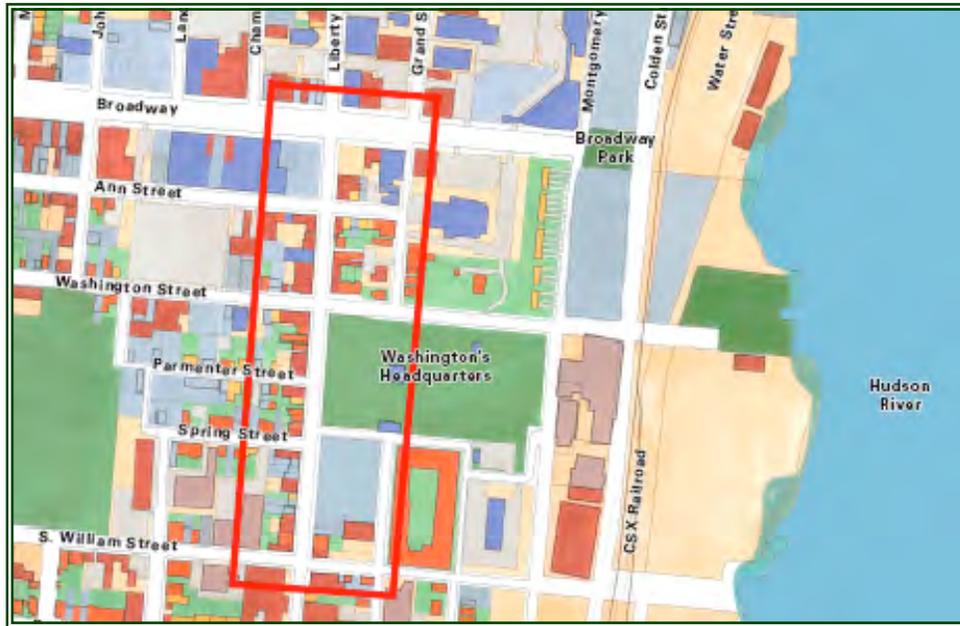


Downtown Newburgh, New York

The Liberty Street Corridor (Phase 1)



Commercial Implementation Strategy (CIS)

December 2008

Prepared for



NEWBURGH 2020

 City of Newburgh, New York

Conducted by





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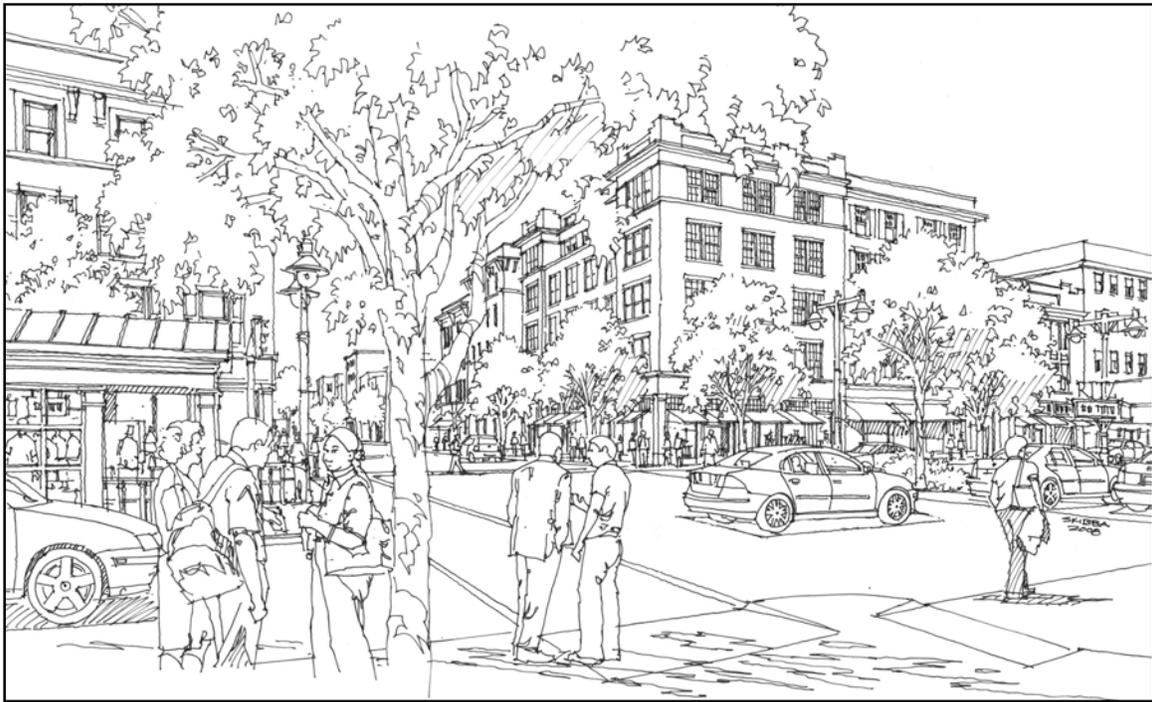
Commercial Precedent Studies

- Saratoga, New York
- Beacon, New York
- Church Street, Burlington, Vermont
- Savannah, Georgia



2013 Vision of the Liberty Street Corridor

View from Broadway



EXECUTIVE SUMMARY

Objective

Live Work Learn Play LLP (LWLP) is collaborating with Urban Design Associates (UDA) to assist the City of Newburgh and Newburgh 2020 with a specific and action-oriented Commercial Implementation Strategy (CIS) that results in a vibrant and positive mixed-use neighborhood. This CIS is based on the recommended phasing strategy to revitalize Downtown Newburgh by focusing on an initial “micro neighborhood” that becomes a catalyst to the greater Downtown Newburgh revitalization. This phased approach has the opportunity to build positive momentum from measurable and targeted results that will assist in the revitalization of subsequent phases of downtown. The Liberty Street Corridor, located on Liberty Street between Broadway and South William, was selected as the first phase focus, due, in large part, to the fact that an organic revitalization process towards an improved commercial neighborhood has already started to emerge.



Throughout the process of developing this Commercial Implementation Strategy, *LWLP*, UDA, the City, and Newburgh 2020 (*the team*) has consulted with area stakeholders, including community members, developers, property owners, business owners, and key staff members of specific city departments.

Regional Attractions and Drivers

The 150-mile Hudson Valley region features a host of historical, recreational, and cultural amenities that attract both overnight tourists as well as the Hudson Valley regional community. Newburgh can capitalize on this potential customer draw from the City's nearby cultural and historic attractions, which include Washington Headquarters, the Dutch Reformed Church, Downing Park, and the Greater Newburgh Symphony Orchestra.

As well, there are several significant civic and institutional anchors in the City, including Stewart International Airport, the local community colleges, and the Newburgh-Beacon ferry and train systems. These anchors represent an estimated potential of over \$10 million in annual commercial expenditures.



Target Market Analysis

The target market analysis segments the target *achievable customers*TM for Downtown Newburgh. *Achievable customers*TM are defined as the captured market share of the target commercial market. They represent those members of the target market who have the propensity to spend time and money on commercial goods and services in a mixed-use environment. The Liberty Street Corridor's target market of commercial *achievable customers*TM is analyzed within the following geographic draw areas.

Primary Draw Area

- Residents within a 5-mile radius of the Liberty Street Corridor;
- Students and faculty of the existing Orange County Community College and future SUNY community college.

Secondary Draw Area includes residents within a 15-mile radius of the Liberty Street Corridor.



Regional Draw Area

- Residents living within approximately 25 miles east and west and 30 miles north of the Liberty Street Corridor;
- Tourist visitors to Orange County, which includes the potential draw of visitors who arrive and depart from Stewart International Airport as well as various regional visitors traveling by car.

Commercial Vision and Program

The evolving neighborhood vision is founded upon the heritage of Liberty Street, though reinvented, for today's times, to be a celebrated historic mixed-use neighborhood. It is a place where the Newburgh community will be able to mix with visitors and be seen strolling through the neighborhood and stopping along the way to enjoy a variety of “back to basics” commercial businesses, rituals and neighborhood life. Social eateries, friendly shops that spill out onto the street, and rituals at Washington's Headquarters are all a central part of the Liberty Street Corridor, providing experiential commerce and neighborhood life in Downtown Newburgh.



The commercial business environment on Liberty Street will set the tone for subsequent commercial neighborhood revitalization efforts in Downtown Newburgh. As such, the experiential quality and economic viability of the existing and future commercial businesses in the Liberty Street Corridor must be a core focus.

The first step towards creating this positive commercial revitalization involves achieving the appropriate physical environment or “commercial staging” that creates a positive and healthy environment for businesses and customers. This commercial staging can be achieved by:

- Providing a completely safe environment;
- Creating activated streetscapes and sidewalks that encourage strolling, sitting, relaxing, conversing and other socio-enjoyable moments and daily rituals;
- Improving the governance and “back of house” operations, including: trash removal services and scheduling; parking hours of operations and regulations; commercial delivery regulations; and any additional operations functions which impact the commercial business environment;



- Improving the physical environment to make it easier for commercial business owners to maximize sales and branding;

Once such commercial staging is accomplished, it is then recommended to target a balanced mix of viable, synergistic commercial experiences to be developed and operated by positive and experienced business owners, which will drive pedestrian traffic, commercial expenditures and positive experiences to the neighborhood.

A key aspect of this strategy requires marketing, attracting, and leasing to top-notch commercial business owners who would ideally become “ambassadors” of Newburgh. They will weave the rich commercial fabric of Liberty Street with vibrant and iconic retail, restaurant, and other commercial concepts that reinforce the personality of the specific neighborhood.

Setting Goals and Benchmarks

The implementation strategy for the Liberty Street Corridor is organized as a 3-stage evolution. Each stage aims to help the Liberty

Corridor steadily improve over time, by building upon strengths and results as they are achieved. Specific goals and strategies for each stage are intended to provide measurable benchmarks that can be realistically accomplished within the allotted stages or time periods.

A summary of each of the benchmark stages for the Liberty Street Corridor follows.

- **Creating Rituals.** The first stage of the commercial implementation strategy is focused on creating a development zone with a positive image, allowing the Liberty Corridor to progress and flourish into a social and active community neighborhood. Creating rituals will be measured by the daily, weekly and monthly experiences in the neighborhood that become a positive part of people's every day habits and lives in Newburgh on a predictable, regular and motivating basis.

Basic quality of life aspects such as the eradication of crime and trash are addressed during this period.

It is anticipated that the goals and specific strategies outlined for the Creating Rituals stage can reasonably be achieved over the 15-month period from October 2008 to



December 2009.

