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In Big Factory, Small Businesses Prosper

By PENNY SINGER

YONKERS— It is now 36 years since the mills of the Alexander Smith & Sons Carpet Company in Yonkers shut down. The factory, founded in 1845, was at its zenith during World War II, when with a work force of 7,000 people, it operated around the clock producing blankets and tents for the United States armed services.

Yet after the war, hampered by cheaper imports, outmoded equipment, higher wages and production costs, business began to decline. When the carpet company, Yonkers's largest employer, closed its doors in June 1954, 2,400 people lost their jobs.

Now the two Nepperhan Avenue factory buildings are busy again - but with the buzz of many small workshops instead of one big one. The 34 tenants, employing about 300 people, include artists, cabinetmakers, hosiery manufacturers, meat spice manufacturers and a restaurant.

This revitalization is part of a trend that a city official says has brought a number of small firms into formerly empty space around Yonkers in recent years - years in which the city added a small number of manufacturing jobs while other cities in the region have continued to lose them.

Healthy Diversity

With diversity comes strength, said John Zakian, the executive director of the Yonkers Industrial Development Agency. "Diversity helps keep the economy of Yonkers healthy," Mr. Zakian said. "When you have a lot of different types of businesses operating, jobs are spread out, lessening the dependence on one employer. And if a recession hits one industry, others will still function."

The rebirth of the carpet factory began in 1978, when the two factory buildings on Nepperhan Avenue, totalling 150,000 square feet, were bought by Allan Eisenkraft, president of the Yonkers Industrial Development Corporation. His original idea was to rent whole floors to a few tenants after completing the necessary rehabilitation work.

"Over the years after the carpet factory closed, the buildings had had a number of small companies as tenants," Mr. Eisenkraft said. "But they were always half vacant and very dilapidated. The windows were a mess, for example. I had to replace about 6,000 panes of glass in 600 windows alone. When I began the project, a lot of people in the construction industry thought

I was crazy."

With the help of officials of the Yonkers Community Development Agency, which encourages developers efforts to rehabilitate vacant buildings, Mr. Eisenkraft said he was able to get two \$100,000 long-term low-interest Federal loans.

"The rehab was a big job," Mr. Eisenkraft said. "It took from 1978 to 1983 and cost several million dollars, yet I never lost sight of the light at the end of the tunnel because I was so certain there was a demand for what I was doing. I thought there were businesses out there who would need entire large floors for manufacturing, warehouse or distribution operations."

Yet, to his chagrin, Mr. Eisenkraft said, "when the time finally came, I found I couldn't rent full floors."

'Nobody Was Interested'

"Nobody was interested," he said. "Here I was sitting with one of the largest blocks of industrial space in the county and I had no tenants. But at the same time I started getting inquiries from people in light industry who wanted smaller space, so I thought I had nothing to lose and I tried subdividing one of the floors."

The first tenant who signed a lease for 3,000 square feet of space in the factory building was a two-man architectural woodworking concern, Joseph Kenyson Ltd.

"And they're still tenants," Mr. Eisenkraft said, "but they moved into 12,000 feet now and they have over 20 employees."

So Mr. Eisenkraft continued to subdivide floors until he collected the diverse range of tenants he has now.

Top-Floor Community

The largest tenant, Hosiery Concepts, now occupies one-and-a-half floors, a total of 22,500 feet.

"Jay Kwon, the president of Hosiery Concepts came to the United States from Korea only four years ago," Mr. Eisenkraft said, "and in that very short period of time he has built up a tremendously successful business."

Artists studios are housed on the top floor. With its 12-foot windows and 16-foot ceiling, it is ideal for artists who need large, naturally lighted work spaces, Mr. Eisenkraft said.

One of the artist complexes on the top floor is run by Debra Sherwood, a sculptor from Seattle, who opened YoHo Studios two-and-a-half years ago.

Ms. Sherwood, who leases 7,500 square feet of space, sublets studio space to eight other artists. Ms. Sherwood, who managed a similar loft in Seattle, said she came to New York, "because for an

artist New York is Mecca."

"But I knew enough not to look for studio space in Manhattan. My work is life-sized, and when I saw this converted factory, with its strong wooden floors, huge east and west windows and freight elevator, I was thrilled. It was what I needed for myself, and I knew I would find other artists it would attract and it had the added advantage of being so close to Manhattan."

Subletting studio space, Ms. Sherwood said, "is not only feasible as a business venture, it also allows interaction with other artists that is valuable."

"Although, there is some risk attached: if you don't rent the space immediately you have to carry the rent yourself. But I have managed to fill this up in about nine months."

The mill buildings generate new revenues for the city and attract other businesses to the area, Mr. Zakian said. "Allan Eisenkraft is a risk-taker and we need risk-takers," he continued. "In 1978 when he started renovating the mill buildings, it wasn't a popular concept. He took a tremendous risk. A lot of people are doing it now, but he ran way ahead of the pack."

'A Microcosm'

The Eisenkraft buildings, Mr. Zakian said, "are a microcosm of what is happening all over Yonkers."

"We have more industrial space here than any place in the county," he said. "And we have not lost manufacturers. In the last five years we've actually shown a slight gain in manufacturing in Yonkers."

Mr. Eisenkraft, who recently received an award from the Yonkers Historical Society for the renovation of the mill buildings, is also involved with new development in the area. His project, the Nepperhan Mall, a 15,000-square-foot, two-story structure, housing six retail stores and five professional office suites was completed in March.

"Four of the stores are rented and the lease for the fifth is in the works," Mr. Eisenkraft said. "My daughter, Sharon Rappaport, and her husband, Paul, are working with me now. The mall is largely in their hands. And despite the negative publicity Yonkers has had recently, we find once we can get a tenant to look at space, the chances are good that he'll sign a lease."

Mr. Zakian said tenants used negative publicity surrounding Yonkers -mostly concerning the housing desegregation fight - as a negotiating ploy.

"The truth is that the external factors generating that kind of publicity, have nothing to do with the economic pluses of doing business in Yonkers and business people know that," he said.

Photos; Allan Eisenkraft, below, outside old Alexander Smith & Sons Carpet building in Yonkers. Mr. Eisenkraft rents space to such diverse companies as Hosiery Concepts, above, and Westchester

Costume; Workers at Select Woodworking Inc., tenants in the former carpet factory on Nepperhan Avenue in Yonkers (Photographs by Alan Zale for The New York Times)

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