



# Marketing Plan for Municipal Growth: City of Middletown, New York

Hudson Valley Pattern for Progress Regional Fellows Program

Urban Action Agenda for the Hudson Valley

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## **Statement of Purpose:**

As part of the 50<sup>th</sup> Anniversary of the founding of its organization in 1965, Hudson Valley Pattern for Progress (“Pattern”) launched a new *Urban Action Agenda for the Hudson Valley (“UAA”)* initiative in partnership with the Ford Foundation and with funding support from the Hudson Valley Greenway. The goal of this three-year effort is to assist in the revitalization of the Hudson Valley region’s urban centers and to promote positive growth in its villages, cities and urbanized hamlets. The 2014-2015 Pattern Fellows Class was asked to research three local communities and develop marketing plans for municipal growth to advance the UAA initiative.

The following report identifies and briefly highlights some of the assets, challenges, and opportunities for one of the UAA focus communities-- the City of Middletown, located in Orange County, New York. The report also offers several recommendations to build further upon the ongoing revitalization initiatives and marketing efforts by the City of Middletown, particularly those targeted towards “Millennials,” broadly defined as those aged 18 to 34.

## **Description of Project:**

In preparation for developing a marketing plan for Middletown, the Pattern Fellows worked over a period of months to become more familiar with the community and identify the unique attributes and opportunities in this small city of approximately 28,000 persons. The Fellows also examined efforts to attract Millennials and revitalize urban centers in other municipalities around the region. The research included interviews with municipal officials, visits to Middletown, review of available demographic and housing data, analysis of information on employment and area businesses, survey of recent press articles, and consideration of historical information.

The research allowed the Fellows to identify a number of key assets and opportunities in the City of Middletown which position the City of Middletown well for future growth and which are already helping to attract new residents and businesses to the community. A number of positive developments in recent years, coupled with strong proactive community leadership, have allowed the City of Middletown to make important strides towards revitalizing its downtown Business Improvement District (“BID”), redeveloping vacant commercial buildings and sites, and restoring and stabilizing struggling neighborhoods. During site visits to the City, the Fellows were able to observe firsthand some of the tangible progress underway in Middletown, including the recent attraction of a major medical college and adaptive re-use of several significant buildings in the City’s downtown area. Remaining challenges were identified through interviews with municipal officials and noted through visits to various sections and neighborhoods of the City.

Overall, the visits and research highlighted that Middletown has already identified and embraced a number of the “best practices” for attracting younger residents and revitalizing urban areas. Municipal projects to increase walkability and bikeability, efforts to promote arts and culture in the downtown, and strong City support for new business development, including breweries and new restaurants, have already helped Middletown become more vibrant and attractive to Millennials and others. As the recommendations in this plan were discussed and

developed, it is important to note that they are offered primarily to support and confirm many of the initiatives that are already underway in Middletown and further build upon the recent successes.

## City of Middletown Assets:

The City of Middletown is an historic and centrally located small city that offers residents and local businesses a range of amenities and opportunities that are less available in many suburban and rural communities in the region. With an increasingly diverse population and a growing downtown business district, Middletown offers advantages that will help to attract and retain Millennials and others, such as senior citizens. The assets identified included the following.



### *Central Location with Access to Mass Transit*

Middletown is located only 60 miles from New York City and benefits from close proximity to major roadways and mass transit services. At the crossroads of Interstate 84 and Route 17 (Future Interstate 86), the City is centrally located in Orange County and is in commuting distance to New Jersey, New York City, and Rockland and Westchester Counties. The City of Middletown is along a well-used bus transit route and near the Metro North Railroad’s Port Jervis Line. The convenient location, combined with low housing costs relative to the surrounding communities, has made Middletown a community that has potential to attract daily and intermittent commuters from higher cost areas downstate and in New Jersey.

