

HUDSON VALLEY ECONOMIC DEVELOPMENT DISTRICT COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



2016 - 2017 Annual Report Update

HUDSON VALLEY REGIONAL COUNCIL
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REPORT SUMMARY

From 2015-2016, the annual average private sector employment in the Hudson Valley increased by 10,700 jobs, or 1.25 percent, to 784,700 jobs. For the 12-month period ending May 2017 the Department of Labor determined that:

"Private sector employment in the Hudson Valley increased by 12,700 or 1.6 percent, to 799,800. Jobs were added in educational and health services (+5,700), professional and business services (+4,800), trade, transportation and utilities (+2,400), information (+900), and other services (+500). Job losses were mostly centered in manufacturing (-1,400).¹

The region's overall 24-month unemployment rate fell from 2015-2016 from 4.93% to 4.42% percent. The Hudson Valley's unemployment rate of 4.42% is below the state's rate of 4.9% percent, and the national rate at 5.07 %. The Hudson Valley as a region saw a decrease in labor force (-2000), with all counties decreasing labor force except Sullivan County (+300). While this is generally good news, it is important to remember that the Hudson Valley's 1.6 percent growth in private employment trails national trends, where US employment increased by 1.9 percent from 2015 to 2016.

While unemployment rates have dropped, there are still pockets of economic distress in the region. Like poverty, unemployment tends to be higher in central cities, lower in the suburban ring, and higher again in rural areas. Identifying the communities within the region that exhibit economic distress, as defined by the Economic Development Administration (EDA), is important in determining eligibility for grant funding.

Significant CFA awards in the region were focused on Education and Health Services, Infrastructure, and Amusement, Gambling and Recreation. Vassar Brothers Medical Center received the largest award of \$18,400,000 to renovate and expand its existing campus to provide employees and patients a better experience. Legoland received \$6,290,000 to create a regional tourist destination providing visitors rides, attractions, and educational opportunities. The City of Middletown intends to use the \$4,000,000 they received for infrastructure improvements to make the Middletown Community Campus shovel-ready. The Poughkeepsie Landing Waterfront Redevelopment Project received \$3,710,000 to develop a 14 acre parcel along the southern waterfront. The parcel will include an expanded marina, a mixed-use building including restaurants and storefronts, and green space for leisure and recreation.

¹For the 12-month period ending in May 2017, Source: NYS Department of Labor. Labor Statistics for the Hudson Valley Region.

SECTION 1. INTRODUCTION ADJUSTMENTS TO THE 2013-2017 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

The CEDS is meant to be a flexible document and may be adjusted to respond to changing economic and environmental conditions.

In their guidance document the US Economic Development Administration established recommendations as to the content of CEDS. In addition to the summary of the economic conditions in the region and an in-depth SWOT analysis detailing the strengths, weaknesses, opportunities and threats, the EDA is recommending a Strategic Direction/ Action Plan be developed as an outgrowth of the SWOT also integrating elements from other regional plans if pertinent. An evaluation framework should also be established to measure the implementation of goals and objectives.

EDA is also recommending the incorporation of the concept of economic resiliency into the CEDS. Economic resiliency is defined as the ability to avoid, withstand and recover from economic shifts, natural disasters and impacts of climate change.

To that end, this Annual Update will be the last update before we begin the process of developing a complete new Comprehensive Economic Development Strategy. Through this process we hope to expand and engage a broad base of support from private and public partners; laying the groundwork for establishing a Strategic Plan Committee to lead us into the next full CEDS report which is to be completed in 2018.

The work of HVRC has always been defined in part by our relationships with the US Economic Development Administration, assisting municipalities and entities access federal funding to create and/or retain jobs, primarily through infrastructure expansion and upgrades. In the past several years, HVRC has expanded their impact through the Clean Energy Community Program , a NYSERDA state-wide initiative to assist municipalities, counties, towns, cities and villages with Clean Energy protocols that can lead to funding opportunities for implementation thereby reducing not only greenhouse gas emission but reducing the cost of energy for local governments. We continue with our core mission by providing a platform for the discussion of regional issues relating to water quality, stormwater management, materials management as well as economic development.

SECTION 2. EXISTING REGIONAL CONDITIONS & REGIONAL TRENDS

A. Observations and Trends

For the 12-month period of calendar year 2016, private sector employment in the Hudson Valley increased by 10,700, or 1.25 percent, to 784,700 jobs. Leisure and hospitality, formerly the region's leading job generator lost jobs (-1,800). Employment gains were strong in educational and health services (+7,800), natural resources, and other services (+3600). Other losses were in financial activities (-1,300) and transportation and utilities (-3,000)¹.

Private sector job growth was most significant in Sullivan County (+3.57 percent), followed by the Kingston MSA (+1.71 percent), the Orange-Rockland-Westchester MSA (+1.48 percent), and the Dutchess-Putnam

Table 1: CHANGE IN NONFARM & PRIVATE SECTOR JOBS, Annual Average

Area	Total Non-Farm				Private Sector			
	2015	2016	Change	%	2015	2016	Change	%
Dutchess-Putnam	144,200	145,000	800	0.55%	118,500	119,000	500	0.42%
Kingston-Ulster	60,900	61,600	700	1.15%	46,700	47,500	800	1.71%
Orange-Rockland-Westchester	698,600	708,600	10,000	1.43%	589,200	597,900	8,700	1.48%
Sullivan	25,600	26,400	800	3.13%	19,600	20,300	700	3.57%
Region Total	929,300	941,600	12,300	1.32%	775,000	784,700	10,700	1.25%

Current Employment, Historical Estimates, New York State Department of Labor
<http://labor.ny.gov/stats/lscsmaj.shtm>

MSA (+.42 percent). Sullivan county saw the greatest increase to private sector within the Hudson Valley in 2015 (3.17 percent). This trend continued for Sullivan County during 2016 as 700 more jobs were added (3.57%). As a region, job gains were concentrated in the private service-providing industry. Growth in the public sector was more modest, with an increase of 1,800 jobs in the region.

