Roadmap to Recovery: A Strategic Plan for Westchester County Government to Increase Office Occupancy and Revitalize the I-287 Corridor

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Roadmap to Recovery:
A Strategic Plan for Westchester County Government
to Increase Office Occupancy and Revitalize the I-287 Corridor

by
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ABSTRACT

Office vacancy in Westchester County, New York is at an all-time high, especially along the county’s I-287 corridor. This research identifies an effective strategy for Westchester County government to employ in order to increase office occupancy along its I-287 corridor. Two primary questions are addressed. First, what resources does Westchester County government currently have available to help increase office occupancy along the county’s I-287 corridor? Second, what is the viability of the following elements in improving office occupancy along the I-287 corridor: 1.) Incentivizing business growth, 2.) Marketing Westchester’s value, 3.) Sustaining ‘Intellectual Capital’, 4.) Re-imagining infrastructure, and 5.) Engaging County Government? Drawing from focus groups, survey results, one-on-one interviews and document analysis, the study collects data from leaders in Westchester County’s business, municipal, higher education and healthcare sectors. The research concludes that, while stakeholders desire Westchester County government to take a more aggressive role in increasing office occupancy and revitalizing the I-287 corridor, the county government is restrained by resources and authority. However, it does possess a valuable platform by which to communicate an agenda. Therefore, the study recommends a variety of communication strategies for Westchester County government to employ in order to attract and retain businesses and residents within the I-287 corridor. The implications of the research speak to the opportunity to extrapolate these communication strategies to other areas of Westchester County, and the potential to incorporate communications as a vital function in all matters of public administration.
CHAPTER I: INTRODUCTION - THE PROBLEM AND THE OPPORTUNITY

Government, Caretakers of the Economy

President Obama said in his 2014 State of the Union speech, “The cold, hard fact is that even in the midst of recovery, too many Americans are working more than ever just to get by - let alone get ahead. And too many still aren’t working at all” (Office of the Press Secretary, 2014, para. 12). The President went on to outline his agenda for job creation, which included jumpstarting job training programs and instituting a higher minimum wage.

The president operates under the assumption that government, for better or worse, has the power to impact economies and people’s lives. It is his job as a leader to recognize the signs of a struggling America and to intervene when necessary.

Likewise, in states, cities and towns across the country, it is the role of elected officials to do the same. In New York, recent economic indicators seem to call for intervention on the local level. According to the Tax Foundation’s 2014 State Business Tax Climate Index, New York state was ranked dead last in business friendliness for the second year in a row (Drenkard & Henchman, 2013). Moreover, Census Bureau figures released in January 2014 show that people are fleeing New York more than any other state in the U.S., choosing no-income tax alternatives like Florida and Texas instead (McMahon, 2014).

Westchester’s Economic Barometer

In Westchester County, a suburb of New York City where residents pay the highest property taxes in the country (Harris & Moore, 2013), market experts at commercial real estate leader Jones Lang LaSalle characterize the county’s economy and labor market as “lackluster” and “subdued” (n.d., p.1). The company’s fourth quarter 2013 analysis partially attributes the county’s drop in unemployment rate (6.5 in October 2013) to jobseekers withdrawing from the labor force. In addition, the report points out that office-using employment grew only .4 percent in 2013, a fraction of what it was the prior year, and that hiring was limited mainly to the White Plains area and in the health services sector. The company’s outlook cautions that “without a significant platform for growth, the Westchester County office market remains in a holding pattern” (Jones Lang LaSalle, n.d., p. 1).

Office vacancy rate is a statistic that is closely monitored by the real estate community,
because it can provide insight into the overall business climate of the area and predict future trends. In Detroit, office vacancy rates might have been a harbinger of the financial collapse that resulted in the city filing for bankruptcy in July 2013. The city’s central business district vacancy rate skyrocketed from 20 percent in 2001 to 30 percent in 2003, remained between 28 and 31 percent between 2003 and 2010 and went up to 34 percent in 2011 (McDonald, 2014, p. 18).

While Detroit’s economy includes manufacturing and industrial sectors, Westchester businesses are more office-centric. Moreover the workforce potential is there. Westchester is brimming with white-collar workers; in fact, 45 percent of its residents have a Bachelor’s degree or higher. That’s greater than the state and national percentages of 32 and 27 respectively (Westchester County Office of Economic Development, n.d.). Westchester’s leading industries, including finance, healthcare, biotech and IT, rely on office space (as opposed to manufacturing plants or retail property). Therefore, Westchester County’s office vacancy rate may be its most reliable barometer of economic wellness.

According to Jones Lang LaSalle’s fourth quarter 2013 report, Westchester’s total office vacancy rate stands at 20.2 percent (Jones Lang LaSalle, 2014a, p. 2), up from 18.5 percent at the end of 2012 (Jones Lang LaSalle, 2013, p. 2). Total vacancy includes office space marketed directly from the landlord as well as subleased space. It does not include the difficult-to-quantify “shadow space,” which is vacant office space that has not been put on the market (E. Patterson, personal communication, March 28, 2014).

While Westchester’s total vacancy rate is better than neighboring Stamford, CT, which stands at 26 percent (Jones Lang LaSalle, 2014b, p. 1), it trails the national rate of 16.9 percent (Glick, 2014) and lags far behind New York City’s 11.1 percent, the tightest market in the nation (Jones Lang LaSalle, 2014c, p. 1). The last time Westchester came close to New York City’s rate may have been in 2002 when its office vacancy hit 13 percent, as reported in The New York Times (Brenner, 2012).

Market analyst reports vary due to differences in office space classifications (E. Patterson, personal communication, March 28, 2014), but Jones Lang LaSalle’s Westchester statistics appear to hover in between numbers reported by two other major market resources for the same time period. Researchers at CBRE Inc. put the county’s office vacancy at 17.4 percent at the end of 2013, a slight improvement from 17.7 at the end of 2012 (Golden, 2014). However, analysts at Newmark Grubb Knight Frank report a vacancy rate of 22.8 percent at the end of
2013, a slight increase from 22 percent at the end of 2012 (Newmark Grubb Knight Frank, n.d., p. 1).

The “Platinum Mile” Gold Standard

No matter which source is closer to reality, no real estate agent, broker or business person would argue that the county’s current office vacancy rate is anywhere close to what it used to be in its heyday of the 1970’s and 80’s, especially along the stretch of land known as the “Platinum Mile.” The “Platinum Mile” was a nickname bestowed in the early 1960s to the strip of office parks bordering the newly built Route I-287 from the City of White Plains to the Hutchinson River Parkway (Klappholz, 2011a). During those bustling decades, corporate icons like Texaco, Starwood Hotels and General Foods called the Mile home (Brenner, 2012). All three and many more are now gone or have downsized, leaving the Mile a shell of its former self.

According to the Westchester County Business Journal (Lungariello, 2013), back in 1984, corporations paid 60 percent of the Town of Harrison’s property taxes (one of the eight towns bordering the Mile). Today, businesses pay a mere 18 percent to the town. As Harrison Supervisor Joan Walsh said in a 2011 Journal News article, “When certain properties generate less revenue, the burden is on the rest of the town’s taxpayers to make up the difference” (Klappholz, 2011b, para. 9). And as the Town of Harrison has learned the hard way, the goal isn’t to fill up vacant office space with just any tenant. In the early 1990s, the U.S. Postal Service built a massive distribution center on the town’s most valuable Platinum Mile property, worth about $268 million. But since the building is owned by the federal government, the property does not currently generate one dime of tax revenue for the town (Klappholz, 2011b).

Lost tax revenue is just the beginning of the ripple effect caused by vacant office space. Landlords lose out on rent. Fewer office renters means fewer high-skilled, high-wage jobs available to Westchester’s workforce; therefore, residents have less disposable income resulting in less traffic in retail stores and restaurants along Westchester’s downtown and main street areas. The depressed economic vibe conveyed by empty office buildings can, in turn, deter home and commercial real estate sales, and on and on.

The “Platinum Mile” and the entire I-287 corridor on which it sits is where the vast majority of office space, vacant or not, is located in the county. Out of the 6,533,627 square-feet of vacant office space in Westchester, 75 percent of that space is located along the I-287 corridor
including the City of White Plains (Jones Lang LaSalle, 2014a).

Finding strategies to lower the office vacancy rate along the I-287 corridor would mean dramatically lowering the office vacancy rate of the county overall.

Time for Intervention

Addressing the problem would first mean understanding what’s caused it in the first place. While some of the blame can be placed on the Great Recession, when employment dropped a third along the corridor (Klappholz, 2013, para. 6), the buildings are aging and many don’t offer the amenities that today’s businesses are seeking. Plus, many businesses are now looking to be more space efficient, which means large office buildings are not likely to be filled with a single tenant like they used to be (Klappholz, 2011a).

