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COVER STORY

Mount Vernon's Remarkable Economic Turnaround

How a fiscally distressed Westchester city rewrote its own story — and who it had to fight to get there

By Chris McDonough & Claudia I. Umanoidé · April 14, 2041

The crane count along South Fulton Avenue tells the story faster than any budget report. Seven construction projects are active within a half-mile stretch — a boutique hotel, two mixed-income high-rise towers with ground-floor retail, and a specialty food hall anchoring what city planners are now calling the South Fulton Corridor. A decade ago, that same stretch housed three check-cashing storefronts, a long-vacant department store, and a parking lot that had been "temporarily" fenced off since 2021.

Mount Vernon is having a moment. The question its residents are still asking — cautiously — is whether it will last.

To understand the turnaround, you have to understand what preceded it — and who benefited from it staying broken.

From the early 2000s to the early 2030s, Mount Vernon's Industrial Development Agency functioned less like an economic development tool and more like a favor bank. The IDA's loose relationship with accountability predated Crews by at least a decade — state audits from 2009 and 2014 had flagged inadequate job-creation monitoring and insufficient public disclosure on PILOT approvals, findings that produced no structural changes and, apparently, no lasting attention. The mechanics were straightforward: a developer with the right political relationships would propose a project — almost always low-income rental housing, which required minimal capital risk to the developer— and the IDA board would approve a Payment in Lieu of Taxes agreement stretching to 30 years, effectively removing the property from the tax rolls for a generation. The city received a modest annual payment in lieu of full taxes. The developer received a risk-adjusted windfall. And the officials who approved the deal received something less formal: campaign contributions, construction subcontracts steered to allied firms, and the reliable support of a landlord class with strong reasons to keep incumbents in office.

What the arrangement obscured — deliberately, critics would later argue — was where the lost revenue actually came from. Mount Vernon's IDA board is a creature of city government, appointed entirely by the mayor. But property taxes in New York State are collected on behalf of multiple overlapping jurisdictions: the city, the county, and the school district. In Mount Vernon, the school tax levy accounts for roughly 62 cents of every dollar of property tax. When the IDA approved a 30-year abatement, it was, in practical terms, spending the school district's money. The city's elected officials controlled the process. The Mount Vernon City School District — a legally separate municipality with its own elected board, superintendent, and budget — had no vote on IDA approvals.

THE DOUBLE BURDEN — SCHOOL DISTRICT & THE IDA

The asymmetry was compounding. Each new tax-abated low-income rental building reduced the school district's tax base while simultaneously increasing its costs. Research consistently shows that children from low-income households require more instructional support, more social services, and more specialized programming than their more affluent peers — at a cost premium estimated between 25% and 40% per pupil. The IDA, in effect, was enrolling high-needs students in a school district it was simultaneously defunding.

Mount Vernon City School District Superintendent Dr. Vivienne Achebe raised this in writing to the IDA board in 2028, 2029, and 2031. She received one acknowledgment letter and two non-responses. "We were watching people make decisions about our budget," she said recently, "who would never have to answer to our board, our parents, or our students."

It was Achebe, not the city, who first introduced zero-based budgeting to Mount Vernon — in fiscal year 2029, faced with a structural shortfall the district could not paper over. Every line item justified from scratch. Every program required to demonstrate outcomes. The practice attracted attention from the state education department as a model for fiscally stressed districts. Five years later, when state fiscal monitor Patricia Osei arrived to restructure the city's finances, she adopted the same framework — widely credited to the city's new management. Achebe has not publicly complained about the attribution. Others have complained on her behalf.

The central figure in the IDA arrangement for nearly ten years was board chairman Gerald Okafor, a former city councilman whose consulting firm — GO Strategic Partners LLC — collected fees from at least seven developers who subsequently received IDA approvals during his tenure. Okafor never registered as a lobbyist. The IDA never required it. A 2031 state comptroller audit identified $2.3 million in consulting fees flowing to GO Strategic from IDA applicants between 2023 and 2030. Okafor declined to comment for this article. His attorney has maintained the consulting work was unrelated to IDA matters.

