

MID-HUDSON DOWNTOWN REVITALIZATION INITIATIVE APPLICATION

City of Peekskill, NY

REDC Region: Mid Hudson REDC **Municipality Name:** City of Peekskill, NY

Downtown Name: Downtown Peekskill Revitalization District **County:** Westchester

Downtown Description

Peekskill is the Gateway to the Hudson Highlands and the major urban center along the Hudson River in northern Westchester County. Peekskill blends the charm of small town America with the diversity and culture of a rich, vibrant city and the sophistication of a New York suburb. Peekskill was identified in the 2015 MHREDC Progress Report as one of the communities ripe for revitalization because it is “walkable, affordable, and has plenty of job options.”

Peekskill has a rich and colorful history. George Washington commanded troops from Peekskill; Abraham Lincoln stopped here on his way to his inauguration; Wizard of Oz author L. Frank Baum may have been inspired by the streets of Peekskill (at one time paved with yellow bricks); and, after near extinction, American Eagles are soaring majestically once again over Peekskill Bay.

Peekskill has been the hub of activity for this part of the lower Hudson Valley since its early days as a Dutch trading post in the 1600s. From trading post to industrial center, to one-time downtown retail mecca, Peekskill today has transformed itself into a city of specialty commerce, art, food, and entertainment with unlimited upside potential. Its downtown’s extraordinary assets, achievable goals, manageable challenges, and unified team of enthusiastic supporters from every sector of the community make it an ideal candidate for revitalization. The City’s staff, Mayor and Council, Business Improvement District, the Hudson Valley Gateway Chamber of Commerce, and local non-profit organizations are all active partners in Peekskill’s progress.

1. Downtown Identification - Boundaries

The neighborhood targeted for the Downtown Revitalization Initiative is Peekskill’s historic Central Business District, identified as the **Downtown Peekskill Revitalization District**. The boundaries, shown on the map on page 2, include the MHREDC-designated Opportunity Area, and Peekskill’s Historic, Artist, and Business Improvement Districts.

