



January 14, 2009

## Westchester association urges local stimulus to ease credit, cut energy costs

*Jay Loomis  
The Journal News*

A Westchester County business group, seeking to limit the regional damage from the global credit and economic crisis, yesterday proposed a local economic stimulus initiative to complement the massive federal stimulus program proposed by incoming President Barack Obama.

The ambitious program proposed by the Westchester County Association seeks to marshal local residents and businesses to tackle a range of complex problems that have weakened the economy, including credit access, energy costs and financial assistance for troubled companies.

"One of our primary concerns is that we don't lose the economic vitality of this community," said William Mooney, president of the association. "Our goals are pretty simple. We want to get more money flowing into the economy."

Mooney's group, which has more than 500 members, came up with the idea for the local stimulus plan after more than 40 business leaders attended an economic summit at Pace University in December. The proposal - billed "For Westchester by Westchester" - has three major components:

- Address the tight credit markets confronting Westchester businesses through a dialogue with regional and local banks.
- Tackle high energy costs by starting an energy-purchasing program to provide lower energy costs to critical engines of the local economy, including hospitals, colleges and office buildings.
- Study the feasibility of establishing a "funding mechanism" to help troubled companies and college students through county and municipal industrial development agencies.

"Although we cannot solve the massive economic problem, we can find creative ways to address specific segments of the Westchester economy," Mooney said. "While many details of the program remain to be worked out, we are confident that the economic stimulus initiative ... is practical and will complement and work in tandem with the anticipated federal economic stimulus program."

Mooney said one goal is to organize the Westchester community so it can apply for federal money that may become available through the Obama stimulus plan for energy and infrastructure projects. Obama's stimulus proposal of about \$775 billion is expected to include increased spending on bridges, schools, roads, energy projects and other infrastructure.

Executing a local stimulus plan won't be easy, business leaders said.

"In order for this plan to succeed, it will require a genuine spirit of cooperation from many diverse groups," said Alfred B. DelBello, chairman of the association. "But we are confident that we can demonstrate leadership and creativity in problem solving."

The issue of credit availability for businesses is a particularly challenging aspect of stimulus plans since regional and local banks each have their own competing interests, officials said. Weakened by the financial crisis, some of the biggest banks have tightened their lending standards for consumers and small businesses as they look to rebuild their capital bases. It is unclear whether these troubled banks are in good enough financial shape to dramatically increase lending, even with a federal or Westchester stimulus plan.

"It is a complex issue," Mooney said.

George Strayton, president and chief executive at Provident Bank in Montebello, said borrowers with weaker credit are having a harder time qualifying for loans as a result of the credit crisis. But he said the standards have not changed much for solid businesses.

"Small businesses can still get loans if they are credit worthy," Strayton said. "It is not like credit has stopped."

Business leaders agreed that aggressive stimulus programs are needed with the U.S. economy suffering one of its worst slumps since the Great Depression and losing jobs at an alarming rate. Residents also have been hurt by declining home values and shrinking stock portfolios.

"Most of us feel we are in a very severe financial crisis," said Robert P. Weisz, principal of RPW Group, a major office landlord in Westchester. "We worry that confidence is deteriorating."