



TARGET IS COMING TO PEEKSKILL!

But that is not the whole story. Learn the process that brought this major national retailer to the city

As Peekskill's remarkable transformation has unfolded over the past five years -- on Chapel Hill, Riverbend, the Art Lofts, the Downtown, and the Waterfront -- City officials have built a successful track record harnessing the energy of the free market, and using it to further the majority of the Common Council's vision of a better Peekskill.

One part of that vision has yet to be achieved. The one thing that will tip the balance, and draw tens of thousands of people into Peekskill each week. Most people know intuitively what that one thing is. During the fall election, there was universal agreement. Peekskill needed its own version of what Caldor once was and what Walmart has now become. Then Common Council hopeful Mary Foster expressed the widely-held sentiment to the North County News, when she said that Peekskill residents needed a store where they could buy "everyday items" without having to leave town.

Everyone had their eyes on the prize. There was only one question: where were we going to put it?

Last October, the owner of a certain lot on Louisa Street, which had been vacant for many years, was eager to sell his property and recoup his capital. He had lined up a purchaser, the Perini Corporation, which had just been contracted to repair the Tappan Zee Bridge. Perini was looking for a place to store its heavy construction equipment, and the empty lot across from the ball field was perfectly suited to his needs.

It was nearly a done deal.

But when City Officials learned what Perini wanted to use the property for, they approached the property's owner, the Englehard Corporation, and attempted to persuade it not to sell to Perini. Englehard was under no obligation to do so. But after talking to City Officials, its public-spirited owners agreed to work with the City to advance the interests of everyone in Peekskill.

City officials now began their quest for the Holy Grail: the lowest-impact use of the Englehard lot that would provide the greatest benefit to the City, while complementing the new Waterfront and Downtown Revitalization efforts.

At the same time, RD Management (RDM), the renowned developer of the Mount Kisco Commons, had been asked to search for appropriate space in Northern Westchester for some of its best clients, including the home improvement store Lowe's, and the discount retailer Target.

As soon as it became known that RDM was seriously interested in the Louisa Street property, City Officials persuaded RDM not to pursue a project with Lowe's. The City had already agreed to relocate one of Peekskill's oldest and most successful businesses, Dains Lumber, as part of the Waterfront Revitalization, and Lowe's wouldn't want the public relations nightmare of trying to unseat an established local institution.

But City Officials immediately saw the benefits of having a Target in Peekskill. After all, attracting just such a store to Peekskill was on everyone's agenda during the last election. The City began to meet with Target's real estate division, and discuss their needs.

In March, Target was ready to move to Peekskill.

But then something unexpected happened.

Perhaps it was inevitable that local politics would enter the equation. Those who lived closest to the Louisa Street site naturally expressed concerns. But concern reached fever pitch when ambitious politicians and a couple of Council members organized this concern into a petition drive, aimed to keep Target out of Peekskill.

The Common Council, which has been committed to including residents' input in all matters, gave the opponents of Target a forum, and created a process to address their concerns. In addition, it asked for Requests for Qualifications from anyone who wanted to develop the property as Target did.

Everyone would be on equal footing with Target. Interested parties had six months to come up with financing and a plan.

Meantime, the residents near the site began to warm to the idea of Target as they learned more facts. Englehard was going to sell the property no matter what. So, a retail outlet began to seem a better use of the land than waste processing, heavy equipment storage, or something worse.

Legitimate traffic concerns were mostly laid to rest when it was learned that Route 9 was about to undergo a \$47 million improvement, and part of the plan was to close southbound Route 9's South Street Exit. This meant traffic to the Louisa Street site would no longer pass by their homes. Of course, other practical traffic considerations remain, but these would be part of any project involving the land, and must be addressed during the state-mandated Environmental Quality Review, sometimes known as the SEQRA process.

Viewed in light of the significant tax revenues that a Target would generate for the City, and the much-needed jobs it would create for hundreds of working families, the balance started to tip in Target's favor.

The stage was set. More than 165 RFQs (Request for Qualifications) had been sent out. The Common Council eagerly awaited their return. The opponents of Target were sure an antiques center, an organic food store, even a roller rink would be competing with Target for the land. Everyone was eager to learn who was going to finance these projects, how they would make them profitable, and whether these opportunities could be leveraged to benefit the downtown.

But when the time came to speak before the Common Council, only two alternatives were presented.

On the one hand was RDM, proposing to build a Target, with financing in place, architectural plans nearly complete for public review, simply waiting a commitment from the City so they could finalize their plans.

On the other was an alternative shepherded by Councilwoman Mary Foster, who had abandoned her campaign promise to support bringing an "everyday item" store to Peekskill. Foster attempted to persuade others to back the proposal by Steel Industries of Bethpage, N.Y., which had no financing or serious business proposition lined up, but had hoped that with the promise of a public subsidy, it might be able to lure FedEx or DHL to locate a distribution center in Peekskill.

The majority of the Common Council supported the only viable proposal on the table, Target. Councilpersons Don Bennett and Drew Claxton seemed to be leaning toward it as well. There was hope that the Council would build a unanimous consensus since Foster, the most vocal opponent of Target, supported rezoning the area as retail/commercial so she could attempt to recruit FedEx.

In September, Steel Industries withdrew their plans, and decided not to present a formal proposal to the Council. It seemed that the Common Council would finally be unanimous in its support for a measure that would benefit Peekskill's

businesses, taxpayers, homeowners, residents - indeed, everyone who has an interest in Peekskill.

A public hearing on Target was held on October 10, 2006.

