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Note from the publisher and editor

he Rochester Business Journal has chronicled tremendous change in our community since it began publishing weekly in October 1987. We are thrilled to provide this 30th anniversary commemorative edition to highlight some of the biggest stories and most important people we have covered in that time.

Some of the stories in these pages were voted by our readers as being the most important of the past 30 years. As was the case five years ago, Kodak's decline was the overwhelming choice as the top story, and with good reason. Kodak had 47,000 local employees in 1988; fewer than 1,700 area residents work there now, which means it has shed nearly 97 percent of its local workforce.

This section also takes a look into the future, asking local leaders, officials and RBJ readers their thoughts on what the Rochester business community will look like—and what challenges it will face—over the next 30 years.

And our look at the 30-year history of our business coverage isn't limited to this publication. Go to www.rbj.net for more content related to our 30th anniversary.

Of course, the Rochester business community has not been alone in undergoing great change over these past 30 years; the Rochester Business Journal itself has as well.

Our business has evolved from being only a weekly print publication in 1987 to adding special publications, events, a digital newspaper, a daily online edition and e-newsletters. We are grateful for the work Susan Holliday did with her team over 29 years to turn the Rochester Business Journal into a top-notch media organization.

As we look to our own future, we have exciting plans for new multimedia ventures, thought leadership events and expanded partnerships with local stakeholders—all while continuing to focus on what matters most to our readers: in-depth coverage of the local business community.

This year in particular has been a year of change for the Rochester Business Journal. We are now owned by BridgeTower Media, and the change in ownership has created a single, nimble staff that produces both Rochester Business Journal and The Daily Record. We will continue to pursue opportunities for the two publications to augment each other, but we remain committed to producing separate products, with RBJ focusing on local, in-depth business coverage.

Of course, this anniversary would not be possible without you, our readers, subscribers, advertisers and event attendees. We thank you for putting your trust in us, for relying on us as your source of business news, and for partnering with us to inform this community.

We looking forward to continuing to bring you news about the evolving Rochester business community as we move forward with our own evolution as a media company.

Suzanne Fischer-Huettner Publisher

Ben Jacobs Editor

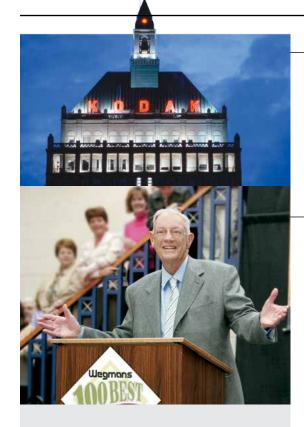


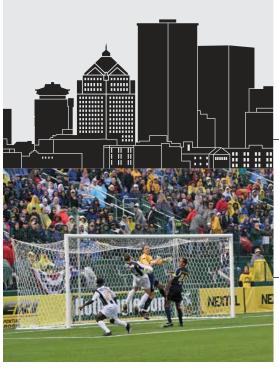
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Kodak's decline a result of failure to find right strategy for change

By MIKE DICKINSON

Eastman Kodak Co. employs some 1,640 workers here, making it the 16th-largest employer in the region. If not for its history, the firm would simply be a decent size local company, currently making a profit and looking to boost its sales.

But Kodak is measured by its former status as global icon and dominant local employer. Its local workforce has dropped some 97 percent since 1982, when it peaked at 60,400 and employed more than the region's current three largest employers—the University of Rochester, Rochester Regional Health and Wegmans Food Markets Inc.—combined. Kodak's global employment peaked at 145,300 in 1988.

The company plummeted from the pinnacle of industry to bankruptcy in 2012. Now, five years after it filed for Chapter 11, it still faces an uncertain future. Its decline changed the meaning of a Kodak Moment.

For the Rochester region, the decline meant the loss tens of thousands of good-paying, great-benefit jobs along with a cascading impact on vendors, retirees, retailers, service firms and nonprofit organizations.

Still, the loss of so many jobs could have decimated the community. That the impact did not reach that level is a credit to the resiliency of the local economy, the power of the educational institutions here and the gradual nature of the fall of Kodak, which averaged a couple thousand job cuts a year for decades.

In addition, the spinoffs and sales of some Kodak units spawned strong local companies, which employ thousands of workers here.

George Conboy, chairman of Brighton Securities Corp., said the impact was lessened because the decline took so long and gave the region's economy a chance to shift and rebuild. But the economy is more modest now than it would have been with a strong, though smaller, Kodak, he said.

"It didn't go out over 90 days. It happened over

30 years," he said. "The region has moved past the bankruptcy. ... It would have been stronger if Kodak had 16,000 employees instead of 1,600."

Readers of the Rochester Business Journal in July overwhelming selected the decline of Kodak as the top business story over the past 30 years. See the RBJ 30th anniversary poll results on page 16.

Five leaders—three career Kodakers and two outsiders—steered the onetime photo giant during its 30-year decline into bankruptcy.

With varying degrees of urgency, Colby Chandler, Kay Whitmore, George Fisher, Daniel Carp, Antonio Perez and their management teams mapped out paths to when film would be replaced by digital imaging. None of those paths led to the brass ring.

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KODAK

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Paths to the future

A possible route to a new future for Kodak began in the 1970s. Kodak in 1975 entered the copier or electrophotographic business with the debut of the Kodak Ektaprint 100 Copier-Duplicator. Kodak and Xerox Corp. became the two major players in the central reproduction office business. Kodak ultimately sold its copier division to Danka Business Systems PLC, a move that proved disastrous for Danka.

Also during the 1980s, Kodak launched Ektachem blood analyzers, based on film technology, which became a successful business. That Kodak division was sold to Johnson & Johnson in 1994. It continues to operate in Rochester, as part of Ortho Clinical Diagnostics Inc., with some 1,250 employees.

Under the leadership of Chandler and Whitmore, Kodak saw an opportunity to leverage its organic chemistry research capabilities and intellectual property in the pharmaceutical industry, which in the late 1980s was highly profitable, even by Kodak and film standards. In 1988, Kodak made a leap into that arena by acquiring Sterling Drug Inc., a maker of prescription and over-the-counter drugs.

In 1994, with Fisher at the helm, Kodak sold off pharmaceutical and consumer health products subsidiaries and used the proceeds to pay down debt. It also marked a sharp turn away from diversification to a focus on core imaging technologies, including digital imaging. Ultimately that move, however, would not bring about the growth he envisioned and did not succeed in finding a profitable

path to take the company into the 21st century.

Another firm sold off by Fisher was Eastman Chemical Co., founded by George Eastman in 1920 to provide the chemicals the film giant needed. Some company observers point to how well Eastman Chemical has done compared with Kodak and suggest the company missed an opportunity to focus there.

Kodak spun off the Tennessee-based chemical firm in 1994 as the 10th-largest chemical company. Today Eastman Chemical has 14,000 employees worldwide and 2016 sales of \$9 billion. Its market value is nearly \$12.3 billion, compared with Kodak's current market cap of less than \$325 million in late August.

In a 2012 interview with the Rochester Business Journal, Lawrence Matteson, executive professor of business administration at the Simon School of Business and a former Kodak executive, talked about that possibility. Kodak had begun talking about selling off Eastman Chemical in the late 1980s. By then, the chemical operation had ventured into new areas and played a much smaller role in providing chemicals for Kodak. He described it as a lower-profit business—certainly less than film—but well-managed and growing.

"Could (Kodak) have kept it and focused on it? Yes, (but) that would have meant saying, 'Stop doing what you are doing in Rochester and focus on the chemical business in Tennessee.' It would have meant not leveraging any of the strengths (of Kodak)—not leveraging the R&D, not leveraging the manufacturing and not leveraging the brand.

"You had 100,000 people (in) the photographic business in one way or another," he noted. "If you go into the commodity chemical business with the demand for 10 to 20 percent of the people, and a slow-growing business, does it make any sense? I

think it made sense to sell it off in the '80s."

Carp, who succeeded Fisher as CEO in 2001, took the reins as a Kodak insider. Yet as CEO he put in motion efforts expected to sever the direct link with film. As CEO, Carp ordered a multiyear effort to reshape Kodak Park. The multimillion-dollar project involved demolishing buildings; selling properties, including the Henrietta campus; and revitalizing some sites.

Still, Carp misjudged how fast film would decline, company watchers said. But Kodak appeared to be developing into the consumer photographic company many thought it logically should be.

Kodak under Carp built a leading brand in digital cameras. Kodak's EasyShare models reached the No. 1 spot in U.S. market share when Carp departed as CEO and were believed to rank No. 3 worldwide. Kodak also had a leadership spot in kiosks. But beneath that success emerged structural issues.

Similarly, Kodak built a leading site for online photos, the Kodak EasyShare Gallery, but profits proved elusive. A key element in Kodak's consumer digital strategy failed: printing of images. The company planned to make money off thermal printing ribbons and paper. That was key, in part, because despite the market share and ratings, Kodak did not make money on its cameras.

In the end, its digital strategy lacked the razor blades necessary for the razor-and-razor-blades model to work, analysts said.

Kodak leaders also severely misjudged how little demand would exist for hard copies of pictures. Its mantra for years had been that a massive upsurge in the number of photos taken digitally would compensate for a reduction in the percentage of photos printed. However, the Internet made viewing and

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KODAK

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sharing easier, changing consumer behavior.

Perez, who become CEO in 2005, gets a great deal of criticism for failing to make Kodak profitable, yet few can argue that he chose a bold new path—though ultimately not successful—for Kodak. He turned it chiefly into a printing company, focused on a trio of initiatives: consumer and commercial inkjet, workflow software and services, and packaging solutions.

George Conboy is one of those who pan Perez, whom he calls incompetent. Conboy criticizes the stock buybacks under Perez's watch as Kodak failed to invest and ultimately used up its cash and ended up in bankruptcy.

Some company watchers similarly criticized the buybacks under Fisher in the 1990s. They ponder what Kodak could have done if it invested those billions back into the company or into acquisitions.

Kodak began to see it could not fund all of its promising businesses. Its Health Group was sold in 2007 to Onex Corp. The business would become Carestream Health Inc. Some thought that business, which employs 1,250 people here, could have become part of Kodak's future as well.

Kodak divested its remote sensing systems operation in 2004 to ITT Corp., and the operation is now part of Harris Corp. Kodak also sold various smaller pieces such as organic light-emitting diode and sensor businesses.

"They never found a very powerful or profitable substitute for a business that required film," Matteson said in the 2012 interview.

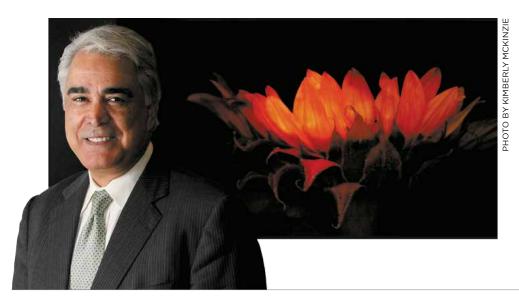
Not idiots

Kodak, he and Conboy said, had not been led by idiots, as some pundits claim. Such an analysis ignores the magnitude of the task faced by Kodak leadership. In Matteson's view, this challenge far eclipsed those encountered in remaking Intel Corp., IBM Corp. and Apple Inc.

"It was one of the most difficult transformations any major American company has had to face," Matteson said. "Not only were they dealing with major shifts in their marketplace but they were dealing with major shifts in obsolescence of their core research, production and manufacturing capabilities in the photograph markets that they served.

"Customers found entirely different ways of doing things that obsoleted the competitiveness of Kodak. There are not many companies that face the same sort of disruption."

Critics point to engineer Steve Sasson's invention of the digital camera at Kodak in 1975 as prima facie evidence of Kodak's blunders in the digital era.



Back in 1979, Matteson—then at Kodak doing advanced development work on consumer cameras—analyzed the impact of electronic photography on the film business. His study predicted digital would replace film by 2010 across the company's categories, beginning with government and military applications and culminating with consumers. He was off by a few years as the transformation largely was completed early in the 2000s.

Starting in the early 1980s, Kodak leadership widely acknowledged the impending transformation and its impact, Matteson said. Its existing lifeblood would dry up as digital imaging replaced the silver halide-based photographic industry that fueled Kodak's success and generated billions in revenues and profits. Kodak's leaders knew digital would be far less profitable: where film generated a profit of as much as 70 cents on a dollar, digital imaging might make a nickel.

The bankruptcy

Shortly after 1 a.m. on Jan. 19, 2012, Kodak announced its filing for Chapter 11 bankruptcy protection. The company listed some \$5.1 billion in assets and \$6.75 billion in debts. In late 2012, the company agreed to sell and license its digital imaging patents for some \$525 million. The long-awaited move was key to its efforts to emerge from Chapter 11 bankruptcy in 2013.

The sale of the 1,100 patents initially was projected to fetch as much as \$2.6 billion in a Bankruptcy Court auction. Kodak had begun the effort to sell the patents in 2011. Kodak emerged from bankruptcy Sept. 3, 2013, 19 months after filing. Final steps in its restructuring included the spinoff of its Personalized Imaging and Document Imaging businesses to the U.K. Kodak Pension Plan.

Kodak Alaris Inc., which was created from the

businesses spun off to the U.K. Pension Plan as part of the bankruptcy, employs 656 and ranks as the region's 50th largest employer.

The future of Kodak now is under the guidance of Jeffrey Clarke, who began as CEO on March 11, 2014 with a big challenge ahead: taking the company that emerged from Chapter 11 bankruptcy and building it into a successful, profitable firm.

Kodak on March 7 this year reported its first annual profit since emerging from bankruptcy, but its revenues continue to decline. Kodak expects 2017 revenues of \$1.5 billion to \$1.6 billion, down from \$1.64 billion in 2016 and down from \$6 billion in 2011. The company said it planned to lay off more than 30 employees in November at Eastman Business Park and Kodak Research Labs.

The company is building around its "growth engines": Sonora and Flexcel NX plates, Prosper Inkjet and the Software and Solutions Division. These growth areas are delivering growth, and represented 27 percent total company revenues in the second quarter, Clarke said in July.

Its strategic mature businesses represent 64 percent of revenue and are being managed to reduce costs and optimize returns.

Conboy acknowledged the company's success in turning a profit in 2017, but pointed to its continued difficulty in growing the top line.

"Unfortunately, clouds are gathering at the new Kodak," he said, adding its stock is trading at a fraction of where it began trading after the bankruptcy. "Top line growth is still a problem. You can't cut your way to growth.

"Financial results are still very tenuous."

Mike Dickinson is the former managing editor of the RBJ and covered Kodak for more than 20 years.



PHOTO BY GINO FANELLI The University of Rochester, in conjunction with UR Medicine, employs 30,142 people in the Rochester area.

