

5. BACKGROUND INFORMATION AND EXISTING CONDITIONS

New Rochelle's location on Westchester's Long Island Sound shore places it within one of the state's wealthiest counties. According to 1995 estimates from the United States Census Bureau, Westchester has New York's fourth-highest median income, at \$53,043. Only Putnam, Nassau, and Rockland, also New York City suburbs, and all much smaller in size than Westchester's 443 square miles, has a greater median income.

5.1.1 WESTCHESTER COUNTY: HISTORY

As shown in the map at left, Westchester County borders, on its south, the New York City borough of the Bronx. According to historian Frank E. Sanchis, this location at New York City's doorstep has "always put it in the center of activity

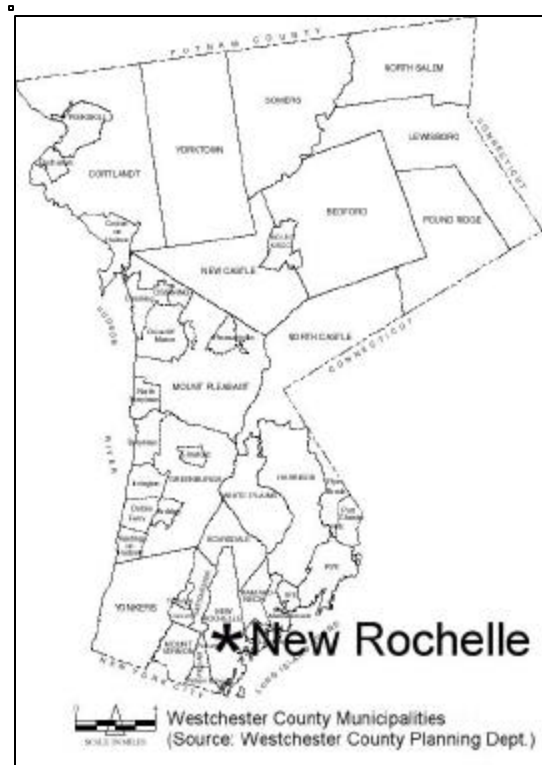


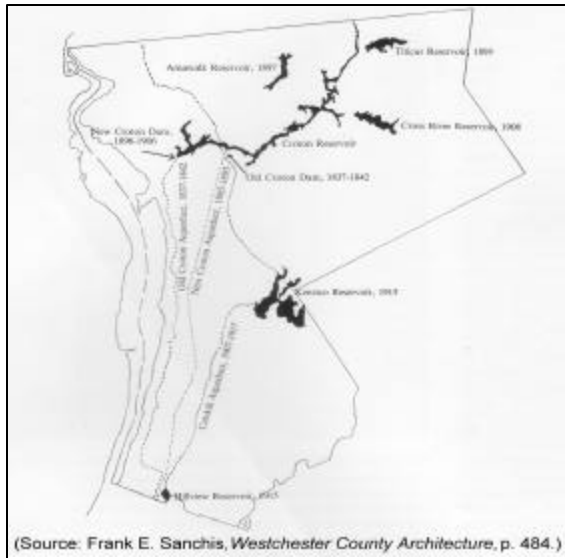
relative to the balance of the nation." Indeed, Westchester's development has

historically been fueled by its proximity to what has been, since 1820, America's largest city. Before the days of railroads or highways, Westchester had the trade routes of the Hudson River and Long Island Sound. In the 18th century, the primitive post roads to Albany and Boston were cut through Westchester's rolling, wooded hills.

When New York City's population boomed after the 1825 completion of the Erie Canal, Westchester furnished many of the city's raw and finished goods. Iron foundries were located throughout the county, and Westchester's numerous brickyards and marble quarries provided the materials for the thousands of row houses and monumental new institutional buildings spreading across Manhattan. When Newgate Prison in Greenwich Village was no longer adequate, it was replaced in 1828 by Sing Sing, "up the river" in Westchester County. When a reliable and clean source of drinking water was needed, New Yorkers looked to Westchester, where the Croton Dam was completed in 1842. Today, as the map on page 10 shows, the county is still a vital link in the New York City water supply system, even as development pressures have threatened water purity.

In the 1840s, the railroads came. In 1844, the New York and Harlem Railroad reached White Plains; the New York and Hudson River line was completed to Peekskill in 1849.





(Source: Frank E. Sanchis, *Westchester County Architecture*, p. 484.)

That year, the New York and New Haven opened its line through eastern Westchester. Soon thereafter, population began to shift from the northern half of Westchester to the south, clustering around railroad stations. All three railroads, which now originate from Manhattan’s Grand Central Terminal, are operated by the Metropolitan Transportation Authority, and are heavily used by commuters. The map below shows today’s routes in Westchester.

The railroads’ effectiveness at stimulating development was seen in the establishment of Mount Vernon, which is located between New Rochelle and Yonkers and, like the other two, borders the Bronx on its south. Unlike

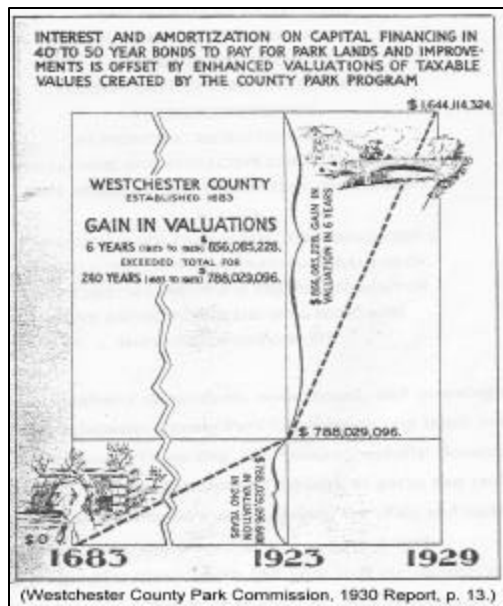
Yonkers or New Rochelle, which date back as communities to the 17th century, Mount Vernon, according to Sanchis, “was a new idea – a community of people who were economically dependent on [New York City], and who would be traveling back and forth every day – a commuter suburb.” Together, in 1851, a group of skilled tradesmen affiliated with “Mechanics Mutual Protection No. 11” in New York City purchased five farms totaling 369 acres, and subdivided them according to a grid plan. The leader of the group, John Stevens, saw the endeavor as a means of improving the condition of New York’s working class by freeing it from rent payments and enabling it to enter the class of property owners. Mount Vernon was incorporated as a village in 1852, and rapidly grew to become a city 40 years later.

