

HV SPOTLIGHT

COMMUNITY DRIVEN REVITALIZATION

The City of Port Jervis

Main street vacancies are not all the same. Some are more complex than an empty storefront, and some benefit from a more active role taken by the local municipality in which they are located.

The City of Port Jervis in Orange County provides a good example of unusual vacancies that were solved by teamwork among local government authorities, investors, and entrepreneurs.

In the mid-2010s, Port Jervis was confronted with two extreme cases of vacancy on Front Street, a portion of its commercial corridor that is lined with older brick buildings and locally owned shops.

The first building, at 46-48 Front Street, was acquired by the city for non-payment of taxes just before its back wall collapsed. At the time, city law required Port Jervis to wait three years before it could sell properties that were taken because of tax liens.

During that waiting period, Mayor Kelley Decker met with two entrepreneurs from New York City. They were interested in opening a brewery in Port Jervis but needed to find a location. Decker pointed them toward the dilapidated building on Front Street and eventually offered it to them for one dollar. Most investors would have razed the building, Decker said, but the brewing team had the energy to refurbish the main street anchor and did much of the work themselves.

It took about three years for the tax liens to clear, for Port Jervis to vet the business plans of the brewery, and for the new owners to gut and rehabilitate the building. But the Fox and Hare brewery now stands as a core business on Front Street. The brewery occupies the basement and the first floor. Plans for the second and third floors were put on hold because of the coronavirus pandemic.

A second building just down the street, at 24-32 Front Street, also suffered structural damage when a storm blew its roof off in 2014. The building was mostly vacant, except for a Chinese food restaurant that had to be relocated. Because the structure was compromised, Port Jervis said publicly that it might need to be torn down.

That caught the attention of a longtime developer in a neighboring town, who had spent decades building commercial storefronts. He was interested in acquiring the building – which spans nearly half a city block – and bringing it back to life. He shared his interest and his plans with Port Jervis.



One challenge stood in the way at the start. Nobody could find the existing owner of the roofless building. After many calls and letters, it turned out the existing owner died just before the storm peeled the roof off 24-32 Front Street. His children agreed to sign the building over to the city. The city owned it for five minutes before signing it over to the developer who ultimately invested more than \$1 million to restore its roof, brick façade and interior spaces.





The building is now home to two restaurants, a bakery and an architect on the bottom floor. Six of the eight apartments on the second floor have been refurbished, and loft apartments with vaulted ceilings are now located on the third floor. Much of the original wood and brick was re-used. Approximately three years passed between the storm and the re-opening of the building's commercial spaces.

"We really benefitted from finding private investors who had money to do something with the buildings, or people who had the energy to carry out a project," Decker said.

Decker said the sale of each building included certain terms that would cause ownership to revert back to Port Jervis if their new owners did not meet certain milestones for refurbishing the structures.

Port Jervis' approach to these extreme vacancies was unique in one important way. The city controls properties that end up in tax foreclosure. That is not the case for many of our towns and villages across the Hudson Valley. Most tax-lien properties end up being owned by the county, which generally puts them into an auction.

Still, counties across the region have often been willing to partner with towns, villages, cities and nonprofits if there is a well-defined strategy, or a specified use, for a particular parcel.

The examples from Port Jervis offer a few key lessons:

- 1) Communities should pay close attention to tax-foreclosure properties along their main streets. Local governments should consider different strategies that might increase the likelihood of downtown parcels being rehabilitated and reoccupied if they end up in government control as the result of tax liens. It is standard for most of these properties to end up in a tax-lien auction. But there is also precedent across the region for counties to collaborate with their local municipalities when a different method of sale will result in a parcel being re-used for its highest and best purpose.
- 2) Municipalities that own parcels along their Main Street should put that control to good use. Port Jervis sold its city-owned parcels to investors – but only after those investors provided proof of a plan and the means to carry it out. In other cases, municipalities have used the request-for-proposals (RFP) process to solicit bids and ideas for vacant buildings that are owned by a town, village or city. This process also allows local authorities to determine the building’s future use. An RFP can require certain milestones for reconstructing the building or dictate whether apartments on the top floors should be affordable to residents at certain income levels. For example, the City of Newburgh is currently teaming up with a regional nonprofit and a housing developer to construct workforce and supportive housing on a city-owned parcel.
- 3) Lastly, communities benefit when their government leaders take a smart, active role in solving these kinds of extreme vacancies. A hands-off approach can result in some buildings – especially older buildings with structural problems – ending up on the auction block for years. When local leaders take an active role in finding, vetting and selecting a qualified owner for key Main Street buildings, the outcome is often better than leaving it to the whims of an auction.

MORE ABOUT THE NEW YORK MAIN STREET PROGRAM

The New York State Main Street Program (NYMS) is a state-level program that offers technical and financial assistance for main street projects. Eligible activities include facade renovation, building rehabilitation, streetscape improvements, and technical assistance. Municipalities and nonprofits are the only eligible applicants for NYMS funds. When NYMS funds are awarded, the municipality or nonprofit is responsible for fund distribution and administration in compliance with program rules. The NYMS program is part of the annual consolidated funding application (CFA) process. For more information on the NYMS program, [click here](#).