Some Westchester developers have already begun to adjust to this new reality. Robert P. Weisz, chairman and CEO of RPW Group, which owns and operates five buildings along the corridor totaling 1.3 million square feet, has begun modernizing and renovating his buildings to allow for multi-tenants. Weisz’ 800 Westchester Avenue site (containing 600,000 square-feet of office space) is the former headquarters of General Foods and is now fully occupied by smaller companies (Klappholz, 2011a).

This situation is not unique to Westchester. Communities all over the country are faced with the demand for more modern, condensed space and have found that mixed-use development may be the solution. According to a study conducted by the Land Use Law Center of Pace University School of Law in White Plains, the former Texas Instruments campus in Attleboro, Massachusetts now includes office buildings, a wastewater treatment plant and upscale residential units (Brenner, 2012).

Should the Robert Weisz’s of Westchester be left to go it alone in bringing back the luster of the Platinum Mile, thereby lowering the county’s office vacancy rate? Or is it actually the responsibility of local government to intervene and create the conditions whereby businesses can thrive and developers can re-imagine a stretch of roadway that could reignite the economy for a county of a million residents?

In Westchester, county government is in a position to provide essential resources and guidance. County government acts as a kind of umbrella to the six cities, 19 towns and 23 villages (“Cities, towns and villages…”, n.d.) within its border. In recent years, it has worked to
lower the county tax levy or keep it flat in order to provide stability. There are reasons it may be well-positioned to do more. The county government is currently operating with bipartisan cooperation. It has existing relationships with its municipal leaders. It maintains a key advisory role in the Tappan Zee Bridge project (a massive state infrastructure project to replace the bridge connecting Westchester to Rockland County via I-287). Westchester County government would make the most of this favorable situation by taking a leadership role in formulating strategies to increase the corridor’s office occupancy rate.

Such an initiative seems particularly achievable, since Westchester County Executive Robert P. Astorino recently maintained in two major economic addresses, “The future of our county in many ways depends on the revitalization of the commercial office space along the 287 corridor.” He went on to pledge the county’s commitment to that effort, first by reaching out to business leaders, developers and potential tenants to offer support in meeting their strategic and financial goals. Then by partnering with the municipalities that border 287 “to promote smart and sensible development.”

The problem is pressing, the timing is right and the will exists, but a comprehensive and specific plan of action is lacking.

Therefore, the purpose of this research is to identify an effective strategy that the county government in Westchester, New York can employ in order to increase office occupancy along its I-287 corridor.

This research will answer the following questions:

1.) What resources does Westchester County government currently have available to help increase office occupancy along the county’s I-287 corridor?

2.) What is the viability of the following elements in improving office occupancy along the I-287 corridor: 1.) Incentivizing business growth, 2.) Marketing Westchester’s value, 3.) Sustaining ‘Intellectual Capital’, 4.) Re-imagining infrastructure, and 5.) Engaging County Government?
CHAPTER II: LITERATURE REVIEW

The “Metropolitan Revolution”

Authors Bruce Katz and Jennifer Bradley (2013) might view a county-led effort to revitalize the I-287 corridor as another example of what they have dubbed the “metropolitan revolution.” In their new book, The Metropolitan revolution: How cities and metros are fixing our broken politics and fragile economy (2013), the authors define the revolution as a trend they have recognized across the country of mayors and other local officials taking matters (such as their own economic viability) into their own hands. Sparked by the Great Recession, these local leaders realize the “cavalry is not coming” (Katz & Bradley, 2013, p. 3) and are “taking control of their own destinies, becoming deliberate about their economic growth” (Katz & Bradley, 2013, p.5).

Although the U.S. political structure is portrayed as hierarchical with the federal government at the top and local governments at the bottom, explain Katz and Bradley, “Power is devolving to the places and people who are closest to the ground and oriented toward collaborative action” (Katz & Bradley, 2013, p.5). While the federal government operates in silos and addresses problems with a compartmentalized and fragmented approach, local leaders are more inclined to problem solve by integrating various stakeholders (Katz & Bradley, 2013, p. 8). Local leaders are also more incentivized to take appropriate action, since they live with the daily consequences of their decisions: whereas federal officials remain distant, both geographically and emotionally, from the results of their choices (Katz & Bradley, 2013, p. 9).

The local leaders that Katz and Bradley describe are not holding their breath waiting for President Obama’s promises of job creation, job training and a higher minimum wage to solve the problems in their towns.

Katz and Bradley believe these reformers and the metropolitan revolution they are inciting are the country’s “best chance to revive its national economy, reboot its national competitiveness, and restore purpose to its politics and civility to its commons” (Katz & Bradley, 2013, p. 9).

Regional Cooperation

Literature that specifically examines the effect that local governments have had on vacant
office space can be categorized as either best practices or case studies.

In their 2000 comparison of 28 U.S. metropolitan areas, Howarth recognized that, “office-based employment has been a driving force in the development of metropolitan economies over the last 50 years and is therefore an appropriate indicator of overall metropolitan health” (p. iv). Furthermore, Howarth offered nine hypotheses centered on the long-standing urban policy debate regarding suburban-central business district (CBD) dependency (2000, p. iii). The study’s findings presented compelling evidence that the stronger the CBD, the stronger the surrounding metropolitan area. However, this relationship was not found to be reciprocal. An economically healthy and growing suburb could not continue to thrive if its CBD were in decline (Howarth, 2000, pp. 176-178).

Howarth’s conclusion is significant since the White Plains CBD is the epicenter of the I-287 corridor. Applying Howarth’s reasoning, Westchester County can do as much as it wants to lower office vacancy rates in office parks along I-287, but the benefits will last only so long if it doesn’t also keep an eye towards downtown White Plains.

To address this reality, Howarth suggests a regional approach to office development such as inter-municipal authorities to confront infrastructure and transit issues that cross municipal lines, and tax-sharing arrangements that benefit both the CBD and greater suburban area for the long-term (2000, p. 177).

Regional consensus may prove challenging for I-287 development, since eight municipalities touch the corridor. Listed from west to east they are: the Village of Tarrytown, the Town of Greenburgh, the Village of Elmsford, the City of White Plains, the Town/Village of Harrison, the Village of Rye Brook, the City of Rye and the Village of Port Chester (E. Buroughs, personal communication, February 8, 2014).

Within these eight towns are elected officials, residents, schools and businesses each with their own priorities, laws and regulations. County government may serve as the appropriate entity to invite all stakeholders to the table to discuss ideas for revitalization, but county government lacks the authority to make unilateral decisions on the future of the I-287 corridor.

Leadership

In 2004, Pitzer analyzed 32 communities that participated in a Louisiana main street revitalization program in order to determine the overall success of the program as well as to
identify the common factors of the communities that demonstrated the greatest improvement. Pitzer reviewed data, which included correspondence, reports, surveys and databases from Louisiana’s economic, recreation and tourism-related departments and concluded that the program succeeded in stopping the economic decline of communities (2004, p. 50). According to Pitzer’s research, the communities that proved successful met the following criteria: 1.) sufficient funding, 2.) ample number of volunteers, 3.) reliable public-private partnerships, 4.) community commitment to the program, and 5.) energetic leadership (2004, p. 50).

The most critical of these five elements was funding, which was provided by the government through the matching grant program (Pitzer, 2004, p. 50). The second most crucial factor was leadership. The leaders in this context were not politicians, but program managers and board members, who focused on the day-to-day responsibilities relating to downtown revitalization. These leaders coordinated activities and volunteers, communicated with businesses and landowners and kept stakeholders focused on the mission of the program (Pitzer, 2004, p. 66).

Westchester county government would do well to bear in mind the formula for success identified by Pitzer, to increase the chances of an economic revitalization effort succeeding for the I-287 corridor.

Stakeholders

While both Howarth’s and Pitzer’s studies examine the element of cooperation in economic development, Ferner focuses exclusively on the role of stakeholders in his 2013 study, Implications for Economic Development: How Stakeholder Perceptions Influence Entrepreneurism. Using qualitative research methods, Ferner analyzed the role of stakeholders in promoting a vital regional economy by conducting one-on-one interviews and a focus group with a quota sample of business owners and managers in the City of St. Petersburg, Florida (2013, p. v).

His findings prove the importance of the following components when developing regional economic development strategies:

a) connections and alliances;

b) knowledge spillovers;

c) grass roots support;
d) avoiding public policy contradictions;
e) properly aligned business assistance programs;
f) university support in the formation of human capital;
g) adequate supply of highly specialized human capital;
h) maintaining sufficient financial reserves;
i) establishing a niche in the local marketplace; and
j) an inclusive approach to economic development planning” (2013, p. v).

Ferner’s study might prove useful as a checklist for Westchester County government in addressing the I-287 corridor. What connections and alliances does the county have that would be helpful? How does it go about building grassroots support? How can it engage its universities? What niche is being served in the marketplace? Are all stakeholders being included in the process?