Between 1865 and 1920, Westchester’s population boomed, multiplying from about 100,000 to almost 350,000. During the 1920s, the county began channeling its growth along the routes of its new automobile parkways, which comprised, by the 1930s, the finest highway system in America. Following the 1925 completion of the Bronx River Parkway – the world’s first limited-access public motor-route – Westchester built a highway system that was second to none in design and engineering, much of it funded by projected increases in real estate valuations. Development, largely consisting of single-family homes along the parkways’ edges, boomed. The Saw Mill, Hutchinson River and Cross County Parkways, along with the Taconic Parkway (originally called the Bronx Parkway Extension), were begun during a period of intense parkway building before World War II, and although no longer aesthetically outstanding, they continue to funnel automobile drivers in and out of New York City.



(Source: Metropolitan Transportation Authority)

Linked by the new highways was an equally impressive system of golf courses and lush



county parks. Among these was New Rochelle's Glen Island, taken over in 1925 by Westchester County, and famous in the 1930s for the appearance of prominent big bands at its Casino; and Playland, a model amusement park completed by Westchester County in 1927. Playland, now on the National Register of Historic Places, is still operated by county government. Amenities such as these earned Westchester a reputation as the nation's most desirable suburb.

Westchester's prosperity was underscored by the decision of many New York department stores to open branches in the county beginning in the 1930s. B. Altman opened its White Plains store in 1934; Arnold Constable followed, in New Rochelle, in 1937. Lord & Taylor completed its Eastchester store in 1949, the same year that Macy's opened in White

Plains. In 1953, General Foods started what came to be known in the 1980s as the "Edge City" trend when it became the first of many corporations to leave behind its Manhattan headquarters for a new suburban campus, in White Plains, seen at right. The section of Westchester Avenue near White Plains, a major headquarters location, has since become known as the "Platinum Mile." This desirability as a headquarters location was fueled by four major interstate highways constructed after World War II: I-87, the New York Thruway's main route; I-287, the main east-west expressway, which bypasses White Plains; I-95, the New England Thruway, which parallels the New Haven train line; and I-684, a north-south route along the eastern edge of the county.



Westchester has enjoyed the benefits of having an affluent, largely white-collar population. School drop-out rates in the county are a scant 1.5%, and 80% to 90% of students continue their educations past high school. Although population grew slowly from 1980 to 2000, from 866,599 to 871,894, the county is becoming more diverse. Between 1980 and 1990, the African-American population grew by 15%, and the Asian population, by 113%. The county's affluence has not inured it from suffering its share of urban problems. After World War II and the decline of mass transit systems, the downtowns of Yonkers, Mount Vernon, New Rochelle, Peekskill, and White Plains declined substantially, following the national urban trend.

5.1.2 WESTCHESTER COUNTY: BUSINESS, INDUSTRY, AND LAND USE

New York State helped usher in America's industrial age and was home to over one million manufacturing jobs by 1906. However, recent decades have not been so kind to New

York's manufacturing sector. In the 1960s and 70s, factory employment decreased as production moved overseas. Despite a brief recovery in the late 1970s, the trend continued downward. Between 1989 and 1994, New York State lost an average of 42,820 manufacturing jobs annually. This 4% loss each year was particularly dismaying, as the national average was only 1%.

The situation began to turn around in 1994, when job loss slowed to 16,000 jobs (1.7% of total manufacturing jobs) per year. Forward momentum was gained in 1995 and 1996 as the state government cut taxes and loosened regulations on manufacturing. Net change was zero in 1997 and 1998, and projections suggest that they employment will climb in the future. This is indicated in part by a 33% increase in capital expenditures in 1995-1996 compared with the previous two years'.

New York State has traditionally been a strong exporter of industrial goods. While overall industrial employment declined by 100,000 between 1992 and 1996, export-related manufacturing jobs rose by 14,500 (primarily in the production of electrical and electronic equipment, industrial equipment, and the computer, fabricated metal, and chemical sectors). However, this growth was still slower than the national average.

One illusion that has hampered New York State's recovery in manufacturing is its perceived high labor costs. This is in part due to the high wages that must be provided to the non-production managerial classes, who make up 42% of manufacturing jobs in New York State (compared to 35% nationally). This is due to the high concentration of corporate headquarters in the state, especially New York City. When wages are broken down, however, the actual manufacturing payroll per employee is only 9% higher than the national average.

New York State's largest manufacturing sub-sectors are:

- Printing and publishing
- Instruments and related products
- Food and kindred products
- Industrial machinery
- Electronic and other equipment
- Chemicals and allied products
- Transportation equipment

Sectors that added new jobs in 1995 and 1996 are: fabricated metal products; stone, clay, and glass products; furniture and fixtures; industrial machinery and equipment; electronic and other equipment; and transportation equipment. Industrial sites representing all of these sectors (except printing and publishing) can be found in the Study Area.

Westchester County has an industrial profile that varies in significant ways from that of the state as a whole. Of Westchester County residents, only 10.6% of the workforce held manufacturing jobs in 1998. This number is only slightly below the state average of 11.6%, but notably lower than the national average, 15.4%. Westchester and Rockland Counties recently came out of the slump in manufacturing jobs, erasing job loss rates of 3.1% with level growth in 1997 and 1998.

