



## **IDA of the Month: Yonkers Industrial Development Agency continues to promote investment despite today's difficult economic climate**

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Development is a team effort. That's the philosophy as the city's Industrial Development Agency (IDA) continues to promote investment despite the difficult economic climate.

This year alone the Yonkers IDA has provided initial approvals for \$239.4 million in new investment, ranging from housing, to a hotel, to manufacturing.

"The key is coordination between all aspects of the development team," said mayor Mike Spano who is chairman of the IDA. "We have regular all-hands development meetings, where we bring together the IDA, the Office of Economic Development, Department of Planning, and the mayor's office. We go through each project, and potential project, to make sure the city's full resources are working together to make them happen."

At the heart of the process for many investors is the IDA, particularly when financial assistance is the key to making a project viable.

"The Department of Economic Development does a great job of walking people through the process and navigating potential obstacles," said YIDA president and CEO Melvina Carter, "But often the financial incentives are key to closing the deal, and that is where the IDA comes in."

This is a diverse city, and that includes its economic base. It is home to corporate parks and single story neighborhood offices. It has two major shopping malls, but also hundreds of mom and pops. It has high rise residential buildings going up, but also small apartment houses backed by more modest investors.

Potential projects can be very big or quite small, and the IDA endeavors to service them all. "That's another key to our success," said Carter, "A small project can be just as much work as a larger one and the fees are much less. But we consider them essential because they can turn the direction of a street or a block completely around. It's great to say you helped bring a new shopping center to the city, but it's just as rewarding to provide the missing piece that provides refurbished space for a small business or renovated housing for a few families."

The city's IDA has a tool kit that includes the ability to provide a mortgage recording tax exemption on the purchase of a qualifying project property, a sales tax exemption on furnishings, equipment and materials used in construction or renovation, plus a property tax abatement going forward for a specified term.

"The volume of projects in the metropolitan area has definitely dropped, and tight credit is a big reason for that," said mayor Spano, "But it also makes IDA assistance even more critical for projects that are going forward. The IDA's buy-in can be the ingredient that results in a lender's decision to provide financing. We have relationships with many local banks, and will use those relationships to help a good project."

New York State IDAs can no longer issue tax exempt bonds for most civic facilities or residential projects. Consequently Yonkers has established the Yonkers Economic Development Corp. that can provide this incentive in cases where tax-exempt bonds are appropriate and necessary.

As the IDA is working to finalize the financial incentives, it is coordinating with the Office of Planning and Development to walk the developer through the land use and permitting process. "Sometimes that square peg comes along that's ready to fit in a square hole," said Yonkers planning and development commissioner Jeff Williams. "But usually it's not that simple. We work as a team with the IDA so that by the time the financial incentives are available, the land use process is not lagging behind. The IDA cannot close a deal without the city and state approvals in place."

"This year the Yonkers IDA has supported \$190 million in residential development ranging from luxury to affordable, a \$26 million hotel, \$21 million in commercial development, and \$2 million for light manufacturing," said mayor Spano, "That's not a bad record for a near-recession. Imagine what we will do when the economy turns hot once again."

Carter, former CFO of the IDA until her appointment as president this year, points out she has a great team to work with. Jesus Lopez recently joined as the IDA's CFO. Lopez is a career banking professional who came to the Yonkers IDA from careers at Citibank at JP Morgan Chase. With 18 years in the banking industry, he brings important private sector expertise to the YIDA. Fiona Rodriguez serves as the agency's administrative Assistant, providing support to executive staff as well as handling the numerous inquiries that come in. The newest member of the staff is Jennifer Vogel, the IDA's bookkeeper.

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