, a geothermal cooperative will be created under a parking lot to provide heating and cooling to at least four buildings, and outdoor space for outdoor dining, entertainment, and pedestrian circulation will be built.

Restore New York Rounds 4 and 5- The City has been awarded \$7 million through Round 4 and Round 5 of Empire State Development’s Restore New York Communities Initiative. These grants will result in more than \$67.6 million of public and private investment in Rochester’s Center City, with investment focused on key

corridors along East Main Street and State Street. Fifteen buildings will be rehabilitated, resulting in approximately 226 residential units and 93,000 square feet of commercial space upon completion. Construction of Center City Place was completed in 2020. This project included the rehabilitation of five buildings, resulting in 34 rental housing units and 14,000 square feet of commercial space on State Street between Allen and Church Streets. The residential units are fully leased. Rehabilitation of the historic Glenn Building, located at 190-194 East Main Street, was completed in 2023, resulting in 25 residential units and 3,500 square feet of commercial space.

Restore New York Round 6 – In December 2022 Empire State Development awarded the City \$5 million through Round 6 of the Restore New York Communities Initiative. This grant will result in \$150.8 million of public and private investment in Center City, with investment focused around the area benefitting from DRI. The grant award includes the rehabilitation of five buildings, resulting in 391 residential units, 186 of which are affordable, and over 50,000 square feet in retail and office space.

Restore New York Round 8 – In July 2024 Empire State Development awarded the City \$2 million through Round 8 of the Restore New York Communities Initiative. This grant will result in the \$28 million mixed-use conversion of the historic former Richford Hotel. The project will result in 85 new residential units, including 17 units aside for households earning at or below 60% of area median income, and 9,900 square feet of commercial space.

With funding from the New York State Empire Development Corporation (ESD), the City launched, in early 2025, a \$2 million grant fund called, The Re:Main Program, for the renovation and revitalization of vacant and underutilized residential, commercial and/or mixed-use buildings located along Main Street between N. Clinton Avenue and W. Broad Street. This program will provide gap financing to help leverage other funding sources to revitalize up to four properties on Main Street, in Center City. A Notice of Funding Availability was issued, and project applications are currently being accepted and reviewed for program participation.

Center City Courtyard – In early 2024 HELP Development Corp. with CSD Housing, LLC, started the new construction of Center City Courtyard, a 164-unit affordable housing building. This \$72 million investment will transform a former surface parking lot on the west side of Center City. Ninety-five units will be set aside as supportive housing units, and the project will feature a courtyard, underground parking, office space for supportive service providers, and rooftop garden.

The Metropolitan - Completed in 1973 as Lincoln First Tower and later rebranded as Chase Tower, The Metropolitan stands as one of the City's tallest skyscrapers, distinguished by its "white fins" and outward curves at the base. Gallina Development is undertaking the \$34.5 million renovation of the former office building into The Metropolitan. The Metropolitan offers a mix of retail, office and residential rental units. The first 16 floors are commercial and include entire floors that are build-to-suit. Floors 17 through 26 offer high-rise residential living space totaling 89 units. Bar Bantam, a popular restaurant occupies the building's lobby. Other commercial tenants include Partners + Napier, ITX Corp., Forsyth, Howe, O'Dwyer, Kalb, & Murphy, P.C., Big Slide Creative, and Datto, a tech firm that is rapidly expanding and growing within the building and creating new jobs.

Erie Harbor Promenade - This \$5.9 million public improvement project, developed in conjunction with the Nathaniel apartment project, completely opened to the public in fall 2019, furthering the City's efforts to improve trail connectivity alongside the Genesee River. The project includes a new riverside trail promenade overlooking the Court Street Dam and a reconstructed Johnson-Seymour Millrace.

Rundel Library North Terrace – The existing terrace on the north side of the historic Rundel Memorial Library building, which is perched on a bridge over the former Erie Canal, was in need of structural repairs. Those repairs enabled the terrace, which had been closed to the public, to be transformed into a dynamic public space programmed with a significant piece of public art. Construction began in spring 2020 and has been completed.

