

Peekskill News



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A Newsletter for the People of Peekskill

April 2007

SPECIAL REVITALIZATION SUPER ISSUE

24 VITAL PAGES THAT WILL HELP **YOU** DECIDE THE FUTURE OF **YOUR** CITY



Chapel Hill's chapel was costly to preserve, but it gave the development a superb centerpiece and helped Peekskill get new respect in the real estate world.

SUCCESS IN ACTION: PEEKSKILL'S REVITALIZATION PLAN IS ALREADY IMPROVING RESIDENT'S LIVES

Repeated zero-percent tax increases. A multitude of terrifically upbeat magazine articles citing Peekskill as one of Westchester County's hottest, most exciting places. Rave financial reviews from normally terse state financial watchdog agencies.

Peekskill has been on a roll since 2002, racking up a string of unprecedented victories that are making life more pleasant, prosperous, and affordable for its residents, while helping strictly hold the line against any rise in tax rates.

If allowed to carry through to completion, the Peekskill Revitalization Plan will leave Peekskill with a shining and vital downtown, an exciting new riverfront neighborhood, and a Target store branch the entire region will envy, among many other benefits.

Accomplishments like this don't happen by accident. There are numerous reasons Peekskill seemed to shake off its slumber and move into action in January 2002. Key among these were dramatic changes in leadership and the implementation of a revitalization plan

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LOOKING AT THE BIG PICTURE

You can't tell what a puzzle looks like until you've put together all the pieces. In the same way, it's hard to tell how much a city undergoing revitalization is changing unless you look at all the different projects that are recently completed, underway, or planned.



By Mayor
John Testa

That's why we've put together this special issue of *Peekskill News* for you. Rather than take the usual broad approach in looking at what's happening in our entire city, we're spotlighting one specific area: revitalization.

We decided to create this special double issue because it's so hard to understand how the many different projects fit together unless you look at all of them at once. Even when, like me, you know that these projects are the result of careful, deliberate planning, it's still surprising to

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Residential isn't the only area seeing strong activity.

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see how much is going on. We're talking about hundreds of millions of dollars—eventually close to a billion—that will shape the future of our city for decades to come.

As you go through this newsletter, you'll see many different stories. But they are all shaped by one overriding narrative—a plan that is at once highly focused and incredibly flexible, one that carefully harnesses government know-how with entrepreneurial cash and energy. Though dozens of different projects are underway, they are working in tandem to achieve some very specific goals:



New buildings with extensive detailing and exceptional landscaping will give Park Street new grandeur.

- To make life better for everyone in Peekskill;
- To fill our demographic gap so that we can expand our resources in the public and private sector;
- To let people know the reality of Peekskill, and help them understand what a wonderful community we are.

We've taken a step-by-step approach. We didn't choose a major developer until they proved themselves. We got extensive citizen input at each stage.

Now we're moving into the most critical phases of our redevelopment. We're putting the pieces together that will jump-start our downtown at the same time they transform our waterfront. If things don't happen as they should, we'll lose essential momentum.

This is your community. It's your choice as to what Peekskill's future is. By reading our special issue, you'll see where Peekskill is today, and where we're going to in the future. ♦



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0% TAX INCREASES CUTTING COSTS, IMPROVING SERVICES

A solid financial foundation is one of the essential elements of Peekskill's Revitalization Plan. Nobody wants to live in a community where taxes are out of control. Financial institutions avoid communities that can't keep their expenditures in balance.

That's why getting Peekskill on a firm

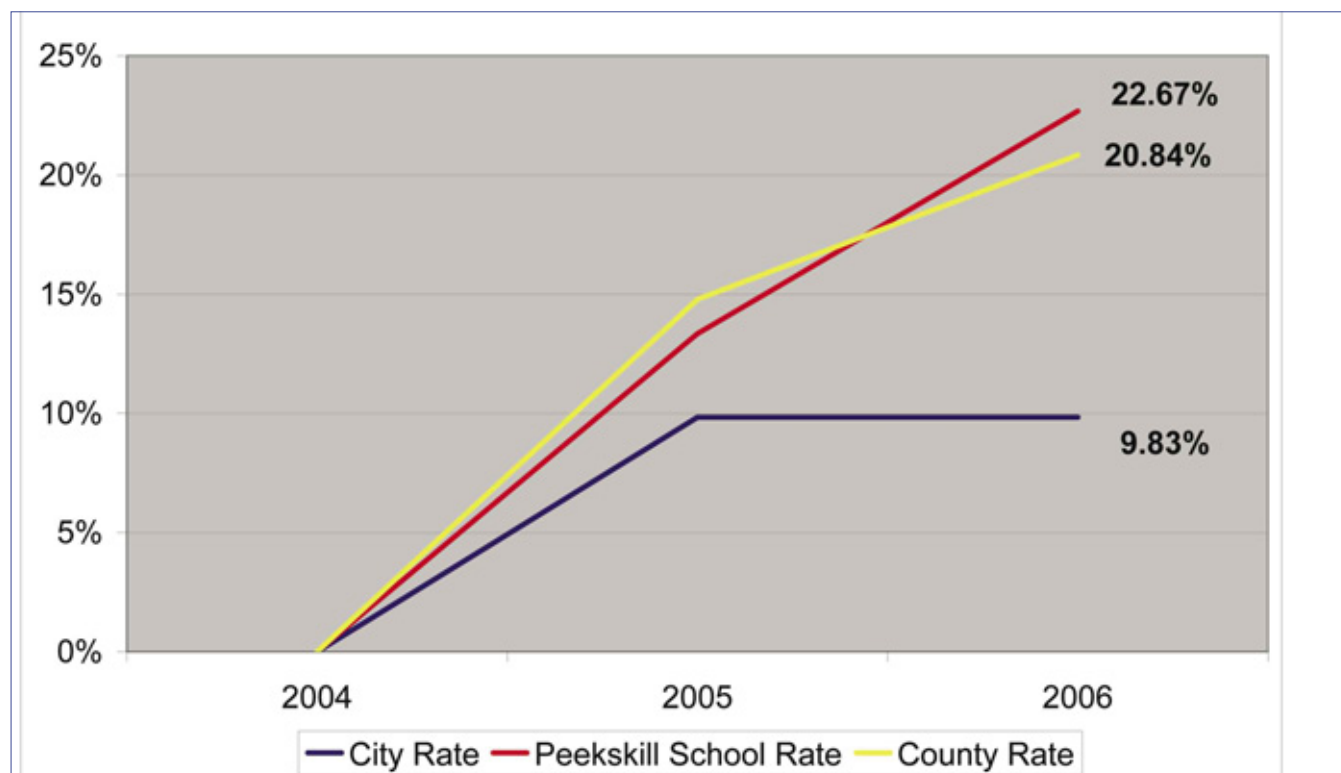
created a situation that benefits everybody in our city," says Mayor John Testa.

"The great news is that we've arrived at this success in the earliest stages of our revitalization plan. This makes it all the more important for us to stick with our program and make sure the water-

financially healthiest in the state. Financial experts are pleased with what they see.

"I have worked with the City of Peekskill since 1981. During that period of time, I have seen the financial position of the City make a 180° turn from deficits to operating surpluses and healthy reserve levels,"

The Shifting Burden: City Policies Blunt School, County Tax Impact



fiscal footing has been a top priority for the revitalization plan since 2002. Like so many elements of the revitalization plan, its success has been extraordinary—and that's great news for the city's taxpayers.

Revenue increases generated by the success of the revitalization plan so far are a key reason why Peekskill has had a 0% tax increase for the last two budgetary years—and that's with only 25% of the projects projected under the plan completed. All this is being accomplished without putting the City's financial health at risk.

That's a huge achievement, given that only a few years ago, Peekskill was under significant financial stress. "By taking an intensely disciplined, highly professional approach to Peekskill's finances, we've

front and downtown are revitalized as rapidly as possible so we can continue to build on our momentum," Testa says.

Whether that happens is up to the citizens of Peekskill and whether or not they approve of some of the big projects being planned for the city. The Downtown Revitalization initiative alone, for example, will generate \$3 million in taxes a year all by itself—and cost the city almost nothing, since all the power, water and sewer lines have already been installed. That's what's known as smart growth—and it's why revitalizing downtown is so important for Peekskill.

Outside experts are deeply impressed with Peekskill's turnaround. Last year the New York State comptroller listed the city as among the 15

says financial advisor Raymond Hart of the respected firm Public Finance Associates, Inc.

Among the most important measures of any city's financial health is the amount of money in its general fund. "The general fund has recorded operating surpluses in five of the past six years. During this period of time, total fund balance has increased nearly three-fold, going from \$3.9 million to \$10.0 million," Hart says.

Having a good credit report can lower a person's mortgage costs, and getting positive reports from credit agencies can save communities considerable amounts of money. Having a strong fund balance means that Peekskill no longer needs to borrow money to pay its bills while it waits for revenue from taxes to come in, saving even more taxpayer money.♦

CREATING A DYNAMIC NEW DOWNTOWN



Currently low-rise and unmemorable, Park Street would become grand and inviting after Phase Four of the revitalization was completed. The new buildings would bring hundreds of new residents and a significant inflow of tax revenue.

Peekskill is northern Westchester's natural focal point. That was the conclusion the New York State Department of Transportation reached after an intensive study of the entire region.

Officials singled out Peekskill for some very basic reasons. While most of northern Westchester is composed of low-rise towns, vast shopping centers, and nature reserves, Peekskill has a real downtown—one that features pleasant and historic but relatively densely packed buildings, a number of tall structures, an artists community, one of the most magnificently restored movie palaces in the country, a striking contemporary arts museum, and an extension campus of a respected college.

That these strong positives haven't worked to the city's benefit as well as they might have is a measure of the both the car culture's domination of America today and the importance of convenience to the average consumer.

When it comes to doing routine tasks, people will go to the place where it's easiest to shop. Peekskill's restrained urban character makes it an interesting downtown area to visit, but

for people used to malls with acre upon acre of parking spaces, the city does not seem as convenient. What is needed is to make Peekskill's downtown a place so compelling that people choose to go there on frequently and consistently.

