

WESTCHESTER MAGAZINE

What's Hot in Economic Development in Westchester

Elaine Pofeldt | April 23, 2021

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Business leaders in Westchester set plans in motion for a strong reemergence, showing confidence in the area's resilience amid the pandemic.

Slowly but surely, Westchester's economy has been coming back to life as the country emerges from a year of coronavirus-induced shutdowns. Regeneron, maker of a monoclonal antibody treatment for COVID-19, is getting ready for an expansion on its Tarrytown campus, with a planned 200,000 square feet of new laboratory space. Healthcare facilities across the county are continuing planned facility enhancements and additions, and residential and commercial real estate development projects are slowly moving forward again.

With new task forces springing up to support emerging industries, retraining for displaced small-business owners underway, and both residential and commercial development plans percolating, local officials and business leaders hope to reboot the local economy.

Many in the business community believe the county's economy has the fundamentals in place to stage a strong recovery as vaccines become more available and schools transition back to normal operations. "We are pretty resilient," says Michael Romita, president and CEO of the White Plains-based Westchester County Association. "We have a pretty diverse economic ecosystem. It is not dependent on any single sector of the economy."

Supporting Key Industries

The county is moving ahead quickly on one of its key initiatives: the Westchester County Economic Development Strategy, Recovery, and Implementation Plan, put into motion last summer by Westchester County Executive George Latimer. According to Bridget Gibbons, director of economic development for Westchester County, the plan focuses on four key industry sectors: biosciences, advanced manufacturing, financial technology ("fintech"), and clean energy.

"These industries are made up of resilient businesses," Gibbons says. "In fact, some of them have pivoted and been involved in responding to the pandemic. They offer good salaries that align well with the income you need [in order] to live in Westchester County. The jobs require a high level of skills, which aligns well with our highly educated workforce."

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Task forces to spearhead advanced manufacturing and biosciences are already up and running, with a brain trust of business owners, higher-education institutions, and civic organizations leading the charge. “These folks are advising us on how to grow the sectors in the county,” Gibbons says.

For each of the four targeted sectors, the county is also building out an “industry desk.” The advanced manufacturing and biosciences desks opened first, followed by just-launched fintech and clean energy, with a focus on wind energy, Gibbons says. Businesses that want to move to the county will be able to get introductions to the local business community by calling the desks, Gibbons says.

“The focus is more on helping the companies that are here to grow and attract more businesses, recognizing that the types of jobs associated with those businesses are quality jobs and have a positive impact on the rest of the economy,” says Harold King, president of the Council of Industry, based in Newburgh, NY. King is part of the Advanced Manufacturing Task Force for Westchester.

For businesses in sectors hard hit by the pandemic, such as smaller retailers and restaurants, the county developed the Westchester RISES program, which offers online workshops and mentoring to help businesses pivot in response to the pandemic.

The county has also planned a big marketing push to attract new businesses. A series of quarterly virtual events is highlighting businesses that are already located in the county or have recently moved here. They are promoting Westchester’s appeal to companies that need an educated workforce. The county will also be singing the area’s praises in an advertising campaign. “We will be advertising to recruit businesses that are thinking of moving to Westchester County, either from Connecticut, New Jersey, or elsewhere,” Gibbons says.

Practical Challenges to Recovery

Meanwhile, the Business Council of Westchester (BCW) has shared valuable insights gleaned from its Economic Recovery Task Force — made up of business leaders from Westchester’s private and public sectors — in a report over the summer, “Economic Recovery Task Force Report with Additional Strategies and Recommendations to Assist County’s Reemergence from the Pandemic.” Task-force members were asked to submit key issues that their respective industries will need to address during the reemergence process, which were sent to the governor and county executive, explains BCW president and CEO Marsha Gordon.

The report catalogs the challenges that face reopening economic sectors ranging from the arts and entertainment to hospitality, healthcare, and small business. The BCW is calling for measures such as consistent health and safety requirements for employees and customers, free PPE for employees and customers, a cessation of unemployment payments to encourage

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workers to come back to work, better access to COVID testing and results, and assistance with signage and messaging to ease employee and consumer concerns.

“This is information coming from businesspeople who have to deal with this every day,” says Gordon. “I think it was important to have this document done, so the elected leaders can see what is happening on the ground.”

Addressing Systemic Inequality

Romita of the WCA says county leaders also need to address systemic inequities that became more visible during the pandemic. Noting that more than 2,200 Westchester County residents have died during the pandemic [at press time] and that Black and Hispanic communities have been affected disproportionately because of factors such as unequal access to healthcare, WCA’s Post-Pandemic Working Group (a committee of business, government, nonprofit, and academic leaders) has called for a recovery plan that focuses on healthcare, affordable housing, sustainability, expanded digital connectivity, and closing the digital divide, according to its September 2020 report, “Towards a Stronger Future.”