A Northeast Case Study

If Westchester were to make an organized effort to address economic development along its I-287 corridor, it would be well served to learn from communities that are striving to achieve a similar goal. An initiative launched last fall in Boston’s suburbs aimed at attracting business to the I-95/Rt128 corridor offers a useful case study.

In order to revitalize a 500-acre patch of empty office parks and dilapidated buildings just off the highway where the towns of Newton and Needham meet (about 10 miles southwest of Boston), the two communities have formed an initiative called the N2 Innovation Corridor (Allen, 2013). The branding is a play on the town names as well as the strength of the technology sector in the area. The two towns are home to approximately 150 technology-related companies and have access to a vast talent pool, partially due to their close proximity to top-notch universities including Harvard, MIT and Boston University (Van Voorhis, 2013).

The N2 is a partnership between the public and private sector including the Newton Needham Chamber of Commerce, the Massachusetts office of Housing and Economic Development, the City of Newton and the Town of Needham (“N2 Corridor About,” n.d.). The coalition envisions turning their drab, empty office spaces into modern, incubator-style buildings where startups and growing companies can thrive in a community atmosphere that encourages
collaboration (Van Voorhis, 2013).

According to Greg Reibman, president of the Newton-Needham Chamber of Commerce and a co-chair of the N2 steering committee, the project needs three things for their concept to become a reality: infrastructure, transportation and “coolness” (Allen, 2013, para. 11). “Cool places aren’t something you can legislate,” said Reibman. “But you need it” (Allen, 2013, para. 12). The “bump factor”, meaning running into people you know, is critical, says Reibman. Suggestions to nudge the “bump factor” along include incorporating shared office space, coffee shops, restaurants and other places to socialize and meet into development plans (Van Voorhis, 2013).

As for infrastructure and transportation, plans are in the works. This spring, the state is widening Route 128 and adding an exit that will feed into Needham Crossing, the office park that will house N2’s anchor tenant Trip Advisor. Newton is exploring the possibility of connecting the city to Boston’s Hubway, a bike-sharing program started in 2011 that has expanded to nearby Cambridge, Brookline and Somerville, while Needham is in favor of improved bus connections and shared bus-and-bike routes (Allen, 2013).

The N2 team is also aware that housing is a key component to the corridor’s success, in order to cater to the young innovative workforce they are looking to attract. Jay Doherty, CEO of Cabot, Cabot & Forbes (a Boston-based real-estate development firm), recommends a “live-work-play” approach (Allen, 2013). He says: “This workforce doesn’t look for what people used to look for in housing. They don’t look to own; they look to rent, because it’s a more mobile workforce. They look for walk-to or bike-to proximity to their workplace” (Allen, 2013, para. 27).

Doherty’s assertion is supported by the results of a national survey of 1,202 adults living in the U.S. in May 2013 called America in 2013: Key findings on housing, community, transportation, and the generations and conducted by the Urban Land Institute, a non-profit research and education membership organization, and Belden Russonello Strategists, LLC, a nationally recognized survey and communications firm. If Doherty is looking to attract workers age 18 to 34 (Generation Y), they are the most likely age group to have moved in the last five years (53 percent) and indeed are the most likely to move within the next five years (63 percent). Furthermore they are least likely to own their own home (40 percent) and they rank proximity to work and community walkability higher in importance to them than do all other age groups.
However, Americans born in Generation Y aren’t the only ones that want to be close to it all. Fifty-four percent of survey respondents chose three or more of the five community attributes typically associated with “compact development” such as shorter commute, close proximity to shops, restaurants and offices and public transportation options (Urban Land Institute, 2013, pp. 11).

With its population targeted, its mission developed and its key stakeholders identified, the N2 team is now focused on building awareness of its goals. Last October, N2 hosted a meet-up event with large and small businesses, developers and local officials and launched a website (Van Voorhis, 2013). The site features a video with TripAdvisor executives touting the reasons they chose to set up shop in the N2 Corridor. Produced with a backdrop of hip music and fast-paced visuals, TripAdvisor CEO Stephen Kaufer explains why the company chose Needham over Boston or Cambridge (N2 Corridor Why Newton-Needham?, n.d.). The company, a fast-growing online travel site with 2,000 employees (Van Voorhis, 2013), broke ground on a six-story, 280,000 square-foot headquarters building on the Needham side of the N2 Corridor in November (Allen, 2013). Kaufer cites the ability to attract employees due to its location, the growth opportunity in the area and the hospitable nature of the town as the main reasons behind the decision (N2 Corridor Why Newton-Needham?, n.d.).

The N2 Innovation Corridor and the I-287 corridor face similar challenges. They both are striving to bring life back to a once thriving stretch of office space along a major interstate highway (and boost their commercial tax revenue in the process); both must contend with multiple municipalities, stakeholders and layers of government; and both are looking to reinvent their vacant and aging office parks to appeal to a new generation of workers. The corridors are also looking to draw from similar strengths: a highly educated workforce, strong school systems, strategic location near a major city and transportation improvements on the horizon.

Summary

As a key player in shaping the future of Westchester’s I-287 corridor, the county government would do well to bear in mind the conclusions of the Howarth, Pitzer and Ferner studies. Moreover, it should be cautioned by the lessons learned from local governments that have attempted similar economic development projects such as in Newton and Needham.
How can Westchester County government encourage regional consensus as Howarth encourages? Is there a grant program like the one cited by Pitzer that would make sense for the I-287 corridor? If so, where would the County get the funds? What steps can the County take to ensure stakeholder support as recommended by Ferner?

Should the county form a public-private partnership like they did in Newton and Needham and rebrand the corridor in order to attract develop? Has that strategy proven effective thus far for those Boston suburbs? What have been their successes and their missteps?

The County is well-positioned to play a leadership role in making I-287 a thriving economic center, but it must learn from those that have made similar efforts in the past, take advantage of the intellectual capital at its doorstep and tailor a creative solution that fits the scope of Westchester’s potential in the marketplace.
CHAPTER III: METHODOLOGY OF THE STUDY

The established purpose of this research is to identify an effective strategy that the county government in Westchester, New York can employ in order to increase the office occupancy rate along its I-287 corridor. Before a road map to recovery can be drawn, however, data must be collected to answer two primary questions as thoroughly as possible.

**Question 1:** What resources does Westchester County government currently have available to help increase office occupancy along the county’s I-287 corridor?

To address this question, the research will include one-on-one interviews and document analysis, including but not limited to the Westchester County website, budget and county charter. The Westchester County employees who will be interviewed have expertise in government and represent different perspectives from economic development to planning.

**Question 2:** What is the viability of the following elements in improving office occupancy along the I-287 corridor: 1.) Incentivizing business growth, 2.) Marketing Westchester’s value, 3.) Sustaining ‘Intellectual Capital’, 4.) Re-imagining infrastructure, and 5.) Engaging County Government?

To approach this question, the research will include one-on-one interviews and focus groups, each with stakeholders. No matter what course of action Westchester County government takes to revitalize the I-287 corridor, it will not be able to go it alone and solve the problem unilaterally -- at least not successfully (as demonstrated by Ferner, 2013). Nor is there a need to. Given the fact that eight municipalities border I-287, the region as a whole and various stakeholders stand to benefit from a reinvigorated corridor. The potential benefits, such as job creation, business expansion, transportation/infrastructure improvements and housing opportunities, present a strong incentive for stakeholders to provide assistance.

Those parties with the most invested in an effort to revitalize the corridor are county government personnel, real estate professionals and brokers, business community leaders, municipal officials and university leaders. The one-on-one interviews will be conducted with individuals from each of these stakeholder groups asking each of them 14 main questions.

In addition to one-on-one interviews, this research will draw from focus groups hosted by
the Office of County Executive Robert P. Astorino. Addressing office vacancy while positioning Westchester County for future economic growth is a top priority of the Astorino administration. The county executive stated in key public speeches at the beginning of 2014 that he would be meeting with representatives from the towns along I-287 and other stakeholders to talk about how the county can partner with them to revitalize the corridor. The timing of these meetings is especially important, according to the county executive, in light of the new Tappan Zee Bridge currently under construction and the bus rapid transit plan presently under consideration.

According to the email invitation sent to participants, the goal of the focus groups is to have “a candid conversation on the key challenges and opportunities in front of us” with leaders in the fields of business and real estate, higher education, healthcare, municipal government as well as with young professionals.
CHAPTER IV: RESEARCH FINDINGS

Focus Group Discussions

Four focus groups were held, one with top Westchester leaders in each of the following sectors: municipal government, business, higher education and healthcare. Each focus group session lasted one hour and was moderated by either County Executive Robert Astorino or Deputy County Executive Kevin Plunkett. Seven to nine sector leaders attended each focus group (several of the county executive’s staff and consultants were also present).