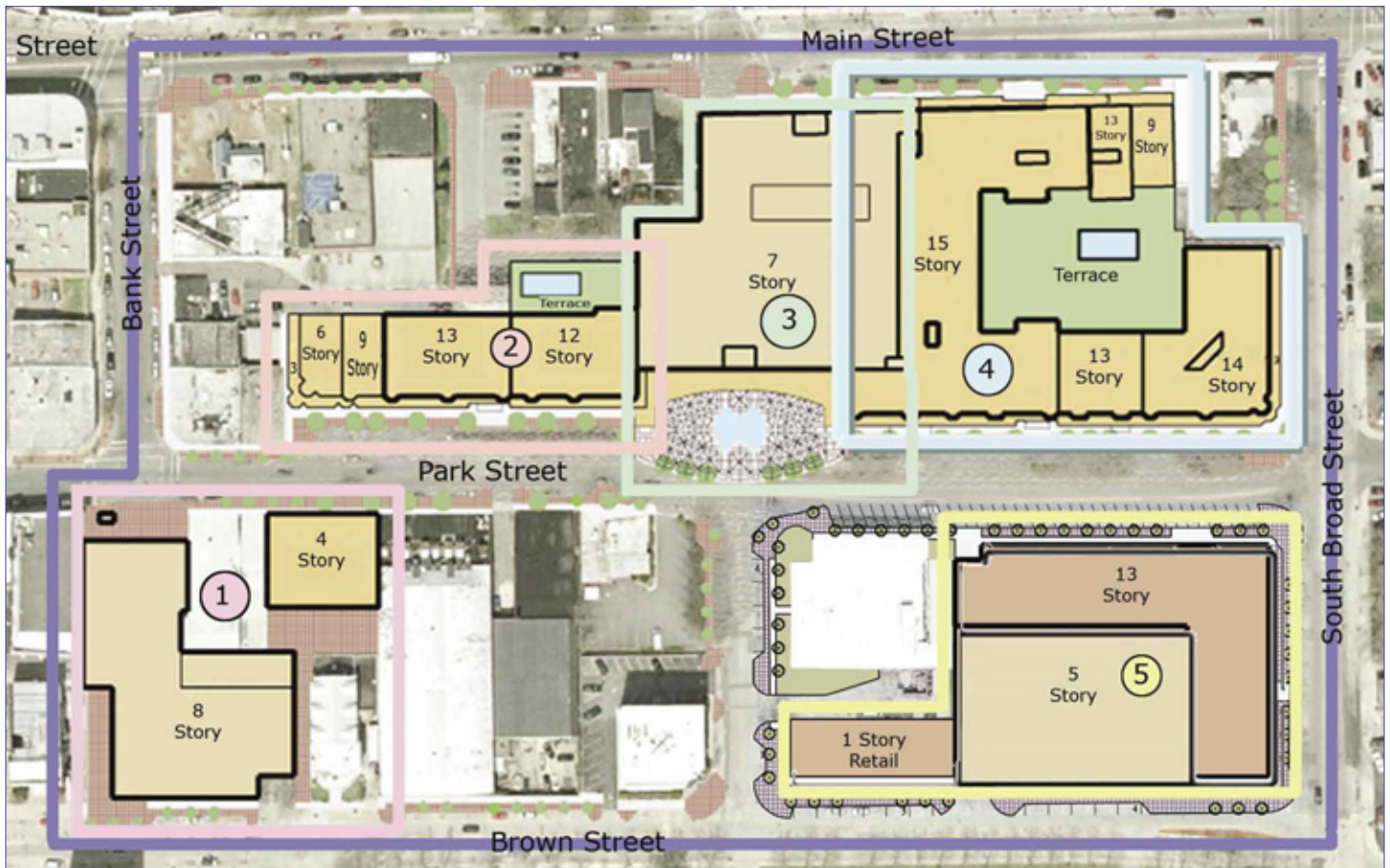
This won't happen by accident. And it's why the downtown revitalization component of the overall revitalization plan is one of its most important elements. No revitalization plan can be considered complete if the city's downtown is left untouched. But after decades of hard work and heartache, truly radical steps are needed to help Peekskill's nineteenth-century downtown prosper in the twenty-first century.

Jump-starting Peekskill's downtown is especially important given the many other projects that are underway in the city. That's why the downtown revitalization plan intends to give the city center what may be its most intensive transformation since Peekskill was founded.

The plan would take four square blocks amounting to around 13 acres that were essentially wiped clean of historic structures during the urban renewal era of the 1960s, and turn



This is what a transformed Main Street will look like after Phase Four is completed. Because the buildings will be in a valley, they will have a minimal impact on the overall skyline.



Construction of a revitalized downtown would move forward in five phases. Each would be carefully calculated to minimize local disruption. Each would also offer affected businesses opportunities to move into high-quality space.

them to a vibrant attractive city center with three basic goals:

- **Create a strong middle class community with significant resources that is deeply invested in Peekskill's downtown.** At present, almost no one lives in the four blocks that are the target of the revitalization plan. That's bad news for the many dedicated and ambitious entrepreneurs who are trying to make a living in the area. The proposed downtown revitalization plan will create 646 market-rate housing units that may enable over 1,500 people to call Peekskill's downtown home—people who will live in downtown, spend their money in downtown, and make a real and important commitment to downtown.
- **Amplify the strengths that make Peekskill northern Westchester's focal point.** There are plenty of communities in Westchester dominated by one-, two-, and three-story buildings. Peekskill's skyline is much higher than that—something that gives the city a more solid sense of presence and a more urban feel. Downtown revitalization will take that to another level, using structures that play on the architectural themes that make many of Peekskill's buildings so attractive. Peekskill has hills. It also already has some tall buildings. By making a cohesive, creative contribution to the mix, the new downtown will give our city a stronger

and more prosperous sense of place than ever before.

- **Beautify a currently unappealing area.** Parts of Peekskill are absolutely lovely. The rusting parking garage, weary shopping center, and vast empty lot in the area targeted for revitalization are not. Turning them into a state-of-the-art urban center will change that dramatically. With spacious urban plazas and sleek, stylish buildings reaching skyward, the revitalized downtown will bring a new sense of excitement and place to Peekskill. Inventing a new downtown is a difficult and challenging task. A careful balancing act is thus essential. Government money is no longer available for major housing projects in the United States. Thus, any effort Peekskill proposes will need to prove profitable enough for investors to think it worthwhile to take part.

That translates into designing a project with enough units so that it can prove profitable for the people who build it. In a restricted amount of space, this means building up. But too many high-story buildings would create a downtown that seems cramped and overstuffed.

Fully cognizant of this, the city's new revitalization plan has enough spires to make a dramatic statement, yet it leaves the skyscape room to breathe. One thing is certain: Peekskill needs a new downtown. And if we do things right, we can get one—at almost no cost to ourselves. ♦

KEEPING THE BALANCE: PLANNING, DEVELOPMENT, AND CODE ASSISTANCE

Planning and code enforcement departments face an incredibly challenging task. They must at once protect the safety and rights of the city's residents while maintaining an environment that allows investors to know they're going to get fair and efficient treatment when they're building their projects.

Brian Havranek has walked that tightrope for the City of Peekskill for more than 20 years. He started as an assistant building inspector and was promoted to head of the building department after just 18 months. When the city did its massive reorganization in 2002, Havranek was promoted to director of planning, development, and code assistance.

A good planning department protects public safety while encouraging entrepreneurial achievement. A great one comes up with innovative ideas that help transform a city. One sign of how well this is done in Peekskill is the fact that while many the region's planning and code departments generate complaints, the city's tends to get praise.

"Peekskill created an environment where people wanted to do business. They had a smart approach to it. Some other communities in Westchester have taken just the opposite approach, which is why they haven't experienced the kind of positive growth Peekskill has," says Steve O'Brien, Ginsburg Development Corp.'s director of development.

Another sign of the Department's strength is the important role it has played in guiding the revitalization efforts through the development process.

Planning departments deal with many tasks. Code enforcement officials are on the street day and night protecting residents and neighborhoods from predatory landlords, while other staffers oversee everything from helping make sure proposed plans fit city needs to ways in which development funds can encourage smart growth.

Good teamwork is essential if gridlock is to be avoided and Peekskill's skilled staff is respected around the region. One of the goals of the reorganization was to ensure that different departments worked well with each other, and that's certainly happened.

City staffers in the planning and code assistance department have specialized skills

"Peekskill created an environment where people wanted to do business. They had a smart approach to it. Some other communities in Westchester have taken just the opposite approach, which is why they haven't experienced the kind of positive growth Peekskill has."
—Steve O'Brien, GDC

and tend to work long hours handling complex projects. Key players include:

Susan Colvin, zoning coordinator. Colvin staffs and works directly with both the Planning and Zoning Commission and Zoning Board of Appeals each month, ensuring each commission and board receives the materials and information they need to do their jobs. Colvin also meets and assists the public, answering questions and moving projects along that go before the Planning Commission and the Zoning Board of Appeals.

Kathy Lockwood, Loan Officer and Deputy Director of the Industrial Development Agency. Lockwood handles many different functions. She helps the city receive grants and funding in order to assist worthwhile projects.

Lockwood is a deputy director of the Industrial Development Agency. She also oversees the Community Block Development Grant program. In addition, she's the person to go to when someone is seeking a low-interest Grow Peekskill loan.

Jean Friedman, direct administrator, Peekskill Historic District. She prepares all the applications that appear before the Landmarks and Advisory Board, is involved in specialty projects like securing funds for the Annsville Trail through state and other organization, and acting as point person for the Lincoln Train Station project. Friedman has also secured grants for many important Peekskill projects and is working on the Ginsburg Riverfront redevelopment project.

Anthony Ruggerio also focuses on special projects. His recent achievements include getting the Peekskill Landing effort up and running, working on the riverfront project, and assisting with the initial downtown revitalization plans.

Victor Pizella, head of code enforcement. In this position, Pizella oversees numerous tasks. He manages

his staff of code enforcement officers who watch for violations. He also helps them watch over new construction. Enforcement efforts focus on Peekskill's three historic districts and its Arts District, as well.

Increasing enforcement efforts has been among Havranek's proudest achievements. "When we first started, there was no incentive for anyone really to fix anything," Havranek says.

