

# At former PepsiCo property, smaller may be better

## Sebastian Capital CEO praises 'millennial' workspace environment

BY JODI WEINBERGER  
EDITOR

In an effort to fill the 540,000 square feet left vacant in Somers by PepsiCo in 2016, Sebastian Capital CEO Roxana Girand is marketing the town of Somers and surrounding Westchester County as much as the building itself.

One of the first things she did to spotlight the community is renovate the lobby. Gone is the security desk visitors would first encounter, moved just off to the side, to bring into immediate view the sprawling landscape the building overlooks, the Muscoot Reservoir.

It's a freezing cold day in January, but inside the newly transformed cafe, jackets are quickly removed as the sun streams in, unobstructed by the bare branches of the trees.

On Girand's mind this day are pinball machines. She's been pricing different models, debating whether to go with a "Star Wars" or a "Terminator" theme, or maybe both. She uses the phrase "fully amenitized" several times to describe what she wants to do with the former PepsiCo campus. Though "amenitized" is



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not an actual word, she's transformed the noun "amenities" into a verb to get her point across.

It's also a metaphor for how Girand wants to define the building. When she markets it, she's not selling a thing, a noun, a building, but the action that can take place here, everything that can be done in and around it.

She's selling the space as both a satellite office for New Yorkers, weary of working in the concrete jungle, and a home for local businesses that don't require a lot of space but want to avail themselves of the benefits of being on a big corporate campus.

"Pepsi ran it as a headquarters, so when I came in, I wanted to open the building and see our way from the single tenant to multi-tenant" in terms of use, Girand said.

Currently about 20 percent of the building is spoken for, with parts of the sixth, seventh and eighth floors occupied by both different industries and small businesses.

In addition to the pinball machines on the way and the ping pong table that's already there,

Girand wants to add tennis courts, basketball courts, biking and hiking trails and a health club operator that would run activities.

Free Wi-Fi will be available throughout the common areas, allowing employees to work wherever they please.

"It's the millennial co-working environment you have in your head," Girand said.

By adding attractions and tenants in this kind of piecemeal way, she said, she hopes to build a community that ultimately proves good for business. It's all about stability.

"Back in the '80s, the idea was to have big clusters occupied by a Fortune 500—that model has slowly disappeared," Girand said. "You no longer need a big com-

pany for such a big space.

"Are there tenants looking for full floors? Absolutely, yes," Girand said. "Do I think that larger tenants make more sense than smaller? Sometimes, but it's pretty much the same road to get from here to there to stabilize the property. It takes more time because you're not targeting one 500,000-square-foot company. You're targeting 2,000-square-foot companies...and repositioning the building."

When she pitches the building to companies, she emphasizes customization and ease of transition.

"Tell us what you need and just forget about it," Girand said. "Medium-size companies love that. It's what they need because they want to run their business but don't want to be disrupted by a move."

To fill the 80 percent of the space still available, Girand is targeting businesses in communities within a 20-mile to 30-mile radius.

Her goal is to have full tenancy by the beginning of 2020.

"If we are left with small pockets of open space, that's normal, that's part of business," Girand said. "I'll be happy once I get to 80 percent occupancy."

She dismisses suggestions that by filling the building this way, with smaller businesses instead of one large one, it would add traffic, because she hopes many of the businesses will be local. And more people in town means more people shopping and dining in town.




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FROM PAGE 32

"You want to be here. I want to keep you here and I want to keep you happy," Girand said. "The best people that help a landlord to stabilize are your tenants and when your tenants are happy, that's the best reference you can have."

As for whether courting Amazon to locate its second headquarters in North America is still in the cards, Girand is tight-lipped. Last month, the company announced that the New York region, including the Hudson Valley, is on a list of finalists being considered.

"When I get an email, a telephone call, a text; when I get, 'Hey, Roxana, your building has been chosen by Amazon,' that's when I'll talk about it," Girand said, emphasizing that right now her priority is improving the building for current and prospective tenants.

She made the point that it's good for the PepsiCo and the former IBM campus, which Sebastian Capital also manages, to even be considered. It puts Somers on the map along with world-class sites across the country, she reasoned.

Somers Supervisor Rick Morrissey agreed with Girand's assessment of what it means to be in the running for Amazon's second headquarters.

"While this is a long shot, the application has provided both locations with invaluable visibility to corporations closely following the selection process," Morrissey said. "I'm very grateful to be in the

runner-ups and very grateful that we've been looked at. The worst-case scenario is it brings notoriety to the building itself and for the area and the community."

Morrissey said Sebastian Capital has told the town it will be seeking a tax reduction for both properties, something Morrissey said was expected.

"The assessments of these properties, and thus their tax rates, are based on comparable commercial buildings in the area. This is an inexact science, especially considering that the PepsiCo facility sold for well above market price, while the IBM facility sold for well below," Morrissey said. "The tax certiorari process can occur via a settlement or through the courts, and any reduction may take years to determine. Regardless, this request comes as no surprise, and our tax base is prepared for the future."

The 723-acre IBM property on Route 100 was purchased in September 2016 for \$31.75 million; the 206-acre PepsiCo property sold for a reported \$87 million.

Girand declined to comment on possible tax reductions.

Morrissey said ongoing projects in Somers hamlet and Baldwin Place, two commercial corridors, blunts the financial impact of the potential loss of revenue from taxes.

"Many people moved to Somers because of its natural beauty/open space and relative affordability," Morrissey said. "I am also aware that significant increases to tax rates resulting from potential revenue losses at the former PepsiCo/IBM properties could be financially devastating

for many families and retirees living in Somers."

Girand made it clear, however, that she plans to be a support to the community. She talked about discovering Somers, standing in line for an hour at King Kone and pumpkin picking at Muscoot Farm.

She's already promised that this year, the town's annual Independence Day celebration will be held on the campus, a kind of

kick-off to the morphing business environment.

"I'm really excited about doing that with the community. It was kind of like walking into—imagine you buy a secluded building, that it was never accessible to people and when I opened the building up and people start coming in, the smile on people's faces, I can't change that for anything."

"It's been a great experience. I'm very happy and beyond grate-

ful for everyone that has given support," Girand said. "It's been rewarding, and now that we have people and movement and tenants being happy and smiling... That takes a little while because people are skeptical."

"(They ask), 'Who are you?' Well, let me tell you who I am. Let me tell you my vision. I would bring them here, selling them on my energy. I believe in my energy."



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