BASIC INFORMATION

▪ REDC Region: Mid-Hudson Regional Economic Development Council (MHREDC)
▪ Municipality Name: Village of Highland Falls
▪ Downtown Name: Hometown, USA
▪ County Name: Orange County
▪ Applicant Contact(s) Name and Title: Joseph E. D’Onofrio, Mayor
▪ Applicant Contact(s) Email Address: MayorJoe@highlandfallsny.org
▪ Applicant Secondary Email Address: rtaylor@highlandfallsny.org

VISION FOR DOWNTOWN

The vision for downtown Highland Falls is as follows:

“Downtown Highland Falls will be a vibrant and dynamic area consisting of a diverse mix of commercial, residential, service-based, and institutional land uses offering goods, services and hosting wide ranging opportunities for employment. The area will be supported by sustainable infrastructure in a compact setting with attractive built features that pay homage to the community’s rich heritage, while preserving natural features and enhancing its parks and civic spaces.”

The vision for downtown Highland Falls embodies the following characteristics:

- A vibrant environment attracting a diverse population of residents to live, work, and raise a family in a walkable setting rich with cultural, recreational, and leisure-time activities;
- A registered Climate Smart Community that encourages sustainable vehicular travel through convenient availability of electric charging stations to support the use of electric vehicles among residents and visitors to downtown Highland Falls;
- Encouragement of healthy living through enhancement of a purposeful downtown environment that encourages pedestrian movement as a primary means to travel among the diverse and compact land uses (residences, places of employment, service providers, recreational assets, dining, shopping, lodging) of downtown Highland Falls.
- A center for commerce, housing of varying types and levels of affordability, farm-to-table foods and beverages, recreation, and new waterfront accessibility;
- A quality of life that is enhanced through integrated private and public amenities that complement one another and provides a diverse offering goods, services, and cultural experiences;
- Opportunities for employment among downtown businesses from entry-level positions to skilled, management-level positions; and
- A recognized center for encouragement of entrepreneurial development encompassing a range of businesses from start-up microenterprises through prosperous businesses and corporations.

The opportunities available in downtown will attract investment in real property through restoration of existing, historically significant buildings and the construction of new buildings to meet the demand of the growing local and regional markets. The result will be a downtown that continues to function and serve as a genuine community center. Additionally, the adjoining US Military Academy at West Point continues to act of an attraction of national significance. Therefore, the intent is to also provide a welcoming environment and complementary services/activities (lodging facilities, dining experiences, shopping, and leisure time activities) that enhance the visitor experience.

The elements of the vision as expressed above are directly derived from an inclusive, sustained, and strategic approach to public participation in the community visioning and planning process. With a two-year lapse in the DRI funding round, the Village has productively utilized the extra time to update and organize its downtown revitalization priorities and the following activities have been undertaken and completed:
• Main Street Forum – In 2019 the Village conducted a public forum attended by downtown businesspersons and Village residents for the expressed purpose of soliciting ideas for downtown revitalization. Input was received and projects were identified which are directly reflected in this application.

• Local Waterfront Revitalization Strategy (LWRS – DOS #C1001153) – In 2020, the Village utilized funding from the NYS Department of State to complete the development of an LWRS. To start the effort, the Village conducted a series of resident outreach efforts that encompassed the geographic area of the Hudson River waterfront and downtown Highland Falls. Due to the proximity, the ingress and egress, multiple points of connectivity and association, the delineated strategy boundary of the LWRS encompassed the downtown area. The result was a list of publicly generated projects that are strategically prioritized by resident support and degree of social and economic impact. The strategic list of projects is the basis for the projects outlined in this application.

As a final step the Village conducted the requisite public meeting in preparation for this application that affirmed the strategy of the 2020 LWRS. The residents in attendance at the meeting spoke in support of revitalization efforts that encompassed a walkable downtown; expanded parking facilities inclusive of electric vehicle charging stations, expanded job opportunities among growing downtown businesses offering diverse products and services, and enhancement of downtown parks. In summary, the revitalization of downtown Highland Falls represents why the DRI program came into being. The Village of Highland Falls and the residents have done the necessary work to develop a strategic and sustainable plan for revitalization of downtown Highland Falls. Public input has been sought and received; responsive projects have been formulated and prioritized; working partnerships with stakeholders and property owners have been established; and project readiness of the priority projects has been established. The resulting projects funded through the DRI program will transform downtown Highland Falls into a center where residents and visitors will be immersed in a revitalized downtown environment that proudly embraces its history; provides venues for dining, entertainment; and civic spaces for festivals and events; incorporates up-to-date infrastructure and needed technology; and is a hub for commerce through the availability of goods and services.

JUSTIFICATION

The following overview describes the justification for the proposed DRI program. Through the investment of funds received through the DRI program the Village of Highland Falls is poised and ready to begin immediate implementation of the projects listed below. The justification for DRI investment is explained through the following six criteria as listed on page 2 of the July 2021 DRI Guidebook: 1.) Physical environment; 2.) Past investment; 3.) Future potential; 4.) Impending job growth; 5.) Support for the local vision; and 6.) Readiness.

1.) Physical Environment
Downtown Highland Falls represents a quintessential American downtown. The downtown area is compact, consisting of smaller parcels with dense building coverage, varying land uses, and charming architecture. Downtown Highland Falls has rich heritage as the community’s center for civic engagement, services, culture, and commerce. The area is characterized by a range of uses from residential, to retail business, to dining and entertainment, to personal and governmental services, to public parks and open spaces. This range of land uses exists with a compact and walkable setting. The boundary of the area as illustrated in the map included with this application was strategically delineated to capture the projects ready for implementation while enhancing the unique attributes of downtown Highland Falls. The determination of the boundary for downtown Highland Falls is based upon several levels of considerations including:

- Natural Features – As a riverfront community, one of the Village’s striking natural features is the sloping nature of the topography towards the shoreline of New York’s most storied river, the Hudson River. The downtown boundary as presented in this application is purposely linear in its orientation and its shape as it parallels the river shoreline and maximizes the benefits of the viewshed over the river and the direct shoreline frontage.