Pillars of the ECONOMY

University of Rochester, Rochester Institute of Technology drive region's growth

By GINO FANELLI

For the residents of Rochester, several names have stood out in the annals of our history; Henry Lomb, George Eastman, Colonel Nathaniel Rochester, Frank Ritter, among others. These names spawned industries that rose to stratospheric heights before either tumbling back downward, or all out fleeing the Rochester community. Yet their legacy lives on through Rochester's post-industrial age, as the educational institutes they helped spawn continue to captivate minds, invest in the community and build the next leaders who may one day lead Rochester back into the spotlight as a "boomtown."

For now, the University of Rochester and Rochester Institute of Technology take on important roles as two of the largest employers in Rochester; the former—in conjunction with UR Medicine—leading the way with 30,142 employees and

the latter at number six with 4,500 employees. The two institutes carry legacies of unique approaches to education, research, job creation and community engagement.

"Where I see RIT at now is a natural culmination of its original intent," said Albert Simone, who served as president of RIT from 1992 to 2007.

Simone points to the history of RIT, reaching back to the founding of the Rochester Athenaeum in 1829 by Col. Nathaniel Rochester and community leadership, a place for philosophers and political discourse Simone describes as much like a liberal arts college. In 1891, the Athenaeum merged with the Rochester Mechanics Institute, becoming a center of culture as well as practical technical skills, a framework for the RIT seen today.

Today, what Simone sees as the true benefit of RIT that keeps students from

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NEWS | TOP STORIES



UR/RIT

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around the world clamoring to attend is the cooperative studies program. In this campus-wide program, students are granted the opportunity to attend school for two years, then begin working full time with a company in their field as they stride toward graduation.

"This is why so many students who come from families who may not have much we try to encourage to come to RIT," Simone said. "We show them, hey, look, you can actually get a job while you're getting your degree."

The program, founded in 1912, now plays host to 2,200 employers around the world.

"2,200!" Simone exclaimed. "That's huge, that's all of these employers from all over looking at our students, and they're getting real work experience with them."

Despite RIT's reputation as a school oriented toward science, technology and engineering, Simone says the spirit of the Athenaeum still holds an important role.

"Especially when we're talking about now with all of this alt-right, alt-left, neo-nazis and whatever else going on, we need a place where we can invite speakers, talk about these things and give our students a chance to learn what's going on," Simone said.

If RIT has gained a reputation as a haven for engineering, design, photography and technology over the years, the University of Rochester has gained as striking a reputation for its medical institutes. From Golisano Children's and Strong Memorial hospitals to the Eastman Institute for Oral Health, along with care centers across the metropolitan area, the University of Rochester has grown to represent all facets of the medical field locally.

Yet, as a place in the community, UR has become a staple far beyond the bounds of medical science and research. In three decades, the school has overseen an expansion of the Memorial Art Gallery by 60 percent, making it larger than New York City's Guggenheim, as well as increased access to homes in the city through their Mortgage Housing Incentive Program.

"The kind of size we have comes with a social responsibility," said Joel Seligman, president of the University of Rochester. "There's a famous

PHOTO BY GINO FANELLI Rochester Institute of Technology is the sixth-largest local employer with 4,500 employees.

quote from George Eastman, you'll find it engraved at the Eastman Theatre, that says 'for the enrichment of the community life.' That is a value we try to uphold."

From tutoring programs to anti-poverty initiatives, Seligman describes the university as "very much involved" with Rochester.

"It's so striking when we give out our community service awards, how many of our staff and faculty so quietly do amazing work," Seligman said.

In the surrounding community, the University of Rochester has had, in many ways, a complicated relationship, said Rev. Judy Lee Hay. A resident of the southeast Sector 6 neighborhood since 1973, Hay is one of the leaders of Sector 6's Neighbors Building Neighbors Coalition, a neighborhood activist group.

Home to the popular Swillburg and South

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UR/RIT

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Wedge neighborhoods, as well as the College Town development, Sector 6 is a neighborhood ripe with change and development—and not detached from the University, Hay explained.

"Certainly, the investment in business and revitalization has been vital for local business," Hay said. "Things look different, feel different, there's more small business. It's a very healthy thing for a neighborhood to develop this way and to keep it economically viable for small business. It's also about finding the right businesses, not just aimed at students."

The issue of development catering to a profitable student market is a concern that Hay focuses on, especially when third-party developers come in.

"It's not just the University of Rochester's developments, it's developers who see economic benefit from the U of R and Strong system."

Hay also expressed concern that the mortgage program does not go far enough in helping the staff

working at the university and its medical centers, and with developments seemingly tailored to life off campus, some are forced to live elsewhere.

"People in housekeeping deserve just as much of a home as a doctor," Hay said. "The issue that always ends up getting lost in the mix of development is affordable housing."

Hay's concerns are not unfounded, especially when factoring in the economic difference between the typical UR student and the greater Rochester community. According to a study by the Equality of Opportunity Project, the mean income for the parents of a UR student clocks in at \$129,200. Conversely, the median household income for the City of Rochester is \$30,784.

Despite her concerns, Hay insists that the Rochester community is "very lucky" to have the university in its backyard.

But Seligman argues the university itself is the lucky one, and the pathway to revitalization is one he wants to be at the forefront of, referring to Rochester as having the "secret sauce" for development.

On the note of revitalization, the benefit of the colleges' presence, Simone said, plays a massive role in stimulating the economy.

"RIT has students from every single state and 100 different countries," Simone said. "They come here, they rent spaces, they spend money, their parents come to visit and spend money at local shops. The college being here is itself an economic driver, even without all of the students we introduce into the workforce."

Yet, as far as community engagement goes, Simone said one specific program has sslipped through the cracks: a plan to place a thousand long-term mentors for school children as they make their way from K-12.

"That was one that just never happened, but it was a great idea," Simone said. "We do some with K-12, but we really need to do more."

For Seligman, the future of the university's role in the community is one he sees as bright, as much for the colleges that call it home as the citizens who do the same.

"I don't want this to be a city where successful young people want to leave, I want it to be a city where successful young people flock to," Seligman said. "Rochester will bounce back. I believe all cities sort of go through a pendulum swing, and we're now on an upswing."

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Defying Assumptions

While other brick-and-mortar stores crumble, Wegmans stands stronger than ever

By KERRY FELTNER

For over a century, Wegmans Food Markets Inc. has been an integral part of Rochester's DNA.

But these days, it's far more than just a regional brand. In the last three decades the company has grown into one of the world's top supermarkets, logging about \$8.3 billion in revenue last year

The story of Wegmans can be summed up by a proverb, one expert says. Burt Flickinger is managing director of the Strategic Resource Group, an executive lecturer on the future of marketing and retailing at Cornell University, and also sits on the business school's executive advisory council. How Wegmans has grown in 30 years has been amazing to watch, he says.

"Wegmans is that proverbial David-versus-Goliath story," Flickinger said, "because you go back to late-'60s, early-'70s and Wegmans is only the fourth-largest retailer in Rochester. Wegmans has the best professional leadership, but it also has a strong spiritual foundation with a professional foundation. They've always believed in the biblical golden rule of the Old Testament: Do unto others as one would have done unto themselves."

Through changes in technology, consumer demands and Rochester, itself, Wegmans looks at the world through one filter: what's best for its employees.

"Our success is the result of our business philosophy," said Jo Natale, vice president of media relations for Wegmans. "We set our goal to be the very best in serving the needs of the customer. We also believe that we can only achieve our goal if we first fulfill the needs of our people. It's that idea of putting your employees first and knowing that, if you do that, they will take care of your customer."

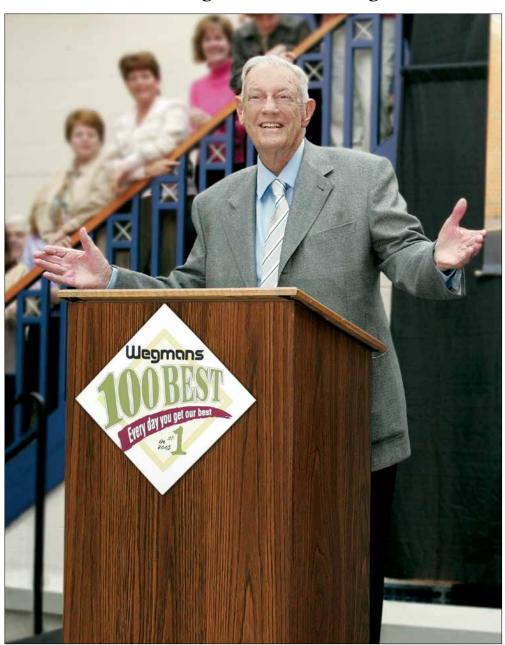
Natale says that mission has always helped the company navigate the changing times.

"Through all of that change, the first question that is always asked is, 'what will this mean for our employees?' No matter what decision is made here, that's the first question that's asked," Natale said.

In 1987 Wegmans had 38 stores, limited to New York state. The company started expanding outside of New York in 1993 with a store in Erie, Pennsylvania.

Today, Wegmans operates 95 stores in six states: Virginia, Massachusetts, New Jersey, Pennsylvania, Maryland and New York. The company also has plans in the works to open a store in North Carolina.

"Wegmans is just very humble," Flickinger said. "They don't celebrate. Wegmans just quietly wins.



Robert Wegman, above, and Danny Wegman, opposite page, grew Wegmans Food Markets Inc. from 38 stores to 95 stores over the past 30 years.

Wegmans wins in every store, in every season, every year."

The company employed some 47,000 people at the end of 2016. It ranked No. 3 on the 2016 RBJ 75, a list chronicling the region's top employers,

with more than 13,000 local employees last year.

"Wegmans has always taken its time selecting new sites," Natale said. "We build just three or four

Continued on page 14



Earlier this year, president and CEO Colleen Wegman took the company reigns from her father, Danny Wegman, above, who remains chairman of the grocery store chain.



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WEGMANS

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new stores each year and that allows us to take the time necessary to hire the best people and invest in training. As a family-owned company we don't feel the pressure to grow rapidly."

Retail is experiencing store closings, the demise of shopping centers and malls, and the loss of many jobs. But Wegmans seems immune to this downward spiral, Flickinger says.

"We're in this accelerating retail ice age across America that's just creating the destruction of shopping centers and food retailers, where Wegmans, on the other hand, is saving shopping centers and saving communities," Flickinger said. "Everybody wants to be co-located with Wegmans because they're a responsible tenant. They contribute to the community and raise everybody's standard of living, and save shoppers so much money that shoppers can afford to shop at every other store in the mall."

The focus on serving employees well, who then serve customers well, is what has set Wegmans apart.

"What Wegmans does exponentially better than any other retailer is to really identify the best families, the best students, the best student leaders," Flickinger said. "Wegmans gets the best and the brightest and really has loyalty for life, and they develop such a great esprit de corps amongst their workforce."

The company has also maintained a focus on saving customers money.

"Wegmans was the only retailer to consistently line price with Walmart," Flickinger said. "Ninetynine-point-seven percent of America is suffering economically. Working people are getting crushed, students are getting crushed, middle class has been getting crushed for 20 years and Wegmans is the solution."

"Looking at the new Whole Foods prototype, it's proverbially sucking air compared to the Wegmans around the corner," he added.

In 2008 Wegmans decided to stop selling cigarettes. That decision says a lot about what the company's goals are, says Bob Duffy, president and CEO of the Greater Rochester Chamber of Commerce.

"They're committed to raising the level of health for this community," Duffy said. "They've made decisions such as stopping selling cigarettes at one point. That decision lost them millions of dollars in profits but they made that decision on principle, and that defines their success."

"The aspect of the Wegman family which I love

most is they do so much of this quietly, behind the scenes. They don't seek recognition, they only seek results and change, and it defines who they are," he added.

Rochester's support has helped propel Wegmans forward. The city and its people have helped the company become what it is today, Natale says.

"It's very difficult to overstate the role that Rochester has played in so many ways," Natale said. "I think first and foremost it's the people from Rochester. Not only the customers—of course, the customers—but so many people in Rochester



Colleen Wegman

have worked at Wegmans. We were the first job for many. There are so many who came to Wegmans as teenagers and have grown with the company, and they're in leadership roles today."

"This place and the people who live here have been vital to our success and the growth of our company," she added.

The phenomenon of Wegmans continues as the company expands. Consumers have an affinity for the brand that is deeply felt, Duffy says.

"How many supermarkets in this country will open up a store and have hundreds of people lined up outside to get in with no coupons, nothing, just to get in the store because it's the experience, it's the customer service that they provide, it's the quality," Duffy said. Despite the changing retail landscape, Flickinger says one thing is clear for the next 30 years:

"If you look into the future 30 years from now, Wegmans will likely be one of the top three to top five retailers and restaurateurs across America," Flickinger said. "This retail ice age we're forecasting is hitting. This time next year there will be 10,000-plus store closings; there'll be hundreds of retail bankruptcies from numerous top 10, top 20 chains. Everybody will be on the run, from discount stores to dollar stores to chain drug to food retail."

"The one lighthouse that will be leading the way for successful retailing, anchoring the successful AAA shopping centers in America, will be Wegmans," he added.

The company could become a more-than-\$100-billion firm at the pace it's going, Flickinger says.

"Looking out 30 years from now Wegmans can easily be a chain of \$100 billion, and if they want to accelerate their growth, they've certainly developed a leadership team at the store level. Wegmans could easily be \$140-170 billion," he said, "and be, if not number one, one of the top two food retailers anywhere in America."

Even with the purchase of Whole Foods Market Inc. by Amazon.com Inc., Wegmans will continue to dominate the markets it serves, Flickinger says. The key with Wegmans is the focus on detail.

"Wegmans is very conservative and financially astute," Flickinger said. "They tend to buy their own real estate; they pick the people with whom they co-locate. Wegmans will bury Whole Foods. Amazon.com will lay waste to retail worldwide; yet, at the same time, Amazon will not touch Wegmans because Wegmans is ahead of Amazon with the brilliant Instacart delivery."

The real reason for success is multiple generations of solid leadership, Flickinger says. Keeping a united vision for over a century takes thoughtful planning and strategic leadership.

"The key is leadership, and Wegmans has great family leadership combined with great professional leadership," he said. "Wegmans does all the little things right, which is why Wegmans wins in a very major, meaningful way every time."

Wegmans also wins by always striving to be better, Natale says.

"We're not a public company," she said. "We believe that measured growth has been one of the reasons for our success. As a family-owned company, we can take a long-range view of the business. We're not concerned about short-term results. Our goal has never been to the biggest, just the best."

kfeltner@bridgetowermedia.com/ 585-653-4020 Wegmans congratulates

RBJ on 30 years

of award-winning coverage of the

Rochester business community.