Riverway Main to Andrews West (Austin Steward Plaza formerly known as Charles Carroll Plaza) – Austin Steward Plaza is located on the west side of the Genesee River generally between Main Street and Andrews Street. Much of the park is built on top of the Crossroads Parking Garage, the roof of which was deteriorating and required waterproofing and structural repairs. Like Crossroads Park on the east side, Austin Steward Plaza was in serious need of structural, functional, and aesthetic improvements to revitalize this important riverfront public space. This project designed and constructed these needed improvements, creating a more natural,

flowing space that is also ADA-compliant and serving as a critical link in the Riverway Trail system. The project also upgraded the existing Sister Cities Bridge, making it ADA-compliant and bicycle-friendly. Construction was completed in 2024.

ROC City Skate Park – This Phase I ROC the Riverway project involved the design and construction of a long-awaited downtown skate park. The location is on the east side of the Genesee River, under and adjacent to the Frederick Douglass – Susan B. Anthony Memorial Bridge. The project broke ground in the fall of 2019 and was completed in fall 2020. The proposed final design for Phase 2 was unveiled in November 2024. Phase 2 construction is funded with a grant through NYSDOS and local funds. Construction is anticipated to be complete by the end of 2025. Improvements will include an expansion of the skate park, nearly doubling its size, an event space, site amenities and a restroom, storage, and concession building.

West River Wall Improvements – The west wall of the Genesee River had been in a state of disrepair for many years, serving as a community eyesore while also preventing access to the riverfront. Phase 1 of this project, which was completed in 2022, rebuilt the west riverfront from Corn Hill Landing to Ford Street, providing a more naturalized shoreline, enhanced Riverway Trail, and a new community plaza. In 2024, the West River Wall improvement project was named the Public Works Project of the Year by the American Public Works Association. Phase 2, which is currently in Design, will extend these improvements southward from Ford St to the Erie-Lackawanna Rails to Trails Bridge.

Investment in Residential Areas

In addition to investments in business development, the City is devoting the major share of its Community Development Block Grant (CDBG) program to the improvement of residential neighborhoods. According to the table following, the City has allocated \$381.1 million, or 65% of total federal allocations and program income, to the City's residential areas since the inception of the CDBG Program in 1975.

Community Development Block Grant/Consolidated Program

(in Millions)

	<u>Allocation Through 06/30/25</u>
Residential neighborhoods	\$381.1
Business development	94.5
Urban renewal completion	27.6
Planning, management and administration	<u>81.2</u>
TOTAL:	<u>\$584.4</u>

Source: Finance Director's Office

Rochester's Consolidated Community Development Program, which began in July, 1975, is a major source of funds for the City's revitalization efforts. The original Community Development Program was established as a result of the Federal Housing and Community Development Act of Consolidated Community Development Program. The amount of the annual grant is determined by a statutory formula that uses several objective measures of community need.

The 2023-24 Program is based upon a citizen participation process that identified needs and priorities and the City's Housing Policy. The Housing Policy guides the allocation of federal and other resources available to the City to address priority housing needs and specific objectives. The goals and policy priorities adopted by the administration also guided the development of the program.

The expected outcomes of the program focus on the provision of decent housing, a suitable living environment and expanded economic opportunities for all citizens.

In support of these goals, the objectives and dollar allocations of the \$13.3 million program are i) promote economic stability, job creation and development by encouraging private investment in neighborhood commercial, service, manufacturing and wholesale activities and improve the accessibility of City residents to existing and newly created economic opportunities (\$256,280), ii) improve the housing stock and general property conditions through rehabilitation, redevelopment and new construction of housing, homeowner assistance, rental market support, housing choice and services to the homeless and those with AIDS, and demolition (\$8,131,164), iii) respond to general community needs by providing and leveraging resources to improve the efficiency, quality and access to existing services with a particular focus on public services and

infrastructure improvements (\$1,414,448), and other (\$3,485,120) which includes program delivery management, planning, and other costs and studies.