The participants were encouraged to talk about the challenges currently facing their industry and to suggest collaborative partnerships that county government should form in order to help grow the local economy (See Table 1: Focus Group Suggestions). The moderator kept the dialogue open to countywide issues, but when possible focused the conversation on the opportunities along the I-287 corridor.

Traffic and transit dominated the conversation among the municipal leaders, each occupying government positions in towns and villages along the corridor. Generally, the municipal participants recognize 287 as the “lifeblood” of the local economy and see the need to make the corridor more accessible to mass transit.

Anticipating the Mass Transit Task Force New NY Bridge Transit Recommendations Executive Summary to be released in the days following their focus group, the potential for a bus rapid transit system (BRT) was discussed as the most viable option. However, the participants expressed concerns regarding the logistics of how to operate BRT through already dense communities. Corporate office parks set far back off the road and the inconvenience of a one-way road system (Westchester Avenue) were also seen as challenges to the use of BRT. Additionally, the municipal leaders recognized the tension between Rockland and Westchester counties, each as they attempt to achieve a BRT plan that is best for its own residents.

The demand for mixed-use development was also a topic of interest among the municipal leaders. White Plains has rezoned to allow for some mixed-use, while other areas along the corridor have plans or the desire to do the same.

Business leaders spoke largely about the need for Westchester to examine how it can better compete with areas in the region that might be more appealing to businesses and less costly for them to operate. Participants said high cost of labor, the lengthy and burdensome
permitting process as well as onerous regulations (such as the State Environmental Quality Review statute) contribute to the perception of New York being unfriendly to business. According to participants, Connecticut has capitalized on New York’s weakness by offering economic incentives to companies looking to relocate, such as awarding a $40,000 forgivable loan per new job created (over a set number of new jobs). These incentives, say the participants, are drawing tenants away from Westchester.

The business leaders praised county government for doing its part to hold the line on taxes, but said we need to do more to sell our positive qualities such as our exceptional schools, quality of life and strong employee base, if we are going to compete. County Executive Astorino agreed and expressed interest in forming a team of people who are on the front lines every day.

Participants also requested county government’s assistance in gaining public support for development. While businesses are on the ground requesting approval for permits, the county could provide valuable “air support” to help convince residents to be more open to growth. Currently, these business leaders report, companies are not encouraged to occupy or repurpose vacant office space (or build new construction) due to the time-consuming and costly battles they must fight with the local municipalities to move their projects forward.

Leaders also suggested that the county do more to 1.) Support the development of housing that will sustain today’s workforce, 2.) Assist in the transformation of White Plains train station into a major retail and tourist destination like Grand Central Terminal and 3.) More closely examine the reasons why companies have fled Westchester in recent years and why other companies have chosen to come here.

Leaders in higher education expressed their commitment to supporting Westchester’s economy by providing an employable workforce that fits the needs of today’s businesses. However, they expressed concern regarding the growing number of high school students in Westchester that either cannot afford to attend their institutions or cannot meet their standards of their admissions. They recognize that globalization has resulted in competition with international students and the development of academic programs that cater to these students.

The higher education leaders have received feedback from businesses that are looking for more “career ready” workers, meaning those who possess knowledge of certain basic applications, such as Excel, as well as good writing and communication skills. According to the higher education leaders, they do not always have time in the classroom to work on these skills.
and perhaps the county could assist with career readiness workshops.

It was suggested that a comprehensive study be conducted to analyze the degree programs currently offered by the county’s higher education institutions to determine whether or not they correlate with the needs of the county’s business community.

It was also suggested that the county do more to support student entrepreneurs with incubator programs that offer space and/or grants.

Healthcare leaders acknowledged the current consolidation trend that may bring a more integrated system, leading to improved healthcare delivery. But they are also keeping a wary eye on the growing trend towards high deductible health plans, which has resulted in fewer preventive care visits, since people are watching out-of-pocket expenses more carefully.

These leaders are looking to the county for assistance on two fronts: public transportation and local permitting processes. Many of their workers commute from neighboring counties (due to lack of affordable housing in Westchester) and, they maintain, the county-run Bee-Line bus system is not as reliable as it should be. Participants suggested the bus schedule be timed for when workers get out of work from the big employers and that peak hour loops run more often. If improvements were made to the system, then more workers would see it as a viable option and ease congestion on the county’s roadways. They fear that if their nurses’ shifts were not 7 a.m. to 7 p.m., they would have a shortage, since currently their nurse staff travel by car during non-rush hours (largely from neighboring Putnam).

Secondly, local opposition and the complexity and time-consuming process of obtaining approval for construction of new development or the repurposing of existing buildings were universally recognized among healthcare leaders as obstacles to growth in their industry. They see the opportunity to grow their institutions, perhaps even utilizing vacant space along the corridor. However, the prospect of engaging the local bureaucracy of planning boards and commissions is a turn-off. The conversation went on to discuss whether or not there is a way for the county to incentivize local municipalities to expedite consideration of projects. Participants agreed that having the opportunity to hear an up or down vote by the local board is better than remaining in a prolonged process where the outcome is unknown.

Additional focus groups have been scheduled--one for young professionals and one for non-profit leaders--but data from these focus groups will not be collected in time to be included in this research.
<table>
<thead>
<tr>
<th><strong>Municipal</strong></th>
<th><strong>Higher education</strong></th>
<th><strong>Healthcare</strong></th>
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<tbody>
<tr>
<td>Galvanize support for mixed-use zoning changes</td>
<td>Host career readiness workshops</td>
<td>Improve Bee-Line bus service</td>
</tr>
<tr>
<td>Advocate sensible BRT plan</td>
<td>Compare degree programs vs. local job market demand</td>
<td>Incentivize/expedite local permitting process</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td></td>
<td></td>
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<tr>
<td>Market the county’s value</td>
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<tr>
<td>Build public support for development</td>
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<tr>
<td>Encourage workforce housing construction</td>
<td></td>
<td></td>
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<tr>
<td>Upgrade White Plains train station</td>
<td></td>
<td></td>
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<tr>
<td>Determine what attracts/deters companies</td>
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**Table 1: Focus Group Suggestions**
Focus Group Surveys

At the beginning of each session, a 16-question survey was distributed to each participant and was collected at the end of the focus group. A total number of 27 surveys were collected; however, not every survey was fully complete. Some answers were left blank by the respondents. Total number of surveys collected from each group varied. See Figure 1: Focus Group Survey Respondents by Category.

The results of the surveys reflected various aspects of the discussions, and provided additional information regarding some points that could not be covered during the hour-long dialogues.

Regional Competition/Opportunity

A majority of respondents viewed Connecticut as Westchester’s stiffest competition for both business and residential relocation. Communities along the I-287 corridor were named as the best places in Westchester to locate a business. Many communities throughout Westchester were named as attractive places to live, including some along the corridor, the Hudson River and the Sound Shore. Sixteen respondents felt that $10 would be a reasonable toll for the Tappan Zee Bridge. Eight felt that $5 would be reasonable. One felt that there should be no toll. See Figure 2: Regional Competition & Opportunity.
Attracting/Retaining New Businesses

Respondents were then asked a series of questions with regard to attracting and retaining new businesses to Westchester.

When asked to rank what businesses see as their top five priorities when making a decision to relocate or expand, 18 respondents chose access to an educated and qualified labor force, 15 chose pro-business environment, 12 chose access to mass transit, and 11 chose tax and economic incentives. Four options tied for fifth place, each having been selected by 10 respondents. These were: competitive office rent, access to highways, quality of life and property taxes. See Figure 3: Business Priorities.

From a list of seven choices, respondents were asked to pick the top three greatest opportunities to attract new businesses to Westchester within the next five years. Availability of a well-educated and skilled workforce ranked first (selected by 14 respondents), improved transportation infrastructure and increased economic incentives on the state and county level tied for second (chosen by 12 respondents each), and more development of mixed-use urban centers came in third (picked by 10 respondents). Other choices on the list (in order of selection) were
larger variety of housing choices, consolidation and regionalization of municipal services and higher taxes on residents and businesses in New York City. See Figure 4a: Business Opportunities.

From a list of nine choices, respondents were asked to pick the top three greatest threats to attracting new businesses to Westchester within the next five years. Increased economic incentives from neighboring states and high taxes tied for first, each having been selected by 20 of the respondents. Youth flight was a distant second, chosen by seven respondents. Lack of consolidation and regionalization of municipal services, slower job growth and the continual aging out of the county population tied for third having been selected by five respondents each. Other choices on the list (in order of selection) were deterioration of transportation network,
declining property values of business properties and crime. See Figure 4b: Business Threats.