Thank You!



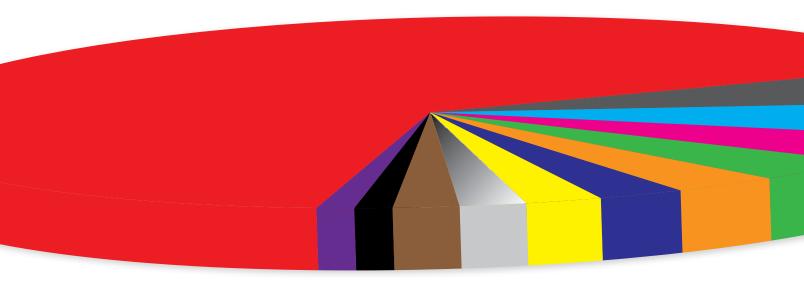
The biggest business story

RBJ readers overwhelmingly select the decline of Kodak as the top headline

When 1987 ended, Eastman Kodak employed nearly 45,000 local employees. It was a business icon globally and the Great Yellow Father locally.

By 2012—when RBJ readers overwhelmingly said Kodak's decline ranked as the top story of the previously 25 years—the company's local employment had fallen to 5,000 and the company was in bankruptcy. While the company emerged from Chapter 11 in 2013, its employment has continued to shrink. The company finished 2016 with 1,640 local employees. That ranked Kodak, which was the region's largest employer for decades, 16th on the RBJ 75 list of the region's largest employers. Its companywide employment was just over 6,000.

This year's survey of readers on the biggest story of the past 30 years resulted in Kodak's decline ranking No. 1 by an overwhelming margin—61 percent, compared with 59 percent five years ago. More than 500 responded to the poll conducted in late July.



What is the top local business news story of the past 30 years?

Kodak's decline and bankruptcy 61%	Success of Thomas Golisano & Paychex 2.3%
Success of Wegmans	Changes in the health care industry 2.1%
Growing economic importance of UR & RIT 5.6%	Tragic deaths of Larry and Jane Glazer 1.9%
Resilience of the local economy	Growth of Finger Lakes wine & beer industry . 1.7%
Midtown demolition and downtown	Constellation brands becomes industry giant 1%
redevelopment	Winning the AIM Photonics headquarters 1%
Impact of state and local taxes	



COMMENTS:

Kodak's collapse directly affected tens of thousands of local residents. What goes with this is that the community, while feeling the pain of this massive shift, did not collapse. This is almost miraculous. So I feel that the story of Kodak's collapse and the resilience of the local economy are indelibly connected!

- Paul Haney

Kodak is a classic business failure from complacency and top management looking to line their pockets instead of looking out for shareholders and employees. Combining with incompetent and myopic executives not willing to take risk with innovation turned one of the most successful companies into a wasteland. The Kodak experience is something all businesses should learn what NOT to do.

- Patrick Ho, Rochester Optical

The rise of Midtown after the slow and painful demise as the light switch that turned the page forward on our failing downtown.

- Ira Korn, Genesee Commercial Real Estate

The decline and fall of Eastman Kodak has to be the top story. Kodak and Rochester were once synonymous. The entire community has changed dramatically as a result.

- Peter Deane M.D., Allergy Asthma Immunology of Rochester P.C.

Paychex is a nationally and internationally, public corporation headquartered here with a \$20-plus billion market capitalization and founder Tom Golisano leads the way as one of Rochester's most prominent and generous benefactors of our time. Thank you TG for all you have done for our community.

- Molly Johnson

I don't see how you cannot see the impact of Kodak's decline where tens of thousands employees lost jobs and where reverberations of many dependent businesses were also felt as anything but the top story of the last 30 years. Multiple universities, including Cornell, Boston University, are now studying Kodak as a case study for mistakes made. Perhaps from their numerous missteps others may learn.

- Joanne Greene-Blose

The decline, destruction and bankruptcy of the Eastman Kodak Co. AND the 8,000-plus small business/vendors destroyed in the process is an unfortunate local business reality. Rochester local business history will never compensate for this tragedy!

- David Brooks

While the growth has been unprecedented, is it all good? Can our area sustain the growth by supporting all these new, and old, businesses? Has the state been unfair in opening up the beer and cider industries to basically unregulated sales, while holding back wineries with limited sales outlets and opportunities?

- Ted Marks, Atwater Estate Vineyards

Kodak was at a high point 30 years ago, and Kodak's decline and bankruptcy has played out like a Simon

Business School case study over the last 30 years. The manufacturing and living wage jobs that were lost have proven nearly impossible to replace. Had most of the other stories taken place without the decline of Kodak, Rochester would be booming today. Photonics will be the story of the next 30 years-if we can grow businesses that create living wage jobs for more than Ph.D.S.

- Dana Miller, Rochester City Council vice president

Kodak's decline and eventual bankruptcy is by far the most significant business event. Not only was Kodak's decline a major influence on the Rochester economy; but more importantly, it was an early example of the new, fast-changing economic environment we find ourselves in today. Kodak is not alone. Volatility and unprecedented business disruption has adversely impacted a growing number of Fortune 500 firms during the past decade years. The trend continues to accelerate. This accelerating pace of change and disruption is likely to be the business story of our generation. Kodak's early fall foreshadowed what was to follow...the magnitude of which we likely still don't fully appreciate today.

- Bill Verhelle, Founder and former CEO of First American Equipment Finance

This is not a headline grabber, but the simple fact remains that we have been severely impacted by the state inaction on industry, along with excessive regulations, together with state and local taxes. Taking away the manufacturing base makes it very difficult to recover in the short and long term.

- Paul McCarthy, McCarthy Chemicals

The big overarching story is the significant and successful rebalancing of the area's economy from the "Big 3" to a wider mix of types of businesses and jobs. A side bar is the reduction of the average wage as a result of losing good paying manufacturing jobs and the relatively successful transition to a service economy. Another buffer in the transition is the support of those former Kodak, Xerox and B&L employees by their pensions so that we have a large segment of our population with stable incomes. The rest of the story is the response of the rest of the community's employers to foster growth in a way that didn't make the Rochester area a ghost town. Thus, the big story is made up of chapters made up of all the choices you list in your question of the top story.

- Bob Volpe, retired Kodak employee, Sarasota, Fla.

We certainly have a very good selection here, whomever made this list up is on top of things. Although all topics are suitable, I still think the demise of industry in this area is the most noteworthy as having an adverse effect on all residents!

- JA DePaolis, Penfield

Though Kodak's demise is heartbreaking for many, the rise and success of Tom Golisano and (Paychex) is awesome. They have remained flexible adding complementary products as needed while expanding their core business. Their shareholder returns have been consistent and rewarding. They are a great business model for any entrepreneur or SMB to model to achieve their success.

- Hugh Rundle, CEO, Brella Brella LLC, Webster

PEOPLE | IMAGES OF AN ERA



















THIS PAGE: Dominic Genova, President/ Owner at Genesee Valley Chrysler Dodge Jeep, Genesee Valley Ford; William Johnson, former Rochester mayor; and M&T Bank's Daniel Burns, left, with Tom Watson.

Congratulations to the RBJ for 30 year

to the RBJ for 30 years of keeping the Rochester business community informed, and for continuing to provide a valuable source for local business news.



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THIS PAGE: Maggie Brooks, former county executive; Christine Whitman, CEO and president, Complemar Partners, Inc.; Anne Mulcahy, former Xerox CEO; and Rochester mayor Lovely Warren.





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for being a leading source of business news and information in the Rochester-Finger Lakes region for 30 years!













THIS PAGE: In 2003, HCR Home Care founder Louise Woerner was inducted into the Rochester Business Hall of Fame; Anne Kress, Monroe Community College president. Ursula Burns, former Xerox president; and Monroe County Executive Cheryl Dinolfo.

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Happy Anniversary to *Rochester Business Journal!* We are pleased to share a 30-year history of serving the Rochester community and wish you continued success as a leading source of local business news coverage.

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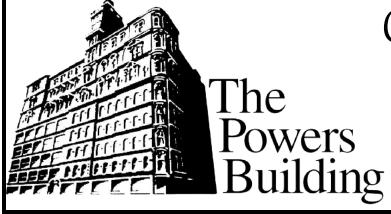
PEOPLE | IMAGES OF AN ERA





THIS PAGE: American Rock Salt Company; Champion Products, headed by Roger Holland, agreed to a buyout offer from Sara Lee Corp.; and the University of Rochester Medical Center became one of the largest employeers in the region.





Congratulations to the RB9 for 30 years of excellence

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FILE PHOTOS

THIS PAGE: Zab's Backyard Hots Inc.—once touted in the New York Times for its part in "a national resurgence of enthusiasm for the hot dog stand"—filed a Chapter 11 bankruptcy petition; Harris Corp.'s Bonnie Patterson, program manager, and David Sime, assembly crew chief, work on NASA's Wide Field Infrared Survey Telescope Primary Mirror Assembly. and RG&E's 2004 sale of its R.E. Ginna Nuclear Power Plant reduced its workforce by some 440.

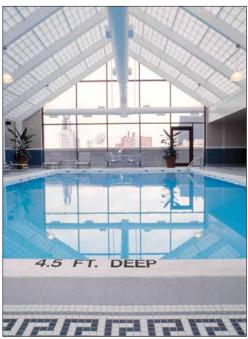






PEOPLE | IMAGES OF AN ERA





THIS PAGE: Midtown Plaza, with its 17-story tower, is shown under construction in this February 1961 aerial view; the 27-story Hyatt Regency Rochester opened in downtown Rochester in March 1992; the Sibley Clock at the New Sibley building renamed Sibley Square on June 17, 2016.



Cheers to 30 years, Rochester Business Journal!



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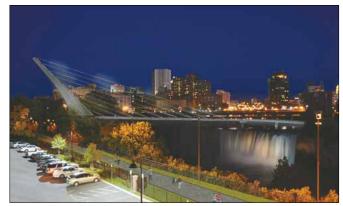
Assurance, tax and consulting

PEOPLE | IMAGES OF AN ERA

FILE PHOTOS

THIS PAGE: Nearly a half-century after its construction as Lincoln Tower, Rochester's third-tallest building has renewed vitality as the Metropolitan on February 24, 2017; For decades, the Clock of the Nations, Christmas monorail and other attractions drew throngs of shoppers and visitors to Midtown Plaza. Demolition of the plaza — excluding the tower and Seneca Building — began after its closing in July 2008; and on Sept. 11, 2015, city commissioners agreed to start the planning process for a pedestrain bridge with views High Falls on a greenscaped Pont de Rennes Bridge and walking down into the gorge. The study was conducted by Labella Associates DPC.







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THOMAS BONADIO

Thomas Bonadio, managing partner and CEO of the Bonadio Group, has led the development of one of the largest accounting firms in the nation and the largest in Upstate New York.

Inside Public Accounting's 2017 IPA Top 100 firms ranked the Bonadio Group at No. 45. Accounting Today ranks it 39th.

The firm has projected revenues of more than \$106 million for fiscal year 2017.

But the future did not always look so rosy. Bonadio told the RBJ he remembers sitting at his desk in 1994, despondent about the state of his business. He had just split with partner Frank Insero, who took his personal clients with him to a new CPA firm. Cash was short, partners had gone without pay and Bonadio was running out of options to get them through to the busier period.

An infusion of \$80,000 from the firm's janitor, an Eastman Kodak Co. retiree, allowed Bonadio to guide his firm through the difficult period after the split and he has since led the Bonadio Group on a steadily upward trajectory. The firm has continued to grow through a series of mergers and acquisitions of smaller firms. It ranks No. 1 on the Rochester Business Journal's most recent list of CPA firms.

In the late 1970s, Bonadio had a choice. As an up-and-coming accountant at the Rochester office of Arthur Andersen LLP, Bonadio knew his only real option for advancement would be to leave the area. But with a large Italian family in Rochester and no real desire to leave, Bonadio and fellow Arthur Andersen employee Insero chose another path.

In 1978 they founded Bonadio, Insero & Co., working mostly on tax-related work. The firm saw steady growth, moving into First Federal Plaza within a year and to the Times Square Building by its second



year. By 1986 they had 10 employees and had moved to more spacious headquarters in Brighton.

Things got more difficult in the 1990s, when the company was hit by the recession and by differing ideas for the firm's future. Insero's outlook on management styles and how closely to work with clients differed from Bonadio's, and the two split amicably in 1994.

The Bonadio Group formed a strategy for growth that has pushed it upward ever since. Bonadio says the firm is built on the cornerstones of great employees, great customer service, a plan for growth and "excellence in everything we do."

The firm has organic growth of 5 to 10 percent annually, and in the last decade has undertaken 11 mergers that have helped it establish a presence beyond Rochester.

Bonadio in 2016 announced a leadership succession plan that will see him leaving his position as CEO in 2019, taking a new role. He will be replaced by Bruce Zicari, who has been a partner at the firm for 20 years.

Zicari has taken over as the Rochester office managing partner in preparation of taking over as CEO on May 1, 2019. Bonadio also has stepped out of his role as chairman and been replaced by Mario Urso.

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IN THEIR OWN WORDS

2017

"This institute will clearly put Rochester on the map as the home of the growing sustainable manufacturing, remanufacturing and recycling industries."

- Nabil Nasr, director of the Golisano Institute for Sustainability at RIT, who was selected to lead the new Reducing Embodied-Energy and Decreasing Emissions Institute, March 2017.

"We are one of the most segregated communities in America and that counts for a great deal of the difference. There are other communities in the Rust Belt with similar challenges, but they are not as great or as grave as ours."

- Jennifer Leonard, CEO of Rochester Area Community Foundation, on the challenges facing the area, March 2017

"I can see Rochester on the cover of a magazine in five years with the headline, 'Here's a city that did it right."

- Ken Glazer, managing partner of Buckingham Properties LLC, speaking at a Rochester Business Journal Power Breakfast on downtown development, February 2017

2016

"We look forward to bringing new visitors to the area, helping local businesses, farms, wineries and breweries prosper."

-Jeff Babinski, executive vice president and general manager of del Lago Resort & Casino, December 2016

"We had to kick-start downtown Rochester."

- Robert Morgan, president and CEO of Morgan Management LLC, on the importance of the Tower280 project to downtown redevelopment, November 2016

"The merger of the two banks is a great challenge (and) I'm enjoying the heck out of it."

- James Barger, KeyBank's Rochester market president, on the integration of First Niagara's local network into his operations, September 2016

"I'm excited about what the new Xerox will bring for us."

- Ragni Mehta, who leads a \$1 billion global operation in the Xerox Technology Business, on the company's plan to split into two publicly traded firms, August 2016

"Wegmans did a good job after Bob Weg-

man and Paychex did a good job after Tom Golisano handed it over to Marty Mucci."