Six of the seven counties experienced a decrease in labor force from 2015 to 2016. Sullivan County was the only county to see an increase in labor force. For the region as a whole the unemployment rate fell from 4.63 to 4.34 percent. The Hudson Valley unemployment rate of 4.42 percent is below the state's rate of 4.9 percent, and the national rate at 5.07 percent.

Table 2: CHANGE IN PRIVATE SECTOR V. PUBLIC SECTOR NONFARM JOBS

Change in Private Sector vs. Public Sector Non-Farm Jobs 2015- 2016

Area	Private Sector Change	Public Sector Change
Hudson Valley	10,700	1,800

Current Employment, Historical Estimates, New York State Department of Labor, <http://labor.ny.gov/stats/lscsmaj.shtm>

The region and its counties showed increases in their labor force. As the economy recovers from the 2008 recession and conditions visibly improve, more people will decide to actively look for work. This is the likely explanation for this increase in labor force.

Table 3: HUDSON VALLEY LABOR FORCE, EMPLOYED, UNEMPLOYED, AND RATE OF UNEMPLOYMENT BY COUNTY

County	Labor Force			Employed			Unemployed			Unemployment Rate		
	2015	2016	Net	2015	2016	Change	2015	2016	Net	2015	2016	Net
Dutchess	143,700	142,800	-900	137,200	136,800	-400	6,500	5,900	-600	4.5	4.2	-0.30
Orange	178,500	178,400	-100	170,200	170,800	600	8,300	7,700	-600	4.7	4.3	-0.40
Putnam	50,800	50,400	-400	48,600	48,400	-200	2,200	2,000	-200	4	4.3	0.30
Rockland	152,600	152,400	-200	145,700	146,100	400	6,900	6,400	-500	4.5	4.2	-0.30
Sullivan	33,800	34,100	300	32,000	32,500	500	1,800	1,600	-200	5.4	4.8	-0.60
Ulster	88,600	88,300	-300	84,300	84,400	100	4,300	3,900	-400	4.8	4.4	-0.40
Westchester	479,900	479,400	-500	458,000	459,000	1,000	21,800	20,400	-1,400	4.5	4.2	-0.30
Region	1,127,900	1,125,800	-2,100	1,076,000	1,078,000	2,000	51,800	47,900	-3,900	4.63	4.34	-0.29

Source: Labor Force and Unemployment Data, New York State Department of Labor, <https://labor.ny.gov/stats/lslaus.shtm>

C. Hudson Valley Region --- Distress Summary: Results of the Regional Distress Criteria Statistical Report

While unemployment rates have dropped throughout the region, there are still pockets of economic distress. EDA looks carefully at fiscal distress to determine eligibility for grant funding. Economic distress in the Hudson Valley region is summarized by region as well as by individual county in tables 4 and 5.

In 2015, the HVRC conducted an in-depth analysis of economic distress in the region which provided a much more detailed assessment of the way in which economic distress is manifested in the Valley. This report was updated in 2017.

For this purpose, fiscal distress is defined by any combination of:

- An average 24-month unemployment rate above the national average as calculated by the Bureau of Labor Statistics – Local Area Unemployment Statistics (see Table 4).
- An average Per Capita Money Income (PCMI) level below the national average as measured by the U.S Census Bureau’s American Communities Survey.
- An average Per Capita Personal Income (PCPI) level below the national average as measured by the U.S Department of Commerce, Bureau of Economic Analysis.

While the study painted an overall positive picture of the economy in the Hudson Valley, the wealth is not distributed evenly. Closer analysis revealed pockets of economic distress in almost every county. Below is an overview of statistics for each county in the Hudson Valley Region. The full report by the Hudson Valley Regional Council identified those areas in economic distress.² Note: while most of the distressed areas in

Table 4: HUDSON VALLEY REGIONAL DISTRESS CRITERIA

	Hudson Valley Region	U.S.	Threshold Calculations
24-month Average Unemployment Rate (BLS) period ending July 2017	4.28	4.78	-0.5
2015 Per Capita Money Income (5-year ACS)	\$39,591	\$28,930	136.85%
2015 Per Capita Personal Income (BEA)	\$67,794	\$48,112	140.91%
Source: http://www.statsamerica.org/distress/distress.aspx			

the Hudson Valley region (and most of the population in those areas) are urban, there are also many incidents of rural economic distress in the region, particularly in Sullivan County. This suggests a need to be very targeted with programs and projects designed to alleviate such distress.

² Hudson Valley Regional Council, Hudson Valley Region Distress Criteria Statistical Report, April 2015. (<http://hudsonvalleyregionalcouncil.org/wp-content/uploads/2015/08/Distress-Report-6-18-15.pdf>)

Table 5: HUDSON VALLEY REGION DISTRESS CRITERIA STATISTICAL REPORT BY COUNTY 2017

Economic Distress Criteria- Primary Elements								
HVRC Counties	24 Month Unemployment	Threshold Calculation	BEA Per Capita Personal Income	Threshold Calculation	Census Per Capita Money Income (2000)	Threshold Calculation	ACS 5-Year Per Capita Money Income	Threshold Calculation
Dutchess County, NY	4.17	-0.61	\$48,921	101.7	\$23,940	110.9	\$33,923	117.3
Orange County, NY	4.33	-0.45	\$46,513	96.7	\$21,597	100	\$31,023	107.2
Putnam County, NY	4.02	-0.76	\$59,160	123	\$30,127	139.6	\$41,173	142.3
Rockland County, NY	4.18	-0.6	\$54,838	114	\$28,082	130.1	\$34,647	119.8
Sullivan County, NY	4.77	-0.01	\$42,053	87.4	\$18,892	87.5	\$25,742	89
Ulster County, NY	4.43	-0.35	\$44,422	92.3	\$20,846	96.6	\$30,732	106.2
Westchester County, NY	4.28	-0.5	\$93,229	193.8	\$36,726	170.1	\$48,885	169

Source: <http://www.statsamerica.org/distress/distress.aspx>

D. Significant Industries, Hudson Valley

The New York State Department of Labor identifies industries as regionally significant factors such as job counts, wage levels, job growth, and expected job growth based on employment projections. Priority industries that may have been designated by economic development or workforce development officials were also considered. These 16 industries were considered significant at the last reporting. For details on each industry, see the state Department of Labor’s descriptions in its latest publication.