### *Historic Downtown/ Growing Business District*

The City’s downtown section, which largely overlaps the Business Improvement District (BID), is now attracting visitors from throughout Orange County and the region. With each new business and additional building renovation project, Middletown’s downtown increasingly offers a vibrant nightlife and attractive destination for visitors. The downtown’s clean, walkable network of streets is dotted with boutique shops, restaurants, iconic church structures and towers, storefront businesses catering to a diverse community, and the historic *Paramount Theater*, which has helped to make Middletown a growing center for arts and entertainment. This theater is now hosting regular films and live performances and attracts thousands of people to Middletown’s downtown for events, such as free seasonal outdoor concerts and the annual Hoboken Film Festival.

## Middletown Facts

Population **28,086**

Median Age 33.7

### Racial Breakdown

White 52.4%

Black or African-American 21.0%

American Indian 0.08%

Asian 1.9%

Two or More Races 5.3%

Hispanic Population 39.7%

Unemployed Labor Force 3.9%

Median Household Income \$39,570

Families below poverty level 13.5%

Median House Value \$198,000

Median Rent \$1,100

Homeownership Rate 49%

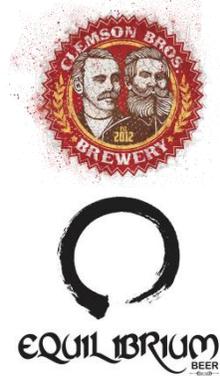
Graduation Rate 79%

Drop-out Rate 9%

\*Data is from 2010 Census and 2014 NYS Dept. of Education Repot Cards.

**Middletown-NY.com**

Renovated buildings in the BID now include new apartments and commercial spaces, and the City has recently attracted two new microbreweries, Clemson Bros. Brewing and Equilibrium Brewery. With the planned extension of the Orange Heritage Trail (rail trail) through the heart of downtown, the City is looking to further connect its downtown with other areas of the City and surrounding communities through the trail project and related improvements, such as King Street Pedestrian Walkway connecting key streets with nearby public parking areas. The City has worked to improve lighting, parking, cleanliness, and pedestrian amenities in this area to attract more visitors.



### *Higher Educational Institutions*

Middletown now hosts two major higher educational institutions and is actively working to attract additional ones. The City is home to the main campus of SUNY Orange, a community college that serves thousands of Orange County residents each year. In 2014, Touro College of Osteopathic Medicine completed a \$25 million renovation of the former Horton Hospital Campus and opened its doors to the first class of 135 medical students. Touro College will expand over the next three years to a total of 540 students and plans to increase the number of dormitory residences from the current 90 units to 250 units. As a largely residential college, Touro College is already positively impacting the City's downtown, local businesses, and nearby neighborhoods.

The City is also actively courting the Fei Tian Academy of Arts, for which the sponsors have already purchased 7.5 acres of the former Middletown Psychiatric Campus for



a possible future campus. In addition, Mayor Joseph DeStefano highlighted in his 2015 State of the City address that the City is also in discussions with a second major medical college.

### *Housing Affordability and Choice*

Middletown's historic neighborhoods and large vacant buildings have helped to attract new residents looking for affordable housing choices and expanded options compared to many communities that are primarily large, single-family homes on large lots. The City has benefitted from converting some of its large vacant commercial buildings into new apartment complexes, such as with the proposed 42 Mill Street Project that will create 140 new units of housing. While the City has worked to stabilize historic neighborhoods by reducing multi-family homes back to one- and two-family homes, it has also embraced development of new housing units, such as Sterling Park, as well as redevelopment of buildings downtown into mixed-use projects that include a range of apartments. Middletown's median house value of \$198,000 and median rent of \$1,100 are well below costs in many surrounding communities, which along with a diversity of housing options in walkable neighborhoods, are helping to attract young residents to whom suburban communities might not be of interest or within financial reach. For the

relatively lower cost of housing, residents also benefit from a quality local school system and well-developed network of parks and recreational facilities.

### *Proactive and Focused Leadership*

Under the leadership of longtime Mayor Joseph DeStefano and other community leaders, Middletown has taken a proactive and focused approach to encouraging revitalization of the BID, redevelopment of vacant commercial buildings, and re-use of the former Middletown Psychiatric Center. The Mayor and City leaders are advancing projects that increase the vitality and walkability of the downtown area, including rezoning buildings for mixed-use redevelopment and developing pedestrian and bicycle connections in the City. The City has diligently focused on rebuilding its aging infrastructure, including water and wastewater plants and distribution networks, while remaining fiscally sustainable through the difficult years of the economic downturn. A local business person interviewed referred to the Mayor as an urban visionary.

