

6 . FINDINGS AND RECOMMENDATIONS

New Rochelle must pursue economic development and revenue generation while retaining a diverse base of industries and employment. We propose that the city adopt policies to strengthen manufacturing in the City Park area while pursuing sales tax revenue-generating projects elsewhere in the city in more appropriate locations such as downtown and along the waterfront.

6.1. ARGUMENT FOR LIGHT INDUSTRY

The need to preserve the light industrial manufacturing base of the City Park area has been identified as one of the most important goals of this proposal. There are several reasons for promoting light industrial manufacturing. Primarily, manufacturing jobs pay higher per-hour wages than retail jobs requiring similar levels of education. This translates into higher incomes for local residents who work at those jobs, as well as better lives for their families. The multiplier effects of these higher manufacturing wages, in contrast to lower retail wages, are shown in the table on the following page. There is a regional component to this as well. By locating businesses that require close proximity to their customers in the City Park area, New Rochelle would attract industrial investment and jobs from other areas in Westchester.

The New York State Economic Forecast in the New York State Assembly's White Book reports that manufacturing has been declining in the entire State of New York over the past 20 years, due mainly to globalization and technological advances in manufacturing. Inexpensive labor costs compounded by the high cost of land have led to a steady decrease in manufacturing businesses in Westchester County. During that time, much of the job growth in the state has occurred in the service sector.

In response to the exodus of manufacturing jobs and industries, municipalities across Westchester have responded by seeking to replace these departed businesses with service-based retail. This has been done, primarily, by allowing zoning changes that permit the conversion of industrial areas to mixed use/retail areas. The City of New Rochelle in particular has an added pressure to re-zone because of the hardships created by the cap placed on property tax assessments by the New York State Assembly. Consequently, the City has pursued the development of the new Costco and Home Depot stores west of Downtown to add new sources of revenue for the city. Likewise, the proposed IKEA superstore was supposed to have generated new revenue streams.

Because of its proximity to New York City, less than 30 miles from Midtown, New Rochelle produces many goods and services consumed by New York, including housing. According to the White Book's Executive Summary, "As the world's

financial capital, New York City’s economy has benefited immensely from the recent surge in financial market activity,” and “Wall Street firms have enjoyed spectacular growth for the past three years, with financial firm employees seeing equally spectacular growth in their bonus income.” Much of this newly created personal wealth is being used to consume goods and services produced in the New York Metropolitan Area, which includes Westchester County and New Rochelle. Luxury housing construction and related industries (landscaping and furnishings) have been increasing. This type of industry depends on close proximity to its customers and cannot be exported where land costs are cheaper - housing construction, landscaping, automotive services all need to be produced near their customer base. Despite the recent downturn on Wall Street, The New York Times’ Business Section of April 28, 2001 reported that real estate prices for both Residential and Commercial properties continued to climb in Westchester in the spring of 2001.

A survey of the business owners shows the City Park area as having a thriving light industrial/manufacturing base. Predominant industries include: Construction, construction-related materials manufacturing, food manufacturing and distribution, landscaping and related services, auto parts and auto related services, and computer parts manufacturing. All of these industries have shown a pattern of growth over the last few years and are directly tied to the consumer patterns that have emerged in the New York Metropolitan Area.

6.1.1 SOCIAL CAPITAL

New Rochelle is home to one of Westchester County’s greatest concentrations of economic and ethnic diversity. Promoting a stronger industrial base is a healthy and sound way to meet the needs of the city’s residents and raise the base income level of the city as a whole. Wages for manufacturing jobs are, on average, 50% higher than retail wages. These higher wages trickle through the local economy, increasing overall sales, and boosting the city’s sales tax revenues.

1997 Average Wages

	Retail Trade		Manufacturing		Wholesale Trade	
	# of employees	avg. wage/yr	# of employees	avg. wage/yr	# of employees	avg. wage/yr
New Rochelle	2,581	\$19,478	1,167	\$31,547	1,221	\$45,722
Westchester	46,984	\$20,404	18,797	\$33,319	31,486	\$41,700
NYC Metro	904,682	\$19,691	837,259	\$35,015	N/A	N/A
New York State	805,208	\$17,796	785,891	\$33,740	414,249	\$41,487

source: U.S. Census Bureau 1997 Economic Census

Creating industrial jobs also serves New Rochelle's people of color, who enjoy a more equitable representation in manufacturing jobs than in other sectors, although African-Americans do better in some other sectors.

6.1.2 STATE AND FEDERAL AID

New York State has recognized the need to preserve and create industrial jobs to strengthen the state's economy and meet the needs of its citizens. To move forward in this regard, the state has initiated many programs and economic incentives that can be accessed in the effort to create and retain industrial jobs.

6.1.3 LOCATIONAL ADVANTAGES

Currently, the City Park area offers distinct advantages to the businesses that have chosen and will choose to locate there. There are two immediate advantages: proximity and access to I-95 and a central location in southern Westchester County. Direct access to I-95 southbound into New York City and relatively easy access to points north provides a broad market for the sale and distribution of products manufactured in the City Park area.

For other businesses (primarily construction, landscaping and auto repair), this central location in southern Westchester County constitutes a direct connection to their customer base. The cost savings garnered through this proximity reduce costs for both the service providers and their customers. The rental costs are relatively low compared to other areas in southern Westchester County and Lower Fairfield County, Connecticut. Conversations with business owners indicate that in order to obtain a reasonably comparable site and facilities, businesses would have to move outside of Westchester County and pursue industrial space in Putnam County.