In 1999, Westchester had 976 manufacturing establishments employing 36,150 people. The major categories of manufacturing in the state are as follows:

Category	No. of Establishments
Food and Kindred Products	70
Fabricated Metal Products	65
Lumber and Wood Products	36
Transportation Equipment	22
Stone, Clay and Glass Products	18
Furniture and Fixtures	17

(Source: Bureau of Labor Statistics, U.S. Dept. of Labor)

There were major employment losses in Westchester County during the recession of the early 1990s due to corporate downsizing and relocations, from 460,000 in 1989 to 415,000 in 1993. The employment level was slow to recover, but by 1999 it reached the 1988 level of 432,000 jobs. However, the county has experienced a shift in the type of employment available, with significant growth in the service sector, information technology, the health sector, and professional and business services. Forecasts for occupational growth include a 36% increase in computer- and mathematical-based positions and a 20% increase in engineering and health services jobs. In recent years, manufacturing has seen the largest decline in employment share, falling from 16% in 1988 to 9.8% in 1998. Service sector employment is projected to be responsible for nearly all of the growth in employment over the 1998 to 2003 period.

In the near future, no growth is expected in administrative support or manufacturing occupations. Although manufacturing jobs declined nearly 5.5% between 1997 and 1999, the county has seen dramatic increases in industrial sectors outside of manufacturing. The construction industry as a whole posted growth of 7.92% in 1997 and 12.93% in 1998. Special trade contractors such as electricians, masons, and plumbers, enjoyed year-on-year job increases of 8.13% in 1998 and 11.11% in 1999. Jobs in agriculture, forestry and fishing, which include landscaping, climbed 1.34% from 1997 to 1998 and 3.87% into 1999. The number of jobs in retail trade increased by only 0.70% in 1997 and 0.95% in 1998.

Overall, the employment growth forecast for Westchester between 1998 and 2004 is 1.38%, which is a faster growth rate than New York City and the State of New York. The unemployment rate for the county in 1998 was 3.2% (NYC had a 5.6% rate) and the forecasted rate for 2004 is 3.5%.

Westchester County has 39 million square feet of industrial space, or 3.3 percent of the region's entire inventory. Many of the newer industrial space is re located along Interstate 287 between Port Chester and Tarrytown.

Patterns for Westchester

The Westchester County Planning Board published *Patterns for Westchester: The Land and Its People* in 1996. The document identified land uses and transportation corridors in the county and offered broad policy recommendations to municipal governments to plan for continued development. New Rochelle was identified as one of four major urban centers in the county, the redevelopment of established urban centers was viewed as critical, and I-95 is identified as a major corridor with capacity for economic development.

According to the report, the three elements of land use review used by the County Planning Board are density of development, relationship to surrounding development, and visual impact. *Patterns* implores city governments to recognize these three elements when writing zoning regulations. The Board also expects (but is not required) to review major development proposals—over 50,000 square feet of commercial floor area or 25 housing units of residential development, taking into consideration the regional implications of proposed development in terms of the three land use elements.

Important land use conditions in the county, according to *Patterns*, include:

- The highest concentrations of density are in the older urban centers—Yonkers, Mt. Vernon, New Rochelle, White Plains, Port Chester, and Peekskill.
- White Plains has a central location and excellent transportation facilities.
- Outside these urban centers, several other intermediate and local centers and corridors have the infrastructure capacity for additional development.
- Many corridors have long-range critical problems, although adjacent land does have the potential for sensitive development.
- Because of the New York City Watershed, development in northern Westchester is limited.
- Much of the open space in the county is due to extensive privately-owned lands.

Among the report’s recommendations were:

- An FAR range for Urban Renewal Areas of 0.2 - 0.8, equating to 130,000 to 520,000 square feet on a 14.9 acre site.
- Residential density of six to 26 dwelling units per acre.
- Development strategies focusing on redevelopment of obsolete and underutilized areas. Growth centers include non-city centers and corridors with infill possibility.

Patterns also noted the regional difficulties created by scarce land in Southern and Central Westchester: “Land use decisions that benefit one community’s economy . . . may adversely affect . . . neighboring municipalities.”

5.2 NEW ROCHELLE BACKGROUND

The City of New Rochelle, one of New York State’s oldest communities, is located in Westchester County, New York, on Long Island Sound. With its southern border less than one mile from the borough of the Bronx, and with Manhattan’s Grand Central Terminal only a 35-minute train ride away, New Rochelle has been a commuter haven for more than a century. Unlike other well-known New York bedroom communities such as Scarsdale, Pelham, and Larchmont, all of which border New Rochelle, the city is economically and ethnically diverse and decidedly urban, enjoying many historic and cultural resources, but also facing challenges common to many older Northeastern cities.

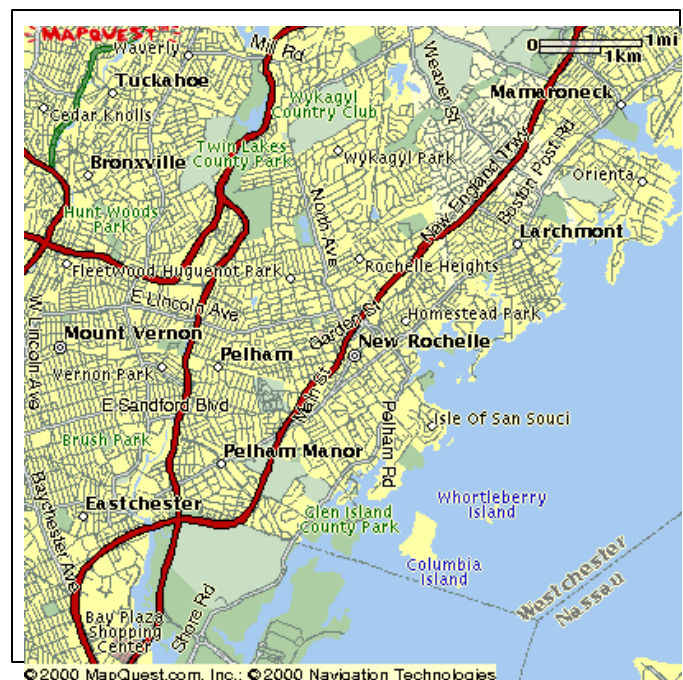
5.2.1 NEW ROCHELLE : HISTORY

New Rochelle’s history begins with Thomas Pell’s purchase of the Pelham Manor tract, of which the city would become part, from the Siwanoy Indians in 1654. Thirty-four years later, thousands of Huguenots – French Protestants who left France following Louis XIV’s revocation of the Edict of Nantes, which had protected them from religious persecution – began settling the area. Their new home was named after La Rochelle,

the port from which they had departed France. Through the 18th century, New Rochelle, with a 1790 population of 692 residents, remained a modest village. It retained an abundance of agricultural land, 300 acres of which was awarded in 1784 to the patriot Thomas Paine by New York State for his service to the cause of independence.