Table 6 reflects the updated significant industries within the Hudson Valley region. Chemical Manufacturing is no longer a significant industry, while Warehousing and Storage and Amusements, Gambling, and Recreation both have been determined to be significant industries. Significant industries were determined on the basis of job counts, wage levels, and job growth over the 2009-2014 period. All selected industries were considered to have experienced rapid growth; large growth; high wage; or strong expected growth. Eleven of the sixteen industries listed increased their employment in this time period.

Table 7 shows the top ten sectors in the Hudson Valley Region ranked by employment for 2016 (preliminary data). The only significant change in these ranking is that the tenth spot was taken by "Social Services" in 2016, which moved just ahead of "Food and Beverage Stores" in terms of total employment.

Table 6: SIGNIFICANT INDUSTRIES HUDSON VALLEY 2009-2014

Industry Name	Jobs 2009	Jobs 2014	Change	Rate %	Average Annual Wage, 2014	Significance*
Construction of Buildings	9,400	10,700	1300	13.8↑	\$56,900	G, J, P, W
Heavy and Civil Engineering Construction	4,000	4,200	200	5↑	\$94,500	G, P, W
Specialty Trade Contractors	29,200	29,600	400	1.4↑	\$61,700	J, P, W
Food Manufacturing	4,800	6,100	1,300	27.1↑	\$48,900	G, P
Computer and Electronics Manufacturing	14,200	10,300	-3,900	27.5↓	\$138,800	J, W
Warehousing and Storage	2,200	3,200	1,000	45.5↑	\$44,500	G, P
Credit Intermediation and Related Activities	12,000	11,300	-700	5.8↓	\$95,000	J, W
Insurance Carriers and Related Activities	12,300	11,900	-400	3.3↓	\$97,100	J, W
Professional, Scientific, and Technical Services	41,500	43,400	1,900	4.6↑	\$104,300	G, J, P, W
Management of Companies and Enterprises	12,800	13,200	400	3.1↑	\$157,900	G, J, W
Administrative and Support Services	35,300	40,600	5,300	15↑	\$39,800	G, J, P
Educational Services	102,800	98,100	-4,700	4.6↓	\$62,500	J, W
Ambulatory Healthcare Services	48,500	54,100	5,600	11.5↑	\$62,400	G, J, P, W
Hospitals	40,200	38,200	-2,000	5↓	\$66,700	J, W
Nursing and Residential Care Facilities	40,600	41,300	700	1.7↑	\$37,200	J, P
Amusements, gambling, and recreation	13600	14900	1300	9.6↑	\$27,700	G, J, P
KEY						
G: Industry experienced above—average job growth						
J: Industry employs a significant number of jobs (>8000)						
P: Above—average growth projected for 2006—2016						
W: Industry pays above—average wages						
Source: NYS Dept. of Labor https://www.labor.ny.gov/stats/PDFs/Significant-Industries-Hudson-Valley.pdf						

Table 7: TOP INDUSTRY RANKINGS by JOB COUNT 2016 (preliminary)

Industry Name	Reporting Units	Average Employment	Total Quarterly Wages	Average Quarterly Wages
Local Government	982	110,313	\$7,721,789,681	\$69,999
Food Services and Drinking Places	5,164	60,243	\$1,315,315,639	\$21,834
Ambulatory Health Care Services	4,908	56,482	\$3,653,438,139	\$64,683
Professional and Technical Services	8,083	44,291	\$4,537,764,396	\$102,453
Administrative and Support Services	4,610	42,115	\$1,663,317,876	\$39,495
Nursing and Residential Care Facilities	799	37,317	\$1,374,612,517	\$36,836
Specialty Trade Contractors	5,120	32,897	\$2,169,117,650	\$65,937
Hospitals	39	32,816	\$2,143,029,983	\$65,304
Educational Services	1,260	32,245	\$1,443,384,815	\$44,763
Social Assistance	1,443	30,001	\$811,253,890	\$27,041

Source: NYS Dept. of Labor

SECTION 3. Hudson Valley NYS/ESD/CFA awards in 2016/17:

Hudson Valley CFA awards:

Through its Consolidated Funding Awards (CFAs), New York State has been able to target funding for economic development projects of regional importance. Significant CFA awards in the region were focused on Infrastructure, Education and Health Services, and Amusement, Gambling, and Recreation.

In Dutchess County, phase two of the Patient Pavilion at Vassar Brothers Medical Center (VBMC) will continue to renovations of the existing campus, including 13,800 square feet in the existing Vassar Brothers Medical Center building and the construction of a 696,440 square-foot bed tower. In the Town of Warwick in Orange County, manufacturer Starr Kay White is building a new facility in the Warwick Valley Office and Technology Park, upgrading their infrastructure, equipment and technology.

Putnam County and the Village of Brewster were awarded funding for a Transit-Oriented Development project that involves reconstruction of the Village's Main "treet corridor and redevelopment of the Garden Street School, an abandoned elementary school to be integrated into transit oriented development, including the creation of a museum on site.

