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NYC companies relocating to southern Westchester County

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Michele Gay, CEO of LimeLight by Alcone, talks about expanding her cosmetics company to Elmsford.

Cheaper rents, proximity to Manhattan and the loss of commercial space to residential development in New York City are pushing companies to southern Westchester County.

The biggest beneficiaries of this business migration are the commercial and industrial zones in Mount Vernon and Yonkers. In the past year, several New York City-based companies have either bought property in those cities or leased space there.

"If a guy in Long Island City has a rent of \$25 a square foot, for him to come to Westchester for \$13 to \$18 a square foot, that's a good discount," said Michael Rao of the New York Commercial Realty Group, which has facilitated several relocations from New York City to southern Westchester.

Rao helped LimeLight by Alcone, a cosmetics firm based in Long Island City, to first lease 15,000 square feet, then 40,000 more square feet at the Cross Westchester Executive Park in Elmsford.



Michael Rao of the New York Commercial Realty Group (Photo: submitted)

Michele Mallardi Gay, the company's co-founder, said the two Elmsford warehouses at 3 and 8 Westchester Plaza are in addition to two warehouses her family owns in Long Island City. LimeLight launched in February 2015 and its growth has been quick, so expanding in Queens would have been problematic, she said.

"What's great about being in Westchester and in Elmsford is that we could expand. It's a nice solution for people who are scaling quickly," said Mallardi Gay, of Ridgefield, Conn. "Had we rented in Long Island City, we would have been really constricted. There's no way we would have found a second warehouse so close to our first facility."



Michele Gay, CEO of LimeLight by Alcone, at the warehouse in Elmsford. (Photo: Tania Savayan/The Journal News)

Rao also convinces some company owners to relocate by the promise of shorter commutes.

"If the business is a second or third generation, that generation might live in Westchester County, so that gives them a reason to relocate closer to home," Rao said. "It becomes a quality of life issue."

'22 minutes to the world'

Recent real estate deals include the sale of 161 S. MacQuesten Parkway in Mount Vernon for \$2.4 million to Albert Augustine Ltd., a manufacturer of string for musical instruments also in Long Island City.

Rao's company represented the seller in the Albert Augustine deal and Ayall Schanzer of Greiner-Maltz Realty Advisors represented the buyer.

Schanzer said his client was forced out of Long Island City by unaffordable industrial property, gentrification of former industrial areas and minimum wage rules.



161 S. MacQuesten Parkway in Mount Vernon. (Photo: submitted)

The influx of new companies has already been noticed in Mount Vernon. Mayor Richard Thomas said the Austria-based MK Illumination's purchase of American Christmas at 30 Warren Place means that 120 new jobs will be moved from North Carolina to Mount Vernon.

"We're 22 minutes to the world," said Thomas of his city's travel time to Grand Central Terminal by the Metro-North Railroad.

Thomas also said he was recently informed that a New York City concert and events production company is closing on the former WeRecycle warehouse at 249 E. Sanford Blvd.

Thomas said his city has taken steps to make it easier for companies to buy old warehouses and update them.

"We are continuing to gut-renovate our buildings department and reducing the amount of time it takes to get a building permit from five and a half months to two weeks," Thomas said.

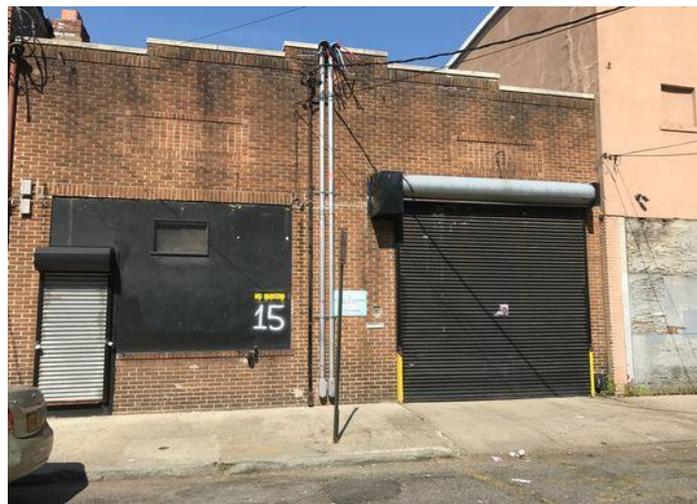
Another perk for the county is that the companies that are relocating are looking to stay for good, said realtor David Cortez.

"They're not looking to go back to New York (City)," said Cortez, adding that his prospective clients considering moving to Westchester are mostly data, advertising and media firms.

Cortez said relocation sites of interest to his clients are the Gramatan Hotel in Bronxville and an industrial site at East Broad Street in Mount Vernon.

'Commercial gold mine'

In Yonkers, a former banana warehouse at 15 School St. sold for \$1.2 million on April 18 to New York City cinematographer Steven Romano, who plans on turning the space into a television and film production company called Velocity Media Studios.



A warehouse at 15 School St. in Yonkers whose new owner has announced plans for a film production studio there

Romano said he looked for a space in the metro area for more than four years.

"It's twice the size of what I was going to purchase," said Romano, 55, of Morristown, New Jersey. "It's in very good condition and better than any other building I've seen, including what I looked at in Brooklyn and Queens."



Steven Romano of Velocity Media Studios. (Photo: submitted)

Romano said he decided to buy instead of renting because of stories he's heard from his colleagues in the film industry who've tried to renew their leases.

"There used to be a lot of stages in New York City. When their leases are up, (landlords) don't just bring (rent) up a little bit, they triple or quadruple it," Romano said.

It's unclear how long Yonkers' affordability will last.

Realtor George Avgerakis of Houlihan Lawrence Commercial Group helped Velocity Media Studios' move into Yonkers. Avgerakis said real estate investors are also turning their eyes towards Yonkers because of its transforming downtown and waterfront.

"Yonkers, like Hoboken and Williamsburg, Brooklyn, is a commercial gold mine for real estate investors," Avgerakis said, citing the city's proximity to Manhattan. "The land rush has already begun."