- Existing Businesses, Institutions, and Proposed Projects – The boundary delineated in this application is the result of strategic planning to include projects which are responsive to the needs of the community as defined by the residents while working to fulfill the objectives of the Mid-Hudson Regional Economic Development Council (MHREDC) LIVE, WORK, PLAY regional strategy. The other consideration applied for boundary delineation is maximization of benefit to existing businesses and institutions. Through the upfront planning that has been done, the investment of DRI funds will directly benefit existing businesses and institutions through expanded downtown residency, increased
residential and visitor patronage of downtown businesses, and the resulting job growth created from increased demand and sales. For the area outside of the boundary, attention was paid to preservation of the integrity of residential neighborhoods and avoidance of potential adverse impacts associated with uses that may conflict with the single-family dwellings that comprise a majority of the dwellings in the Village’s neighborhoods. Lastly, the boundary was set in such a manner so that the walkable connections between proposed projects, existing public amenities, existing businesses and institutions, service providers and the adjoining neighborhoods were not only maintained but, enhanced and physically improved. Under the improvements proposed increased pedestrian movement and walkability will contribute to healthy movement of people while at the same time, reducing vehicular travel and reducing congestion and carbon emissions.

- The Built Environment – Downtown Highland Falls features a traditional Main Street lined by inviting and accessible building storefronts housing businesses with a mix of goods and services in two- and three-story buildings of traditional American architecture. The density and architecture of the existing buildings and the provision of streets and sidewalks provide multi-modal access to the downtown area. The downtown area as shown encompasses a densely developed compact arrangement of diverse land uses, meaning that building coverages are high and building heights are multi-story so that use of horizontal and vertical spaces are efficiently maximized. This basic physical arrangement is to be enhanced through design elements of new projects that encourage “parking the vehicle” and walking to destinations during the multi-day stay or the short-term visit to one of the downtown destinations or service providers. Regarding the heritage of the built environment, the strategy employs an approach of retention and restoration. In consideration of the age of many of these buildings, they are either listed on or qualify for listing on the state and national register. These attributes will be enhanced with the investment of DRI funds as outlined in this application. Where existing buildings are to remain, the strategy will employ an approach of preservation through restoration; and where new buildings are proposed, the strategy will encourage complementary design that augments the historic features of the built environment. The result will be a seamless integration of new construction within a preserved, built environment that evokes the special heritage of the Village as the host community to one of the nation’s most iconic national landmarks - the U.S. Military Academy at West Point.

- Strong Partnerships – Over the decades of numerous points of involvement with the U.S. Military Academy, the Village has forged a strong working relationship with the Academy. The many of generations of cadets have and continue to contribute their time through the Center for Nation Reconstruction and Capacity Development at West Point. Through the Center, the cadets work with the Village and community stakeholders to assist with revitalization of the Village of Highland Falls. This same approach will be utilized in the administration of funding through the DRI. The US Military Academy will continue to play an important role in the fulfillment of the strategic plan for revitalization of the downtown Highland Falls. In addition to the support of the U.S. Military Academy, the Village’s proposed revitalization strategy has the support of downtown business owners, volunteer groups, not-for-profit organizations, neighborhood associations, other community-based partners as evidenced in the broad and diverse support expressed in the letters accompanying this application.

Since the 2019 DRI application round, the Village has made productive use of funding from the NYS Department of State and the Local Waterfront Revitalization Strategy (LWRS) program to prepare for a DRI investment. Through partnership with regional and local stakeholder agencies and groups, an inclusive and pragmatic planning process was undertaken to solicit public input on impactful projects that could be undertaken to address the community’s needs. The result is an updated strategy for the use of DRI funds that has been built from the “ground-up” by including key participants to assist with building the component parts of the plan in a logical manner. The foundation for the DRI considers the following local, regional, and statewide initiatives and plans:

- The Mid-Hudson Regional Economic Development Council (MHREDC) annual report;
- Orange County Comprehensive Plan;
- Village of Highland Falls Historic Downtown Plan (being completed through the Army/Community Heritage Partnership Program resulting in the creation of a Local...
Development Corporation (now Economic Development Corporation) and the revitalization of the Main Street Historic District;
- Feasibility study for the redevelopment of the waterfront and historic train depot;
- Concept plan for Ladycliff Park and a proposal for an expansion and improvements to Roe Park currently under development;
- Local Waterfront Revitalization Strategy (LWRS) (completed);
- Main Street Forum (completed);
- Highland Falls Revitalization Strategy (completed);
- 2020 Project Implementation Strategy (completed); and
- The Village of Highland Falls Comprehensive Plan Update (in progress).

The Village has also built partnerships with key stakeholders who have contributed to the recent momentum. These include:
- U.S. Military Academy at West Point;
- Hudson River Valley Greenway;
- NYSERDA;
- NYS Palisades Interstate Park Commission;
- Scenic Hudson;
- Hudson Highlands Land Trust;
- Town of Highlands Historian and Historical Society;
- Mid-Hudson Regional Economic Development Council;
- Orange County Industrial Development Agency (IDA);
- University of Pennsylvania School of Design; and
- Regional Plan Association.