In Pearl River in Rockland County, manufacturer Urban Electric Power will be expanding its existing pilot plant to create a start of the art facility to produce non-toxic zinc manganese rechargeable batteries for use as sustainable sources of back-up power. In Yonkers, in Westchester County, the Yonkers Sports Event Center will add 137,000 feet of new facilities, including the regional largest indoor track and field arena, along with other space for other sports, dining and conference/event space.

State grants are administered through the Consolidated Funding Application, and managed by 10 regional economic development councils. The Mid---Hudson Regional Economic Development Council (MHREDC) comprises the same seven county region of the Hudson Valley Economic Development District. The priorities of the MHREDC are closely aligned with those of the Hudson Valley Regional Council.

The selection of awards reflects both state and regional economic development priorities, and seeks to achieve long-term sustainable economic goals. Below is a summary of the awards broken down by county. A full list of awards is available at www.hudsonvalleyregionalcouncil.org. Some of these projects have funding gaps and there is potential for federal funding to supplement state and private investment in economic development projects.

Table 8: 2016 CONSOLIDATED FUNDS AWARDS

County	2016 Consolidated Funding Awards- Mid-Hudson	
	Number of Awards	Total Amount Awarded (\$)
Dutchess	20	\$12,060,227
Orange	13	\$8,183,819
Putnam	2	\$2,005,000
Rockland	10	\$2,335,720
Sullivan	8	\$1,877,835
Ulster	21	\$9,306,885
Westchester	26	\$12,469,145
Multi-County	5	\$1,055,000
Excelsior Job Credits		\$9,000,000
Low Cost Economic Development Financing		\$25,000,000
Region Total	105	\$83,293,631.00

Source: 2016 Regional Economic Development Council Awards
<https://www.ny.gov/sites/ny.gov/files/atoms/files/REDCAwardsBooklet2016.pdf>

In round V of the New York State Consolidated Funding Application program administered through the Regional Economic Development Council (REDC) initiative, the Mid-Hudson seven-county region received \$83.29 million for 105 projects. The 105 projects can be found on pages 94-110 of the 2016 Regional Economic Development Council Award booklet.

Section 4: Regional Economic Environment Changes: 2016-2017

In its Q3 2016 economic report, the Hudson Valley Economic Development Corporation (HVEDC) reported that the regional economy remained relatively stable. The labor force in the fourth quarter of 2016 is even with the fourth quarter of 2015, employing about 1.1 million people throughout the seven-county region. Year over year employment growth is at 1.8% from 4.1% last year. Unemployment rate is down from 4.7% last year to 4.1%.

Westchester County has seen the greatest increase in jobs, adding 8,130 jobs between September 2015 and November 2016. The major industries include Professional/Business Services, Transportation/Utilities, and Education/Health services.

From 2015 to 2016, 2,000 new jobs were created within the Hudson Valley. The majority of this growth was in Orange, Rockland, and Westchester Counties. Westchester added 5,270 jobs with Professional/Business Services, Transportation/Utilities, and Education/Health Services as the main industry drivers. Education/Health Services Leisure/Hospitality, and Mining/Construction drove job gains in Orange-Rockland (+3,480). Sullivan-Ulster (+1,200) and Dutchess-Putnam (+2,055) saw an increase of jobs driven by Education/Health Services, Government, and Transportation/Utilities.

Section 5: County Summary, Project Profiles and Observations

Observations of County Officials: As part of this project, county planning and economic development officials were interviewed and asked for their observations on their respective county economies. A synopsis of each set of comments is provided in the County summaries. Several common themes that emerged from the discussions last year remained on the forefront this year:

1. ***Lack of infrastructure is a major impediment to continued economic growth:*** aging or inadequate municipal sewer and water infrastructure is a major constraint on growth, particularly in light of the increased emphasis on urban redevelopment. In many areas, roads and bridges along key corridors are also in need of repair and/or replacement. In many cases, even the capital improvement projects that are taking place are intended to return existing aged infrastructure to its previous condition. Little work is being done to build additional capacity to accommodate new growth.
2. ***Urban areas are continuing their comeback:*** From small village to major urban centers, virtually all respondents noted increased activity in their urban areas, ranging from new housing projects to mixed-use transit-oriented development.
3. ***The supply of workforce housing in each community must be improved:*** Maintaining an adequate supply of entry and mid-level workers is as at least as important for continued economic growth as attention to infrastructure. Yet, for lack of infrastructure or due to community opposition, many communities have difficulty creating housing opportunities that can serve to retain or attract workers to the region.

This section provides a summary of the conditions in each county in the region as provided by planning and development officials in each of the counties, with issues and opportunities identified by the county officials summarized therein.

DUTCHESS COUNTY

Observations were provided by Assistant County Executive for Economic Development & Strategy Ron Hicks, and Eoin Wrafter, Director of Planning for the County.

The Importance of Water Infrastructure

The County has made significant progress in developing a water distribution system at the Dutchess County Airport. As a result of this work, there will be sufficient capacity to support fire suppression on Airport properties. In addition, all commercial properties along Airport Drive will have access to the water. As indicated in last year's report, this will in turn support two key economic initiatives for the County:

- Retention of Sikorsky AAG (recently acquired by Lockheed): The entire operation can be moved in less than a week, so it is important to ensure Sikorsky has adequate facilities to operate and, potentially, to expand. They are focused on research and development at the airport, with projects ranging from the S-76 helicopter and unmanned applications for the Blackhawk helicopter. While the site is not yet served by the Airport water system, it is in the system's plan.

- Attraction of manufacturers' maintenance facilities: The airport represents an opportunity to bring in other aviation-related manufacturing operations, focusing in maintenance facilities for those companies. As part of this effort, the County is building upon Dutchess Community College's aviation airframe and powerplant training program. The intent is to construct a hangar to enable the program to continue to attract more students from across the Northeast. At the same time, this initiative has been included in Dutchess Community College's plan for Start-UP NY.