 Bonadio Group CEO Thomas Bonadio, on how he responds to people who ask what his firm will do after he steps down as chief executive, June 2016

"I feel this is an opportunity for upstate to build a photonics superhighway from Rochester to Albany."

> Robert Clark, senior vice president for research at the University of Rochester, on the \$600 million AIM Photonics headquarters, April 2016

2015

"There truly is nothing like this facility anywhere else that I've been."

 David Leininger, executive vice president and CFO of the Dallas Area Rapid Transit, on Rochester's downtown transit center, November 2015

"It's testimony to George Eastman's vision and the power of his ideas."

 Joseph Steko, president and CEO of the Center for Governmental Research Inc., on marking the 100th anniversary of the non-profit Eastman founded, October 2015 "Well, since I applied for immortality and I didn't get it, I think the foundation is going to be the beneficiary of a significant amount of my estate."

- Paychex Inc. founder and chairman Thomas Golisano, on his plans for the B. Thomas Golisano Foundation, October 2015

"Many manufacturing companies have had to remake themselves, but ... we're still doing the same products we were doing almost 150 years ago."

- John Perrotti, president and CEO of Gleason Corp., which was founded in 1865, June 2015

"I loved 'Swan Lake' to look at it, but that was two centuries ago. So why are we still doing that?"

> - Garth Fagan, considered one of the top choreographers in modern history, whose Rochester-based dance company has been around nearly 50 years, April 2015

2014

"Their reach went very deep in our community."

—Dennis Kessler, entrepreneur and Simon Business School professor, on the loss of Laurence and Jane Glazer, December 2014



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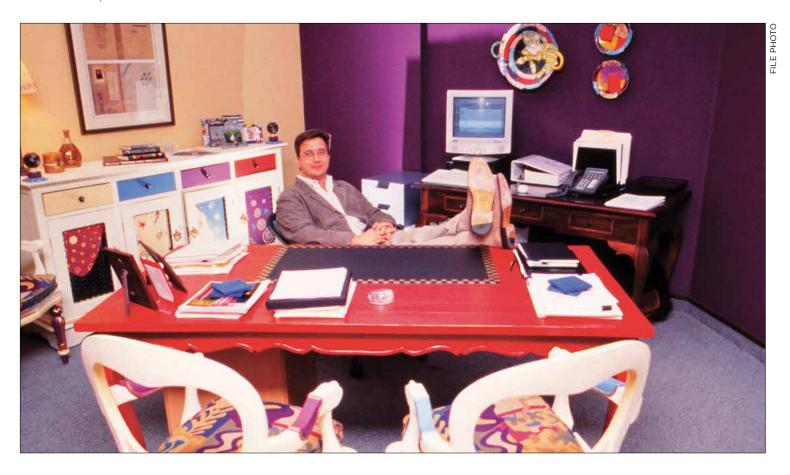
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ARUNAS CHESONIS

Arunas Chesonis is best known locally as the founder, chairman and CEO of Paetec Holding Corp. He was one of a small group of entrepreneurs who launched a firm early as the U.S. telecommunications industry took off in the 1990s and was still standing a decade later.

In 1997, when Chesonis and fellow Rochester Telephone Corp. alumnus Richard Ottalagana first mapped out plans to start a competitive local exchange carrier, CLECs were hot. Paetec was one of some 300 unregulated telephone companies that sprang up and, for a few years, flourished.

After the superheated U.S. telecom market's bubble burst in 2001, most CLECs went under or were swallowed by larger firms. Paetec survived and continued to grow.

When Arkansas-based Windstream Corp. bought Paetec in 2011, in a deal valued at some \$850 million, Paetec's revenues had reached \$1.6 billion, up from \$23 million in 1999. Serving 20 markets that year, Paetec was a national carrier.

Chesonis got into the telecom business as a recent Massachusetts Institute of Technology graduate. He started his first telecom job with Rochester Tel in 1984, and he had developed a national reputation as a telecom whiz kid by the time he started Paetec in 1998.

After some three years at Rochester Tel, Chesonis moved to the locally based long-distance company ACC Corp., where he served as president and

chief operating officer until 1998, when AT&T Corp. bought ACC.

A 2007 merger with North Carolina-based US LEC Corp. enabled Paetec to fill out its southeastern U.S. network and assume US LEC's status as a public company.

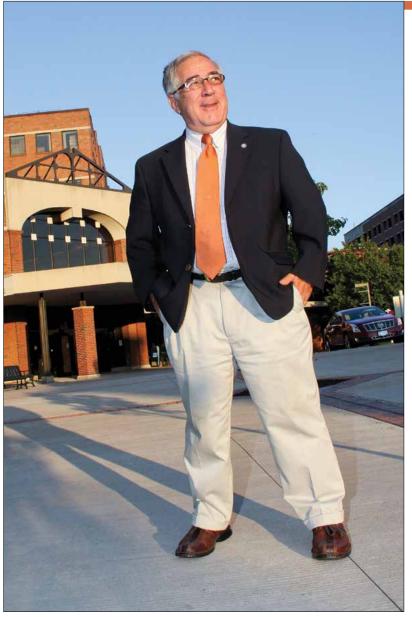
US LEC co-founder and former CEO Tansukh Ganatra was Chesonis' first boss at Rochester Tel and later supervised Chesonis at ACC. He joined Paetec's board after the merger.

After acquiring US LEC, Paetec acquired McLeod USA Inc., an Iowa-based CLEC that had gone through two Chapter 11 bankruptcies. The \$440 million acquisition filled in Paetec's eastern and western U.S. networks, for the first time giving it a national footprint.

In its last merger before being acquired by Windstream, Paetec acquired Virginia-based Cavalier Telephone Corp. in 2010. The deal included Cavalier's 16,600 route-mile fiber-optic network.

Windstream CEO Jeffery Gardner cited the fiber assets that Paetec acquired in the McLeod and Cavalier acquisitions as features that made a takeover of Paetec attractive to Windstream.

Chesonis, who once said that he hoped to retire early and teach, moved into a new entrepreneurial venture, joining Sweetwater Energy Inc. as CEO. The company is a renewable bioproducts producer in Rochester. He also has invested in an array of other firms locally and beyond.



LAURENCE GLAZER

It is hard to look around downtown Rochester without seeing the touch of Laurence Glazer. The impact of his work stretches from the redevelopment of the Midtown site to the former Genesee Hospital and to an array of other projects.

Glazer, the CEO and managing partner of Rochester-based Buckingham Properties LLC, and his wife, Jane Glazer, died in September 2014 when the private plane they were traveling in to Naples, Fla., crashed off the coast of Jamaica. Jane Glazer was founder and CEO of QCI Direct, a catalog and online consumer products company.

Larry Glazer was inducted in 2006 into the Rochester Business Hall of Fame. Jane Glazer was selected in July 2014 as part of that year's class.

Buckingham Properties' diverse portfolio includes office, industrial, retail and residential properties totaling some 10 million square feet, as well as 200-plus acres of development land. Buckingham has completed notable projects in the Greater Rochester region, including Tower280 at Midtown, Edge of the Wedge and Buckingham Commons.

Glazer grew up in modest circumstances in a North Buffalo neighborhood of unassuming two-family homes. He earned an MBA from Columbia University and worked for a while in finance in Manhattan before marrying Jane Lovenheim, whose family owned the commercial printing firm Great Lakes Press.

In 1970, Glazer went to work for the printing company. He ended up as CEO, a position he held until 1983, when it was sold to Case Hoyt Corp. for some \$46 million.

He got his start in real estate in 1970. Local attorney Harold Samloff, an acquaintance and sometime tennis partner, approached him with a deal to buy into a five-unit apartment property on Buckingham Street. Samloff, who already had a partner in a Buckingham Street rental property, wanted to buy a second building. His partner was not interested, so he called Glazer, who was game and sank \$1,000 into the deal.

Neither Samloff, who retired from Buckingham nearly 11 years ago, nor Glazer initially saw the real estate venture as anything more than a sideline that might provide some retirement income.

Over the years, the company grew, as did Glazer's reputation for working to revitalize downtown. He has been referred to as Rochester's patron saint and some have dubbed parts of the city "Glazerville" because of the number of his investments there.

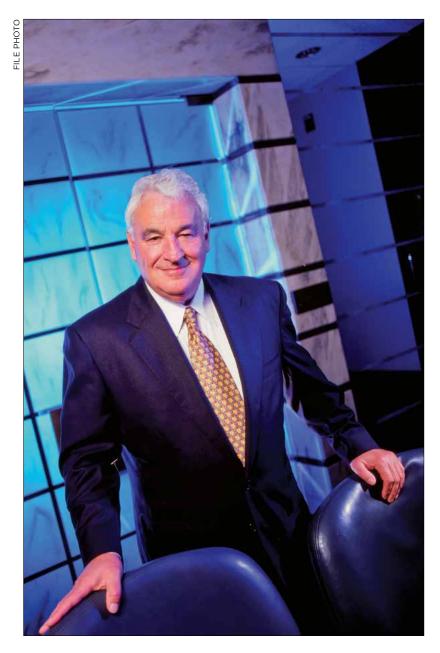
Over the two years prior to his death, Glazer had become involved in projects in the city totaling some \$134 million, with more than 600,000 square feet of office and retail space available, as well as more than 400 residential units. Those projects included:

- The 460,000-square-foot Bausch & Lomb Inc. building;
- The Tower at Midtown;
- The 16-acre Alexander Park North;
- The Edge of the Wedge; and
- Xerox Square.

The Glazers were philanthropists whose support had an impact on organizations ranging from the Jewish Community Center to WXXI Public Broadcasting.

Buckingham ranked first on the most recent Rochester Business Journal lists of real estate developers and property management firms. The company currently owns and manages more than 60 properties comprising over 10 million square feet of rental space. The company has 79 employees.

The Glazers' son, Kenneth Glazer, is managing partner of Buckingham.



THOMAS GOLISANO

Paychex Inc. in fiscal 2017 logged more than \$3.1 billion in revenue and has grown at a steady and predictable rate for nearly its entire 46 years. The company, which was founded in 1971, has nearly 14,000 employees, including some 4,400 in Monroe County, ranking it as the region's fifth-largest local employer.

Last month Paychex announced plans to add 625 new full-time jobs over the next five years and acquire five parcels in Henrietta to move operations from leased facilities throughout Monroe County to a new, multi-building campus. The payroll and human

resources services company will keep the locations it owns in Brighton, Henrietta, Webster and Penfield. The \$58.4 million project is expected to be completed in July 2018.

Quite a feat for a business founder Thomas Golisano started with \$3,000.

Golisano grew up in West Irondequoit as the youngest of three children. He had a mindset for business since his early days. After working full time opening packages of cash in the basement of Lincoln First Bank, Golisano decided he wanted something more and turned to SUNY College of Technology at Alfred, where he earned a tuition-free associate's degree in business.

After graduating, Golisano became a sales representative at Burroughs Corp. and then at a regional payroll processor for larger businesses, Electronic Accounting Systems Inc.

It was there Golisano got the idea for providing payroll services for businesses with 100 or fewer employees. After EAS turned down the idea twice, Golisano left in 1971 to start Paymaster, the company that would become Paychex.

When he founded the company—using his own cash and then consumer loans, money borrowed from friends and his personal credit cards—his initial goal was to get a base of 300 clients. But the startup grew much faster.

By 2000, Paychex was Rochester's most valuable company, surpassing Eastman Kodak Co., Xerox Corp. and Bausch & Lomb Inc. in market capitalization. The company's total value—determined by multiplying the share price by the number of shares outstanding—was nearly \$19 billion, approaching the combined value of the Big Three.

Many entrepreneurs struggle in the transition to CEO of a large company. During Golisano's tenure as chief executive, however, Forbes magazine called Paychex one of the best-managed companies in America and Fortune repeatedly ranked the firm among its "100 Best Companies to Work For."

Golisano also produced for shareholders. In 2003, Forbes named him one of the 10 best-performing bosses in the nation. He had generated a 29 percent annualized return for shareholders since taking Paychex public.

At the time Golisano stepped down as president and CEO in 2004, Paychex had become one of the nation's two largest payroll providers and had more than 500,000 clients.

Golisano's impact on the Rochester region extends beyond Paychex and beyond Rochester. When the Golisano Children's Hospital at the University of Rochester asked him to consider a gift on top of his original \$14 million donation, to allow the hospital to give private rooms to all of its patients, Golisano said he needed to think about it.

When it came time to announce his gift, he shocked UR officials by donating \$20 million—\$2 million more than he had previously promised to jump-start construction of the \$134 million facility.

His philanthropy has had other wide-ranging effects on the community, with major gifts to Rochester Institute of Technology to establish the Golisano Institute of Sustainability and contributions to the B. Thomas Golisano Foundation, which benefits organizations working with the developmentally disabled. The foundation, which marked its 30th anniversary in 2015, has more than \$38 million in gross assets. It has awarded more than \$24 million in grants, some \$2 million annually, primarily to nonprofit organizations in a multi-county region surrounding Rochester.

The billionaire this year pledged some \$25 million in support of a downtown Golisano Performing Arts Center on Parcel 5 of the former Midtown site.

Golisano has made countless other gifts to fund major initiatives of other groups in the Rochester area and now also in his adopted home state, Florida.

JENNIFER LEONARD

As president and CEO of Rochester Area Community Foundation, Jennifer Leonard has made an impact on the Rochester-area community.

As the leader of the Community Foundation, Leonard guides a nonprofit organization devoted to supporting community needs and carrying out the wishes of its donors, often over the course of multiple generations. Last year, it awarded 6,000 grants totaling \$28 million.

She has led the Community Foundation since 1993; since then, the foundation has grown more than six-fold. Before moving to Rochester, she served as a national writer and consultant in philanthropy and as vice president of the California Community Foundation in Los Angeles.

Celebrating its 45th anniversary in 2017, the foundation serves an eight-county region, from Genesee and Orleans counties in the west to Seneca and Wayne counties in the east.

"Our mission is to engage philanthropists from every walk of life and community partners to create a better region," Leonard told the Rochester Business Journal, "and our vision is to lead, inspire and support positive, enduring change in our region." It is the largest grant-making foundation in the region. Under its umbrella are more than 1,250 individual funds designated for general use or more specific purposes outlined by donors.

Many local philanthropists opt to have their donations overseen by the Community Foundation rather than creating and managing their own foundations. They can take advantage of a donor-advised fund at the Community Foundation, which is similar to those offered by companies such as Fidelity Investments or the Vanguard Group.

The foundation has two main goals for discretionary grant-making. First, it seeks to create an equitable community by supporting efforts to improve race relations, close educational achievement and opportunity gaps and help pull people out of poverty. Second, it desires to strengthen the region's vitality by advancing arts and culture, historical preservation and successful aging initiatives.