In the first years of the 19th century, New Rochelle's industrialization and urbanization began in earnest. A four-story flourmill, said to be the country's largest at the time, was constructed in 1801; the next year, a tollhouse was built on the Westchester Turnpike (now Main Street), and the thoroughfare became the village's commercial heart, home to a concentration of taverns, stores, and homes. New Rochelle's urbanization accelerated following the 1848 completion of the New York and New Haven Railroad, which, today known as Metro-North's New Haven line, still connects New Rochelle with both cities and is a vital commuter link. By 1857, the population of the Town of New Rochelle approached 3,000.

The growth and increasing complexity of New Rochelle in the late 19th century expressed itself in the establishment of a number of important institutions. The city's first significant newspaper, the *Pioneer*, began publication in 1860; the next year its first volunteer fire company was formed. New Rochelle's easy accessibility to New York City by steamboat led to the 1879 creation of the Glen Island fun park, which featured a zoo, natural history museum, bathing beach, Chinese pagoda, and German beer garden. The city board of health was created in 1881 in response to a smallpox epidemic, and horse car lines were established in 1886, improving transportation within the city. The New Rochelle Public Library was established in 1892.



The 1890s saw intense development. During the decade, New Rochelle's population increased from 9,057 residents to 14,720. Perhaps more significantly, during the first decade of the 20th century, New Rochelle blossomed as a suburb. In 1902, Beechmont Lake was developed as the focal point of an attractive residential area; four years later, New Rochelle's advantages as a commuter haven were advertised to thousands through "Forty-five Minutes from Broadway," a George M. Cohan show in which it was featured. The city, which retained its reputation as an up-and-coming suburb for decades, is still remembered by many across the country as the sitcom home of the star of the "Dick Van Dyke Show" and his TV wife, played by Mary Tyler Moore, from 1961 to 1966. Today, New Rochelle remains the home of well-known artists and performers including Andrea McArdle, Ossie Davis and Ruby Dee, and Robert Merrill.

The 1920s were, as much as any time, New Rochelle's glory years, with intense growth encouraging a sky's-the-limit attitude among its boosters and city fathers. In 1929, just before the notorious stock market crash, the Planning Board wrote in its *City Plan and Twenty-Year Program of Public Improvements for New Rochelle*, "We are strongly impressed with the fact that New Rochelle is at a critical point in its history. It clearly appears to be on the eve of a new and great development. It is nearer to New York City than any other community in which there is still available a large area suitable for the development of residential districts of a high type." New Rochelle had problems, but they were the kind that were nice to have: with a vibrant downtown full of entertainment and shopping opportunities, planners had to wrestle with a severe parking shortage; with "the market for apartment houses ... increasing," the planning board had to struggle with the question, "should apartment houses be encouraged or discouraged in a suburban city?" (They concluded, "the apartment house and the dwelling both have a place.")

New Rochelle expected the good times to continue to roll. Its planners, projecting growth to 75,000 by 1940 and 90,000 by 1950, pointed to the city's "good shops and stores ... good harbor, and ... good railway freight facilities," figuring that "if anything, the prognostication for ... growth is most conservative. A population of 100,000 by 1950 is not at all impossible." In 1930, New Rochelle had 54,000 residents, who, in the early years of the 1930s, had the highest per capita income of any city residents in New York State.

New Rochelle never reached the magical 100,000 figure. In the 1980s, in the midst of healthy suburban growth county- and nation-wide, New Rochelle's population fell to 67,265, from 70,794 in 1980.

5.2.2 NEW ROCHELLE: SOCIOECONOMICS AND DEMOGRAPHICS

In 1990, New Rochelle was a heterogeneous place, with nonwhites making up 23.9% of the population, up from 21.3% in 1980. This diversity is nothing new. In 1693, New Rochelle had 44 families, including three Dutch, one German, and one English, and 19 Haitians, presumably slaves. In 1790, New Rochelle's 692 residents included 100 African-American slaves and 36 freemen. The Colored Peoples Methodist Episcopal Zion Church was founded in 1814; in 1820, six slaves remained among New Rochelle's African-American population of 150.

By 1865, 30% of the town's population was foreign-born. Of New Rochelle's 3,968 residents, 800 were Irish and 200 were German. In 1873, several New Rochelle families observed Yom Kippur, and in 1896, the town's first synagogue, Anshe Sholom, was chartered. Today, New Rochelle has approximately 700 Orthodox Jewish families. According to a 1999 newspaper account, "New Rochelle's Orthodox population is flourishing, having doubled in just two decades as Orthodox professionals snap up the classic Tudor-style houses in the city's north end. Two of the four synagogues have built or are planning new sanctuaries, and the two restaurants share North Avenue with a kosher bakery, a kosher pizza shop, and a kosher grocery."

Indeed, diversity remains one of New Rochelle's hallmarks. One 17-year resident, Peter Ackerman, commented in a recent newspaper article that the city's heterogeneity made it a good place to raise children. "When you're forced into an environment where you really

have to interact with kids from different socioeconomic and ethnic backgrounds,” he said, “you’re forced to realize that the world is a more complex place than your own personal, rather insular, environment. We believe there are no losses here in New Rochelle as the result of this diverse population. It’s part of its strength.” According to the New Rochelle School Superintendent, “almost half the student body is minority, representing 57 nations. We have students on welfare assistance, ones who are recent immigrants, and wealthy students. We not only savor their differences, we cherish and nurture them.”

New Rochelle’s population of Mexican-Americans has grown by leaps and bounds since the city’s first Mexican immigrant arrived in 1954. Although less than 4% of the city’s population was of Mexican origin in 1990, many believe it is now closer to 15%. Today, New Rochelle’s downtown is as described in a 2000 newspaper article, “dotted with Mexican restaurants and shops.”