Water infrastructure is also critical for the retention and expansion of Global Foundries. The East Fishkill waterline serving the firm needs flow of between 1 and 2MGPD to avoid the buildup of organic materials in the pipeline that can degrade water quality. It is also important that other users are recruited for the line to ensure reliable water quality as well as quantity for Global Foundries. In addition to ensuring an adequate quality of water for Global Foundries, expansion of the use of the East Fishkill line opens up possibilities to serve commercial and industrial properties along that corridor from the City of Poughkeepsie to the East Fishkill campus.

Urban Revitalization

Dutchess County has targeted urban revitalization as a foundational piece of its efforts to grow and attract businesses. Consistent with last year's report, the north side of the City has been the focus of much development and redevelopment, ranging from brew pubs to tourist accommodations to boutique advanced manufacturing and design firms. As indicated above, the failure to address the water issues associated with the East Fishkill waterline could have serious implications for Poughkeepsie. For example, in a worst-case scenario, the loss of Global Foundries as a customer on that line could mean the City would have to cover an additional \$1.8 million in lost revenue. In addition, concern over sewer and water infrastructure capacity has also led to the imposition of a building moratorium in the City of Beacon, as that municipality seeks to ensure that it is able to sustainably accommodate new growth opportunities.

ORANGE COUNTY

Observations were provided by County Planning Commissioner David Church. As indicated in last year's report, like other counties in the region, Orange County continues to participate in the modest recovery. The County's traditional strengths in retail, distribution and health services continue to play an important part in the economy, with some caveats. In retail, while County sales tax collections are rising, the continued disruption in retail due to e-commerce makes it a sector to monitor carefully. As host of three interstate highways (I-84, I-86 & I-87), the County continues to see growth in distribution, although the current national shortage of commercial drivers may be acting as a bottleneck for more rapid growth in that sector. It was also pointed out that the County's centers, particularly Newburgh, Middletown and Port Jervis could benefit from additional economic development.

Major Public Investment Projects

The County will continue to be affected by major infrastructure projects in the region, including the completion of the replacement of the Tappan Zee Bridge, the construction of a new tunnel for the New York City water supply by the New York City Department of Environmental Protection, and the addition of a third lane onto US 17/I-86. In addition, the City of Middletown will be receiving a significant influx of investment as a result of securing \$10 million from the State via its Downtown Revitalization Initiative.

Tourism

The County will be host to Lego Land, a 170-acre amusement park, hotel and aquarium whose developers claim will draw an estimated 2 million visitors a year. The project will tap into the Village of Goshen water system to secure the supplies needed to operation. Proponents estimate the project will produce over 500 full-time jobs in the County. The addition of direct flights by Norwegian Air from Stewart Airport to Scotland and Ireland should provide a significant boost for traffic at the Airport.

Manufacturing Diversity

As reported last year, Orange County boasts a diverse array of small to mid-size manufacturing companies, ranging from operations with over 500 employees to small companies like Jones Chemicals and Bell Flavors and Fragrances. The County is committed to grow and diversify this sector. In the Town of Newburgh, the Accelerator is operated by the Orange County Industrial Development Agency to foster manufacturing-based businesses in the areas of fashion design and production, bottling, artisan manufacturing and artisan foods by providing small and start-up firms with low-cost space and access to a wide range of services.

Water and Sewer Infrastructure

Like most of the rest of the region, Orange County faces some issues related to water and sewer infrastructure. For example, without the ability to tap into the New York City water supply, water availability would be an issue in the County. That being said, the Village of Kiryas Joel may not have adequate water supply to accommodate its rapid growth. Route 17-M is an important growth area in the County that currently lacks the sewer and water infrastructure needed to sustain its growth.

In addition, questions related to redundancy of supplies and storage capacity may pose challenges in the County. On the sewerage side of the equation, the County has only a limited number of existing and potential discharge points. This could potentially serve as a constraint for future growth in the County.

PUTNAM COUNTY

Observations from County Officials: Observations were provided by Barbara Barosa and Sandra Fusco from the County Planning Department. The smallest of the region's counties by area, Putnam County continues to position itself to take better advantage of for tourism and other forms of targeted economic development. As noted last year, the largest constraint facing the County is that forty percent of its land is owned by the New York City Department of Environmental Protection as part of the New York City water supply system and 96 percent of the County is in the City's watershed. NYCDEP is not building new water treatment plants, although they will upgrade existing ones. Because of this and other reasons, many municipalities in the County are struggling to find sufficient infrastructure to support development. Nonetheless, the County reports making significant strides in improving its overall economic competitiveness.

Highlighted Issues/Opportunities:

Urban Revitalization

In the City of Brewster, Brewster Revitalization has a major Main Street Plan that was awarded \$2 million through a Consolidated Funding Application grant, based upon the conception of Brewster as a "live/work/play" destination. The first phase of this effort is focused on Transit-Oriented Development in the vicinity of the MetroNorth station. It includes the creation of 450 subsurface parking spaces along with 30,000 square feet of first-floor retail space and the construction of 300 market-rate apartments. Additional development is slated to take place in the second phase of the project, with the caveat that the City does not have the sewer and water capacity

Water and Sewer Infrastructure

As noted last year, the County has sites that are essentially "shovel ready" but are constrained by a lack of infrastructure, including Union Place, State Line Crossing and Patterson Crossing. There are several initiatives aimed at overcoming the infrastructure constraints. For example, the County is exploring creating an agreement with the City of Danbury, CT wherein Putnam County municipalities would be able to tap into Danbury's excess sewage treatment capacity. In addition, the County is seeking funding to bring additional infrastructure to development sites. It is currently conducting studies for nine different corridors in the County to assess their development potential, and is exploring the potential to bring sewer and water infrastructure to the business districts in these corridors.