With a recent survey by the WCA identifying healthcare/life sciences as the “single most important industry for Westchester’s economic future,” the WCA has also initiated the Healthcare Workforce Talent Project, to identify the greatest hiring needs in the region.

Prioritizing Real Estate Development

The WCA’s Post-Pandemic Working Group has, in addition, partnered with Pace University’s Land Use Law Center to create a new chapter for the group’s “Policy Playbook,” which is focused on affordable housing and includes policy recommendations, model zoning ordinances, best practices, and resources for training and funding to help the county move forward. Through the Pace partnership and the Housing Action Council, the WCA has also launched an Employer-Assisted Housing Program. This will enable employers to connect employees to grants and services that may help them secure affordable housing. “This is about trying to attract a local workforce — teachers, nurses, police officers, accountants — and make sure they have a place to live,” says Romita.

Some towns have already embarked on new workforce-housing development projects. In New Rochelle, the NRP Group broke ground in December on a \$97 million project called the Renaissance, a 179-unit workforce-development housing project targeting tenants earning 30% to 80% of the median income for the area. In Peekskill, Wilder Balter Partners broke ground on an 82-unit, \$51 million five-story residential complex at 645 Main in September 2020 in an area slated for revitalization under Peekskill’s Downtown Revitalization Initiative Grant from New York State. The building will focus on serving residents making 40% to 80% of the median income in the area.

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With housing prices high (the average sales price in Westchester for a single-family home was up 22.5% year over year, to \$975,141, in Q4 2020, according to real estate firm Douglas Elliman), many cities will also be prioritizing market-priced housing in the coming year.

Yonkers is making a big push on this front. It saw the grand opening of the Marquee Apartments, a 160-unit, 10-story building on Bronx River Road, and broke ground on a \$9.4 million, 29-unit rental project at 9-11 Riverdale Avenue in October. The Yonkers Industrial Development Agency also got approval to grant financial incentives for a seven-story, 126-unit apartment complex, including 13 affordable-rate units, at 56 Prospect Street.

The city has seen more than \$4 billion in private investment and more than 9,100 multifamily units planned, completed or under construction and approved for development since it began its Generation Yonkers campaign to market the city's appeal in 2014. Yonkers has continued to invest about \$350,000 a year in the promotional campaign, which includes radio, TV, out-of-home ads on trains and billboards, and social media advertising, according to Elizabeth Bracken-Thompson, a partner at Thompson & Bender in Briarcliff, the agency running the campaign.

With many city residents flocking to the suburbs in the pandemic, the campaign will continue to promote the luxury high-rises springing up on the banks of the Hudson River, she notes. "Our goal is to position Yonkers clearly in people's minds as a great place to live," Bracken-Thompson says. "We've targeted people living in Westchester and the metro area who can find spacious new apartments at lower rents."

Yorktown, meanwhile, has run its own campaign to position itself as being "open for business" — so it can attract businesses looking for suburban satellite offices, as well as small businesses — with streamlined municipal approval processes. The \$40,000 "Yorktown: Up where you belong!" campaign, which ran from August through November, included street signage, a website at DestinationY.org, digital ads, and paid social media. "They are trying to attract businesses moving out of New York City," says Bracken-Thompson, who is heading up the Yorktown efforts, as well. Yorktown is implementing overlay zoning districts for its five business hamlets, to allow greater flexibility in creating live/work retail and residential spaces with pedestrian- and bike-friendly streets.

There is a lot more room for recovery in commercial real estate, where many projects are moving slowly and retail tenants remain challenged. "If you look at what's happening to the commercial office market this year, leasing velocity is way down, and absorption is down, as well," says Romita. But he believes that coming months will bring a repositioning of office space for uses such as healthcare and recreation, as well as multifamily housing. "If you own commercial office space, it's not necessarily a bad thing," he says.

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Some developers are keeping a close eye on Westchester, finding that the recent exodus to the suburbs makes the market attractive for commercial real estate projects. Smaller projects are also moving forward. Peekskill's city council recently approved a 13,000 sq. ft. urban farm, to be run by the Ecological Citizens Project, in Lepore Park, funded in part by a private foundation and donations. The farm is creating paid internships, agricultural career training and producing food to be provided to the community in need and for sale in the Peekskill Farmer's Market and at local restaurants, says Matthew Rudikoff, executive director of the Peekskill Industrial Development Agency. "Spring peas have been planted, and the farm is open on Saturday mornings," says Rudikoff.

Plans for a food incubator/kitchen are also underway in Peekskill, which will be a 9,000 sq. ft. licensed commercial kitchen and culinary business for new and emerging food entrepreneurs who would not have the resources to open their own commercial kitchen, says Rudikoff. "It's at a very early stage," he says of the project.

Like much of the local economy, Peekskill is evolving day by day, but Rudikoff believes it's important to get started early on plans for growth. "We're taking a proactive approach," he says.

Freelance writer Elaine Pofeldt is a frequent contributor to 914INC.and Westchester Magazine.