"Over the years we have increased the fines and penalties for illegal occupancy," he says. "We raised fines to \$2,500 thinking that would do the trick, and we still saw no slowdowns in illegal occupancies. So fines were increased to \$5,000 and \$1,000 a day thereafter. We feel we've made it not economically feasible for people to have illegal apartments, but, unfortunately, the fight still goes on." ♦

BUILDING A FOUNDATION OF TRUST

Chapel Hill had spent years as a troubled project by 2002. Set in rolling hills in the southeast corner of Peekskill, the project had seen two of its developers go bankrupt and left a third in deep trouble.

What was needed wasn't a new developer so much as a rescue specialist. And that's where Ginsburg Development Corporation (GDC) came in. Highly respected for both its business approach and the quality of its

Hill so important. Successfully finding a good developer for Chapel Hill would have a huge impact on the city.

"The Chapel Hill project was important because Peekskill deserved a quality development and was not going to accept anything but quality," Testa says. "GDC understood this position and wanted to make a mark for Peekskill and join us in sending out a clear message that things had changed in Peekskill, and

What GDC understood—and others didn't—was that the most important factor in real estate's economic equation held for Peekskill. It had location, location, location. A city's reputation can be changed. Finding a great, untapped location is an entirely different matter.

"We felt that Peekskill had a lot of very unrecognized potential," says Steve O'Brien, GDC's director of development. "It's on one of the most beautiful sections



Preserving the chapel and old school building at Chapel Hill cost millions, but added much to the project's appeal, helping fundamentally transform Peekskill's real estate reputation.

projects, GDC is rated as one of the top developers in the entire United States.

"The company is among the nation's premier real-estate developers, ranked 106th in the country and second in New York State by *Professional Builder Magazine* in 2004," says upstate newspaper *The Weekly Beat*.

Conventional wisdom before 2002 was that Peekskill would have a difficult time attracting world-class developers. "I knew this wasn't true," says Mayor John Testa, but it is what made Chapel

that future developers needed to know not to come unless they were willing to bring quality. This stand has enable us to progress to the point we are at today."

Even better for Peekskill, GDC was well known for taking on projects from which other companies had walked away.

Top developers had a negative image of Peekskill in 2002. Although the brutal economic decline that took place in the 1960s and 1970s, even in the 90s the city's reputation was still dented.

of the Hudson River. It's got a great history, an interesting and diverse population, it's in Westchester County and it's got a great Metro-North train station," he says.

Large chunks of undisturbed Westchester real estate are increasingly hard to find. There was initial apprehension even at GDC, but Martin Ginsburg felt confident that he could be successful.

One of the company's first steps was to hold meetings with the existing home

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TURNING SUCCESS INTO ECONOMIC MOMENTUM

Sometimes taking a risk now can reduce risks in the future—and benefit everybody involved in a project.

When Ginsburg Development Corporation (GDC) took over the Chapel Hill project, they were taking a leap into the unknown. "Peekskill is a great town, but people had a tough time seeing its potential," says GDC director of development Steve O'Brien.

Many in the development business were shocked that GDC was going into Peekskill with its pricey townhouses.

Yet Chapel Hill sold out quickly, proving to be a very successful project. "We saw an opportunity that other people didn't see in a community that people were reluctant to invest in," O'Brien says. The project went smoothly, and the City of Peekskill turned out to be good to work with. Plans and permits were handled efficiently.

Even more important, elected officials were willing to invest significant political capital to get the job done right.

There are few large, open parcels available in Westchester County — especially within minutes of a Metro-North train station and that offer spectacular views and attractive sites. Yet Peekskill had several. Now that GDC had found out that they could be successful working in the city, they decided to look for more projects.

First came Riverbend, which transformed more than 20 acres of property purchased from the Sisters of St. Francis into 201 townhouse condominium units. Though GDC had a good working relationship with the city, it certainly wasn't friction-free. Initial proposals to build 254 rental units were quickly shot down by then-Council member John Testa, and the total number of units was reduced by 40.

Riverbend's success encouraged GDC to take on yet another Peekskill project—one they would call the Abbey at Fort Hill. After working with Peekskill successfully on two other major efforts, GDC felt comfortable with the decision to buy the property. GDC also accepted that the Fort Hill property came with considerable baggage of its own.

Adjacent to the St. Mary's property was a 46-acre property owned by developer Louis Cappelli that had been mired in litigation for many years. Those acres contained some of the most historic land in the Hudson Valley region—ground upon which the Continental Army had at one time based almost its entire strength during the American Revolution.

Members of the Peekskill community were vehemently

opposed to seeing the Cappelli property developed. Understanding the sensitivity of the situation and the importance of preserving as much of the historic property as possible, GDC decided to purchase the Cappelli property



Riverbend confirmed that Peekskill could successfully host world class developers and their quality products. Careful detailing added significantly to the attractiveness of the development.

and use about six of the 46 acres to compensate for the cost. It is donating the rest of the land—about 40 acres—for use as open space and a park.

There will be 136 total units at the Abbey at Fort Hill, some of which will be based in the historic buildings that once held the former convent's cloister and school. In both design and layout, the Abbey at Fort Hill development will have minimal visual and environmental impact.

Only eight or so of the units will be visible from the Hudson River, and all the structures will be faced with natural materials such as cedar shingles. ♦

REMAKING THE RIVERFRONT: CREATING NEIGHBORHOODS AND BOOSTING THE TAX BASE

For generations, Peekskill's riverfront was the engine that drove the community.

In 1777, the riverfront was one of the first places the British burned as they tried to destroy the logistical heart of George Washington's Continental Army. In the nineteenth century, huge brick factory buildings crowded against each other, producing a major share of the nation's cast iron stoves.

As the Hudson River's importance as a transportation artery faded, so did the riverfront's industrial activities. In the early decades of the twentieth century, the factories began to shut down. By the 1960s, the riverfront was a lonely, almost empty place.

Then Peekskill made some wise decisions. It created the nine-acre Riverfront Green Park, giving some of the best land—and views—on the Hudson River to the people of city. The groundwork for the Peekskill Landing was laid with the purchase of another four acres on the north side of Riverfront Green and a move into partnership with the non-profit Scenic Hudson organization.

Now, as part of the Peekskill Revitalization Plan, the city is taking the next step: harvesting the entrepreneurial energy of efficient investors to transform the wide, empty spaces that make up much of the

riverfront on the landward, east side of the Metro-North train tracks into a new, vibrant and tax-paying mixed-use neighborhood.

Like most of the projects created by the revitalization plan, the waterfront project will be designed to be "revenue positive"—that is, it will produce more taxes for the city than it costs in everything from schools to public services. This is accomplished by making one- and two-bedroom units the most common offerings in the project.

Like all aspects of the revitalization projects, extensive public input and open government procedures are an



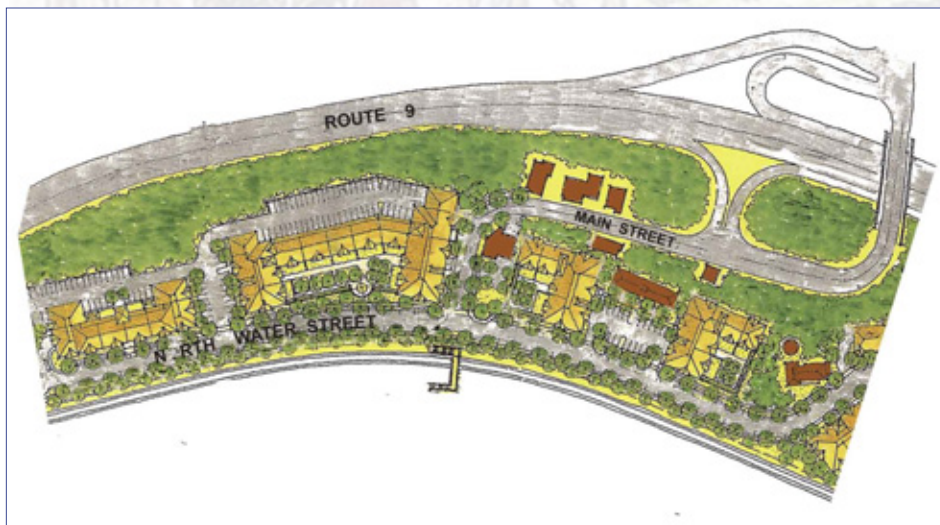
More than 50 homes will conceal the fact that this is a parking facility that holds 500-plus vehicles.

integral part of the waterfront project process. Several times, every household in Peekskill received invitations to open forums where the project's design and execution were discussed for hours at a time.

Ginsburg Development Corporation (GDC) was the logical choice for the waterfront project for a number of reasons. First, they expressed real interest. No other major developer had shown a willingness to make a serious investment in developing the waterfront. The second was just as important: GDC had proven itself as a trustworthy, results-oriented developer with the success of projects at Chapel Hill and Riverbend.

Space of this type tends to attract small families who make minimal use of the city's more costly offerings, while contributing significantly to its balance sheet. By drawing in more middle-class homeowners, the waterfront project will also contribute heavily to the revitalization plan's essential goal of battling the

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Historical buildings will be preserved at the north end of the Riverfront even though a new neighborhood of 200 homes will be built.

SINGLE-FAMILY HOMES: A KEY REVITALIZATION COMPONENT

Focusing on a single class of homes can leave a community with an unbalanced real estate mix. That's one reason why single-family homes play an important role in Peekskill's new revitalization mix.

Although condominiums have gotten the most attention among recent construction projects, single-family homes have actually accounted for 11 of the 19 major projects that are either deeply into the planning stages, under construction, or completed since 2002. That's 57%—or more than half of the major efforts underway.

This kind of construction translates into 110 new housing units that adds \$1.23 million in assessed value to Peekskill's tax rolls. Though single-family houses made up just 5.9% of the total units planned, being built, or completed, they generated almost 9% of the total tax value created by all the projects.

Built on formerly unoccupied land, these homes are generating much-needed new tax revenue at the same time that they help fill the demographic gap that has left Peekskill with a limited middle-class population. This will make it easier for the city to take care of everyone in the community.

Developers say their projects have sold swiftly, despite the recent real estate slowdown—because of Peekskill's improving image and beautiful setting.

Low-density construction places minimal burden on the local infrastructure while providing excellent return in terms of city tax revenues. It also pays off for the people who built them.