- **Creating a Place.** This second stage is focused on achieving a vibrant commercial mixed-use street life, enabled by dedicated and proactive management of the neighborhood, small-scale street improvements and streets fully occupied with quality commercial businesses. It is suggested that this stage could achieve a growth in the occupancy of the upper levels of mixed-use buildings, thus resulting in an expanded built in customer base for the commercial businesses.

It is anticipated that the implementation of this stage begins by January 2009 or sooner, and be reasonably achieved over the 3-year period ending in December 2011. It is also anticipated that the strategic and implementation planning for the next revitalization “focus area” will begin during this period and be “in progress” by 2011.

- **Creating Legacy.** This final stage of revitalization involves resolving the most challenging issues that require attention and considerable resources, notably redevelopment of land and buildings, in order to achieve a sustainable commercial



revitalization in the neighborhood.

In the case of the Liberty Street Corridor, the target goals are to:

1. Implement larger scale street and neighborhood improvements;
2. Ensure that the current vacant property sites are under development;
3. Achieve full residential occupancy in the neighborhood;
4. Encourage small business investment and the openings and operations of commercial entities that become iconic, timeless and vibrant establishments, and
5. Make the neighborhood a positive and sustainable place, filled with personality in the lives of the Newburgh community.

Given the scale and challenges associated with these outcomes, it is expected that these goals can be reasonably achieved with the supporting strategies and resources over a 5-year period from 2009 through 2013.



Commercial Marketing and Branding Strategies

Section 7 describes strategies to strengthen and communicate a strong brand for Downtown Newburgh. Having a unified brand, along with the supporting marketing material, can assist various stakeholders in their individual and collective commercial revitalization efforts.

Commercial Leasing Strategies

The commercial business operators have a significant impact in creating the personality and “heart & soul” of Downtown neighborhoods.

Section 8 outlines:

- The top 10 steps in creating a targeting leasing and casting (TLC™) program;
- The top 10 questions that should be addressed in creating a commercial marketing tool for Downtown Newburgh.
- Commercial marketing and leasing organizational strategies

Programs to Promote Investment

In order to promote investment into the Liberty Street Corridor, it will be necessary to create a “positive development zone”, supported by appropriate incentive and financing programs.

Section 9 highlights some of the fundamental mechanisms that have been instrumental in helping other cities and downtowns undergo successful commercial revitalizations, including tax increment financing (TIF), historic tax credits, tax credits and tax abatements, rent subsidy programs and city ownership of buildings.



STRATEGIC RECOMMENDATIONS

It is suggested to continue capitalizing on the recent momentum of the City of Newburgh and Newburgh 2020 by setting up the required organization and resources in order to accomplish *the team's* target revitalization outcomes, specifically

- Organize a series of sub-committees within Newburgh 2020 and invite and encourage other Newburgh vested stakeholders and senior members of city departments to help lead the efforts of the Liberty Street commercial revitalization.

Recent positive efforts have resulted in the organization of the following sub-committees:

1. Streets Committee
 2. Business Development Committee
 3. Marketing and Communications Committee
- Evaluate priorities for each of the sub-committees, including (but not limited to) the following functions:

- Finance and development (figure out all of the means of public and private financing)
 - Public relations and communications
 - Public safety / Public works (trash, lighting, etc.)
 - The regulatory process
 - Business development
 - Neighborhood rituals and events
- Develop a detailed and coordinated business plan to implement the desired outcomes for each phase of Newburgh’s Downtown revitalization (Section 6). The business plan should:
 - Provide strong support for economic, social, cultural, governance and overall “quality of life” revitalization outcomes;
 - Identify dedicated resources and “champions” who are responsible and accountable for the initiatives;

Suggested Business Plan Outline

- Quarterly and annual business objectives
- Actions/strategies required to achieve the stated objectives
- Human resources dedicated to implementing the plan
- Budgets
 - (1) Cost
 - (2) Sources of funding
- Return on investment rationale

- Ensure adequate funding and sufficient timing to accomplish the desired outcomes;
- Leverage upon other initiatives and resources, as well as be fully supported by the City, Newburgh 2020 and all other stakeholders.
- Compile a comprehensive contact list of resources and stakeholders that are, or may become, part of this process.

This includes, but is not limited to, the following:

- Existing studies, master plans, reports, current development plans, etc.;
- Public human resource contact list (department heads, city staff, Newburgh 2020, the County, the State, the Empire Zone, N.Y. Main Street Program, etc.);
- Organizational contact list (historic organizations, Washington’s Headquarters, major Newburgh businesses, SUNY Orange Community College, Mount St Mary’s, St Luke’s Hospital etc.).

1. INTRODUCTION

This Commercial Implementation Strategy (CIS) includes specific recommendations and strategies to energize and accelerate the mixed-use commercial revitalization of Downtown Newburgh. It should be noted that an “organic” commercial revival in the City of Newburgh has already started, with the emergence of a successful waterfront neighborhood, and the opening of some new commercial businesses downtown.

In order to initiate and formalize this process, the *Newburgh 2020* Downtown revitalization advisory group, suggested by *Live Work Learn Play LLP* and organized by the City, was fully formed in the spring of 2008. Members of *Newburgh 2020* represent a cross-section of community stakeholders who have the greatest vested interest in the City’s commercial revitalization as well as the greatest ability to effect positive change by implementing the chosen strategies. Members of the group are active participants and leaders in the commercial revitalization and will act as change agents who become part of collaborative solutions.

Appendix 1
Newburgh 2020 Roles
and Responsibilities

The City of Newburgh is actively leading and supporting the implementation efforts that relate to City policy and responsibilities. *Live Work Learn Play LLP (LWLP)* was engaged by the City to lead the Commercial Implementation Strategy (CIS), with Urban Design Associates (UDA) who is focusing on the physical urban design planning. Throughout this process, Newburgh 2020, the City, *LWLP* and UDA (*the team*) have consulted with area stakeholders, including property owners, business owners and key City staff department heads.

Appendix 2

Portrait Map of the Liberty Corridor and Downtown Newburgh and images of existing conditions

As a beginning, or initial phase of the revitalization, *the team* is focusing its' efforts on Liberty Street from Broadway to South William (The Liberty Street Corridor) with eventual plans to revitalize additional phases of other Downtown neighborhoods in the near future. The Liberty Street Corridor was selected as the first phase focus due in large part to its strategic location and in-progress organic revitalization towards becoming an improved commercial neighborhood. Phase by phase, the strategies will be based on effecting positive changes that foster sustainable neighborhoods and enrich the community's quality of life.

The primary goals of this CIS are to evaluate and strategize on:

- A phased implementation strategy with targeted outcomes, supported by strategies to achieve these outcomes;
- A commercial mixed-use vision for the Liberty Street Corridor neighborhood;
- The target commercial and public uses that will attract a critical mass of visitation and commercial spending to the neighborhood;
- A targeted marketing and leasing strategy that will facilitate the opening of quality commercial operations with concepts that reinforce the vision of the neighborhood;
- Implementing some of the most highly-used incentive programs and mechanisms adopted by other cities in their successful commercial and Downtown revitalizations;
- The positive lessons learned from the commercial mixed-use revitalizations of other regional commercial neighborhoods and cities.

This CIS study is the first step in the implementation of a sustainable and vibrant commercial mixed-use neighborhood on Liberty Street, which will be the catalyst phase towards revitalizing the greater Downtown of Newburgh.

2. STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS

Strengths	Weaknesses
<ul style="list-style-type: none"> • The “in-progress” organic revitalization of the Liberty Street Corridor with quality commercial businesses • Strong city and public support • Leadership and commitment of Newburgh 2020 to help implement the commercial revitalization plan • City of Newburgh as a cultural center for Orange County given the city’s role in American and architectural history • Proximity to the existing college campuses and future SUNY Orange County college campus • Strategic location in the center of the Hudson Valley region • Nearby I-87, Newburgh-Beacon ferry service (linking to Metro North rail service to New York City), Stewart Airport • Proven success of the Newburgh waterfront in attracting a regional customer base to the City of Newburgh • Strong regional market demographics 	<ul style="list-style-type: none"> • The vacant property sites located on key corners of the Liberty Street Corridor • The vacant commercial storefronts • The existing streetscape image and physical conditions (including lighting, seating, trash and parking) • The historical occurrence of violent crime in the neighborhood • The lack of a clear and simple regulatory process for approvals • Lack of dedicated commercial revitalization resources • Limited financial resources dedicated to the commercial revitalization efforts • The perception that the immediate vicinity demographics are not conducive to the creation of a healthy commercial economy consisting of small commercial businesses, which creates a challenging leasing environment

Opportunities	Threats
<ul style="list-style-type: none">• To develop a focused and phased revitalization plan for Newburgh- one phase at a time• To improve the physical streetscape and “commercial staging”• To re-energize Washington’s headquarters as a key element in the Liberty Street Corridor revitalization• To develop compelling zoning and incentives for mixed-use and commercial developers (in accordance with the New York state legislation)• To develop compelling incentives to attract commercial business owners• To develop a connected mosaic of unique and varied Downtown commercial neighborhoods with quality pedestrian-oriented streetscapes• To develop a coordinated marketing and leasing program for downtown• To grow the small business base of Newburgh with quality commercial, cultural, educational and recreational experiences and activities• To drive commercial spending of the target <i>achievable customers</i>™ by creating a connected Downtown that surpasses the commercial environments which exist in the surrounding regional towns• To provide convenient and safe public transportation via a public trolley system	<ul style="list-style-type: none">• Tightly held land ownership• Insufficient incentive programs for commercial developers and operators• Access to financing for developers and small businesses• Intensifying competition from big box development in the Town of Newburgh (on 17K and I-87)• Securing initial quality regional commercial businesses, given the social stigmas associated with the City as well as the choice and availability of proven markets in the region

3. REGIONAL ATTRACTIONS AND DRIVERS

Some of the top visitor attractions in the region include Dea Beacon; Storm King Art Center; West Point; and the Woodbury Commons shopping outlet, which reportedly attracts approximately 13 million visitors annually.