Putnam County is also looking to develop waste water treatment capacity for Lake Carmel in response to the problems associated with the gradual conversion of vacation homes into year-round residences as well as the sewage problems associated with the business district on Route 52.

Food & Agriculture

In June, 2017, Putnam County reopened Tilly Foster Farm, a county owned historic farm so that it now provides education and training on farm-to-table enterprises. Putnam/North Westchester BOCES

currently operates a culinary program on the site. It is being positioned as both a culinary training facility and a venue for agri-tourism.

ROCKLAND COUNTY

County officials providing observations were Lucy Redzeposki, Director of Economic Growth and Tourism and Jeremy L. Schulman, President & CEO of the Rockland Economic Development Corporation. Rockland County has been making a renewed commitment to economic development. The newly combined office of economic development and tourism is intended to raise the profile of Rockland as a site for both businesses and visitors. Workforce development is also among the responsibilities for the new office. Among the opportunities facing the County is the impact of the completion of the Tappan Zee Bridge project, which is bringing significant interest by firms looking for location the County that provide ready access to New York City and Westchester, thanks to the new bridge.

Highlighted Issues/Opportunities:

Tourism

As indicated in last year's update, hospitality and tourism are increasingly important sectors for Rockland. County officials are positioning its tourism sector to be particularly welcoming to Chinese tourists through their promotional programs and by ensuring that staff at the County's tourism destinations are able to respond to the needs of Chinese tourists. The County has also taken steps to strengthen its position in film and television production, promoting the creation of a soundstage within the County and seeking to attract a film and video production facility to the former Rockland Psychiatric Center.

Advanced Manufacturing/Biotech

As reported last year, the County has seen substantial projects related to manufacturing and biotech. The Pfizer campus in Pearl is being repositioned-a mixed use development that will include industrial uses (such as an "innovation center" operated in cooperation with "UNY-Rockland and continued presence by Pfizer). SUNY-Rockland has created a 3-D Printing Smart Lab on its Haverstraw campus as a manufacturers' "proof-of-concept" center where firms can quickly create prototypes for new products, assemblies or other components they are considering adding to their portfolio of products. The Garner Arts Center in West Haverstraw now hosts 90 companies and over 40 artist studios as a facility for artisans, artists, entrepreneurs and "makers."

Data Centers

As reported last year, the County is also well-positioned to attract data centers since the Bloomberg project brought redundant electric power to sites in the County. Driven by reliable power supplies, access to New York City and available land, Rockland has seen a number of data centers and data center "hotels" (e.g., facilities set up for co-location of centers) develop.

Downtown Revitalization

As indicated last year, Rockland has been experiencing increased interest in downtown-related development. Transit-oriented development projects are ongoing in Nanuet, Clarkstown and Suffern.

Infrastructure as an Opportunity

As indicated above, the Tappan Zee Bridge has emerged as an important new asset for the County, helping fuel growth in sectors ranging from tourism to advanced manufacturing. Unlike most other counties in the Region, Rockland reports ample sewer and water capacity. For example, the former Pfizer campus has excess permitted water capacity.

SULLIVAN COUNTY

Observations were provided by Fried Eisenberg, the County Planning Commissioner. As reported last year, Sullivan County continues to prepare for the opening of a casino in Monticello with its projected 4 million visitors to the County. While the direct economic benefits of the project have yet to be felt, it is widely felt within the County that the process of applying for a casino has improved the culture of teamwork and cooperation among those involved in economic development in the County. The addition of the third lane to US-17/I-86 will improve the County's ability to attract a wide variety of enterprises and visitors. The County also secured funding to identify opportunities to reuse brownfield sites in Liberty, Monticello and Fallsburgh. In the meantime, the County continues to make significant strides in strengthening its economy by emphasizing opportunities in tourism, health services and specialty manufacturing, with successful projects underway and/or completed in each of these sectors.

Highlighted Issues/Opportunities:

Urban Revitalization

Downtown/village revitalization East Broadway in the Village of Monticello remains a focus of substantial planning for development, including the creation of design guidelines and a Generic Environmental Impact Statement encompassing the Apollo Plaza site, enabling projects in the area to gain fast tracked environmental approvals. US 17 exits 104, 105 and 106 are the focus of coordinated redevelopment efforts to "grow the gateways." Exit 104 provides access to Bethel Woods and the western portion of the County. Exit 105 provides access to a key "downtown" area for the County that includes the Village of Monticello, WalMart and other nearby retail anchors along with the soon to be completed Yo-1 health spa and the Catskill Regional Medical Center Urgent Care and Primary Care facility. Exit 106 will provide access to the Montreign Resort Casino. The Town of Thompson and Village of Monticello are coordinating their efforts at rezoning and the creation of design guidelines in the corridor to maximize the area's ability to capture the development expected to accompany these larger projects so that appropriate development can be directed to strengthen the Village center, while the communities are also prepared

to accommodate other types of development in more highway-oriented locations. The Village has a new sewage treatment plant along with wells that could be tapped into for additional water supply. There are ongoing efforts to identify ways to re-use vacant housing stock in the Village to attract casino workers and to a series of initiatives to use funding to promote housing and neighborhood revitalization.

Liberty's Community Development Corporation has been reviewing development opportunities in the Town and Village to define priorities for economic development in the area. In addition, as mentioned last year, the US 17 Corridor from Liberty to the Town of Thompson (including Monticello) is also a target area for development, particularly given the sewer and water capacity available from the Village of Liberty. Other villages and hamlets in the County are experiencing increased interest in revitalization and could benefit from the creation of municipal revolving loan funds and other local economic development tools.