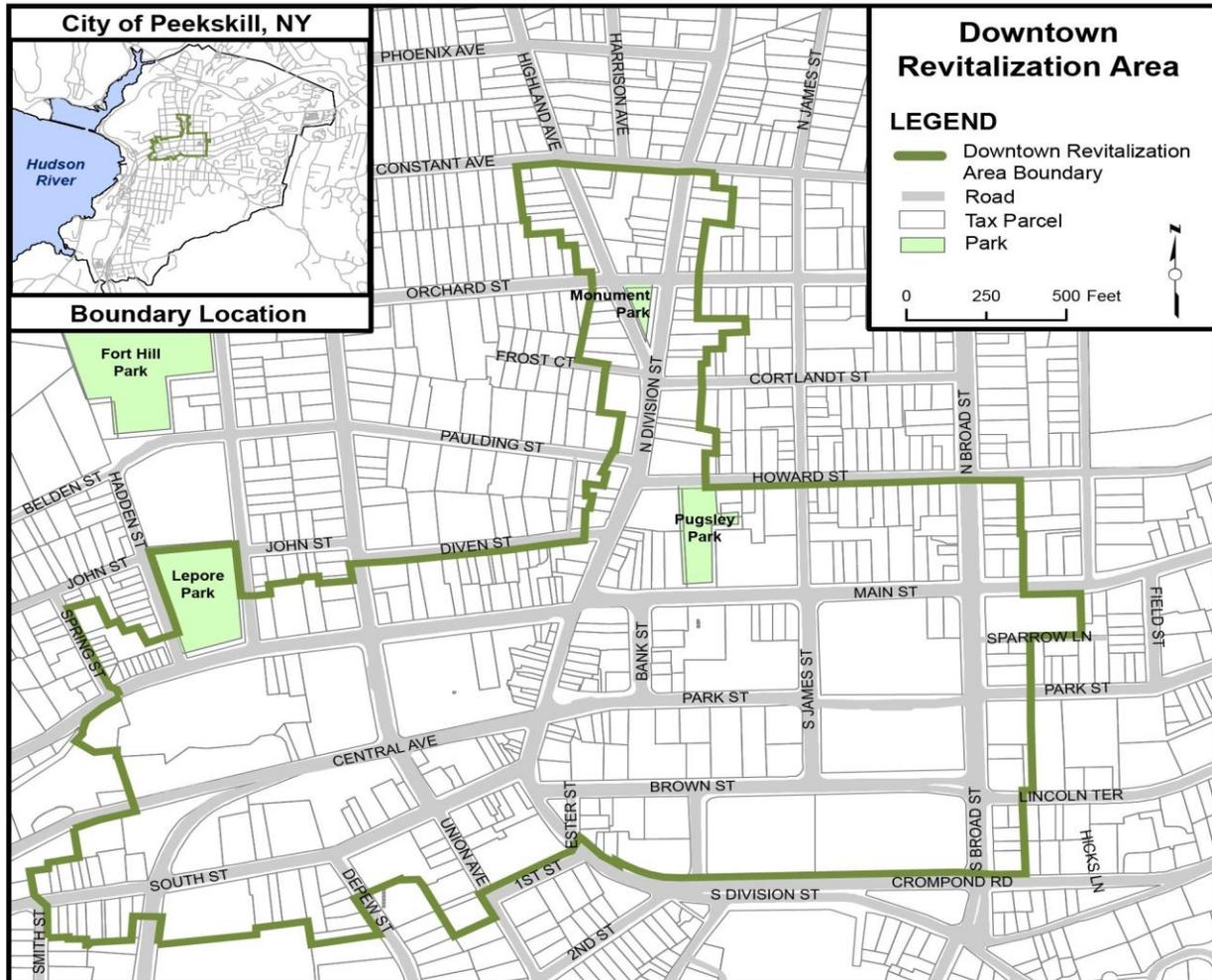
2. Size

Peekskill is the primary city of Northern Westchester and Southern Putnam counties. According to 2010 Census data, there is only one other municipality within a thirty-minute driving radius of Peekskill that has a population density greater than 5,000 persons per square mile. Unlike other municipalities to its south, Peekskill’s downtown does not share its 400,000-person catchment area with other cities and villages. Downtown Peekskill is not just one city’s downtown; it is the entire region’s downtown.

Peekskill, its downtown, and its catchment area are all growing. According to the U.S. Census, Peekskill’s population grew by 5 percent between 2000 and 2010. Its catchment area also experienced population gains during this same period, highlighted by a 9 percent increase

in the Town of Cortlandt (which envelopes Peekskill on three sides). The city encompasses 4.37 square miles and the project area is 0.16 square miles, or about 100 acres.

Downtown Peekskill is poised to experience additional population growth as the City has approved – or is in the process of approving – several new mixed-use and residential developments within or adjacent to the project area. Three projects with a total of 234 units have already been approved and three other projects, currently under review, would result in



the creation of an additional 294 housing units. 102 of these total units are earmarked for low/moderate income persons. Additionally, after Peekskill was designated an Opportunity Agenda Community, ESD funded a feasibility study of the former White Plains Linen facility that will allow for additional residential units within the project area.

3. Past Investments & Future Investment Potential

Peekskill is seeing significant public and private investment from entrepreneurs, small business owners, and sectors such as health care, multimedia, food service and the arts, which are driving investment and expanding job opportunities. In addition to many small ongoing business investments that are crucial to Peekskill’s expansion, there are a number of major

projects in the works. The first five projects are located inside the project area and the remainder are adjacent to the project area:

Private Investment	Value	Number of Units	Other Uses/Comments
1 Park Place	\$40 million	150 Residential units	12 retail units
HRH Care expansion	\$ 7 Million	N/A	Affordable health care
The Lofts on Main	\$20 million	75 Residential units	4 retail units
653 Central Avenue	\$14 Million	50 residential units	New construction
Peekskill Central Market Historic Rehabilitation	\$3 Million	N/A	100-seat theater / 12 retail kiosk spaces
Main Street Artist Lofts	\$2.5 Million	9 Residential Units	Historic rehabilitation
Fort Hill New Construction and Historic Rehabilitation	\$50 Million	178 Residential Units	42 room Inn, spa, & restaurant
Gateway Town Homes	\$3 Million	16 Residential Units	Market rate/affordable
Crompond Senior Housing	\$12.5 Million	50 Residential Units	Low/Moderate income
Main Street Commons	\$3 Million	N/A	25,000 sq. ft retail
TOTALS	\$154 Million		

Peekskill has an excellent public to private investment ratio: For every \$1 in public investment, there is \$5 in private investment being spent within the City. New development projects are investing in infrastructure upgrades in the project area; however, additional public investment is needed to replace 100-year old water and sewer lines. The inventory of properties available for private development ranges from existing retail storefronts with loft-style housing on the upper floors to vacant lots where new construction is planned.