Some examples of the impact of these investments for last year's 2023-24 program include 37 homebuyers assisted, 459 housing units rehabilitated, 164 new affordable rental housing units created, 20 jobs created/retained, 16 businesses assisted, 4,387 homeless provided services, 131 households including persons with HIV/AIDS received assistance and 72 blighted structures demolished.

LITIGATION

In common with other municipalities, the City from time to time receives notices of claim and is party to litigation. In the opinion of the Corporation Counsel, only one such claim could have a material adverse effect on the financial condition of the City. That is the suit recently filed by plaintiff Michael Rhynes. On April 5, 2025, plaintiff Michael Rhynes filed an action in the federal court for the Western District of New York against the City of Rochester, Monroe County, and a number of former Rochester Police Officers and Monroe County Assistant District Attorneys, alleging that he was wrongfully convicted of homicide in relation to a crime that took place in 1984. Mr. Rhynes alleges that his conviction was the result of witness tampering and suppression of evidence by City and County defendants. The plaintiff was incarcerated for approximately 36 years before his conviction was vacated after two witnesses recanted their trial testimony.

APPENDIX B

**SUMMARY OF FINANCIAL
STATEMENTS AND BUDGETS**

CITY OF ROCHESTER, NEW YORK
Balance Sheet
General Fund

As of June 30:

(000's Omitted)

<u>Assets</u>	<u>2023</u>	<u>2024</u>
Cash and Investments	\$314,749	\$256,650
Receivables:		
Accounts	2,259	3,543
Taxes	14,701	14,722
Due From Other Governments	58,940	60,486
Due From Other Funds	16,646	18,185
Due From Other Component Unit	143	126
Prepaid Expense	<u>0</u>	<u>0</u>
 Total Assets	 <u><u>\$407,438</u></u>	 <u><u>\$353,712</u></u>
<u>Liabilities and Fund Balances</u>		
<u>Liabilities</u>		
Accounts Payable and Accrued Liabilities	\$28,165	\$28,126
Due to Other Funds	74,132	76,716
Due to Other Governments	12,497	14,558
Due to Component Units	63	0
Unearned Revenue	<u>173,473</u>	<u>117,281</u>
 Total Liabilities	 <u><u>288,330</u></u>	 <u><u>236,681</u></u>
<u>Fund Balances</u>		
Nonspendable	-	-
Restricted	56	56
Committed	57,874	56,663
Assigned	52,128	51,659
Unassigned	<u>9,050</u>	<u>8,653</u>
 Total Fund Balances	 <u><u>119,108</u></u>	 <u><u>117,031</u></u>
 Total Liabilities and Fund Balances	 <u><u>\$407,438</u></u>	 <u><u>\$353,712</u></u>

Source: Compiled from prior years audited financial reports although this summary, itself, has not been audited.

ROCHESTER CITY SCHOOL DISTRICT
Balance Sheet
General Fund

As of June 30:

<u>Assets</u>	<u>2023</u>	<u>2024</u>
Cash and Cash Equivalents	\$239,288,507	\$338,614,240
Receivables:		
Accounts	3,546,792	2,257,930
Due From Other Funds	65,229,676	48,076,500
Due From Other Governments	25,498,239	26,776,708
Prepayments	<u>18,041,634</u>	<u>18,641,379</u>
 Total Assets	 <u><u>\$351,604,848</u></u>	 <u><u>\$434,366,757</u></u>
 <u>Liabilities and Fund Balances</u>		
<u>Liabilities</u>		
Accounts Payable and Accrued Liabilities	\$56,188,142	\$61,393,839
Due to Other Funds	37,476,841	55,962,745
Due to Other Governments	6,283,428	5,537,632
Due to Retirement Systems	27,260,698	25,732,113
Unearned Revenues	<u>0</u>	<u>0</u>
 Total Liabilities	 <u>127,209,109</u>	 <u>148,626,329</u>
 <u>Fund Balances (1)</u>		
Nonspendable		
Prepayments	18,041,634	18,641,379
Restricted for		
Debt Service	12,391,647	11,946,522
Scholarships	200,632	202,823
Student funds	12,341	3
Flexible spending	580,701	565,998
Committed for		
Insurance Claims	1,000,000	1,000,000
Worker's Compensation	10,000,000	10,000,000
OPEB	27,000,000	27,000,000
Safety and Security	5,000,000	5,000,000
Health Insurance	10,000,000	10,000,000
Assigned for		
Capital Local Share	25,500,000	38,350,000
Appropriation for subsequent year's budget	5,000,000	8,000,000
School Food service	0	0
Encumbrances	411,953	3,065,890
Contract settlements	5,000,000	5,000,000
state loan final payment	30,333,334	0
Pension stabilization	4,000,000	4,000,000
NYS unemployment insurance stabilization	2,000,000	2,000,000
Judgements and claims	2,000,000	10,000,000
Unassigned	<u>65,923,497</u>	<u>130,967,813</u>
 Total Fund Balances	 <u>224,395,739</u>	 <u>285,740,428</u>
 Total Liabilities and Fund Balances	 <u><u>\$351,604,848</u></u>	 <u><u>\$434,366,757</u></u>

Source: Compiled from prior years audited financial reports although this summary, itself, has not been audited.

CITY OF ROCHESTER, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
(000's Omitted)

Year Ended June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Revenues</u>					
Real Property Taxes	\$155,683	\$165,852	\$167,899	\$166,812	\$166,484
Sales and other Taxes	182,517	197,827	222,244	224,997	224,616
Departmental Income	26,366	21,781	21,016	26,121	24,258
Use of Money & Property	1,106	35	440	8,889	14,221
Licenses and Permits	3,405	3,309	3,350	3,438	4,621
Federal Aid	1,502	4,477	3,849	18,532	32,621
State Aid	81,339	115,894	99,065	98,904	97,774
Local Sources and Other	25,075	24,658	26,580	27,143	26,517
Total Revenues	<u>476,993</u>	<u>533,833</u>	<u>544,443</u>	<u>574,836</u>	<u>591,112</u>
<u>Expenditures</u>					
General Government	144,760	150,047	161,912	171,200	186,250
Neighborhood Business Development	7,249	6,467	7,713	13,094	19,841
Environmental Services	21,991	21,793	23,151	24,908	26,815
Police	97,143	97,740	99,173	109,005	105,993
Fire	51,686	52,672	56,498	59,374	60,068
Emergency Communications	14,351	14,273	14,515	15,321	15,333
Recreation & Human Services	8,838	9,356	10,770	13,128	15,567
Transportation	3,754	3,795	3,913	4,716	3,878
Undistributed	-	-	-	-	-
Allocation to School District	119,100	119,100	119,100	119,100	119,100
Debt Service: Principal	15,363	13,589	11,540	9,864	9,764
Interest	3,625	3,400	2,738	3,292	4,751
Administrative Charges	1	1	1	0	0
Total Expenditures	<u>487,861</u>	<u>492,233</u>	<u>511,024</u>	<u>543,002</u>	<u>567,360</u>
Excess of Revenues Over Expenditures	<u>(10,868)</u>	<u>41,600</u>	<u>33,419</u>	<u>31,834</u>	<u>23,752</u>
<u>Other Sources and (Uses)</u>					
Operating Transfers In	19,522	17,137	17,642	18,742	17,571
Operating Transfers Out	(26,015)	(29,900)	(38,604)	(43,493)	(43,400)
Total Other Sources and (Uses)	<u>(6,493)</u>	<u>(12,763)</u>	<u>(20,962)</u>	<u>(24,751)</u>	<u>(25,829)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(17,361)</u>	<u>28,837</u>	<u>12,457</u>	<u>7,083</u>	<u>(2,077)</u>
<u>Fund Balance</u>					
Prior period adjustment		50			
Fund Balance - Beginning of Year	<u>88,042</u>	<u>70,681</u>	<u>99,568</u>	<u>112,025</u>	<u>119,108</u>
Fund Balance - End of Year	<u>\$70,681</u>	<u>\$99,568</u>	<u>\$112,025</u>	<u>\$119,108</u>	<u>\$117,031</u>

Source: Compiled from prior years audited financial reports although this summary, itself, has not been audited.