Within the City of Newburgh, there are additional cultural, historic, and natural attractions¹ that are significant drivers for visitation to Newburgh, including:

- The natural advantage of the Hudson River waterfront and its attractions and festivities, such as River Arts Walk, Art Along the Hudson, and the 3-day City of Newburgh International Waterfront Festival that takes place from September 1-3 on Dr. Martin Luther King, Jr. Blvd.;
- Washington’s Headquarters, where General George Washington made his military headquarters and residence at

¹ *Experience! Newburgh* Tourism Brochure, <http://www.newburgh-ny.com/about/brochure.htm>

the Hasbrouck family's fieldstone farmhouse on Newburgh Street from April 1782 to August 1783;

- The Dutch Reformed Church designed by A. J. Davis' in 1835 and completed in 1837. The church's dramatic architecture and location is positioned to take full advantage of its location above the Hudson River and today remains among the more significant examples of Greek Revival design between New York City and the Capital Region. The church was named a National Historic Landmark in 2001;
- Downing Park, a 35-acre landscape park located in the heart of the City of Newburgh designed by Vaux and Frederick Law Olmsted, the designers of Central Park in New York City. The park was named after their mentor Andrew Jackson Downing;
- The Greater Newburgh Symphony Orchestra, which is now in its 14th year. Conducted by Dr. Woomyung Choe, the Symphony schedules several concerts each year;

Additional Newburgh attractions are detailed in the City's cultural heritage brochure called *Experience! Newburgh*. It provides information

on Newburgh’s history and architecture, and includes points of interest and maps.

As well, the following civic and institutional “anchors” serve the City of Newburgh and are significant drivers of potential customers to Downtown Newburgh:

- Newburgh College Campuses (Mount Saint Mary College, SUNY and Orange community colleges – 3,300 students)
- Stewart International Airport
- Beacon-Newburgh ferry/train systems

In total, these anchors represent an approximate market of 5,800 potential daily commercial customers. Given a conservative commercial spending estimate of \$5.00 per person per day, this represents a current annual economic impact of over \$10 million in commercial expenditures.

College Campuses

There are over 3,100 students attending two existing community colleges currently located in the City of Newburgh.

Mount Saint Mary’s is located less than 2 miles from the site, and currently has over 2,600 students.²

SUNY Orange Community College³ had attendance of 530 full-time equivalent students in 2005, and has plans to expand to a location in Downtown Newburgh. Table 1 shows the projected attendance growth for Newburgh downtown campus.

Fall 2010	Fall 2015	Fall 2020	Fall 2025
943	1,063	1,056	1,307

Table 1

Stewart International Airport

The expansion plans and regional strategies for Stewart International Airport offer the City a great opportunity to attract additional day and overnight visitors to Downtown Newburgh. Stewart International Airport is on the top list of contenders to become “the 4th New York Airport” to handle the increasing volume and demand for air travel supporting metro New York. The airport is located 55 miles north of New York City at the

² http://www.msmc.edu/admissions/why_msmc/fast_facts.htm

³ SUNY Orange Community College Master Plan Update

intersections of I-84 and I-87, and approximately 5.5 miles from Downtown Newburgh. In 2006, Stewart served a total of 309,761 passengers in 2006; in 2007, commercial traffic almost tripled and reached 913,927 annual passengers⁴.

Currently, the Newburgh waterfront provides a connection between Stewart and the Newburgh-Beacon Ferry dock where transportation to Beacon (on the east side of the Hudson River) is available. The Beacon Ferry Terminal is adjacent to the Metro North rail, which provides an express train service to Grand Central Station in New York City.

There are current proposals to offer rail service with a direct connection between New York City and Stewart. One proposal is a commuter express train that connects Stewart with Penn Station in New York City. As well, the 2006 master plan update for Stewart International recommends an extension of the Metro North Railroad to the airport's passenger terminal, which would provide direct access to Grand Central Station. In addition to the future rail connections, A new I-84 exit was

⁴ http://www.panynj.gov/COMMUTINGTRAVEL/airports/html/swf_info.html

completed in the fourth quarter of 2007, providing easy access to and from I-84⁵.

The aforementioned rail and interstate projects will facilitate access from the New York Metro area. Although these transit improvements would provide more efficient access to Stewart and allow people to easily bypass Newburgh, the growth of the airport remains a key strategic opportunity for Newburgh to become a daytime and overnight destination for travelers.

Beacon-Newburgh Ferry

The resurgence of the Newburgh-Beacon Ferry in 2005 presents another opportunity to attract additional people to the Downtown Newburgh waterfront area. The current Newburgh-Beacon Ferry carries passengers across the Hudson River between these two New York cities. The ferry operates during typical work rush hour, primarily transporting commuters from Newburgh on the west side of the river to the train station on the east side, where they can catch the Metro North Hudson Line rail service to Grand Central Terminal and other points in New York City. The ferry service began in 2005 after the Newburgh-Beacon Bridge

⁵ Stewart International Airport Master Plan Update, June 2005, <http://www.swfny.com>

had rendered over two centuries of ferry service obsolete 42 years earlier. For now, the ferry is just another intermodal option for commuters, but local officials, particularly in Newburgh, see much potential for their cities in the long term. In 2005, the ferry served an average of 215 daily passengers, and increased 30% in 2006 to an average of 281 daily passengers.⁶

⁶ Newburgh-Beacon Ferry 2006-2006 Data. 2006 Data includes 10 months from January-October 2006

4. TARGET MARKET ANALYSIS

In order to support the revitalization and development of commercial neighborhoods in Newburgh, it is necessary to attract both a local and regional customer base. Newburgh's location

60 miles north of New York City, and in the center of the Hudson Valley, makes it well positioned to attract this wider customer base. Residents of this region are accustomed to commuting to and from work, and to and from various regional towns that offer something unique and desirable. Their commuter mentality and behavior support the likelihood of Newburgh becoming a mixed-use regional destination.

The ability to attract a regional customer base in Newburgh is also proven today by some of the restaurants and shops in Newburgh which have many repeat customers who live throughout the region.

The target market analysis segments the target *achievable customers*[™] for Downtown Newburgh. *Achievable customers*[™] is defined as the captured market share of the target commercial market. They represent those members of the target market who have the propensity

Appendix 3

Maps and Census demographic data of the commercial target market

to spend time and money on commercial goods and services in a mixed-use environment. Some of the main determinants of whether certain people identified in the target market are, in fact, *achievable customers*TM, include age, socio-economic status, culture, and what identifiable groups these target customers belong to (residents, students, retirees, young families, singles, day or destination tourist visitors, etc.).

4.1. Primary Draw Area – 5 mile radius

The primary geographic draw area is located within 5 miles of the intersection of Liberty and Broadway, and includes the City of Newburgh, the Town of Newburgh, New Windsor, Beacon, and Cornwall.

Table 2⁷ outlines some of the demographic attributes within the City of Newburgh and the 5-mile geographic draw area.

⁷ Claritas Inc.

Demographic Attributes	City of Newburgh	5-Mile Primary Draw
Population (2008 Estimate)	28,210	104,377
Population (2013 Projection)	28,280	107,578
% of Family Households	66%	68%
Hispanic or Latino Households	45%	24%
Black or African American Alone	34%	20%
White Alone	36%	63%
Average Household Size	3.00	2.67
Avg. Travel Time to Work (minutes)	24.69	31.05
Median Household Income	\$38,465	\$57,851
Average Household Income	\$49,664	\$70,721
% Households with income \$75,000+	20%	40%
% Households with income Below Poverty Level	25%	9%
% Renter Occupied Households	69%	41%

Table 2

Table 2 demonstrates that the residents of the towns surrounding the City of Newburgh average disposable incomes that are 42% higher than the residents of the City of Newburgh. As well, the 5-mile primary draw area, excluding the City of Newburgh, represents a population of over 2.5 times the size of that of the City of Newburgh. It is evident that this primary draw area has a higher propensity for commercial expenditures than residents living in the City of Newburgh.

Notwithstanding the above, the City of Newburgh has a permanent population and daytime workforce that have the potential to become a more loyal and regular customer base for the City’s commercial businesses. The City boasts an ethnically diverse population (split almost evenly between White, African American, and Hispanic communities) that is likely to embrace ethnically diverse commercial experiences. As well, college institutions play an important sub-segment of target *achievable customers*[™]. Specifically, the students and faculty of the existing/future Orange County (SUNY) college as well as of Mount Saint Mary College have a high likelihood of being *achievable customers*[™] given their relatively high amount of leisure time and proximity to the site.

4.2. Secondary Draw Area – 15 Miles

Located between 5 and 15 miles of the site, the secondary geographic draw area includes West Point, Montgomery, Walkill, Platekill, and other small towns.

Table 3⁸ outlines demographic attributes for this area.

Demographic Attributes	15-Mile Secondary Draw
Population (2008 Estimate)	320,336
Population (2013 Projection)	336,342
% of Family Households	74%
Hispanic or Latino Households	10%
Black or African American Alone	8%
White Alone	83%
Average Household Size	2.85
Avg. Travel Time to Work (minutes)	33.73
Median Household Income	\$70,072
Average Household Income	\$85,210
% Households with income \$75,000+	46%
% Households with income Below Poverty Level	7%
% Renter Occupied Households	29%

Table 3

Residents of the secondary draw area have a median household income that is 72% higher than the residents living in the City of Newburgh and 20% higher than the residents in the overall 5-mile primary draw area. Therefore, these secondary draw area residents have more disposable income for commercial expenditures (similar to residents of neighboring town). Most of these towns are within a

⁸ Claritas Inc.

30-minute drive from the City of Newburgh – considered a very reasonable commuting distance for commercial visitation.

4.3. Regional Draw Area

The regional geographic draw area extends to towns within a one-hour drive from Newburgh (excluding towns south of the City due to their proximity and draw to New York City). The Regional Draw Area market has a population of 367,962 that includes Kingston, Rhinebeck, Hyde Park, New Paltz, Middletown, Goshen, Chester, Warwick, and other towns. These community residents are likely to visit Newburgh as a destination on the weekend a few times per year, especially during the warmer months between April and September.

Additionally, there are reported to be an estimated 3 million annual tourist visitors to Orange County. As shown in Table 4, tourist spending in 2004-2005 exceeded \$245 million on food, shopping, and entertainment, with over \$1.6 billion of tourist spending throughout the Hudson Valley region. However, many of these visitors may not be currently spending their time and/or money in Newburgh as many other towns and cities are either fully revitalized or currently have a much

greater diversity and better quality of mixed-use neighborhood experiences compared to Downtown Newburgh .⁹

2004-2005 Tourism Spending		
	Orange County	Hudson Valley
	\$	\$
Hotel	49,073,713	332,637,914
Transportation	29,444,228	199,582,748
Food	106,326,378	720,715,480
Shopping	73,610,570	498,956,871
Entertainment	65,431,617	443,517,219
Miscellaneous	20,447,380	130,599,131
Total	344,333,886	2,326,009,363

Table 4

A charming, historic and safe downtown that features an abundance of quality commercial offerings and targeted visitor attractions and amenities (hotels, conference center, waterfront development, etc.) will increase the probability of these tourist visitors becoming *achievable customers*TM.

