

ROCHESTER BUSINESS JOURNAL

VOLUME 18, NUMBER 49

DAILY EDITION: <http://www.rbjdaily.com>

MARCH 7, 2003

\$40 million plan in Mendon eyes fuel-cell growth

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A planned \$40 million, 750,000-square-foot industrial and commercial complex is expected to be the first major spinoff development of General Motors Corp.'s Fuel Cell Activities center in Honeoye Falls.

The Village Square project is aimed at fuel-cell research and manufacturing companies, as well as retail, financial and other support services. The plans call for it to be built on a portion of a 275-acre parcel at 144 W. Main St. in the village—one of the largest undeveloped tracts in Monroe County, the developers said.

Work on the project gets under way as economic development officials commence a case study of Greater Rochester's fuel-cell activities in an effort to attract related businesses and activities to the region.

Land owners and developers David Dworkin and John August, along with their partners, hope to benefit from any expansion of GM's fuel-cell research-and-development center. The two-building campus is landlocked.

Dworkin, principal of LLD Enterprises, and his partners also hope to reach out to Rochester Institute of Technology, which recently launched its Advanced Fuel Cell Research Laboratory. RIT and GM collaborate in a number of areas.

"We'd love to create an industrial park that complements GM," Dworkin said.

Dworkin and his partners, under the name Monroe Village Associates LLC, bought the 275-acre property in December 2002 for \$830,000. The developers have led several notable projects in the county, including the historic Button Factory building in the city's High Falls district. Empire Brewing Co. restaurant is among their tenants.

Approximately 93 acres of the property are in the village and 178 are in the town of Mendon. Rezoning was completed late last year, with 15 acres zoned as gateway commercial and 260 acres zoned industrial.

Construction on the Honeoye Falls portion of the project is expected to start this year. The village acreage alone could handle 750,000 square feet of development, totaling some \$40 million in investment, Dworkin said. The buildout is expected to take more than 10 years.

The county granted Empire Zone status for the 275-acre site and it is pending

state approval. The designation would provide sales tax, mortgage tax and property tax abatements.

"Our project is just primed for development," Dworkin said.

Honeoye Falls Mayor Stephen Gustin this week said the project will be an ideal gateway development for those entering the historic village from the south and west. Local leaders are looking for clothing stores, health and fitness clubs and day-care services at the site.

Officials also expect the site to attract fuel-cell research and manufacturing firms related to GM's work, or perhaps an expansion of GM, Gustin said.

"It's my understanding that they are running out of room rapidly," he said.

Talk of expansion is ongoing, but GM has yet to submit any formal plans to the village, Gustin said. But an expansion may be likely especially in light of President George Bush's \$1.2 billion—later increased to \$1.7 billion—hydrogen-car initiative announced in January. U.S. Secretary of Energy Spencer Abraham visited the GM site in February.

"I'm sure that GM is going to get a substantial amount of money for research," Gustin said.

Matthew Fronk, chief engineer of fuel-cell research and development at the GM facility, this week said the company has no plans to expand soon. As for Dworkin's plans to create an industrial park that would relate to GM's work, he said it sounds like a good idea.

"If he can promote that, that would be great," Fronk said.

But Fronk added GM fuel-cell employees work with researchers worldwide. The facility's location in Honeoye Falls is not that big a deal.

"Location isn't really that critical to us," he said.

Village Square's first tenant is slated to be a branch of ESL Federal Credit Union, Dworkin said. The developers hope to lure a day-care facility to the site as well. Day care was among the top needs cited in a survey of village residents.

In addition, the land is the recommended site for a proposed 10,000-square-foot Mendon Town Library, Dworkin said. Some five acres will be set aside for public hiking trails and open space.

"It's amazing," he said. "Of all the projects we've been involved in, this is one of

the most exciting. It's got so much potential."

The development meshes with efforts to attract fuel-cell-related manufacturing to Honeoye Falls and the region.

Thomas Battley, economic development manager for the county, this week said officials talked with various GM divisions about bringing related manufacturing to the Greater Rochester area. They have had little luck so far in approaching GM executives in Detroit.

"They're secretive about their new plans; it's hard to get a read on them," he said. "All the decisions seem to be made by some group effort that you're never able to pinpoint."

In response, the county now is looking to the Greater Rochester Enterprise Inc. and local CEOs for help, Battley said. The county hopes peer-to-peer meetings among top local CEOs and top corporate executives at GM will be more fruitful than lower-level discussions.

"We're hoping that we'll have some help there," he said.

GRE president and CEO Michael Finney this week said his organization and the Center for Governmental Research Inc. are commencing work on a business case study of Greater Rochester's fuel-cell activities to attract more of them to the region.

Bush, as well as Sen. Hillary Clinton, D-New York, support increased federal spending on fuel-cell research and Greater Rochester needs to document and demonstrate its position in that industry, Finney said. He cited GM and RIT, as well as Delphi Technical Center Rochester, Delphi Corp.'s research center in Henrietta.

"When you really start to look ... you make a pretty powerful case for fuel cells in Rochester," Finney said.

He declined to comment on local CEOs meeting with top GM executives.

Monroe County has helped GM establish its local fuel-cell center in the past. In 1998, the County of Monroe Industrial Development Agency granted \$208,000 in sales tax exemptions toward the construction of a \$6.5 million, 75,000-square-foot fuel-cell research facility.

In 2001, COMIDA awarded some \$686,000 in tax breaks for an \$8 million, 81,000-square-foot development center adjacent to GM's existing facility. Gov. George Pataki last year cut the ribbon on that center, which is expected to retain 163 jobs and create 70 jobs in three years.

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