2.) **Past Investment**
In recent years, the Village has demonstrated the capacity to not only successfully administer multiple projects funded through various grant programs, but the Village has also matched municipal funds with available grants to improve sidewalks, install/replace street trees, conduct renovations of individual buildings, replace deteriorated lighting fixtures, and purchase and renovate a building for use as a Senior Center. However, these projects have occurred over a sustained period and in a “piecemeal” fashion as available funding has allowed. Over the last two years, the Village has undertaken a purposeful effort to formulate a comprehensive strategy that will integrate complementary projects to address revitalization in an impactful manner. As a result of inclusive and strategic approach to planning for the future of downtown Highland Falls, the Village is ready for successful implementation of its DRI program. The DRI program by virtue of its scale and scope will provide the depth of funding necessary to implement the strategy in a comprehensive and coordinated manner.

From a funding perspective, the underlying premise of the proposed DRI program is to maximize the return of past investments made through a mix of public and private investment. For example, the funds awarded from the NYS Department of State through the Local Waterfront Revitalization program have directly led to the readiness of the priority projects listed in this application. Another example is South Gate Resort and Hotel project. The project received a $1.9 million award through the 2019 CFA round that is leveraging over $35 million in private investment to complete this transformative project at the northerly end of the delineated DRI project area. The intent is to utilize DRI funds to further augment the impact of the hotel and resort project through extension of Ladycliff Park and improved streetscape and public amenities along Main Street. The extension of the park and the planned streetscape improvements will functionally and visually connect the central portion of the DRI project area and northerly portion around the proposed hotel and resort. The center southerly portion of streetscape has already been improved funded through a past NYS Department of Transportation multi-modal grant. This project will extend those improvements to form an expansive, unified streetscape along Main Street.

3.) **Future Potential**
Under the DRI program, the impact of the funding will be maximized through expanded job creation among downtown businesses; proliferation of a sustainable living environment through the availability of new public access to the Hudson
River waterfront; enhancement of pedestrian movement and strategic expansion of publicly available electric vehicle charging stations; increases in valuation among downtown area properties; increases in sales tax revenue resulting from heightened levels of commerce; expansion of affordable housing opportunities directly within the downtown area; and an enhanced vibrancy to the downtown through increased activity and dynamic integration of uses. The justification does not end with these direct impacts but is further enhanced by indirect impacts in the form of improvement to overall fiscal condition in the operations of the Village government and the services it provides. Increased commercial valuation in downtown property values and increased sales tax revenue resulting from increased sales and commercial activity serve to shift the demand for revenue away from the residential real property tax borne by residents of the Village.

A high functioning downtown will directly improve businesses, product and service offerings, employment, downtown area property values, sales tax revenue, cultural activities, and the diversity of the downtown area land use pattern. A high functioning downtown will also indirectly improve the overall fiscal conditions of the Village easing the property tax burden to the residents of the Village. The justification is for DRI funding for the Village of Highland Falls is broad-based with deep implications for businesses and residents alike.

4.) **Impending Job Growth**
The DRI program for the Village of Highland Falls will directly and indirectly support increased employment in the downtown area. The incubator at the southerly end of the DRI project area will directly create job opportunities across a range of skill and income levels. Jobs at the incubator will range from entry level to management/ownership levels. The intent is to provide a state-of-the-art center for startups and microenterprises to grow their business and customer base and then evolve into larger spaces elsewhere within downtown Highland Falls. Under this strategy a continuum of growth and development will occur from startup through second and third generations of the business’s life.

Indirect job growth will result from strategic investments of DRI funds to support the South Gate Resort and Hotel project; a new public dock and marina, and parking garage/mixed use building project. Investments in these projects will fund the provision of public infrastructure that augments the impact of these projects. Additional parking, improved pedestrian amenities, and adding electrical vehicle charging stations improve the viability of downtown as a place for businesses to grow and people to work in the downtown area.

5.) **Support for the Local Vision**
The vision of the DRI program in the Village of Highland Falls was derived from the input of the residents and businesses through the development of the Local Waterfront Revitalization Strategy (LWRS) as funded through the NYS Dept. of State. The LWRS development process undertook a purposefully inclusive outreach program seeking to identify revitalization needs and methods and projects to address these needs. The culmination of this effort was a written strategy outlining the prioritized projects that would address these needs and fulfill the vision for revitalization. Therefore, the implementation of the projects as outlined in this application will provide the realization of this vision and fulfill the objectives of the residents and businesses as defined by the residents and businesses.

6.) **Readiness**
The projects outlined in this application are the result of the strategy development process outlined above. The prioritized projects of the resulting revitalization strategy applied the following “readiness filters” for listing: 1.) Vision fulfillment – the degree to which the project meets the objectives of the revitalization strategy; 2.) Project status – the degree to which projects have detailed design and budgets; 3.) Funding – but for the funds anticipated from the DRI program, other funding sources are in place and the project is ready for implementation and completion; and 4.) Site control (if applicable) – the site is owned, under control or there are no impediments relating to the site ownership and the project can proceed.

The above criteria were applied to each of the projects listed in the revitalization strategy and the projects outlined in this application were selected due to the high degree of achievement in meeting each of the four readiness determinants.
1.) BOUNDARIES OF THE PROPOSED DRI AREA

**Introduction** – Since the last DRI application in 2019, the Village, in consideration of post application guidance from the review staff at NYS Empire State Development (ESD), conducted a thorough review of the overall list of projects and the resulting DRI area boundary. The guidance from ESD was that the projects were too wide ranging resulting in a large DRI boundary that may dilute project effectiveness.

To follow the guidance provided, the Village undertook the strategic planning process through the LWRS as outlined above to develop a more focused revitalization effort. The result is a program of projects that are more impactful, highly integrated, and are ready to implement. The effect to the DRI boundary is a reduced, more compact area that will receive transformative enhancements to the built and natural environment and overall functionality of the area.