It stewards the community's assets, now totaling \$432 million as early 2017, and is thriving under Leonard's leadership. Since 1990, the Community Foundation earned on average 9.1 percent net of fees on its invested endowments.







GIOVANNI LIDESTRI

Giovanni LiDestri, CEO of Fairport-based LiDestri Food & Drink, began his career two years after coming to America from Italy. Starting at age 16, he worked through high school and college as a manufacturing and operations employee for Ragu Foods Inc.

He remained at Ragu until 1976, when he was hired to be general manager at Cantisano Foods Inc. In 1991, LiDestri became its president, and six years later he was named CEO.

LiDestri purchased all outstanding shares from the Cantisano family in September 2002 and changed the name of the company to LiDestri Foods Inc.

The company manufactures sauces and dips, spirits and wine-based beverages, juices and flavored-water beverages. It has manufacturing facilities in Fairport, Rochester, California, Pennsylvania and New Jersey and employs roughly 1,300 people, including 900 locally. The firm ranked second on the most recent RBJ list of Food and Beverage Manufacturers.

LiDestri, known as John, hails from Tusa, Sicily. He started working as a bottle washer in a Ragu Foods

pasta sauce facility, quickly rising through the ranks.

"I just feel that I'm like the cheerleader of things and it's really the people around us that deserve all the credit," he said in a 2017 interview with the RBJ. "All of the hard work is really done by the people behind the leaders as far as I'm concerned. I'm humbled and honored, but I certainly wish there would be a better way to recognize the thousands of hours and the tens of thousands of hours or millions of hours over the years that go into making a successful company."

Since taking the role of CEO in 1997, LiDestri has kept himself accountable for remaining relevant and being an innovator, he said.

"You're not satisfied with the status quo—I'm wired that way, it's in the genes—which is a curse and a benefit because you're never quite satisfied with what's going on and you always try to look forward," LiDestri said. "You need to be always looking over your shoulder to make sure that you're not falling behind."

LiDestri has transferred some company responsibilities to his adult children. As a result, John LiDestri and Stefani LiDestri serve as co-presidents.

IN THEIR OWN WORDS

2014

"I'm heartbroken ... that a town I love isn't going to be a part of our tour anymore."

- World Golf Hall of Fame member Nancy Lopez, on the end of the LPGA Tour's run in Rochester after 38 years, August 2014

"When you focus on economic development in Rochester, the medical center is the linchpin of the university."

 University of Rochester president Joel Seligman, on URMC, which accounts for more than 80 percent of UR's cash flow, July 2014

2013

"It made me sad because it represents the end of a dream that a lot of us had, but the dream was over a long time ago."

- Gordon Black, founder and former CEO of Harris Interactive Inc., on the planned sale of the firm to Nielsen Holdings N.V., November 2013

"When I ask for something when something is important, the governor responds immediately. To me, he's the most responsive person in Albany."

- Lt. Gov. Robert Duffy, on his relationship with Gov. Andrew Cuomo, July 2013

"We are not financial investors. ... For the next 100 years, we should be here."

- Ignacio Galan, chairman and CEO of Iberdrola S.A., which acquired Rochester Gas and Electric Corp. in 2008, May 2013

"This makes us a more powerful presence."

—Pike Co. Inc. CEO Thomas Judson Jr., on his firm's merger with Lecesse Construction Services LLC to create a business with nearly 500 employees, January 2013

2012

"People were actually saying, during the 1990s, you don't need a bank any longer. I'm saying, I beg your pardon."

- George Hamlin IV, former president of Canandaigua National Bank & Trust Co., August 2012

"When you get into a business and you're right out of college at 22 or 23 years old, you think you have all the answers. You really don't. My father was very patient."

—Dwight "Kip" Palmer, the fifth-generation leader of family-owned Palmer Food Services Inc., May 2012 "It was one of the most difficult transformations any major American company has had to face."

- Lawrence Matteson, Simon Graduate School of Business professor and a former Eastman Kodak Co. executive, on the obsolescence of Kodak's traditional business, January 2012

2011

"A lot of people in government, in the private sector and in the banks have done a lot of things wrong for a long period of time."

- M&T Bank Corp. chairman and CEO Robert Wilmers, on the financial abuses that surrounded the Great Recession, December

"Now physicians don't have to move away to Boston or San Francisco to do world-class research."

 University of Rochester Medical Center CEO Bradford Berk, on the impact of the Clinical and Translational Science Institute in the new Saunders Research Building, July 2011

"We are a company put together from acquisitions."

—Lisa Fawcett, vice president of global marketing

at CooperVision Inc., which had just topped Bausch & Lomb Inc. in share of the worldwide and U.S. contact lens market, May 2011

"I've seen a lot of old lawyers who stayed on too long. ... I didn't want to be around when I was, you know, drooling into a cup."

- Gunther Buerman, on his decision to resign as Harris Beach PLLC chairman, December 2010

2010

"We are sorry to see Birds Eye leave Rochester and take with it hundreds of high-paying jobs."

- Blake Giannany of Linden Oaks Management Co. Inc., which owned the headquarters site Birds Eye Foods Corp. vacated, November 2010

"The board wanted someone who could get the company back toward more growth, in revenue and clients, and I believe I'm up to that challenge."

- Martin Mucci, on being named new president and CEO of Paychex Inc., October 2010

"You can be a hero for any one-year period. Being consistent over a long period of time is something we've strived to do."

> Patrick Cunningham, CEO at Manning & Napier Advisors Inc., June 2010





ROBERT MORGAN

Robert Morgan built his property management empire with the intention of operating primarily out of the limelight.

That has changed significantly this decade as Morgan Management LLC has become involved in an array of high-profile projects and transactions.

Morgan has become a well-known figure by partnering with Buckingham Properties LLC to redevelop the Midtown Tower downtown, and with Christa Development Corp. on co-ownership and redevelopment of the Strathallan hotel and the purchase of Hyatt Regency Hotel; as well as his involvement in the proposed development at Parcel 5. Those are just the tip of a wide array of projects he and his company are involved in.

Morgan, paralyzed from the waist down since being shot in 1991 while operating the cash register at his family's seafood business on Plymouth Avenue, has grown Morgan Management into a multimillion-dollar real estate ownership conglomerate with residential and commercial properties in

He founded Morgan Management in 1976, but Morgan chiefly dabbled in real estate for 15 years after establishing the company and buying a two-family house on Overdale Park near Monroe Avenue for \$18,000. He flipped it a year later for \$42,000.

He bought a few more two-family homes, then expanded with the purchase of small neighborhood shopping centers, the first of which was the North Park Plaza at Portland Avenue and Norton Street in the early 1980s. Then he cut franchise deals for a CVS Caremark Inc. pharmacy, a Convenient Market & Deli at Portland Avenue and Norton Street, and some Pizza Hut restaurants and Family Dollar stores.

Still, real estate was his second job. The seafood business was how he made his money.

The family sold that business 13 weeks after the shooting. Morgan had worked there for 18 years, starting as a 15-year-old.

Real estate would become his primary source of income. In 1992, he entered the mobile home park business after researching it and deciding there was a lack of competition.

The firm has more than 140 properties in 14 states, totaling over 30,000 apartment homes. Morgan Management employs more than 1,300 workers, including roughly 500 in the Rochester area.

He was inducted into the Rochester Business Hall of Fame in 2013.

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ROBERT SANDS



Robert Sands followed his dad and older brother at the helm of Constellation Brands Inc.

Without a doubt Sands, who was named president and CEO in 2007, has made a strong imprint on the company.

The company reached nearly \$4 billion in sales in 2008. In fiscal 2017, its annual sales were \$7.3 billion, up from \$6.5 billion the prior year. For the fiscal year, Constellation Brands posted net income of \$1.5 billion, or \$7.79 a share.

A key deal that propelled that growth over the past couple years—and is expected to continue to drive that growth—was the \$5.3 billion acquisition of Grupo Modelo S.A.B. de C.V.'s U.S. beer business from Anheuser-Busch InBev S.A.

Under the agreement, Constellation Brands acquired a brewery in Piedras Negras, Mexico.

Sands is slated to be inducted this fall in the Rochester Business Hall of Fame.

Constellation, founded in 1945 by the late Marvin Sands as Canandaigua Brands Inc., began as a small bulk-wine producer based in Canandaigua with eight employees. Constellation has grown to become a significant player in the beverage alcohol industry with more than 100 brands in its portfolio, about 40 facilities and nearly 9,000 employees worldwide, including some 755 workers locally. Constellation is the No. 3 beer company in the U.S. with high-end, iconic imported brands such as Corona Extra, Corona Light, Modelo Especial, Modelo Negra and Pacifico.

After taking over as CEO in 2007, one of Sands' focuses has been "premiumizing" the business, or focusing on wines priced at \$5 to \$15 a bottle.

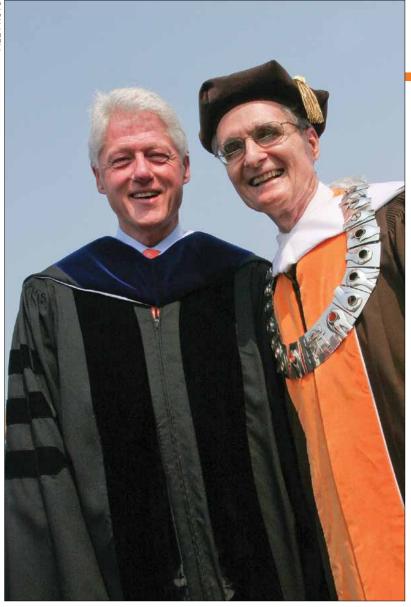
Constellation is the world leader in premium wine, with brands including Robert Mondavi, Clos du Bois, Kim Crawford, Meiomi, Mark West, Franciscan Estate, Ruffino and The Prisoner. The company's premium spirits brands include Svedka Vodka, Casa Noble Tequila and High West Whiskey.

Sands grew up in Canandaigua. During his summers, he worked at the winery in Canandaigua, moving hoses, cleaning the inside of tanks and chipping out crystallized sugar from the inside of tank cars.

He began his career working as an associate with Harter Secrest & Emery LLP and joined Constellation Brands 1986 as general counsel overseeing the company's legal affairs, particularly acquisitions.

In 1993, he was appointed executive vice president and general counsel. In 1998, he was named CEO of Constellation International. In 2000, he became group president for Canandaigua Wine Co. and the U.K. Division, and in 2002 he was appointed president and chief operating officer for Constellation Wines and Constellation Beers and Spirits.

His brother Richard remains Constellation's chairman.



ALBERT SIMONE

In his 15 years as president of Rochester Institute of Technology, Albert Simone led the university through dramatic growth in programs and buildings. The sense of optimism and action he brought to campus carried over to the Rochester community through tireless involvement in myriad local committees and projects, observers said.

Highlights of Simone's leadership at RIT include the university becoming a key driver in the regional economy as it shifts from reliance on manufacturers; the launch of the nation's first undergraduate program in software engineering; and the opening of the Center for Integrated Manufacturing Studies.

Also under Simone, RIT began its First in Class initiative to foster partnerships with industry and government; renovated the Kate Gleason College of Engineering; and opened the B. Thomas Golisano College of Computing and Information Sciences and the Gordon Field House and Activities Center.

The RIT budget doubled from when he arrived from the University of Hawaii system in 1992, to \$500 million. The endowment grew from \$190 million to \$600 million. Facilities grew 20 percent, by 1 million square feet.

University leaders attributed to Simone a significant cultural change on campus. Among other things, he worked on establishing a sense of shared governance, creating a staff council so administrative workers could have a voice in decisions top officials were considering.

He routinely worked 15 or more hours a day, officials said.

Among his first efforts was to inspire a sense of trust among faculty and staff after previous President Richard Rose resigned amid controversy over secret agreements for work by RIT for the Central Intelligence Agency.

In Rochester, Simone was the first college president to serve as president of the Greater Rochester Metro Chamber of Commerce Inc., which he led in 1997 and 1998. In that role, he oversaw a study that recommended a merger of the chamber and the Industrial Management Council, which later joined to become the Rochester Business Alliance Inc.

In addition to his job responsibilities, Simone served a number of organizations, including a stint as a director of the Federal Reserve Bank of New York. He was appointed by the Federal Reserve System board of governors and Chairman Alan Greenspan.

"I love what I do. I always have," Simone said. "I see myself as an academic who is doing education administration."

Simone retired from the RIT presidency in 2007. He was succeeded by William Destler, who retired this year from RIT. David Munson Jr. succeeded Destler as president. Munson, the former dean of the University of Michigan's College of Engineering, is the 10th president of the university.

RIT has some 15,400 undergraduate and 3,250 graduate students. It has 1,081 full-time faculty and 2,382 staff.

IN THEIR OWN WORDS

2010

"People deserve a safe, bustling, exciting, thriving downtown. East End proved it was possible."

- David Christa, CEO of Christa Development Corp., whose projects included Sagamore on East, March 2010

"Arguably Danny should be CEO of the century, but (he) certainly deserves CEO of the decade"

- Retail grocery consultant Burt Flickinger III, on Daniel Wegman's selection as CEO of the decade in an RBJ poll, January 2010

2009

"We have such a great product that contributes so much to the enjoyment of life that it makes work a fun place. We aren't just making widgets here."

- Robert Sands, president and CEO of Constellation Brands Inc., on the firm's work environment, November 2009

"I was on the board for a while after I left. I feel badly about the Global Crossing part of what happened."

- Former Rochester Tel CEO Alan Hasselwander, who retired in 1992, three years before the company renamed itself Frontier and seven years before Global Crossing Ltd. acquired it, September 2009

"We are here today to say the final word on Renaissance Square and bring the conversation on this project to a close."

- Monroe County Executive Maggie Brooks, declaring the \$230 million downtown project was dead, August 2009

"That's ancient by Wall Street or investment-management standards."

- Sixty-year-old Ronald Fielding, senior vice president and portfolio manager at the Rochester Division of OppenheimerFunds Inc., on his age, April 2009

"I have to continuously justify why we have manufacturing operations in the most expensive part of country."

- Dana Mehnert, president of RF Communications, whose parent company, Harris Corp., is based in Florida, December 2009

2008

"If you are still standing, you are successful. It means you survived the nuclear winter of 2002."

- John Purcell, CEO of Fibertech Networks LLC, on the aftermath of the telecom industry's meltdown, June 2008

"It will transform the experience. It will look like a world-class concert hall; it will sound like one."

- Christopher Seaman, music director of the RPO, looking forward to the orchestra's 2009-10 season in the renovated Eastman Theatre, April 2008

2007

"It still looks like a good idea on paper. It was the execution that went wrong."