There are also many immigrants from Guatemala, the Dominican Republic, Colombia, Ecuador, and other Central and South American countries. They have become the chief parishioners of St. Gabriel’s Roman Catholic Church located at Division and Washington Streets, an elaborate blue granite building featuring Tiffany windows that was built by, as one account put it, former congregations of “socialite millionaires.” Today’s parishioners, according to the article, are people who “live in the old houses in the surrounding neighborhood, people who work long hours as busboys, gardeners, and cleaning women and still have a hard time making ends meet, people who speak little or no English.” New Rochelle also has a sizeable Taiwanese community.

Although New Rochelle has been heterogeneous throughout almost its entire history, diversity has sometimes invited controversy and conflict. In 1961, the city’s Lincoln Elementary School was the focus of a landmark school desegregation battle. At the time, Lincoln was 94% black. Parents of eleven children sued the city because they were prevented from registering their children in city schools outside their district. Attorneys for New Rochelle argued that the city was merely promoting a “neighborhood school” policy, but the federal judge hearing the case concluded that Lincoln had been established “as an all-Negro school by the gerrymandering of district lines and by the transfer of white children residing in the district to schools outside the district.” Although for two years, the school board resisted the judge’s order to desegregate, a new board in 1963 tore down the Lincoln school and complied, integrating the system through busing. Recalling the battle in 1987, one longtime resident said the case “gave us a bad name at the time, but it was one of the best things to happen to the city. We don’t have segregated schools, we have integrated neighborhoods and the climate is quite good.”

Still, that has not prevented violence from erupting in New Rochelle. Following the announcement of the Rodney King verdict in 1992, “dozens of black teenagers and adults roamed the downtown streets, smashing windows and looting.” One rioter said, “It was worth it. We were just tired of being pushed around. It made me feel good to get all of my frustration out.” The city manager at the time, Matthew Iarocci, described New Rochelle as a “League of Nations,” adding, “People do get along quite well. It gives you a more sophisticated and more tolerant perspective when you grow up with other people.”

New Rochelle and Its Neighbors

The median household income in New Rochelle in 1990 was \$43,482, below the \$48,405 for Westchester County as a whole. Although New Rochelle is a relatively wealthy community, it does not come close to the incomes of its neighboring towns and villages. The neighboring Town of Mamaroneck (which includes the Villages of Larchmont and Mamaroneck) had a median household income of \$77,926, almost double that of New Rochelle. Pelham and Mamaroneck are also more homogenous than New Rochelle, with whites accounting for over 90% of residents. The neighboring city of Mount Vernon, in contrast, has a majority (55.3%) black population.

As Jennifer Campion points out, the considerably different socioeconomic profiles of Pelham and Mamaroneck makes them unlikely to approve of any large development that might increase their traffic burden, or harm them in other ways. Her assessment helps explain the aggressiveness with which Mamaroneck residents attacked the IKEA proposal, including the passage of a town law to “require developers to obtain Mamaroneck’s approval for projects just outside its borders in nearby towns.” As Campion explains,

“New Rochelle is surrounded by smaller, more affluent waterfront communities. These consist of Pelham Manor to the south, and Larchmont, Mamaroneck, and Rye to the north.

“The population of each of the surrounding communities is less than one-quarter of the population of New Rochelle and the mean household income is more than double. These municipalities are not faced with the same socioeconomic pressures that New Rochelle is experiencing. Therefore, they have very different concerns regarding development. They are not concerned with promoting growth, but protecting environment and quality of life in their communities. They view development as a threat to this, particularly large-scale development in a neighboring community which will have an impact without providing benefits to these communities.”

Underscoring her point are these data from the 1990 United States Census:

	POPULATION	MEAN INCOME (\$)
WESTCHESTER CO	874,866	69,264
RYE	14,936	128,425
LARCHMONT	6,181	117,048
MAMARONECK	11,231	115,022
NEW ROCHELLE	67,265	62,341

Income levels in the proposed redevelopment area of City Park are substantially lower than citywide and countywide income levels. In 1990, the average per capita income in the Redevelopment Area ranged between \$11,970 and \$12,742, as compared to \$23,745 in New Rochelle and \$25,584 in Westchester County.

Demographic Data for New Rochelle (from the 2000 U.S. Census)

PERSONS **72,182**

RACE COUNTS

White	49,001
Black	13,848
American Indian, Eskimo, or Aleut	141
Asian or Pacific Islander	2,334
Other race	4,535
Two or more races	2,288

RACE PERCENTS

White	69.3%
Black	18.6%
Asian	3.2%
Hispanic	10.8%
Other	5.9%

5.2.3 NEW ROCHELLE: BUSINESS, REVENUES AND REVENUE CONSTRAINTS

Revenue and Aid

The bulk of New Rochelle's revenue comes from sales and property taxes. In the 2001 proposed budget, revenue sources are broken down as follows:

Property Tax Levy	\$ 30,383,762	40%
Sales Tax	21,600,000	28%
Federal and State Aid	7,092,045	9%
Other	11,818,1916	15%
Appropriated Fund	6,181,577	8%
Balance		
TOTAL	77,076,300	100%

source: Adopted Budget and Work Program 2001, City of New Rochelle

The third major source of revenue is state aid, which many New Rochelle residents and city officials feel they do not receive their fair share of. There are four types of aid distributed to municipalities by New York State:

- *Per capita aid* consists of state income tax revenues distributed by New York State to municipalities based on population; New Rochelle receives \$4.3 million of this type of aid.
- *Supplemental municipal aid* is distributed without a formula. Once called "distressed city aid," supplemental aid is given to municipalities by discretion according perceived need and lobbying on the part of officials.
- *Categorical aid* is given to municipalities for specific projects (for example, New Rochelle's Intermodal Center and the new soccer field in City Park)
- *Recurring operational aid* is allotted for continuing programs (for example, funding day camps for kids or programs for the elderly); New Rochelle receives about \$1 million per year of this aid.