The expansion and increased volume projected for Stewart International Airport also presents a significant opportunity for additional tourist visitors to the City of Newburgh.

⁹ Orange County Tourism

5. COMMERCIAL VISION AND PROGRAM

A basis for the future commercial revitalization of Downtown Newburgh is the ability to achieve viable commercial business growth that yields a healthy level of commercial expenditures.

The first phase of commercial revitalization sets the tone for future commercial business growth downtown, and is therefore a pivotal business on which to focus. Once stabilized, a commercial economy will result in healthy and sustainable levels of:

1. Sales for small businesses
2. Rents and better performing assets for commercial property owners
3. Increased City revenues derived from commercial property and business taxes
4. Small business opportunities, investment and job creation

It is suggested to proactively direct the commercial revitalization of the Liberty Street Corridor by targeting a balanced mix of viable and

synergistic commercial experiences, which drive pedestrian traffic, over all expenditures, and positive experiences to the neighborhood. A key aspect of this strategy requires programming, marketing, attracting, and leasing to top-notch commercial business owners who ideally would become “ambassadors” to Newburgh and who would begin to weave the rich commercial fabric of Liberty Street with vibrant and iconic retail, restaurant and other commercial concepts that reinforce the personality of the specific neighborhood.

Until such time as there is dedicated management, property owners in the Liberty Street Corridor can collaborate to work through a joint marketing and leasing strategy (described in more detail in Sections 7 and 8).

5.1. Liberty Street Corridor Vision

The Liberty Street Corridor is envisioned to become an historic neighborhood that embodies the flavors and character of Newburgh and the Hudson Valley region. Flushed with “back to basics” commercial businesses and ritual activities that stand the test of time, the

neighborhood aspires to be a regular community gathering place that is lively throughout the year.

Washington’s Headquarters puts Liberty Street on the map, attracting a regional, national, and even international visitor base for a variety of activities and events.

Small eateries, treats, neighborhood shops and a variety of experiences geared towards urban professionals, creative and innovative personalities, families and baby boomers will create a casual and fun-filled place. There is also the future potential to have a trolley along Liberty Street, operating between the neighborhood and other city-wide locations such as the waterfront, the Ferry terminal, Broadway, Mount Saint Mary College and St Luke’s hospital, to name just a few.

5.2. Target Commercial Business Uses

The mix of street-level commercial and public space is a primary determinant of the character and financial viability of any mixed-use commercial neighborhood. Since the Liberty Street Corridor represents one of the very first neighborhoods to undergo focused commercial revitalization efforts, the suggested commercial uses represent a

balanced commercial portfolio that is experientially sufficient on its own as well as financially viable, independent of future commercial revitalization phases and timing of these future phases, thus mitigating against risk. These suggested commercial uses have a high likelihood of viability given their appeal to a broad spectrum of end users.

Some of the existing quality commercial and civic businesses in the neighborhood include Karpeles Library; Café Macchiato; and the Newburgh Art Supply, which will soon be joined by a few new and exciting commercial business uses, including an organic grocery store; a new restaurant; and a bakery.

The following are some examples of commercial concepts to consider for targeting to the Liberty Street Corridor and its adjacencies (in addition to the ones just mentioned).

- Small eateries that ideally would feature small outdoor patios for the warmer months. A critical mass of several quality eateries that offer a variety of menus at affordable prices will help to attract additional visitation and spending to the Liberty Street Corridor.

By and large, cities and restaurant owners who have been a part of neighborhoods with affordable, diverse, quality eateries attest to the “power in numbers” for the individual businesses and for the neighborhood as a whole.

For example:

- the Newburgh waterfront has become a highly-visited regional destination with the emergence of several large restaurants and entertainment venues;
- Granby Street in the heart of downtown Norfolk has become the city’s “restaurant row” with over 60 diverse sit-down restaurants. Dining, entertainment and theatre sales experienced an astounding 183% increase in the Granby District over a 6-year period.

Appendix 4 cites experiences from other cities that employed “restaurant-driven revitalization” as a core strategy to energize early phase commercial revitalizations.

- A celebration of Hudson Valley experiences.
 - Local artisan shops with onsite local artists who share their works and offer classes, ranging from the Hudson River school of painting and photography to music instrument shops (consider La Bella Strings guitar shop and school) to hand-crafted jewelers to furniture shops.

- Hudson Valley flavors can also be merchandised at a Newburgh regional market that may include a regional or farmers’ market, arts & crafts, antiques, and more (building upon the Safe Harbors of the Hudson Market and working with The Farmers’ Market Federation of New York (www.nyfarmersmarket.com)).
- Commercial businesses targeting a cross-section of the Newburgh community, including urban professionals, families, and children.
 - The Newburgh community and recreation center (such as a YMCA);
 - A satellite location of the Nyack Hudson Valley Children’s Museum;
 - One or more sports shops that merchandise hard goods sales, rental and repairs as well as soft goods. Sports shops would also ideally operate “community clubs” such as bike clubs or walking clubs, which help to foster meaningful community rituals and social gathering.

- The “Newburgh Playhouse” that combines after school programs for Newburgh youth. Alternatively, there could be a variety of specialized places offering youth programs, such as:
 - Arts & crafts lessons for all ages
 - Tutoring
 - Self-defense/karate classes
 - Dance lessons
- Liberty Street Daycare
- Children’s bookshop with book clubs for all age groups
- Language school (teaching English, Spanish and Italian)
- Treat shops (homemade ice cream, cupcake, fudge and cookie shops, etc.)
- An educational toy shop with games
- Select civic uses and traditional neighborhood conveniences.
 - A bank/ATM machine
 - A Newburgh Visitors Center

- Activity studios (yoga, Pilates, dance etc.)
- A fresh foods market (opened in November 2008)
- Small creative offices and uses (which may also be located on the 2nd floors of mixed-use buildings), i.e. architects, media, arts and design, etc.

Table 5 outlines these preliminary suggested “anchor” and secondary uses. It is suggested to focus first and foremost on the anchor uses, as these businesses will be the primary drivers of visitation and spending in the neighborhood.

5.3. Locating Commercial Businesses

There are many factors that determine the optimal locations for commercial businesses. For example, restaurants and other anchor businesses frequently warrant corner locations on the street with high profile and patio seating visibility, while smaller retail shops and services can often find appropriate locations in the middle of a street block. Commercial uses often have kindred complementary uses adjacent or nearby, so that the uses provide one another with additional sales potential from the same shoppers (e.g. a coffee shop next to a bakery next to a cheese shop next to a wine shop, etc.)

The size of commercial retail units (CRUs) also plays an important role in determining where commercial businesses can best fit into the fabric of existing commercial spaces. In general, it is recommended to locate businesses in smaller commercial retail units (CRUs) than are typically allocated in traditional shopping environments. Ideally, these smaller spaces can be combined with additional ‘free selling space’ such as patios, which provide the businesses with an outdoor presence, allowing them to maximize weekend and peak seasonal sales and mitigate against lower sales during non-peak seasons or weekdays.

The development of smaller commercial retail units (CRUs) will also increase the efficiency of the ground floor usage, and encourage:

- Lower gross overhead costs for the operators
- Smaller space allocations for back of house functions (such as storage)
- Optimization of the overall use of space by building terraces, mezzanines, outdoor displays, etc.

While there are no exact rules, the following guidelines provide ranges for the size of commercial business uses. Notwithstanding the information contained herein, codes for restrooms, ADA, and other particulars need to be factored into these guidelines:

- Restaurants can be as small as 600-1,200 square feet for grab-n-go and treat concepts and up to 2,800-3,800 square feet for restaurants, which, ideally, have patio opportunities on the street levels or on rooftops that take advantage of the spring/summer/fall seasonality. Restaurants can also be designed with opportunities for future mezzanines or additions.

- Evening Entertainment concepts can range between 2,400-4,000 square feet.
- Retail shops typically range from 200 square foot “incubators” to 1,200 square feet but average 700 square feet, with a few anchors ranging from 1,800 to 3,500 square feet.
- Creative offices and studios typically range from 700 square feet to 5,000 square feet but average 1,500 square feet. These passive commercial concepts offer a very important and viable alternative to second floor residential uses.
- Carts and kiosks may also complement the permanent commercial businesses on a seasonal basis

In addition to the careful locating and sizing of each commercial retail unit, it is also important to plan and develop the overall ‘back of house’ infrastructure and ‘commercial staging’. This will facilitate smooth commercial operations and viable businesses by stimulating people to spend time and money in the neighborhood. Examples to consider include:

- Security mechanisms (including bike patrols, cameras, etc.);

- Parking and transportation, including: public transport (trolley, shuttle, etc.), public parking;
- Efficient trash removal and deliveries;
- Electrical infrastructure for: event stages, heat lamps (which help extend daily and seasonal patio sales), etc.;
- Landscaping features such as planters, benches, lighting, lamp standards, banners, music, information and direction boards, etc.

5.4. Downtown Commercial Information Resources

In order to evaluate current and future opportunities for new commercial businesses in the neighborhood, it is suggested to assemble the following commercial information:

- An overlay map of the commercial businesses (i.e. the Liberty Street map prepared by the City highlighting the commercial businesses). Ideally, this map should also highlight new commercial businesses, which are scheduled to open in the coming months.

- Specific information for all of the existing businesses as well as the vacant/opportunity storefronts, including:
 - Gross leaseable area (square feet);
 - Structure of the lease: Is the lease triple net? Does the tenant or landlord pay for operating costs and property taxes associated with the storefront?
 - Existing or targeted base rent per square foot
 - Common area maintenance expenses (CAM)
 - Property taxes per square foot

6. SETTING GOALS AND BENCHMARKS

The implementation strategy for the Liberty Street Corridor (phase 1) is organized as a 3-stage evolution.

3 Stages of Commercial Revitalization	
1	Creating Rituals (2009)
2	Creating a Place (2011)
3	Creating Legacy (2013)

Table 5

Each stage aims to help Liberty Corridor steadily improve over time by building upon results as they are achieved. Specific goals and strategies for each stage are intended to provide measurable benchmarks that can be realistically accomplished by the target years of 2009, 2011 and 2013.

The recommended outcomes for the Liberty Street Corridor are:

- Eradicating all crime and providing a 100% safe environment;

- Creating a sense of ‘place’ through the redevelopment of an inviting and activated streetscape that is filled with iconic and timeless commercial establishments, which encourage strolling, sitting, reveling and social gathering;
- Reinforcing the positive heritage and history of the street
- Celebrating the diversity and vibrancy of the Newburgh community;
- Increasing visitation for increased durations daily, weekly and seasonally;
- Achieving a growth area for commercial small businesses and job creation;
- Achieving a significant increase in the commercial economy;
- Becoming a catalyst to a greater Downtown Newburgh revitalization.