 Empire Beef Co. Inc. CEO Steven Levine, on the decision to set up a distribution center that he says led to his firm's bankruptcy, November 2007

"I really believe, after analyzing it now for several years, that Rochester could be one of the smart energy capitals of the world."

 Sen. Hillary Clinton, D-N.Y., on the region's renewable energy assets, June 2007 "Together we're going to transform this city from the Flower City to one of the great cities of the 21st century. Everyone is singing from the same page."

 University of Rochester president Joel Seligman, on cooperation among local colleges and universities, May 2007

"We believe this transaction ... is good for the company's employees, partners in the eye-care profession, and customers, as well as our shareholders."

- Bausch & Lomb chairman and CEO Ronald Zarrella, on the company's agreement to be acquired by private equity firm Warburg Pincus LLC, May 2007

2006

"Had not the universities here taken a lead role in terms of becoming the economic drivers that they are, we would have been a very, very dismal place to live."

—Rochester Business Alliance Inc. president Sandra Parker, on the decline of manufacturing, July 2006





FRAN WEISBERG

Fran Weisberg's impact on the region has taken many forms: politics, health care, anti-poverty, to name a few.

The president and CEO of United Way of Greater Rochester Inc. is slated to leave the nonprofit organization on Dec. 31. Weisberg was named president and CEO in 2015, succeeding Peter Carpino. In both 2016 and 2017, United Way topped its annual fundraising goals; last year the organization raised \$25.1 million and this year it raised \$25.4 million.

She also has been a leader of the biggest effort to address poverty the region has seen while also directing a shift within the nonprofit agency to reflect decades of changing demographics and philanthropy.

Prior to joining United Way, Weisberg served as executive director of the Finger Lakes Health Systems Agency. Under her leadership, the agency convened the 2020 Commission, a committee of local community, business and health care leaders that investigated expansion planned by several local hospitals.

The process was not always easy, Weisberg re-

called, but it was eventually able to draw consensus among a wide group.

Weisberg also served as CEO of Lifespan of Greater Rochester Inc. for more than 10 years, which she built from a \$1.8 million to a nearly \$4 million agency. She also served as director of government relations at UR's medical center and as Catholic Family Center's vice president of development and external affairs.

Weisberg also was the first female chair of the Monroe County Democratic Party, where her enthusiastic dedication led to a momentary heyday for the party in area politics in the late 1980s and early 1990s.

As campaign manager for Rep. Louise Slaughter, D-Perinton, Weisberg led one of the most exciting horse races in local Congressional history. Underdog Slaughter took the seat away from popular incumbent Fred Eckert. Then as the leader of the county Democratic Committee, Weisberg and her fellow Democrats put Thomas Frey into the county executive's office.

Quite a track record for a self-described "troublemaker" in high school and college.



IN THEIR OWN WORDS

2005

"Years from now, maybe after I'm dead and certainly long after I'm gone from this office, it will become clear that we weren't smoking dope at the time we proposed this deal."

- Mayor William Johnson Jr., on the city's winning bid for the fast ferry, March 2005

2002

"I keep hoping that the good story gets told, that we didn't go bankrupt. We weren't an Enron or a WorldCom or a Global Crossing."

> - Xerox Corp. chairman and CEO Anne Mulcahy, August 2002

"Should the quality of life be dependent on the county's budget? I don't think so. And people have got to come to grips with it."

> - Monroe County Executive Jack Doyle, August 2002

"You expect the community to support a \$50 million project on a \$500,000 investment?"

- Greater Rochester Sports Authority chairman John Riedman, on the Rochester Raging Rhinos' proposal to build a soccer stadium, January 2002

2001

"(People) want to be able to walk east on Main Street without thinking they're walking into a military zone."

> - Mayor William Johnson Jr., December 2001

"We have more than 20 million tourists visiting the U.S. and we are worrying about students and legal workers. Is that our response to terrorism?"

> - Margaret Catillaz, partner at Harter, Secrest and Emery LLP on immigration issues after Sept. 11, December 2001

"There was no way I was going to close. This is a test of our resolve as a democracy. ... We are not making decisions by force and intimidation."

 Rochester Institute of Technology president Albert Simone, following the Sept. 11 attacks, September 2001 "I really feel that if we went out here and discovered oil in our backyard, the analysts would see it as an environmental hazard. We are never going to win in this type of environment of negativism, of feeding frenzy."

- Global Crossing's Joseph Clayton, October 2001

2000

"We believe the best value in this company currently is to be independent."

- Thomas Richards, RGS Energy Group Inc. chairman, president and CEO, July 2000

"We took 20,000 people out in 1998 and 1999. There is a limit to how much more you can take out."

> - Kodak president and CEO Daniel Carp, October 2000

"Congress has been bought and paid for. When the elections are held, the incumbents generally never lose. It's a rigged game. I don't bother to vote around here anymore. Why should I bother to vote when there is no choice?"

> - Harris Interactive Inc. chairman and CEO Gordon Black, February 2000

"I feel great that Paychex has done so well. It's unfortunate that a lot of it had to do with the fact that Kodak and Xerox have had such a tough time."

- Paychex chairman, president and CEO Thomas Golisano, on his firm becoming Rochester's most valuable company, based on market capitalization, October 2000

"If we continue ... to execute on this, they will write a book about this. It will be one of the most significant growth, technical infrastructure plays in the history of business."

> Global Crossing Ltd. vice chairman Joseph Clayton, March 2000

1999

"We are going to make Rochester into a telecommunications alley."

 Rolla Huff, president and CEO of MGC Communications (renamed Mpower Communications). December 1999

1995

"I am exceedingly pleased-being a major stockholder of Bausch & Lomb."

- B&L chairman and CEO Daniel Gill, on Wall Street's happiness over his announced departure from the firm, December 1995

1988

"The (minimum wage) is tailor-made to hurt some of the most vulnerable people in the economy. The law just kicks them in the teeth."

> - Simon School professor Clifford Smith, February 1988

1987

"The Monday stock market plunge was so dramatic, it can't be ignored; but what it proves for the moment is only that the market is utterly unpredictable."

-University of Rochester economics professor Charles Plosser (later dean of UR's William E. Simon Graduate School of Business Administration), October 1987

FILE PHOTO

Local security was tight after the Sept. 11, 2001 terrorist attacks.



EMPLOYMENT BY INDUSTRY Rochester metro area, in thousands, by year (1990 and 2016) 1990 **Total non-farm employment** 2016 494.9 532.9 **Education and health services** 69 125.1 **Financial activities** 23.9 22.5 Government 69.4 78.5 Information 9.9 8.7 Manufacturing 124.8 58.5 **Service-providing** 350.9 454.1



TOP 3 HIGHEST-PAID PUBLIC EXECS

THEN NOW

Ranked by total compensation (1987 / 2016)

Colby Chandler, Eastman Kodak Co.

\$1,040,000 \$9,315,227

Robert Sands, Constellation Brands Inc.

Daniel Gill, Bausch & Lomb Inc.

\$814,489 \$7,435,538

Richard Sands, Constellation Brands Inc.

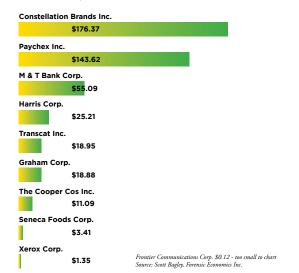
Kay Whitmore, Eastman Kodak Co.

\$782,654 \$5,782,395

Martin Mucci, Paychex Inc.

ANNUALIZED STOCK RETURNS

Value on 8/1/2017 of \$1 invested on 8/1/1987





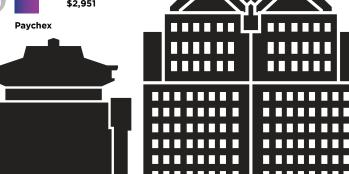


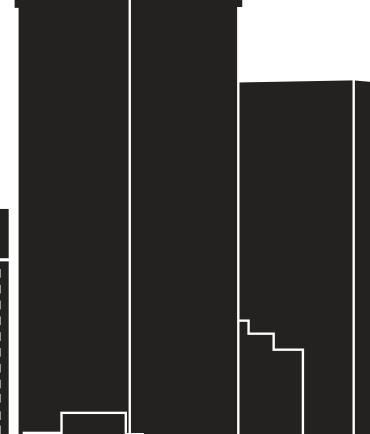


Constellation Brands Inc.

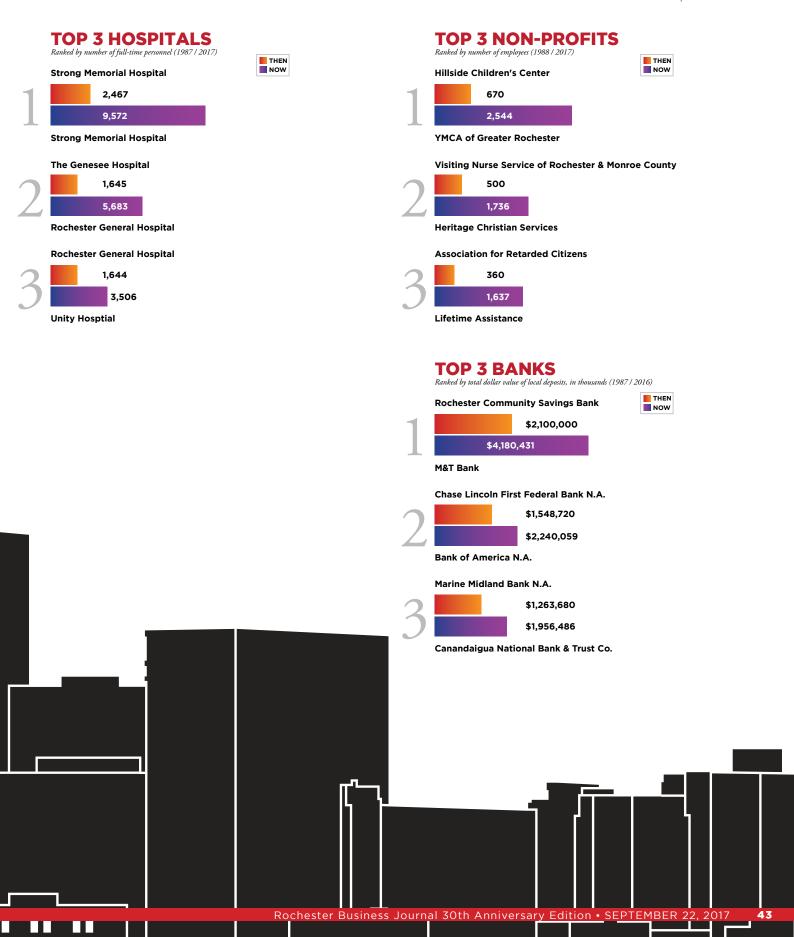


Bausch & Lomb Inc.





SEPTEMBER 22, 2017 • Rochester Business Journal 30th Anniversary Edition





ENROLLMENT, SPENDING PER PUPIL AND TRUE TAX RATE

By school district (1987-2016)

School District	Enr <mark>ollm</mark> ent		Spending Per Pupil		Tr <mark>ue</mark> Tax Rate	
	1987-88	2016-17	1987-88	2016-17	1987-88	2016-17
Brighton	2,858	3,585	\$8,195	\$20,646	\$23.54	\$27.06
Brockport	4,216	3,400	\$5,398	\$23,202	\$16.76	\$24.32
Churchville-Chili	3,506	3,815	\$5,762	\$21,642	\$19.40	\$23.60
East Irondequoit	2,458	3,136	\$6,652	\$24,326	\$15.57	\$30.48
East Rochester	1,147	1,001	\$7,759	\$27,421	\$2 <mark>4.1</mark> 7	\$25.93
Fairport	6,645	5,941	\$5,388	\$20,748	\$21.45	\$22.71
Gates Chili	4,704	4,077	\$6,335	\$24,735	\$18.32	\$26.12
Greece	11,591	11,086	\$5,383	\$20,335	\$22.60	\$23.84
Hilton	3,407	4,450	\$6,724	\$17,973	\$22.94	\$23.19
Honeoye Falls-Lima	1,875	2,212	\$6,139	\$21,928	\$21.64	\$23.51
Penfield	4,057	4,524	\$6,663	\$20,626	\$23.18	\$25.47
Pittsford	4,909	5,632	\$6,779	\$22,285	\$20.95	\$25.51
Rochester City	31,723	29,984	\$6,850	\$28,840	NA	\$13.10
Rush-Henrietta	5,308	5,463	\$7,347	\$21,954	\$17.07	\$19.85
Spencerport	3,321	3,584	\$5,815	\$21,521	\$17.43	\$24.09
Webster	5,917	8,446	\$6,236	\$19,401	\$19.95	\$21.42
West Irondequoit	3,295	3,552	\$6,291	\$20,040	\$22.21	\$28.20
Wheatland-Chili	934	668	\$6,981	\$26,715	\$23.07	\$23.51

Technology, millennials and changes in higher education are shaping Rochester's future

By VELVET SPICER

In the two centuries since Rochesterville was incorporated, the region has changed dramatically and has been influenced by a number of factors, from abolition and women's suffrage to the rise and fall of Rochester's Big Three employers.

The forces that drive Rochester's future are seated in both its past and present. Technology, talent, agriculture, urbanization and entrepreneurship are just a smattering of those forces, and Rochester's leaders have varied opinions on them all.

"The first force is that business can be done virtually," said Rochester Downtown Development Corp. President Heidi Zimmer-Meyer. "And that allows people to live where they want and not necessarily in very big, expensive cities."

Which means medium-sized cities like Rochester can claim part of the technology and creative class, and other innovative kinds of businesses, Zimmer-Meyer said.

"I think a lot of it's driven by technology and talent, which is one of the key selling points (of Rochester)," said Greater Rochester Enterprise Inc. interim President and CEO Matt Hurlbutt. "Often the comments you hear from companies that are coming here, as well as expanding here from existing operations, is access to talent, cost competitiveness and ability to engage with our colleges and universities and have that good business environment or quick connectivity."

Rochester and the Finger Lakes region are home to more than a dozen colleges and universities, led by University of Rochester, the area's largest employer, and Rochester Institute of Technology, Greater Rochester Chamber of Commerce President and CEO Robert Duffy said.

"(They) generate so much in terms of not only educational excellence, but research, medical research, and bring so much money and assets into our community," Duffy said.

Technology, innovation and entrepreneurial spirit have the potential to shape Rochester's future, said High Tech Rochester President James Senall.

"I have to say entrepreneurship (in technology) is a force that has huge potential to shape our community going forward, only because that's what built our community to begin with," Senall said.

Downtown Rochester's new innovation hub will play a critical role in its future, he said.