It is in the category of supplemental aid where New Rochelle falls the furthest behind compared to other New York municipalities. The following table illustrates levels of supplemental municipal aid to the eight largest cities in the state, excluding New York City:

Supplemental Aid for the 8 largest cities in New York (excluding NYC)

Rank/City	Total	Per Capita Aid
1. Buffalo	\$48.6m	\$148
2. Rochester	\$21m	\$92
3. Yonkers	\$47m	\$250
4. Syracuse	\$25m	\$150
5. Albany	\$600,000	\$6 *
6. Utica	\$4.7m	\$69
7. New Rochelle	\$465,000	\$7
8. Mount Vernon	\$720,000	\$11

* Note: Albany receives significant amounts of special aid as the state capital, so this number does not reflect a real deficiency in funding for Albany.

Elsewhere in Westchester, Mount Kisco receives \$22 per capita in supplemental aid. Newburgh, in Orange County, receives \$57 per capita.

However, if one considers total amounts of state aid given to cities (this includes per capita and categorical in addition to supplemental), New Rochelle does not fall as far behind compared to other, similar cities in Westchester County. In 2000, New Rochelle received a total of \$8,631,263 in state aid, or \$564.62 per capita. White Plains received \$494.60 per capita and Mount Vernon, which has a significantly lower median income than New Rochelle, received \$834.61. (In 1990 Mount Vernon had a median income of \$34,850 compared to \$43,482 for New Rochelle.) It should be noted that compared to many nearby municipalities in Westchester, such as Larchmont and Pelham, New Rochelle faces financial burdens due to the economic diversity of its population and the accompanying need for social services. New Rochelle's status as a diverse city rather than a socioeconomically homogenous suburb justifies an elevated level of state funding.

Revenue Constraints

New Rochelle's ability to generate additional revenues from taxes is hampered by a property tax cap. In 1993, the New York State Assembly imposed a cap prohibiting New Rochelle from increasing property taxes at a rate greater than the increase in cost of living. This condition was imposed in exchange for a one percent increase in the city's sales tax from 7.25% to 8.25%. While the city expected that the sales tax increase would generate an additional \$15 million per year, it has in reality created only an additional \$7 million a year since 1993.

Though the increase in sales tax generates substantial revenues from large stores, such as Costco and Home Depot that draw people from neighboring municipalities or even

adjacent counties, it is a burden to local businesses. Both businesses and homeowners alike incur increased energy costs in the form of sales tax on their electric and gas bills, and shoppers are discouraged from patronizing local businesses when the sales tax rates of neighboring municipalities are more competitive.

According to a report by the Westchester County Department of Planning, Westchester ranks fourth among New York State counties in overall sales volume and number of stores. New Rochelle contributes a relatively small portion of Westchester's retail sales, which reached \$7.5 billion in 1992. In that year, New Rochelle's retail sales of \$416 million made up only 5.5% of the county's total.

Downtown

From the early 1900s to the 1970s, New Rochelle's downtown was vibrant and prosperous, clearly the figurative center of the city, if not its literal one. The engine of Downtown's wealth was largely its strong retail environment, which earned New Rochelle a reputation as one of the New York suburbs' most important shopping and entertainment destinations.

"This was the downtown of Westchester," according to Marc Jerome, chairman of New Rochelle's Business Improvement District, which was approved in 1999. "If you talked to anyone in the '50s, New Rochelle was the place people went to. People have been pining for the old days."

Although Downtown during the 1950s and 1960s was a magnet for desirable stores such as a branch of New York retailer Arnold Constable, it was being passed by by the 1970s. As one longtime resident recalled of Bloomingdale's, which opened downtown even before the 1950s boom in suburban department store building, "Bloomingdale's took over the very old Ware's department store on Main Street. The store was instantly a big draw and the magnet that drew people to New Rochelle. Main Street blossomed. Stores and restaurants thrived. It was a terrific time for the city, but in 1975 Bloomingdale's built a large, very modern store in White Plains, and in 1976, the New Rochelle store was closed, and Main Street slipped into a decline." The old Bloomingdale's on Main Street has lain vacant for the past 25 years, and it appears to have brought down neighboring stores. Today, the Bloomingdale's block is one of the few stretches of Main Street marred by a continuous row of vacant, dilapidated storefronts.

By 1991, the downtown retail environment had badly eroded, according to Mitchell B. Kessler, who wrote a study of the New Rochelle Mall in that year. The downtown mall, anchored by a Macy's branch, opened in 1968 as the "centerpiece of the Cedar Street Urban Renewal Plan," with nearly 600,000 square feet of retail, a supermarket, and duplex cinemas. By 1991, Kessler would report, "there ha[d] been little improvement to the city since the New Rochelle Mall opened." He added that "the city's tax base [was] barely treading water," despite the \$824,340 generated by the mall for New Rochelle annually. Although there were 500,000 people living within a five-mile radius of Downtown, Kessler argued that New Rochelle's comparative disadvantages made it "impossible" to compete with White Plains, and that "New Rochelle's reputation as a merchant town in the mid-60s to early '70s, according to residents ... dwindled due to fear of crime, the closing down of major department stores, consistently below-average merchant mix, and stiff competition from the Galleria and White Plains Mall." After languishing for several years, Macy's closed in 1992, taking the entire mall with it shortly thereafter.

Another analysis of New Rochelle, written in 1995 by Jennifer M. Campion, called the city a “victim of economic decay.” That year, 400,000 square feet of downtown retail space sat vacant. Campion related New Rochelle’s 30% loss in tax ratables between 1985 and 1995: in 1988, the city’s taxable assessment roll was at \$400 million, but by 1994, it had declined to less than \$340 million. (New Rochelle’s adopted 2000 budget was \$75.1 million.) School taxes doubled during this period to make up the revenue loss. In addition, declining federal and state aid, and an aging and less wealthy population, added to the city’s troubles.

5.2.4 ECONOMIC DEVELOPMENT

Since the mid-'90s, city government has taken an active role in attracting retailers to the city. This is consistent with New Rochelle’s economic development strategy, which, as laid out in the City’s 1996 Comprehensive Plan, has three main objectives:

- Stimulate the expansion of job opportunities and strengthen the tax base.
- Encourage government participation and public-private partnerships in developing new business, commercial, and light industrial opportunities.
- Preserve and develop existing commercial and light industrial areas in the city.