City staff gave an overview of the proposed development, which would be fully taxed. A representative of RD Management then gave a brief presentation. Target had asked RDM to build a 130,000-square foot store plus sufficient parking, which would employ between 250-300 persons. RD Management is a major firm, which has built over 200 retail shopping centers, and would finance the project themselves. Two examples of their recent work are the Mount Kisco Target and the Harriman Commons, which is nearing completion in Orange County.

A number of people took the opportunity to be heard. One resident spoke of Target as providing an anchor for the City, drawing people into town, which would then discover the downtown and all the other things our City has to offer. "We need the tax base, we need the jobs. Target is a win-win for Peekskill."

"This is an opportunity Peekskill may not see again," said another resident, who identified himself as being from Riverbend. "There are so many positives, what are we waiting for?"

Another resident asked about the two businesses that would have to be relocated to make room for Target. City Attorney William Florence commented that relocation may sound daunting on its face, but the City was going to find "bigger and better spaces" that would give these businesses "a better opportunity to succeed." Indeed, the two affected businesses were looking forward to a brighter future in their new locations.

Only two residents voiced concerns. Former Common Council candidate Ruth Wells encouraged the Council to conduct the state-mandated traffic study, since any new development in that area has the potential to affect traffic that goes by the houses in her neighborhood. And School Board member Fran Feuerman expressed a wish that the site be turned into an ice rink instead of a Target. "My children don't skate, but the City could always use more recreational facilities," Feuerman stated. It wasn't clear whom she thought would finance the project, and whether taxpayers would enjoy losing such a large addition to the tax roll. But the Council allowed her to voice her opinion.

Finally, a resident wanted to inform the Council that Target had a reputation as a model corporate citizen. She then read into the record a portion of "The Giving Back Awards," which appeared in July's Time Magazine. Target was the only corporation honored by the publication for its charitable works in local

communities throughout the country. "For Target, helping the needy is as important to its corporate character as its class-meets-mass marketing philosophy. And charity begins at the checkout, where you could, say, apply for a grant for your local arts council or contribute to your kids' school by using a Target charge card. In an era when corporate giving can be reduced to an exercise in PR, Target's devotion to donation stands out. In good years and bad, Target donates 5 percent of its pretax profits--more than twice the average of corporate America. That equals about \$2 million a week, or \$101 million last year." She also noted that Target had turned over one its stores to the Red Cross so they could help the victims of Hurricane Katrina, and that they had donated \$5 million to restore the Washington Monument.

With no one else wishing to be heard, next came comments from the Council.

Deputy Mayor Catherine Pisani began by expressing disappointment that of the 165 RFQs that were solicited, only two came back, and only one with adequate financing to complete any project. "I wish we could have a real debate here," Pisani began. "At our last meeting, no one objected to the re-zoning of the area as retail/commercial, so I believe this is a project that we can all agree on for once. Of course, there will always be questions. There will always be risks in any undertaking of this scale. But we've been talking about this for over a year. This is the right thing for taxpayers. It's the right thing for businesses. It's the right thing for Peekskill. The opportunity is now. We must grab it."

Councilwoman Foster then took the floor. In a rash, unpredictable move that has become her trademark, Foster distanced herself from her campaign promises, and also abandoned the very idea she had championed less than one month earlier. If her FedEx distribution center could not be located on Louisa Street, then she wanted nothing on Louisa Street until taxpayers spent a lot of money. She recommended that taxpayers buy the \$2.5 million vacant lot, and then bankroll a land use study. "I see no sense of urgency in moving forward with any project," Foster stated flatly. While the site was perfect for a FedEx distribution center, nothing else would be good enough in her eyes. Foster does not believe that taxpayers deserve the tax relief that Target would bring the City. And if she could not dictate the terms by which Target practiced its corporate philanthropy before Target located in Peekskill, she didn't want them in town.

Oddly, Foster had supported selling the property to someone who wanted to lure a FedEx with absolutely no conditions regarding FedEx contributing anything to the community. FedEx did not promise to contribute to local schools, as Target will. FedEx does not support the local arts and literacy, as Target does. Foster did not make it clear why she supported the dream of a FedEx, which wanted handouts from taxpayers, and rejected the reality of model corporate citizen Target, which will give as much back to our community as residents want it to.

Councilwoman Claxton followed Foster's no vote on Target. This was not surprising to those in attendance since she has consistently voted against most other projects that have benefited Peekskill, Chapel Hill, Riverbend, Waterfront and Downtown Redevelopment.

"I just don't get where Foster is coming from," Councilman Mel Bolden noted. "The State Comptroller's office ranked Peekskill among the most fiscally responsible in the State. And now she wants the City to jeopardize our high rank by taking on unprecedented debt and funding studies that no one thinks are necessary but herself. If I have learned one thing since Foster has joined the Council it's that nothing ever pleases her, nothing is ever good enough for her. When the auditors recently had high praise for the City's finances, she attacked them like a pit bull. I for one will not support her attempt to raise taxes on Peekskill's middle class. She just doesn't get it. I give my support to Target."

Mayor Testa was the last to comment before the Council voted. He noted that it would be fiscally daunting for any small retailer or recreational organization to spend \$10 million trying to develop the land. Target was a known entity whose benefits to Peekskill were so obvious on their face it was difficult to understand the objections. He thanked Englehard Corporation for their civic-mindedness in allowing the City to influence how its property was ultimately disposed. But he would cast his vote for the benefit of Peekskill's taxpayers and local businesses, the jobs that would be created and the services it would provide the citizens of Peekskill.

The Council then voted 5-2 in favor of Peekskill's taxpayers, in favor of local businesses, in favor of all residents, in favor of Target.

And that is how Target came to Peekskill.