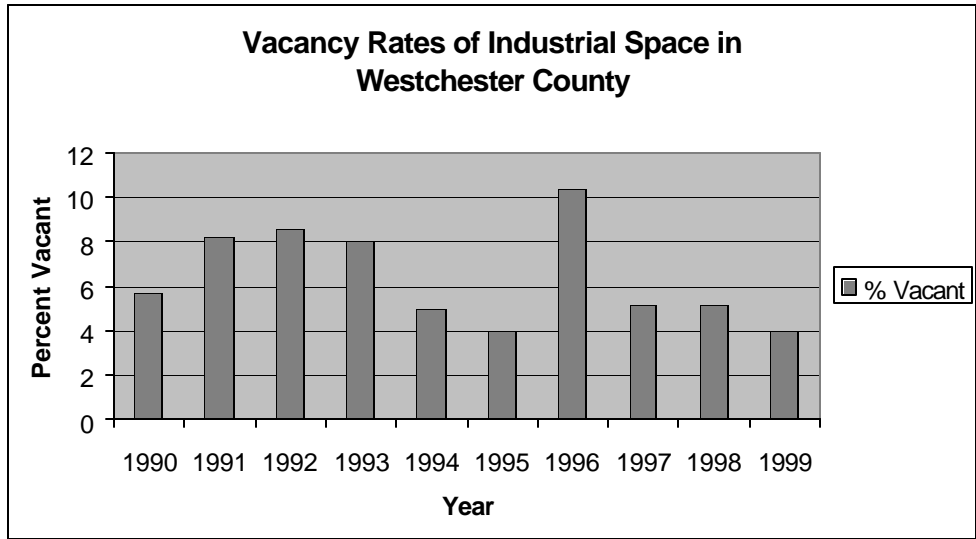
The area also benefits as an industrial site by the relatively low number of residents affected by the noise, traffic, and activity of industrial uses as it is bounded on the northern edge by City Park and on the southern edge by I-95. Its proximity to the park, bodegas, restaurants, and access to public transit make the area a "luxury" site for industrial uses. Workers have ready access to open space and convenient shopping.

6.1.4 DEMAND FOR INDUSTRIAL SPACE IN WESTCHESTER

Buildings well-suited for modern industrial and warehousing activity are in demand in Westchester as well as in the New York metropolitan region as a whole. In 1999, the vacancy rate for industrial space in Westchester County was 4% and the total inventory was 39 million square feet.

Rents throughout the county generally range from \$6 to \$10 per square foot, though particularly advantageous spaces can fetch rents as high as \$20 per

square foot. Within New Rochelle, rents typically fall between \$6.50 and \$12 per square foot.



As the above graph shows, the vacancy rates of industrial space have been increasing in recent years, indicating a high overall demand for industrial properties in the county. The following table indicates the recent shortages of supply compared to demand of industrial spaces in all size categories:

Size (sq. ft.)	1992	1995	1997	1999
Less than 5,000	Moderate Shortage	Substantial Shortage	Moderate Shortage	Substantial Shortage
5,000 - 19,999	Balanced Market	Moderate Shortage	Moderate Shortage	Substantial Shortage
20,000- 39,999	Balanced Market	Moderate Shortage	Moderate Shortage	Substantial Shortage
40,000- 59,999	Balanced Market	Moderate Shortage	Moderate Shortage	Substantial Shortage
60,000- 99,999	Balanced Market	Moderate Shortage	Moderate Shortage	Substantial Shortage

Source: Society of Industrial and Office Realtors

6.1.5 INDUSTRY FOCI

In April 2000, the Westchester County Economic Development Plan and Marketing Strategy identified five “clusters” that the county should focus promotion efforts on. The Department defined “clusters” as groups of businesses working within a similar industry that seem to have certain size, growth rate, interdependency and vibrancy. Clusters of smaller, related businesses are seen, by some, to have an advantage under the current regime of flexible production. The cluster as a whole can more readily adapt to market changes by more rapidly and inexpensively replacing outdated businesses, by sharing important information on technique and technology, and by being suited for smaller production runs. When clusters do well within a region it means that the locational attributes are positive for the businesses and it is easier to expand these businesses than attract new ones. Westchester has a strong portfolio of “New Economy” clusters such as business, financial, and professional services. The consultants determined that the five major clusters in Westchester County are:

- 1. Information Technology** – employs 18,000 in the county and has shown rapid growth.
- 2. Headquarters and Corporate Service** – there are a high number of corporate headquarters for a non-urban area. This cluster offers limited opportunities and growth but is important because there is a large number of small to medium-sized businesses in this cluster.
- 3. Bio-technology** – employs 8,000 people, which is the highest concentration of bio-tech workers in the State of New York.
- 4. Education** – employs over 10,000 and provides education and training as well as contributing to a knowledge-based economy, which can help the recruitment and retention of businesses.
- 5. Manufacturing** – employs around 37,000 employees but is declining. This cluster may decline even further due to labor shortage and the lack of suitably zoned land—a problem our proposal intends to address (there is a possible link between this cluster and the research and development activities of the Headquarter Cluster).

The report breaks these clusters up into four categories:

- **Star Clusters** – have a strong competitive position in the county and have dynamic market potential. These include information technology, internet, financial and business services, bio-medical companies and professional services. Westchester needs to focus on adding new Star Cluster companies to build an economic value chain.
- **Cash Cow Clusters** – have a strong competitive position but face markets with lower than national average growth. These include publishing, consumer products, chemicals, and food and beverage industries. Westchester should attempt to take advantage of new, faster growing markets.

Companies in this cluster need to understand the market requirements, improve production capabilities, enhance worker productivity and innovate in marketing and distribution.

- **Opportunity Clusters** – are located in rapidly growing markets but are currently weaker in competitive position. In Westchester County the Opportunity Cluster is Tourism. Businesses in this cluster need to focus on developing the relevant economic foundations. They could try to implement a recruitment and enterprise formation process that could harness existing demand, leading to creation of new jobs in the region.
- **Challenge Clusters** – have weaker competitive position in the county and a slowly growing market, such as metal products and machinery. Westchester needs to create a niche to improve competitive position or reinvent their products to take advantage of higher-growing market segments.

It is important to note that the State Department of Labor predicts that jobs in precision production, craft & repair occupation, and for operators, fabricators, and laborers to rise in the Hudson Valley region, from 170,660 in 1997 to 184,680 in 2007, an 8.2% increase over ten years.

6.1.6 LONG RANGE IMPACT OF REINFORCING LIGHT INDUSTRY: Input-Output Analysis of Development Impacts on the Study Area

In order to determine the impacts of several possible development plans for the study area, we employed a computer-based input-output analysis system (IMPLAN Pro 2.0, MIG, Inc.). Input-output models track the flow of spending through the industries, businesses, households, and government agencies that comprise the economy of a region and calculate the long-term economic effects of an impact, such as job creation and investment, in terms of total output, value added, labor income, and jobs created. Using this model, we computed projections of the impacts that various types of development in the study area would have on the economy of Westchester County. Because they create different types and levels of jobs, industry and large-scale retail the City Park area would have drastically different economic ramifications.

Methodology

We limited our analysis to the New Rochelle portion of the Study Area (i.e., excluding the segment within Mamaroneck) for two reasons. First, available data is more complete and reliable in the New Rochelle part. And second, the New Rochelle side of the Study Area is more likely to see greater change and attention in the near future as IKEA has purchased a number of properties; additionally, there are several vacant sites.