The proposed DRI area for the Village of Highland Falls is focused on Main Street, Highland Falls takes a north-south orientation along the Main Street corridor extending from the northern Village boundary at U.S. Military Academy at West Point’s Thayer Gate to the southern-most intersection of Main Street and Dale Avenue (see the DRI Projects and Initiatives Map at the end of this application). East-to-west the boundary basically follows the properties fronting on Main Street and the West point Highway. The boundary does widen to include Station Hill Road and the waterfront area to along the Hudson River shoreline.

The area shown is compact with a high degree of pedestrian connectivity and highly integrated land uses. The delineation of the boundary is inclusive of four projects for which DRI funding is sought. Additionally, DRI funds will be utilized to enhance connections through the area shown and improve the functional and aesthetic qualities of the built and natural environment.

2.) PAST INVESTMENT, FUTURE INVESTMENT POTENTIAL

The following list describes projects (planning and capital improvements) in downtown Highland Falls that have been recently completed or are currently underway:

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<thead>
<tr>
<th>Project Type</th>
<th>Project Description</th>
<th>Source</th>
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<tbody>
<tr>
<td>Main Street Improvements</td>
<td>New sidewalks, trees, and curb replacements ($200,000)</td>
<td>DOT multi-modal grant</td>
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<td>Streetscape improvements ($50,000)</td>
<td>Village</td>
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<tr>
<td></td>
<td>Street paving ($100,000)</td>
<td>DOT multi-modal grant</td>
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<td></td>
<td>New LED lighting</td>
<td>NYPA outright grant</td>
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<tr>
<td>Building Construction and Renovations</td>
<td>South Gate Flats Hotel and Spa ($39 million)</td>
<td>Private – 2019 ESD Grant</td>
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<td>Incubator Project at 195 Main Street ($540,000)</td>
<td>Private</td>
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<tr>
<td></td>
<td>Eight Main Street building improvements and beautification project ($540,000)</td>
<td>Restore NY; Orange County IDA</td>
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<td>Senior Citizen Center purchase and renovations ($350,000)</td>
<td>DASNY grant; CDBG</td>
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<td>Highland Falls Library renovations ($82,000)</td>
<td>DASNY grant</td>
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<td></td>
<td>School district capital projects, including improved sports facilities, classroom advancements in technology, and structural improvements ($20 million)</td>
<td>Highland Falls-Fort Montgomery Central School District</td>
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<td>Holiday Inn expansion ($1 million)</td>
<td>Private</td>
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<td>Old Guard Hotel construction ($25 million)</td>
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<td>McDonald’s renovation ($1 million)</td>
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<td></td>
<td>Wallkill Savings and Loan renovation ($1 million)</td>
<td>Private</td>
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<td></td>
<td>Auto Spa construction ($5 million)</td>
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<td></td>
<td>USAA Financial Center renovation ($5 million)</td>
<td>Private</td>
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<tr>
<td></td>
<td>PenFed Building purchase and redevelopment ($700,000)</td>
<td>Private</td>
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<tr>
<td></td>
<td>Bear Mountain Bakery opening</td>
<td>Private</td>
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<tr>
<td></td>
<td>First Command Financial opening</td>
<td>Private</td>
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<tr>
<td></td>
<td>Renovation of 425 Main Street for new restaurant ($1 million)</td>
<td>Private</td>
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<tr>
<td></td>
<td>Davis Barracks expansion ($250 million)</td>
<td>West Point</td>
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The proposed DRI program will build on these projects to maximize the revitalization of downtown Highland Falls through:

- Improved pedestrian connectivity;
- Expanded job opportunities across a spectrum of skill levels and occupation types;
- Expansion of public parking through construction of the downtown’s first parking structure;
- Improved sustainability of vehicular travel through inclusion of electric vehicle charging stations at the new parking structure mentioned above, and throughout the downtown area;
- An increase in the availability of affordable housing on Main Street;
- Establishment of public accessibility to the Hudson River shoreline and viewshed;
- Access to downtown attractions and destinations by boats and other water-based crafts;
- Improve local governmental services through the relocation of the Village Hall to a more accessible and centralized location;
- Enhanced civic and municipal park spaces to augment downtown festivals and events; and
- Increasing commercial property valuations throughout the downtown area.

Due to the proximity of the waterfront area, the Local Waterfront Revitalization Strategy (LWRS) development process as funded through the NYS Department of State was used as the catalyst to develop a revitalization strategy encompassing the downtown area as delineated in this application. Resident and local business input was used to develop a strategic list of projects that will fulfill the objectives of the LWRS. Selection criteria based upon project readiness were then applied to determine projects for inclusion in this application. The projects listed in this application are private and public collaborations of investment that are ready for implementation.

### 3.) RECENT OR IMPENDING JOB GROWTH

The DRI area as described in this application is host to employers who provide a diversity of employment opportunities both vertically up and down the wage scale; and horizontally across differing employment types (entry-level, management, etc.) and job types (skilled, unskilled, professional, service-oriented, public sector/private sector, etc.) Additionally, as the traditional central business district for the region, the area is also host to small business owners, shopkeepers, sole proprietorships, and microenterprises.

The proposed DRI program will strengthen and reinforce the diversity of job offerings in downtown Highland Falls. The projects to be funded include:
The proposed business incubator at 195 Main Street at the southerly end of the DRI area will provide opportunities for startups, microenterprises, and individual entrepreneurs to initiate and grow their businesses through the provision of usable space as offices, light assembly areas, and/or storage for use by artisans, small fabricators, or sole proprietors. Employment levels are envisioned to be from 1 to 6 persons per business. In addition to building space, other support elements and services will be provided as part of a wholistic menu of amenities and incentives to provide a positive environment for a business to become self-supportive, succeed, move on to larger spaces, and create even more employment opportunities as growth occurs.