Section 6.1 outlines the specific goals for each stage of commercial revitalization, along with the specific strategies to help accomplish these outcomes.

The critical path for each of these stages is illustrated in Table 6, although it is suggested that Newburgh 2020 and the City continue to detail and refine this schedule as deemed appropriate.

Liberty Street Corridor	2008	2009	2010	2011	2012	2013
Creating Rituals	■					
Creating a Place		■				
Creating Legacy		■				

Table 6

6.1. Creating Rituals (2009)

Schedule and Benchmark: October 2008-December 2009

It is expected that these goals can reasonably be achieved over a 15-month period and can be accomplished by the end of 2009.

Goals and Supporting Strategies

1. A 100% Safety Zone

- a. Purchase camera surveillance equipment within the Phase 1 area equipment to place 24/7 “eyes on the street, given that recent camera installations in the City have proven to be extremely effective in eliminating crime in those areas.¹⁰
- b. Increase budget for additional bike patrol
 - Purchase new bikes
 - Locate a bike patrol headquarters on Liberty Street, ideally on the east side of Liberty Street at the intersection of Liberty and Washington, across the street from Washington’s Headquarters.

¹⁰ Camera surveillance effectiveness reported by Newburgh police officials



- c. Share and integrate information between the Police Department and Newburgh 2020 – include a senior member of the Police Department as a part of Newburgh 2020 to help lead the appropriate sub-committee.
- d. Create a residential and commercial ‘neighborhood watch’.
- e. Encourage feet on the street for up to 20 hours daily throughout the year.
- f. Publicize the crime reduction of Downtown Newburgh.
- g. Improve the standards and consistency of the Newburgh judicial and court system
 - Include the judge in the efforts of the City and Newburgh 2020 or as a member of an appropriate sub-committee;
 - Support police efforts to ensure that people who commit crimes do their time.

2. A 100% Clean Zone

- a. Enforce dedicated clean-up (with assistance from business owners and the City).
- b. Integrate the Department of Public Works (DPW) into this effort to spearhead the creation of a new and improved trash removal process:
 - Determine the optimal trash collection schedule with business owners and residents (e.g. Tuesdays and Friday mornings between 8:00a.m.-10:00a.m.);
 - Develop new and improved trash receptacles (which may be designed to market the street) that encourage odor-free and clean trash areas and receptacles;
 - Revisit the optimal scheduling of street cleaning. Ideally, street cleaning should occur during non-peak business hours and following trash pickup;
 - Establish a process that does not penalize businesses with fines for trash that is “dumped”

- onto their premises by others (this has reportedly been a recurring problem);
- Promote and reward commercial businesses that exhibit very clean establishments and storefronts.
- c. Create a community service program that allocates resources to a 100% clean zone. Consider “clean up” programs that are performed by:
- Juvenile offenders as a punishment for crime;
 - School community service programs (from elementary school to colleges).
- d. Work with Orange County to prevent any excess garbage from the County being “dumped” in the City of Newburgh.
- e. Develop signage that declares Liberty Street as a vibrant and clean Hudson Valley destination.

3. A Positive Image

Develop a communications program to promote the Liberty Street Corridor:

- a. Develop a variety of communications vehicles (e.g. website, press, signage, posters, videos which can be shown at the Downing and other local cinemas etc.).
- b. Advertise the investment and dedication of the City, Newburgh 2020 and other vested stakeholders to this revitalization effort.
- c. Publicize the positive changes and milestones that occur on the street (e.g. develop a welcoming campaign for new businesses who are moving onto the street; and promote safety; cleanliness; festivals; etc.).
- d. Develop positive relationships with local newspaper reporters and journalists, and provide them with upbeat stories. Consider engaging a civic public relations firm or resource to assist with this initiative.

- e. Initiate shared marketing programs and events between the businesses on the street.

4. A Positive Development Zone

- a. Prohibit “roll down” gates in front of vacant storefronts. These are like “missing teeth” on the street that are often used for random posters and banners, which appear as “trashy” or become eyesores on the street.
- b. Capitalize on the potential of Washington’s Headquarters:
 - Develop additional programming to attract local and regional communities as well as tourist visitors;
 - Develop partnerships and affiliations between Washington’s Headquarters and other regional tourist destinations, such as West Point.
 - Develop partnerships, cross promotions and affiliations between Washington’s Headquarters and the small businesses along Liberty.

- c. Consistently enforce City code and design guideline compliance, and legal compliance by property owners and tenants.
- d. Facilitate and encourage investment for entrepreneurs, companies and organizations to invest effort, time and money in the neighborhood. The following initiatives could all apply to the overall Downtown Newburgh revitalization efforts:
 - Create a “1-stop shop” or effective communiqué to advertise all of the existing grants and funding available for developers, property owners and businesses;
 - Explore and develop new programs (municipal, county, state and federal) that provide incentives to developers, property owners and commercial businesses;
 - Develop a simplified regulatory approvals process by designing a flow chart that seamlessly directs

applicants to the appropriate contacts to navigate through the channels and procedures:

- Simplify the design guidelines and building codes. Determine whether it makes sense to reform the existing codes as this often makes them even more confusing and cumbersome. Best practices for Downtown revitalization suggest putting in place a new code that will make it easy to produce the mix of uses, density and “walkability” a downtown needs to thrive;
- Improve the Architectural Review Commission (ARC), which is reportedly cumbersome with arbitrary decision-making. In this regard, consider integrating a liaison between ARC and Newburgh 2020.

Case Study – New Jersey Rehabilitation Subcode

Adopting a rehabilitation code similar to the current New Jersey Rehabilitation Subcode can cut costs for historic rehabilitation by up to 50%, making historic rehabilitation much more feasible. It works under the assumption that historic buildings need not imitate new construction in every detail for it to be safe and accessible.

Ref. The Brookings Institution: *Turning Around Downtown: Twelve Steps to Revitalization*, Christopher B. Leinberger

- Develop legislative reforms that contribute directly to the redevelopment of vacant or abandoned land or property. Section 9.5 describes methods (some of which may already be in place in the City of Newburgh) utilized by other cities and states.

e. Continue to secure funding for small-scale street improvements and other revitalization initiatives:

- Continue to apply for:
 - \$25,000 New York Main Street Program funds;
 - Community Development Block Grant (CDBG) funding;

Appendix 5

New York Main Street
and CBDG Program
Information

- Establish priorities for funding (the following items are initial suggestions listed in order of priority):
 - Wireless police security cameras;
 - Lighting;
 - Façade and signage improvements;
 - Trash receptacles;
 - Organizational needs of Newburgh 2020 (obtaining a 501 (c) (3));
 - Marketing, communication and public relations, including street banners, website, media, etc.;
 - Improve signage and place flood lighting in parking lots;

- Implement low cost infrastructure, landscaping and design elements to immediately improve the physical appearance of Liberty Street:
 - Replace the burned out street lights;
 - Replace sodium vapor lamps (orange light) with HID (white light);



- Remove weeds and replace with planters and perennials
 - Encourage and provide incentives for quality commercial façades, signage, fenestration, awnings, lighting, patios and furniture.
- f. Partner with a sister city that has gone through a positive experience utilizing proven strategies in their commercial or downtown revitalization (Norfolk, Providence, etc.).

5. A Social and Active Community Place

- a. Develop rituals at the Liberty Corridor by implementing frequent and recurring low-cost activities, amenities and events that cultivate a sense of community through social gathering and habitual activities. Rituals do not typically require a large critical mass of customers but will help drive traffic to the street. Rituals typically occur and sometimes recur on a daily, weekly, and monthly basis becoming a part of regular human behavior and routine. Due to their frequency, rituals help drive the quality of life for residents, employees or visitors by building

camaraderie and community (in a way that a one-off festival event cannot accomplish). Quality commercial businesses in Downtown Newburgh should be encouraged to participate in organizing and operating these rituals.

Examples are:

- A weekly Hudson “regional market” with local food, crafts and activities from the Hudson Valley;
- Family and children oriented activities at Washington’s Headquarters, such as book readings, carnivals, etc.;
- Artists meet and greet;
- Weekly music street festivals;
- Monthly “Meet the Street” events with sidewalk sales (which may occur on a seasonal basis);
- Newburgh Activity clubs (running, biking, dog walking, etc.);
- Washington’s Headquarters city-wide and regional events (history walks, etc.).

- b. As deemed feasible by the business owners, extend the hours of operation of the commercial businesses in order to activate the street throughout the day and into the evening.
- c. Collaborate with existing neighborhood associations and organizations to streamline dedicated efforts on Liberty Street; these efforts will also serve to ensure consistency in communicating the overall vision of the Liberty Street Corridor and Downtown Newburgh.
- d. Develop partnerships with new organizations and individuals to contribute to the revitalization efforts at the Liberty Street Corridor, for example:
 - Develop a “jobs program” and “jobs fair” whereby various organizations (e.g. housing authority, Habitat for Humanity, property developers and owners, commercial businesses, etc.) collaborate to provide the community and the organizations/businesses with employees and employment opportunities on Liberty Street;

- Develop community service programs that are focused on Liberty Street;
- Develop a program of commercial or temporary active uses to enliven vacant storefronts in collaboration with partner organizations, for example:
 - New York State Council on the Arts
(www.nysca.org);
 - Historical Society of Newburgh
(www.newburghhistoricalsociety.com);
 - Washington’s Headquarters;
 - The Karpeles Library
(www.rain.org/~karpeles);
- Encourage commercial investment and incentives for rituals, festivities and events (e.g. grants, partnerships, sponsorship, subsidies, marketing and public relations, etc.).

6.2. Creating a Place (2011)

Schedule and Benchmark: January 3009-December 2011

Implementation of these strategies should begin as quickly as possible – no later than January 2009. It is expected that these goals can reasonably be achieved over the 3-year period from 2009 to the end of 2011.

Additionally, it is anticipated that the implementation planning for the next revitalization “focus area” will begin during the period and be “in progress” by 2011.