**Figure 4a: Business Opportunities**

*What are the greatest opportunities to attract new businesses to Westchester within the next five years?*

<table>
<thead>
<tr>
<th>Option</th>
<th>Number of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of a well-educated and skilled workforce</td>
<td>14</td>
</tr>
<tr>
<td>Improved transportation infrastructure</td>
<td>12</td>
</tr>
<tr>
<td>Increased economic incentives on state and county level</td>
<td>12</td>
</tr>
<tr>
<td>More development of mixed-use urban centers</td>
<td>10</td>
</tr>
<tr>
<td>Larger variety of housing choices</td>
<td>9</td>
</tr>
<tr>
<td>Consolidation and regionalization of municipal services</td>
<td>7</td>
</tr>
<tr>
<td>Higher taxes on residents and businesses in NYC</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: 2014 survey of 5 municipal, 9 business, 7 higher education and 6 healthcare leaders in Westchester.

**Figure 4b: Business Threats**

*What are the greatest threats to attracting new businesses to Westchester within the next five years?*

<table>
<thead>
<tr>
<th>Option</th>
<th>Number of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased economic incentives from neighboring states</td>
<td>20</td>
</tr>
<tr>
<td>High taxes</td>
<td>20</td>
</tr>
<tr>
<td>Lack of consolidation and regionalization of municipal services</td>
<td>7</td>
</tr>
<tr>
<td>Slower job growth</td>
<td>5</td>
</tr>
<tr>
<td>Continual aging out of the county population</td>
<td>5</td>
</tr>
<tr>
<td>Deterioration of transporation network</td>
<td>5</td>
</tr>
<tr>
<td>Declining property values of business properties</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: 2014 survey of 5 municipal, 9 business, 7 higher education and 6 healthcare leaders in Westchester.
When asked what the single biggest strength a community can offer to a business that is considering relocation or expansion, most respondent answers related to an efficient building approval process, an availability of qualified labor or a pro-business environment. Conversely, when asked the single biggest weakness that can hurt a community when trying to attract or retain a business, most respondent answers related to either a slow building approval process or a lack of availability of qualified labor. In addition, many respondents noted high taxes as a potential weakness.

Attracting/Retaining New Residents

Respondents were then asked a series of questions in regard to attracting and retaining new residents to Westchester.

When asked to rank what individuals see as their top five priorities when making a decision on where to live, 22 respondents chose quality of K-12 schools, 19 chose cost of housing, 15 chose property taxes, 10 respondents each chose access to mass transit and proximity to workplace, and eight chose public safety. See Figure 5: Resident Priorities.

**Figure 5: Resident Priorities**

*From your experience, what do individuals see as their top priorities when making a decision on where to live?*

- Quality of K-12 schools
- Cost of housing
- Property taxes
- Access to mass transit
- Public safety (fire and police)
- Availability of home ownership
- Crime rate
- Entertainment
- Variety and quality of retail shopping
- Recreation
- Availability of rental housing
- Proximity to NYC
- Access to highways
- Public safety (fire and police)
- Demographic mix

*Source: 2014 survey of 5 municipal, 9 business, 7 higher education and 6 healthcare leaders in Westchester.*
From a list of seven choices, respondents were asked to pick the top three greatest opportunities to attract new residents to Westchester within the next five years. Larger variety of housing choices ranked first (selected by 21 respondents), improved transportation infrastructure was second (chosen by 14 respondents), and more development of mixed-use urban centers came in third (picked by 13 respondents). Other choices on the list (in order of selection) were consolidation and regionalization of municipal services, higher taxes on residents and businesses in New York City, increased economic incentives on the state and county level and the availability of a well-educated and skilled workforce. See Figure 6a: Resident Opportunities.

Figure 6a: Resident Opportunities

What are the greatest opportunities to attract new residents to Westchester within the next five years?

From a list of nine choices, respondents were asked to pick the top three greatest threats to attracting new residents to Westchester within the next five years. 24 of the 26 respondents who answered this question chose high taxes as their number one choice. Slower job growth came in second (selected by 10 respondents) and youth flight was third (chosen by 7
respondents). Other choices on the list (in approximate order of selection) were increased economic incentives from neighboring states, deterioration of transportation network, lack of consolidation and regionalization of municipal services, crime, declining property values of residential properties and continual aging out of the county population. See Figure 6b: Resident Threats.

**Figure 6b: Resident Threats**

*What are the greatest threats to attracting new residents to Westchester within the next five years?*

![Graph showing the greatest threats to attracting new residents to Westchester](image)

Source: 2014 survey of 5 municipal, 9 business, 7 higher education and 6 healthcare leaders in Westchester.

When asked what the **single biggest strength** a community can offer to a prospective resident, most respondent answers related to either the quality of the school system or the quality of life in general. When asked the **single biggest weakness** that can hurt a community when an individual is considering moving there, most respondent answers related to high taxes, high crime or poor schools.
One-on-one interviews

In all, 11 one-on-one interviews were conducted—2 with county government personnel, 2 with real estate professionals, 3 with business community leaders, 2 with urban planners and municipal officials and 2 with university leaders. At the request of the interviewees, their identity has been kept anonymous.

Fourteen main questions were asked of each interviewee. Each interview lasted approximately 45 minutes to an hour.

The following is a summary of the answers to each question, based on transcripts of the interview sessions.

Incentivizing Business Growth

1.) What do you see as the main reasons companies choose to occupy office space along the I-287 corridor?

   Location. As the old real estate adage goes, it’s all about location, location, location. The office space along the corridor is easily accessible by employees and customers alike (with an abundance of parking to accommodate), and is within close proximity to neighboring markets such as New York City, Connecticut and New Jersey. The infrastructure supports this ease of access with multiple train lines going into and out of Manhattan; a combination of interstate, state and county highways running north, south east and west; as well as a county airport that is the second busiest private jet hub in the United States.

   Workforce. Equally if not more important to companies, however, is education, education, education. Westchester provides access to a highly educated and highly skilled workforce that is difficult for some companies to find.

   Low rent. In addition, office rents along the corridor are a lower cost alternative to New York City and southern Connecticut. The rents have made this space attainable in recent years for non-profits like Fordham University.

   Quality of life. Lastly, Westchester County provides a high quality of life for employees of companies that choose space along the corridor. Its schools, hospitals, cultural experiences and recreational outlets are viewed as superior to other parts of the country and neighboring areas.
2.) What do you see as the main reasons companies choose not to occupy office space along the I-287 corridor?

**Outdated.** The large, old, and isolated office parks along the corridor do not fit the needs of today’s office user. The product itself is obsolete, lacking the amenities that are in demand such as a fitness center, shops, post office, conference center and access to people from other companies with whom they can collaborate. The younger generation of workers seek to be in vital, interesting places with a downtown feel, not isolated office parks. In addition, companies are downsizing and do not require the massive square-footage offered along the corridor.

Today’s office user expects the highest level of convenience and that includes walkability, access to public transportation and an easily navigable roadway system, all of which are lacking along the corridor.

**Cost.** Westchester is an expensive place to do business. The taxes are high, the labor is expensive and the long process of getting approvals for construction or renovation is costly and unpredictable. The cost assessment versus the convenience, access to labor, etc. must be weighed.

3.) Is Westchester’s present system of financial incentives competitive enough to encourage businesses from outside the county to relocate along the I-287 corridor?

**Not the county’s responsibility.** Financial incentives are viewed as the state’s duty and an expenditure that the county cannot afford. However, when sales or mortgage tax exemptions offered through the county’s IDA are combined with tax benefits from the State’s Excelsior program along with savings negotiated with the local municipality under a PILOT (payment in lieu of taxes) program, the incentives package as a whole can encourage businesses.

**Financial incentives are not the key drivers.** Companies choose Westchester for its intellectual capital among other reasons, not because of the financial deal they are going to get. However, companies have come to expect financial incentive packages, and they are seen as a tool to help ease the pain of doing business in a costly location such as Westchester.

**Re-define government’s role.** Westchester is not able to offer financial incentives packages competitive with states such as Florida, North Carolina and Texas, because those states collect little-to-no personal income or corporate income tax. Therefore, if Westchester wishes to
compete with these other areas, it would require a fundamental re-examination of the role of
government in order to reduce spending and address its tax structure.

4.) Does Westchester have sufficient business support programs and incentives to motivate
existing businesses in the county to expand?

   Not minding the shop. The county has lost companies (and jobs), because it has not
communicated to them how it will continue to support them (i.e. Starwood). There are many
programs and incentives available to help companies grow, but they are not hearing about them.
Westchester businesses could benefit from a compiled package of expansion programs and
incentives that includes federal, state, local and private sources. Companies would appreciate the
research being done for them on what is available and how it all fits together.

   Not enough to motivate. Companies ultimately will expand due to market forces, not as
a result of government programs.