Our economic analysis is based on our survey of land uses and business types in the City Park area. We first calculated the acreage of the area (excluding City Park and MacLeay Apartments) and broke that down into acreage by current use. The total acreage is 20.70, of which 14.99 is industrial, 0.45 commercial, 3.18 residential, 0.30 religious, and 1.78 vacant. Of this space, according to records obtained from the New Rochelle tax assessor's office, IKEA currently owns 3.58 acres (1.89 industrial, 1.24 residential, and 0.45 vacant).

Next, we isolated the study area businesses for which we have data on number of employees and the lot size (see Appendix 2). Based on these cases we found a job density of 68.39 employees per acre. We used this density figure to calculate the number of jobs that would be created for every additional acre converted to industrial uses. There are two important aspects to keep in mind about the use of this figure. All projections employing it are based on the current mix of industrial uses. This figure could, then, be increased or decreased by encouraging industrial development that is more or less dense, respectively. Second, this density is calculated based on buildings constructed under the current zoning, which allows the footprint of a building to cover only 60% of the lot. If the area were rezoned in accordance with our recommendations of 3 FAR and 80% maximum lot coverage (see zoning section 6.2), the density of employees per acre could be significantly greater. Therefore, the figures for income, jobs, and value added for industrial scenarios presented are conservative estimates.

Using the businesses for which we have complete data, we determined the relative proportion of lot acreage by industry type. Of the 10.63 acres occupied by the above businesses, 2.20 acres (21% of the total) were occupied by auto repair and service establishments, 1.72 acres (16% of total) were occupied evenly by construction companies and special trade contractors, like plumbers and electricians, and 0.99 acres (9% of total) were home to landscaping businesses. The remaining 5.72 acres (54% of the total land area) were occupied by a variety of industries, which for purposes of the input-output analysis were divided evenly among businesses that produce fabricated metal products, electronic components, general industrial machinery, food and beverages, miscellaneous metal work, and wood products.

We analyzed the economic impacts of five development scenarios:

- a short term scenario (3-5 years) based on the current industrial mix
- a long term scenario (assumed to be 20 years) based on the current mix of industries in the area
- a scenario in which large-scale retail replaced existing jobs, similar to that of the former IKEA proposal
- a blank slate or "greenfield" retail scenario in which large-scale retail is developed assuming the study area was a blank slate with no existing businesses or jobs
- a greenfield industrial scenario intended to represent the current mix of

industries in the former IKEA Redevelopment Area, indicating what the existing businesses are contributing to the economy

Short Term Scenario

The short term scenario, which is conceived to cover the upcoming three to five years, projects a build-out of currently available space (vacant space (1.78 acres) plus residential properties owned by IKEA (1.70 acres)) at the current industrial mix and employee density. This scenario also assumes that IKEA-owned industrial properties continue to employ workers at levels prior to their purchase. We calculated a vacancy rate of 6% (1.24 acres) based on the average of the 4% vacancy rate for industrial spaces in Westchester County as whole and the current Study Area vacancy rate of 8%, which is inflated by IKEA's holdings. An average was used to accommodate the probably reality that a sudden influx of industrial space would not be occupied immediately. These figures yielded an additional 123 jobs on 1.80 acres of the New Rochelle portion of the Study Area.

Long Term Scenario

The long term scenario assumes that lots not currently used for industry were converted to industrial uses under current zoning restrictions at a 4% vacancy rate. This scenario adds 283 jobs on 4.13 acres.

Large-Scale Retail Scenario

The third scenario is that of a large-scale retail development modeled on the IKEA proposal. This scenario would remove 458 employees (calculated at current densities) and replace them with 170 full-time and 180 part-time retail jobs. Part-time jobs were considered half-time, resulting in the equivalent of 260 full-time retail employees. This estimate itself is probably an overestimate as large-scale retailers often cut their staff by up to one-third once they have established themselves (see section 5.5.1, Big Box Retail).

Blank Slate or “Greenfield” Scenarios

For comparison, we introduce two greenfield scenarios, which are intended to illustrate the overall effects of large-scale retail and industry located in the area currently designated by the City of New Rochelle as the Redevelopment Area. The economic impacts of a greenfield large-scale retail development were calculated assuming that the equivalent of 260 full-time retail jobs were provided. The

greenfield industry scenario analyzes the effects of the current estimate of 458 jobs distributed according to the proportions detailed above.

Findings

The results of the input-output analysis are summarized in the table below. Figures are given for the impact on value added, labor income, and jobs created. Value added and labor income are annual figures. Value added consists of four components: employee compensation, proprietor income, other property income, and indirect business taxes. Employee compensation refers to wage and salary payments and includes benefits. Proprietary income consists of payments received by self-employed individuals as income. Other property income consists of payments for rents, royalties, and dividends. Indirect business taxes consist of excise taxes, property taxes, fees, licenses, and sales taxes paid by businesses. Labor income is the sum of employee compensation and proprietary income.

Impact of Scenarios on the County Economy

SCENARIO		DIRECT	INDIRECT	INDUCED	TOTAL
Short Term					
	Value added	\$ 8,948,753	\$ 3,321,652	\$ 2,803,906	\$ 15,074,311
	Labor Income	\$ 5,811,190	\$ 2,120,256	\$ 1,629,850	\$ 9,561,298
	Employment	123.0	40.6	42.7	206.3
Long Term					
	Value added	\$ 20,814,927	\$ 7,745,824	\$ 6,516,556	\$ 35,077,308
	Labor Income	\$ 13,489,062	\$ 4,945,509	\$ 3,787,950	\$ 22,222,519
	Employment	283.0	94.4	99.2	476.6
Large Scale Retail					
	Value added	\$ - 22,499,596	\$ - 11,210,998	\$ - 7,663,560	\$ - 41,374,154
	Labor Income	\$ - 14,519,563	\$ - 7,209,016	\$ - 4,455,328	\$ - 26,183,907
	Employment	-198.0	-136.6	-116.6	-451.3
Greenfield Large-scale Retail					
	Value added	\$10,821,428	\$ 1,147,525	\$ 2,774,281	\$ 14,743,234
	Labor Income	\$ 7,117,302	\$ 679,830	\$ 1,611,965	\$ 9,409,096
	Employment	260.0	14.3	42.2	316.6
Existing Industrial Mix					
	Value added	\$ 29,788,996	\$ 11,048,519	\$ 9,331,430	\$ 50,168,945
	Labor Income	\$ 19,343,357	\$ 7,052,629	\$ 5,424,160	\$ 31,820,146
	Employment	458.0	150.9	158.9	767.8

*All figures except employment in 2001 dollars.