### *Community Diversity*

Middletown's population has become increasingly diverse over a period of decades. The growth of Middletown's Hispanic population (to nearly 40 percent of the City's population) has helped to revitalize struggling neighborhoods and bring new businesses to vacant storefronts along North Street and other downtown areas. Mayor DeStefano has embraced this growing diversity and noted during an interview that the increase in Hispanic population has been "instrumental in rebuilding distressed neighborhoods" as well as promoting small business growth.

## **Challenges for Sustained Success**

Like many small cities, Middletown has struggled over the past decades with urban issues such as poverty, abandoned and blighted properties, crime (or the perception of crime), aging infrastructure, and loss of tax base as manufacturing and retail moved to other regions or to surrounding towns. While the City has demonstrated strong momentum in revitalizing neighborhoods and re-using vacant buildings, the progress could be strengthened by dealing with a number of identified challenges.

### *Overcoming Negative Images of the City*

Middletown continues to face perceptions—in many cases, misperceptions—of the City by those unaware of the progress in recent years. Despite the success in rehabilitating neighborhoods and restoring vacant commercial properties, remaining blighted properties feed into an image of a community struggling with crime and urban decay. The City has made some significant strides in combating this, as evidenced by its diligence in improving the BID through anti-litter campaigns, new lighting, improved pedestrian connections, and mandatory police foot patrols. As the Mayor noted during an interview, the misperceptions around public safety are often fed by local news reports citing crimes "in Middletown", which often refer to events in the surrounding towns. As more people visit the downtown for special events, restaurants and nightlife, the City will need to continue its efforts to reverse long-held negative images.

### *Increasing Links with Educational Facilities*

The presence of two colleges offers tremendous opportunities, but there are challenges to maximizing the potential benefits. There is a challenge in increasing the physical *and* community connections between these institutions and the City. For example, SUNY Orange is physically separated from the City downtown, which discourages students from coming downtown. Improved pedestrian and biking connections between the downtown and campus require planning and investment; and efforts to connect the two areas of the City through future development projects have been limited, which might be addressed through improved coordination and communication at leadership levels. As Touro College increases its presence in the community, the City has already been proactive in welcoming students and college leaders to Middletown's downtown. The challenge is to ensure that these efforts are continued and strengthened to fully integrate Touro College into the fabric of the Middletown community. The City also faces the challenge of improving its long-term relationship with the Enlarged City School District of Middletown, which is a key community partner in the ongoing revitalization of the City.



### *Creating a Unique Identity for Middletown*

With dozens of urban communities competing for new residents and businesses, the City is challenged to define a unique identity for itself. This will require a continued strategic focus from City leaders in further developing certain assets (such as educational facilities or arts and entertainment venues). It will also require thoughtful and concerted efforts to communicate that identity to others in the Hudson Valley region and New York City/ New Jersey metropolitan area.

## **Opportunities for Positive Growth and Development**

The City of Middletown has made tangible progress in tapping its many assets to attract new businesses and residents. Continuing that positive momentum requires building further upon the City's recent successes, and there are a number of opportunities to continue these positive trends.

### *Building Bridges across Diverse Community Groups*

Middletown's historic downtown, vacant business sites, affordable housing options, good quality of life, and embrace of progressive change have helped to make the City's population increasingly diverse. The rise in Latino-owned small businesses and the growing interest in the City from Chinese investors offers great opportunities for Middletown to revitalize and grow. The City has welcomed the increased diversity and wisely views it as an opportunity and asset. For example, Mayor DeStefano cited City efforts with Latino businesses to promote expansion in the City, such as supporting a \$500,000 renovation and expansion of Garcia's Market. The

City has also worked to encourage existing Latino businesses to expand through broadening their target customers to include non-Latino customers. The City has seen increasing interest from Chinese investors, such as the proposal to establish the Fei Tein Academy of the Arts, which could lead to additional investments and interest from the growing Chinese and South Asian communities in the region.