South Gate Flats Hotel and Spa at 479 Main Street is a large project integrating a multi-story, 79 room hotel; restaurant; conference area; spa/salon; first-floor offices; and rooftop club room into a destination-style resort. As the hotel and spa was the priority project out of the MHREDC region, it received a $1.9 million ESD grant in the 2019 CFA funding round. The MHREDC 2019 Progress Report noted that “all of the employment opportunities at the facility, will be made available to spouses and family members of those in active duty at West Point seeking employment. The project will be built by Iron Sword Enterprises, a Service-Disabled Veteran Owned Business, and will employ as many Veteran Owned Businesses and Minority and Women Owned Businesses as possible in this development.” The forecast is that the new resort/hotel will employ approximately 100-110 persons including management, housekeeping, desk clerks, wait staff, and maintenance.

The new parking garage at the intersection of Main Street and West Point Highway will provide critically needed parking including additional long-term employee parking both directly within the structure and in directly through freeing up existing surface parking within the downtown area. The availability of convenient employee parking is a key determinant for business locating or growing in the downtown area. Also, the building will provide space for relocation of Village offices to more centrally located space, in doing so, the existing building housing Village Hall will be restored with the first floor accommodating space for additional new offices/businesses, providing further opportunity for new jobs along Main Street. The second and third floor will be used for the provision of affordable housing units.

Lastly, the proposed projects listed within this application will improve the downtown economy, bolstering and growing the existing businesses and thereby creating additional employment as they add new staff and positions.

The direct assistance projects listed above and the other ancillary improvements (increased parking, electric vehicle charging stations, expansion of affordable housing, and streetscape enhancements) funded through the proposed DRI program will provide a strong, sustainable basis for downtown Highland Falls to be an employment center now, and into the future and to fulfill the referenced vision as a vital center for employment, residential living, and cultural enrichment.

4.) QUALITY OF LIFE
The proposed program of improvements in the DRI area will directly and indirectly improve the quality of life in downtown Highland Falls. The direct improvements will occur from the specific properties included in the program, and indirect improvements will result from the enhanced downtown environment and setting. The positive impact to the overall quality of life in downtown Highland Falls is the fundamental reason why the projects were selected for inclusion in the DRI program.

- The proposed business incubator at 195 Main Street will provide a continuous flow of entrepreneurial growth in downtown area. New startups and/or existing microenterprises will come to the incubator to improve their entrepreneurial skills, strengthen their products and services, and grow their businesses, and patron/client lists. This will provide a continuous flow of new entrepreneurs coming to the facility and stronger, more viable businesses leaving the facility and progressing to larger spaces to accommodate their increased needs. The quality-of-life impact will be improved entrepreneurial and employment opportunities and fundamentally stronger business community consisting of “home-grown” businesspersons who are integrated into the fabric of the community, not only as businesses, but residents and citizens of the Village.

- South Gate Flats Hotel and Spa at 479 Main Street will transform an entire block along upper Main Street into destination-style hotel and resort. The project encompasses seven parcels that in their current condition are a blight on this section of Main Street and the residential neighborhood that adjoins them. The project will impact the quality -of-life in the downtown area in a positive manner through construction of a new resort-style hotel with amenities and on-site enclosed parking. The DRI contribution is targeted for the streetscape and infrastructure components so that the public streetscape seamlessly enhances style and architecture of the overall project. The
The new parking garage at the intersection Main Street and West Point Highway will provide a central location for parking up to 600 vehicles. Since the Village is the owner of the site, the garage will include off-street “upper-bound” and “lower-bound” EV charging stations that will begin the transition of the downtown area into a sustainable environment that can support the use of electricity as the next primary form of vehicle propulsion. This centralized location within the DRI area will allow for visitors and residents alike to park at the garage one time and leave their vehicle as they walk around downtown to access goods, services, or local restaurants. The building will also be a mixed-use space for a new Village Hall to house the municipal government services. Additional interior space will be available for retail and/or office-type use.

- Upon departure of the municipal offices into the new mixed-use building/parking garage, the existing Village Hall building at 303 Main Street will become available for adaptive reuse. As a qualifying historic structure, this building will be restored for mixed-use including office or retail use on the first floor and the provision of affordable housing on the upper floors. The quality-of-life enhancements will primarily be derived from new job opportunities housed in the first-floor commercial space, and an expanded range of housing types for persons of low and moderate income.

- The waterfront redevelopment project on Station Road will provide first-time public access to Highland Falls’ only riverfront property. The quality-of-life benefit will occur in two ways: The first will be from the establishment of public access to the river shoreline to enjoy the spectacular views and the surroundings of the dramatic slopes to the shoreline through this section of the Hudson River. The activities are to be both passive and active through the inclusion of new waterfront park area for the public to enjoy the river views up and down the Hudson River. The new park area will be fully accessible so persons of all age groups and persons with disabilities can fully enjoy the park and waterfront area. The second benefit will be derived through the construction of a waterfront pier that will sized to accommodate large watercraft. As a result of the input received through the development of the LWRS, a pier has been included in the plan to accommodate boaters, including those who may be arriving on larger boats or an inter-community water taxi to come to Highland Falls via the Hudson River. The possibility of providing a whole new mode of water-based transportation to access the Village waterfront and downtown area will be hugely beneficial to the downtown area businesses.

5.) SUPPORTIVE LOCAL POLICIES
Since the 2019 DRI application round the Village has undertaken a methodical and deliberate approach to refining its downtown revitalization program that is intended to increase the livability and quality of life in the downtown area. The effort began with reaching out to the staff of ESD to understand the specific shortcomings of the 2019 DRI application and the overall ways in which the program could be improved.