Tourism Diversification

As mentioned last year, while the new casino has attracted most of the media attention, Sullivan County is becoming host to a variety of small boutique inns and hotels as well as small, specialty resorts targeting outdoors activities related to hunting and fishing. In addition to the ongoing success of the Bethel Woods Center for the Performing Arts, there is also steady interest in development mid-range hotels in the County. Villages and hamlets are participating in this trend. Narrowsburgh boasts an emerging arts scene and other areas ranging from Roscoe to Livingston Manor are finding niches in arts, outdoor recreation and other activities. The popularity of hiking and rafting along the Upper Delaware continues to grow annually. The County is also actively pursuing opportunities associated with the development of the O&W Rail Trail, seeking to define connections to the Trail.

ULSTER COUNTY

Ulster County Planning Commissioner Dennis Doyle provided his insights. Ulster County has enjoyed a substantial economic boost during the recovery, the County has led New York State in the rate of job growth several times over the past few years. The County has a diverse economic base with a major presence in tourism, the arts, local agriculture & food and small-scale advanced manufacturing. While the County is in many ways well positioned for growth, it shares problems faced by the other counties in the Hudson Valley: a lack of infrastructure for development sites and a shortage of workforce housing that limits the ability of Ulster County to host workers for its growing companies.

Highlighted Issues/Opportunities:

Urban Revitalization

Consistent with regional trends, the City of Kingston and many of Ulster County's hamlets and villages are experiencing revitalization, with new the development of new retail space, office space and apartments and condos. The City of Kingston was recently awarded a Downtown Revitalization Initiative grant of \$10 million to further the redevelopment of the City. The village of New Paltz and Saugerties as well as the hamlet of Highland have seen proposals for significant projects in mixed use and housing in the past several years. Kingston in particular is becoming a hub for small and start-up technology companies. As indicated in last year's report, Ulster County has the highest concentration of artists per capita in New York State. This sector has become increasingly influenced by and intertwined with high technology, including film, video arts and "maker spaces" involving 3D printing and a host of other technologies. While the sector has some traditional arts organizations such as the Ulster Performing Arts Center, the Phoenicia Festival of the Voice and the Woodstock Film Festival, it also includes many small innovative technology companies such as Seven 21 Media Center, Evolving Media and others. This vitality of this evolving sector is increasingly intertwined with the urban places in the County.

Redevelopment of Large Parcels/Facilities

The most prominent development issues and opportunities facing Ulster County may involve the redevelopment of large parcels, including the Hudson Valley Mall, Tech City and the former Channel Master/Schrade/VAW site in the Town of Wawarsing. In the Town of Ulster, the Hudson Valley Mall is in a major transition due to the ongoing disruption of the nation's retail sector. The current owner is seeking ways to "reactivate" the mall through public/private partnerships. As an example of the transformations taking place, HealthQuest is anticipated to occupy the space formerly occupied by Macy's. The experience of other such facilities indicates that potential uses could range from repositioned retail space (with either higher-end or discount tenants), mixed use space that includes retail, office and residential units, along with other uses (e.g., maker spaces) that may be supported by the market. In any case, there is a need for significant investment to repurpose this facility, which, in total, occupies 765,704 square feet of space. Tech City is another site that raises issues and opportunities for the County. The 256-acre former IBM manufacturing site has sewer and water and over 100 acres available for redevelopment. The County has taken title to portions of the property and will continue its efforts to seek appropriate opportunities to rebuild value at the site. In the Town of Wawarsing, the former site of Channel Master, Schrade and VAW has sewer and water capacity from the adjacent Village of Ellenville. The Town is seeking to rezone the site to allow more flexibility of uses in an effort to attract development to the site.

Tourism

Tourism has long been a mainstay of the County economy, but is becoming even more important. There have been major investments in lodging facilities and resorts in Shandaken, Rosendale, Saugerties and elsewhere in the County. The proposed Bellayre and Williams Lake resorts have completed the approval

process. B&Bs and small inns are also growing. As indicated last year, part of the impetus behind tourism growth in the investments in outdoor recreation made by the County in developing a trail network that, when completed will extend from the high peaks of the Catskills to the shores of the Hudson River and beyond.

WESTCHESTER COUNTY

Observations were provided by Patrick Natarelli, Chief Planner and Ted Leimbach, Planner, both with the County Department of Planning.

Westchester County continues to experience mild economic recovery with solid activity at the high end of the economy. As indicated last year, some potential for growth in the County is constrained by a history of under-investment in transportation infrastructure (both roads and transit). The County has been bringing some innovative traffic management initiatives on line to overcome this constraint. This includes the deployment of a Bus Rapid Transit (BRT) system in the I-287 corridor and such technology as ramp metering and traffic light jumping (in which BRT buses that the ability to turn traffic lights green as they approach them). This is intended to relieve some of the traffic congestion in the I-287 corridor and thereby maintain the competitiveness of the corridor as a location for business.

The Croton Watershed Memorandum of Agreement provides some constraints on development in the watershed area, given the limited investments in water treatment capacity. At the same time, Westchester County has maintained its water treatment capacity with major infrastructure programs managing the seven county-operated treatment plants (3 plants along the Hudson and 4 along Long Island Sound). In addition, most municipalities have sufficient sewerage capacity to meet anticipated growth needs.

Highlighted Issues/Opportunities:

The County continues to experience growth in important sectors that support high-value-added economic activity. These include:

Biotech & Health Care

As indicated last year, there are over 8,000 jobs in biotechnology in Westchester County and considerable activity in that sector. Regeneron headquarters now occupies the former Union Carbide plant that straddles the Greenburgh/Mount Pleasant border. The firm's operations are in the Mount Pleasant side of the complex, with the south end, in Greenburgh, currently the subject of a mixed use master plan. The

Westchester BioScience & Technology Center mentioned above is a planned 3 million-square-foot, mixed-use complex on 80 acres owned by the county in Valhalla adjacent to the Westchester Medical Center and Touro Medical College. In addition, the Westchester Medical Center continues to grow. Montefiore Hospital recently established a presence in the former General Foods building in Tarrytown.