Marketing Westchester’s Value

5.) In your opinion, what is the most attractive aspect for businesses to relocate to Westchester
County: tax and economic incentives, access to an educated workforce, quality of schools,
quality of life, transportation infrastructure, competitive office rent, proximity to NYC, pro-
business environment or something else?

   Access to an educated workforce and proximity to New York City are the most attractive
aspects. They make Westchester unique from other locations in the country. There is only one
New York City, and finding the right kind of people for your business is not easy.

6.) Does Westchester currently have a coordinated sales and marketing approach with the
potential to convince companies outside of Westchester to relocate to the county and to convince
existing companies to expand? If no approach exists, what parties should make up that
coordinated effort? What particular strategies should the team use to attract new companies and
encourage existing companies to expand, particularly to the I-287 corridor?

   Unify, reboot. Currently Westchester’s sales and marketing approach is fragmented
between the county and the two business organizations. A unified voice steered by one entity is
required to keep all parties singing from the same choir book. The county’s ‘Intellectual Capital’ campaign was an attempt to establish a unified marketing approach. It was an informal agreement that a highly educated workforce was Westchester’s strongest card to play. However, that message needs to be sustained and refreshed.

**Credibility.** The more sources that tout the same positive message about Westchester, the more prospective companies will trust that the message is true.

**Reactive vs. proactive.** Westchester’s current strategy sells to companies that approach the county or to companies that threaten to leave the county. The county’s efforts could more proactively engage potential companies, and reach out to existing companies to ensure that they are meeting their growth potential.

**Internal vs. external.** The county is more skilled at marketing to companies already in Westchester than to companies with the potential to relocate to Westchester. Great potential exists domestically and internationally to build a presence at trade shows and in trade publications. Such efforts could include currently untapped outlets such as television and major newspapers such as the *Wall Street Journal*.

**Money.** Successful economic development efforts require budgets. With tax dollars in short supply, there is a question of how such an effort in Westchester would be funded.

**The Recruits.** The effort should be made up of Westchester County staff including: the County Executive, the Deputy County Executive, the Office of Economic Development director, the Industrial Development Agency and Local Development Corporation executive director and the Tourism director. In addition, leaders from The Business Council of Westchester and the Westchester County Association as well as financial and tax experts, top real estate representatives and principles from successful Westchester companies.

7.) Two towns in the Boston metropolitan area have addressed their desire to revitalize a stretch of vacant and aging office parks along Rt 128 and I-95 by forming a public-private partnership to market the area, which they have branded the “N2 Innovation Corridor.” The name is a play on the two town names, Newton and Needham, as well as the strength of the technology sector in the area. Do you believe such a public-private marketing effort would be successful for the I-287 corridor?

Such an entity could assist in galvanizing the communities along the corridor in a
common goal or vision for the area. It might help communities that have been slower to change to consider the advantages of such an effort. Incentives could be used to encourage municipalities to join. An inter-municipal agreement may be the legal route to bind the parties. Such an arrangement might include sourcing public or private dollars to fund the activities of the organization.

Town leaders and representatives from businesses that have recently chosen to relocate or expand along the corridor (such as Lifetime Fitness) could provide testimonials similar to those on the N2 Innovation Corridor’s website.

The challenge would be to identify the appropriate niche and frame the discourse to engage and excite prospective businesses. Some parties may be more interested in a countywide public-private partnership, not one exclusively for the corridor.

*Sustaining ‘Intellectual Capital’*

8.) How do we better communicate our availability of a highly educated workforce to prospective companies?

**Educate internal audience.** People are the ambassadors to companies. An ad in the *Wall Street Journal* only reaffirms conversations taking place in living rooms. Therefore, get everybody saying the same facts about the county’s workforce. Teach every Westchester resident in all educational institutions from university to elementary level.

**Market like a business.** Market the workforce just as any business would market its product. Drive people to a website, utilize social media aggressively and advertising, etc.

**Play matchmaker.** Build relationships between the county’s universities and its businesses to facilitate hiring. Make businesses aware of the programs and disciplines that the students in the county’s universities and colleges are learning.

**Attract a research university.** While the county is home to many high-quality universities and colleges, not one of them is classified as RU/VH, meaning it conducts very high research activity. The presence of such an institution in the county would boost Westchester’s ‘Intellectual Capital’ reputation.

9.) What kind of infrastructure is needed in order to attract new talent and grow Westchester’s
‘Intellectual Capital’?

Roads. Make Westchester Avenue two-way on both sides.

BRT as starting point. The plans recommended by the Mass Transit Task Force of the New NY Bridge would employ a bus rapid transit system along the corridor and to points north and south. This BRT plan could serve as the backbone for a feeder system of local service for similarly fast-moving buses throughout the county. This vision would require an overhaul of the Bee-Line bus system, but it would be necessary to provide the type of public transit that today’s commuters will actually use. Commuters expect simple and direct routes at convenient entry and exit points (every several blocks) utilizing transportation that arrives regularly (similar to how the New York City subway system operates). In essence, the county could use a bus that acts like a subway.

Rethinking the system would be a massive undertaking, but could lay the foundation of future economic development, because that is where businesses will locate.

10.) What kind of housing is needed in order to attract new talent and grow Westchester’s ‘Intellectual Capital’?

Young professional housing. The county could attract new talent by building affordable housing (for workers making $45,000 - $75,000 a year salaries) near downtown areas or along the corridor. However, if housing is incorporated into office parks, a sense of place must also be developed including restaurants, entertainment, etc.

Colleges with no college town. The county can look to develop more of a college town feel around its universities and colleges.

11.) How can we better coordinate with our universities so that we can assure that we are attracting the best talent to Westchester?

Marketplace demands. Have an honest conversation with the county’s universities to determine whether or not they are producing graduates in the fields that the local companies are hiring.

Retaining homegrown students. Address the cost challenges that the county’s middle class young people have in affording local universities. If the county wants to retain these young minds, it has to be made financially feasible for them.
Re-imagining Infrastructure

12.) In some U.S. communities the demand for more modern and condensed space has given rise to mixed-use development. Plans have included mini-downtowns with housing, restaurants and office space. In your opinion, is this a feasible approach for attracting business to the I-287 corridor?

Mixed-use is a trend that the county should embrace. The transformation of mini-villages or nodes out of the office parks along the corridor has the potential to succeed as long as they are blended into the fabric of the community. There may be opportunities to connect office parks into the same village or node. Also, each village has the potential to be developed with a unique character or focus in mind such as arts, publishing or science.

Such downtown-style living might appeal not only to young workers, but also to seniors. Villages along the corridor may be a potential solution for older adults looking to downsize and remain in an attractive, walkable area in close proximity to New York City with access to public transportation.

The biggest challenge of such an undertaking would be convincing local zoning boards to adopt necessary changes.

13.) What investments in our transportation infrastructure would make the office parks along I-287 more accessible and more appealing to prospective residents and/or companies?

**Bus rapid transit.** BRT is the recommendation of the Mass Transit Task Force of the New NY Bridge and should be built. Today’s investment in a BRT system can be the bridge to a fixed rail system in the future, if ridership demands and cost is not prohibitive.

**Shuttle bus service.** In the meantime, the county’s shuttle bus service could be utilized to serve the office parks more completely.

**Grand Central North.** The White Plains transit center is the major transportation hub along the corridor and is long overdue for a complete renovation. A newly re-envisioned White Plains transit center could include retail like Grand Central Terminal and maximize the captured expenditure potential. The walk from the transit center to the downtown area could be linked with a new streetscape plan that increases property values and encourages development. Both
projects would make the corridor more appealing to the tens of thousands of commuters that flow into and out of White Plains train station each day and, therefore, to prospective companies as well.

**Green infrastructure.** Westchester land is valuable, and property with “green” parcels adjacent to it, like parks and trails, is even more valuable. Build a grand, green boulevard of parkland on both sides of the corridor all the way across the county by using the right of way land parcels and by partially “decking” I-287. Fully deck some areas in order to unify the two sides of the corridor and create a community feel. While the effort would be expensive, it could be approached in segments and the added development on the new land would increase the tax base. The green infrastructure would help reinvigorate the area for prospective companies, making the nearby office park space an attractive option.

**Engaging County Government**

14.) **What role would you like to see Westchester County government play in the effort to increase office occupancy and revitalize the I-287 corridor?**

- **Share Planning Resources.** The Planning Department should work in tandem with the economic development team and share information and knowledge with local municipalities and developers.

- **Advocate for Bus Rapid Transit.** Maintain a leadership role in advocating for a bus rapid transit system as part of the new Tappan Zee Bridge project.

- **Solicit expert talent.** Identify developers from around the globe that have successfully re-envisioned similarly challenged areas, and invite them to evaluate the corridor's potential and limitations.

- **Educate real estate community.** Serve as the county's ambassador to site selectors and real estate brokers to convey Westchester's sales pitch and why it is the place for their clients to locate their businesses.