Behind Okafor stood Mayor Leonard Crews, who served three terms beginning in 2022 and who appointed every member of the IDA board. Crews was a gifted retail politician — a Baptist deacon, a youth football coach, a man who knew the name of your mother and asked after her at the grocery store. He was also, investigators later concluded, the architect of a hiring system in which roughly 140 city jobs were distributed not through civil service but through a network of ward coordinators who reported directly to his campaign office.

> *"It wasn't evil genius. It was just a machine. Machines don't have to be evil. They just have to run."*
>
> — FORMER CITY DEPARTMENT HEAD, SPEAKING ANONYMOUSLY

The machine broke in stages, and the first crack appeared not in city hall but in a state audit report that almost no one read.

Mount Vernon had lost its investment-grade bond rating in 2019, a quiet catastrophe that compounded over the following decade. Without the ability to borrow at reasonable rates, infrastructure deferred, capital projects stalled, and the city increasingly papered over deficits with short-term borrowing at punishing interest costs, and high annual property tax hikes that only required approval of the 5-member city council. By the time Crews took office in 2022, the bond downgrade was so normalized it barely registered in local coverage. It registered in the city's finances every single year.

The first visible fracture came in 2030, when the state comptroller issued a fiscal stress designation — the city's fourth in five years — and flagged the fund balance as effectively depleted. Crews called it "politically motivated" and won reelection eight months later by eleven points.

The second fracture was louder. In early 2031, a coalition of Mount Vernon homeowners filed a state Supreme Court petition challenging three IDA PILOT agreements on the grounds that the projects had failed to meet their own job-creation benchmarks. The evidence was assembled by a paralegal at the Westchester Housing Justice Coalition who had spent eight months filing Freedom of Information requests — and then fed the resulting documents into a large language model trained to cross-reference promised outcomes against verified payroll records. Of 340 permanent jobs promised across the three projects, 23 had been independently verified. The filing made the front page of the Journal News. A state legislative hearing followed.

> ▸ AI IN THE TURNAROUND — ASSET
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> The FOIA analysis that cracked open the IDA was one of several moments in Mount Vernon's story where generative AI tools accelerated accountability work that would previously have taken years. Osei's office used contract-graph analysis software — layering vendor names, LLC registrations, campaign finance records, and subcontractor filings — to map the patronage network in a matter of weeks. "Fifteen years ago, this was a two-year investigation," said one state official familiar with the work. "We had it mapped in six weeks."

Crews survived that too, barely.

The third fracture did not allow for survival. In the fall of 2031, the state legislature amended the Local Finance Law to require immediate state oversight for any municipality carrying a structural deficit exceeding 15% of its general fund for two consecutive years. Mount Vernon qualified on both counts. In March 2032, the governor's office appointed a fiscal monitor with broad authority over the city's budget, contracts, and debt issuance. Leonard Crews retained his title. He lost everything that made it worth having.

He did not seek a fourth term. Gerald Okafor's consulting firm dissolved in 2032. Two former IDA board members accepted civil settlements with the state attorney general's office in 2034, paying back a combined $870,000 and agreeing to lifetime bans from public board service in New York. No criminal charges were filed — a fact that still provokes anger in certain corners of the city.

> *"The machine ran for fifteen years and two guys wrote checks. I think about that when people tell me the system works."*
>
> — REV. CALVIN MOSS, GREATER REFUGE BAPTIST CHURCH

▸ AI IN THE TURNAROUND — LIABILITY

The charter revision campaign of 2034 was fought, in part, through a torrent of AI-generated disinformation. Opponents of the council-manager proposal — funded largely by the county Democratic Party organization — deployed synthetic audio clips purportedly featuring Stein-Vargas making disparaging comments about Mount Vernon residents. At least three fabricated "news articles" circulated on neighborhood Facebook groups and WhatsApp chains in the weeks before the referendum vote, each designed to mimic the visual format of the Journal News. The state attorney general's office opened an investigation. The referendum passed 53-47. Several political observers believe the disinformation campaign, rather than suppressing the vote, generated a backlash among residents who recognized the tactics. "People had seen it before," said one campaign organizer. "They knew what it smelled like."