Goals and Supporting Strategies

1. Dedicated Management

- a. Determine the optimal mission and structure for the ongoing management or governance of the Liberty Street Corridor. This structure should also take into consideration the evolving and growing needs for overall Downtown management. Potential structures to consider include:

- a Business Improvement District (BID);
- a Downtown Development Authority;
- a Downtown Alliance; and/or

- a City of Newburgh Chamber of Commerce.
 - b. Hire and set up dedicated management
2. Small-Scale Streetscape Improvements
- a. Complete the installation of small-scale streetscape improvements outlined in Section 6.1 (item 3e).
 - b. Determine additional needs for streetscape improvements such as small patios, benches, planters and public signage.
3. 100% Occupancy on the Street with Quality Businesses
- a. Implement revisions to the codes (if applicable).
 - b. Develop a coordinated marketing and leasing program:
 - Develop a targeted list of potential commercial businesses that reinforce the vision and personality of the Liberty Street Corridor;
 - Target and encourage quality commercial businesses that are operated by “great people” with “great concepts” to open a business in Newburgh;

- Work with prospective commercial businesses and land owners and asset managers to find the appropriate locations and commercial retail units (CRUs).
- c. Develop a coordinated “back of house” program for the commercial businesses. For example:
- Consider limiting parking to 2 hours in order to encourage additional turnover of customer traffic for the commercial businesses;
 - Develop an environmentally-friendly trolley system that circulates between the Liberty Street Corridor and other high-traffic locations in the City of Newburgh, such as the Waterfront, the Ferry terminal and the City’s college campuses.
4. Growth in the Occupancy of Upper Levels
- a. Implement revisions to the codes (if applicable).
 - b. Evaluate strategies to convert a portion of rental apartments into for-sale multi-family housing:

- Develop a program to eliminate vagrant tenants residing in SROs (Single Room Occupancy) apartments (i.e. combat the “wreck and run syndrome”):
 - Landlords can publish a listing of vagrant tenants and eviction notices;
 - Vagrant tenants also need to be held accountable and legally responsible for their actions;
 - Design appropriate facilities to manage the ratio of low-income housing;
 - Design appropriate incentive programs for progressive commercial mixed-use real estate developers.
- c. Evaluate, strategize and maximize parking for residential and commercial needs. For example, consider implementing resident permit parking on the street in designated locations.

6.3. Creating Legacy (2013)

Schedule and Benchmark: January 2009-December 2013

It is expected that these goals can reasonably be achieved over the 5-year period from 2009-2013.

Goals and Supporting Strategies

1. Larger-scale streetscape improvements

Evaluate the needs for larger-scale street improvement. For example:

- Widen or repave sidewalks;
- Repave Liberty Street using a combination of asphalt and brick, as recommended by the Heritage Corridor Committee.¹¹

2. Upper stories of existing buildings are 100% occupied

- a. Create and implement a City-led economic and community development program that works in partnership with property owners to develop a work plan to improve their

¹¹ Heritage Corridor Recommendation, April 2007

buildings as well as the quality of their residential and commercial leasing.

- b. Enact and implement legislation as required, whereby the City takes control of properties that are labeled a nuisance building site, which occurs after problems with a property persist and become a pattern.
3. Property under development on the vacant sites (the carrot and the stick)
 - a. Develop incentives to encourage land owners to either develop, redevelop or sell their properties.
 - b. Develop policies that penalize and/or prohibit the allowance of vacant land in designated Downtown development areas, such as:
 - Increasing property taxes for vacant land;
 - Transferring land to the City for tax or other incentives.



Case Study – City of Sacramento Vacant Building Ordinance

The City of Sacramento revised its vacant building ordinance by decreasing the time a structure may be declared a nuisance, increasing fees and penalties and streamlining the vacant building enforcement process. If one or more of these conditions exist, the structure and/or property will be cited as a public nuisance after 30 days:

- * Exterior not up to Code
- * Windows and/or doors are boarded, not ready for occupancy
- * Structure is a neighborhood blight and may include debris, broken windows
- * Structure attracts transients or crime
- * Structure is neglected by owner
- * Paint peeling throughout structure
- * Lawn not mowed, little or no care to yard
- * Junk and debris on property

Ref. <http://www.cityofsacramento.org/code/vacant-building-nuisance-ordinance.html>

7. COMMERCIAL MARKETING AND BRANDING STRATEGIES

7.1. 7 Steps to realizing One City – One Vision

1. Create a Joint Downtown Newburgh and Liberty Street Corridor Marketing and Branding Committee made up of
 - a. 1 member from Newburgh 2020 communications sub-committee
 - b. 1 member from the City of Newburgh
 - c. 2 successful restaurant tenants in the neighborhood
 - d. 2 successful retail tenants in the neighborhood
 - e. 1 hotelier or B&B operator
 - f. 2 prominent commercial/retail landlords
 - g. 1 member of the Historical Society of Newburgh
 - h. 1 member from the cultural community

- i. 3 Newburgh community members who represent diverse backgrounds (insure representation by the Hispanic and African American population)
 - j. 1 member of the Orange County Chamber of Commerce (if deemed appropriate)
2. Create the committee mission statement
3. Outline goals and outcomes for 2009, 2011 and 2013;
4. Outline shared values and common interests as the guiding principles of the committee
5. Develop funding mechanisms and resources to develop shared communication and marketing initiatives
6. Define the brand of Downtown Newburgh and the Liberty Street Corridor
7. Implement Downtown Newburgh and Liberty Street Corridor marketing and communications initiatives that reinforce the common vision and goals

7.2. Brand Downtown Newburgh

Globalization has made it easier for newly developing cities to compete with older more established ones, simply because people can live, work, learn, visit and play almost anywhere now.

The impact of September 11th, the current downturn in the economy, rising fuel prices and other events have forced people to take a closer look at their quality of life. A shift in people's attitudes translates into what people really want out of a location or place, and what offers the best quality of life, not just the best salary, education, recreation or housing.

Location or place branding is highly utilized as a form of city branding

In reaction to this shift, “non-traditional” cities are attracting good restaurants, sports franchises, historic tourism, conventions, entertainment, and cultural events that used to be the domain of the “traditional” or “larger” cities.

Some strategists argue that cities are what they are not because of location or attractions, but because of the ideas that residents create for them. This is true in part, but “Location” or “Place Branding” is still highly utilized as a form of city branding. However, marketing managers seem to have varying views on how cities should be branded.

City employees and planners discover that they are rarely able to really define their city brand and if one's own brand cannot be defined, no one else is likely to define it either. What is Newburgh famous for and what is Newburgh going to be famous for? What was Newburgh, what is Newburgh and what will Newburgh become?

In order for a city to be a good brand, it must possess defining and distinctive characteristics that can be readily identified. These are functional as well as non-functional qualities, emotional as well as tangible qualities of place. These include location, city appearance, people's experiences with the city, people's beliefs in the city, what the city stands for, and what kinds of people inhabit the city.

A powerful brand is not built by creativity, although there needs to be a creative spark to get the brand ignited. A powerful brand is built by consistency, year after year after year. The branding of place is about identifying the everlasting distinctive characteristics that evoke emotion and storytelling. New York City is The Big Apple, Paris is The City of Lights, Rome is The Eternal City, Nashville is The Music City, Minnesota is the Land of 10,000 Lakes, and Montreal is "Joie de Vivre". These successful cities have the qualities of strong brands: they market their history; quality of place; lifestyle; culture; and diversity. They have

formed cooperative partnerships between city municipalities and governments in order to enhance their infrastructure. They were also very proactive in their approach.

Our experience in Newburgh has shown that there exists a very mixed Newburgh brand. When asked the question of “what is the brand of Newburgh”, many passionate advocates share the stories of Newburgh’s history, architecture and the wonderful Hudson riverfront. However, the current brand of Newburgh brings perceptions of social issues, including crime, drugs and poverty. Despite many of the positive changes and successes achieved over the last several years, there remains the perception (and sometimes reality) that Newburgh is a “tough town”.

The research and recent experience with the Newburgh waterfront also suggests that downtown’s overall commercial viability and market share, along with frequency of visitation can be dramatically improved.

Some of the recent emerging demographic patterns of young professionals and families moving into Newburgh are also supportive of retail/restaurant development activity downtown, along with Downtown activities, arts and cultural events, and historic venue interest.

Here are some of the key questions to be asked in order to begin formulating the personality and branding of Downtown Newburgh:

1. What is/are the experience(s) of Downtown Newburgh? Is Newburgh ready for a comprehensive branding program or is the City better off phasing in the resources necessary to effectively brand and market Newburgh?
2. What are the internal and external perceptions of the population of Downtown Newburgh?
3. What are the values of Downtown Newburgh, and does Downtown Newburgh stand for something?
4. What does Downtown Newburgh look and feel like?
5. What is the perception of the history, culture and architecture of Downtown Newburgh?
6. What is the story of the future of Downtown Newburgh?
7. What are the natural and human-made defining advantages or experiences of Downtown Newburgh?
8. What will Newburgh be famous for?



7.3. General Marketing Challenges and Opportunities

1. Define and communicate the Downtown Newburgh and Liberty Street Corridor brand.
2. Develop the brand and story of future Downtown Newburgh making it the epicenter of: the Hudson Valley region's arts and cultural community; the recreation and leisure and social communities; the eclectic and interesting quality hotel options; and the center of extremely high quality retail and restaurant clusters, all in a pedestrian-friendly collage of distinct and identifiable neighborhoods.
3. Implement an everlasting communications program that reinforces this brand.
4. Target the diversity of end users who have the highest propensity to spend time and/or money in Downtown Newburgh.
5. Regain lost market share from the neighboring regional towns (notably the Town of Newburgh):

- a. Reverse the leakage of existing residents, employees, students and visitors who spend time and money outside the Downtown Newburgh retail and restaurant market;
 - b. Influence the positive incremental influx of visitors into Downtown Newburgh, including: day and overnight visitors spending time in the Hudson Valley region, and visitors to Orange County and neighboring counties.
 - c. Create a participatory and active environment for commercial operators to reinforce the brand and miscellaneous marketing initiatives.
 - d. Foster co-branding and cross-marketing initiatives between the City, Newburgh 2020 and the individual businesses (residential, commercial, retail, restaurants, cultural and arts) in the Liberty Street Corridor.
6. Create incentives for all residential and commercial developers to reinforce the same message and vision of the Liberty Street Corridor and Downtown Newburgh in their marketing and branding efforts.

8. COMMERCIAL LEASING STRATEGIES

"Commercial and public spaces are stages, and all the commercial tenants in it are its players!"

Live Work Learn Play LLP

- The heart of the Liberty Street Corridor should be the commercial component of the neighborhood, with its soul represented by the diverse members of the Newburgh community and the City's rich history;
- Memorable experiences should revolve around the dining, shopping, activities and entertainment that will exist along the Liberty Street Corridor;
- The goal is to create a pedestrian-friendly experience for residents, workers and visitors that is authentic and culturally relevant to the region.