The analysis distinguishes three types of effects: direct, indirect, and induced. Direct effects of expenditures by local businesses result from the purchase of goods and services by the businesses as well as the wages, salaries and benefits paid to their employees. Indirect effects refer to the impacts created by the successive purchases of goods and services by vendors that derive business from the purchases made by local businesses. The third, induced effects, are the impacts on all local industries caused by the expenditures of new household income generated through the direct and indirect effects of job creation.

As the table indicates, the short and long term effects of maintaining industry in the City Park area on the economy of Westchester County are dramatically more beneficial than those of replacing existing jobs with large-scale retail. This is in large part due to significantly higher wages and job density of industrial uses in comparison with retail uses. This labor income then cycles back into the county's economy, generating additional jobs and income. The City of New Rochelle can capitalize on this income to the extent that it encourages job training and hiring within its municipal borders. At present, the highest density of individuals working in industry are concentrated in the downtown area. Ensuring and adding to industrial income will most likely increase local spending and contribute to the revitalization of the downtown area as well as boosting sales tax revenues.

6.2 ZONING AND INFRASTRUCTURE RECOMMENDATIONS

In order to enhance the area's appeal for light industrial uses, we propose that the zoning designation be changed and that several infrastructure improvements be made.

6.2.1 INFRASTRUCTURE IMPROVEMENTS

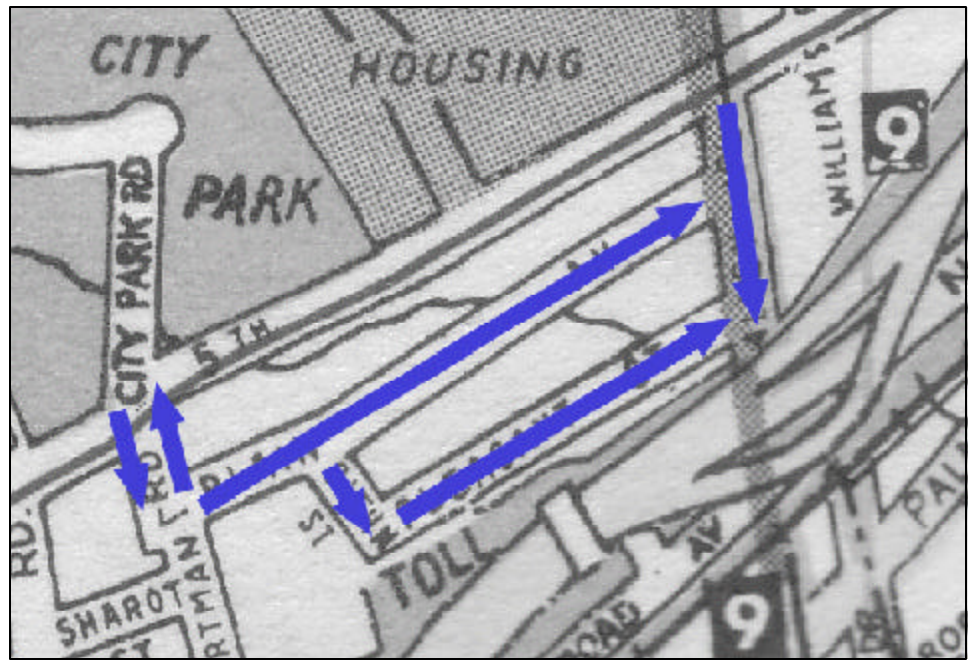
We propose several infrastructure improvements with three goals in mind:

1. The safety of pedestrian and automobile traffic in the neighborhood
2. The aesthetic appeal of the area, realizing Fifth Avenue is a major entrance to New Rochelle and that City Park is a public amenity of regional importance
3. The physical infrastructure needs particular to industrial businesses

Within the industrial area, the streets need attention. They were originally built for residential traffic, but are not adequate for use by heavier vehicles associated with the growing industry in the area.

Also, the street circulation creates confusion in the neighborhood. Currently, both Plain and Pleasant run one-way east to Valley. Assuming most traffic will enter

the study area from the Thruway exit northeast of the industrial area in Mamaroneck, Valley Place is the most logical entrance to the City Park neighborhood. Vehicles must be given the option to turn off of Valley onto either Pain St. or Pleasant St. As such, we propose changing the direction of



Pleasant Street to one-way west and Biehn Street to one-way north.

The Fifth Avenue Corridor

Fifth Avenue and adjacent land also needs to be redesigned. Currently, the avenue is unsafe for pedestrians and visually unpleasing. Fifth Avenue is the principal through street in the study area. Sections of the sidewalk are missing on the south side of the street, and the sidewalk is in generally poor repair. This is due in part to poor drainage that degrades the condition of both the sidewalk and the road surface. The utility lines on the south side of the street still run above ground on telephone poles. The existing fence at City Park along Fifth Avenue does not present a positive image of the valuable green space, and parking for City Park is inadequate during athletic games, as the street is unable to accommodate on-street parking. During periods of heavy use, parking spills over onto the adjacent streets, competing with other uses for parking. People also frequently park on the sidewalk, causing traffic problems on the sidewalk and further damaging the sidewalk. The City applied for funds from the state's Capital Highway Improvement program in the 1980s to widen the street and make other improvements, but was turned down.