"It was unbelievable," says Stacy Tompkins, a developer who has built 15 new homes in the last few years. "We would sell them before we even

finished, or we would pre-sell them," she says. Prices for the new buildings started at \$349,000. The last building sold for \$579,000.

Others involved in building the single-family homes agree. "We've had a lot of success with them," says realtor Judy Hermesch, who represents East Coast Home Builders, which has built numerous single-family homes on the north side of town. "The prices have been very good, and builders have been very pleased," she says.

Those working on single-family projects say city officials have proven very supportive and helpful. "The staff is very agreeable," Hermesch says. "We've had a good relationship with the assessor.

He's been quite responsive as far as giving us the information we need."

"There were absolutely no problems with anybody there whatsoever. We had a pleasant experience as we went through the building process," Tompkins says. Peekskill itself represents a real opportunity, she says. "I think it's underrated."

Few communities in Westchester offer a more abundant and higher quality menu of services for such low tax rates. "It's affordable because of the taxes and the services you can get," says Tompkins. "It's a great place to get people in that want a new home."

Single-family homes have actually accounted for 11 of the 19 major projects that are either deeply into the planning stages, under construction, or completed since 2002.

One thing the wave of new single-family construction is not doing is changing Peekskill's character. Even as the city grows, it is maintaining its unique and varied population mix, Thompkins says. "It's a wonderful mix of a community. It's a melting pot. There's every race, color and creed imaginable, and they're all visiting each other's houses," she says. ♦



Single-family homes are a key part of the revitalization plan and make a significant contribution to the tax base.

TAKING CARE OF SENIORS: ANOTHER REVITALIZATION PRIORITY

Peekskill's revitalization plan is designed to touch all elements of the city. One special focus is seniors.

Since 2002, the City of Peekskill has been a catalyst for close to \$35 million in investments to numerous facilities dedicated to serving Peekskill's seniors.

Officials have laid the financial foundations for crucial projects that will make life better for those who have served our society so well for so long.

In situations like this, the City of Peekskill acts as a catalyst, assembling the elements that are needed to make projects happen while ensuring the burden on the city's treasury is as small as possible.

The chief actor in all this is the Peekskill Industrial Development Agency (IDA). Run by a board of volunteer citizens, the IDA can help set up critically needed financing.

Three of the important projects the city helped move forward:

Peekskill Plaza, 901 Main Street. Transforming this complex has proven a revitalizing experience for the many seniors who live in its 168 apartments, with close to \$15 million spent to help improve their lives. Dedicated to those with limited financial resources, Peekskill Plaza had become bedraggled under its former owner.

This changed when a new buyer stepped into the picture. Working through the IDA, Peekskill helped provide \$12.2 mil-



Peekskill Plaza has seen major improvements inside and out, including new appliances in its rooms, repair of leaks and brickwork, and improvement of its retail spaces.

lion of tax-exempt bond financing so the new owner, Courtyard Housing, LP, could purchase the building and fix it up.

Interior and exterior changes included refurbishing the building's apartments, repointing its bricks, and doing roof repairs. In addition, the renovations also helped spruce up Main Street, with five ground-level commercial spaces rehabbed as well.

Stuhr Gardens, Vail Avenue. An estimated \$9 million will go into this proposed project, to purchase and rehabilitate the 104-unit complex. The IDA's efforts included an approximately \$6.7 million in tax-exempt revenue bond financing.

As a result, a complex located in one of Peekskill's most sheltered corners will enjoy new life, and its residents will have a more comfortable, fulfilling experience.

River Pointe at Drum Hill II, 100-102 Ringgold Street. One sure path to success is building on the triumph of a previous effort. The Drum Hill project took an abandoned and dilapidated high school and transformed it into one of Westchester County's most beautiful—and affordable—senior citizens' residences. Now the city is helping enhance Drum Hill by putting together a financing package for an addition to Drum Hill called River Pointe. With an estimated budget of \$12.5 million, River Pointe will provide 42 high-quality units at a price that seniors can afford.

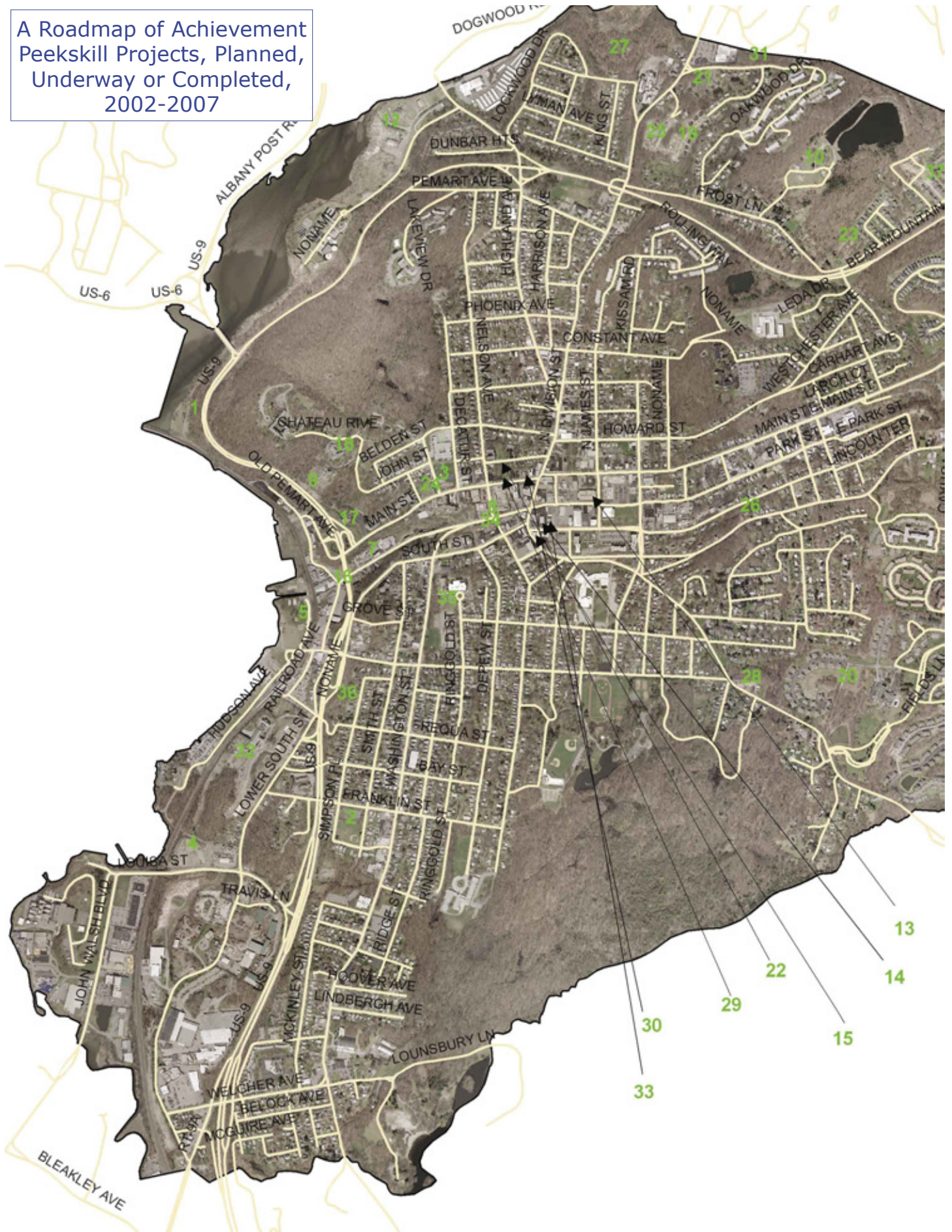
This isn't just sales talk; the support the city provided was dependent on the facility being targeted at seniors who had 60% of Westchester County's area median income.

One measure of Peekskill's dedication to its citizens in need? While most Westchester communities are hard-pressed to achieve a fraction of the units prescribed by the county's Affordable Housing Allocation Plan 2000-2015, Peekskill has already beaten its goal of 132 units by 37—and that's with the AHA plan period only half over. ♦



A \$9 million infusion is bringing significant improvements to the Stuhr Gardens Complex.

A Roadmap of Achievement
 Peekskill Projects, Planned,
 Underway or Completed,
 2002-2007





MAP KEY

	Project	Units/ Sq. Feet	Assessed Value
Parks Projects			
1.	Annsville Trail		
2.	Franklin Park		
3.	Lepore Park		
4.	Peekskill Stadium		
5.	Riverfront Green Park Playground		
6.	Tompkins Park Playground		
Public Works Projects			
7.	Lower Central Avenue Repairs		
8.	Upper Central Avenue Repairs		
9.	Route 9 Reconstruction		
10.	Water Treatment Facility		
Commercial Development			
11.	Beach Shopping Center		
12.	9 Corporate Drive	186,200 sq. ft.	598,750
13.	Downtown Redevelopment Project	129,600	N/A
14.	Paramount Center for the Arts		
15.	Peekskill Coffee House		
16.	Waterfront Redevelopment	81,500	N/A
17.	Peekskill Motor Inn		290,000
Residential Projects			
(13)	Downtown Redevelopment Project	646	4,000,000
(16)	Waterfront Redevelopment Project	500	4,000,000
18.	The Abbey at Fort Hill	136	1,300,000
19.	Buena Vista Avenue Subdivision	20	210,000
20.	Chapel Hill Estates Subdivision	192	1,500,000
21.	Delancy Avenue Subdivision	5	53,000
22.	Diven Street Art Lofts	6	42,000
23.	Frost Lane Subdivision	10	110,000
24.	Gateway Project	15	120,000
25.	Kossuth Place Subdivision	5	52,500
26.	Lincoln Terrace Subdivision	13	140,000
27.	Lockwood Drive Subdivision	33	363,000
28.	Maple Avenue Subdivision	6	64,000
29.	922 Main Street Art Lofts	10	70,000
30.	974 Main Street Art Lofts	4	28,000
31.	Oakwood Drive Subdivision	6	66,000
32.	Riverbend	201	1,600,000
33.	Paramount East	5	
34.	Peekskill Art Lofts	28	49,280
35.	River Pointe at Drum Hill	42	91,000
36.	Simpson Place Subdivision	5	21,000
37.	Vail Avenue Subdivision	6	110,000
Total Units		1,896	
Total Square Feet Commercial		397,300	
Total Assessed Value		14,689,530	

A GENIUS FOR PUBLIC WORKS, AN OBSESSION WITH SAVING MONEY

If ever there were a golden era of public works in Peekskill, that time is now.