#### *Continued Redevelopment of Vacant Buildings and Sites*

The City's inventory of vacant buildings and underutilized commercial properties has been reduced in recent years, but there are still numerous properties and sites that offer redevelopment opportunities for new businesses and housing. The pursuit of additional institutions of higher education could help redevelop some of these properties and sites and further build upon the City's growth as a hub of medical education and healthcare services. Many of the large, vacant commercial structures can be repurposed and redeveloped, particularly with increased zoning flexibility for live/work developments, as will be discussed in the Recommendations section.

#### *Revitalization of Struggling Neighborhoods*

The City's housing stock remains relatively affordable compared to that of surrounding suburban communities, which can help to attract Millennials, families, and senior citizens who are looking for walkable neighborhoods, proximity to downtown, and amenities such as the City's parks system, library, community center, and strong civic organizations. With the growth of breweries, new restaurants, cultural events, and live/work opportunities, the City has the opportunity to attract Millennials and others who will invest in restoring struggling neighborhoods.

#### *Maximizing Benefits from SUNY Orange and Touro College*

Downtown businesses could benefit from attracting a larger number of SUNY Orange commuter students to their restaurants and storefronts. As a primarily residential college, Touro College's positive impact could be even greater, and the staff, faculty and students of the new facility offer an incredible opportunity for revitalizing surrounding neighborhoods and attracting new residents who are able to walk or bike to their jobs or classes.

## **Recommendations:**

As highlighted previously, the City of Middletown has made impressive strides in redeveloping its downtown, attracting new educational institutions and cultural events, and revitalizing long-vacant properties. In order to continue this positive momentum, the Fellows respectfully offer the following recommendations for marketing the City and making it increasingly attractive to Millennials.

#### *Brand Middletown*

As the Fellows discovered more of the assets and opportunities of the City, it appeared that the City has already embarked on many of the "best practice" strategies for attracting Millennials and others to the community, including improving walkability, promoting mixed-use redevelopment in downtown areas, and attracting new businesses that cater to younger

residents, such as microbreweries. As Middletown further develops as a hub for arts, entertainment and restaurants or increasingly becomes identified as a “College Town,” a branding campaign could expand the visibility of the City’s offerings and help distinguish Middletown from other small cities competing for new residents and businesses. As a central location in Orange County, the Fellows coined the phrase “Meet Me In Middletown” for our various visits to the City, which led to the idea that a well-constructed branding campaign utilizing social media could help to make Middletown the place people thought of for meeting after work or relocating to be in an interesting urban community. The City would benefit from effectively broadcasting to those in and outside our region about the unique assets that Middletown offers visitors, residents, and new businesses.

#### *Capitalize on Presence of SUNY Orange and Touro College*

The City might also benefit from focusing marketing on businesses and residents that are looking to benefit from proximity to the two existing colleges and future colleges that open. The City should explore utilizing the START-UP New York program to attract new businesses to the City based on the proximity to SUNY Orange. City marketing might also focus on attracting businesses or other institutions that would benefit from co-location with Touro College in the remaining vacant spaces at the former Horton Hospital campus or location nearby. Middletown positioning itself as a center for higher education could help to attract additional schools and organizations to areas like the Middletown Psychiatric Center campus. The City might also consider partnering with regional economic development organizations to create accelerator or incubator programs specifically tailored to growing Middletown as an educational and healthcare hub. Utilizing the existing vacant owned municipal buildings would help to foster further redevelopment of the downtown while bringing additional jobs and students to the downtown area.

#### *Increasing Flexibility for Live/Work Opportunities*

Marketing the City should also include continuing to innovate and promote positive change in the City. The City’s proactive efforts to promote redevelopment of the downtown and other vacant properties has clearly resulted in some success. Continuing to be proactive and innovative can help position Middletown for positive growth and development. For instance, increasing the flexibility of zoning for live/work units in and around the downtown could help attract new investment and increase interest from young entrepreneurs, artists, and start-up businesses. Such flexibility, coupled with continued efforts to turn over City properties to responsible developers for little or no cost, could help redevelop some of the more challenging vacant, abandoned or blighted properties.