



IDA of the Month: Yonkers Industrial Development Agency continues to attract commercial and residential developers

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Yonkers, NY Residential construction in Yonkers remains strong going into 2017, continuing a trend that began in earnest four years ago.

The numbers tell it all: As recently as 2014 only 104 units of new housing were approved in the city of nearly 200,000 people. By 2015 that number had increased to more than 1,000 units of housing. It grew again in 2016, with 2,800 units approved.

Together these 4,000 new units represent a five percent increase in the city's total housing stock.

The majority of the units are rentals located in the downtown waterfront. This area, formerly industrial and warehouse, is rapidly becoming residential due to its proximity to a Metro North train station and Hudson River views.

A number of steps taken by Yonkers in recent years are now paying off.

The first was the city's decision to create new waterfront parks. Generations ago the Saw Mill River, which empties into the Hudson in the downtown, had been covered over to create parking. Uncovering, or "daylighting" the river is now in its third phase and has transformed the area from a giant parking lot to a pedestrian promenade. At the same time the city required developers along the Hudson to participate in creating a public walkway along those properties.

Second, the city rezoned the industrial areas to allow residential high rise construction. It is this rezoning that attracted developers such as New York City-based RXR, which now has a 25-story tower under construction fronting the new park created by the daylighted Saw Mill River.

Other major developers currently building or submitting plans include Extell, Avalon, and China Construction.

All of these developments were given assistance by the Yonkers Industrial Development Agency, chiefly in a combination of mortgage and sales tax relief, as well as property tax abatements to benefit the projects in their early years.

With the waterfront revitalization underway, Yonkers is again turning its attention to a parcel behind City Hall that has been empty for more than 40 years. Known as Chicken Island, the six acre parcel

takes its name from a 19th century chicken farm that dated back to when the area was an actual island in the Saw Mill River. It is now an underused parking lot.

It's been the subject of proposals ranging from a supermarket to a minor league ballpark. None ever came to fruition.

Now, however, the city believes conditions are more favorable. A number of developers have had recent discussions with the city's planners, whose preference is for a mixed-use project that could accommodate a government center as well as parking. The latter two would replace an outmoded city office building adjacent to City Hall, as well as an existing multi-level parking garage.

The city's hopes for Chicken Island are boosted by its recent success in developing another long-empty property known as Boyce-Thompson in the northern section of Yonkers. Once a center for horticultural research, Boyce-Thompson had also been vacant for approximately 40 years.

Efforts to rehabilitate it were made more difficult by the city's desire to preserve its iconic central structure .

The Simone Development Corporation, which had redeveloped the Hutchinson Metro Center on the grounds of a former state developmental center in the Bronx, took on the Boyce-Thompson challenge.

Opening this spring, the property offers 85,000 s/f of business, medical and retail space. The historic Boyce Thompson building, which was built in the early 1900s, is restored to its original character. A new 18,000 s/f building is connected to the original building creating a total of 70,000 s/f. The center also features a 15,000 s/f two-level freestanding glass and aluminum building that is ideal for office, medical and/or retail use. The center will also include outdoor site amenities such as areas for seating, eating and learning.

It is already largely leased up, with the adjacent St. John's Medical Center a prime tenant.

Moving forward Yonkers hopes to continue attracting commercial and residential developers motivated by its proximity to New York City, but with prices that are considerably lower. Annual commercial rents in the downtown, for example, are often in the mid-\$20 a s/ft range, compared to the nearly \$30 a s/f average for Westchester, and more than \$70 a s/f in Manhattan.

"People point to new development in Yonkers as one of the great success stories of the past five years," said Mayor Mike Spano, who also serves as chairman of the Yonkers Industrial Development Agency, "I say thanks for the complement, but keep watching because we are far from finished."