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EVOLUTION

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"When you look around at a vibrant downtown and an innovation zone, it's really what helps create energy and activity and buzz and connections and collisions, which all lead to growth," Senall explained.

In the midst of building a business incubator at the Sibley Building downtown, HTR is hoping to add to that vibrancy and buzz by helping startups connect to the people and other resources they need to thrive.

"A lot of negativity had been in Rochester for a long time, going back to the closings of big companies and downsizings," Senall noted. "The positive energy will help with perception and how we all describe the city we live in."

Duffy said he is in awe of the brainpower and technology Rochester has to offer.

"I'm blown away by what we have here, not just the big companies that everybody recognizes, but so many of these high-tech entities we have here," Duffy said. "I don't think we even realize the strength that we have here in Rochester."

But Rochester's future will depend on more than just its burgeoning high-tech sector, said Kent Gardner, principal and chief economist for the Center for Governmental Research Inc. Most of the market is in boring stuff, he explained, so encouraging startups in all industries will be a key to the region's economic success.

"I would be disappointed if someone came in with an idea for a product or service that's not technically sophisticated, for us to turn them down because they're not producing something that looks high tech," Gardener cautioned. "What we need to be able to help people do is to use all the tools at their disposal, which often have a deep technical core, to produce some fairly mundane products. Most of the economy still runs on mundane products and services."

Gardner also cautioned that while the region's abundance of higher education offerings has served it well, the landscape is changing. Enrollment at four-year colleges is down, he noted, putting pressure on schools to change their thinking.

"I think the future of higher education is uncertain at this point," Gardner said. "They're seeing pressure in the traditional form — pressure because the pool has shrunk. But they're also facing pressure from various kinds of new media. We've talked a long time about how online education could be a disruptive force in higher ed."

Just because it has not happened yet, Gardner said, does not mean the forecast is wrong.

"When institutions with reputation and with prestige begin to get into online higher education in a big way, that spells the beginning of the transformation," he explained, noting the partnership between Arizona State University and Starbucks that allows baristas to get a discounted online education. "We have to worry about the health of our higher education sector because it's a very big part of what happens to this economy."

The other dilemma that Rochester's private, four-year schools have to consider is New York's new free tuition plan, something Gardner called an immediate threat.

But in many ways, Rochester's businesses are flipping these changes on their heads, Duffy said, noting that UR's data science center is being used by a number of healthy and growing businesses, including Wegmans Food Markets Inc.

"It gives us one of the greatest assets and growth opportunities," Duffy said. "It creates jobs that create great economic activity, and it helps other companies get even better and grow and be better prepared for the changes we're seeing in our economy."

Another force that will affect Rochester's future has to do with a generation that now makes up onethird of the American population, Zimmer-Meyer said. Millennials are a group to be watched.

"It is the most racially and economically diverse group in the history of this country and that will change everything," she said. "People need to understand what kind of a world we're moving into and what will make things grow, what gives opportunities to cities who are listening to what needs to be available in the environments of those places to attract and keep people from this generation."

Millennials will shape real estate and what happens in Rochester's retail sector, Zimmer-Meyer added. And they are calling the shots when it comes to having a life outside of work.

Engaging people more effectively in the community will be key to creating a Rochester that works, she said.

"And lest anybody get confused, some of the key forces that are driving center city development around the country, and definitely here, are that people want to be in dynamic, diverse places with people who are not necessarily like them," Zimmer-Meyer said. "This is a very different set of forces than what we saw in the '50s, '60s, '70s, post-World War II, where we began to create huge divides—socially, economically, racially—and those divides are being bridged in cities."

Rochester's business and community leaders



Heidi Zimmer-Meyer Rochester Downtown Development Corp. President



Robert Duffy
Greater Rochester
Chamber of Commerce
President and CEO

agree that the downtown area likely will play a large role in the success of the region's future.

"I think it's going to be more urban. I think it's going to be younger as the millennial generation grows in its size and its impact," Zimmer-Meyer said. "We will see the economy grow for the first time in a generation-and-a-half, and I do think the makeup of our economy, the composition of it, is going to shift."

Senall noted that momentum downtown is building.

"I think we're going to see the biggest difference in the downtown area, just based on the fact that people are moving in. The residential is leasing out as fast as they can build it," Senall explained. "We're going to see a lot more people. It's definitely a much different feeling than a couple years ago."

Hurlbutt said the Rochester of the future will see more technology downtown, as well as growth in optics, photonics and imaging sectors tied to the region's universities and private industry. And he expects Rochester's food and beverage industries to expand as we see more farm-to-table initiatives.

Duffy said Rochester has an opportunity to build for its future. It is our job to leave the place better than the way we found it, he said, and the only thing holding us back is ourselves.

"We might not succeed at everything, but our job is to leave this place better than when we came in. That is the goal of every leader, every organization, public, private, everybody," Duffy said. "Put the competing priorities aside, put the squabbles aside, put the political infighting and party issues aside. What is best for this region?"

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New leadership voices abound

Several key Rochester institutions have made changes at the top in recent years

By NICOLE SHELDON

Rochester has a history of iconic leaders, people whose accomplishments are so legendary that they became larger than life. Yet before they became iconic leaders, they were new leaders. This gives them something in common with many local organizational leaders right now.

Over the last few years, there has been significant turnover in many of Rochester's important companies and organizations. From local universities installing new presidents to new CEOs taking over staple companies in the area, there has been great change.

With changing leaders come fresh ideas and innovative plans of action. This can be said of all the new local frontrunners, and with this modern leadership guiding the economic and social welfare, Rochester's horizon is bright.

Higher education

Rochester has a plethora of colleges in the region offering extensive higher education options for local students. Recently, a number of these universities have appointed new presidents who will navigate the future success of the schools. Rochester Institute of Technology, St. John Fisher College and SUNY Geneseo all have undergone a shift in their presidency within the last two years.

It's no secret that higher education plays a fundamental role in the local economy. By sending well-educated individuals into society with groundbreaking ideas who will go on to make higher lifetime earnings, boost industries and diversify the economy, local universities are crucial to Rochester's future success.

David Munson Jr., president of RIT, said that he feels that it is higher education's duty to produce individuals who will be able to successfully continue the diversification and growth of the economy.

"Over the years the economy has been expanding and there have been lots of new start-ups and different things that, over time, will take the place of the former Big Three," says Munson. "I think that a university, especially one that has a pretty big focus on technology like RIT, has a disproportionate share of the responsibility to help create those start-up companies and work with other partners in this area to improve the economy."

But Munson visualizes more for the future of Rochester's higher education than economic vitality. He said he dreams of Rochester having a handful of the country's leading universities.

"Together with colleges like the University of

Rochester, we have the same power and capability as the very best of the big universities that exist in the country," he says. "It will take some collaboration and cooperation between RIT and other local colleges for us to leverage one another to make each other better institutions."

David Rooney, president of St. John Fisher College, agrees that partnerships are vital to students' success. Rooney acknowledges that partnering with local key players, whether it's businesses or initiatives, allows more avenues of access for students.

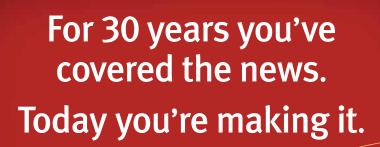
"I think educating our students about their civic and community responsibilities helps demonstrate how they can have an impact on some of the challenges they see in the community," says Rooney.

Munson comes from a background of working at public colleges like the University of Michigan and the University of Delaware, but transitioning into the presidency at a private college has instilled in him a budding passion for private schooling. The Rochester area has both public and private universities, yet Munson sees private schools as a dominant force of higher education in this area of the country.

"As you get a little further west in the United States to the Midwest and even out to California, most of the strongest schools are public schools," says Munson. "When I say strongest I mean best in terms of academic quality and the best at attracting the top students. But on the East Coast, private schools play a really important role, and without those remaining strong, higher education on the East Coast wouldn't be anything close to what it is."

Private schools do play a pivotal role on the East Coast and in areas like Rochester, but public schools like SUNY Geneseo have a lot to offer as

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FORECAST | LOOKING AHEAD 30 YEARS



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well. Geneseo remains a top liberal arts school in the country for its size, and the liberal arts niche has become a trademark of the school. In fact, Geneseo is the only school in New York State that is a member of the Council of Public Liberal Arts Colleges.

"A lot of what we aspire to do at Geneseo is to capitalize on our distinctiveness in the state as an exemplary public liberal arts college," says President Denise Battles. "We're really looking to build on our strengths, and we've just completed the development of a strategic plan that provides us our road map for how we will do that through our sesquicentennial in 2021."

Fisher, like Geneseo, is a liberal arts college at its core. Rooney said that having this core in all aspects of learning "helps our students develop critical-thinking skills, problem-solving abilities and an openness to different ways of thinking."

As for the future of local higher education institutes, Rooney, Battles and Munson all insist on remaining nimble and open to change, as well as expanding on opportunities for applied and experimental learning.

"I think for our students and the future students we will serve, it's important to continue to provide the best education in whatever program they're engaged with and to provide opportunities both inside and outside of the classroom that will enrich their learning," says Rooney. "We want students to have a community-minded spirit as they leave the college."

Economic engine

A few companies tend to come to mind when you think about Rochester's leading employers. The University of Rochester, Wegmans and Xerox may be your initial thoughts, and all are valid.

The University of Rochester sits at the top of the list of Rochester's top employers for 2017, according to Greater Rochester Enterprise. Second is Rochester Regional Health, third is Wegmans Food Markets Inc. and fourth is Xerox Corp.

Since its inception in 1850, UR has grown to employ nearly 29,000 people in the Rochester region. The UR umbrella covers a nationally ranked university, a nationally ranked hospital and a leader in research. Since 2005, Joel Seligman has served as UR's president and CEO. Since his inauguration, he has led myriad development projects for the campus, as well as fostering a billion-dollar initiative, The Meliora Challenge. Suffice it to say, the University of Rochester plays a central role in the local economy.

Rochester Regional Health, formed by a merger between Rochester General and Unity in 2014, has quickly risen to become the second-largest employer in Rochester with over 15,000 employees. Eric Bieber M.D., president and CEO of Rochester Regional Health, says he is proud of the amount of jobs that RRH has created, but their main priority right now is on building the best possible health care for the community.

"Because we're a relatively nascent organization, we've spent the better part of the last three years figuring out how to build the collective foundation for the health system," says Bieber.

"Our vision is, 'How do we make it really easy for people to get what they need?' This includes wellness care, preventative care and management of chronic diseases as much as it's about having a



PHOTO COURTESY OF RIT AND FILE PHOTO President RIT Bill Destler uses American Sign Language at a commencement ceremony. The Rochester Institute of Technology is home to the National Technical Institute for the Deaf, the first and largest technological college in the world for students who are deaf or hard of hearing. President Destler retired in Summer 2017. David Munson Jr. became the Rochester Institute of Technology's 10th president, effective July 1, 2017 and he plans to help the university forge new connections between technology and the arts.

hospital for when you need an emergency room."

Bieber says that RRH is implementing this vision as patiently and thoughtfully as possible. RRH has already experienced major leaps forward in the last three years, including getting four of the five hospitals on the same medical record system, which Bieber estimates covers over 90 percent of their patients.

For Bieber and RRH, settling is not an option. There is always room for improvements and areas to grow.

"We plan to keep making investments in our infrastructure and our people and being flexible because, certainly in the world of health care, things seem to be quite volatile," says Bieber.

RRH is living up its mission and investments are already being made in infrastructure with the development of the Sands Constellation Critical Care Center and in people with their emphasis on growing the Isabella Graham Hart School of Practical Nursing.

Third on the list of local employers is Wegmans

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with over 13,000 employees. The supermarket celebrated its centennial just last year, and in March 2017, Colleen Wegman took over the role of CEO of the company from her father, Danny Wegman. With over 92 stores across six states, 17 of them in Rochester, Wegmans has been a strong force in the local economy for decades.

The company has been around for 100 years, but it continues to evolve with the changing market. Wegmans recently announced a partnership with Instacart, which will allow for home delivery. In addition to this service, Instacart brings more job opportunities to Rochester.

Colleen Wegman recalls advice from her father to "lead with your heart, do what you believe is right, and things will work out," which she said in her keynote address to the St. John Fisher class of 2017. "The culture of our company continues to be: Begin with a belief and a passion for something, apply high standards, and then take measured risk to bring it to fruition."

Finally, Xerox comes in as the fourth top

"We're really looking to build on our strengths, and we've just completed the development of a strategic plan that provides us our road map for how we will do that through our sesquicentennial in 2021," said SUNY Geneseo president Denise Battles.

employer in Rochester. Once part of "the Big Three" in Rochester, Xerox remains a vital player in Rochester's local economy, employing over 6,000 individuals in the area.

"While Xerox and others were once the largest employers in Rochester, that role has shifted to health care and education and a growing number of small, but vital entrepreneurs," says Jeff Jacobson, who took over as Xerox CEO at the beginning of this year. "Building on the expertise of local universities like RIT and the University of Rochester, partnerships are developing like the REMADE Institute and the National Photonics Manufactur-

ing Institute. These initiatives will grow and bring new high tech jobs to the local economy."

Jacobson assures that Xerox is "playing to win" and that they're working tirelessly to create more opportunities in the Rochester area.

With three of the top employers in Rochester gaining new leaders within the last year, Rochester can expect innovative initiatives that will aim to rev up the local economy and keep Rochester on the map.

"I think we're fortunate to be in a place where there are other businesses like Wegmans and places like RIT where there are a lot of great things going on," says Bieber. "I think the culture in this



FILE PHOTOS

LEFT: Despite driving wind and rain, the Rochester Rhinos drew a sellout crowd of 13,768 to Paetec Park in June 2006 for the first game there. The professional soccer franchise was purchased in 1995 and later renamed the Rochester Rhinos. **BELOW:** Eric Bieber, M.D., president and CEO of Rochester Regional Health.



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community is part of what will allow us to be ever-more successful, and the community leaders have really stacked hands in a non-partisan way and want to see all of Rochester flourish and prosper."

Community Improvement

There are other facets of Rochester that contribute to the community not only economically, but socially as well.

The Rochester Rhinos were purchased in 2016 by David and Wendy Dworkin of LLD Enterprises, a property management group in Rochester. The pair has been in the real estate business since the

mid-1990s, but saw great hope in the Rhinos. The professional soccer team could have been moved out of Rochester, and the Dworkins were concerned that if the team left then the hundreds of people that work for the stadium would be jobless, harming the local economy.

Wendy Dworkin asserts that the Rhinos, like any other minor sports team in the area, need a healthy economy in order to thrive.

"Companies need to expand in Rochester, providing jobs at decent wages so people have disposable income to come to your games," says Wendy Dworkin. "You need companies that see the value of sponsorship and supporting these local teams because they do provide jobs and a lot of opportunity for local nonprofits."