In addition to private sector investment, the City has secured funding for critical public projects by leveraging grant money from state and federal sources. The following projects are improving Peekskill’s economic viability and quality of life:

Public Investment	Value	Funding Source	Location
Central Fire Station	\$14 million	City bonding	Downtown
Nelson Ave Parking Garage	\$2.3 million	City bonding	Downtown
South Street Streetscape	\$915,000	Federal DOT, City	Downtown
Brown Street Streetscape	\$520,000	NYS DOT, City	Downtown
Route 6 Streetscape	\$700,000	Federal DOT, City	Downtown
S. Waterfront Park & Trails	\$4.3 million	NYS ESD	Outside Project Area
Charles Point Multi-Use Trail	\$1.9 million	NYS DOS, City	Outside Project Area
Lincoln Visitor Center	\$1.5 million	NYS ESD	Outside Project Area
Scenic Hudson Park	\$3.5 million	NYS ESD, DOS, OPRHP	Outside Project Area
Sewage Pump Stations	\$750,000	NYS CDBG	Outside Project Area
TOTAL:	\$30.5 million		

These public initiatives are improving the quality of life for City residents, workers, and business-owners, and are also acting as catalysts for new private development.

4. Job Growth

In recent years, many businesses in Peekskill have added jobs at mostly moderate wage levels. Peekskill’s major employers include White Plains Linen (600 jobs), HRH Care (129 jobs),

BASF (110 jobs), Wheelabrator Westchester (67 jobs), C-Town Supermarket (40 jobs), D. Bertoline & Sons Distributors (36 jobs), and Holiday Inn Express (35 jobs). Peekskill's median household income is \$51,961 and Westchester County's is \$82,422, which clearly demonstrates a need to attract higher paying jobs to the city.

Furthermore, smaller additions to the job market have come via investors in food service, multimedia and the arts. With the opening and success of Peekskill's many restaurants, part- and full-time jobs in food service have become increasingly available. This has provided entry-level and college-age individuals with employment opportunities.

Within the artist district, there has been an influx of creative solopreneurs in photography, graphic design, video and sound production, culinary arts, digital media, and other artistic endeavors. It is estimated that Peekskill's artist district has attracted more than 100 "new media" artists to the city in recent years.

HRH Care is expanding its downtown facilities to accommodate the need for affordable, localized health care, and has created additional jobs. Hudson Valley Hospital, which is located just outside of Peekskill, recently merged with New York-Presbyterian Hospital, and is also expanding access to quality health care and creating new jobs. White Plains Linen, since moving to a larger facility on Peekskill's John Walsh Boulevard, has also expanded entry-level employment opportunities.

Peekskill has utilized ESD funds obtained under the Opportunity Agenda Initiative to enhance the development of job skills for its residents, especially New Americans. Partnering with Westchester Community College, two classes were developed: an entrepreneurship class taught in English and Spanish and an ESL class that incorporated basic job skills training. These programs will result in a more qualified workforce for current and future Peekskill businesses.

5. Attractiveness of the Downtown

Peekskill is known for having some of the best real estate values in Westchester, an ideal waterfront, and a downtown that can satisfy any palate and entertain individuals from all walks of life.

Millennials and empty-nesters are attracted to Peekskill because of the availability of transportation options including rail, bus, auto and taxi service. The local Industrial Development Agency, the Peekskill BID and a limited partnership of key businesses have agreed to fund a limited trolley service that will link the downtown restaurants with the Metro-North Train Station - just a half mile away - and attract visitors and tourists. The train station area has recently been rezoned as a Transit-Oriented Development District. With a recent boom in downtown residential development that is within walking distance of the train station, the downtown also has the characteristics of a TOD district.

An estimated 50 Latino-owned businesses/professionals call Downtown Peekskill their home, serving the needs of a growing Latino population in food service, bakeries, variety stores, thrift stores, health and beauty, landscaping and contracting, taxis, and tax and legal services.

The local La Placita C-Town Supermarket, which recently expanded, stocks the shelves with food staples from Latin America as well as a wide variety of fresh fruits and vegetables, meats, and seafood sought after by Latino and non-Latino residents alike. The Peekskill Farmers' Market—founded in the early 1990s and one of Westchester's longest running—features healthy food choices including organic fruits and vegetables, antibiotic-free meat and

poultry, local honey and maple syrup, and New York State wines and craft beer. The market accepts SNAP.

Peekskill offers access to an extensive parks system for passive and active recreation (176-acre Depew Park, 1,500-acre Blue Mountain Reservation, 21-acre Waterfront Park and Trail System) as well as many neighborhood parks, including three in the project area. With grant help from DOS and ESD, the city is completing its award-winning waterfront trail system.