Since 2002, the City of Peekskill has been taking on huge projects and making them work, putting to rest the myth that the public sector is invariably less efficient than the private one.

Massive city projects are coming in ahead of schedule and under budget. Innovative, cost-saving strategies are being adopted as a matter of course. Bureaucratic barriers have been bulldozed, and different departments are working together with each other with incredible smoothness and efficiency.

Key to this success is the fact that the revitalization plan that is transforming Peekskill has placed a strong focus on efficient city government. An important aspect of the revitalization was a reorganization that streamlined the management of the city's key departments and gave new responsibility to a number of individuals.

One of the leaders has been David Greener, Peekskill's Director of City Services. Greener was promoted in early 2002 and was handed what was thought to be an impossible project: jump-start the stalled reconstruction of the west end of Central Avenue and complete

the job in 90 days to meet an unbreakable deadline set by the Federal Emergency Management Agency.

Working closely with other city departments and engaging in such inventive strategies as replacing huge circular pipes with rectangular culverts, Greener finished

the job in time to secure the FEMA dollars.

This success laid the groundwork for numerous other projects that are all superb examples of effective city government:

Construction of Peekskill Stadium. This showcase facility has proven a magnet for baseball teams from around the region. A superb example of Peekskill's commitment to its citizens, it utilizes a magnificent site on the bank of the Hudson River for a

parking spaces, unearth the brook itself for a beautiful 300 feet, and create Peekskill's biggest waterfall—all while reducing the threat of flooding to the City and creating a new park for its citizens—and getting FEMA to pay for 87.5% of the project.

Repair of the Louisa Street sewer line break. This project could have been a potential transportation nightmare, with a 30-foot-deep gash ripped right across busy Route 9. Instead, the team utilized innovative drilling techniques to arrive at an economical and permanent solution to the problem.

Construction of the new Peekskill Water Treatment facility. At a cost of around \$35 million, this will be the biggest public works project in Peekskill's history. Extremely strict federal regulations demand that Peekskill remove trace elements from its already-safe water supply. The new plant will do that and more, providing Peekskill with clean, safe water for decades to come.

Greener doesn't work alone. Lead players in a string of exceptional accomplishments include City Manager Dan Fitzpatrick; Fran Brunelle, Director of Community

Services, Department of Parks and Recreation; Marcus Serrano, Deputy City Manager and Comptroller; and Brian Havranek, Director of Planning, Development, and Code Assistance.

"Planning has been incredible, as is Finance," Greener says. ♦

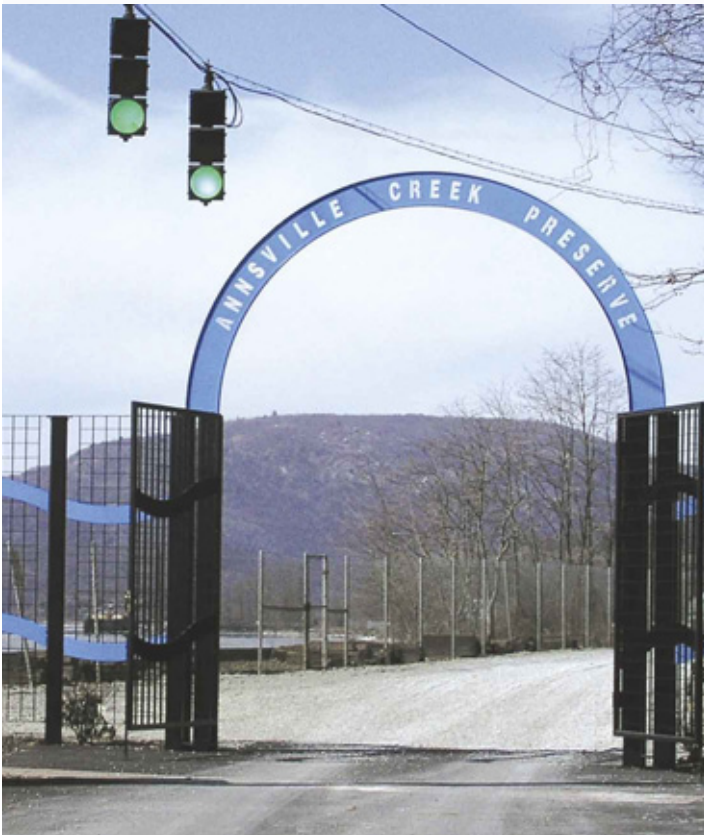


Five achievements are embodied in this image. A new park with brook is created, a new police parking lot is built and another expanded, flood control is increased significantly, and FEMA pays for most of the work.

state-of-the-art sports facility.

Reconstruction of the East End of Central Avenue. Leaping far beyond any kind of standard bureaucratic approach, Greener and his team took the opportunity offered by a failed tunnel housing McGregory's Brook to create scores of new

MAKING PEEKSKILL A GREAT PLACE TO RELAX: RECREATION



Set Peekskill's North End, Annsville Creek Preserve offers opportunities for fishing, hiking and other recreational activities.

Quality parks and recreational facilities are a key part of any successful community. They are also an essential element in any revitalization plan, since they help provide a high level of quality of life that helps keep existing residents happy while it draws in new ones as well.

From one of the most spectacular riverfront parks in the Hudson Valley to some of the only city-owned clay tennis courts in Westchester County, Peekskill offers surprising treats to its residents. Some of the parks are small gems of nineteenth-century design. Others are almost untouched places where nature can be enjoyed.

But since 2002, Peekskill has seen a nearly unprecedented increase in the quality, size and number of its public recreational facilities. Much of the construction has been accomplished at a reduced cost to taxpayers because of the grants the city has received.

City officials offer thanks to Westchester County and its generosity with Community Development Block Grant (CDBG) funds. The county has also worked with the city to help make some of the larger projects from the last three years possible.

Peekskill Stadium. A quiet centerpiece of the city's revitalization, this lovely facility is a great place to play sports and enjoy the quiet beauty of the Hudson River. Invisible are the numerous collaborations it took to get the job done, from some innovative funding alliances to a polished job by the Department of Public Works.

Annsville Creek. Visiting this gem of a park is like taking a small vacation. Tucked into a northern corner of the city, this complex of parkland, trails, and a fishing pier is a vivid example of planning and public works creativity in action. A new gazebo will soon add further to its appeal.

Building an addition to the Tompkins Park Clubhouse. Sports are an important part of civic life. The addition to the Tompkins Park Clubhouse made life much better for the many Little League teams that put the facility to such intensive use.

Peekskill Landing. Long more a concept than a reality, this four-acre parcel on the north edge of spectacular Riverfront Green Park is now moving forward at a brisk pace. Once needed environmental cleanup is complete, it will become a great place to view the Hudson River and experience Peekskill's history.

Fort Hill Park. New signage has made it easier to understand the Revolutionary War past of this historically important park. Extensive negotiations and legwork will soon nearly quadruple its size.

New play facilities at Tompkins Park, Franklin Park, and the Riverfront Green. These state-of-the-art facilities aren't just fun and beautifully sited. They also are equipped with the latest in safety features, making them a more enjoyable and caring place for kids and parents alike.

Franklin and Riverfront Green bathrooms. Nature can call at unexpected times, including when kids are at play. Now answering the call will be easier in two of the city's nicest parks, as sanitary facilities have been improved and rebuilt.

Not content with the work done so far, the city has even more projects planned for the coming year. These include resurfacing the clay tennis courts at Depew Park, building a spray pool at Lepore Park, and building a riverwalk that ties together Peekskill's entire waterfront.

These projects all will help make Peekskill an even more enjoyable place to live. ♦



Since 2002, virtually every park in Peekskill has gotten new playground equipment.

A TEXTBOOK CASE: PEEKSKILL'S ARTIST DISTRICT

Buzz is a key part of revitalization—getting people to talk about your community in a new way—a way that shifts the perception of your place so dramatically that its image is virtually redefined.

Creation of an artist district has been a key component of Peekskill's revitalization effort. The downtown district has had a huge impact on one of Peekskill's most intangible yet vital assets—its image. At the same time, the artist district has drawn in both businesses and residents.

In fact, the Peekskill artist district is quite literally a textbook example of how to use the arts to revitalize a town. *The Creative Community Builder's Handbook: How to Transform Communities Using Local Assets, Arts and Culture*, by Tom Borrup (Fieldstone Alliance, 2006), dedicates an entire chapter to Peekskill's success.

Peekskill, Borrup says, "used its artist loft program to seed a remarkable renaissance. Abandoned by a major employer and suffering from deterioration of a once lively downtown, Peekskill devised a visionary strategy to attract creative residents, galleries and creative sector businesses."

Although the artist district was established in the mid 1990s, its true transformative effect became most apparent after 2002 when the city decided it was time to put some effort into helping the world see the positive side of Peekskill.

In its first six months, with an expenditure of just \$10,000, the program generated close to \$2 million in exposure, a near 17,000% rate of return. Suddenly, publications such as *Hudson Valley* magazine and *Westchester* magazine began to see Peekskill in a new way.

Helping them was the physical reality of the artists movement in downtown Peekskill. It was impossible to deny that once-open lots

were now filled with structures dedicated to live/work housing, as the Central Avenue and South Street art lofts opened in June 2002.

Instead of being dismissed, Peekskill earned the astonishing honor of being named one of the 10 best places to live in the region by several publications within a 12 month period. The artist district played a central role in gaining the honors. When Peekskill appeared in *The New York Times*, the theme shifted from the former refrain of "struggling Hudson River town" to the new one of "thriving artist district."

"Tucked along a narrow crook in the Hudson, Peekskill, a local shipping port until the middle of the 20th century, is fast losing its gritty reputation and giving way to an influx of residents," the *Times* said on Oct. 16, 2005,

in an article that described the "bustling, artsy feeling of the downtown."

All that bustle and energy came at minimal cost to the city itself. The Central Avenue art lofts were funded by state and county money—not city money. When an important nudge was needed,

the city had numerous tools to draw upon, none of which had significant costs for taxpayers.