Patricia Osei arrived in Mount Vernon in June 2032 as the state's chief fiscal monitor with a reputation for two things: an unsentimental approach to municipal finance and a genuine belief that distressed cities fail because of governance design, not because of the people in them.

Her first move was surgical and deliberate: she did not fire anyone. She froze hiring, suspended discretionary contracting, and published a complete vendor list online — names, contract amounts, renewal dates, and the name of the official who had approved each one. Within sixty days, fourteen vendors voluntarily declined contract renewals. Three others were referred to the state inspector general. She later acknowledged that AI-assisted contract-graph analysis had been instrumental in mapping the network quickly enough to act before political pressure could mount against the review.

"I didn't need to investigate anyone," Osei later said. "I just needed to turn the lights on."

The IDA restructuring was thorough and deliberate. The task force she convened — including four Mount Vernon residents who had spent years living adjacent to PILOT-subsidized buildings and watching their own tax bills rise — recommended four structural changes adopted in full by early 2033: no abatement without verified job-creation benchmarks, annual third-party audits of each project, five-year sunsets with affirmative renewal votes, and an independent board with no members appointed by elected officials.

Critically, the restructured IDA was required for the first time to accurately assess the fiscal impact of proposed abatements on all affected taxing jurisdictions — including the school district — and to present that analysis at both city and school district public hearings before any vote. The school district was granted formal intervenor status, allowing it to present evidence and question applicants. Superintendent Achebe called it "the minimum a functioning democracy should have provided thirty years ago."

The charter revision — replacing the strong-mayor structure with a council-manager system — passed in November 2034 after two failed attempts, including a blocked voter referendum. The campaign against structural change was funded primarily by the city and county Democratic Party. Both Mount Vernon-area senators who voted against the enabling legislation lost their seats in 2035.

Rebecca Stein-Vargas arrived as Mount Vernon's first professional city manager in January 2035, recruited from a turnaround in Cincinnati's Norwood neighborhood. She adopted zero-based budgeting immediately — having reviewed the Mount Vernon City School District's well-documented implementation of the practice under Achebe and adapted it to municipal operations. Her first published budget credited the district's model explicitly; every subsequent city budget document has carried that attribution in its methodology section.

Her second initiative moved the city onto a shared financial platform with the county, making the books readable in real time. Her third allocated $2.1 million in federal infrastructure funds toward the East Corridor Plan: a Light Industrial Innovation overlay district along the eastern rail corridor. By-right permitting for qualifying uses — advanced manufacturing, cold-chain logistics, life sciences, light tech assembly — meant a company could break ground within 90 days rather than endure the 18-to-24 month planning odyssey that had historically made Mount Vernon a last resort for commercial tenants. First-source hiring agreements required 40% of construction jobs and 30% of permanent positions be filled by city residents, enforced by an independent monitor with actual authority to claw back permits.

The first tenant was a medical device component manufacturer from Yonkers, priced out of its existing facility. The second was a cold-chain logistics operation running AI-optimized routing for restaurant supply across the Bronx and lower Westchester — 12 autonomous delivery vehicles based in Mount Vernon, 60 human employees managing operations, maintenance, and last-block delivery. The third was a battery refurbishment company that had spent two years being rejected by neighboring municipalities for aesthetic reasons.