Cultural institutions, performance groups, and artist galleries abound and include The Paramount Hudson Valley Theater, Hudson Valley Center for Contemporary Art (HVCCA), EMBARK Peekskill, The Peekskill Central Market Dramatic Hall, Antonia Arts, Driftwood and Flat Iron Galleries, The Flatz Gallery, ARTS 10566, and Peekskill Clay Studios. The Paramount, a fully-restored 1,100 seat theater, hosts a wide range of nationally recognized performers and acts. More than thirty large-scale public art displays can be viewed throughout the city, both in the project area and at the waterfront. This includes the Peekskill Project, a regionally renowned public arts festival sponsored by the HVCCA that has received extensive coverage in The New York Times.

Downtown Peekskill also features several significant historical attractions. They include the Peekskill Museum, which houses the city's historic collections and offers numerous exhibits and events focused on local history. Much of the proposed revitalization area is within the locally and nationally designated Downtown Historic District, which visitors can explore with the aid of a walking tour guide that was developed with funding from NYS SHPO, the National Park Service, and the Peekskill BID. At the waterfront, the recently completed Lincoln Depot Museum exhibits exceptional collections related to Lincoln and the Civil War.

Annual events within and nearby the project area include the Hudson Valley Exposition (which attracted over 10,000 people), the Rotary Club Horse Show, Outdoor Dining Weekends, and Peekskill's Open Studios, Jazz and Blues Festival, Juneteenth, Cinco de Mayo Celebration, St. Patrick's Day Parade, Farmers' Market, and the Peekskill Makes Me Merry holiday celebration.

Peekskill's project area has a variety of existing and proposed housing options, including approximately 20 single-family and 50 multifamily homes and 650 apartments units. There are over 500 rental units and 80 owner-occupied units. The project area has 140 HUD-assisted units, 210 senior units, and 100 artists' lofts. Average monthly rents are \$1,200 for a one-bedroom apartment and \$1,800 for a two-bedroom. The average selling price for a single-family house is approximately \$240,000, and the vacancy rate is 4 percent citywide.

Peekskill's project area features a variety of existing restaurant, entertainment, and boutique retail options. Art galleries, book stores, specialty clothing shops, antique shops, beauty salons, and variety stores mix in with professional offices, including accountants, financial advisers, lawyers, dentists, and doctors. Downtown is home to two very popular independent coffee houses – Big Bang Coffee Roasters and Peekskill Coffee House.

The project area also houses an office of the NYS Department of Motor Vehicles and Westchester Community College's Center for the Digital Arts program, which draws 2,200 students to the downtown annually.

6. Policies to Enhance Quality of Life

In the 1990s, Peekskill adopted zoning to establish the Peekskill Artist District, allowing property owners to rent unused second and third floor spaces to qualified artists. The goal is to turn Peekskill into a 24/7 city while giving property owners the opportunity for additional revenue that they could reinvest into the downtown. Peekskill's Artist Certification Committee reviews applicants seeking to occupy live/work lofts. To reflect the growing need of residents to live/work/play in the same area, the zoning was recently amended to allow the construction of new, unrestricted residential units in downtown. In 2000 Peekskill added Historic District legislation to its zoning code. A significant number of historic buildings in downtown have been sensitively rehabilitated with design recommendations, and repurposed utilizing three rounds of NYS Main Street grant funding.

The **Retail Recruitment Study** completed in 2014 analyzed market data and identified appropriate niches for downtown Peekskill. Specific techniques have been identified that will successfully market the downtown.

The **Former White Plains Linen Feasibility Study** analyzed the 2016 market potential and possible rezoning of an entire block of vacant buildings, a key anchor on the northern edge of downtown that is within Peekskill's designated Opportunity Area.

Since the **Complete Streets Study** was prepared several years ago, the downtown has undergone several streetscape projects that include handicapped accessible sidewalks and intersections. A bike route has been identified from the railroad station into downtown.

While Peekskill does not have an official "land bank" program, it does hold certain strategic properties for targeted development and will be acquiring more due to the construction of the new Central Firehouse. Several large City-owned parcels outside the project area are being actively promoted for development to create jobs and increase the City's tax base.

Peekskill advances energy efficiency in the downtown through incentives for LEED buildings. Additionally, the City is in the process of converting all street lights to LED and installing electronic parking meters. The downtown now has broadband coverage that is limited to Optimum customers. The project area has seen extensive streetscape improvements funded by recent State grants and three new downtown streetscape projects are about to begin.