There is little data available about traffic in New Rochelle. The City has not collected data for over a decade, and the data from the Draft Environmental Impact Statement (DEIS) prepared for IKEA only covers the periods when the store was expected to draw the most traffic. Furthermore, there have been serious questions raised by consultants for the Town of Mamaroneck and the Village of Larchmont concerning the quality of the analysis and its findings. The City of New

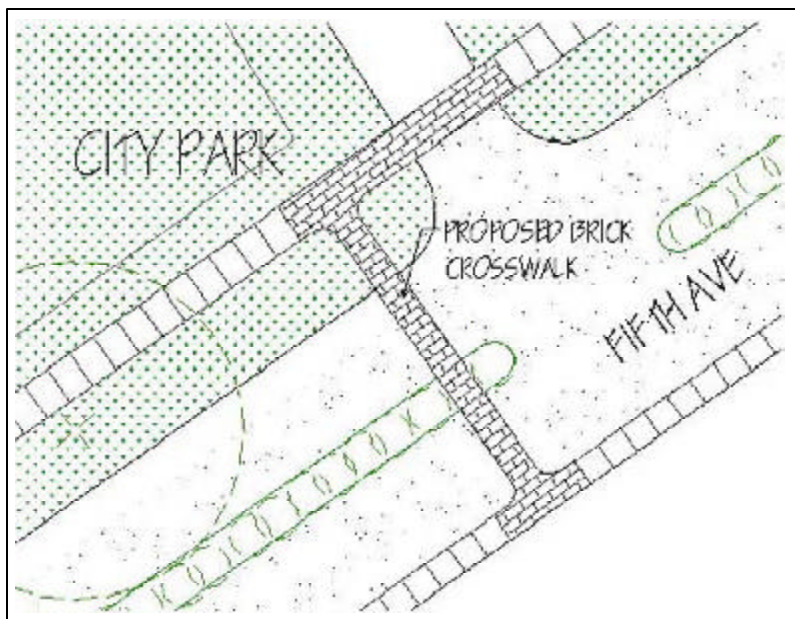
Rochelle identifies the intersection of Fifth Avenue and Pinebrook Street as the worst intersection in the area, with a poor level of service due to an intersection geometry that creates difficulty and delays for cars making right turns onto Pinebrook Street. The IKEA DEIS report addresses the condition of this intersection only by stating that it serves at a level of service B. (Level of service is rated on a six-point scale of A through F, with A being the best.)

Rashim D. Mehta at the City of New Rochelle shares the observation of the business owners and real estate agents in the area that the turning radii in the study area are too narrow and create difficulties for trucks. Mehta also points out that the right turn from Potter Avenue onto Fifth Avenue is too sharp, and he identifies a friction point at that intersection between the exit from the parking lot for City Park and the cars waiting at the light.

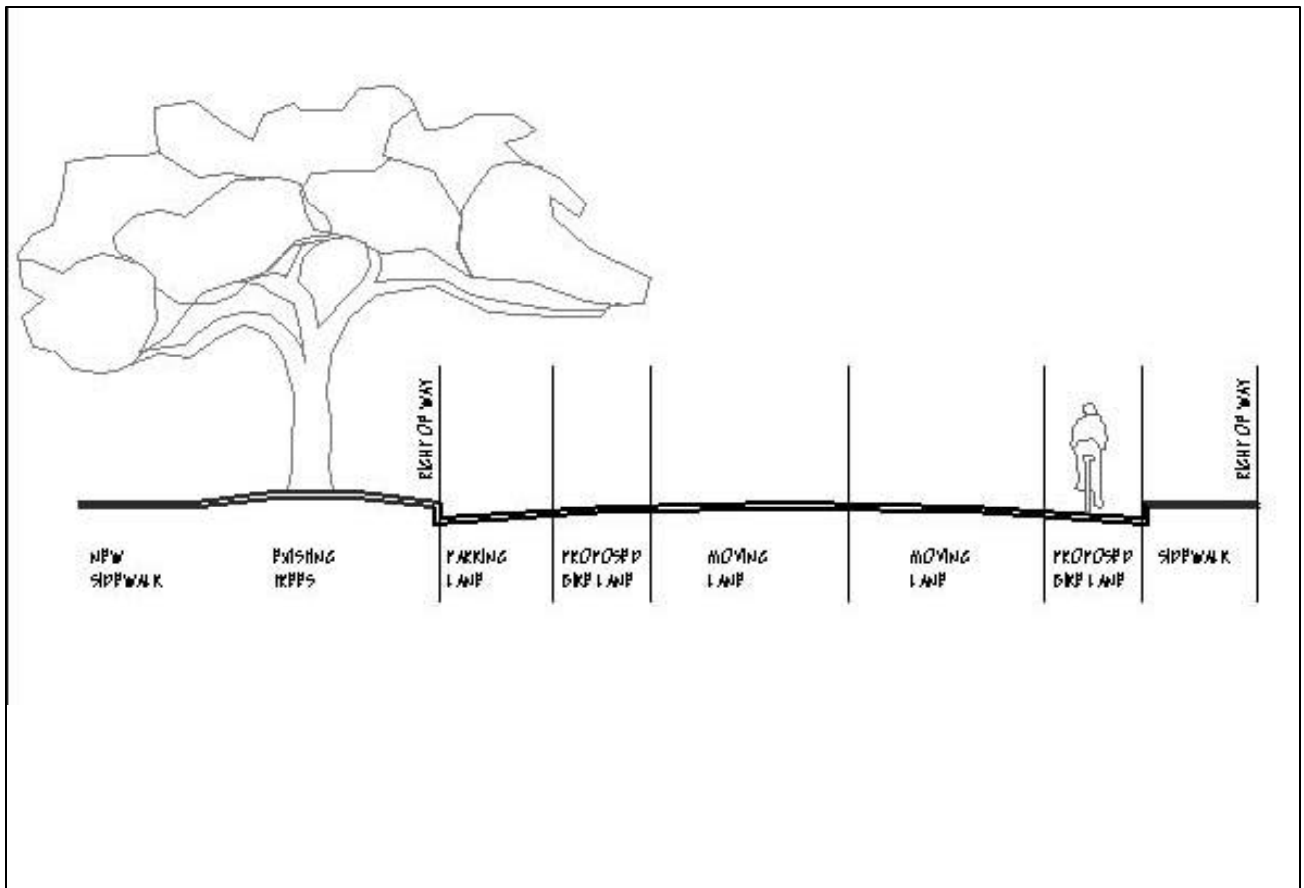
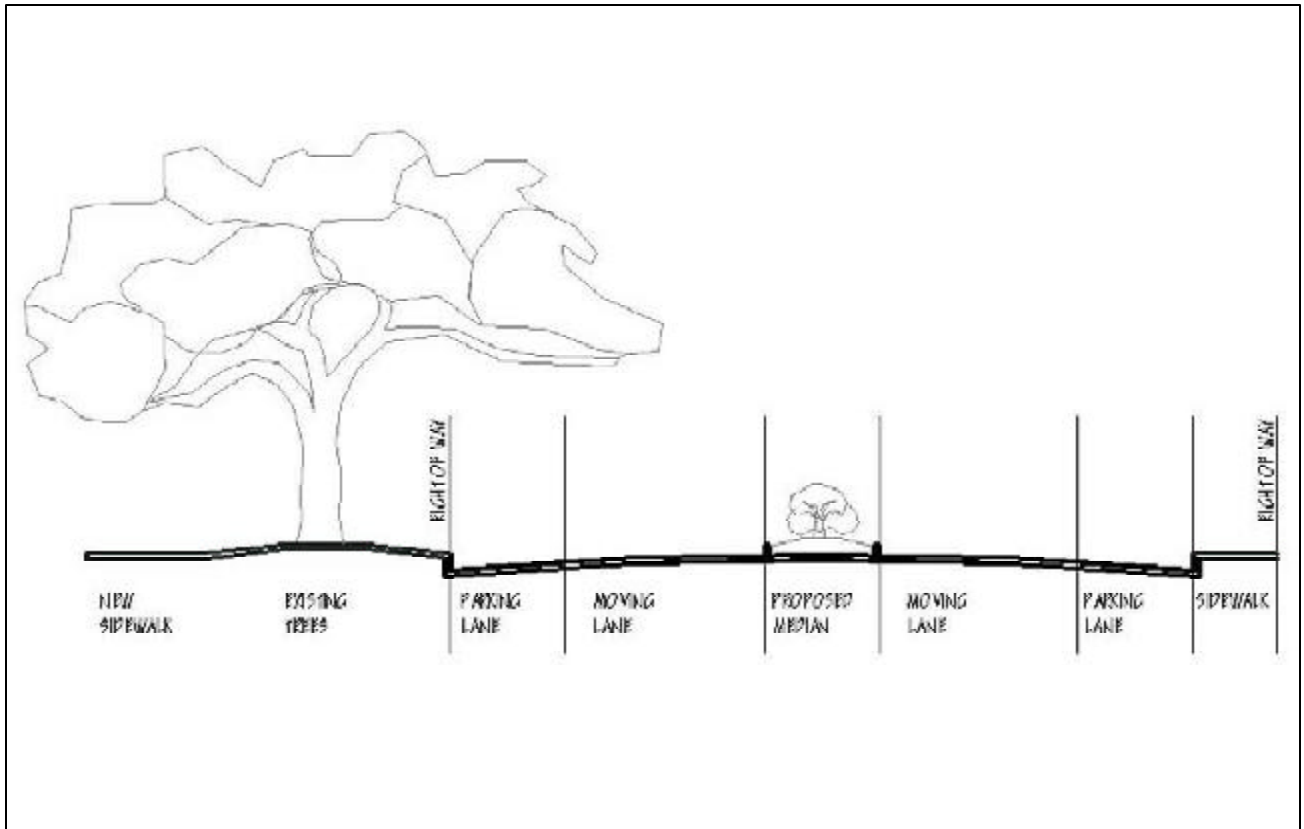
Given the existing 50-foot right-of-way, we have developed two proposals as seen in the drawings below. While these are not complete plans, they provide guidance for future reconstruction.⁵