8.1. Steps for a Targeted Leasing and Casting Program

1. Publicize the neighborhood “vision” of Liberty Street Corridor along with the anchor commercial and civic use stories that will help reinforce the vision of the neighborhood based on who the end-users are and what experiences they will be seeking and when.
2. Advertise the targeted tenant mix of the neighborhood with approximate square footages and back-of-house needs so that each landlord/developer can target the profile of merchant that will be both viable and desirable.
3. Develop a Commercial Tenant Information Handbook that would inform and entice commercial businesses to the Liberty Street Corridor (and to Downtown Newburgh). Include practical information, such as:
 - a. A contact base for commercial businesses and Downtown commercial property owners/landlords;
 - b. A database of Downtown Space Inventory and Lease/Purchase Terms.

4. Facilitate communication from interested commercial business owners to Downtown Newburgh property owners/landlords and have the commercial business owners answer these four key questions:
 - a. Who are they as people; why and how would they become Downtown Newburgh ambassadors?
 - b. What are their commercial concepts and how would their concepts reinforce the story of the Liberty Street neighborhood as well as the larger story of Downtown Newburgh?
 - c. What is their business experience and track record?
 - d. What is their financial capacity to develop and operate their commercial venture?
5. Develop a commercial collaborative association for various organizations to reach out to one another for support and advice.
6. Develop a commercial brokers association and hold periodic update meetings.

Appendix 6

Examples of marketing and commercial leasing tools used by other cities

7. Provide names and phone numbers of volunteer commercial operators who would be positive references for Downtown Newburgh.
8. Provide a marketing package that would provide all of the key answers to prospective commercial tenants addressing their potential concerns regarding operating their businesses in Downtown Newburgh.
9. Provide a commercial operator incentive program to open and operate a business in the Liberty Street Corridor.

8.2. Create a Downtown Newburgh Business Marketing Tool

A business fact base will be required to answer all of the major commercial operator questions and highlight all of the advantages of opening and operating a commercial business in the Liberty Street Corridor.

10 key questions are listed below:

1. What is the past and present vision for the future Downtown Newburgh?

2. What is the brand of Newburgh and what are the initiatives that the City is taking to reinforce this brand?
3. What are the in-depth demographics of Newburgh?
4. What are the key economic trends of Newburgh?
5. What are the traffic patterns in Newburgh?
6. What are the back-of-house operations in Newburgh?
7. What are the approved future developments as well as the future master plan developments?
8. What are the events and festival schedules which have resulted in driving pedestrian traffic and commercial spending in the City?
9. What are annual retail and restaurant sales and commercial sales per square foot?
10. What are the great lifestyle reasons for someone to open and operate a business in Newburgh?

8.3. Commercial Marketing and Leasing Strategies

As discussed, there are several viable options for the City and Newburgh 2020 to consider for commercial marketing and leasing of Downtown commercial retail units (CRUs) to quality entrepreneurs with anchor or secondary concepts that reinforce the vision of the Liberty Street Corridor. The City and Newburgh 2020 must first declare their civic focus and what their roles and responsibilities are with regard to the needs of commercial marketing and leasing of the Downtown core.

Option #1: Downtown Chamber of Commerce or Newburgh Business Association

The City of Newburgh or Newburgh 2020 could establish a Downtown Newburgh Chamber Division within the existing Orange County Chamber of Commerce, or create its own Downtown Newburgh Business Association or Chamber of Commerce. This organization may concentrate on larger economic development initiatives. The organization should be a strong advocate for the continued commercial revitalization and community development initiatives. By working together and focusing on initiatives that

support growth, members would use the services of the chamber or association as an important catalyst for their business success.

The Chamber or Association may be responsible for providing:

1. An interactive website to attract, inform, highlight and communicate with prospective tenants
2. Monthly commercial business forums or workshops
3. Commercial business information and profiles
4. Additional business services

Precedent: <http://www.chamber.com/about.asp>

Option #2: Downtown Newburgh Alliance

The Downtown Newburgh Alliance (DNA) could be a partnership of the City, Newburgh 2020, individuals and businesses devoted to promoting and maintaining a safe, clean, attractive, accessible, and vibrant Downtown environment. The DNA could have a primary mission of being proactive in the successful marketing and leasing of spaces on behalf of all Downtown building owners. The City or Newburgh 2020 could create a Business Improvement District with special assessments on privately owned large properties, along with leasing and commercial services as primary sources of funding. The

Downtown Newburgh Alliance could work with the City, state and federal government to develop and implement programs that enhance the business and cultural environment of Downtown Newburgh.

The Alliance would be responsible for:

1. Marketing
2. Leasing
3. Communications
4. Job fairs
5. Land and building sales

Precedent: <http://www.downtownaustin.com/daa/>

Option #3: Downtown Commercial Marketing and Leasing – Outsourcing to Consultants

A third viable option is that the City or Newburgh 2020 outsource the marketing and leasing of Downtown space and buildings to a specialized downtown commercial real estate broker or specialty leasing company. Ideally, this real estate broker would have strong local connections and a real understanding of “placemaking” and

“casting” versus simply just leasing to fill the vacant spaces – this real estate broker would need to have experience in creating an enduring and iconic commercial destination that also projects a strong “neighborhood” environment known for celebrating its diversity for a community.

The commercial broker could be responsible for:

1. Marketing
2. Leasing
3. Tenant/Landlord introductions
4. New business openings

Precedents:

1. <http://www.cushwake.com/cwglobal/jsp/globalHomeSSO.jsp>
2. <http://www.liveworklearnplay.com/>
3. <http://www.cbre.ca/EN/>



9. PROGRAMS TO PROMOTE INVESTMENT

In order to promote investment into the Liberty Street Corridor, it will be necessary to create a “positive development zone” (as outlined in Section 6.1 (4 d)). The following strategies and programs are described in order to assess whether they may be appropriate for the commercial revitalization of Newburgh.

This information is not intended to highlight the many challenges and pitfalls of these programs. Rather, it is intended to highlight some of the fundamental mechanisms that have been instrumental in helping other cities and downtowns undergo successful commercial revitalizations.

Additionally, the City of Newburgh and Newburgh 2020 may want to consider building strategic relationships with other cities and community leaders who have implemented these programs in order to facilitate the sharing of ideas and solutions.

9.1. Tax Increment Financing (TIF)

TIF has been used less in the State of New York because the enabling legislation does not require a school district's real-estate taxes to be

included in bond repayment, which account for the largest share of the property tax. Correcting this deficiency by legislation such as the Schimminger-Young bill (A.2358/S.371) would give municipalities the means of raising substantial redevelopment funds without raising taxes and with no impact on the State Treasury. Current information about the status of this bill is published by the New York State Assembly website (www.assembly.state.ny.us).

The following information regarding TIF is outlined in order to assist the City in the event that the enabling legislation is modified to make TIF a viable option for Newburgh and other New York State municipalities.

9.1.1. The Basic Principles of TIF

Tax Increment Financing (TIF) dedicates tax increments within a certain defined district to finance debt issued to pay for the project. TIF is designed to channel funding toward improvements in distressed or underdeveloped areas where development would not otherwise occur. TIF creates funding for public projects that may otherwise be unaffordable to localities.

When a city defines a TIF boundary, the assessor "freezes" the assessed value of real property within the urban renewal district. As the



city and others invest in the urban renewal area, property values go up. The property taxes above those that were collected when the values were "frozen" are used to pay for the improvements in the urban renewal area.

TIF districts raise money by borrowing against future growth in property taxes. The city uses the borrowed money to pay for capital improvements, which spur more development. The city then uses the incremental increase in property taxes from the district to repay the loan. When the urban renewal district expires in 20-25 years, the intent is to return a much higher property tax base to the tax rolls.

In most cases, tax increment financing is not set up principally to fund affordable housing. Rather, TIF is established to finance new roads, water treatment, sewers, and other public amenities to support market-rate residential or commercial development. In many cases, however, a portion of TIF revenue is used to fund affordable housing as a secondary activity. This use makes sense because a successful TIF will usually increase the need for affordable homes.¹²

¹² Portland Development Commission:
<http://www.housingpolicy.org/toolbox/strategy/policies/tif.html?tierid=143>



9.1.2. Tax Increment Financing (TIF) for Small Businesses

In Chicago, the City has initiated micro TIF programs in order to bring some of the benefits of TIF to small businesses, homeowners, and small-scale downtown projects.¹³ There are three lender-backed micro-TIF investment fund initiatives that target housing and business programs in some of Chicago’s most needy areas, as well as small improvements to the central business district.

The Small Business Improvement fund (SBIF) reimburses businesses and building owners for TIF-eligible investments that preserve building stock, improve neighborhood appearance or commercial value, and enable businesses to stay in the neighborhood, remain competitive, or expand. Businesses may be reimbursed for up to 50% of eligible costs with a maximum assistance of \$50,000 per project. Priority is given to businesses located at major intersections or major commercial corridors; projects resulting in the retention or creation of jobs; and historically significant buildings.

¹³ Government Finance Review: Urban Revitalization and TIF in Chicago (December 1999)

Two programs in the downtown “Loop” business district provide local businesses with financial assistance for projects that contribute to the area’s growth as an entertainment, retail, and financial district.

The Central Loop Improvement Fund (CLIF) uses TIF proceeds to help property owners improve their buildings according to the standards outlined in the City’s two downtown vision plans. The plans encourage building owners to install pedestrian-friendly improvements (such as new signs, awnings, façades, doors, and windows) as well as environmental remediation and upgrades to electrical and plumbing systems. The fund provides grants of up to \$150,000 or 50% of eligible costs.

The Central Loop Loan Program, a companion to CLIF, provides low-interest loans of up to \$50,000 to retail, commercial, and service-oriented businesses that are undertaking projects that benefit the City and employ Chicago residents, but do not qualify for TIF funds. Eligible projects include leasehold improvements and expenses involving inventory, working capital, equipment, and building rehabilitation. Loans last up to 5 years at 3% interest.

9.1.3. Impacts of TIF

The City of Chicago has one of the best-documented TIF programs, generating more than \$2 billion in revenue for reinvestment and the creation of more than 28,000 jobs.

Minneapolis' Neighborhood Revitalization Program (NRP) also exemplifies the successful use of TIF. In response to concerns about growing crime and blight, in 1990, the Minnesota State Legislature and the Minneapolis City Council dedicated \$20 million annually for 20 years to fund housing and economic development in the City's 81 neighborhoods. As of 2000, \$176.2 million had been allocated to more than 1,400 projects and programs.¹⁴

9.2. Historic Tax Credits

The New York State Historic Preservation Office (SHPO) provides detailed information on eligibility to obtain federal historic tax credits.¹⁵ Owners of properties listed on the National Register of Historic Places may be eligible for a 20% federal income tax credit for the substantial rehabilitation of historic properties.