- **Invest in research.** Support the county's sales and marketing message with data that compares Westchester's value to other counties around the county. Also, examine the economic development strategies that similarly situated areas around the country have employed to create jobs and grow their economy.
Reach out to prospective businesses. Act as salesman for the county by meeting with principles of prospective companies considering relocation to the county.

Act responsibly. Keep government spending in check, and reduce the county budget in order to convey a business friendly environment. Keep the streets clean, the roads and bridges maintained and the crime low.

Obtain funding. Dedicate more dollars to the county's Office of Economic Development budget. Acquire additional funding from the state through the New York State Economic Development Regional Council.

Facilitate communication. Organize stakeholders to work together towards common goals.

Document Analysis

Updated Statistics

First quarter 2014 office statistics have been released, since this research began. Westchester’s vacancy rate has increased 0.6% from the fourth quarter of 2013 to 20.8 percent. Interestingly, the only areas of the county that saw reductions in the vacancy rate during the first quarter 2014, are the east and west sides of the I-287 corridor (not including White Plains which saw an increase) and the area north of I-287 (with a slight decrease of 0.2 percent). The east side of the corridor stands at 18 percent (down 1.3 percent), while the west side rate is 18.9 percent (down 0.2 percent). All parts of White Plains saw increases in vacancy from 0.2 to 3.4 percent (Jones Lang LaSalle, 2014d).

The vacancy rate of the United States as of the end of the first quarter 2014 is 16.6 percent. The overall U.S. suburban vacancy rate is 18.2 percent, while the overall U.S. CBD rate is 13.9 percent. Neighboring Fairfield County’s vacancy rate stands at 22 percent (E. Patterson, personal communication, April 3, 2014).

According to Jones Lang LaSalle’s Westchester and Connecticut research manager, the vacancy rate of Westchester’s Class-A office space is more indicative of the local economy (the most premier space, used by companies requiring intellectual capital and utilizing goods and services) than Class-B space (lower quality and rent). The county’s Class-A office space was at
its lowest in 2000 (earliest data available) at 9.7 percent, and currently stands at its highest point at 22.7 percent (E. Patterson, personal communication, April 3, 2014).

**Westchester County Government Budget**

Westchester County government employs approximately 4,800 individuals and commands a $1.74 billion annual budget (L. Soule, personal communication, March 10, 2014). The 2014 budget apportions four positions to the Office of Economic Development (OED), four positions to the Office of Tourism and 34 positions to the Department of Planning. Under this budget, the OED’s total expenditures are approximately $359,000, Tourism’s total expenditures are about $791,000, and Planning’s total expenditures are just under $4.5 million (Westchester County, 2014).

The county’s Industrial Development Agency (IDA) currently holds about $5 million in cash assets, while the county’s Local Development Agency (LDC) holds approximately $400,000 in cash assets. Assets for both public benefit corporations are accumulated from transaction fees. The IDA and LDC have a total of approximately $500,000 in annual expenditures (J. Coleman, personal communication, March 27, 2014).

**Westchester County Government Online**

Westchester County government’s main website (WestchesterGov.com) hosts county news as well as information about each county department or commission. It is updated daily and provides links to social media pages that are actively utilized.

Information about the Office of Economic Development (OED) is accessible from WestchesterGov.com by clicking on the “Office of the CE” tab and then on the link to “Economic Dev.” The OED operates an additional website branded ‘Thinking Westchester’ that is not accessible through WestchesterGov.com (Westchester County, n.d.).

Information about the Office of Tourism is accessible through WestchesterGov.com by clicking on the “Departments” tab, then on the “Tourism” link. The Tourism site is branded ‘Meet Me In Westchester County’, and contains links to both WestchesterGov.com and ThinkingWestchester.com on its home page (Westchester County Office of Tourism, n.d.). The Tourism site is accessible through ThinkingWestchester.com by clicking on “think Film”, then on the “Meet Me In Westchester County” link (Westchester County Office of Economic
Information about the Department of Planning and its resources, including maps and reports, is accessible through WestchesterGov.com by clicking on the “Departments” tab, then on the “Planning” tab (Westchester County, n.d.). ThinkingWestchester.com does not contain links to the Department of Planning’s web pages (Westchester County Office of Economic Development, n.d.b).

When using the search term “Westchester” in Google, WestchesterGov.com and Tourism’s website display among the top choices. ThinkingWestchester.com does not appear in the top ten pages of the search. The search terms “Westchester business” prompt ThinkingWestchester.com to come up on the second page of search results. The search terms “Westchester business incentives” prompt ThinkingWestchester.com to show up as the top search result.

The ThinkingWestchester.com site contains old press releases, stock photography and menu options that serve the branding, but may be challenging to interpret (“think Documents”, “think Film”, “think Data”). The social media pages that are linked through the site have not been active for nearly a year (Westchester County Office of Economic Development, n.d.b).

**Past Westchester County Government Efforts**

Westchester County has made efforts in the past to address the revitalization of the I-287 corridor and the challenges posed by aging buildings, changing business requirements and limited options due to zoning. The county’s Department of Planning has worked with local municipalities and private entities alike to serve as a resource for technical assistance in planning and land use.

In 1996, the Westchester County Planning Board released “Patterns for Westchester”, designed to be the county’s long-range land use policy. The guide encourages mixed-used growth along its developed corridors and affirms, “the addition of multi-family housing to corridors developed primarily with commercial or office use could capitalize on some existing infrastructure without adding significant demands and help create mini-centers” (E. Buroughs, personal communication, March 31, 2014).

In 2008, the county refreshed its long-range plan with, “Westchester 2025: Plan together, a partnership for Westchester’s future”, which provides updated recommendations and planning
tools for communities. First on the list of its recommendations is to, “Channel development whenever possible to centers where infrastructure can support growth, where public transportation can be provided efficiently and where redevelopment can enhance economic vitality” (Westchester County Department of Planning, 2008a, p. 11).

Also in 2008, the department issued a study called ‘Office Park Housing: Adapting Underutilized Office Parks for Housing’ that recognizes the potential for existing office parks to share space with housing units due to the parks’ high development density zoning, existing access to roads and utilities and extensive parking areas that are not used during many hours of the week. This study analyzed several office park sites along the west side of the corridor and demonstrated the feasibility of mixed-use integration. In fact, one of the sites addressed was later developed into a shopping center by a private entity. The Planning Department supported that entity in securing the necessary amendments to existing zoning regulations (Westchester County Department of Planning, 2008b).

In 2012, the Planning Department hosted a forum called, ‘Repurposing the I-287 Corridor in Westchester County’ in partnership with the Urban Land Institute and the New York & Connecticut Sustainable Communities. The seminar informed, “interested stakeholders about conditions in the I-287 corridor from Tarrytown to Port Chester and about strategies for improving these conditions” (Westchester County Department of Planning, 2012).

Private Efforts

Efforts have also been made by private entities to address vacancy along the corridor and the economic issues that impact the area. The efforts have been directed primarily from the county’s two main business membership organizations, The Westchester County Association (WCA) and The Business Council of Westchester.

In 2011, the WCA launched a program called ‘The Blueprint for Westchester’, which utilizes private investment to revitalize the county’s economy. The Blueprint’s activities include: providing young, promising companies access to financing as well as complimentary professional services and rent; showcasing various parts of the county to potential investors and real estate developers; and facilitating discussions with international companies regarding opportunities in Westchester (Westchester County Association, n.d.).

The Business Council has partnered with Westchester County government on a number
of initiatives aimed at creating jobs, providing business support and encouraging young professionals. These initiatives include the Connex internship program, the Private Sector Youth Summer Jobs program, the annual Youth Summit and the annual Westchester County Economic Development Guide. The Council is continually working with the county’s Office of Economic Development, Workforce Investment Board and the Department of Social Services to find ways of combining the efforts of the private and public sector in addressing the county’s economic development issues.

Many of these initiatives were based on ideas suggested in 2011 by The Business Council’s Westchester Coalition for Business task force created to develop strategies for attracting and retaining businesses in Westchester. Other suggestions included “promote development from straight office usage (i.e., I-287 Platinum Mile) into mixed-use buildings that would attract office tenants; develop new funding sources for marketing Westchester in order to compete with aggressive economic development programs under way in Connecticut and New Jersey; and create a Westchester County economic development public-private partnership as one united force charged with retaining existing businesses and attracting new businesses to Westchester” (PRWeb, 2011).
CHAPTER V: ANALYSIS OF FINDINGS

Thesis Supported

Overall, the data support the thesis of this Capstone that the I-287 corridor presents key opportunities for economic growth, and that county government has a strategic role to play in the area’s revitalization. Participants from all sectors in the focus groups named communities along the corridor as the best places in the county to locate a business. All participants in the focus groups and interviews saw greater economic potential for the corridor, and believe county government can play a role in its development. The findings demonstrate opportunity in four main areas.