7. Local Support, Local Lead Designee

Peekskill's project area includes many municipal and private organizations dedicated to improving the physical and social environment of the downtown. Many stakeholders who have invested time, money and talent in the City are also located in the revitalization area.

The City of Peekskill Department of Planning and Development is an active, award-winning department that has successfully applied for and managed numerous grants and guided major private developments to completion. Most recently, the City received the NYCOM Award and the Westchester Municipal Planning Federation Award for its newest waterfront trail and park. Director Jean Friedman, AICP, heads this five-member Department and will be the local lead and liaison for the Downtown Revitalization Initiative. Staff includes an economic development specialist, grants writer, planner, IDA specialist and zoning/planning specialist.

There are a number of key stakeholders that the City will call upon to assist in the revitalization initiative including:

Peekskill Business Improvement District – The BID will also be actively involved in implementing the Downtown Revitalization Initiative. Founded in 1990, Peekskill's BID is the oldest in Westchester County and it represents approximately 146 property owners and 238 businesses. Its Executive Director has extensive experience in economic development, marketing and competitive media strategies. The President of the BID is investing in a number of properties and was recently selected to convert the Peekskill Train Station into a Taste of New York Cafe—the first of its kind!

Hudson Valley Gateway Chamber of Commerce – The HVGCC was awarded the Business Council of New York State's Chamber of the Year Award in 2015 and at the same time celebrated its own 100th Anniversary. It is partnering in the train station conversion by establishing a new Regional Visitor Center for the entire Lower Hudson Valley. Its Executive Director has more than 25 years in marketing and sales. The Chamber represents the interests of almost 500 members.

Comite Latino – With 75+ members located in or near the project area, the group is led by a Latino artist/community supporter who also serves on the Governor's Commission on AIDS. The group was formed under the direction of the HVGCC for Latino-owned businesses and other New Americans.

PIDA – Peekskill's Industrial Development Agency (IDA) assists in financing projects that enhance the social and economic fabric of the City through the Uniform Tax Exemption Policy. The IDA has assisted in providing 160 units of affordable housing and recently helped fund a trolley link between the train station and downtown.

Mayor and City Council – The Mayor and Common Council are supportive of the revitalization efforts in the downtown and throughout the city. Several Council members have businesses in the project area, and one serves on the BID Board of Directors.

Peekskill Housing Authority – PHA has 144 units in the project area and an additional 129 units throughout the City. The Housing Authority's mission is to provide livable, safe and affordable housing for low and moderate income residents.

Peekskill's Historic & Landmark Preservation Board – The board provides for the protection and enhancement of historic districts and buildings that are of aesthetic, cultural, and economic value to the city, including the Downtown Historic District. With its historic charm, Downtown Peekskill has become an attractive location for film shoots, including the soon-to-be-released *Wonderstruck* and the HBO mini-series *Mildred Pierce*.

Peekskill Arts Alliance – A non-profit group of 75 artists was set up to represent the interests of the artists, and to establish, manage and promote art-related events. PAA is responsible for the annual Open Studio Tours which has been held for 19 years.

Westchester Community College Center for Digital Arts – The College is actively engaged in offering workforce training, collaborates with the local artist community and is a strong partner in the revitalization of downtown.

8. Closing

The City of Peekskill submits this application in furtherance of its designation as the State's first Opportunity Area, after evaluating its strengths and weaknesses and assessing its needs. Assistance from New York State and the Downtown Revitalization Initiative will enable Peekskill to address the following challenges-turned-opportunities:

- Provision of better linkages between the downtown, train station, and waterfront through signage, private development, transportation and walkability options.
- Smart Cities innovation to improve downtown trash collection including state-of-the-art trash compaction and recyclable systems.
- Wayfinding directional signage to guide visitors to parking, attractions and train station.
- Development of a Placemaking Campaign to put Peekskill on the road to notoriety, profitability and sustainability.
- Development of options for the Peekskill Field Library, which has outgrown its space.
- Implementation of strategies outlined in the Downtown Retail Recruitment Study.
- Completion of streetscape upgrades (sidewalks, signalization, crosswalks, banners, trees, landscaping, lighting etc.)
- Attraction of more diverse job opportunities in Peekskill.
- Continuation of bilingual employment and skills training at WCC for New Americans, and business retention and attraction programs for minority-owned businesses.
- Implementation of upgrades to water and sewer infrastructure.
- Development of increased broadband coverage.
- Provision of incentives for additional healthy and affordable food markets.

Peekskill's stakeholders and residents are committed to establishing Peekskill as the leading model of successful downtown redevelopment with assistance from New York State through the Downtown Revitalization Initiative.