A key example is the Peekskill Coffee House, which used a Grow Peekskill Fund low-interest loan to get started. Now one of the downtown's focal points, the Coffee House got a vital helping hand from the city when it was most needed.

Another new attraction: The Hudson Valley Center for Contemporary Art, which has gotten national national attention since it opened in 2004. ♦



Larry D'Amico, a nationally recognized and respected artist, helped start the city's artist community more than a decade ago. Here he hosts visitors during Open Studios Day.

PEEKSKILL: CITY OF MUSEUMS

Tourism is one of New York State's fastest-growing industries. Benefiting from it, however, can prove a challenge. Drawing in tourists requires attractions—informative, exciting or entertaining attractions that can help visitors fill a day, or even two. It also requires places to stay.

Luckily, Peekskill's Revitalization Plan, with its Smart Growth elements and strategies for combining the public, private and non-profit sectors, is helping create resources that will fill all those gaps.

One example: The Paramount Center for the Arts. Since the City made the decision to turn the Paramount into the downtown's creative focus, the theater has been one of the driving forces behind the Arts District and Peekskill's revitalization.

While the Center for the Arts is an independent non-profit, the City still owns the Paramount Theater itself.

No revitalization can be driven by City efforts alone, and the Paramount is a superb example of this. The City's support helped provide a foundation for the Center for the Arts success. City funds also provided the Paramount with a new heating, ventilation and air conditioning system.

Another important player is the Hudson Valley Center for Contemporary Art. (HVCCA) is a totally independent organization. Its founders were drawn to Peekskill by the city's successful Arts District. City staffers provided all the assistance they could to help the HVCC open.

History itself is one of Peekskill's most important resources. There have been moments when the City was one of the most important places in America. This was especially true during the Revolutionary War. Realizing the importance of this renewable resource—history doesn't go away no matter how many times you look at it—the City is directly involved in creating what

should prove to be four significant heritage tourism destinations:

The Lincoln Train Station. Aggressive grant-seeking efforts and Governor Pataki's generosity has helped put this important project on the fast track. Construction is now underway as the 19th century train station is restored to its historic beauty. Exhibits and a statue funded by private donations will help make the only place in Westchester where Abraham Lincoln spoke on his way to Washington in 1861 a compelling destination.

The Lent House. Working with public and private sector sources, the City has helped secure funds to preserve and relocate Peekskill's oldest home. Few structures survive from Peekskill's colonial era, in great part because the British burned the place to

the ground three times. The Lent House is the only relatively intact structure from the period. Eventually, it will be moved to Peekskill Landing, where it will honor the city's agrarian roots and Revolutionary War history.



Turning the Lincoln Train Station into a high-quality museum has been a dream for decades and is now rapidly becoming a reality.

Centennial Firehouse. Volunteerism has always played a vital role in Peekskill's civic spirit. The city has one of the oldest volunteer fire companies in the country—Columbian Engine Co. was founded in 1876. Down by the waterfront, the Centennial Hose Company firehouse watched over a densely packed industrial area for many decades. Soon it will serve a new purpose. Relocated from its present site, the Centennial Hose building will likely function as a museum and cultural center for the waterfront project.

An expanded Fort Hill Park. Now nine acres, through city efforts Fort Hill Park will soon be expanded to encompass close to 50 acres, including some of the most historic territory and magnificent views in the Hudson Valley. New historic signs have already been installed. Future additions include trails, more explanatory materials, and additional features, including a possible reconstruction of sections of the fort wall. ♦

FROM GARBAGE TO TREASURE: TRANSFORMING THE SOUTH SIDE

Good revitalization plans touch entire cities, turning each of their areas into opportunities for growth, recreation, relaxation, and prosperity. Sometimes the best sites are the most unexpected ones.

Just ask the giant retailer Target, which likes Peekskill's south side so much it's planning to open a store there.

That's a huge change for one of Peekskill's most industrial neighborhoods. In 2002, most of the south side was dominated by post-industrial facilities dedicated to picking up, processing, and disposing of trash.

Nearby families complained bitterly about dust and contamination. But plans were already in place to transform a landscape of dumps into one of northern Westchester's most exciting attractions.

In real estate, one factor trumps all others: location.

To residents of Peekskill, the south side may seem an isolated neighborhood. But to retailers the location is superb. It is right off a simple and accessible exit on Route 9—Louisa Street. To get to the Target, drivers will make a turn off the ramp and another turn a block later.

Located along the magnificent Hudson River, the south side also offers spectacular views that will add an extra element of pleasure to shopping, eating, and other activities. This became abundantly apparent on July 21, 2004. That's when Peekskill Stadium opened for business.

A magnificent, fully featured sports facility, the stadium is undoubtedly the best baseball field in northern Westchester. Its views of the Hudson are unmatched. And the facility is an essential element of a revitalization plan that understands that quality recreational facilities are an essential element of any modern community.

Responding to citizen complaints, the City of Peekskill began the long and complex negotiations that would turn many acres of waste-strewn territory into a spectacular attraction. As always with the revitalization plan, elements from all over the city factored into the program.

Construction of the Waterfront Redevelopment Project would mean moving some of Peekskill's oldest and most respected businesses, such as Dain's Lumber, which has

operated out of the same site for more than 150 years. With its narrow and confusing roads, the riverfront wasn't the best site for such businesses anyway.

City officials worked with Ginsburg Development Companies to buy property freed up by waste disposal processor Karta Corp.'s agreement to reduce the size of its operations by 80%. The result is the proposed Peekskill Home Improvement and Construction Center made up of individual entrepreneurs rather than big box retailers.

Spending months and years to create complex plans for the future can often prove unproductive—especially when unexpected opportunities present themselves. That's what happened when BASF Corp. completed its purchase of Englehard Corp. in June 2006.

Englehard is one of the biggest property owners on the south side. BASF wanted to get rid of some extra land, and it had a potential buyer—a company that wanted to put the land to a “traditional” use as an equipment storage yard. The city reached out to over 160 businesses and let them know that a special site with superb access was available in affluent Westchester County and that Target has shown interest in coming to Peekskill.

“We started revitalizing the south side with the construction of Peekskill Stadium. Our legal department spent long, difficult hours achieving a successful settlement of negotiations with Karta. Now the revitalization

of the south side will truly gather momentum if the proposed Peekskill Home Improvement Center is constructed. And it will truly be a place of destination if Target constructs its proposed new store on a currently unoccupied piece of land,” says Mayor John Testa.

The Peekskill Home Improvement and Construction Center and the proposed Target will only be a beginning for this area, Testa says. “While our neighbors may have Wal-Mart, we've gotten the best and biggest fish,” he says. “Target's seal of approval will act as a magnet for other investors that want to come to our city.”

Preparations are already underway to free up more large parcels of land in the area. A few years from now, the south side will be a place to go, instead of one to avoid. ♦

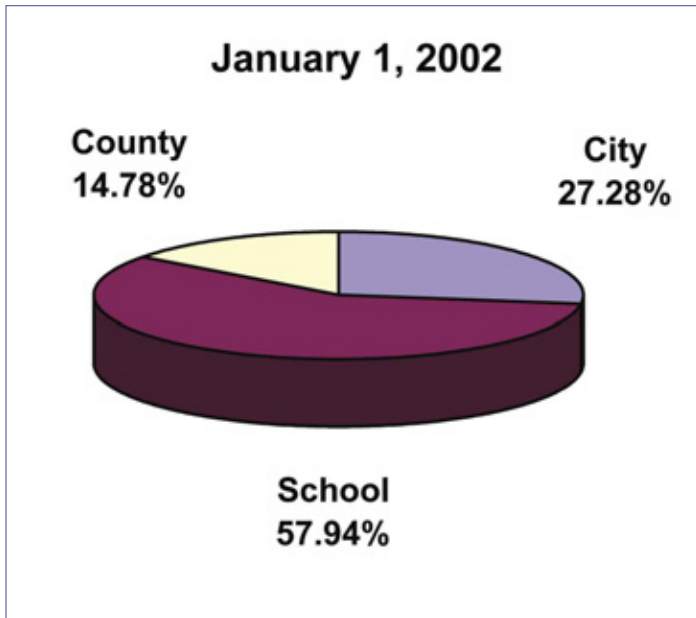
“Target's seal of approval will act as a magnet for other investors that want to come to our city.”
—Mayor John Testa

Success, Continued from page 1

whose principles has already helped guide the city for years.

These triumphs and their impact on your tax bills are indisputable. Though the many projects encompassed by the revitalization plan are only about one-quarter complete, they've already had a major impact on Peekskill's bottom line and have been a big help to its taxpayers.

Since 2002, close to 500 new residential units have been built that have generated more than \$2.6 million in tax revenue. That



Less and less of each tax dollar is going to Peekskill. The city's share was 27.28% and is now just 24.88%.

translates into \$760,000 new dollars that the city is taking in to cover expenses, offer quality services, and keep your taxes low.

What's truly spectacular is what will happen if all the projects proposed under the revitalization plan are able to be undertaken. By the time they're completed, they will result in a total construction of 1,842 units that will increase the assessed value of Peekskill's housing stock by \$14 million—generating \$2.85 million in additional revenue for the city itself.

There's a reason that only about a quarter of the dollars the city has collected have gone to cutting your tax bill. Peekskill doesn't just collect taxes for itself. It also acts as a tax collection agent for the Peekskill City School District and Westchester County.

In fact, in recent years as the City of Peekskill has cut costs and increased its efficiency, the percentage of taxes it has collected that have actually gone into its own budget has declined significantly. In 2002, 27.28% of revenues collected went to the City of Peekskill. By 2006, that share had dropped to 24.88%, an 8.7% decrease.

Making the situation even more challenging is that—unlike some communities in the region—Peekskill takes care of its citizens who are in need. An abundance of subsidized housing units are present in the city; the current number is

1,470 out of about 9,000 units. That comes to an amazing 16%.