The Comprehensive Plan calls for revitalizing Downtown as a safe, attractive, and economically productive shopping and working center that will draw from a larger market area in addition to serving local residents. Mixed-use developments with commercial, residential, cultural, entertainment, and recreational functions are encouraged by the plan. Improving the downtown retail climate would add substantially to New Rochelle’s sales tax revenue. With the city, as described above, currently operating under a property tax rate cap, it sees increasing sales taxes through retail development as a key revenue generator.

City officials considered the attraction of a Home Depot store, which opened in 1996, as a major success. Three years after the store opened at the western approach to Downtown from the New England Thruway, the *New York Times* reported with tempered enthusiasm that “the city’s rebirth began in 1996 when Costco Wholesale” – which had relocated from another location within the city – “and Home Depot opened stores on the city’s South Side, although downtown did not benefit that much.”

New Rochelle’s downtown development efforts are currently centered on three major projects: New Roc City, Avalon on the Sound, and an Intermodal Center at the Metro North train station. Together these represent an investment of over \$265 million in the city.

New Roc City

By far the most important project in New Rochelle in recent years has been New Roc City, an entertainment complex with a handful of sports-related stores and businesses that opened in fall of 1999 on the former site of the New Rochelle Mall. The 500,000 square-foot development cost \$190 million. Its amenities include an Imax theater with 18 conventional screens, an extensive video arcade, ice skating, three restaurants, a supermarket, a Marriott Residence Inn, and a bowling center. Its roof holds “Space Shot,” a 235-foot free-fall ride. New Rochelle subsidized the project by building its \$24 million garage, which was financed by an IDA bond. The developer, Louis Cappelli, calls the concept “recession proof.”

Thus far, the mixed-use development has had mixed results. The hotel is often filled, and 95% of the mall's retail space is taken. Cappelli has decided to add, instead of office space originally planned on the site, 100 luxury apartments that he has said will create "street presence." Half of the apartments, which will rent for \$2,500 per month for a one-bedroom, were rented by the turn of 2001.

As of December 2000, however, New Roc's visitor totals were lagging far behind initial projections. Only 3.1 million people – 56% of the number expected – went to New Roc in its first year. "Meanwhile, at City Hall," the *Times* reported, "elected officials have compared the tax dollars generated with the costs of patrolling and otherwise maintaining municipal services, including a police substation, at the facility – not to mention their \$24 million investment in the center's parking garage." According to Mayor Timothy C. Itoni, the city's costs to maintain New Roc's new infrastructure exceeded income by \$400 million. Four months earlier, the *Times* reported that "several downtown business owners said New Roc had yet to bring them more customers." Unfortunately, New Roc's flawed design fails to complement existing stores: three of its four walls – including the façade facing Main Street – are blank walls, providing no entrances to the mall. Those leaving the mall's only street entrance, on LeCount Place, face an unenticing group of meager businesses and small offices, including a branch bank, funeral home, and Planned Parenthood office. Of course, with any untested concept like New Roc, there is always the question of whether management can keep the idea fresh enough to attract a continuous flow of repeat customers, especially with first-year customer numbers 44% below expectations.

R.E.I., an upscale retailer of outdoor gear that has had a store on Main Street for eleven years, announced in 2000 that it would close the location in June of 2001.

Avalon-on-the-Sound

Avalon-on-the-Sound, a \$100 million development on Huguenot Street in Downtown New Rochelle, will consist of 1,000 residential units, bringing market-rate apartments to New Rochelle's downtown for the first time in more than 50 years. The first phase of construction, which is expected to be completed in 2001, will create 412 apartments. Construction will begin on a second phase, located across Huguenot Street from the first, once Phase One is fully rented, bringing the total number of apartments to about 1,000. Rents range from \$1,285 for a 449-square-foot studio to \$3,505 for a 1,344-square-foot three bedroom apartment. Located within walking distance of the Metro North train station, the building will cater to commuters.

Avalon Bay Communities, the apartments' developer, received substantial incentives from the city. "We've worked out a 30-year payment plan with the city for the land and taxes on the property," Fred Harris, Avalon's vice president for development said in 1999. "The payments are based on our net income, and it's no secret that it works out to be a lot less than if we were paying up front and were taxed at the full rate." New Rochelle officials believe the incentives are worth it, as Avalon will "attract young professionals who have been priced out of the New York City housing market," spurring downtown development.

Intermodal Transportation Center

The Intermodal Center is to be constructed on city-owned land across the street from Avalon-on-the-Sound with over \$15 million in funding from the federal, state, and county

governments. The Center, which will replace the existing Metro-North and Amtrak station, will include new bus and train terminals as well as taxi and limousine stands.

In addition to these projects, plans are currently underway by Cappelli to construct an office building across Huguenot Street from New Roc City. This would complement the city's apparent strategy of intensifying development around New Roc City, which city officials view as Downtown's focal point.

As detailed elsewhere in this report, New Rochelle's effort to increase sales tax revenue involved entertaining a proposal by IKEA, the Swedish furniture retailer, to build a store on 14.9 acres in the Fifth Avenue/City Park neighborhood, which has 34 residences and several businesses, and which was deemed blighted by a 1999 study. Citing the prohibitive cost of new traffic infrastructure, and facing strong opposition from residents within New Rochelle and its neighboring town of Mamaroneck, including those opposed to the use of eminent domain for retail purposes, Ikea withdrew its store proposal on January 31, 2001.

5.2.5 NEW ROCHELLE: LAND USE

The city of New Rochelle adopted major land use and development studies in 1965, 1966, and 1977. The 1965 study identified about 130 acres of industrial use, mostly along the railroad and New England Thruway rights-of-way. The study noted the infill of small plots with industrial construction. It recommended that the city conserve large tracts of land for major industrial enterprises providing many jobs and higher tax base. Also, the study recommended "total elimination of slums and blight."

The 1966 study was a follow-up to the 1965 plan. It gave vague guidelines for evaluating neighborhood deficiencies. The study also identified issues of concern for Neighborhood 7 (which encompassed the current study area): new industry was too small, the street pattern was inadequate for industrial use, physical blight was becoming apparent, and the community needed to encourage development in accordance with established goals.

The 1977 plan cited economic viability as its goal. That meant expanding New Rochelle's tax base, especially in vacant or underutilized commercial space. The area near City Park was identified as one of nine underutilized and developable sites.