Higher Education

Education First, a private institution for international education has purchased former Marymount Campus. SUNY Purchase is developing 400 senior living units on campus property. In addition, Touro Medical College has expanded its Grasslands campus to add programs in dentistry and physicians assistance.

Urban revitalization for Retail and Corporate Facilities

As indicated above, Westchester County's urban centers continue to see significant redevelopment and reinvestment. High-end urban experience-based retail is growing. As mentioned above, New Rochelle, White Plains and Yonkers are all seeing activity in this regard. There is also continued activity in senior housing and assisted living projects throughout the County.

Part of this revitalization includes the redevelopment of older office campuses along the I-287 corridor. The large, single-purpose office campuses are being reconfigured for activities that range from the Westchester Campus of Fordham University to WestMed Medical Practice to a Wegman's Grocery store, and the above-mentioned presence of Montefiore Hospital at the former General Foods building.

Representative Westchester County Projects

Urban Revitalization is a major force in development in Westchester County. Urban centers in the County such as New Rochelle, Yonkers, Ossining and Peekskill are all seeing an ongoing trend of development and redevelopment projects. Several of these projects feature Transit-Oriented Development, seeking to create high-density mixed-use projects adjacent to Metro-North transit stops. Communities pursuing such projects include New Rochelle, Yonkers, White Plains and Mount Kisco. Mount Vernon is promoting mixed use development in old industrial zones along Metro-North's Harlem Division line. Leep Hollow is seeing the former General Motors plant being converted to Edge-on-Hudson, a \$1 billion mixed-use development sited on 67 acres in the 96-acre former manufacturing site.

Touro College recently construction of the Touro College of Dental Medicine at its New York Medical College campus in Valhalla. The new school is New York State's first dental school in nearly half a century. Westchester Medical Center Health Network recently unveiled its plan to build a \$230 million ambulatory care pavilion adjacent to the Westchester Medical Center, on its Valhalla campus. The 280,000 sq. ft. medical pavilion will include 185,000 sq. ft. of ambulatory care service space, featuring an advanced imaging center, ambulatory surgery center, and a heart and vascular institute. The project will also include a 20,000 sq. ft. private-room expansion for Westchester Medical Center, as well as 70,000 sq. ft. for

physician offices. Construction on the new facility is expected to break ground in spring, 2016 and will generate 180 full-time jobs and 225 construction jobs.

"The Westchester Bio"cience & Technology Center (a planned 2.25 million square feet of biotech and research space, 400,000 square feet of medical office space, a 100,000 square-foot hotel with 100 rooms, 114,000 square feet of ground floor retail space and a 34,000 square-foot Children's Living "cience Center} is still in the approval process. Fareri Associates, the project developer, estimates that the project will create about 12,000 new jobs, including 4,000 temporary construction jobs and another 8,000 jobs once the project is completed.

Regeneron Pharmaceuticals Inc., the state's largest biotechnology employer, has secured approval for an additional 1 million square feet of office space in the Towns of Greenburgh and Mount Pleasant. The project is expected to be built out over a 10-year time span.

Section 6: Goals and Objectives

The Hudson Valley Regional Council identified Economic Development and issues involving Water Quality, Stormwater Management, Materials Management, Energy Efficiencies, Resiliency and Sustainability as overarching goals for our region. HVRC also acknowledges and incorporates the Mid-Hudson Regional Economic Development Council's economic strategies which span four general areas, detailed in their annual reports and strategic plan:

1. Invest in Technology. This implementation strategy attempts to keep New York's key industries current and thriving in the face of rapid technological advance. Specifically, the goal is to invest in biotech, biomedical and healthcare, advanced manufacturing, and information technology. The target investments include state of the art healthcare facilities, petrochemical production facilities, and forward thinking manufacturing hubs.

2. Attract and Retain Mature Industries. This strategy seeks to preserve the integrity of well---established regional industries such as Financial and Professional Services, and Food and Beverage Distribution. Priority Projects include plans to help small breweries and cider companies to expand into regional entities, as well as introduce a major bottling plant in the region. In 2013, there were no priority projects related to mature industry retention.

3. Grow Natural Resources. Agriculture, Waterfront Development, Tourism, and Arts and Culture are prioritized within this implementation strategy. The REDC seeks to capitalize on the natural environmental quality on the region with projects such as the proposed Sing---"ing Museum, Ossining village waterfront development, and revitalization of historic properties for tourism. The only priority project in this area is on track.

4. Revitalize the region's infrastructure. With this implementation strategy, the REDC focuses on housing, Urban Centers, and the vital conduits that link communities together. Priority projects include daylighting efforts in the urban center of Yonkers, regional business incubators, and mixed use thoroughfare development. All six priority projects in this area are on track. Of the 87 total (non-priority included) projects funded through the REDC in 2013, 42 are moving more slowly than anticipated, and only one has been officially terminated. Two projects, both wastewater engineering studies, have been completed.

Hudson Valley Regional Council does not feel that these goals are mutually exclusive and that striving to create and encourage sustainable economic development should be our regional goal.

For details on CFA awards and their progress:

[2012 CFA Awards](#)

[2013 CFA Awards](#)

[2014 CFA Awards](#)

SECTION 7: SCHEDULE OF THE GOALS FOR THE NEXT YEAR

Goal I: Support projects in the region that promote sustainable economic development, reduce greenhouse gas emissions and create and retain jobs.

Goal II: Support regional alliances and initiatives that promote sustainable economic development, job creation and job retention. Enhance the climate for economic development activities and initiatives through outreach and partnerships.

Goal III: Promote inter---county cooperation and efficiencies in the key environmental areas of materials management, green infrastructure and water quality.

Goal IV: Encourage regional dialogue on disaster preparedness and economic resilience.