ROCHESTER CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

Year Ended June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Revenues</u>					
Use of Money & Property charges for services	\$223,800	\$282,105	\$323,382	\$5,256,470	\$13,038,877
Intergovernmental	0	0	0	3,167,499	3,270,755
sale of property and compensation for loss	119,100,000	119,100,000	119,100,000	119,100,000	119,100,000
Other	0	0	0	7,085,166	9,361,969
State Sources	10,512,795	9,790,025	9,707,910	8,056,948	17,448,719
Federal Sources	677,366,735	599,017,586	636,534,411	669,838,736	702,606,807
	<u>5,263,857</u>	<u>8,730,858</u>	<u>26,626,049</u>	<u>3,397,571</u>	<u>4,255,662</u>
Total Revenues	<u>812,467,187</u>	<u>736,920,574</u>	<u>792,291,752</u>	<u>815,902,390</u>	<u>869,082,789</u>
<u>Expenditures</u>					
Support	67,403,816	66,978,180	75,475,403	59,626,206	67,290,062
Instructional	526,117,915	504,592,032	517,730,407	526,298,701	534,566,557
Transportation	54,814,943	27,788,729	64,416,909	71,412,565	78,861,784
Community Services	620,956	199,090	358,519	300,864	865,695
Debt Service: Principal	0	0	0	0	0
Interest	1,638,751	3,428,606	1,074,484	1,197,300	641,200
Total Expenditures	<u>650,596,381</u>	<u>602,986,637</u>	<u>659,055,722</u>	<u>658,835,636</u>	<u>682,225,298</u>
Excess of Revenues over Expenditures	<u>161,870,806</u>	<u>133,933,937</u>	<u>133,236,030</u>	<u>157,066,754</u>	<u>186,857,491</u>
<u>Other Sources and (Uses)</u>					
Net premium on debt issuance		1,814,378	0	0	0
Operating Transfers In	804,135	3,890,822	3,083	0	1,092
Operating Transfers Out	<u>(87,613,636)</u>	<u>(86,316,186)</u>	<u>(99,966,482)</u>	<u>(101,781,913)</u>	<u>(125,513,894)</u>
Total Other Sources and (Uses)	<u>(86,809,501)</u>	<u>(80,610,986)</u>	<u>(99,963,399)</u>	<u>(101,781,913)</u>	<u>(125,512,802)</u>
Net Change in Fund Balances	75,061,305	53,322,951	33,272,631	55,284,841	61,344,689
<u>Fund Balance</u>					
Prior Period Adjustments	-	267,386	0	0	0
Fund Balance - Beginning of Year	<u>7,186,625</u>	<u>82,247,930</u>	<u>135,838,267</u>	<u>169,110,898</u>	<u>224,395,739</u>
Fund Balance - End of Year	<u>\$82,247,930</u>	<u>\$135,838,267</u>	<u>\$169,110,898</u>	<u>\$224,395,739</u>	<u>\$285,740,428</u>

Source: Compiled from prior years audited financial reports although this summary, itself, has not been audited.

CITY OF ROCHESTER, NY
Summary of Estimated Revenues and Budgetary Appropriations
(Unaudited)