The 1996 Comprehensive Plan

This plan, prepared by Sacardi & Schiff, Inc. and adopted by City Council in 1996, renewed New Rochelle's commitment to industrial development. It identified property along Fifth Avenue, and other areas, as having "redevelopment potential" because of blighting influences. The plan recommended that underutilized parcels be combined to create large redevelopment sites. It also identified the Fifth Avenue industrial area for improvement, citing the following problems: narrow streets, limited parking, and truck traffic congestion; small parcels of residential use in a non residential area; and poor access at the Potter and Fifth Avenue intersection.

The Plan recommended that unbuilt streets be combined with underutilized plots to create large developable sites; for the area be used for light industry, commerce, and public

services; and that parcels or assembled sites have adequate access and on-site parking.

5.2.6 NEW ROCHELLE: HOUSING

Both New Rochelle and Westchester County as a whole suffer from a lack of affordable housing. The median price of a one-family house in New Rochelle was \$400,000 in 2000, skyrocketing from \$335,000 in 1999 and \$295,000 in 1995.

Upper-priced housing is selling quickly. One real estate agent said in 2000, “Even our high-end buyers in the \$900,000 range keep losing homes because houses are getting multiple bids by buyers willing to pay \$50,000 to \$75,000 over asking to live here in magnificent Tudors and large, old colonials.” Fortunately, the city is considered to have a relatively varied housing stock, especially for Westchester: “This is one of the few places in Westchester where you can still find a small, starter home on a small corner or near the railroad for between \$155,000 to \$225,000,” according to Beryl Zawatsky of Beryl Z. Realty. Other housing options include 41 co-op complexes, eight condominiums, 268 multiple-family houses, and 70 apartment buildings. A two-bedroom co-op ranges from \$60,000 to \$150,000, and a two-bedroom condominium from \$135,000 to \$255,000. A two-bedroom apartment rents for approximately \$1,100 a month.

Although New Rochelle maintains public housing units, in recent years, affordable housing has increasingly become the responsibility of the private, not-for-profit New Rochelle Neighborhood Revitalization Corporation (NRNRC), which operates the MacLeay Apartments on Fifth Avenue in the Study Area (see MacLeay Apt, section 5.3.6). Since the NRNRC’s founding in 1979, it has built or renovated approximately 1,200 units in New Rochelle, including 180 at MacLeay. Although the NRNRC operates rental housing, including MacLeay, according to the organization, “expanding home ownership to first-time buyers in the City of New Rochelle has been a priority.” The needs of those unable to afford even a modestly priced home have not been as convincingly addressed, as rental housing that has been recently built or is planned has been aimed primarily at senior citizens rather than people of working age. Properties owned or developed by NRNRC, in addition to MacLeay, include:

- West End 2000, a \$40 million project, which will have 66 single-family town houses and 100 units of senior assisted living.
- Lawn Avenue, which opened in spring, 1999, with ten two-family town houses. Families living at the complex own their homes, and rent out an apartment within to a senior citizen.
- Lincoln Avenue Townhouses, a group of 37 owner-occupied modular homes. Financial assistance for the development came from the New York State Affordable Housing Corporation, the County of Westchester Housing Implementation Fund, Federal HOME Funds, and land write-down from New Rochelle.

In January 2001, in addition, Westchester County announced that it would spend \$4.8 million to acquire property in downtown New Rochelle, where it would build senior assisted-living units and single-family homes. According to the *New York Times*, the county, with the city of New Rochelle, plans to buy 16 properties in what the article described as a “rundown neighborhood” and turn them over to the NRNRC. The

Corporation will coordinate the construction of up to 20 single-family homes, as well as a seven-story building with 102 rental units aimed at people 75 and older. Again, the emphasis is on seniors and on moving renters to home ownership: "Residents living in New Rochelle's ethnically mixed low-to-moderate-income urban renewal district, who are mostly renting, will have the first chance to own the new units," the article said.

Although the NRNRC is independent of the city, its board members have close ties to City Hall. NRNRC's current president, Frank Garito, was the Mayor of New Rochelle from 1970 to 1975. The current Mayor, Timothy Idoni, was executive vice president of NRNRC from 1990 until he became mayor in 1991.

As elaborated upon below, many MacLeay tenants have complained bitterly about the NRNRC's management of their complex.

New Rochelle Housing Prices (2000)

Median price of a one-family house:	\$400,000
Taxes on median-price house:	\$11,000
Median price in 1999:	\$335,000
Median price five years ago:	\$295,000
Median price of a two-bedroom co-op:	\$75,000
Median price of a two-bedroom condominium:	\$160,000
Midrange rent of a two-bedroom apartment:	\$1,100

5.2.7 NEW ROCHELLE: SCHOOLS

Despite significant erosion of its tax base in the 1980s and early '90s, New Rochelle has maintained an excellent public school system. The district has three magnet schools, and its high school produced semifinalists in the Intel Science Talent Search in 1997, 1999, and 2000. Several of New Rochelle's public schools have also earned the National Blue Ribbon School of Excellence by the New York State Education Department.

In 2000, 62% of the district's 496 high school graduates were accepted to four-year colleges. Another 27% were accepted by two-year colleges; in total, an impressive 89% of New Rochelle's high school graduates are accepted to two- or four-year colleges directly out of high school. In addition, 19% of New Rochelle students attend private schools, including parochial and Jewish schools. The city is home to three colleges: Iona, Monroe, and the College of New Rochelle. Currently, the city is expanding its public schools to ease a space crunch. School officials reported in 2001 that the high school was over capacity, and 300 to 500 additional students were expected over the next few years.

In general, taxpayers in Westchester, with its 1995 average per capita income of \$40,696, have been asked to shoulder more of the burden for their schools than residents of poorer counties, who receive a higher proportion of state aid. James Maisano, a county legislator representing parts of New Rochelle, Pelham Manor, and Pelham, said in 1999 that in New Rochelle, "the state's policies were pitting parents of school-age children against the elderly." According to New Rochelle's school superintendent, the percentage of its budget paid by the state fell from 25% to 13% between 1991 and 1999, despite an enrollment increase of 2,000 students.