



A message from the White Plains mayor: The seven key principals of our development plan

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As the financial markets continue to tighten and the cost of construction goes up, funding from federal, state and county levels of government to the local level continues to decline. Impacted on all sides by these realities, municipalities across the country are finding that the downtown redevelopment and revitalization that is critically needed for their economic viability and quality of life is becoming increasingly difficult to achieve. With no major federal or state funding to aid them, communities must look to local resources and creative application of existing laws in the creation of land use policies.

White Plains stands out as a leader in this new age of local initiatives. Starting in 1998 with an over 30% office vacancy rate, and a downtown characterized by a large vacant former Macy's store, dollar stores along its main retail street, and 80% of downtown housing serving primarily low to moderate income households, my office developed a revitalization plan which has resulted in almost \$3 billion in new private development being approved; of which \$1.45 million is already completed and almost \$700,000 is currently under construction. The downtown of vacant offices and dollar stores has been replaced with a vibrant downtown with a mix of housing including high-rise luxury Ritz Carlton Residences, Trump Tower condominiums, high and mid-rise middle market rentals and condominiums, and subsidized housing for low moderate income families. New retail stores, restaurants, and a new performing arts center, and Bellagio-style fountain at Renaissance Sq. have replaced former dollar stores vacant buildings. The office vacancy rate is now about 10% and most of that is in one building. Older buildings have been gutted and renovated to class A energy efficient office space.

How did this happen? There are seven key principals of development on which we based the revitalization plan. The first is, use governmental powers creatively to assist in the development and financing of new projects when they support and implement the city's revitalization goals and objectives. In White Plains, that has meant the creative use of its Urban Renewal Agency. Lacking an Industrial Development Agency of our own, White Plains has had to creatively use its urban renewal powers to provide the kind of financial support that enables private development to take place at the local level.

The White Plains Urban Renewal Agency was established in 1964 to implement a federally-assisted urban renewal project which encompassed half of the city's downtown. The agency was established under Article 15A of the New York State General Municipal Law. Today about 120 municipalities in New York have received state approval for their own urban renewal agencies. The White Plains Urban Renewal Agency consists of the mayor, as chairman and four members appointed by the mayor. In addition to its federally-assisted urban renewal project, White Plains has created 12 additional urban renewal projects. These are locally assisted projects which do not receive any

direct funding from either the state or the federal government.

The Urban Renewal Agency has enabled land to be acquired for a public and private redevelopment, and has provided the financial framework in which new development could go forward. For example, in the East Post Rd. phase II urban renewal project, just one of the 12 locally assisted projects, with the cost of building a parking structure approaching \$25,000 per parking space, I brought a proposal to the agency to establish an urban renewal project which would involve acquiring city and privately-owned property to enable the construction of a 700 space parking garage to serve the needs of the city and the hospital, as well as to sell off part of the acquired property for private redevelopment to help fund the acquisition of the property in the project area. A key to the redevelopment of the East Post Rd. project was to create a public private partnership for the redevelopment of part of the land in the project area to enable the construction of a major municipal parking structure and to meet another goal of the city, to create an assisted living facility. The agency created the legal framework and provided the powers needed to make this project happen.

By taking advantage of both federal and state tax laws and agency powers granted, the agency acquired all the property in the project area and maintains ownership of that property. The agency leases a portion of the property back to the city for the municipal garage and a portion to a designated private developer for construction of the private assisted living facility. The legal arrangement used by the agency provides the private developer with exemption from sales tax and mortgage recording tax on the buildout of the assisted living facility, and makes available tax exempt bond financing for aspects of the assisted living facility.

Part two can be seen in the August 5th edition of the New York Real Estate Journal.

Joseph Delfino is the mayor of White Plains, N.Y.

The Agency and City were also able to use Agency powers and Federal and State tax laws to include parking for the owners of two of the acquired properties in the new municipal parking garage, one a private law firm and the other Legal Services of the Hudson Valley. The Agency was able to accomplish this because Federal and State tax laws permit up to a maximum of 10% of certain types of municipally funded capital projects to be for private use. The parking garage could not be built without acquiring the privately owned property, and providing parking for the two private owners was critical to negotiating the acquisition of their property. By coming to an agreement with for the parking spaces in the municipal garage, the Agency was able to avoid the cost and lengthy process of condemnation in the post-Kelo environment. The Agency was able to negotiate the acquisition of the other two privately held vacant parcels needed for the project.

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The end result of this public private partnership, is a new parking garage which meets the needs of the City's regional hospital, and the businesses and residents of the area, a new and improved home for Legal Services of the Hudson Valley, and a new home in a state-of-the-art assisted living facility for 91 elderly who can no longer live on their own. This project would never have been possible without the creative use of the City's urban renewal and municipal powers. The Agency and the City want to thank their participants and property owners involved in this redevelopment project: the administration and Board of Directors of the White Plains Hospital Center, White Plains Kensington, LLC., Cuddy & Feder LLP, Legal Services of the Hudson Valley, Inc., and the Agency's

outside legal counsel Randolph Meyer from the firm of Fulbright & Jaworski L.L.P.

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