> *"They told us we didn't fit the brand. Mount Vernon didn't have a brand yet. That turned out to be an advantage."*
>
> — KWAME ASIEDU, FOUNDER, VERDANT BATTERY SOLUTIONS (80 EMPLOYEES, 61 MOUNT VERNON RESIDENTS)

The biotech cluster was unplanned. Meridian Cell Therapeutics, a clinical-stage company affiliated with Albert Einstein College of Medicine, needed 22,000 square feet and couldn't afford Westchester's Class A lab rents. Its CEO, Dr. Simone Adeyemi — a Mount Vernon native, Einstein PhD, former NIH fellow — signed a market-rate lease on a converted printing facility on East Third Street in 2037. No subsidy. No PILOT. Two contract manufacturing suppliers followed within 18 months. A third company, founded by an Adeyemi postdoc using an AI-assisted protein-folding platform, is completing a Series A.

> *"Nobody gave us a tax break. They just made the permits work and left us alone."*
>
> — DR. SIMONE ADEYEMI, CEO, MERIDIAN CELL THERAPEUTICS, AT THE 2040 WESTCHESTER ECONOMIC FORUM

Council member Dara Hutchinson, elected in 2036 after defeating a three-term incumbent, spent her first term making a politically uncomfortable argument: that Mount Vernon's affordable housing problem and its market-rate housing problem were the same problem. "We have been building poor housing for thirty years," she said at a 2037 planning session she live-streamed in full. "We have more affordable units per capita than any city in Westchester, and we have the worst poverty outcomes. The strategy is not working. I am not going to keep voting for the strategy."

The community benefits framework she negotiated — 20% deed restriction at 80% AMI, local construction hiring, a community land trust holding 11 key parcels — gave the market-rate projects enough political cover to survive planning. The land trust, described in full in the sidebar, has since become a model studied by three neighboring municipalities.

SIDEBAR

How the South Fulton Land Trust Works — and Why It Matters

11	$4.1M	∞	0
PARCELS HELD	CAPITALIZATION	DEED RESTRICTION DURATION	PARCELS SOLD SINCE 2037

A community land trust (CLT) separates the ownership of land from the ownership of buildings on that land. The South Fulton CLT holds title to 11 parcels in perpetuity. Homeowners or developers lease the land from the trust — typically on 99-year renewable ground leases — and own the structures on top. When they sell, a resale formula limits how much equity they can extract, keeping the property affordable for the next buyer without requiring ongoing public subsidy.

How it was capitalized: The trust received three funding streams. First, a $1.8 million state community development block grant secured by Stein-Vargas's office in 2035. Second, a negotiated levy on PILOT conversions — as the IDA renegotiated or unwound abatements on existing properties, 8% of the resulting tax recovery in years one through five flowed to the CLT. Third, a $500,000 contribution from the developers of the South Fulton high-rises, negotiated as part of the community benefits agreement. No ongoing city budget appropriation is required.

What it prevents: Speculative flipping. In previous Mount Vernon real estate cycles — particularly following the 2020s infrastructure investments that never materialized — land values rose briefly, early buyers sold at a premium, and the neighborhood returned to disinvestment when the speculation unwound. The CLT structure means rising land values benefit the trust and its mission rather than individual speculators. The 11 parcels currently held include two corner lots adjacent to the food hall, three residential lots on South Fulton, and the former parking lot site that anchors the hotel development.

Governance: The CLT board is one-third residents of CLT properties, one-third community members at large (elected by a neighborhood assembly), and one-third public interest representatives — a deliberate structure that prevents capture by either residents acting in narrow self-interest or by outside institutions acting in theirs. Hutchinson sits on the public-interest third as a non-voting advisor. The city has no appointment authority.

The school district connection: As part of the IDA reform package, properties within the CLT's ground lease structure are assessed at land value only — the trust's below-market ground lease rate, rather than the speculative market rate the structure sitting on top might otherwise imply. This prevents the CLT's own success from pricing out the residents it was designed to protect through rising assessments. Critically, unlike the old PILOT structure, CLT properties pay full taxes on the land value — including full school tax levy — with no abatement. Superintendent Achebe called the arrangement "the first IDA-adjacent structure in this city's history that doesn't treat the school district as an afterthought."