Fiscal Year Ended June 30:	<u>2024-25</u>	<u>2025-26</u>
	<u>Amended Budget</u>	<u>Proposed Budget</u>
<u>Estimated Revenues:</u>		
Real Property Taxes	\$155,956,900	\$158,387,200
Delinquent & Supplemental Taxes	7,831,700	8,273,500
In-Lieu-of-Tax Payments	15,870,000	14,905,800
Interest & Penalties	3,220,000	3,520,000
Sales Tax	207,173,000	203,383,000
Utilities Gross Receipts Tax	8,800,000	9,050,000
Mortgage Tax	3,400,000	3,750,000
Marijuana Dispensary Tax	0	600,000
Departmental Income	10,340,100	10,440,400
Use of Money & Property	10,821,300	7,871,300
Fines & Forfeitures	4,274,200	5,255,200
Licenses & Permits	3,665,300	4,141,900
Sales of Property and Comp for Loss	3,782,800	3,322,000
Miscellaneous	35,562,100	30,505,200
Intergovernmental - New York State	114,695,400	116,222,000
Intergovernmental - Federal	40,498,700	24,053,500
Intergovernmental - Other	26,116,600	28,049,000
Interfund Revenue & Transfers	<u>(101,951,600)</u>	<u>(100,655,800)</u>
Total General Fund:	550,056,500	531,074,200
Animal	3,361,100	3,605,000
Library	22,515,300	21,099,200
Water	50,089,200	47,130,600
War Memorial	3,076,800	3,871,000
Parking	11,781,400	9,245,500
Cemetery	4,317,700	3,327,700
Public Market	2,059,100	2,173,200
Refuse	35,410,500	33,084,400
Local Works	<u>24,866,300</u>	<u>25,844,200</u>
Total Estimated Revenues	<u><u>\$707,533,900</u></u>	<u><u>\$680,455,000</u></u>
<u>Appropriations</u>		
Personnel Expenses	\$476,672,700	\$495,896,200
Material and Supplies	17,414,412	17,389,500
Services	120,581,888	103,270,300
Other	111,864,900	82,905,500
Interfund and Intrafund Credits	<u>(19,000,000)</u>	<u>(19,006,500)</u>
Total Appropriations	<u><u>\$707,533,900</u></u>	<u><u>\$680,455,000</u></u>

Source: 2024-25 Amended and 2025-26 Proposed Budgets

APPENDIX C

**INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website
of the Municipal Securities Rulemaking Board (“MSRB”)
at the following link:**

<https://emma.msrb.org/P11815165-P11391276-P11831343.pdf>

**The audited financial statements referenced above are hereby incorporated into the
attached Official Statement.**

*** Such Financial Statements and opinion are intended to be representative only as
of the date thereof. EFPR Group LLP has not been requested by the City to further
review and/or update such Financial Statements or opinion in connection with the
preparation and dissemination of this Official Statement.**

APPENDIX D

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

Hawkins Delafield & Wood LLP
140 Broadway
New York, New York 10005

July 30, 2025

The City Council of the
City of Rochester, in the
County of Monroe, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Rochester (the “City”), New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the [\$171,255,000 Bond Anticipation Note-2025 Series II] [\$30,000,000 Bond Anticipation Note-2025 Series III] (the “Note”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Concurrently with the issuance of the Note, the City is issuing its [\$171,255,000 Bond Anticipation Note-2025 Series II (the “Series II Notes”)] [\$30,000,000 Bond Anticipation Note-2025 Series III (the “Series III Notes”)]. The Note is treated, together with the [Series II Notes][Series III Notes], as a single issue for federal tax purposes. We have served as Bond Counsel with respect to the issuance of the [Series II Notes][Series III Notes]. On the date hereof, we have rendered our opinion with respect to the exclusion of interest on the [Series II Notes][Series III Notes] from gross income for Federal income tax purposes subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on the [Series II Notes][Series III Notes] and the Note to become subject to Federal income taxation retroactive to the date of issue thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded

from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the City will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the City represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the City’s representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the City with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other

information relative to the City, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

APPENDIX E

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is used in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the City of Rochester, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the Director of Finance as of July 30, 2025.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the Issuer’s [\$171,255,000 Bond Anticipation Note-2025 Series II] [\$30,000,000 Bond Anticipation Note-2025 Series III], dated July 30, 2025, maturing on July 30, 2026, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through **Capital Markets Advisors, LLC, 4211 N. Buffalo Road, Suite 19, Orchard Park, New York 14127**, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;

- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of July 30, 2025.

CITY OF ROCHESTER, NEW YORK

By _____
Director of Finance