First, the data revealed that both the public and private sectors are knowledgeable about the county’s office vacancy issue and have been engaged in addressing the issue for many years. However, a cohesive strategy has been lacking.

Second, similar themes emerged from the focus groups, interviews and document analysis regarding the challenges and opportunities facing businesses and residents that are seeking to relocate to Westchester. Consensus exists on what makes Westchester attractive to businesses and residents. Participants agreed that more could be done to communicate this value to prospective businesses and residents. Stakeholders were also of the same mind regarding the drawbacks of relocating to the county. Each expressed a desire for a unified effort to address these challenges.

Third, the data indicates a call by stakeholders for the county to assume a leadership role and to be more strongly engaged. Approximately 20 distinct suggestions were articulated regarding how the county could help increase the corridor’s office occupancy rate. No participant responded by saying there was nothing that the county could or should do. While New York is a home rule state, stakeholders look to the county to act in a more overarching capacity. Some of the suggestions put forth by the stakeholders can be realized using county government resources and authority. Other ideas are beyond its scope. For example, the county’s website might be better utilized to market the potential of the I-287 corridor, but the county cannot reduce or eliminate the state’s personal income or corporate tax. Of note, the data showed that some stakeholders have investment beyond the corridor, and may want to see the office vacancy issue addressed more broadly.
Lastly, the data confirmed that the county’s office vacancy rate is still headed in the wrong direction overall, but absorption of office park space along the corridor kept that number from going even higher during the first quarter of this year. Would a revitalized I-287 corridor be a rising tide that lifts all boats in the county, or might other areas of the county such as the White Plains CBD suffer from the competition? This situation would be in conflict with Howarth’s findings that the stronger the CDB, the stronger the surrounding metropolitan area.

**Starting Point**

The research could have benefited from a larger sample size, and may be used as a starting point for more expanded research in the future. While the data revealed insight into the viewpoints of key stakeholders and produced numerous ideas for action, the research represents the feedback of 38 individuals in a county made up of one million people. To reach the broader business community, a survey could be conducted using the membership lists of the WCA and The Business Council. Surveys or focus groups could include a greater number of municipal officials along the corridor, since a successful revitalization effort will depend on the cooperation of these towns and villages. In addition, surveys or focus groups could target a larger number of tenants and building owners along the corridor. More research could be done on the status of the N2 Innovation Corridor effort and other areas of the country that are dealing with similar situations.
CHAPTER VI: RECOMMENDATIONS & CONCLUSIONS

While participants in this research have expressed a marked desire that Westchester County government take a more aggressive role in increasing office occupancy and revitalizing the I-287 corridor, county government is substantially restrained by two primary factors: resources and authority. In reality, county government depends on a finite amount of taxpayer dollars with which to provide numerous services. Strengthening and supporting the local economy is but one aspect of its overall responsibility. Moreover, much of its limited resources must be allocated to programs which are mandated, but not funded, by the state and federal governments.

Nor is government authority limitless. Westchester County government is prohibited from interfering with local zoning and planning decisions, due to the “home rule” power granted to municipalities by the New York State Constitution. Moreover, given the multiple levels of government and taxation districts in New York, county government has no control over the rate or disbursement of 80 percent of a resident’s property tax bill.

While the county government may lack sufficient funds and power, it does possess a valuable platform by which to communicate an agenda. For example, the county cannot bankroll or authorize the development of housing for the professional workforce or the redevelopment of the corridor’s office parks into mixed-use centers. But it can communicate the demand for such projects to potential investors, and it can illustrate for residents the significant tax benefits therein. Similarly, the county cannot afford to offer financial incentive packages comparable to what Connecticut may offer. But it can convey to prospective companies that Connecticut may be compelled to give such incentives due to the fact that it offers a less attractive product. Therefore, the key to the county’s approach to revitalize the I-287 corridor lies solidly in the area of communication.

The ideal solution for Westchester County government is to employ a variety of communication strategies to attract and to retain businesses and residents within the I-287 corridor. Such protocols should be organized around a communication action plan--T.A.L.K.
The steps of the T.A.L.K. plan would be:

- **Team-build a public/private partnership.**
- **Accelerate marketing/advertising efforts.**
- **Link businesses/investors to decision-makers/resources.**
- **Keep re-evaluating/re-adjusting communication strategies.**

**Team-build a public/private partnership.**

Build a team of stakeholders who are committed to revitalizing the I-287 corridor by promoting the advantages of the corridor to a global audience. For this team, the county would draw from the public and private sectors, such as corridor office tenants, the two major business organizations (Westchester County Association and The Business Council), as well as municipal officials, chambers of commerce leaders, and neighborhood association members from along the corridor.

Prospective team members would be approached individually and deliberately, and their concerns and ideas would be respected and addressed. Subsequently, the entire team would meet to formally announce the public-private partnership, expressing its support for the agreed-upon mission. Media would be present at the announcement in order to spread the word about this revitalization effort. In the meantime, team members would build grassroots support for the mission with their constituencies, using all available media: direct mail, email, social media and print media (guest columns and letters to the editor).

**Accelerate marketing/advertising efforts.**

Although county government and the county’s business organizations currently utilize marketing and advertising tools to encourage economic development, a revitalization effort of this magnitude requires an accelerated campaign that is specific to the corridor and that reflects the unified message of the stakeholder team.

In order to effectively market the corridor initiative, the team must agree on a name for its product. The team must create a distinct brand that reflects its unique status and potential. A corridor-naming contest, open to the public, would create media attention and interest, further engaging and motivating stakeholders.
Once the corridor brand is established, the team would create the essential tools that market the viability and attractiveness of the corridor as a place to do business, live and work. Primary among these tools would be an interactive, multi-media website. This website would feature video testimonials from CEOs of companies that have chosen to relocate or start their company within the corridor, commenting on their decisions and satisfaction with the corridor. Other videos would provide a platform for elected officials and business leaders to discuss the resources available within the county. The website would also serve as a potential forum for residents to express their satisfaction with living and working in Westchester.

The website must offer clear and comprehensive information regarding the benefits of locating a business along the corridor, including specific information on the incentives available. Detailed maps of the corridor would be highlighted, showing available office space, potential land for development and appropriate contact information.

All website content would also be available for download on handheld devices (iPhone, Android, Blackberry) via a mobile application. The website and mobile app would be accompanied by a social media presence supplemented by print brochures and corresponding merchandise.

The corridor initiative would be further supported by an advertising campaign which promotes the brand (utilizing print, online, television and radio).

**Link businesses/investors to decision-makers/resources.**

Crafting a distinct brand with an effective marketing and advertising campaign is the equivalent of a department store setting up an attractive window display. While it is important for the county team to showcase the corridor for its viability and benefits, the effort is not complete until a deal is made. Further initiative is essential to assure the success of corridor revitalization. The team must assist in creating connections between prospective businesses/investors and appropriate decision-makers/resources. Providing this link is critical.

To do this, the team would host informational forums with real estate professionals, brokers, commercial bankers, private investors and site selectors in order to educate and excite them about the opportunities available along the corridor. These forums would make clear the ways in which the revitalized corridor would benefit their clients. In addition, the team would maintain contact with its existing businesses to inform them of the latest efforts and successes
along the corridor, highlighting the ways in which these initiatives might coincide with their own plans for growth.

The team would also reach outside its borders to make similar linkages. It would maintain a presence at national and international commerce and trade shows. The revitalization team would target global investors and developers, sponsoring corridor tours and informational seminars.

**Keep re-evaluating/re-adjusting communication strategies.**

Communication tools must be able to adapt. The team would continue to evaluate and adjust its communication strategies, ensuring that the information is effective, accurate and current. Adjustments would be made on the basis of the office vacancy data, media penetration rate, website usage statistics, email open and click-through rates, stakeholder surveys and public feedback.

**T.A.L.K. Funding**

The T.A.L.K. communications action plan would be supported with existing county government resources primarily from the following areas: the Office of Economic Development, the Department of Communications, the Department of Information Technology, the Office of Tourism, and the Department of Planning. In addition, funding would be provided by the county’s Industrial Development Agency, which would offer up to $1 million in matching funds for the corridor’s revitalization effort.

**T.A.L.K. Potential**

The strategies, infrastructure, personnel, and template for improvement could be extrapolated to achieve similar success in other areas throughout Westchester County, fostering further economic growth by increasing office occupancy.

**Communication in Public Administration**

In matters of public administration, a clear case can be made for the vital role of communication. Every aspect of economic development and improvement can benefit from better interpersonal, print, electronic and social media communication. A county
government that puts a priority on this approach is likely to experience success. The I-287 corridor initiative is an example of such an opportunity. With a minimum of funding and a maximum of cooperative planning, increasing the I-287 office occupancy is an achievable and worthy goal.
Works Cited