In the sketch to the right, the landscaped median helps to calm traffic and enhances the visual quality of the Avenue. Parking lanes also help reduce traffic speeds and meet a need for limited weekend parking (approximately 100-110 extra parallel parking stalls). Proposed moving lanes would be twelve feet wide, meeting all common transportation engineering standards. Of the two sidewalks, one could be in the existing right of way and one could be moved into City Park. Besides freeing space in the right of way, this would allow for a wider path—accommodating pedestrians and bicycles—and becomes an attraction of the park.

In the second option, two bicycle lanes are added. This accommodates bike enthusiasts and is a valuable amenity to the park area. The lanes may also help secure federal funding for Fifth Avenue improvements through the TEA-21 grants for multiple transit modes. This is potentially very promising if inter-municipal coordination allows the lanes to connect to the Larchmont train station.



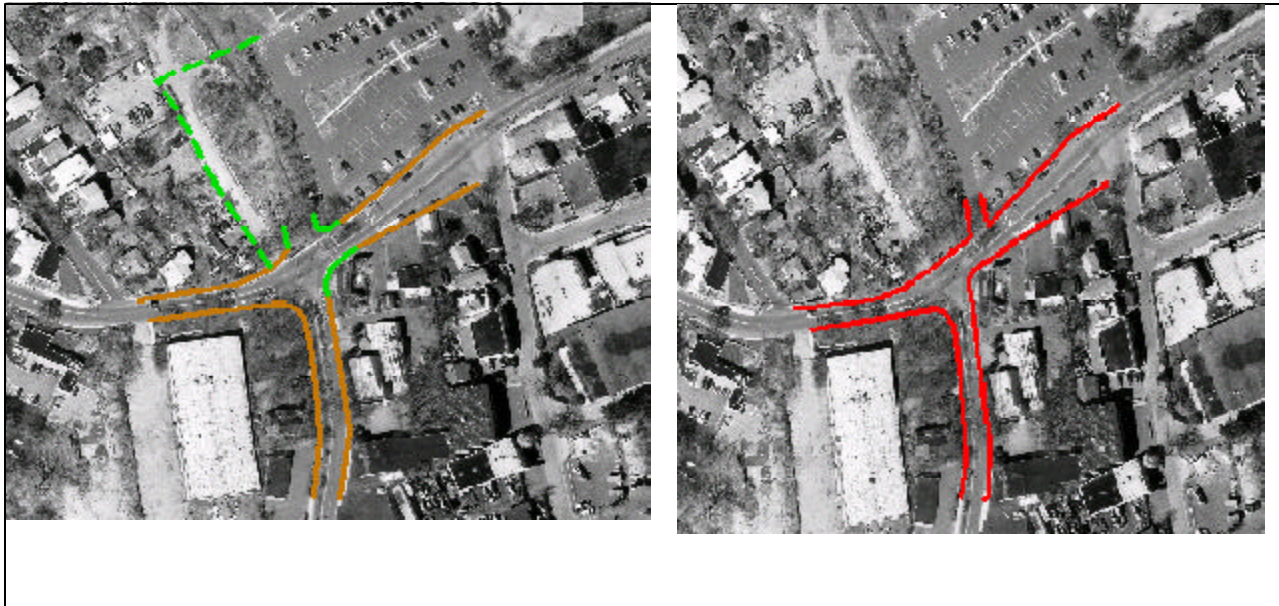
To further enhance both pedestrian safety and the appearance of the



intersection, we also propose the addition of brick crosswalks at pedestrian crossings along Fifth Avenue. The different material attracts the attention of drivers to pedestrian crossings visually and physically.