- **Resale formula:** Sellers recover their original purchase price plus 1.5% per year of ownership, plus the appraised value of capital improvements. Land appreciation stays with the trust.
- **Income targeting:** Ground leases for residential units require that occupants earn no more than 80% of Area Median Income. Commercial leases carry no income restriction but include a local-hire preference clause.
- **Conflict resolution:** Disputes between leaseholders and the trust go to binding arbitration under state CLT guidelines — not city housing court, which historically favored well-resourced landlords.

Three municipalities — Yonkers, New Rochelle, and the City of Peekskill — have sent delegations to study the model. None has yet replicated it. "The hard part isn't the structure," said the CLT's executive director, Tanya Ferreira. "The hard part is having the political will to hold land off the speculative market when a developer is offering cash and a city is broke. We happened to do this when we were too broke to say yes to the wrong thing."

CHRONOLOGY

Mount Vernon: From Fiscal Crisis to Corridor Cranes

2019

Bond rating lost. Mount Vernon loses its investment-grade rating — the first hard signal that a decade of structural deficits and patronage contracting has exhausted the city's fiscal cushion. Borrowing costs spike. Capital investment stalls.

2022

Crews era begins. Mayor Leonard Crews elected to first of three terms. IDA board fully reconstituted with politically-connected appointments. PILOT approvals accelerate — primarily low-income rental housing generating tax credits for developers and reduced tax revenue for the school district.

2023–2030

The favor bank. Comptroller records later show $2.3M in consulting fees flowing from IDA applicants to GO Strategic Partners LLC, controlled by IDA chairman Gerald Okafor. School district files formal objections to abatements in 2028 and 2029. Both go unanswered.

2029

District leads on budget reform. Mount Vernon City School District Superintendent Dr. Vivienne Achebe implements zero-based budgeting — justifying every line item from scratch in response to a structural shortfall the district can no longer paper over. The model draws state attention as a distressed-district best practice.

2030

Fourth fiscal stress designation. State comptroller flags depleted fund balance. Crews calls it "politically motivated" and wins reelection by eleven points eight months later.

2031

The PILOT challenge. Homeowner coalition — assisted by AI-powered cross-referencing of FOIA documents against payroll records — files state court challenge to three IDA agreements. Of 340 promised jobs, 23 verified. Front-page coverage. State legislative hearing. The machine begins to crack.

March 2032

State receivership. Governor appoints fiscal monitor Patricia Osei with broad authority over city finances, contracts, and debt. Crews retains title only. Okafor's firm dissolves months later. Vendor list published online within 60 days of Osei's arrival. Fourteen contractors voluntarily withdraw.

2033

IDA restructured. New board: independent appointments, no mayoral control. Mandatory job-creation benchmarks, annual audits, five-year sunsets. School district granted formal intervenor status on all IDA applications for the first time in the agency's history.

November 2034

Charter revision passes. Council-manager government adopted 53–47 after two prior failures. Campaign fought through wave of AI-generated disinformation funded by county party organization. Referendum passes anyway — observers attribute partial backlash effect to voters recognizing synthetic media tactics.

January 2035

Stein-Vargas arrives. First professional city manager adopts district's zero-based budgeting framework — crediting Achebe's model explicitly. East Corridor Plan rezones 140 acres for light industrial innovation with by-right permitting. First commercial tenants break ground within 90 days.

2036

Hutchinson elected. Council member Dara Hutchinson, who live-streams all her public sessions, defeats three-term incumbent. Begins building the community benefits framework that will enable the South Fulton high-rises to survive planning.

2037

South Fulton CLT established. Community land trust capitalized at $4.1M, holds 11 parcels. Meridian Cell Therapeutics signs first market-rate lease in East Corridor biotech cluster — no subsidy requested or offered. South Fulton high-rises break ground.

2040–41

Recovery confirmed. East Corridor employs ~1,100 residents. City posts second consecutive structural surplus. Assessed value up 22% in real terms since 2035. **Moody's restores investment-grade bond rating — February 2041**, 22 years after it was lost. Savings on planned school renovation: est. $1.8M over 20 years.