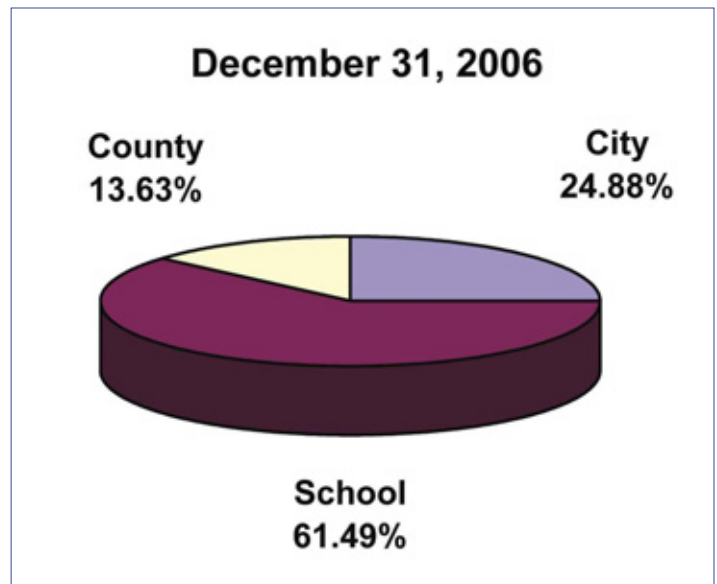
Rarely is more than 2% or 3% of the housing stock in most Westchester communities subsidized and available to poor people. In an even stronger sign of Peekskill's commitment to those in need, the city was one of the only places in the county to exceed its 1990-99 affordable housing goal—and it has already topped the numbers set for 2000-2015.

Not only does Peekskill take care of those who live here—communities from around the area send their poor to reside here. In Westchester County's 1990-99 affordable housing plan, Yorktown had an obligation to construct 204 affordable housing units. It built none.

Pound Ridge, Somers, Mt. Kisco, Briarcliff Manor and many other prosperous Westchester communities also chose to build no affordable housing at all. But Westchester itself was glad to rely on Peekskill to take care of its people in need.

More than 10% of Peekskill's affordable housing units are taken up by people from outside the city, with Yorktown sending 21, Mt. Kisco sending three, and Westchester County sending 140 of its citizens holding Section 8 vouchers to the city. Peekskill's leadership is more than willing to take care of those in need and believes everyone deserves a fair chance. But it's easy to see why some in the county seem a bit disturbed by the strength of the city's revitalization.

Demographically, this has created a difficult situation for



Between 2002 and 2006, Peekskill's share of each tax dollar has dropped by 8.7%.

the city known as the "Gem of the Hudson." A vibrant, committed middle class is essential to provide the resources and services Peekskill is committed to giving its residents. Yet years of economic struggle and exploitation by the surrounding region have hit the city's middle-class demographics hard.

A strong, well-designed revitalization plan will help change this situation by bringing in significant numbers of middle-class

Continued on page 20

residents while keeping the displacement of the poor to an absolute minimum. That the strategy is working well is evident not only in every citizen's tax bill, but in the actual makeup of the city and its neighborhoods, as well.

Strict oversight and highly effective outreach programs are drawing some of the nation's most respected developers and businesses to Peekskill. These companies are investing hundreds of millions of dollars in building housing, marketing the city, and improving its infrastructure.

An enormous amount of planning, outreach, and effort has gone into creating these possibilities. By sticking to some specific and well-regarded strategies, Peekskill is creating a new path to prosperity:

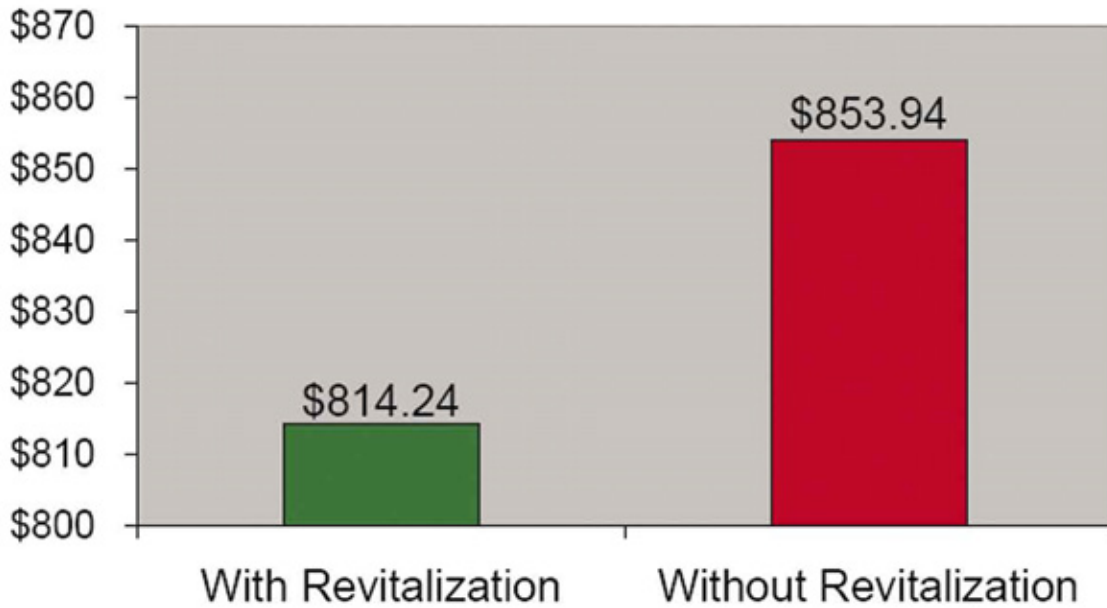
Make a total commitment to Peekskill's possibilities. Sticking to old, worn-out formulas and strategies won't work when it comes to revitalizing Peekskill. What's needed is a vision based not on what has been, but on what Peekskill can become. This can prove a challenging and risky path to follow. Many local businesses and interest groups have a strong investment in the status quo, while numerous Peekskill neighbors will resent not having the city available to handle tasks they don't want to deal with, or people they don't want to house. Predatory landlords are unhappy about increased residential code enforcement. The hard work that's been underway for many years and which continues is rapidly improving Peekskill's image and attracting citizens and investors who can help improve the city and bring a better quality of life to those who live here.

Work to build on Peekskill's strengths. Some of Peekskill's abundant resources are immediately evident. Its beautiful locale, the fact that it is directly served by one of the world's best commuter railroads, and its grow-

ing reputation as a haven for the arts and creativity. To these have been added such essential elements as a highly professional and competent planning department that understands how to work with builders while protecting the public interest; a water system that is considered one of the best in the region and whose capacity will soon double; Peekskill's location in Westchester County, a complex, diverse and energetic population; and the founda-

tion of success that has been achieved in recent years. Most crucial is the understanding that Peekskill is a *city*, and that that reality can prove a huge advantage in a region d o m i -

Peekskill's Revitalization Means Lower Tax Bills for You



This table shows the tremendous positive impact of the Revitalization Plan, comparing combined tax rates per \$1,000 with and without revitalization.

nated by big-box stores and shopping malls.

Utilize smart-growth principles. Smart growth is a highly successful school of urban planning that focuses on creating environmentally and economically effective communities. Smart growth says that rather than fuel sprawling and inefficient growth that demands long drives and eats up huge amounts of land, it is best to make communities as compact and efficient as possible. It also says that new construction should take place not on undisturbed, open land, but in the underutilized and neglected downtowns that characterize the cores of so many cities and villages today. This philosophy has helped guide Peekskill's revitalization plan.

Take care of our own. By carefully planning out its efforts, the city is ensuring that despite the vast scope of many of the projects being undertaken, the number of people being displaced by them is absolutely minimal. In addition, all the projects are being designed so that they significantly increase the city's revenue while costing Peekskill minimal amounts in terms of the city services they use. A series of zero-percent tax increases can be attributed directly to the small portion of the revitalization program that's already been implemented. Full completion of all of the plan's aspects will keep taxes low and resources strong for many years to come.

Create effective partnerships. Before 2002, conventional wisdom said that it was virtually impossible to attract high-quality developers with national reputations to the city of Peekskill. The outreach programs that are an integral part of the revitalization plan and effective negotiations with the city helped draw one of America's most respected and honored developers to Peekskill. Ginsburg Development Corporation (GDC) has won many awards and is respected nationwide. GDC's initial commitment to Peekskill brought Chapel Hill, a project several developers had given up on, to a highly successful conclusion, and allowed for the creation of Riverbend, a major development that has made a significant contribution to Peekskill's finances. It will eventually result in the Riverfront project, which will turn a currently desolate and drastically underutilized area into a vital and thriving neighborhood. Creating such partnerships involves preserving the rights and seeing to the needs of the city's citizens. It's what effective revitalization is all about. Good developers are an uncommon breed. That's one reason it's an excellent idea to stick with the best.

Always be flexible and aggressive. Opportunity usually needs an invitation if you want it to come knocking on your door. Thus, a key component of the revitalization plan is not just understanding Peekskill's possibilities, but creating new ones. With that in mind, the city has pursued creative solutions to seemingly intractable problems, discovered new ways to utilize old properties, and been the primary force behind such important steps as inviting Target to consider Peekskill as a place to do business.

Maintain a commitment to open government. To prove successful in the long term, development must match a community's needs. Because of this, seeking out feedback and drawing in members of the community has been and will continue to be an integral part of Peekskill's revitalization plan. Many meetings large and small were held for the Waterfront Plan, with invitations sent out to every resident in the community. Now hearings are being held for the downtown revitalization plan, as well. Public participation is essential if these programs are to work. Residents must step up and speak if they want certain things to happen—and also if they don't.

Nothing is certain in the world of business development and real estate. What *is* sure is that the city of Peekskill is committed to its citizens having a voice in whatever changes may happen and whatever developments are undertaken.

Disagreement is an inevitable and essential part of democracy. Change can prove stressful. What's essential is that the voice of the citizenry be heard. Interest groups can often have an impact beyond their size. Not many years ago, Peekskill had its own daily newspaper. News about the city was reported in-depth on a regular basis. Today there are no reporters from the county's major newspaper assigned to the city full time.

Good information is essential for making wise decisions. That's why this unusual newsletter has been created. Decisions made now will affect the city for decades to come. In this newsletter you'll see the progress that has been made and get the information you'll need to decide the direction Peekskill takes in the future. ♦

owner's association and talk to residents. Later, when a debate arose regarding a project amenity, a democratic process was established that allowed residents to vote for the preferred solution.

Negotiating these issues and protecting the interests of the residents required strong leadership from city officials. Success was achieved by ensuring all parties interests were respected.

