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Continue Yonkers' renaissance: OK 'TIF' as a development tool

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Over the past decade, the City of Yonkers has experienced a dramatic renaissance that has onlookers excited, investors interested in joining forces with the city and residents reaping the benefits of Yonkers' booming economy.

We have initiated a three-phase, \$5 billion master plan that includes development of our waterfront and \$160 million in much-needed public improvements that include 5,000 public parking spaces, a sanitary sewer, a storm drain, water distribution improvements, roadways, bridges and more.

Changes this dramatic don't happen overnight. The new public infrastructure improvements are long overdue and existing facilities are in need of modernization regardless of the master plan.

The use of so-called tax increment financing (TIF) will provide the means to both finance the infrastructure improvements and set the stage for the master plan.

To continue on the successful road we have paved over the last decade, we need to expand our economic development perspective. The TIF is an economic development tool that has been used around the country to stimulate growth in local economies by using projected tax revenue from proposed developments to finance the public improvement and infrastructure necessary for projects.

This is not a tax giveaway, but a public-private partnership. When a developer builds an office building on a vacant lot, for example, the city stands to collect vastly more property taxes. Under a TIF program, a portion of those increased taxes would be used to pay for the improvements to public infrastructure - things like roads, parking, water and sewer - that were necessary in order for the project to be built.

TIF has already proved effective in places like Illinois, California and Minnesota - and the time is now for Yonkers to take advantage of this tool as a way to ensure that our efforts to revitalize this great city over the last decade continue to push forward.

Since 1982, the Yonkers Industrial Development Agency has generated millions of dollars of private investment for our city by providing discretionary mortgage and sales tax exemptions and payments in lieu of taxes (PILOTs) to developers looking to invest in our master plan.

Without these incentives, Yonkers might still be on the list of troubled cities. Instead, we have led New York state's five largest cities in job growth, we have an influx of families moving to Yonkers who are enriching our economy with their spending, and we have an unemployment rate consistently on the decline.

We need to capitalize on the momentum we have built, the relationships we have forged, and the interest we have secured with developers who are committed to our future. These pioneers were the first to envision a bright and prosperous future for a city that had - at that point - evolved very little from its Industrial Revolution heritage.

But, they cannot do this on their own. For everyone to achieve their goals, we all need to work together. We need to invest in these much-needed public improvements, and we must continue to find innovative ways to finance these initiatives.

Our next steps are crucial to the success of the master plan. We need to ensure that all of the aspects of the master plan come to fruition and that all three phases of the plan are executed to their fullest potential, so that Yonkers remains on its path to becoming one of the greatest urban revitalization success stories of our time.

The writer is president and CEO, Yonkers Industrial Development Agency.