The Village then applied for and received funding from the NYS Dept. of State to undertake a Local Waterfront Revitalization Strategy (LRWS). As the strategy development process proceeded it became evident that the waterfront area and downtown area were inextricably connected, and the success of a revitalization strategy was equally codependent. From public input gathered during the initial stages, through the development of the LWRS, and culminating with the 2021 Project Implementation Strategy report the connection between the waterfront area and downtown as evidenced by the projects listed in the report is clear.

As a next step to further build support and refine the local policies for revitalization efforts, the Village applied for and received funding through Hudson Valley Greenway Local Communities grant program to update the Village Comprehensive Plan. The grant through this program has been awarded and the update to the Comprehensive Plan is now underway and is expected to be complete in the first quarter of 2022. This timing will position the Comprehensive Plan as an excellent resource for revitalization efforts in the downtown area. Furthermore, the updated Plan will be an excellent citation for justification of downtown area projects and updating the local zoning code.
6.) PUBLIC SUPPORT
For the formulation of the DRI program, the Village has undertaken a sustained and inclusive public outreach effort. The goal is to gather input on the vision, needs of the community, and priority objectives and projects. The program consisted of the following components to provide maximum opportunity for public input and participation:

- **Village Website** – The website serves as an indispensable resource for the community to provide input, particularly in the intervening time during 2020 and early 2021 when the pandemic required limitations on in-person interaction. In addition to serving as an information portal during development of the Village’s DRI program, the website will transition to its next phase of usefulness by providing information on post announcement activities, planning, and meetings as the Village positions itself to implement the DRI program upon notification of funding award. With the work of website development already completed and with the system of communication through the website already ingrained in the community, the Village and residents are ready to immediately begin DRI program implementation.

- **Petition in Support of the DRI Program for downtown Highland Falls** – Once the proposed projects and initiatives were presented, residents were provided an opportunity to directly express their support for the proposed DRI program. To provide a means to express this support the Village formulated and made available a petition for residents to sign in support of implementing the revitalization program using DRI funds. Nearly 300 people signed the document.

- **Main Street Forum** – In 2019 the Village conducted a forum to discuss the strengths, needs and opportunities of the Main Street corridor. Attendees ranged from state and county officials to downtown businesspersons. The forum focused on ways that the resources of the community and the region could be applied to support the downtown revitalization.

- **Development of the Local Waterfront Revitalization Strategy** – The Village received a grant from the NYS Department of State to prepare a Local Waterfront Revitalization Strategy (LWRS). Since the Village waterfront adjoins the downtown area, the waterfront boundary included the entire DRI area. Through the public outreach efforts made during the development of the LWRS program, a list of prioritized strategic projects was developed that resulted in the projects included in the Village’s DRI program.

- **Public Meeting** – On Tuesday, September 7, 2021, the Village facilitated a public meeting at the Senior Citizen Center to solidify public support for the DRI application and gather further input on the strengths, needs and opportunities specific to Village residents. The results of the meeting can be viewed at the Village website at [https://highlandfalls.org/](https://highlandfalls.org/).

- **Letters of Support** – The Village received Letters of Support for downtown revitalization through participation in the DRI program from 11 key stakeholders and businesspersons from across the region, including:

| 3. Senator James Skoufis, 39th District | 9. Congressman Sean Patrick Maloney, 18th District |
| 4. Steven M. Neuhaus, County Executive, Orange County | 10. Dr, Frank Sheboy, Superintendent, Highland Falls-Fort Montgomery Central School District |
| 5. Stella Bailey, President, Highlands Historical Society | 11. Ellen McConnell, President, Garden Club of the Highlands |
| 6. Rick Minicozzi, Managing Gen. Partner, Thayer Hotel at West point |


**TRANSFORMATIVE OPPORTUNITIES AND READINESS**
Development goals will take advantage of opportunities and develop projects that position the DRI area as a remarkable downtown area. The elements contributing to his revitalized environment include retention and expansion of job opportunities across a range of skill levels and job types and introduction of new uses that provide a sustainable setting for work, living and leisure/recreation activities. The Village will perform the revitalization through the commitment of DRI funds to support projects that are ready to construct and implement. The DRI funding will play a critical role as the funds will be utilized to elevate the projects to a transformative level by linking project attributes, incorporating sustainable features, maximizing job creation, and diversifying project benefits across a spectrum of beneficiaries.
Transformative Projects
The Village has made productive use of the intervening time since the last DRI application round to formulate an inclusive and strategic approach for meaningful and sustainable revitalization. As a result of the inclusive strategy development process, the Village has further condensed the DRI area and refined its downtown revitalization program to five projects that will bring transformative change to downtown Highland Falls. Furthermore, through a strategic prioritization process, the projects listed below have been purposefully selected based upon the degree of impact to revitalization needs as defined by the residents and local business owners. The projects described below are ready for implementation. These projects are also illustrated on the DRI Projects and Initiatives Map on page 15.

1. **SOUTH GATE FLATS HOTEL AND SPA STREETSCAPE** – The revitalizing impact of the South Gate Hotel project is broad based, leveraging approximately $35 million of private investment in the downtown and serving as a destination-style lodging, dining, and event-hosting venue. This project was identified as the priority project from the Mid-Hudson Region during the 2019 funding round of the CFA. DRI funds will be used to extend the project’s impact through the extension of Ladycliff Park and the provision of a new streetscape to complement the design of the project.