¹⁴ Minneapolis Neighborhood Revitalization Program 2000

¹⁵ New York State Historic Preservation Office: <http://nysparks.state.ny.us/shpo/investment/income.htm>

Additionally, The State Historic Preservation Office (SHPO) administers the New York State Rehabilitation Tax Credit, although the Preservation League of New York State serves as lead advocate for program use and expansion.

The following two programs are currently offered:

1. New York State Historic Homeownership Rehabilitation Credit Program: available for owner-occupied residential structures listed on the State or National Register of Historic Places. The qualified structure must be located in a “distressed” census tract.
2. New York State Commercial Rehabilitation Credit Program: available to any qualified user of the federal rehabilitation tax credit that requires an income-producing property be listed (or be eligible for listing) on the National Register of Historic Places.

The Preservation League of New York State is also lobbying to expand the legislation to provide significantly higher levels of financial incentives for commercial rehabilitation, as well as

Appendix 7

New York State
Rehabilitation Tax
Credit information

expanding the residential program to make it available to a wider range of municipalities and neighborhoods than it does currently.

Case Study – Rhode Island

In Rhode Island, historic tax credits helped spur \$400 million in downtown development in just four years.

A New York State historic buildings tax credit measure passed the state Assembly and Senate in 2008 and awaits Gov. David Paterson's signature.¹⁶ If enacted, the new law, modeled on successful initiatives in Washington and states like Rhode Island, will offer a 30% tax credit, which can also be supplemented by a federal credit.¹⁷

9.3. Tax Credits and Tax Abatements

There are a variety of programs that provide tax credits and tax abatements that may be applied against individual or corporate taxes. As well, other programs provide tax abatements or exemptions that provide a reduction in property taxes to property owners.

¹⁶ S.8392/A.11987

¹⁷ http://blog.syracuse.com/opinion/2008/08/historic_tax_credit_bill_await.html

The following specific examples illustrate programs that are offered in downtown Manhattan:¹⁸

1. Real Estate Tax Abatements: provide a \$2.50 per square foot reduction in the amount of real estate taxes to tenants for up to 5 years.
2. Commercial Rent Tax (CRT) Special Reduction: exemption or reduction in commercial rent tax payment for tenants in specified locations with an annual rent of over \$200,000:
 - a. For retailers: permanent elimination of Commercial Rent Tax;
 - b. For commercial businesses: exemption for 5 years for specified locations.
3. Industrial and Commercial Abatement Program (ICAP): provides a reduction in property taxes to property owners for new or improved commercial buildings for up to 25 years.
4. Sales Tax Exemption: eliminates sales tax on goods purchased for build-out of space (to property owners or tenants).

¹⁸ www.downtownny.com/assets

9.3.1. Empire Zone

Appendix 8
Empire Zone and
HUBZone Program
Benefits

New York State’s Empire Zone program¹⁹ was created to stimulate economic growth through a variety of State tax incentives designed to attract new businesses to New York State and to enable existing businesses to expand and create more jobs. The program is primarily geared to large industrial and commercial organizations, offering wage tax credits, investment tax credits, zone capital credits (applied towards personal or corporate income tax) and New York State sales tax credits.

Although the City of Newburgh is located in the “Newburgh Stewart” Empire Zone, this program has limited eligibility for prospective small businesses. Empire Zone administers related programs that may be better suited to small businesses, such as HUB Zones or Qualified Empire Zone Enterprise (QEZE).

9.3.2. New York State Tax Law for Mixed-Use Development

Under the legislation described by RPTL Section 485a, mixed-use real estate development in certain municipalities may qualify for property tax abatements. Additionally, section 485-b qualifies new or renovated

¹⁹ <http://www.orangecountygov.com/orgMain.asp?orgid=245>

commercial and industrial facilities for tax exemptions, using a gradual system to phase in increase in the property assessment over a 10-year period. If a 485-b exemption is applied, the assessment and tax will be calculated according to Table 7.

Year	Assessment	Exemption	Taxable Assessed Value	Fixed Tax Rate of \$26/Thousand
2009	100,000		100,000	2,600
2010	1,000,000	50%	550,000	14,300
2011	1,000,000	45%	595,000	15,470
2012	1,000,000	40%	640,000	16,640
2013	1,000,000	35%	685,000	17,810
2014	1,000,000	30%	730,000	18,980
2015	1,000,000	25%	775,000	20,150
2016	1,000,000	20%	820,000	21,320
2017	1,000,000	15%	865,000	22,490
2018	1,000,000	10%	910,000	23,660
2019	1,000,000	5%	955,000	24,830
2020	1,000,000	0%	1,000,000	26,000

Table 7

These programs are currently available in the City of Newburgh. Additional information and applications can be found on the City of Newburgh website at:

<http://cityofnewburghny.gov/assessor/exemptions.htm>



New York Real Estate Tax Law- Section 485-a

To the extent allowed by local option, properties on which a combination of residential and commercial construction work is performed to create a building used for mixed residential and commercial purposes, and which are located in certain municipalities outside New York City (see Location Requirements), are partially exempt from taxation and special ad valorem levies, but liable for special assessments. For such properties, 100% of the base amount attributable to the construction work is exempt during the first 8 years of the exemption, 80% is exempt in the 9th year, 60% is exempt in the 10th year, 40% is exempt in the 11th year, and 20% is exempt in the 12th year. Property receiving this exemption may not concurrently receive any other exemption, except under certain conditions.

Ref. RPTL Section 485-a

New York Real Estate Tax Law- Section 485-b

To the extent allowed by local option, commercial and industrial facilities that are constructed or improved after July 1, 1976 (or some later date set by the taxing jurisdiction) at a cost exceeding \$10,000 (or some higher minimum chosen by the taxing unit) are partially exempt from taxation and special ad valorem levies, but are liable for special assessments. However, initial exemptions granted on or after 8/5/97 are liable for special ad valorem levies established for fire district, fire protection district, and fire alarm district purposes. The exemption may be granted only after the construction or improvement project has been completed.

9.4. Rent Subsidy Programs

Certain programs provide rent subsidies to tenants for a specified period of time. One such example in New York City is the World Trade Center Rent Reduction Program, administered by the Empire State

Development Corporation. The program provides subsidies of \$5.00 per square foot for qualifying leases.²⁰

Table 8 is a summary of additional rent subsidy programs for commercial businesses:

²⁰ www.downtownny.com/assets

City	Eligibility	Subsidy
Poughkeepsie, NY ²¹	<ul style="list-style-type: none"> • Business owner must be a U.S. Citizen or have legal status • Business is not currently operating in the target area • Established business with three or more years of operation • Start-up business (in existence for three years or less) with a detailed business plan 	<ul style="list-style-type: none"> • First year – up to maximum of \$3.00 per square foot; • Second year – a maximum of 2/3 of the first year subsidy; Third year – a maximum of 1/3 of the first year subsidy. • Subsidy up to a maximum of 1,000 square feet of gross leaseable area (GLA)
New London, CT ²²	Businesses must locate in currently vacant storefront space anywhere within the City of New London	Up to \$5 per square foot for the first year and \$2 per square foot the second year.
Livingston and Wyoming Counties, NY ²³	The businesses must either be owned by an income-eligible person or create new low-skill or semi-skilled employment positions	A 12-month rent subsidy of up to \$2.00/s.f. to businesses filling vacant space in a targeted commercial district

Table 8

²¹ www.cityofpoughkeepsie.com

²² <http://www.ci.new-london.ct.us/content/27/55/2060.aspx>

²³ <http://www.geneseo.edu/~alliance/downtown/downtown.htm>

This type of program is not yet available in the City of Newburgh, however, may potentially be available throughout the development of local programs. Such potential would need to be explored and verified by the City of Newburgh in accordance with municipal legislation.

9.5. City Ownership of Buildings

According to a discussion paper published by Georgia Institute of Technology for the Brookings Institute, state legislative reforms can contribute directly to the redevelopment of vacant or abandoned properties:²⁴

“Adjustments to states’ tax lien enforcement systems can reduce the amount of time it takes a city to foreclose on delinquent and/or abandoned properties. Changes to the rules that govern eminent domain and condemnation can ease cities’ acquisition of property for constructive reuse. And state action to enable land banking can aid localities in the acquisition and redevelopment of vacant and abandoned properties. Two additional state approaches can help cities prevent deterioration. By taxing land at a higher rate than improvements, split-rate taxation laws encourage the

²⁴ The Brookings Institute: The State Role in Urban Land Redevelopment (April 2003)

development of vacant parcels. And reforming state building codes – often written to guide new construction – can help ease the burdens associated with rehabilitating existing structures and thus facilitate renovation.”

Two specific examples include:

1. Michigan’s Urban Homesteading on Vacant Land Act (Act 129 of 1999). This act, intended to bring abandoned and vacant properties back into the tax register more quickly, allows the sale of tax delinquent properties for \$1. Local governments may operate or contract with nonprofit organizations to administer the program. Act 131 (1999) also allows for state housing development authorities to develop loan or grant programs to facilitate the homesteading process. Minnesota, through its Urban and Rural Homesteading Program, and Portland Oregon have similar homesteading programs.
2. Another new program was implemented by a city but enabled by a state-level tool. Richmond, VA, established the Neighborhoods in Bloom program in 1999 to address severe problems of vacant land and tax delinquency in six city neighborhoods. For financing, the program draws on the state-

level Virginia Derelict Structures Fund, whereby the state makes grants to local governments for acquiring, demolishing, removing, rehabilitating, or repairing derelict structures (ICMA 2002, p. 23, footnote 30). Priority is given to projects that include areas or structures that have a planned reuse, are part of drug-blight removal plans, or are in officially designated redevelopment or conservation districts, historic districts, or enterprise and empowerment zones. In this fashion, state financial resources seamlessly support city redevelopment.

It is recommended to evaluate the current City of Newburgh and State of New York legislative policies that address the treatment of vacant and abandoned land and buildings.

10. ASSUMPTIONS AND LIMITATIONS

In the preparation of the report herein, we have relied on the accuracy of the data obtained using the various sources that are referenced in this study. However, the accuracy of this information is not guaranteed and cannot be warranted by *Live Work Learn Play LLP*.

This document contains projections and estimates, including, but not limited to, references relating to the future economic performance, growth, financial condition and results of Commercial operations. In each case, such projections and estimates have been made in good faith, and have been based upon information that *Live Work Learn Play LLP* believes to be reliable and deems to be reasonable.

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