

**City of Peekskill Industrial Development Agency
Operations and Accomplishments
January 1, 2011 – December 31, 2011**

Operations

The City of Peekskill Industrial Development Agency is governed by a seven member board consisting of residents of the City of Peekskill. Appointments are made by the Mayor and Common Council of the City of Peekskill.

The Agency offers four basic forms of financial assistance that include: (1) mortgage recording tax exemption, (2) sales and use tax exemption, (3) real property tax abatement, and (4) interest rate savings via tax-exempt financing. The Agency does not loan money directly to private companies. The Agency has the power to issue taxable or tax-exempt bonds. These non-recourse bonds are not an obligation of the sponsoring community or state or its tax payees but rather are backed solely by the credit rating of the company.

The operation of the Agency is financed with fees received from bond and straight lease transactions, and interest earned from such funds.

Accomplishments

Projects:

During 2011 the Agency did not close any new projects but continued to monitor the progress of the 64JWB LLC project and Barham House LLC projects closed during 2010. The Barham House LLC project was completed during 2011 and the 64JWB LLC is expected to be completed during 2012.

Project Name:	64 JWB LLC, Highland Light Steam Laundry, Inc. and White Plains Coat & Apron, Inc.
Project Location:	4 & 6 John E. Walsh Blvd., Peekskill, New York 10566
Project Type:	Straight Lease Transaction with Commercial Laundry Service
Financial Assistance:	Straight lease transaction, PILOT agreement, sales tax exemption and NYS mortgage recording tax exemption
Total Project Cost:	\$7,600,000
Applicant:	64 JWB LLC, 4 John E. Walsh Blvd., Peekskill, New York 10566
Summary:	The City of Peekskill Industrial Development Agency approved an Application for Financial Assistance for 64 JWB LLC and on April 28, 2010 entered into a straight lease transaction and PILOT agreement with the applicant. The project consists of the purchase by the applicant of the building and property located at 6 John E. Walsh Blvd. and the construction of a 31,460 SF building across the parking lot thereby connecting to a 30,000 SF building at 4 John E. Walsh Blvd., (currently owned by White Plains Coat & Apron Co., DBA White Plains Linen, with contemplation of transferring ownership of the property into 64 JWB LLC). Upon completion of the project, Highland Light Steam and Laundry, Inc. (White Plains Linen) will transfer its laundry operations

from its Highland/Constant Avenue complex to 4-6 John E. Walsh Blvd. White Plains Linen currently has 524 full time employees. The project is in progress.

Project Name: Barham House LLC, 951 Main Street, Peekskill, New York 10566
Project Location: 951 Main Street, Peekskill, New York 10566
Project Type: Tax-exempt revenue bond issuance for senior rental housing complex
Financial Assistance: tax-exempt revenue bond financing, PILOT agreement, sales tax exemption and NYS mortgage recording tax exemption
Applicant: Barham House LLC, 700 White Plains Road, Suite 363, Scarsdale, New York 10583
Total Project Cost: \$18,340,065
Bond Issuance: \$10,000,000
Summary: The City of Peekskill Development Agency approved an Application for Financial Assistance from Barham House LLC and on December 30, 2010 closed on the \$10 million tax-exempt revenue bond issuance with the project applicant. The project consists of the purchase and rehabilitation of the Barham House Apartments, a 100-unit affordable senior rental housing community located on Main Street in Peekskill. The project is complete.

Other:

Hotel Corp LLC

PIDA and DED staff continues to work with developer George Liaskos of Hotel Corp., LLC, for the proposed Holiday Inn Express project (the Project). The Project consists of: (i) the acquisition or retention Project consists of: (i) the acquisition or retention of title to or a leasehold interest in an approximately 1.25 acre vacant parcel of real property located on John E. Walsh Boulevard in the City of Peekskill, New York (such 1.25 acre parcel being further identified as TMID No. 32.19-1-4.2 and hereinafter referred to as the "Land"); (ii) the acquisition, construction and equipping by the Company as agent of the Agency of a 72 room hotel facility (the "Improvements"), (iii) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property, related furniture, fixtures and equipment (the "Equipment" and, together with the Land and the Improvements, the "Facility"); (iv) the planning, design, construction, acquisition and installation in and around the Land and the Facility of certain infrastructure improvements, including, but not limited to water supply, sewerage, gas supply, electric supply and transportation improvements (collectively, the "Infrastructure Improvements"); and (v) the sale or lease (with an obligation to purchase) of the Facility to the Company.