<table>
<thead>
<tr>
<th>Summary of Project Elements and Readiness</th>
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<tbody>
<tr>
<td>Project name:</td>
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<tr>
<td>Thayer Flats Resort and Spa Streetscape</td>
</tr>
<tr>
<td>Project budget:</td>
</tr>
<tr>
<td>$39 million</td>
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<tr>
<td>Anticipated impacts and project justification:</td>
</tr>
<tr>
<td>Supporting a private, transformative downtown project bringing job growth, increased commerce, and expansion of lodging; expansion of park area; new sidewalk, planting beds, street trees, curbing, benches, trash receptacles, new infrastructure for drainage/sewer/water; removal of blight; improved walkability and connectivity; expanded park area for events and linear farmer’s market space; and will include installation of curb-side EV electric charging stations.</td>
</tr>
<tr>
<td>Project schedule and readiness:</td>
</tr>
<tr>
<td>Funding in place including a 1.9 million ESD grant (2019 CFA priority project); the anticipated project start is 2022.</td>
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2. **NEW DOWNTOWN MIXED-USE BUILDING** – Locate and construct a new mixed-use building inclusive of a 600-car parking garage at Main Street and West Point Highway to provide additional parking in the downtown area to serve existing business activity and encourage healthy pedestrian movement. In addition to the enclosed parking, the building will introduce a mix of uses including new street-level retail and office space. Among the tenants of the building will be the Village of Highland Falls through relocation of Village Hall within the building. This project has completed conceptual design and the building will consist of 6 levels (two below grade and four above). The retail/office space will face Main Street.

<table>
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<tr>
<th>Summary of Project Elements and Readiness</th>
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<tbody>
<tr>
<td>Project name:</td>
</tr>
<tr>
<td>New Downtown Mixed-Use Building</td>
</tr>
<tr>
<td>Project budget:</td>
</tr>
<tr>
<td>$20 million</td>
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</tbody>
</table>
Anticipated impacts and project justification: A transformative downtown project introducing the first structured parking in downtown for up to 600 vehicles, including enclosed spaces with EV charging stations; providing new retail/office space including space for new municipal offices; encouraging increased healthy pedestrian movement through centrally locating parking within walking distance of all downtown destinations; and will include provision of a shuttle to and from the U.S. Military Academy at West Point.

Project schedule and readiness: The project developer has completed conceptual design; a private-public approach to funding is proposed; it envisioned that DRI funds will be used towards construction of public parking garage spaces, the EV charging stations; and an upgrade of public park elements. The design is to be finalized in 2022 with the start of construction to follow.

3. **INCUBATOR PROJECT** - This project seeks to revitalize the former “Key Bank building” into a downtown center for entrepreneurial development and job growth. Built in 1969, the building consists of approximately 16,750 sq. ft. over two floors. The project entails conversion of the entire space into a flex space for accommodation of range of uses from office to light assembly and fabrication. Targeted users include microenterprises including startups or existing small businesses and sole proprietorships. To further augment the availability of the flexible building space the proposed business support program will include shared business resources (telecommunication equipment, phone systems, and web access) and subsidized marketing/advertising programs to bolster product and service sales. Since the building is situated at the southerly end of Main Street the improvements will also include improved streetscape elements to provide maximum impact of the revitalization project. DRI funding will be utilized in two ways: First to provide direct benefit to incubator businesses through a program that mirrors the NYS Microenterprise Program; and secondly to complete the streetscape improvements around the project site.

### Summary of Project Elements and Readiness

<table>
<thead>
<tr>
<th>Project name</th>
<th>Incubator Project</th>
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<tbody>
<tr>
<td>Project budget</td>
<td>$5 million (est.)</td>
</tr>
</tbody>
</table>

Anticipated impacts and project justification: The incubator will be a catalyst that perpetually grows businesses and job opportunities in downtown Highland Falls. The intent of the project is to provide a solid basis for businesses to establish their place in the marketplace, grow, and transfer to other locations in downtown, the Village, or the region. The project will provide the physical space, entrepreneurial training and development, and programmatic support (marketing, advertising, etc.) needed for participants to flourish.

Project schedule and readiness: The project developer has completed acquisition and is directly supportive of the DRI program; a private-public approach to funding is proposed; it envisioned that DRI funds will be used towards direct financial assistance to incubator tenants and exterior streetscape improvements around the project area; renovation designs are anticipated to begin in early 2022 with construction to follow.
4. **WATERFRONT REDEVELOPMENT** – The redevelopment of the currently underutilized waterfront and only access point to the Hudson River based on the selected alternative from the 2017 Waterfront Redevelopment Feasibility Study. This is the project of highest priority for the Village as outlined in the 2021 Project Implementation Strategy. Project components include improvements to Station Hill Road, a new public waterfront park, two new parking areas, reuse of the historic train depot for a commercial use, a new marina, a kayak launch, and an extended dock for 75-foot to 100-foot private and commercial boats. The immediate next steps are for the Village to acquire the waterfront property and the adjacent property on the north boundary. Implementation of the project will be coordinated with Scenic Hudson and Orange County. Implementation will also consider zoning tools to limit the type of development such as an overlay district or conservation easement. The Village intends to utilize DRI funds to acquire the property, complete the site design and engineering, and initiate construction.