Reconstruction of Fifth Avenue provides the opportunity for improving the visual quality of the area by putting the overhead utility lines underground. While construction is being done to the street, it would also be advisable to create conduits for future installation of fiber optic or other new communication technology cable.

Additionally, we recommend placing drainage basins behind the curb line to improve drainage and maintenance, and using granite curbstones or iron-capped curbs to maintain the condition and lower maintenance costs of the sidewalk. The inside turning corners within the study area should also be widened using the



available right-of-way.

Another point of concern along Fifth Avenue is the intersection with Potter Avenue at the west end of the study area. The existing contours of the road are outlined in the above image.

The City owns an underutilized parcel adjacent to the current parking lot, which would allow for expanding the lot to provide needed additional parking. If this is done, the entrance to the lot can be aligned with Potter Avenue, creating a more efficient intersection. The southeast corner should also be rounded to address the sharp turn.

6.2.2 ZONING AND DESIGN RECOMMENDATIONS

To remain consistent with New Rochelle policy and to further reinforce the industrial quality of the Fifth Avenue Area, the city zoning code needs to be amended. A vision for the future of the study area has been formulated; however, the current zoning code is not in line with this vision.

To rectify the shortcomings of zoning as it pertains to the Fifth Avenue manufacturing district, the stakeholders can take one of three steps:

1. Modify the current M-1 regulations in the zoning text
2. Create a new zoning district that clearly defines uses and intensity in the area
3. Enforce regulations through restrictive deed covenants (which could be managed through a Local Development Corporation)

However the regulations are employed, we recommend the following substantive changes to zoning:

Current Allowable Land Uses	Proposed Allowable Land Uses
<ul style="list-style-type: none"> ✍ Retail stores and shops ✍ Service and automobile repair establishments ✍ Restaurants and amusement establishments ✍ Business, professional, utility, or government offices ✍ Off-street parking facilities ✍ Schools or academies ✍ Car sales ✍ Bus shelters ✍ Farms, nurseries, greenhouses, and arboretums ✍ Bars and nightclubs ✍ Accessory Uses ✍ Storage of passenger vehicles ✍ Animal Hospitals ✍ Wholesale and storage establishments ✍ Manufacture, fabrication, or assembling of products ✍ Dry cleaning establishments 	<ul style="list-style-type: none"> ✍ Light Manufacturing ✍ Light Industry ✍ Enclosed Storage and Warehousing ✍ Office space, wholesale, and storage accessory to on-site manufacturing or industry ✍ Automotive, Construction, and Landscaping Services ✍ Existing Residential Uses

Current Intensity Regulations	Proposed Intensity Regulations
<ul style="list-style-type: none"> ✍ No maximum floor area ratio ✍ Maximum height of 40 feet ✍ 60% maximum lot coverage 	<ul style="list-style-type: none"> ✍ Maximum Floor Area Ratio of 3 ✍ Maximum height of 60 feet ✍ 80% maximum lot coverage

As currently written in the zoning code, the M-1 district in New Rochelle is a catch-all area that allows for virtually any use except residential. Because land-use restrictions are so vague, the area has attracted a host of undesirable uses, such as bus parking.

This mix of incompatible and undesirable land uses that resulted from thoughtless municipal law was precisely the basis on which the area was declared “blighted” by the city council in 2000.

Along with the unnecessary open space requirements and large amounts of required parking, the current M-1 zone is especially attractive to large retail

establishments such as the recently proposed IKEA store, which could have been constructed as of right under the existing zoning. In addition to the arguments we make for the value of industry in the neighborhood, city-commissioned reports have consistently recognized the importance of the study area as an industrial center (in 1965, 1977, 1989, and 1996). Moreover, city policy of late has advocated the location of regional retail downtown. The M-1 zoning guidelines must coincide with the needs of a viable light manufacturing district, leaving big box and other retail uses not suitable for manufacturing districts to more appropriate areas of the city.

According to area business owners and Westchester real estate brokers, small and medium sized manufacturers have little use for open space on their property. Therefore, we propose that the maximum lot coverage be expanded from 60% to 80%. Because the area is adjacent to City Park and I-95, the reduced open space will not detract from the quality of light and air in surrounding neighborhoods.

Along with the other steps we propose, altering zoning regulations will help reinforce industrial uses in accordance with city policy and sound economic development and prevent their displacement by retail uses, which are better suited to areas with better traffic access and proximity to downtown.

The Fifth Avenue Corridor

Along properties adjacent to Fifth Avenue, an allowance should be made for small-scale retail activity. Such uses should be limited to 10,000 square feet. This would allow for stores and services that support area residents and businesses but do not detract from the industrial vision for the area. This could be implemented through a commercial zoning overlay.

Besides land-use regulation, the property along Fifth Avenue should be subject to some additional design guidelines. Because the corridor is a significant entrance to the city and adjacent to City Park, the image of the streetscape is an important consideration. Property improvements benefit the area as a whole, and therefore property owners should be compensated for necessary improvements.

Every building needs to have at least one entrance that faces the Avenue and a path that leads from the entrance to the sidewalk. The front facades should be between 20 and 30 feet high. Buildings should be setback at a consistent line 10 feet from the street.

6.3 NOT-FOR-PROFIT LOCAL DEVELOPMENT CORPORATION

6.3.1 MISSION, GOALS AND FUNCTION

We recommend the creation of a City Park Local Development Corporation (CPLDC) as a not-for-profit entity to facilitate and oversee the continued development of industry in the area. The LDC would be a private, non-governmental development organization run by local residents, business owners, and other stakeholders in the neighborhood. The mission of the LDC would be to strengthen and improve the City Park neighborhood both economically and physically while leveraging the diversity of the community.

The LDC could be used to direct the City Park area's development as the residents and business owners see fit. To reinforce industry, an LDC might:

- Strengthen the industrial base of the area by providing management and technical assistance to businesses. This would include resources such as management training, financial advising, and marketing and export assistance.
- Improve the area's infrastructure to make it more suitable for light industrial vehicles. Carry out other physical improvements to enhance the area's value for manufacturing, including noise-reducing landscaping (e.g., strategically placed trees) that would ensure the compatibility of industrial uses with the surrounding neighborhoods.
- Assist in developing new, modern manufacturing and warehouse space in the area, as well as retrofitting and modernizing existing structures.
- Link businesses with financial resources such as tax credits and small business incentives for which they may qualify
- Develop a network of local businesses that could potentially form the basis for a county-wide manufacturers' association. Networking could be facilitated through events such as workshops and trade shows.
- Provide employment services to match qualified employees with firms. This could include partnerships with educational institutions in New Rochelle and elsewhere in southern Westchester County.