At the December 13, 2011 meeting of the Agency, the board approved a thirteen month extension to both the Agent and Site Access Agreement and the Purchase and Sale Agreement with Exclusive Option for this project. Both agreements were extended to January 31, 2013.

Economic Development

The City of Peekskill's Department of Economic Development (DED) assists the Agency in its efforts towards future project development, new business attraction and business retention, financings, and support services to area businesses. DED is dedicated to growing the economy of the City of Peekskill through aggressive and effective programs and services that result in business attraction, creation, retention, expansion and transition. The DED is staffed by James Slaughter, Director of Economic Development, and Kathy Lockwood, Loan Officer and Deputy Director of the City of Peekskill Industrial Development Agency.

Below is a brief description of economic development related activities achieved from January to December 2011 by the DED:

NYS Main Street Grants 2009 & 2010

The following table provides a summary of the PFDC's NY Main Street Projects. Completed projects are displayed in "bold" text.

Grant Year	Property Address	Grant Amount	Loan Amount	Total Project	C*	R*
2010	104 S. Division St.	\$50,000.00	\$120,000.00	\$162,900.00	14	0
2010	1 N. Division St.	\$25,175.00	\$40,000.00	\$75,502.00	1	2
2010	1 S. Division St.	\$9,100.00	N/A	\$25,242	1	0
2010	2 S. Division St.	\$1,120.00	N/A	\$3,360.00	1	0
2010	113 N. Division St.	\$125,000.00	N/A	\$400,000.00	2	3
2010	12 S. Division St.	\$25,000.00	N/A	\$75,000.00	1	2
2010	119 N. Division St.	\$10,000.00	\$30,000.00	\$30,000.00	1	0
2010	16 S. Division St.	\$15,000.00	\$45,000.00	\$45,000.00	3	0
2010	27 N. Division St.	\$5,710.00	N/A	\$17,126.00	1	0
2010	1007 Brown St	\$50,000.00	\$120,000.00	\$121,874.00	2	3
2010	13 S. Division St.	\$150,000.00	\$50,000.00	\$687,562.00	1	4
2009	1000 Main St	\$70,000.00	\$120,000.00	\$210,000.00	4	0
2009	987 Main St	\$37,115.00	\$85,000.00	\$142,232.00	3	0
2009	950 Main St	\$75,000.00	N/A	\$279,181.00	1	3
2009	904 Main St	\$15,540.00	N/A	\$29,767.00	3	0
2009	19 N. Division St.	\$2,345.00	N/A	\$7,130.00	2	1
		\$666,105.00	\$610,000.00	\$2,311,876.00	41	18

*C=Commercial Units Renovated or Created & R=Residential Units Renovated or Created

The 2009 NY Main Street Grant totaling \$200,000 was awarded to 5 projects. All projects were near completion during 2011 (final close out was done March 20, 2012) resulting in a total of 13 commercial units and 4 residential units created or renovated with a total investment of \$668,310.00.

During 2011, the Peekskill Facilities Development Corporation board awarded 10 property owners grants totaling \$316,105.00 from the 2010 NYS Main Street Grant. A total 2010 grant award of \$466,105.00 has been made to date. DED staff closed 5 loans totaling \$405,000 with downtown building owners through the City's Commercial Façade Revitalization Deferred Loan Program to be used in combination with NY Main Street Grant funds. The 2010 NY Main Street Grant projects are projected to create or renovate a total of 28 commercial units and 14 residential units with a total investment of \$1,643,566.00.

Economic Development Plans

- **Cultural Heritage Tourism Strategic Plan** - The Final Cultural Heritage Tourism Strategic Plan prepared by Fairweather Consulting was accepted by the Mayor and Common Council on September 26, 2011. DED and Planning Staff are currently working on an implementation plan. Target date of completion for the implementation plan is April 30, 2012.

- **Downtown Retail Recruitment Strategy** - The City awarded the Downtown Retail Recruitment Strategy and Implementation Plan RFP to Larisa Ortiz Associates, LLC and JGSC Group, LLC on April 25, 2011. Final comments on the draft study have been submitted to the consultant. Final report will be available on April 11, 2012.