Moving forward, the Dworkins are working to

"We plan to keep making investments in our infrastructure and our people and being flexible because, certainly in the world of health care, things seem to be quite volatile," said Eric Bieber M.D., president and CEO of Rochester Regional Health.

keep the Rochester Rhinos "relevant on and off the field," says David Dworkin. The Dworkins have begun initiatives to make the stadium and the team a valuable resource, especially for the at-risk and underprivileged class.

"We certainly don't have a lot of dollars to throw around, but we've found a lot of different ways of giving back and giving value to the community," says Wendy Dworkin.

Certainly sports teams are more than an integral part of the economy, they also bring communities together.

"A sports team is a community asset," says David Dworkin. "It's such a part of the fabric of a community."

Like athletics, the arts are also a woven fabric in a vibrant community. Ward Stare, the newest music director of the Rochester Philharmonic Orchestra, took his position in 2014 and has been witnessing great growth in the local music and arts community.

"It wasn't until I moved away then came back that I was able to appreciate how rich our cultural atmosphere is here in Rochester," says Stare. "I think a lot of people don't even realize it, but the vibrant arts and culture scene in Rochester is key to people growing up and living in a rich, stimulating environment."

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Having a vivacious arts scene—as with sports teams—brings people together, notes Stare.

Stare sees room to grow for the RPO and is working to keep the orchestra on the cutting edge.

"Looking to the future, the most exciting things for me are all of the possibilities which exist through modern technology," says Stare. "I'm looking forward to seeing how we can use them to reach out to our community in new ways, and to harness modern technology to maximize our impact on school children in the educational realm."

Leonard Brock, director of the Rochester-Mon-

roe Anti-Poverty Initiative, joins the Dworkins and Stare in working to better the Rochester community. Inspired by his own experiences growing up in local, struggling neighborhoods, Brock has become a face of the fight against local poverty.

But Brock and the RMAPI keep their goals realistic and tangible.

"I certainly see poverty being reduced, however, that is not the only goal, and I don't necessarily see that as a sustainable goal," says Brock. "What I would love to see is more equity in power distribution. I would like to see a diverse mix of individuals who have access to power and opportunities that they currently do not have."

Brock and RMAPI are working hard to implement initiatives that will help de-concentrate

poverty in Rochester as well as collaborating with local businesses to create job opportunities and boost living wages.

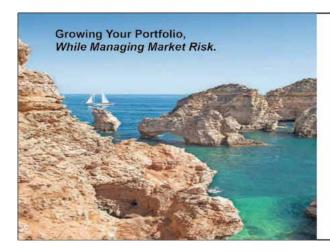
"Poverty reduction is not a linear process; it ebbs and flows," says Brock. "I think my life's journey is not about giving people handouts, but giving people opportunity."

Opportunity is a motif that has been repeated by each of these local leaders. Each of them recognizes the need in Rochester for more accessibility, whether it's in terms of jobs, higher education or culture. These leaders are dedicated to keeping Rochester relevant, and all are working diligently to create accessible opportunities for Rochester citizens in order to maintain a thriving economy and society.

FILE PHOTO

The Rochester Philharmonic Orchestra is one of the country's most community-centric orchestras. Music Director Ward Stare was hired in 2014.







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Looking Toward 2047

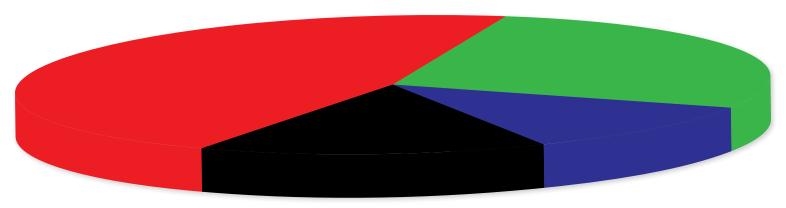
Business community optimistic about the future despite several challenges ahead

The past 30 years have seen significant change in the Rochester-area economy.

The Big Three have been in continuous decline, but many smaller firms have sprung up to help the community survive. Manufacturing once led the way for Rochester jobs, but health care and services now provide the greatest impetus for the Rochester economy. Downtown Rochester experienced a lengthy downturn but is now seeing a promising revival.

What will the next 30 years bring? The Rochester Business Journal recently asked readers to share their views on the area's long-term economic outlook and to name the biggest challenge this region is likely to face from now until 2047.

Results of the economic outlook poll appear here; more than 60 percent of the 300-plus respondents are optimistic about the future. Following the results are some of the comments — edited for space — on the biggest challenge Rochester is likely to face.



Are you optimistic about the Rochester region's long-term economic outlook (10 years or more)?

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With all the positive efforts being put forth by our business community, there is no reason for us to not be in a very strong position in our 10 year future and beyond. If we can get our political leaders to work together from a positive note, no matter their Political Party, the future is ours!

> - Victor E. Salerno, CEO, O'Connell Electric Company, Inc.

Among challenges for future economic strength include the following obstacles and needs: educational outcomes in the City School District, job training to develop the skills needed for existing job vacancies and anticipated future needs, and the concentration of poverty. Our region also has many assets that will contribute to future economic strength: well educated regional workforce, strong arts & culture and parks that contribute to quality of life, plentiful fresh water, relatively easy commuter travel, excellent healthcare, good regional schools and higher education, and small exposure to extreme weather.

- Hon. Sandra L. Frankel

The biggest challenge continues to be the oppressive regulatory environment at the state and local levels. New business development, job growth and corporate health will continue to be lukewarm for this reason.

- Lew Pulvino

Rochester has a bright future with great technical resources and an evolving but positive outlook for its manufacturing base. The biggest challenge for the next thirty years, as it has been for the last thirty, is revitalization of the city school system. We need to educate, so that we can enable all citizens of the region to be full participants in our prosperity.

- Bill Pollock, Optimation Technology, Inc.

Unfunded governmental spending. It's out of control and we keep kicking the can down the street. Stop spending on cosmetic improvements at the airport, Parcel 5 develop-

ment with an Arts Center which will never break even. Just like most people, live with a bit less and pay down the community's debt. Insist on a balanced debt without any additional borrowing. Let's not leave our children with a huge bill.

> —John J Cogan, CEO, Vantage Benefits Group Inc

The biggest challenge to the Rochester metro area will be employment. We need to continue courting new business opportunities for continued growth. I am optimistic we are moving in the right direction with new IT startups, various photonics/mechatronics development and agri-business-related growth.

- Bernard P. Fallon, Fallon Associates Realty Inc.

Poverty, low graduation rates and growing income inequality (intertwined issues) may become our biggest challenges both as problems in-and-of themselves but also as individuals and families considering our area see the increasing evidence of such issues in our neighborhoods, crime, labor pool and growing draw on social services & tax base which could diminish their potential interest in our otherwise appealing community.

- Thomas E Schnorr, President, RE/MAX Realty Group

Outside of our taxes, the biggest challenge Rochester will face is the Rochester City Schools. They are in need of innovative ideas on how to educate the children in the city. The children come from poor socio-economic homes. The program needs to be all encompassing for positive growth and development.

- Jennifer Apetz

I think the biggest challenge will be to maintain the residency of our young professionals as well as the established business leaders. The young professionals need to have a reason to stay revolving around good paying jobs, a vibrant downtown and diverse opportunities for entertainment. As residents age more and more are choosing to move out of NYS due to the high tax rates.

In our business in particular we are seeing many high net worth individuals moving to other states to avoid the NYS income taxes. With the way the state is being run I believe this problem will only get worse if not dealt with in the next three to five years. We also need a resurgence in some of the old guard companies such as Xerox, Kodak and Frontier along with continued growth at the new leaders such as U of R and Paychex.

- Bill Shaheen, President & CEO, Whitney & Company

Our region's greatest challenge is that too many of our economic leaders have not yet internalized the impact that the downsizing of our legacy industries (not just Kodak and Xerox, but GRS, Rochester Products, General Dynamics, Gerber, and many more) has had on our economy. According to the NYS Department of Labor, the Rochester region has 40,000 fewer employed people than it did in the 1980s. We don't have a shortage of qualified workers—we have an absolutely massive shortage of jobs. We are a Rust Best city, and we need to realize that we have a long way to go to revitalize ourselves. There is no magic wand to allow us to lower taxes—we just need to work hard to increase our tax base and employment base.

-DeWain Feller

"Brain drain"—young people moving out of the area. Our urban situation with schools, housing, and center city attractions leaves Rochester far down almost every list of cities where people want to live. For most of my life, I'm 71 years old, the state of the city has deteriorated, with money fleeing to the suburbs, and young educated people fleeing to areas where jobs were plentiful, urban life was exciting, and better climate for raising children without having to resort to expensive private schools. Monroe County needs to recognize that the city is its heart, and dig in to revitalize urban public schools, urban housing opportunities, and cultural center city life...

- Wayne Donner

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2047 OUTLOOK

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We have many great assets in this area such as a well-educated workforce, high standard of living and numerous cultural and recreational opportunities but it is the high taxes and burdensome regulations that continue to hold us back.

- Eric Pedersen, EP Visualz

The "can do" attitude of the area twenty years ago, which was based on personal and corporate enterprise and investment has, unfortunately, begun to slip into an attitude of looking first to government at the local, state and federal levels for assistance in starting new ventures and expanding existing ones. If this trend continues, I would not be very optimistic for our long term future.

- Robert Zinnecker, Penfield

The biggest long-term challenge for our region is likely to continue to be the ability to attract and retain enough taxpayers to support the infrastructure we take for granted (e.g., good quality schools). We must find a way to both increase the tax-paying population (especially among those without students in the school system) and to lower our local taxes. With foresight, those in charge of economic development should be reaching out now to businesses in hurricane-prone, flood-prone, forest-fire-prone areas, etc. to attract them to our region, which is relatively free of natural disasters. And we should maintain our focus on protecting our environment, because resources like clean drinking water will only become more dear.

- Maggie Symington, Brighton

Making Rochesterians understand that Kodak, or anything like it, will not be coming back. The future, if we are to be successful, will not look like the past. We must accept that and prepare for a very different way of doing business. And very different businesses. Since we don't know what that will look like, we must be prepared for anything. Or, if we don't want to accept that, maybe we can all become clerks at Wal-Mart. No White Knight will be coming from somewhere else to save us. Our forefathers made Rochester a very successful community. We must do the heavy

lifting of making that happen again and stop looking for smart people from elsewhere to do it for us, as we have done for decades. We already have very smart students here. We send them away because we don't want to provide them with a place to start out or hear what they have to say. If they weren't so deeply in debt by the time they leave our horrifically expensive universities, they could do much more. As the old saw goes, "Lead, Follow, or get out of the way!" Rochester must get out of its own way.

-Gary Bogue

Taxes...self-serving politicians...nonproductive citizens that put a drain on the working population. This is not unique to our area but it is more severe here than in many locations. That happens in a democratic society when nonworking have nots outnumber the workers and go to the polls and elect their "guy" that gives them more. What incentive is there for people to work? How about "free" healthcare for everyone...!

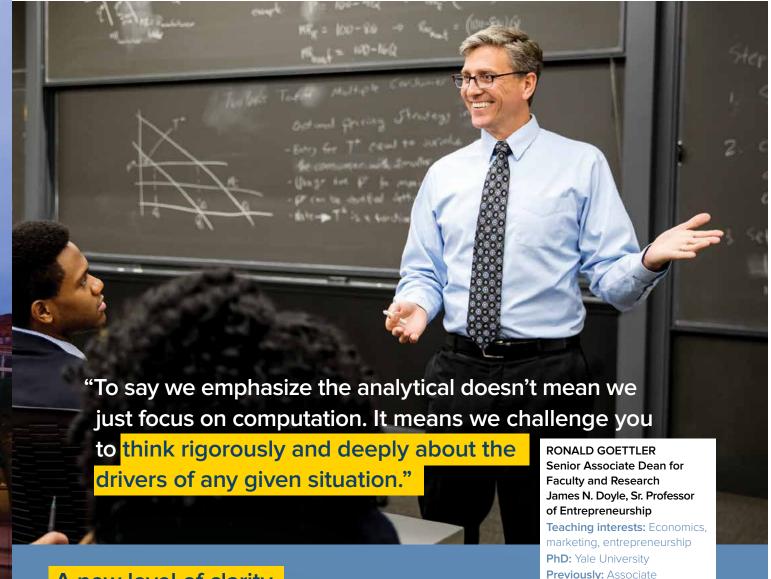
-Mark Williams

Rochester needs to maintain and enhance a cultural and social infrastructure that is attractive to location independent knowledge workers. We are already blessed with fine educational institutions that can easily develop geographically unbound skills, artistry and technology. We need to find a way to create, strengthen and publicize the resources, including natural resources, that make our region an easy, attractive and rewarding place for highly skilled people of all ages, and varied tastes to settle, live and work. Jobs will follow.

- Rob Brown, ESOP

The quality of the education system, especially within RCSD, is troublesome. The workforce of the future will be required to understand automation and systems that the current education system does not cover. Nonetheless, I am optimistic about this area for several reasons: 1) availability of water, which I believe will create (over the next 50 years) a reverse of the trend that sent businesses and populations to the Sun Belt. 2) presence of world-class institutions like RIT and UR/URMC. 3) the continued presence of individuals who came through the "Big Three" and still have a strong entrepreneurial spirit.

- S. Wyatt



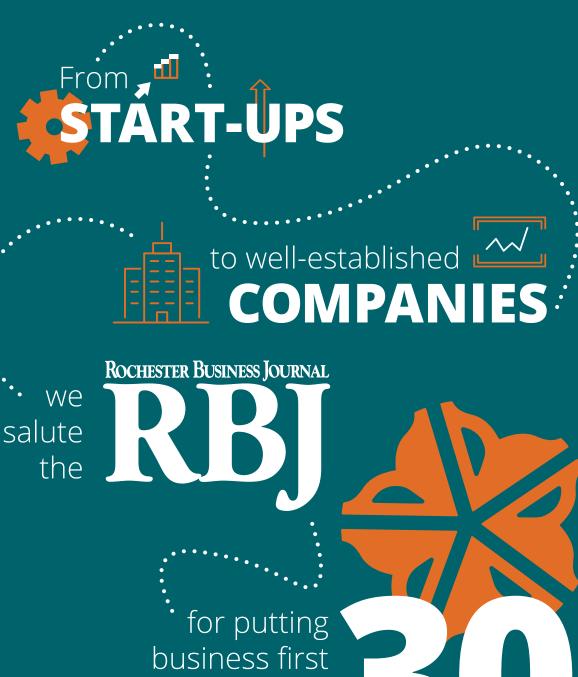
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