This list of possible services to be offered by the LDC is not exhaustive or definitive. Rather, its functions would change and expand as new community needs were brought to its attention.

6.3.2 DETAILS ABOUT FORMATION

The principal agents in forming a City Park LDC would be local residents, business owners, and other community stakeholders. Interested parties should conduct a needs assessment to identify crucial objectives, existing programs and area potential. Community organization in City Park has already been galvanized by the fight against Ikea, so the basic community networks needed to form an LDC are in place.

As a launching point, we outlined a strategic plan and mission statement in line with our vision for reinforcing Westchester's industrial base. However, it is critical that the established LDC clearly affirm objectives up front to avoid political conflicts, duplication of services, or competition for funds with another development corporation.

The success of the LDC would be dependent on how well the founders address the key elements of building consensus, procuring stable funding, establishing due process, and creating a sound organization and good community relations. The general criteria are modeled in a four-step fundamental plan.

Step 1 - Bring together community residents, city officials, other stakeholders and people with technical and financial resources to draft the strategic plan and goals. It would be particularly important that the residents of the MacLeay apartment complex be represented in the group, as they have been underrepresented in the community discussions thus far. This group would lead to formation of a board of directors. Diverse representation from all affected sectors of the community, as well as support from influential city officials, would be important (6 months). During the start-up phase, the LDC could be run by a part-time executive director in a small office space that may be provided by one of the area businesses.

Step 2 - Explore all funding resources available, including state and city incentives, foundations, philanthropic groups, and existing economic development project groups (see funding section below). It could also be beneficial to identify an interim fiscal agent that already has 501(c)3 tax-exempt status while pursuing funding (6 months).

Step 3 - Write and submit all federal, state, city and environmental applications and proposals. This would include filing with the IRS, filing the 501(c)3 status, registering the LDC with the state, creating a consolidated plan and abiding by standard EIS procedures (1-2 years).

Step 4 - Establish an initial organizational structure based on a five-year plan including: a working board to form the LDC, an executive director, an interim volunteer staff (until funding provides for permanent staffing), and several committees to (a) draft bylaws and articles of incorporation, (b) initiate fundraising, (c) build community relations and (d) develop programs. It would be essential for the working board to address ongoing organizational structure as part of the LDC's formation. (3 months)

There are a number of programmatic details the LDC working board would need to address within each of these steps. However, the key would be a carefully planned blueprint. Only through rigorous organizational principles could an LDC become an effective agent in the face of two extreme challenges, fundraising and land acquisition.

6.3.3 POTENTIAL FUNDING SOURCES

Possibly the greatest challenge in founding an LDC is securing the initial funding. To assume legitimate development power, the LDC would need enough support to acquire and convert some parcels in accordance with its industrial vision. A diversified financial scheme would ensure a more balanced approach. This subsection identifies a variety of potential resources for the proposed City Park LDC.

Foundations and Grants (from Private and Nonprofit Sectors)

- The LDC could pursue grants from private banks and financial institutions via the Community Reinvestment Act, which would encourage depository institutions to help meet the financial needs of the communities in which they operate. CRA provisions include not only loans but grants, which commonly fall within the range of \$2,500 to \$5,000.
- The proposed development corporation could also pursue funding from local and regional nonprofit institutions such as the Westchester Community Foundation, which provides grants in the range of \$10,000 for programs that strengthen communities. The Foundation also has environmental programs that fund development plans for brownfield areas, which include former shopping centers, vehicle storage sites, and other areas like the City Park area that do not necessarily pose a health threat. Grants of this type typically range from \$20,000 to \$30,000. (Conversation with Catherine Marsh, Executive Director of the Westchester Community Foundation, April 20, 2001)

Federal, State, and County Resources

- Community Development Block Grants: The needs of the LDC could be incorporated into New Rochelle's Consolidated Plan, which is used to solicit CDBG funds from the U.S. Department of Housing and Urban Development.
- Industrial Retention Network/Move Smart Program: In its "Jobs Agenda 2001," the New York State Assembly has outlined plans for \$4.3 million in funding for an Industrial Retention Network to provide business and financial assistance to manufacturers. The Assembly supports funding of industrial retention efforts in each region of the state to link Local Development Corporations with funding and assistance from government agencies, financial institutions, unions, and non-for-profit organizations. The proposed LDC could also possibly channel assistance from the \$4 million allocated in the Jobs Agenda for Technology Development Organizations (TDOs). The TDO program leverages state and federal funds to provide technical assistance to manufacturers seeking to increase their efficiency and competitiveness.
- The Westchester County Industrial Development Authority (WCIDA) issues Industrial Revenue Bonds for purchasing land, building or renovating

structures, and buying machinery and equipment. For qualified manufacturing projects, bonds are exempt from federal, state, and local taxes.

- The Empire State Development Corporation's (ESDC) Empire Zones (EZ) Program encourages business development in designated areas by offering targeted incentives and benefits to new and expanding commercial and industrial firms. Benefits include sales tax, wage tax and investment tax credits, free security surveys, and energy discounts. However, it should be noted that a city with a median income as high as New Rochelle's would have difficulty in obtaining an Empire Zone designation, as New Rochelle and Westchester in general are perceived as wealthy in comparison with distressed areas upstate.

Once the LDC developed a base of member businesses, annual dues would contribute to its revenue sources. Nonetheless, fundraising would be a perennial activity, as local development corporations generally rely heavily on government and private support for their continuing operation.

6.3.4 LAND ACQUISITION

Since the LDC would be a non-profit entity, donors of property or money would receive a tax deduction for their contributions. This would provide an attractive exit strategy to any landowners seeking to rid themselves of property in the area.

6.3.5 BENEFITS OF THE LOCAL DEVELOPMENT CORPORATION

The City Park LDC would bring a proactive vision to the area and provide a the long-term organizational means for sustainable economic development. Not only would it serve as a vehicle by which funds from various sources could be directed to the neighborhood, but it would also empower the community to take part in the area's development. By this means, an area heretofore perceived as blighted could increase its economic and social vibrancy. Furthermore, the type of economic development promoted by the LDC would especially benefit low and moderate income workers by retaining and creating jobs that pay relatively high wages without requiring advanced degrees.