Crisis Turning Point Reform Growth

The South Fulton hotel — 94 rooms, locally owned, no national flag — runs at 71% occupancy and anchored $4.2 million in new property tax revenue in fiscal 2040, its first full assessment year. The food hall has a six-month waitlist for vendor stalls. The high-rises are 94% leased.

The East Corridor employs approximately 1,100 people. The city's assessed value has increased 22% in inflation-adjusted terms since 2035. The structural deficit that triggered receivership has been converted to a modest surplus for two consecutive years — the first time since 2009. And in February 2041, Moody's restored Mount Vernon's investment-grade bond rating, 22 years after it was lost.

The school district improvement is real but partial. Property tax revenue is up, and the newly structured IDA no longer systematically defunds the district while enrolling its most expensive students. But the structural gap between Mount Vernon and Scarsdale or Bronxville — rooted in the state school finance formula and decades of relatively depressed and arbitrarily assessed property values — will not be closed by a hotel and some loft apartments. Achebe, now in her fourteenth year as superintendent, has been characteristically precise: "We have stopped the bleeding the city was causing us. We have not recovered from the blood loss."

Reverend Moss, who filed the PILOT challenge that started all of this, sits on the CLT board now. He is not satisfied — which is probably the correct disposition.

> *"You know what we have? We have a functioning government. For the first time in my adult life, we have a government that basically works. That's not an achievement. That's a starting point. We confused the two for a very long time. I hope we don't do it again."*
>
> — REV. CALVIN MOSS, GREATER REFUGE BAPTIST CHURCH

The cranes on South Fulton Avenue are indifferent to the distinction. They are up before dawn.

Counterpoint

"Don't Celebrate This City for Doing the Minimum"

Longtime resident Patricia McLoughlin, 74, has lived in Mount Vernon for 44 years. She raised three children in Mount Vernon, buried her husband here, and has watched every prior "turnaround" come and go. She asked to be included in this article. We agreed.

I keep reading these stories and I want to know who they're written for, because they're not written for me.

I paid taxes on this house for thirty-four years while developers got 30-year PILOTs. The people driving the dysfunction kept getting re-elected. I got one letter from the IDA in thirty-four years, and it was asking me to submit comments on a project they'd already decided to approve.

> *"They tell me the bond rating came back. Congratulations. That's like celebrating that the roof stopped leaking. The roof leaked for twenty years. I have water damage."*
>
> — Patricia McLoughlin, MOUNT VERNON RESIDENT

Now there's a hotel. There's a food hall. I went to the food hall. It's nice. A ten-dollar coffee is still ten dollars. The woman who sold it to me commutes from Pelham.

I'm not against the hotel. I'm not against the loft apartments. I'm against the story. The story is that Mount Vernon fixed itself. Mount Vernon didn't fix itself. The state came in and did what should have been done twenty years ago, and now we're supposed to be grateful and inspired. I'm not inspired. I'm tired.

Dr. Achebe is a remarkable woman who has done remarkable things with whatever money she could find. She has been doing that for fourteen years because the city she lives inside was run by people who treated her budget like a checking account they hadn't bothered to mention to her. Two people paid civil fines. No one went to prison. I want someone to explain to me what the deterrent is for the next Gerald Okafor.

The cranes are real. The hotel is real. Dara Hutchinson is real, and I voted for her, and I think she means it. But I have watched this city get excited about itself before. In 2003 there was a revitalization plan. In 2011 there was a revitalization plan. In 2023 there was a revitalization plan that got published as a PDF and then nothing happened for nearly a decade. Every time, the people writing the articles were somewhere else when the nothing happened.

Ask me again in ten years. If the food hall is still there, if the CLT parcels haven't been quietly sold off in a budget crisis, if the school district has a full-time art teacher — ask me then. I will tell you whether this was a turnaround or a press cycle.

Until then: I'm glad the cranes are up. I'm watching the cranes.

Patricia McLoughlin spoke with mountvernoncitizen.org in March 2041. Her comments have been lightly edited for length.

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