<table>
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<tr>
<th>Summary of Project Elements and Readiness</th>
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<tr>
<td>Project name:</td>
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<tr>
<td>Project budget:</td>
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<tr>
<td>Anticipated impacts and project justification:</td>
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<tr>
<td>Project schedule and readiness:</td>
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</tbody>
</table>

5. **ADAPTIVE REUSE OF VILLAGE HALL** – The existing building housing the Village’s municipal office is approximately 13,700 sq. ft. over three floors. With the transfer of the Village Halls to the new mixed-use building described above, this project will adaptively reuse the building for a mix of commercial space on the first floor with affordable housing provided in the second and third floors. The proposed uses will expand commercial opportunities inclusive of job growth while also providing up to 12 new affordable dwelling units in the middle of the downtown area on Main Street. The building is historically significant so restoration will be done according to the guidance of the NYS Office of Parks Recreation and Historic Preservation and the U.S. Dept. of Interior guidelines.
Summary of Project Elements and Readiness

<table>
<thead>
<tr>
<th>Project name:</th>
<th>Adaptive Reuse of Village Hall</th>
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</thead>
<tbody>
<tr>
<td>Project budget:</td>
<td>$4 million</td>
</tr>
<tr>
<td>Anticipated impacts and project justification:</td>
<td>The existing building at 303 Main Street is owned by the Village and it currently serves as the Village Hall. The space is not well-suited to the needed functions of municipal office space, and it needs substantial restoration. The move of the Village Hall to the mixed-use building described above will create an opportunity for adaptive reuse of the building for first floor commercial space (office, retail, dining) and upper floors for the establishment of approximately 10-12 affordable housing units. The adaptation of the building to these uses would expand opportunities for affordable living in the downtown area; expand real property valuation in downtown; add commercial space for a range of uses; and bring additional job growth.</td>
</tr>
<tr>
<td>Project schedule and readiness:</td>
<td>Concurrent with the move of the Village Hall to the new mixed-use building, the Village will initiate preliminary design for building restoration and undertake a competitive solicitation process for selection of qualified private developer/contractor to undertake the project and manage the commercial and residential space. Preliminary design and developer/contractor solicitation are anticipated by late 2022.</td>
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ADMINISTRATIVE CAPACITY
Mayor D’Onofrio will be actively involved with project administration daily and will be assisted by the Regina Taylor, Village Clerk. Additional support and assistance will be provided by the nine employees which comprise the staff at Village Hall and the long-standing partners from the Planning and Development Department for Orange County. The administrative qualifications of the Village are further evidenced by successful administration of past and current grant programs. Most recent grants include: $56,250 DOS; $500,000 Restore NY grant; $50,000 DASNY grant; $140,000 DASNY grant; $82,000 DASNY grant; $300,000 CDBG; $200,000 DOT Multi-Modal grant; $100,000 DOT Multi-Modal grant; and NYPA outright grant. The New York Power Authority (NYPA) project demonstrates the ability for the Village to develop partnerships to implement positive actions in the community. In September 2016, the Mayor signed an Energy Efficient Services Agreement between NYPA and the Village. The agreement determined that NYPA was responsible for purchasing and installing new LED lighting for fixtures along Main Street. The project did not include any development costs to be reimbursed by the Village. As a result, Main Street lighting became more efficient and inviting at no cost to the Village. The Village is also responsible for the management of 58 active Housing Choice Vouchers through the Village Housing Authority. Through a partnership with regional stakeholders and support from a dedicated paid staff member, the Village will be more than able to successfully implement the DRI plan.

However, as part of the preparatory process undertaken by the Village, and in recognition of the desire to implement the DRI program expeditiously, the Village will establish a paid position with dedicated office space at Village Hall to directly manage the successful administration of the DRI program projects and associated funds. The Village has already set aside office space in the Village Hall to accommodate the new position and to serve as a centralized location within downtown from which administration will occur and the administrator can directly perform the implementation of the program.

OTHER
In consideration of the guidance received from the NYS Empire State Development staff on the past DRI application in 2019, the Village of Highland Falls has undertaken a deliberate and purposeful process to reevaluate its downtown revitalization program. Utilizing the funds through the NYS Department of State, a pragmatic planning approach was undertaken to formulate an inclusive public participation effort resulting in a strategy of prioritized projects for downtown revitalization. This is the basis for the downtown revitalization program described in this application. The listed projects are grounded in community support and their readiness has been determined based upon a project-by-project evaluation of vision fulfillment; project status; funding availability; and site control (if applicable). The Village is position to begin implementation and complete the revitalization of its unique and special downtown area.
**2021 Downtown Revitalization Projects and Initiatives**

1. **South Gate Flats Hotel & Spa Streetscape**
   - New, 6-story 130,000 SQ. FT. Hotel and Spa
   - $30 Million Investment
   - Construction to Start in 2022
   - DRI will Fund Complementary Streetscape and Mobility Improvements

2. **New Downtown Mixed-Use Building**
   - 600 Space Public Parking Garage
   - New Village Hall
   - $20 Million Investment
   - New Retail / Office Space
   - DRI will Assist with Funding New Parking Garage and Upgrade of Park Elements

3. **Adaptive Reuse of Village Hall**
   - Restoration of Existing 13,700 SQ. FT. Building
   - New Affordable Downtown Dwelling Units
   - New Office / Commercial Space
   - DRI will Fund Acquisition and Restoration of Existing Building

4. **Waterfront Redevelopment**
   - New Waterfront Access Pier
   - New Waterfront Restaurant
   - New Waterfront Park

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**Legend**
- DRI Boundary
- Village Boundary
- Project Boundary
- Parcel Boundary
- Stream

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**Village of Highland Falls 2021 Downtown Revitalization Projects**

- **Transformative Projects**
  - South Gate Flats Hotel & Spa Streetscape
  - New Downtown Mixed-Use Building
  - Incubator Project
  - Waterfront Redevelopment
  - Adaptive Reuse of Village Hall

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**Incubator Project**
- New Flex Space for Microenterprise Development
- Job Creation / Skills Development
- Southerly Gateway Streetscape Elements
- DRI will Fund Complementary Infrastructure for Incubator Establishment

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**Village of Highland Falls Downtown Revitalization Initiative**

**DRI Projects and Initiatives**

**Project Date:** 20190206

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**2021 DRI Application**

**VILLAGE OF HIGHLAND FALLS, NY**

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