"A city generally doesn't have the ability to pick developers. What a city can do—through competent and proactive leadership, management, and staff that is engaging and willing to work with people—is to make it attractive for good companies to work there," O'Brien says. "That's what Peekskill did. They created an environment where companies wanted to do business."

Both Chapel Hill and Peekskill itself benefited tremendously from GDC's involvement. The company built 192 units on the property. Although it had permits to demolish a former religious school and former chapel on the property, GDC chose instead to preserve the buildings. GDC converted the St. Germaine's building to Soho-style lofts and invested over \$3.5 million in the Chapel's adaptive reuse as the club/recreation center.

A key reason the building was preserved was Mayor Testa's intervention. "It was essential to me to save the chapel building. Previous developers planned on tearing it down. GDC was willing to keep it and ended up spending almost three times the original cost to restore and adapt it to what it is today. It was unthinkable to me to have 'Chapel Hill' with no chapel," he says.

For Testa, making sure Chapel Hill kept hold of its history was very much a personal as well as an economic and political matter. "My father worked for the Sisters who ran Chapel Hill for more than 20 years, and I worked there while I was in high school and going to college," he says.

"Yes, it was a critical first step for my administration, but making sure things were done right was also a sentimental issue for me. I fought very hard as a council person to ensure that the previous developer was not successful in mutilating the property and destroying the chapel and the character of the site," Testa says.

Almost as soon as the GDC-constructed Chapel Hill properties went on the market, the impact on Peekskill's overall real estate market was felt. The first residential properties to sell in the city for more than \$500,000 were Chapel Hill properties, and their price boosted the value of properties all over the city.

All this was a case of good information overwhelming an outdated reputation, O'Brien says. "Markets tend to be pretty good in terms of digesting information, but they can really fail when you've got entrenched lore. Peekskill was suffering from a bad reputation that stemmed back from the '70s and early '80s, and the market seemed to be unable to push past that," he says.

"What Chapel Hill did was that it suddenly demonstrated to the world that yes, people were willing to spend substantial amounts of money for a home in Peekskill," O'Brien says. That victory opened the door for other companies to invest money in Peekskill by showing that real profits could be made in the city.

"Without Chapel Hill and the improved demographics it brought to Peekskill, we might have never had the Super Stop & Shop and reconstructed Beach Shopping Center, and the more than \$20 million of investment and jobs they brought to our city," Testa says. ♦

SMART GROWTH: BUILDING AN INFRASTRUCTURE FOR THE FUTURE

“Smart growth” is an essential component of Peekskill’s revitalization plan. One of the leading current schools of thought in urban design and planning, smart growth seeks to moderate and remedy the uncontrolled urban spread that has made so many American communities a frustrating tangle of overcrowded roads bordered by untold acres of bleak parking lots and big-box stores.

Smart-growth philosophies are especially useful for communities undergoing revitalization such as Peekskill, which have tremendous amounts of solid—but

underground pipes forced the reconstruction of the upper end of Central Avenue, a very creative Department of Public Works used the situation as an opportunity.

In a single, highly effective stroke, the Department of Public Works implemented effective new flood control systems, added scores of parking spaces to a downtown urgently in need of them, and created a new park complete with bubbling brook and splashing waterfall. Almost all of this was paid for by the Federal Emergency Management Agency

new one will be able to handle more than eight million. And its sophisticated technologies will ensure that Peekskill’s water meets all standards for the foreseeable future.

Water is a major issue in many Westchester communities. Because they have to tap into New York City’s system, their costs are high and their supplies are limited. Peekskill has had its own water system since the late nineteenth century. It is one of just four Westchester communities in this enviable position.

A successful defense against sewage diver-



Construction of Peekskill's new state-of-the-art water treatment facility is already well underway. It will meet or exceed all federal standards and double the city's capacity, making it easier to accommodate future growth.

relatively underutilized—infrastructure.

Growth without planning or reason can wind up costing a city more than the revenues it could bring. By focusing on existing resources and the city’s already present strengths, smart-growth policies will lead Peekskill into a prosperous future. They will also ensure that Peekskill is prepared for the future that current planning is working to create.

Tenets of the city’s smart-growth orientation are evident in virtually every project it has undertaken since 2002. When decaying

because of the project’s strong floodwater-relief component.

Water is also playing an important role in a different Peekskill infrastructure project. When confronted by extraordinarily stringent federal regulations that wound up requiring replacement of the city’s 100-year-old water treatment facility, the city decided to build a new one that will have double the capacity of the old plant.

Where the older facility could handle just four million gallons of water a day, the

sion has helped Peekskill on the disposal side as well. Since almost all of the waste coming through the facility will now be only from Peekskill, it is unlikely that capacity problems will cause any issues in this area, either.

Peekskill has even improved its educational infrastructure, with support from the city playing an essential role in enabling Westchester Community College’s satellite campus to more than double its physical size and increase dramatically its course offerings. ♦

COMMERCIAL REAL ESTATE: ANOTHER GROWTH AREA

Residential housing isn't the only area where Peekskill has seen dramatic growth since 2002. Dramatic changes have taken place in terms of the business community as well. The city's largest shopping center underwent a massive, multi-million dollar rehab, highly-respected mega-retailer Target is looking at Peekskill as a place where it can establish a beachhead into northern Westchester, and numerous entrepreneurs are also bringing their own

projects to proceed in tandem is so that they are self-reinforcing.

To make sure the new neighborhoods being created along the waterfront are complete and vital, significant amounts of commercial space will be included along with the planned residential units. This space will be used for restaurants, retailing, and other purposes. Balancing out the waterfront activities, the Downtown Revitalization Program will also feature



Peekskill Inn is doubling its size and adding a modern conference center.

energy to the city's business scene.

At the same time, aggressive negotiations by Peekskill legal staffers as well as effective legal actions have helped relieve some persistent problems and lay the foundation for new beginnings.

After extensive negotiations, the city's legal staff reached a settlement with Karta that reduced its presence in Peekskill by a full 80%.

In a sign of the interlocking nature of the revitalization plan, the settling of one issue left room for another program to blossom. With Karta relocated, important riverfront businesses could relocate to its old space, creating a new independently owned Peekskill Home Improvement Center.

Commercial components are also key elements of the two biggest revitalization projects planned for Peekskill: the Riverfront effort and the Downtown Revitalization Program. Indeed, one reason the city is working hard for the

significant amounts of commercial space along with its residential properties. To ensure high enough density to help propel the retail space towards success, the downtown program will need to put a lot of people into a fairly compact space.

This means that some of the towers in the downtown plan will stretch skyward more than 12 stories—a height that some buildings in Peekskill already reach. The retail space at their bases will provide homes for existing businesses and offer new opportunities for entrepreneurs.

Other Peekskill areas are also getting attention. On the far northern side of town, the site of the city's former dump will soon become home of a new office park that will offer medical and commercial space.

Another key addition will be the expansion of The Peekskill Inn, which will double the number of guest rooms and add a state-of-the-art conference center. ♦

Riverfront, Continued from page 9

trend towards economic segregation that's devastated many American urban communities.

Creating a new neighborhood is neither a cheap nor an easy process. The hundreds of parking spaces that help make the current riverfront seem so empty are an essential element of the Metro-North train station, so they will be moved to a new parking garage at the south end of the site. Utilities will need to be unearthed and relocated, and the ground level itself will be raised in some areas to protect against flooding.

Adding further to the project's risk is the fact that GDC has agreed to dedicate an extraordinary ten percent of the riverfront units as workforce affordable housing, despite the fact that they lose money on each unit thus designated.

A total of 500 housing units and over 75,000 square feet of commercial space is planned for the 40-acre waterfront project that stretches from Requa Street to the end of North Water Street and up Central Avenue. The project is so large that it creates distinct "neighborhoods," each with its own identity. Critical to reviving the waterfront is creating sufficient density to activate the street and make a "24-hour neighborhood."

To protect Peekskill's riverfront views, the parking garage will not be a stand-alone structure, but will be fronted by condominiums and stores.

No development stands on its own, and careful attention is being paid to make sure that the Peekskill waterfront development reinforces the city's downtown rather than drawing attention away from it. Toward that end, the city is in the process of a bold initiative to revitalize the downtown area. Both projects will complement each other and truly reinvigorate the entire city.

A project this ambitious takes time. Construction of the waterfront project won't start until 2007. A decade may pass before it is totally complete. But by the time it's done, Peekskill will have a showplace the rest of the Hudson Valley will truly envy. ♦

SPECIAL NEWSLETTER SUPER ISSUE

24 PAGES TO HELP **YOU** DECIDE THE FUTURE OF **YOUR** CITY

Find the information in here you need as a citizen to help shape Peekskill's future. In this newsletter see stories about:

- Peekskill's extraordinary years of achievement since 2002, when an incredible number of projects have been built, planned or proposed.
- Millions of dollars generated for the City, County, and School District by a carefully crafted revitalization plan.
- 0% tax increases two years in a row because of the money generated by revitalization.
- Peekskill gaining a nationwide reputation as a dynamic community that welcomes investment and entrepreneurs.
- A total reorganization of City Hall that has resulted in bureaucracies that get things done *on time and under budget*.
- An exciting Downtown Revitalization Plan that will bring new grandeur, vitality, and energy to Peekskill.
- Peekskill's exceptional recreational facilities, virtually all of which have been upgraded or improved since 2002.
- An Artist District that has worked out so well a book has dedicated a chapter to its success.
- A exclusive map of more than three dozen different projects built, planned or proposed since 2002 and a look at their financial contribution to the city.

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New York's Fastest Growing City

**The Numbers Tell the Story:
Statistics on Revitalization's
Benefits to Peekskill**

**Total number of units
planned, proposed or
completed for
Revitalization Program:
1,896**

**Total number finished so far:
492**

**Percent of Revitalization
program completed: 25.94%**

**Total assessed value
generated so far:
\$3,855,780**

**Total potential assessed value
Program could generate:
\$14,689,530**

**City's share of revenues:
24.88%**

**County's revenue share:
13.88%**

**School's revenue share:
61.49%**

**Percent of each tax dollar
going to Peekskill in 2002:
27.28%**

**Percent of each tax dollar
going to Peekskill today:
24.88%**

**Drop in Peekskill's share of
each dollar collected: 8.7%**

**Percent city taxes increased
in last two years: 0%**